Scaling up Specialty. Leading with Care.

Sun Pharmaceutical
Industries Limited

Annual Report 2021-22

SUN PHARMA

Reaching People. Touching Lives.

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Scaling up Specialty. Leading with Care.

At Sun Pharma, we have built a scalable global specialty business over the past few years to drive sustainable growth. Our R&D investments, highly skilled people, emphasis on technology and the ability to spot the right opportunities have enabled us to build a strong portfolio of specialty products.

Sun Pharma has become the first Indian pharmaceutical company to cross US$ 5 billion in global revenues. Our specialty focus has started yielding results with our global specialty business nearly doubling its contribution in four years. With four molecules undergoing clinical trials in different phases, we expect to continue scaling up our specialty business while moving up the pharmaceutical value chain.

As we continue to enhance our focus on innovation, care remains integral to our core purpose of reaching people and touching lives globally. We remain committed to patient care and providing uninterrupted access to quality medicines – leveraging our global presence and market positioning, and making continued investments towards creating a shared, healthier future for all.

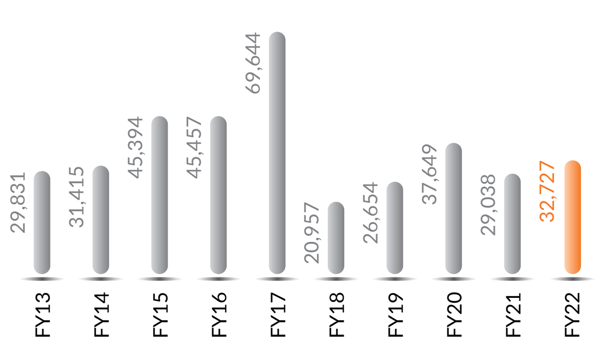
KEY PERFORMANCE INDICATORS
(CONSOLIDATED)

Total income

(₹ Million)

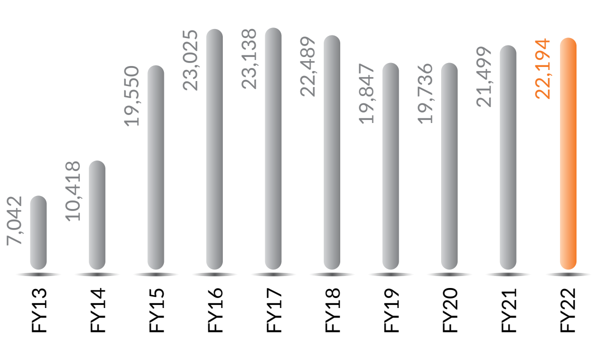
Net profit after minority interest

(₹ Million)



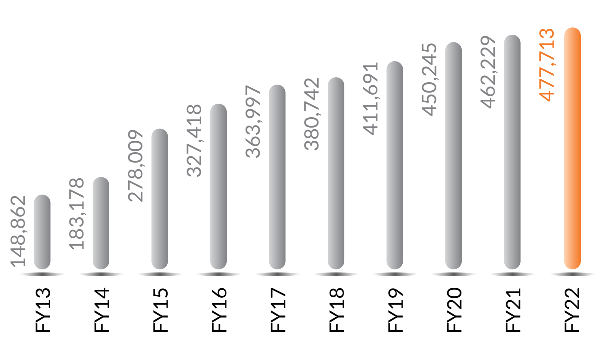
R&D investment

(₹ Million)



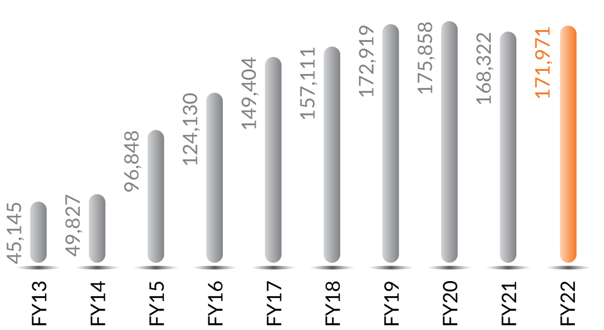
Reserve & surplus

(₹ Million)



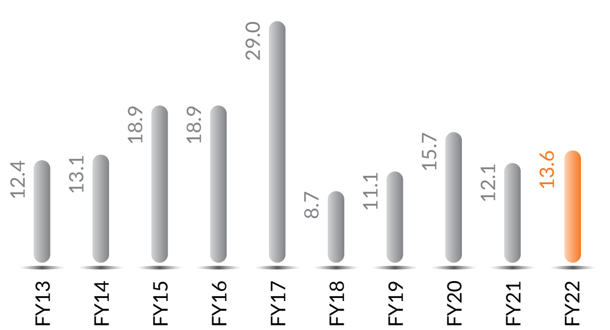
Carrying value of property, plant & equipment and other intangible assets**

(₹ Million)



Earning per share (adjusted for bonus/split)*

(₹ per share)



* During the FY14, the Company issued bonus shares in the ratio of one equity share of ₹1 for every share held.

* During the FY16, the Company's equity shares increased to 2,407 Million due to the merger of erstwhile Ranbaxy Laboratories Ltd. (RLL) with the Company, wherein 0.80 equity share of ₹1 each of the Company have been allotted to the shareholders of RLL for every 1 share of ₹5 each held by them.

The Company had adopted Ind AS accounting standard w.e.f April 1, 2016 with prior period restated from April 1, 2015. Hence, FY16 onwards the financials are reported as per Ind-AS and are not strictly comparable with previous years.

** Carrying value of property, plant, equipment and other intangible assets includes Capital work-in-progress & Intangible assets under development

TEN YEAR FINANCIAL HIGHLIGHTS
(CONSOLIDATED)

(₹ Million)

Particular	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Operating performance										
Revenue from operations	112,999	160,804	273,920	284,870	315,784	264,895	290,659	328,375	334,981	386,545
Total income	116,880	166,326	279,397	291,453	322,016	273,282	300,914	334,735	343,337	395,760
Net profit for the year (after minority interest)	29,831	31,415	45,394	45,457	69,644	20,957	26,654	37,649	29,038	32,727
R&D expenditure	7,042	10,418	19,550	23,025	23,138	22,489	19,847	19,736	21,499	22,194
a) Capital	427	556	1,178	783	1,679	1,819	718	484	471	869
b) Revenue (excluding depreciation)	6,616	9,862	18,373	22,242	21,459	20,669	19,129	19,252	21,028	21,325
c) % of sales	6.3	6.5	7.2	8.3	7.6	8.6	6.9	6.1	6.5	5.8
Financial position										
Equity share capital	1,036	2,071	2,071	2,407	2,399	2,399	2,399	2,399	2,399	2,399
Reserve and surplus	148,862	183,178	278,009	327,418	363,997	380,742	411,691	450,245	462,229	477,713
Property, plant & equipment and other intangible assets (at cost)**	75,763	86,505	143,616	187,212	217,315	238,073	271,424	298,549	308,582	332,393
Carrying value of property, plant & equipment and other intangible assets**	45,145	49,827	96,848	124,130	149,404	157,111	172,919	175,858	168,322	171,971
Investments	24,116	27,860	35,028	18,299	11,919	71,429	79,025	101,431	96,125	128,486
Net current assets	86,618	126,969	135,488	167,973	150,666	117,716	137,296	159,477	142,965	178,144
Stock information										
Number of shares (in Million)	1,036	2,071	2,071	2,407	2,399	2,399	2,399	2,399	2,399	2,399
Earnings per share (adjusted for bonus/split) (in ₹)*	12.4	13.1	18.9	18.9	29.0	8.7	11.1	15.7	12.1	13.6
Earnings per share-Basic (in ₹)*	28.8	15.2	18.9	18.9	29.0	8.7	11.1	15.7	12.1	13.6
Earning per share-Diluted (In ₹)*	28.8	15.2	18.9	18.9	29.0	8.7	11.1	15.7	12.1	13.6

* During the FY14, the Company issued bonus shares in the ratio of one equity share of ₹1 for every share held.

* During the FY16, the Company's equity shares increased to 2,407 Million due to the merger of erstwhile Ranbaxy Laboratories Ltd. (RLL) with the Company, wherein 0.80 equity share of ₹1 each of the Company have been allotted to the shareholders of RLL for every 1 share of ₹5 each held by them.

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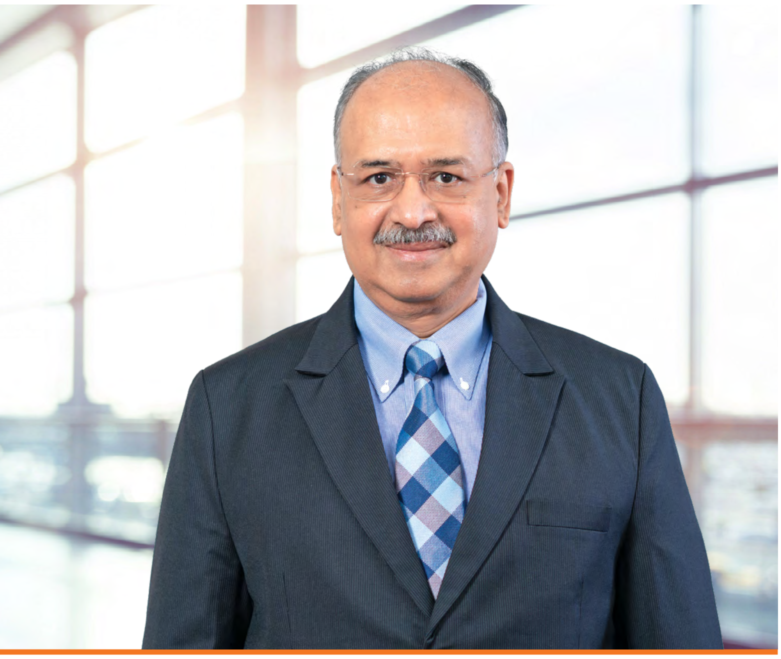
MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

I am happy to write to you on the completion of a good year with strong performance across multiple parameters.

FY22 witnessed robust top-line and EBITDA growth with global revenues crossing the US$ 5 billion mark and adjusted net profit surpassing the US$ 1 billion mark for the first time in Sun Pharma's history. All geographies did well, recording double-digit growth, while profitability improved despite rising costs.

Normalcy is returning to economic activities globally. Patient visits to doctor clinics are improving and new product launches are gaining traction.

Our global consolidated revenues grew by 15.6% to ₹ 384 Billion while EBITDA grew by 23.6% to ₹ 101 Billion with EBITDA margins expanding by 170bps to 26.5% over the previous year. Adjusted net profit (excluding exceptional items) was up by about 29% to ₹ 76 Billion.

Excluding exceptional items, ROCE improved by 288bps to 16.4%, ROIC by 306bps to 21% while ROE improved by 256bps to 15%.

The contribution of our global specialty business has nearly doubled from 7% of consolidated revenues in FY18 to about 13% in FY22.

Operational performance

For FY22, India formulation sales were at ₹ 127 Billion, up 23% and accounted for about 33% of overall revenues. Excluding the contribution of COVID products, the underlying business performed well, with about 20% growth over the previous year.

Our India business outperformed the average industry growth, driven by our leading presence in chronic segments coupled with our strong brand equity with doctors. As per AIOCD AWACS March 2022 data, our market share increased to 8.34% on MAT basis from 8.17% in the previous year.

As per SMSRC data for February 2022, Sun Pharma ranks No. 1 by prescriptions with 11 different classes of doctors. We continued our new launches momentum with 77 new product introductions in India.

The India field force expansion undertaken in FY21 met with good success and the new field force achieved its targets ahead of time.

Revenues in the US grew by about 13% to ₹ 114 Billion and accounted for approximately 30% of our consolidated revenues for FY22. Specialty sales in US continued to gain traction. While the generics business continued to face price erosion, we were able to partly compensate it through new launches and an efficient supply chain.

Our subsidiary, Taro, recorded about 2% growth in overall revenues to US$ 561 Million. During the year, Taro acquired Alchemee (formerly The Proactiv Company) from Galderma, including the Proactiv® brand for acne treatment. The acquisition further strengthened Taro's OTC dermatology portfolio.

Our Emerging markets (EM) sales grew by 16% to ₹ 67 Billion and contributed about 18% of our consolidated revenues. In local currency terms, large markets like Russia, Brazil and Romania recorded strong double-digit growth. Post the close of the financial year, Sun Pharma expanded its OTC presence in Romania by acquiring Uractiv™ OTC portfolio from Fiterman Pharma. It is the number one brand in its category and the portfolio comprises food supplements including minerals, vitamins and adjuvants; cosmetics and medical devices used for maintaining urinary tract health.

Our sales in the Rest of World (RoW) markets grew by 11% to ₹ 54 Billion and contributed about 14% to consolidated revenues. Growth was driven by higher sales in Western Europe and ramp-up in Ilumya sales in Australia and Japan. Odomzo also gained traction in RoW markets.

Research & Development (R&D)

Our R&D investments were approximately ₹ 22 Billion, at 5.8% of overall sales. During the year, we filed approximately 200 formulation dossiers globally. We continued our R&D efforts to develop differentiated generics and innovative specialty products. Some of the clinical trials for our specialty products got delayed during FY22 due to the pandemic but are expected to gradually normalise in FY23.

We have multiple R&D centres and a strong R&D team which enables development of new products for various markets globally. We remain disciplined in identifying future R&D projects for the US generics market and the focus is on developing complex products. Investments for developing the long-term specialty pipeline are expected to continue and R&D investments are expected to increase as clinical trials for specialty products gain traction.

We continue to focus on improving the efficiency and productivity of our R&D operations, targeted at faster new product launches and ahead of competition.

Specialty business performance

Global specialty revenues recorded a strong 39% growth to reach US$ 674 million. We witnessed a strong traction in global Ilumya sales, which were up by about 81% to US$ 315 million. Cequa, Odomzo and Levulan were the other contributors to the ramp-up in the specialty business.

During the year, we in-licensed and commercialised Winlevi, an anti-acne product in the US market. Given its new mechanism of action, the medical community has shown good interest in prescribing the product to their patients.

Progress on specialty R&D pipeline – Sun Pharma's specialty R&D pipeline has four molecules undergoing clinical trials:

a. **Ilumya** – is undergoing Phase-3 clinical trials for psoriatic arthritis. A successful Phase-3 trial, subject to regulatory approval, is likely to expand the addressable market for Ilumya.
b. **SCD-044** – is in Phase-2 clinical trials as a potential oral treatment for atopic dermatitis and moderate to severe plaque psoriasis. SCD-044 is a selective S1PR1 modulator with good cardiac safety profile.
c. **MM-II** – is currently in Phase-2 trials as a potential treatment for knee pain in patients with symptomatic knee osteoarthritis. MM-II is a product with empty multi-lamellar liposomes for treatment of pain in osteoarthritis.
d. **GL0034** – a GLP-1R (Glucagon-Like Peptide-1 Receptor) agonist – is undergoing Phase-1 clinical trials for treating diabetes. The pre-clinical data had demonstrated significant outcomes on various diabetic parameters, such as glucose reduction, decrease in HbA1c, augmented insulin secretion, lowering of glucagon level, meaningful reduction in triglyceride levels and larger body weight reduction. We are enthused about the pre-clinical data and look forward to validating it in human trials.

cGMP compliance

With economies worldwide returning to normalcy and the resumption of international travel, global regulatory agencies have re-initiated physical visits to manufacturing facilities for cGMP inspections. During the year, many of our manufacturing plants underwent such inspections by multiple regulatory agencies. Adherence to global cGMP standards is a key priority for us, and we have an unwavering focus on 24x7 compliance to ensure continuity of supplies to our customers and patients worldwide.

After close of the year, the USFDA inspected the Halol (Gujarat) facility and issued Form-483 with 10 observations. We will submit a comprehensive response including the corrective actions to be undertaken for addressing the observations within the stipulated timeframe, to the USFDA. We are fully committed to meeting all cGMP standards and will work closely with the USFDA to resolve these observations.

Efficiency improvement

Our focus has always been on sustainable cost reduction via technology interventions and process enhancements. We are also directing our efforts to reduce working capital deployment across our businesses. Sustained efforts are being made to further improve our manufacturing efficiencies, optimise our manufacturing footprint and reduce overall fixed costs.

Debt reduction

Debt repayment during the year was about US$ 355 million; over the last three years, we repaid debt of about US$ 1.38 billion. At year-end, Sun Pharma had a strong net cash position of about US$ 2 billion.

Overall outlook

All our businesses are positioned for growth, and we expect high-single-digit to low-double-digit consolidated topline growth for FY23. Ramp-up in our global specialty business is expected to continue. As business operations normalise globally, overall expenses are expected to increase. Our R&D investments will be about 7-8% of sales in FY23 with increased spending expected on clinical trials for specialty products.

Top priorities for FY23

- Sustainable and profitable business growth
- Supply chain continuity along with focus on inventory optimization
- Continued focus on cost and operational efficiency
- Increased investments in IT to facilitate business and digital transformation
- Focus on improving overall return ratios
- Sustained efforts on reducing carbon footprint, water consumption and environmental impact

Our employees are our key assets. Over the last two years, they have worked hard to ensure business continuity despite the multiple pandemic-induced disruptions, thus enabling us to maintain supplies of our products in various markets while ensuring overall productivity and without compromising on safety protocols.

We are grateful to our Board of Directors for their guidance and support.

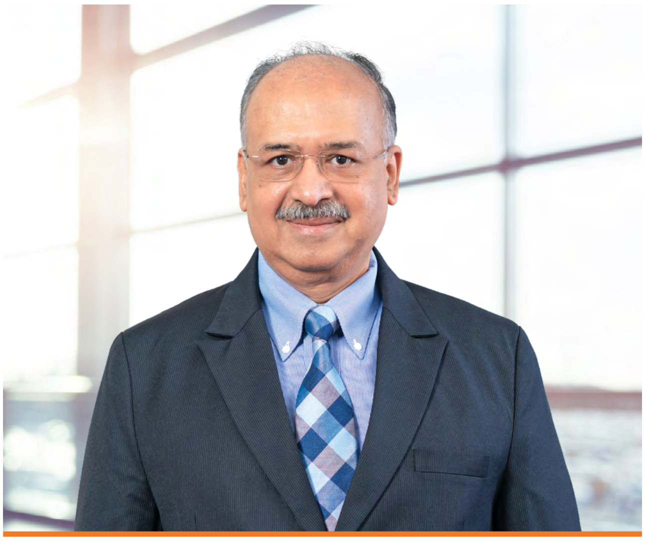
Your support to us as a shareholder is of vital importance, and we hope that you will continue to repose your confidence in us in the future as well.

Warm regards,

Dilip Shanghvi
Managing Director
Sun Pharmaceutical Industries Limited

BOARD OF DIRECTORS

Israel Makov
Chairman, Non-Executive and Non-Independent Director



Dilip S. Shanghvi
Managing Director

Rama Bijapurkar
Non-Executive and Independent Director

Sudhir V. Valia
Non-Executive and Non-Independent Director

Dr. Pawan Goenka
Non-Executive and Lead Independent Director

Gautam Doshi
Non-Executive and Independent Director

Sailesh T. Desai
Whole-time Director

Kalyanasundaram Subramanian
Whole-time Director

LEADERSHIP TEAM

Abhay Gandhi
CEO - North America

Dr. Sapna Purohit
Senior Vice-President,
Head of Human Resources

S. Kalyanasundaram
Whole-time Director and
Director - Corporate Development

Aalok Shanghvi
Executive Vice-President,
Head - Emerging Markets
Head - Global Generics R&D
and Business Development

C. S. Muralidharan
Chief Financial Officer

Jila Breeze
Executive Vice-President,
Global Head - Quality

Anil Rao
Senior Vice-President,
Chief Information Officer
(w.e.f. June 20, 2022)

Kirti Ganorkar
CEO - India Business

Hellen de Kloet
*Business Head -
Western Europe,
Australia and New Zealand*

Dr. Azadar H. Khan
Senior Vice-President, Corporate Relations and CSR, India Regulatory Affairs

Uday Baldota
CEO - Taro Pharmaceutical Industries Ltd.

Sreenivas Rao
*Senior Vice-President,
Head - Global Supply Chain*

Davinder Singh
*Executive Vice-President,
Sun Global Operations*

MANAGEMENT DISCUSSION AND ANALYSIS

Global Pharmaceutical Industry[1]

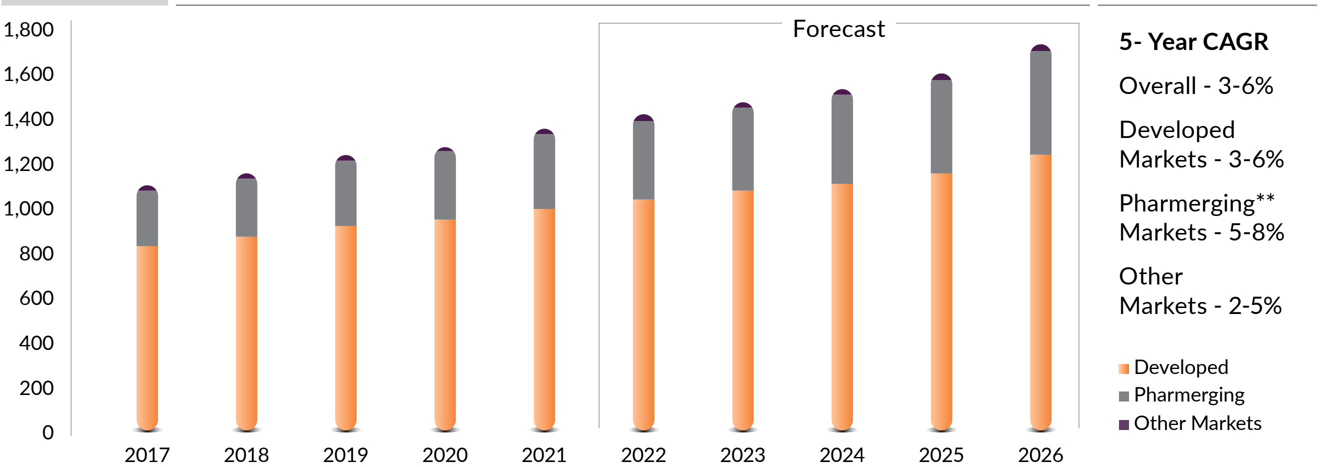
The global pharmaceutical industry has demonstrated remarkable resilience by adapting to the rapidly evolving situation related to the COVID-19 pandemic and mitigating the disruptions caused by it. While COVID vaccination was one of the major focus areas across the world, the pharmaceutical industry also ensured availability of critical medicines used for COVID-19 treatment.

The global pharmaceutical market was valued at US$1.4 Trillion in 2021 and is expected to reach ~US$1.8 Trillion by 2026, growing at a CAGR of 3-6%. This includes the spending on COVID-19 vaccines, which is projected to reach a cumulative value of US$251 Billion during this period. Excluding the spending on COVID-19 vaccines, the industry is expected to record ~5% CAGR between 2021 and 2026.

Growth in developed markets will be driven by the adoption of new treatments and specialty medicines, offset by the loss of exclusivity and competition from generics and biosimilars. The COVID-19 pandemic has been a wake-up call for governments across pharmerging** markets and now there is increased focus on improving healthcare access in most countries. The overall growth in pharmerging markets will be driven by higher volumes, improving insurance coverage, higher incidence of chronic ailments and increased spending on innovative medicines, although patent expiration and low generic medicine pricing may dampen growth.

Chart 1 Global Pharmaceutical Industry Growth: 2017-2026[1]

(US$ Billion)



** Includes Argentina, Bangladesh, Brazil, Chile, China, Colombia, Egypt, Hungary, India, Indonesia, Mexico, Pakistan, Philippines, Poland, Romania, Russia, Saudi Arabia, South Africa, Taiwan, Turkey, Ukraine, and Vietnam.

Table 1 Global Pharmaceutical Market[1]

(US$ Billion)

Regions	2021	2017-2021 CAGR	2026	2022-2026 CAGR
Developed Markets	1,049	4.9%	1,230-1,260	2-5%
Pharmerging Markets	353	7.8%	460-490	5-8%
Other Markets	19	0.1%	21-25	3-6%
Global Pharmaceutical Market	**1,421**	**5.1%**	**1,730-1,760**	**3-6%**

Table 2 Global Pharmaceutical Market – Share by Product Type[1]

(% of Total)

Region	Original Brands (%)		Non-original Brands (%)		Unbranded Generics (%)		OTC, Vaccines & Others (%)		Total (US$ Billion)	
Year	2021	2026	2021	2026	2021	2026	2021	2026	2021	2026
Developed Markets	74	75-76	11	11-12	10	7-9	5	4-5	1,049	1,230-1,260
Pharmerging Markets	30	33-35	35	32-34	13	13	22	19-22	353	460-490
Other Markets	35	33-36	48	43-52	6	5-8	11	5-20	19	21-25
Global Markets	**63**	**63-64**	**17**	**17-18**	**11**	**9-10**	**9**	**8-9**	**1,421**	**1,730-1,760**

Impact of COVID-19 on the Global Pharmaceutical Industry

COVID-19 vaccines have been developed in record time using newer technologies. These innovative approaches, particularly the use of mRNA technology, is spurring research into their use for the development of vaccines for other viral infections

While COVID-19 had a short-term impact in 2020, most of the markets globally witnessed recovery in 2021. The pharmaceutical industry has been at the forefront of the battle against the pandemic and has played a key role in ensuring access to medicines for patients despite the disruption caused by COVID-19

The pandemic has also resulted in long-term complications from COVID-19 infection in the general population. Research is ongoing to improve understanding of the prevalence of post-COVID complications as well as to develop specific therapies to address these symptoms where existing medicines are ineffective or have suboptimal outcomes

Healthcare budgets across the world were under pressure due to the extra spending to fund COVID-19 treatments as well as for procuring COVID-19 vaccines

The global pharmaceutical industry witnessed delays in clinical trials for various innovative molecules in 2020 (due to COVID-19 disruption), which is now gradually normalising

The supply chain disruption witnessed in early 2020 normalised in 2021. However, recent geopolitical issues coupled with the spread of infections caused by new variants of COVID-19 raises some uncertainties

The demand for specific medications used for COVID-19 treatment, which had increased substantially in 2020 and in the early part of 2021, has now tapered off due to reduction in overall COVID-19 infections. Higher vaccination rates have also helped in lowering the severity of COVID-19 which, in turn, has resulted in lower demand for products used in COVID-19 treatment

FY22 witnessed significant emphasis by governments on vaccinating the population against COVID-19. While most of the developed economies and some emerging markets, including India, were able to vaccinate a significant portion of their population, many emerging and low-income countries lagged due to low vaccine availability and the absence of local vaccine manufacturing capabilities

Key Trends

1

Pharmerging markets (including India) will continue to be the main growth drivers globally for the pharmaceutical industry given their emphasis on improving access to healthcare, rise in per capita income and increasing insurance coverage. However, efforts to control overall healthcare budgets, especially in large markets like China (which accounts for ~48% of pharmerging markets) are likely to slow down overall growth for pharmerging markets

2

Changing lifestyles and food habits will continue to result in higher incidence of chronic diseases globally, driving growth for cardiovascular, anti-diabetic and other such segments

3

Over the next five years, an average of 54-63 new innovative products are expected to be launched globally per year, i.e., an approximate 300 new products cumulatively over the next five years, continuing the run-rate of the past five years. Scientific progress in genomics, biomarkers and diagnostics, coupled with the advancement in digital interventions, are likely to play an important role in new product development

4

New product introductions over the next five years will include latest generation products in gene and cell therapy, RNA-based therapies, apart from other segments. The commercial success of these new therapies will not only be contingent on the outcome of their clinical trials, but also on the insurance reimbursement available for such products in the developed world. It is unlikely that these products will see very significant volume uptake in emerging and low-income markets given the inadequate medical insurance coverage and lower purchasing power of the masses

5

Developed markets will remain the largest contributors to the global pharmaceutical market given their higher per capita income, well-penetrated medical insurance coverage and government administered healthcare systems

6

Oncology and Immunology will continue to witness higher volume growth and significant investments in developing new products. However, patent expiry for some of the products, including biologics, will partly offset overall value growth in these two segments

7

Over the last two years, the COVID-19 pandemic has underscored the deficiencies of global healthcare systems to cope with such pandemics. While a large number of COVID-19 cases overwhelmed the medical infrastructure in many countries, giving preference to COVID-19 treatments resulted in delays in elective surgeries and effective management of many other ailments. Following successive waves of COVID-19, healthcare systems across the world now have more experience in dealing with the virus, although it remains to be seen if this will lead to long-lasting structural improvements in healthcare systems globally

8

COVID-19 vaccinations have been portrayed as a panacea against the virus and governments across the world have focused on vaccinating their population. The cumulative spending on COVID-19 vaccines over the next five years is estimated to be over US$250 Billion, a majority of the expected spending to happen between 2021-2023. As new variants of the COVID-19 emerge, the importance of booster dosing is gaining prominence

Key Drivers

Macro-economics

Economic growth, leading to rising per capita income, will remain a key driver of overall growth of the industry, especially in pharmerging markets. Coupled with changing lifestyles and increased health awareness, these key macroeconomic variables will drive the growth of the pharmaceutical industry globally. While these drivers remain intact from a long-term perspective, the current geopolitical situation and COVID-19 infections may lead to some uncertainty in the near term.

Demographics

With people across the globe living longer, every country is witnessing a sizeable increase in the population of the elderly. It is expected that by 2030, 1 in 6 people in the world will be aged 60 years or over, and this segment will increase from 1 Billion in 2020 to 1.4 Billion by 2030 and 2.1 Billion by 2050. The number of people aged 80 years or older is expected to grow 3x between 2020 and 2050 to reach 426 million. Medicine requirement is higher for an aging population and this is expected to be one of growth drivers for the pharmaceutical industry.

Innovation

Innovation continues to be a key growth driver for the global pharmaceutical market, especially in the developed market. New medicines are being continuously innovated, approved and marketed, aiding industry growth. A combination of scientific and digital initiatives will drive pharmaceutical innovation in the future. A significant amount of research and development (R&D) is being devoted to developing new products and targeted therapies using cutting-edge technologies. Latest generation immunology drugs, biologics, oncology products, orphan drugs and cell and gene therapies will make up an increasing proportion of new product development going forward.

Access

Governments across emerging markets are trying to improve access to modern medicines for its population, and this factor is expected to be a key driver for the pharmaceutical industry globally. Improving access implies expansion of national healthcare budgets, increasing insurance coverage and ensuring availability of medical infrastructure not only in larger cities, but also in the interiors of the country. The COVID-19 pandemic has further underscored the need for improving access.

COVID-19 vaccines

Global spending on COVID vaccines is expected to be US$250+ Billion between 2022-26, driven by the faster achievement of initial vaccination rates in high-income countries than in low-income countries. Newer variants of the COVID-19 virus are prompting many countries to emphasise booster dosing for COVID vaccines.

Developed Markets

In terms of pharmaceutical spending, most developed markets returned to pre-pandemic levels during 2021. Although the impact of COVID-19 varies across the top ten developed markets, growth across these markets is expected to remain at a low single digit between 2022-2026. Spending on new specialty medicines for chronic, complex, and rare diseases will be the primary drivers of growth. However, the growth will be offset by loss of patent exclusivity on branded medicines, including a few biologics, and the increasing offtake of cheaper generics and biosimilar products.

Table 3 Developed Markets – Pharmaceutical Spending and Growth[1]

(US$ Billion)

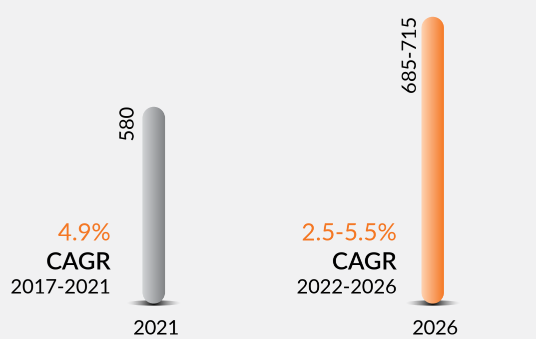
Region/Country	2021	2017-2021 CAGR	2026	2022-2026 CAGR
USA	580.4	4.9%	685-715	2.5-5.5%
Top 5 Western European Markets (WE5)	209.7	4.8%	245-275	3-6%
Germany	64.6	6.2%	76-96	4.5-7.5%
France	42.0	3.0%	48-52	2-5%
United Kingdom	36.6	5.9%	46-50	4-7%
Italy	36.5	3.0%	41-45	2-5%
Spain	29.8	5.4%	32-36	1.5-4.5%
Japan	85.4	(0.5)%	73-93	(2)-1%
Canada	27.4	5.2%	32-36	3-6%
South Korea	17.9	6.0%	21-25	3.5-6.5%
Australia	14.4	0.6%	15-19	1.5-4.5%
Other Developed Markets	115.2	4.7%	132-152	3-6%
Total Developed Markets	**1,049.0**	**4.9%**	**1,230-1,260**	**2.5-5.5%**

US[1]

As the largest pharmaceutical market globally, the US market is expected to grow at a CAGR of 2.5-5.5% between 2022-2026 on account of increased volumes of existing innovative products coupled with contribution from new launches. However, medicine spending growth will slow over the next five years compared to the previous five years due to higher discounts and rebates, impact of patent expiry on some of the existing products, including biologics, and new generic and biosimilar competition.

Chart 2 US Pharmaceutical Spending and Growth

(US$ Billion)

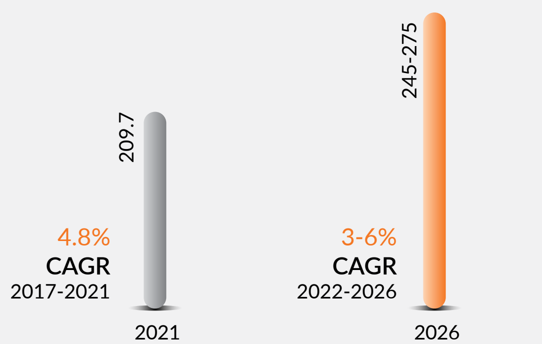


Top 5 Western European Markets (WE5)[1]

Pharmaceutical spending in the top five European markets is expected to grow at about 3-6% CAGR over the next five years, driven by the launch of new innovative products and increase in consumption of existing products. But this growth will be counterbalanced by patent expiry for some of the existing products, including high-value biologics.

Chart 3 WE5 Pharmaceutical Spending and Growth

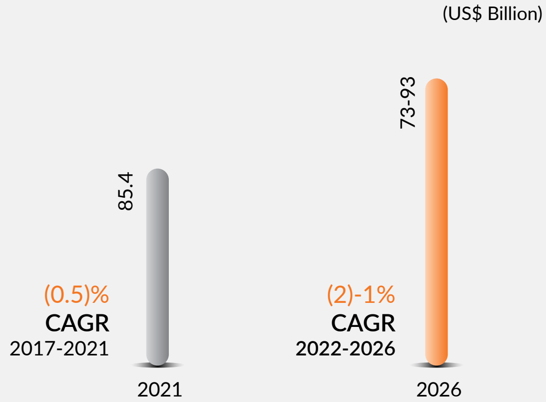
(US$ Billion)



Japan[1]

Overall growth in the Japanese pharmaceutical market is expected to remain flat over the next five years mainly due to periodic price cuts mandated by regulations and increased share of cheaper generics. Japan saw a muted rebound in medicine spending growth in 2021 compared 2020 due to the lingering effects of the pandemic and price cuts.

Chart 4 Japan Pharmaceutical Spending and Growth



Pharmerging Markets[1]

Most pharmerging markets were impacted due to the pandemic in 2020 and the recovery was uneven across countries in 2021. However, a steady growth is expected between 2022 to 2026 driven by favourable macro-economic factors, improving access to healthcare systems and growing use of new medicines.

Pharmerging markets are expected to grow at 5-8% CAGR over the next five years. While most of these markets are expected to record high single to low double-digit growth, China's slowing growth is likely to temper overall growth. Pharmerging markets contributed about 33% to overall global pharmaceutical spending in 2021, which is expected to increase to about 38-40% over the next five years.

Table 4 Pharmerging Markets – Pharmaceutical Spending and Growth[1]

(US$ Billion)

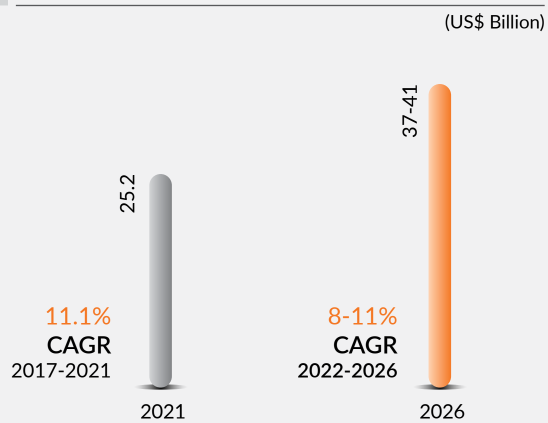
Region/Country	2021	2017-2021 CAGR	2026	2022-2026 CAGR
China	169.4	6.1%	190-220	2.5-5.5%
Brazil	31.6	11.7%	47-51	7.5-10.5%
India	25.2	11.1%	37-41	8-11%
Russia	18.8	11.4%	27-31	7.5-10.5%
Other Pharmerging Markets	109.2	8.3%	151-171	6.5-9.5%
Total Pharmerging Markets	**354.2**	**7.8%**	**470-500**	**5-8%**

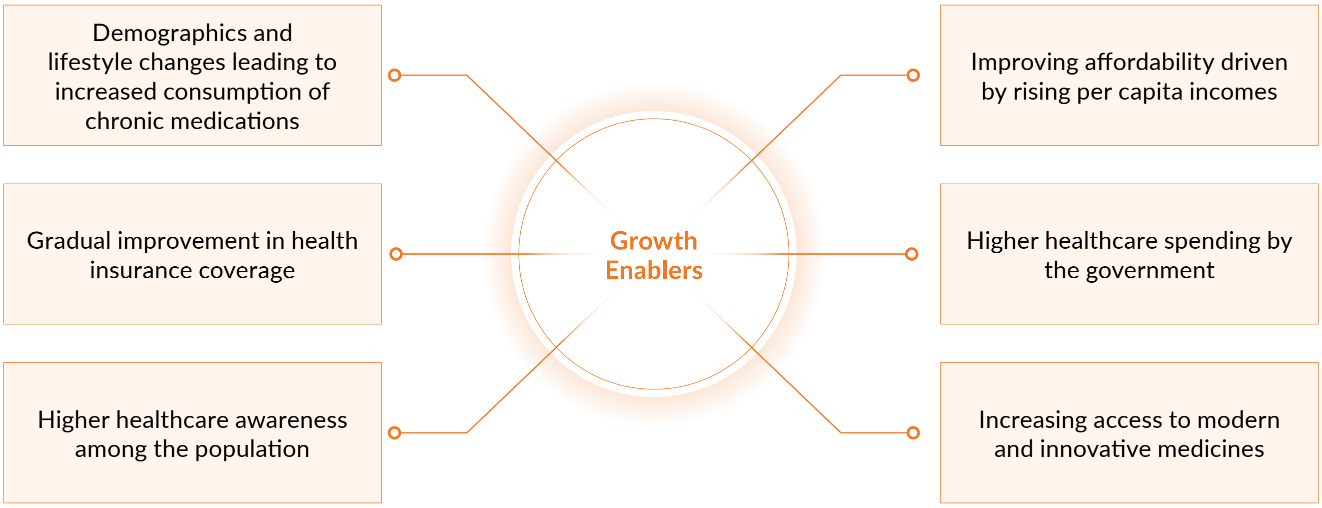
India[1]

India is the world's largest supplier of generic medicines. The domestic market ranks 3rd in the world by volumes and 11th by value. By 2026, India's global ranking in value terms is expected to improve to #9.

Over the last two years, India has emerged as one of the largest manufacturers and suppliers of some of the COVID-19 vaccines. Going forward, India is likely to maintain its leadership position in the manufacture and supply of high-quality generic medicines as well as a major manufacturer of COVID-19 vaccines. The domestic market in India recorded ~11% CAGR between 2017-21 and is expected to grow at 8-11% CAGR over the next five years.

Chart 5 Indian Pharmaceutical Spending and Growth[1]





Specialty Medicines[1]

Specialty medicines are used to treat chronic, complex, and rare diseases. These medicines are typically more expensive than traditional medicines. Apart from that, they differ in terms of the complexity of disease management and their distribution.

The share of specialty medicines in overall pharmaceutical spending has been consistently increasing over the last decade, from 22% in 2011 to 39% in 2021. By 2026, it is expected to further increase to 45%. Higher income countries, including the top 10 developed markets and other high and upper-middle income countries, will be the main drivers of this increase. The spending share of pharmerging countries will be comparatively lower due to the higher prices of specialty medicines.

Table 5 **Share of Specialty Products in Overall Pharmaceutical Spending – By Market[1]** (%)

Year	2011	2016	2021	2026
Top 10 Developed Markets	26	38	48	58
Other Developed Markets	26	35	44	49
Pharmerging Markets	11	11	15	18
Global Markets	**22**	**31**	**39**	**45**

Active Pharmaceutical Ingredients (APIs)[2]

The global active pharmaceutical ingredients (APIs) market was valued at ~US$209 Billion in 2021 and is expected to grow at about 7% CAGR to reach US$334 Billion by 2028. The growth drivers include:

- Overall increase in demand for pharmaceutical products globally
- Patent expiries of many products globally
- Rising use of biologics

Consumer Healthcare Market[4]

The consumer healthcare market deals with wellness, nutrition and skincare products. The segment also includes OTC medications used to treat pain, cough, itching, sleeping issues, gastrointestinal issues among others. The segment is driven by the increasing needs of modern health-conscious customers, looking for ways to maintain their health. The outbreak of the COVID-19 pandemic has been a boost for the industry as consumers are increasingly becoming conscious about self-care.

The size of the global consumer healthcare (CHC) market was about US$ 151 Billion in 2021 recording ~5% growth over 2020. Vitamins Minerals & Supplements (VMS) continues to be the largest category, accounting for more than 30% of the market and growing at about 6%. This growth in VMS is despite the high base of the previous year, which had seen significant sales of immunity-related products due to the pandemic. Other categories which contributed to the overall growth of the CHC market were gastrointestinal, analgesics and lifestyle CHC products.

Sun Pharma at a Glance

Sun Pharmaceutical Industries Limited, along with its subsidiaries and associates ('Sun Pharma'), is among the leading specialty generics pharmaceutical companies in the world and the largest pharmaceutical company in India. Strong research and development (R&D) capabilities, an efficient and vertically integrated business and a skilled team enable Sun Pharma to deliver high-quality products, trusted by customers and patients in over 100 countries, at affordable prices. Its global presence is supported by a large manufacturing infrastructure, with facilities spread across many countries and approved by multiple regulatory agencies, coupled with a multicultural workforce comprising over 50 nationalities.

Sun Pharma has development and manufacturing capabilities for a wide range of dosage forms including injectables, sprays, ointments, creams, liquids, drug delivery systems, tablets, and capsules, as well as for active pharmaceutical ingredients (APIs) and intermediates. The Company's global products portfolio comprises branded generics, pure generics, innovative specialty products and APIs.

Strong Global Positioning [5,7,8]

#1	4th	Among the Largest	8th
Pharmaceutical company in India	Largest specialty generics pharmaceutical company globally	Indian pharmaceutical companies in emerging markets	Largest generic pharmaceutical company in the US
100+	**43**	**38,000+**	**50+**
Countries market reach	Global manufacturing sites	Global employee strength	Employee nationalities

Major Milestones

Year	Deals	Rationale
2022	Acquired Uractiv™ Portfolio from Fiterman Pharma	Expand non-prescription product basket in Romania and neighbouring markets
2022	Taro (Sun Pharma's subsidiary company) acquired Alchemee Business from Galderma	Acquired the 'Proactiv', 'Restorative Elements' and 'In Defense of Skin' brands for US, Canada, Japan. Strengthens Taro's OTC portfolio
2021	In-licensed Winlevi® (clascoterone cream 1%)	Topical treatment of acne vulgaris for US and Canada
2020	Exclusive licensing agreement with Hikma for Ilumya	Registration and commercialisation of the product in all Middle East & North Africa (MENA) markets
2020	Licensing agreement with SPARC for SCD-044	Potential treatment for atopic dermatitis, psoriasis and other auto-immune disorders across the globe
2020	In-licensed Triferic brand from Rockwell Medical Inc. (USA)	Expands nephrology portfolio in India – for treating anaemia in hemodialysis patients
2019	Licensing agreement with AstraZeneca UK for ready-to-use infusion oncology products	Access to oncology market in Mainland China
2019	Licensing agreement with CMS for Tildrakizumab, Cequa and 8 generic products	Access to Greater China market
2018	Acquired Pola Pharma in Japan	Access to Japanese dermatology market
2016	Acquired global rights for Cequa and Odomzo	Enhances specialty pipeline across the globe
2016	Acquired Biosintez	Local manufacturing capability to enhance presence in Russian market
2016	Licensing agreement with Almirall for Tildrakizumab for psoriasis	Access to European market for Tildrakizumab
2016	Acquired 14 brands from Novartis	Entry into Japan
2016	Distribution agreement with AstraZeneca	Distribution services agreement in India for brand 'Oxra' and 'Oxramet'® (brands of dapagliflozin, used for diabetes treatment)
2015	Acquired InSite Vision Inc.	Strengthens branded ophthalmic portfolio in the US
2015	Distribution agreement with AstraZeneca	Distribution services agreement in India for brand 'Axcer'® (brand of ticagrelor, used for the treatment of acute coronary syndrome)
2015	Sun Pharma-Ranbaxy merger	Strengthen position in the global generics pharma industry, #1 Pharma company in India and strong positioning in emerging markets
2014	In-licensing agreement with Merck for Tildrakizumab, a biologic for psoriasis	Strengthening the specialty product pipeline across the globe
2014	Acquired Pharmalucence	Access to sterile injectable capacity in the US
2012	Acquired DUSA Pharma, Inc.	Access to specialty drug-device combination in dermatology segment in the US
2010	Acquired Taro Pharmaceutical Industries Ltd.	Access to dermatology generics portfolio Manufacturing facilities at Israel & Canada
1997	Acquired Caraco	Entry into the US market

Our Global Specialty Initiatives

Specialty medicines are latest generation products, which are targeted at treating chronic, complex and rare diseases. They accounted for ~39% of the global pharmaceutical spending in 2021 (up from 31% in 2016) and are estimated to account for approximately 45% of global pharmaceutical spending in 2026.

Table 6 Share of Specialty Products in Overall Pharmaceutical Spending – By Market[1]

(%)

Year	2011	2016	2021	2026
Top 10 Developed Markets	26	38	48	58
Other Developed Markets	26	35	44	49
Pharmerging Markets	11	11	15	18
Global Markets	**22**	**31**	**39**	**45**

Sun Pharma has been investing in building a global specialty business from 2014 onwards. The key areas of investments include:

- Product access – through a combination of in-licensing and own in-house R&D
- Clinical development of specialty products
- Establishing front-end sales and market access teams, product commercialisation, branding and promotion of specialty products

The Company has, till date, commercialised 13 specialty products across different markets, which contributed ~13% to the Company's consolidated revenues for FY22.

Table 7 Specialty Portfolio

Product	Indication	Introduction in key geographies
Ilumya/ Ilumetri	Plaque psoriasis	• Launched in Canada in 2021 • Launched in Japan in 2020 • Out-licensed to CMS for Greater China in 2019 • Phased launch in European markets by Almirall, starting December 2018 • Launched in the US and Australia in 2018
Cequa	Dry eye disease	• Launched in Canada in 2022 • Launched in the US in 2019 • Out-licensed to CMS for Greater China in 2019
Winlevi	Topical treatment of acne vulgaris in patients 12 years of age and older	• Launched in the US in 2021
Absorica LD	Severe recalcitrant nodular acne	• Launched in the US in 2020
Levulan Kerastick	In combination with BLU-U (Blue Light Photodynamic Therapy Illuminator) for treatment of minimally to moderately thick actinic keratoses of the face, scalp, or upper extremities	• Currently marketed in the US for actinic keratosis
Odomzo	Locally Advanced Basal Cell Carcinoma (LABCC)	• Currently marketed in the US, Canada, Germany, France, Denmark, Switzerland, Spain, Italy, Australia and Israel
Yonsa	Metastatic castration resistant prostate cancer in combination with methylprednisolone	• Launched in the US in 2018
Bromsite	Prevention of ocular pain and treatment of inflammation following cataract surgery	• Launched in the US in 2016
Xelpros	Reduction of elevated Intraocular Pressure (IOP) in patients with open-angle glaucoma or ocular Hypertension	• Launched in the US in 2019
Infugem/ InfuSMART	Gemcitabine (chemotherapy product) in pre-mixed ready-to-use bags	• Introduced in the US in 2019 • Launched in Europe in 2016
Sprinkle portfolio	Sprinkle versions of metoprolol (cardiology), rosuvastatin (cardiology) and duloxetine (neuro-psychiatry) for patients who have difficulty in swallowing	• Launched in the US between 2018-2019

Specialty R&D Pipeline

Besides the ongoing research on pre-clinical candidates, Sun Pharma has a pipeline of four specialty molecules undergoing clinical trials:

Table 8 Sun Pharma - Specialty R&D Pipeline

Molecule/Asset	Indication	Route of Administration	Mechanism of Action	Pre-clinical	Phase-1	Phase-2	Phase-3	Registration	Approved
Ilumya (tildrakizumab)	Psoriatic Arthritis	Injection	IL-23 Antagonist						
SCD-044	Psoriasis Atopic Dermatitis	Oral	Selective SIPR1 Agonist						
MM-II	Treatment of pain in osteoarthritis	Injection	Liposomal intra-articular lubrication						
GL0034	Type 2 Diabetes	Injection	GLP-1R Agonist						

Business Model

Our strategy is to create sustainable long-term shareholder value inspired by our Vision of 'Reaching People and Touching Lives Globally as a Leading Provider of Valued Medicines'.

Focus Areas

- Enhance share of specialty products in overall business
- Develop and commercialise differentiated and difficult-to-manufacture products
- Maintain market leadership and high brand equity in India – leverage strengths for in-licensing latest generation innovative products for the domestic market
- Gain critical mass across key international markets
- Focus on improving return ratios
- Ensure high level of corporate governance and focus on improving access to healthcare for all, community upliftment and reducing carbon footprint

Growth Strategies

Growth & Sustainability

- Enhance share of specialty business globally
- Achieve differentiation by focusing on technically complex products
- Focus on key markets – achieve critical mass
- Speed to market
- Ensure sustained compliance with global regulatory standards
- Sustainability – Committed to Governance, Community Upliftment, Access to Affordable Healthcare & Environment Conservation

Cost Leadership

- Optimising operational costs
- Leveraging benefits of vertical integration

Business Development

- Use acquisitions to bridge critical product/capability gaps
- Focus on access to products, technology, market presence
- Ensure acquisitions yield targeted return on investment (ROI)
- Focus on payback timelines

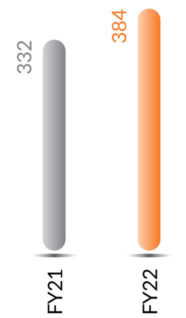
Balance Profitability and Investments for the Future

- Increasing contribution of specialty and complex products
- Future investments directed towards differentiated products

Key Performance Indicators

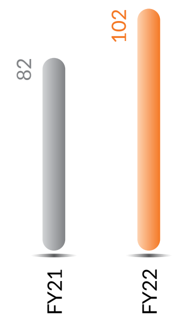
Gross Sales

(₹ Billion)



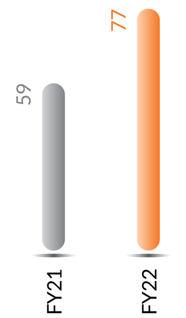
EBITDA

(₹ Billion)



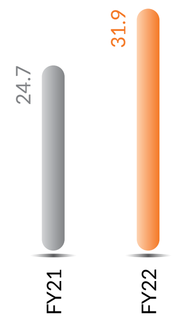
Adjusted net profit after minority interests#

(₹ Billion)



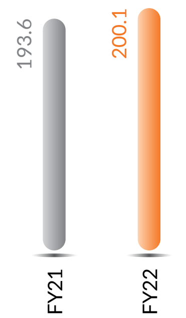
Adjusted earnings per share#

(₹)



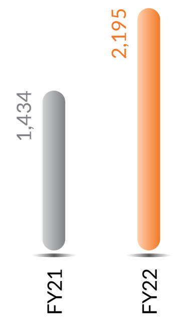
Book value per Share

(₹)



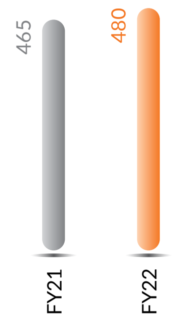
Market Capitalisation*

(₹ Billion)



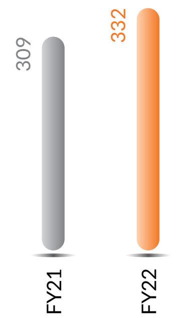
Net Worth

(₹ Billion)

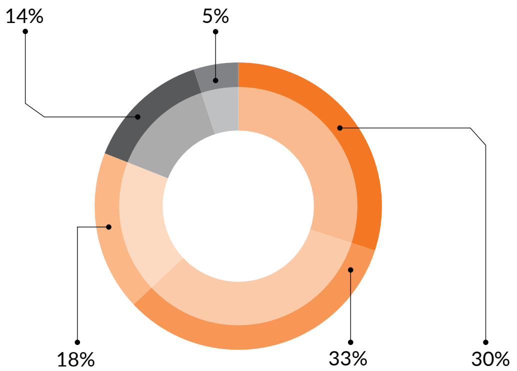


Property, plant and equipment and other intangible assets (at cost)**

(₹ Billion)

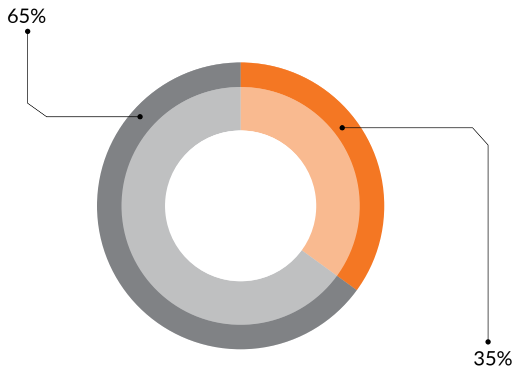


Business-wise Revenue Share (FY22)



- US Business
- Indian Branded Generics
- Emerging Markets
- Rest of World (RoW)##
- Active Pharmaceutical Ingredients (API) and others

Business Mix by Geography (FY22)



- India
- International

EBITDA = (Revenue from contracts with customers) - (cost of material consumed + purchase of stock-in-trade + changes in inventories of finished goods, stock-in-trade and work-in-progress + employee benefits expense + other expenses + Net gain/loss on foreign currency transactions)

* As on March 31 of the respective year

** Property, plant, equipment and other intangible assets (at cost) includes Capital work-in-progress & Intangible assets under development

Adjusted Net Profit after Minority Interests and Adjusted Earnings Per Share exclude the impact of exceptional items

RoW includes Western Europe, Canada, Israel, Japan, Australia, New Zealand and other markets

Financial Ratios

Table 9 Consolidated

Ratios	FY22	FY21	Variance (%)	Reasons if variance is more than 25%
Return on Net Worth (%)	6.8	6.2	9.1	
Debtors Turnover (times)	3.6	3.7	-1.1	
Inventory Turnover (times)	1.2	1.0	19.1	
Interest Coverage	72.0	51.2	40.6	Interest coverage ratio is higher for the FY22 due to higher Profit before exceptional item, interest and tax and also due to reduction in interest cost in comparison to FY21, driven by debt repayment
Current Ratio (times)	2.0	1.9	8.0	
Debt Equity Ratio (times)	0.03	0.08	-67.7%	Debt Equity Ratio for FY22 has improved over FY21 due to reduction in debt and increase in net worth
Operating Profit Margin (%)	26.5	24.8	6.9	
Net Profit Margin (%)	8.5	8.7	-2.5	

Table 10 Standalone

Ratios	FY22	FY21	Variance (%)	Reasons if variance is more than 25%
Return on Net Worth (%)	-0.4	3.1	-113.0	Return on Net Worth is lower for FY22 due to exceptional items in FY22
Debtors Turnover (times)	3.7	2.1	72.1	Debtors turnover is higher due to realisation of debtors during FY22
Inventory Turnover (times)	1.7	1.5	11.3	
Interest Coverage	6.5	4.5	43.0	Interest coverage ratio is higher due to increase in profit before interest and tax
Current Ratio (times)	1.0	1.3	-24.9	
Debt Equity Ratio (times)	0.21	0.27	-24.4	
Operating Profit Margin (%)	18.3	15.2	20.2	
Net Profit Margin (%)	-0.6	6.0	-110.7	Net Profit Margin is lower for FY22 due to exceptional items

FY22 Business Highlights

Sun Pharma's consolidated topline growth for FY22 was 15.6%, recording a strong recovery compared to the low single-digit growth recorded in FY21. Most of the Company's businesses have shown good growth for the year. The profitability of the Company has also improved, with the FY22 EBITDA margins at 26.5% compared to 24.8% recorded in FY21.

EBITDA margins have improved from 19.9% in FY18 to 26.5% in FY22. The improvement in EBITDA margins was driven by a combination of strong top-line growth across markets, ramp-up in global specialty revenues and continued focus on cost optimisation and efficiency improvement measures, but was partly counter balanced by reversal of savings related to branding, promotion and travelling expenses witnessed in FY21.

COVID-19 Response:

Sun Pharma continued its multi-pronged approach to overcoming the challenges of the global COVID-19 pandemic by focusing on:

- Continuity of manufacturing and supply chain to ensure adequate supplies of medicines to customers/patients across the world
- Automation, digitalisation and leveraging of various IT tools for business continuity and enhancement
- Safety of employees across all offices, R&D centres and manufacturing facilities
- Supply of specific medicines used for COVID-19 treatment as and when needed. In certain instances, free COVID-19 medications, masks and sanitizers were provided to local healthcare centres/hospitals and the community
- Providing free foodgrains to the local community in need
- Helped in installing oxygen generation plant at local hospitals

Business-wise Review

US Business

30%	₹113,737 Million	605	67
Revenue share	Revenue in FY22	Cumulative ANDAs filed as on March 31, 2022	Cumulative NDAs filed as on March 31, 2022

512	54	93	13
Cumulative ANDAs approved as on March 31, 2022	Cumulative NDAs approved as on March 31, 2022	ANDAs pending USFDA approval as on March 31, 2022	NDAs pending USFDA approval as on March 31, 2022

Over the last two decades, Sun Pharma has established itself as a leading player in the generics market in the US, the world's largest pharmaceutical market. As per IQVIA database, it is the 8th largest generics pharmaceutical company in the US and is ranked 2nd by prescriptions in the US dermatology market. It is rapidly ramping up its presence in the specialty branded market, with dermatology, ophthalmology and oncology as key target segments. The US business accounted for about 30% of consolidated revenues in FY22.

The Company offers a comprehensive portfolio comprising various dosage forms, including liquids, creams, ointments, gels, sprays, injectables, tablets, capsules, and drug-device combinations. It focuses on Central Nervous System (CNS), dermatology, cardiology, oncology and ophthalmic segments among many others in the US. It is a valued supplier to the largest wholesalers, distributors, and chain drugstores in the US. In addition, the Company has developed long-term relationships with healthcare providers and payors in the country. Sun Pharma has both on-shore and off-shore vertically integrated manufacturing capabilities and a strong distribution system to service its customers in the US.

Table 11 Key Milestones in the US Business

Year	Major Initiatives
FY22	• Launched Winlevi® (clascoterone cream 1%) for topical treatment of acne vulgaris.
FY21	• Presented long-term clinical data for Ilumya and other clinical insights for Odomzo and Levulan at the American Academy of Dermatology Conference. • Presented pre-clinical data for GL0034 (GLP-1R agonist) at the American Diabetes Association Conference.
FY20	• Launched Cequa and Absorica LD
FY19	• Launched Ilumya and Yonsa • Received USFDA approval for Cequa • Launched Xelpros • Launched INFUGEM - a pre-mixed ready-to-use formulation of Gemcitabine in infusion bags
FY18	• Launched Odomzo • Received USFDA approval for Ilumya
FY17	• Filed Ilumya (tildrakizumab) with USFDA • Acquired Ocular Technologies – got access to Cequa – a treatment for dry eyes • Launched BromSite • Acquired Odomzo – branded oncology product from Novartis
FY16	• Acquired InSite Vision, strengthening the ophthalmology portfolio
FY13	• Acquired DUSA to enter the branded specialty market
FY10	• Acquired Taro Pharma to enter dermatology market
FY98	• Entered the US market through Caraco acquisition

FY22 Highlights

- Revenues from the US grew by 12.7% YoY to ₹113,737 Million in FY22. The growth was mainly driven by the ramp-up in specialty product sales. Ilumya, Cequa, Levulan and Odomzo were the key contributors while Absorica witnessed decline in sales as expected, due to the entry of generics
- The US generics market continues to witness price erosion, as a result of the fast pace of generic approvals and customer consolidation that has increased competition. The Company continues its efforts to counter generic price erosion with a combination of new generic launches and efficient supply chain management.
- **Enhancing the Specialty Portfolio**
  - During the year, the Company entered into License and Supply Agreements for Winlevi® (clascoterone cream 1%) with Cassiopea SpA. Winlevi® was approved by the United States Food and Drug Administration (USFDA) in August-2020 as a novel drug with a unique mechanism of action for the topical treatment of acne in patients 12 years and older. Sun Pharma has the exclusive right to commercialise Winlevi® in the US and Canada, and Cassiopea will be its exclusive supplier.
  - Post the expiry of the applicable waiting period under the US Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act), Sun Pharma commercialised Winlevi® in the US in November 2021.
  - Winlevi® enhances Sun Pharma's specialty product portfolio and reflects its commitment to meeting patients' needs by providing innovative dermatology medicines. With its safety and tolerability profile, combined with its demonstrated efficacy in clinical trials, Winlevi® has the potential to be an important topical treatment option for millions of Americans affected by acne vulgaris.
  - In March 2022, Sun Pharma reiterated the clinical profile of Winlevi® by presenting data from two pivotal Phase 3 clinical trials of Winlevi® for the topical treatment of acne vulgaris (acne). The data, which showed favourable safety and efficacy profile in patients 12 years and older with acne, was shared at the 2022 annual meeting of the American Academy of Dermatology (AAD) 2022 in the US.
- **Complex Generics Approvals**
  - During the year, the Company received final USFDA approval for its Abbreviated New Drug Application (ANDA) for generic Amphotericin B Liposome for injection, 50 mg/vial single-dose vial. The generic product approval is based on AmBisome® Liposome for injection, with the 50 mg/vial as a reference product. Sun Pharma has been granted the Competitive Generic Therapy (CGT) designation by USFDA and being the first approved generics company, is eligible for 180 days of CGT exclusivity for the product.
  - Post the close of the financial year, Sun Pharma received final approval from USFDA for its ANDA for generic Mesalamine Extended Release Capsules, 500 mg. The generic product approval is based on Pentasa® Extended Release Capsules, 500 mg as a reference product.
- In June 2021, Sun Pharma entered into an agreement with Celgene Corporation (Celgene), a wholly-owned subsidiary of Bristol Myers Squibb, to resolve the patent litigation regarding submission of an ANDA for a generic version of Revlimid® (lenalidomide capsules) in the US. Pursuant to the terms of the settlement, Celgene has granted Sun Pharma a licence to Celgene's patents required to manufacture and sell (subject to USFDA approval) a certain limited quantity of generic lenalidomide capsules in the US, beginning on a confidential date that is sometime after March 2022. In addition, the licence will also allow Sun Pharma to manufacture and sell an unlimited quantity of generic lenalidomide capsules in the US, beginning January 31, 2026.

Chart 6 US Formulations - Sales Trend

(₹ in Billion)

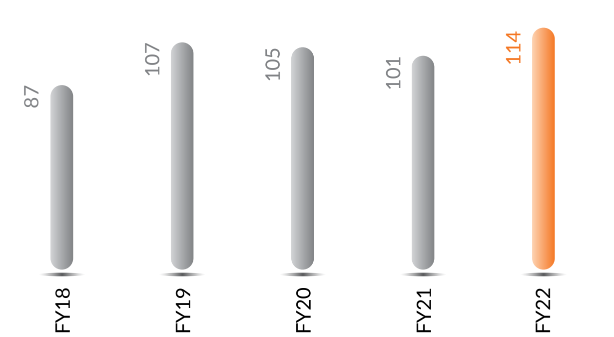


Chart 7 Cumulative ANDAs filed and approved

(Nos.)

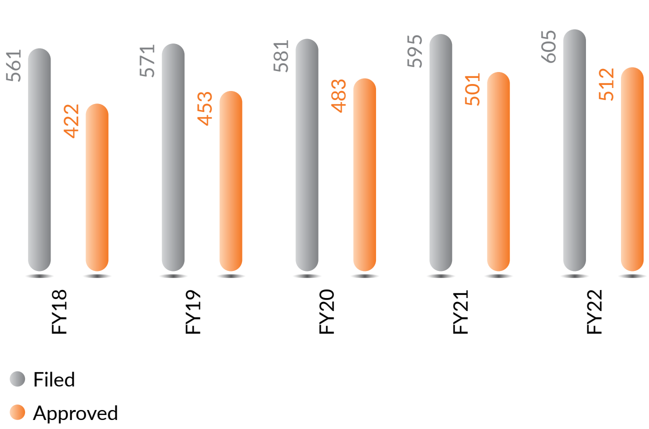
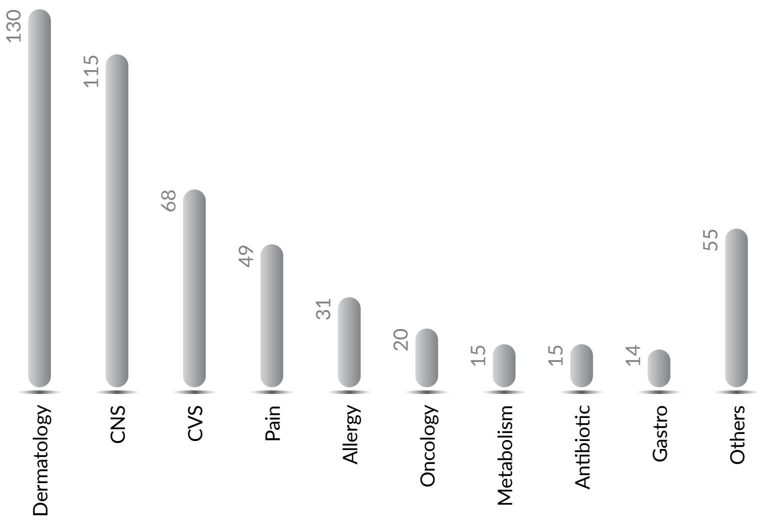


Chart 8 Cumulative ANDA Approvals by Therapeutic Areas as of March 31, 2022

(Nos.)



Road Ahead

- Enhance share of specialty/branded business
- Continue to focus on complex generics and high entry barrier segments
- Ensure broad product offering to customers across multiple dosage forms
- Focus on product robustness and supply chain efficiencies

India Branded Generics Business: Largest Pharma Company in India[5,6]

33%	₹127,593 Million	#1
Revenue share	Revenue in FY22	Rank with 8.34% market share
#1	**32**	**11,149**
Rank by prescription with 11 different classes of doctors	Brands among India's top 300 brands	Strong field force

With 8.34% market share and a strong position in the chronic, sub-chronic and acute segment in India, Sun Pharma is India's largest pharmaceutical company. The Company offers a comprehensive product portfolio across various therapeutic segments, including neuropsychiatry, cardiology, diabetes, gastrointestinal, pain/analgesics, gynaecology, ophthalmology, urology, dermatology, respiratory, anti-infectives and other segments. Sun Pharma has one of the largest sales force in the country, coupled with a strong distribution and geographical reach. It enjoys strong brand equity among the medical fraternity.

While the Company continues to launch a slew of new products in India, developed through its in-house R&D efforts, it also leveraging its strengths in India to position itself as a partner of choice for in-licensing of latest generation innovative products for patients in India.

Chart 9 India Formulations - Sales Trend

(₹ in Billion)

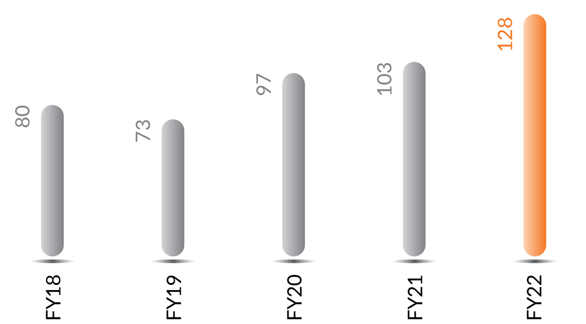


Chart 10 India Business Therapeutic Revenue Break-Up[5]

(%)

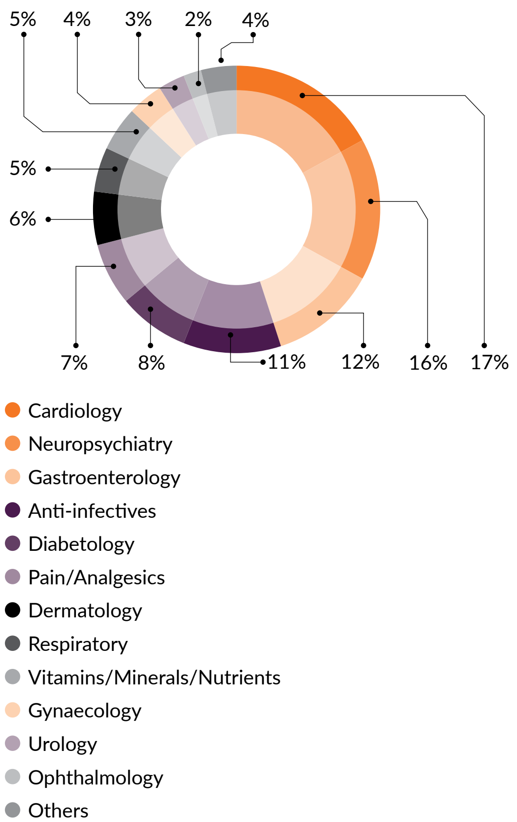


Table 12 India Prescription Ranking – Leadership in Key Therapeutic Areas[6]

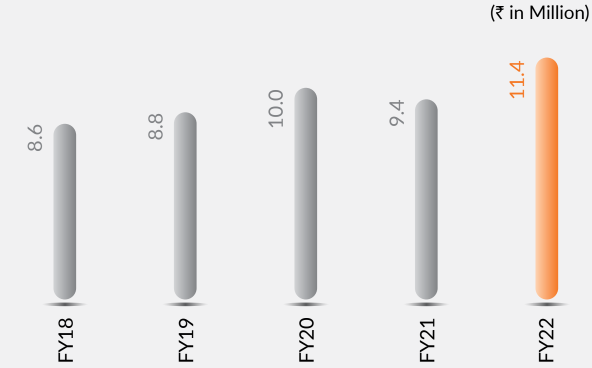
Specialist	February 2022	February 2021
Psychiatrists	1	1
Neurologists	1	1
Cardiologists	1	1
Diabetologists	1	1
Gastroenterologists	1	1
Consultant Physicians	1	1
Urologists	1	1
Dermatology	1	1
ENT specialists	1	2
Chest physicians	1	1
General surgeons	1	1
Ophthalmologists	2	2
Nephrologists	2	2
Gynaecologists	2	2
Orthopaedic specialists	2	1

Best-in-class Field Force Productivity

Sun Pharma has among the highest sales per medical representative (MR) ratio in India's pharmaceutical sector. The Company's MRs are well trained and scientifically oriented, with a strong performance record.

Chart 11 Sales Per Medical Representative

(₹ in Million)



Drop in productivity in FY21 was due to the impact of sales force expansion

FY22 Highlights

- Revenue from the India Formulations business grew by 23.4% to ₹127,593 Million, driven by growth across most of the Company's therapies. FY22 witnessed recovery across multiple segments after the slower growth recorded in FY21 due to the COVID-19 pandemic
- Growth was driven by a combination of factors such as normalised market conditions and improved patient flow to doctor's clinics, which led to higher growth in the chronic and semi-chronic segments, coupled with incremental contribution from new launches. During the year, Sun Pharma launched 77 new products in the domestic market
- FY22 also witnessed normalisation of field force operations, travel and branding and promotional activities which were impacted in FY21 due to the pandemic restrictions
- Improved productivity of the sales force recruited in FY21
- **New Product Approvals and Launches in India**
  - In June 2021, Sun Pharma and Ferring Pharmaceuticals entered into licensing agreement for co-marketing CARITEC® in India. CARITEC® is an innovative obstetric drug for preventing post-partum haemorrhage (PPH). It is a Room Temperature Stable (RTS) formulation of Carbetocin and addresses limitations in refrigeration and cold-chain transportation.

- During the year, Sun Pharma received Emergency Use Authorization (EUA) from the Drugs Controller General of India (DCGI) to manufacture and market a generic version of MSD and Ridgeback's molnupiravir under the brand name Molxvir® in India. Earlier in the year, the Company had signed a non-exclusive voluntary licensing agreement with MSD to manufacture and supply a generic version of molnupiravir in over 100 low and middle-income countries (LMICs) including India. The DCGI, based on the review of the clinical data of molnupiravir, approved it for treatment of adult COVID-19 patients with SpO2 > 93% and for those who have high risk of progression of the disease including hospitalisation or death.
- In September 2021, Sun Pharma launched a novel formulation in cough management – Chericof® 12 in India. It is the first prescription cough syrup in India which gives relief for up to 12 hours and is manufactured using the Polistirex technology for sustained release of the drug.
- During the year, Sun Pharma entered into an exclusive patent licensing agreement with H. Lundbeck A/S ('Lundbeck') to market and distribute its own version of Vortioxetine in India under the brand name, VORTIDIF™. Vortioxetine is a novel antidepressant with multimodal activity, and is approved to treat Major Depressive Disorder (MDD) in adults. The product is approved in over 80 countries, including the US, EU, Canada and Australia.
- After the close of the financial year, in May 2022, Sun Pharma announced plans to launch a first-in-class oral drug, Bempedoic Acid, in India for reducing low-density lipoprotein (LDL) cholesterol. The Company will launch the drug under the brand name Brillo®, which has a new mechanism of action compared to the currently available lipid-lowering agents. It is indicated for people who have an inherited genetic disorder that causes high cholesterol levels or those with established heart disease, where cholesterol levels remain high despite lifestyle changes and the use of maximum tolerated dose of statins. Bempedoic Acid 180-mg dose is already approved in the US and European Union for the treatment of hypercholesterolemia.

Road Ahead

- Continue to focus on productivity improvement.
- Strive to maintain leadership position in a highly competitive market.
- Continuously innovate to ensure high brand equity with doctors.
- Continue to evaluate in-licensing opportunities for latest generation innovative products.
- Post the success of the field force expansion undertaken in FY21, target to further expand the field force strength in FY23 by approximately 10%.

Emerging Markets: Among the Leading Indian Companies in Emerging Markets

18%	₹67,432 Million	Leading
Revenue share	Revenue in FY22	Indian company in Emerging Markets
~80	7	2,200+
Markets sales reach	Markets with local manufacturing footprint	Sales representatives

Sun Pharma is one of the largest Indian pharmaceutical companies operating in the emerging markets with presence in ~80 countries. The Company has local manufacturing facilities in Bangladesh, South Africa, Malaysia, Romania, Egypt, Nigeria, and Russia, giving it better flexibility to serve these markets. Emerging markets accounted for about 18% of the consolidated revenues for FY22.

FY22 Highlights

- Revenues from emerging markets grew by 16.6% YoY to ₹67,432 Million driven by growth across multiple markets. Many of these markets were adversely impacted by the COVID-19 pandemic in FY21. FY22 was a year of normalisation, with easing of COVID-19 restrictions.
- In terms of local currency, the large markets like Russia, Romania and Brazil have grown well compared to FY21.
- Ilumetri (tildrakizumab) was commercialized in Romania in February 2022.
- Acquired Uractiv™ OTC portfolio from Fiterman Pharma in Romania. It is the number one brand in its category and the portfolio includes 12 SKUs with annual revenues of approximately US$ 8.7 million. The portfolio comprises food supplements including minerals, vitamins and adjuvants; cosmetics and medical devices used for maintaining urinary tract health.
- In May-2022, Sun Pharma's partner, China Medical System Holdings (CMS), received regulatory approval for Ilumetri (tildrakizumab) in Hong Kong, for the treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy.

Road Ahead

- Further enhance critical mass in key markets
- Increase product offerings in emerging markets
- Focus on profitable growth
- Commercialise specialty products in key markets

Rest of the World (RoW): Western Europe, Canada, Israel, Japan, Australia & New Zealand (ANZ) and Other markets

14%	₹54,544 Million	Leading	5
Revenue share	Revenue in FY22	Indian company in RoW	Markets with local manufacturing footprint

Sun Pharma is one of the leading Indian pharmaceutical companies in Western Europe, Canada, Israel, Japan, Australia and New Zealand (ANZ). These markets have high penetration of modern medicines, mainly driven by government-administered healthcare or by significant private insurance coverage for pharmaceutical products. Most of these markets have similar characteristics, such as an ageing population, rising rates of chronic illnesses and lifestyle diseases, and government efforts to reduce healthcare spending.

Sun Pharma has an expanding product portfolio in RoW markets, including injectables, hospital products, and retail products. It has local manufacturing footprints in Canada, Israel, Japan, Australia, and Hungary, and has a distribution-led business model that focuses on the development and commercialisation of complex generics to achieve long-term profitability.

Over the past few years, Sun Pharma has initiated the process of commercialising its specialty products in some of these markets.

FY22 Highlights

- Revenue from RoW markets increased by 11.4% to ₹54,544 Million driven by Western Europe and ramp-up in specialty sales
- During the year, Sun Pharma launched two specialty products – Ilumya and Cequa – in Canada. In FY21, the Company had launched Ilumya in Japan.

Road Ahead

- Enhance contribution of specialty products to revenues
- Focus on complex generic launches
- Gain critical mass in key markets

Global Consumer Healthcare Business [9,10,11]

Among Top 10	20+	Among Top 10	~500,000
Consumer healthcare companies in India	Countries footprint	Consumer healthcare companies in India, Romania, Nigeria and Myanmar	Pharmacy and Retail outlets in India where Sun Pharma's products are available

Sun Pharma is one of India's top ten consumer healthcare companies, having operations in about 20 emerging markets. It is one of the leading consumer health franchisees in India with bellwether brands such as Revital, Volini and Abzorb in its portfolio. In India, Sun Pharma's consumer healthcare products have strong distribution reach across pharmacies, retail stores and online e-commerce platforms.

FY22 Highlights

- In FY22, Sun Pharma's key brands – Volini and Revital – continued to maintain strong market position in their respective categories on the back of higher consumer preference and brand recall.
- Given the heightened consumer interest in the health supplement space, new campaigns to strengthen the position of the Revital H franchise in the nutraceutical category were undertaken.
- During the year, Sun Pharma forayed into the nutrition bar segment in India with the launch of Revital NXT. The product is a brand extension of Revital H, India's leading and most trusted health supplement for over three decades. The product has been launched in two different variants – Revital Energy NXT and Revital Protein NXT. The market for nutrition bars in India is growing rapidly, given millennials' and Generation Z's increasing focus on fitness for a healthy lifestyle.

Road Ahead

- Sustained focus and investments in anchor brands
- Maintain leadership in existing markets through focus on innovative solutions
- Enhance presence in high growth markets
- Augmenting consumer reach through opening of new markets and distribution channels

Active Pharmaceutical Ingredient (API) Business

5%	₹18,354 Million	~370 APIs
Revenue share	Revenue in FY22	Product portfolio
~20-30 APIs	377	490
Scaled up annually	DMF/CEP approvals to date	DMF/CEP filings to date
14		
Manufacturing units		

Sun Pharma prioritises the API business as it enables strong backward integration and reduces its dependence on third-party suppliers. Over the years, the Company has developed many APIs that cater to its captive requirements and also helps it supply to large generics manufacturers and innovator companies. The Company has 14 API facilities which support its formulation business.

FY22 Highlights

- Revenue from the API business decreased by 5.9% to ₹18,354 Million mainly due to lower sales recorded in India and Australia.

Road Ahead

- Continue to focus on supporting the formulations business through the development of strategic APIs to ensure speed to market and cost competitiveness
- Ensure consistent supplies and high service standards for customers

Research and Development (R&D): Driving innovation

5.8%	₹215+ Billion	2,700+
R&D spend as percentage of sales in FY22	Cumulative R&D expenditure till date	Strong R&D team

With a strong R&D team, Sun Pharma strives to provide patients with innovative and affordable treatments to alleviate their healthcare problems. The Company continuously invests in developing a robust pipeline of generics, branded generics and specialty products for the global market.

Sun Pharma has wide-ranging R&D capabilities for the development of products across dosage forms, such as injectables, orals, liquids, ointments, gels, sprays, hormones and oral products. A strong intellectual property capability supports the R&D team.

Chart 12 R&D Investments

(₹ in Billion)

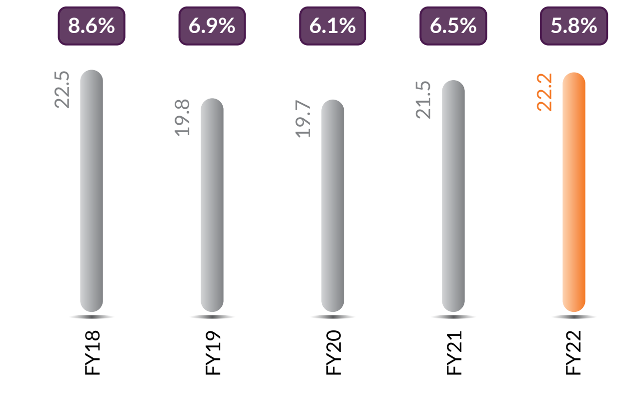
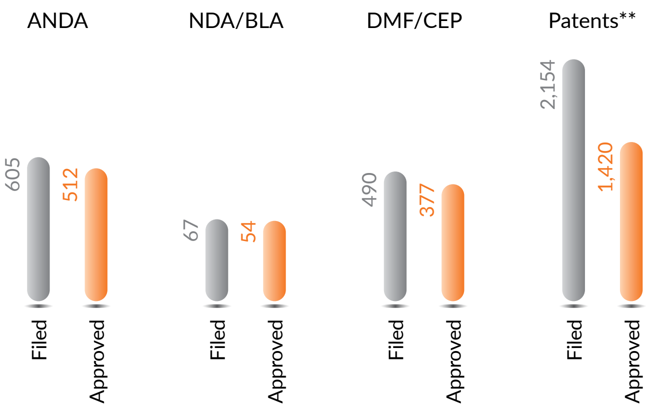


Chart 13 Filings and Approvals

(Nos.)



**Excludes Expired/Abandoned Patents
(All data as of March 31, 2022)

FY22 Highlights

- Overall R&D investments for the year was ₹ 22,194 million (5.8% of sales). Ramp-up in certain clinical trials for specialty products was delayed in FY21 and FY22 on account of the global COVID-19 pandemic, leading to lower R&D spend in these years. As global markets return to normalcy, R&D investments are expected to increase in FY23.
- Developed and filed ~200 formulation dossiers globally
- **Specialty R&D Pipeline**
  - Ilumya (Tildrakizumab) is undergoing Phase 3 clinical trials for psoriatic arthritis indication
  - Phase 2 trials are ongoing for SCD044, a S1P1 agonist for plaque psoriasis and atopic dermatitis and for MM-II, a potential treatment for knee pain in patients with symptomatic knee osteoarthritis
  - Phase 1 trial is ongoing for GL0034, a GLP-1R (Glucagon-Like Peptide-1 Receptor) agonist for treating diabetes

Road Ahead

- Focus on developing complex products.
- Invest to further build the specialty pipeline.

Global Manufacturing Base: World-Class Manufacturing Infrastructure

Sun Pharma has 43 state-of-the-art manufacturing facilities spread across India, the Americas, Asia, Africa, Australia, and Europe, allowing it to produce high-quality, affordable products. The Company has capabilities to produce diverse dosage forms, including hormones, peptides, controlled substances, orals, creams, ointments, injectables, sprays and liquids.

Sun Pharma's manufacturing facilities are certified by global regulatory agencies such as the USFDA, European Medicines Evaluation Agency (EMEA); UK Medicines and Healthcare Products Regulatory Agency (MHRA); Australia's Therapeutic Goods Administration (TGA); South Africa's Medicines Control Council (MCC); Germany's Federal Institute for Drugs and Medical Devices (BfArM); Brazilian Health Regulatory Agency (ANVISA); the World Health Organization (WHO), South Korea's Ministry of Food and Drug Safety, Japan's Pharmaceuticals and Medical Devices Agency and many other international regulatory agencies.

29
Finished dosage manufacturing facilities

14
API facilities

Table 13 Finishing Dosage Manufacturing Units

Country	Number of Finished Dosage Facilities
India	15
US	3
Japan	1
Canada	1
Hungary	1
Israel	1
Bangladesh	1
South Africa	1
Malaysia	1
Romania	1
Egypt	1
Nigeria	1
Russia	1
Total	**29**

Table 14 API Manufacturing Units

Country	Number of API Facility
India	9
Australia	2
Israel	1
US	1
Hungary	1
Total	**14**

People: Diverse Cultures. One Purpose.

Sun Pharma's global workforce includes more than 38,000 people from over 50 nationalities, who work together across cultures and geographies. The Company provides a conducive work environment with equal opportunities for growth, recognising and appreciating its employees' achievements. Sun Pharma encourages its employees to learn and share their knowledge and invests in learning and development initiatives to make them future-ready.

Quality Management System

Sun Pharma has a strong quality control system in place that allows it to adhere to the highest quality standards in its research centres, manufacturing facilities, testing labs, and distribution centres. The Quality Management Team oversees the regulatory compliance of every product and manufacturing plant. The company's manufacturing facilities have Current Good Manufacturing Practice (cGMP) certifications from several international regulatory bodies, including the USFDA, EMA, WHO, and TGA. The Company's Corporate Quality Unit oversees the execution of the latest GMP upgrades and guidelines.

The December 2019 USFDA inspection of Halol facility was classified as Official Action Indicated (OAI). The Company was in continuous communication with the USFDA to resolve the outstanding issues and was awaiting a re-inspection by USFDA to resolve the OAI status. However, due to the COVID-19 pandemic and travel restrictions, the re-inspection was delayed. In April-May 2022, the USFDA inspected the Halol facility and issued Form-483 with 10 observations. The Company will be submitting a comprehensive response, including the corrective actions to be undertaken for addressing the observations, within the stipulated time to the USFDA.

Road Ahead

- Ensure 24x7 compliance to cGMP
- Continuously enhance systems, processes and human capabilities to ensure compliance with global regulatory standards

SWOT Analysis [1,5,6,7,8]

Strengths	Opportunities	Threats and Weaknesses
• Strong global prominence – 4th largest global specialty generics company – 8th largest generics Company in the US – 2nd largest by prescriptions in the US dermatology segment – Largest pharma company in India by market share – No. 1 ranking across 11 different classes of doctors in India – Among the largest Indian pharmaceutical companies in the emerging markets – Largest Indian pharmaceutical company in Japan	• The pandemic has resulted in increased healthcare awareness globally. This augurs well for companies like Sun Pharma, which can supply high-quality pharmaceutical products at affordable prices	• The current geopolitical issues give rise to uncertainties related to supply chains, inflation and overall economic growth • Potential fresh outbreaks of the pandemic across the world and subsequent disruption in economic activities may impact economic growth across countries and could indirectly impact pharmaceutical consumption
• Robust R&D infrastructure and capabilities to develop technologically complex products in the generics, branded generics, API and specialty segments	• Developed markets have witnessed a consistent increase in contribution of specialty products in their overall pharmaceutical spending and this trend is expected to continue in the future. Sun Pharma has already commercialised many of its specialty products in developed markets, and hence will be able to reap the benefits of this expanding opportunity	• Challenging US generics pricing environment, driven by customer consolidation and higher competitive intensity on account of the faster pace of generic drug approvals by the USFDA
• Focus on driving growth and profitability through a pragmatic mix of organic and inorganic initiatives	• Favourable macro-economic parameters for India and emerging markets are likely to ensure reasonable volume growth for pharmaceutical products across these markets in the long term. Sun Pharma is well-positioned to capitalise on these opportunities	• Significant volatility in the forex market, especially for emerging market currencies, may adversely impact reported growth of these markets, even though they may be recording growth in local currency terms
• Strong balance sheet imparts ability to undertake inorganic initiatives without any significant leverage, allowing future growth headroom	• Sun Pharma's product portfolio includes a number of products used in the treatment of COVID-19. The pandemic has also shown the need for therapeutic medicines for treating COVID-19 symptoms, extending an opportunity for pharmaceutical companies to service the urgent and vital needs of patients. However, the demand for these products keeps fluctuating, depending on the number of COVID-19 cases	• Given the additional spending on battling the pandemic, governments across the world may try to control pricing of certain products, which may lead to government-mandated price controls on pharmaceutical products
• Ability to supply high-quality products at affordable prices across the world	• Growing penetration of generics in Japan and opening of the China market present good long-term opportunities for Indian companies, including Sun Pharma	• Developing a specialty pipeline entails high upfront investments for long-term benefits, and may impact short-term profitability

Internal Control

The Company believes that internal controls are the prerequisite of governance and that action emanating out of agreed business plans should be exercised within a framework of checks and balances. The Company has a well-established internal controls framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of internal controls. The management is committed to ensuring an effective internal controls environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations, ensures accuracy of records, promotes operational efficiency, protects resources and assets and overall minimize the risks.

Internal Financial Controls

The Company has a well-established internal financial controls framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of internal financial controls. The management is committed to ensuring an effective internal financial controls environment, commensurate with the size and complexity of the business, which provides an assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Global Internal Audit (GIA)

An independent and empowered Global Internal Audit Function (GIA) at the corporate level with support from a Big 4/equally reputed audit firm, wherever required, carries out risk-based audits. GIA audits all businesses to ensure that business process controls are adequate and are functioning effectively. These reviews include financial, operational and compliance controls and risk mitigation plans. The Company's operating management closely monitors the internal control environment and ensures that the audit recommendations are effectively implemented. The Audit Committee of the Board monitors performance of the Internal Audit Function, periodically reviews key findings and provides strategic guidance.

GIA's functioning is governed by the Audit Charter, duly approved by the Audit Committee of the Board, which stipulates matters contributing to the proper and effective conduct of the audit.

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3. India Brand Equity Foundation
4. Nicholas Hall Data 2021
5. AIOCD-AWACS Data
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10. CEGEDIM
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Disclaimer

BOARD'S REPORT

Your Directors take pleasure in presenting the Thirtieth Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2022 ('FY2021-22').

FINANCIAL RESULTS

(₹ in Million)

	Standalone		Consolidated	
	Year ended March 31, 2022	*Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	155,859.8	141,160.5	386,544.9	334,981.4
Profit before exceptional item and tax	21,273.9	9,451.3	90,481.4	71,055.1
Exceptional Item	18,205.3	895.6	45,668.2	43,061.4
Profit before tax but after exceptional item	3,068.6	8,555.7	44,813.2	27,993.7
Profit/(Loss) after tax	(999.9)	8,424.0	34,058.2	22,846.8
Opening balance in Retained Earnings	159,645.5	140,052.7	365,980.9	353,200.5
Closing balance in Retained Earnings	136,120.8	159,645.5	376,456.5	365,980.9

*Refer Note 54(12) of Standalone Financial Statements

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

There have been no material changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of this report.

CONSOLIDATED ACCOUNTS

The consolidated financial statements for the year ended March 31, 2022, have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) read with Section 134(3)(c) of the Companies Act, 2013 ('Act') with respect to Directors' Responsibility Statement, it is hereby confirmed that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022, and of the loss of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as prescribed under Part B of Schedule V read with Regulation 34(3) of the Listing Regulations is provided in a separate section and forms part of this Report.

DIVIDEND

During the year under review, your Directors at their meeting held on January 31, 2022 declared an interim dividend of ₹ 7/- (Rupees Seven only) per equity share of ₹ 1/- (Rupee One only) each [previous year ₹ 5.50/- (Rupees Five and Paisa Fifty only) per equity share of ₹ 1/- (Rupee One only) each] for the year ended March 31, 2022. The interim dividend was paid on February 18, 2022 to those shareholders who held shares as on February 10, 2022, being the record date.

In addition to above, your Directors have recommended a final dividend of ₹ 3/- (Rupees Three only) per equity share of ₹ 1/- (Rupee One only) each [previous year ₹ 2/- (Rupees Two only) per equity share of ₹ 1/- (Rupee One only) each] for the year ended March 31, 2022, subject to the approval of the equity shareholders at the ensuing 30th Annual General Meeting of the Company.

The total dividend payout for FY2021-22 would be ₹ 10/- (Rupees Ten only) per equity share of ₹ 1/- (Rupees One only) each [previous year ₹ 7.50/- (Rupees Seven and Paisa Fifty only) per equity share of ₹ 1/- (Rupee One only) each].

The dividend payout is in accordance with the Company's Dividend Distribution Policy. The policy is available on the website of the Company and can be accessed through the web link: https://sunpharma.com/policies/.

TRANSFER TO RESERVES

The Directors do not propose any transfer to reserve.

CHANGES IN CAPITAL STRUCTURE

During the year under review there was no change in the Capital Structure of the Company.

CREDIT RATING

ICRA Ltd. has reaffirmed the highest credit rating of '[ICRA] A1+'/ '[ICRA] AAA (Stable)' for the bank facilities, short term/ long term borrowings and commercial paper programs of the Company.

Further, CRISIL Ltd. has also reaffirmed the highest credit rating of 'CRISIL A1+ and CRISIL AAA/Stable' for short term & long term bank facilities and commercial paper programs of the Company.

SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

The statement containing the salient features of the Financial Statements of the Company's subsidiaries/ joint ventures/ associates is given in Form AOC – 1, provided in Notes to the Consolidated Financial Statements, forming part of the Annual Report.

The highlights of performance of subsidiaries, joint ventures and associates and their contribution to the overall performance of the Company during the financial year under review is given under Annexure 'A' to the Consolidated Financial Statements forming part of the Annual Report.

Details pertaining to entities that became subsidiaries/ joint ventures/ associates and those that ceased to be the subsidiaries/ joint ventures/ associates of the Company during the year under review are provided in the notes to the Consolidated Financial Statements, forming part of the Annual Report.

SCHEME OF AMALGAMATION

1. National Company Law Tribunal (NCLT) vide its Order dated August 31, 2021, sanctioned the Scheme of Amalgamation and Merger of Sun Pharma Global FZE ("Transferor Company"), an indirect wholly owned subsidiary of the Company with Sun Pharmaceutical Industries Limited ("Company") pursuant to Section 234 read with Sections 230 to 232 of the Companies Act, 2013 and the relevant rules and regulations made thereunder. The Scheme is effective from October 1, 2021 with appointed date as January 1, 2020 and Sun Pharma Global FZE has been merged with the Company.

2. The Board of Directors of the Company at its meeting held on May 30, 2022 has approved the Scheme of Amalgamation of Sun Pharmaceutical Medicare Limited, Green Eco Development Centre Limited, Faststone Mercantile Company Private Limited, Realstone Multitrade Private Limited, Skisen Labs Private Limited, Wholly-owned Subsidiaries of the Company with the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, following were the changes in Directors/ Key Managerial Personnel:

1. Dr. Pawan Goenka has been appointed as the Independent Director w.e.f. May 21, 2021 for a period of five years by the shareholders at the 29th Annual General Meeting.

2. Ms. Rama Bijapurkar has been appointed as the Independent Director w.e.f. May 21, 2021 for a period of five years by the shareholders at the 29th Annual General Meeting.

3. Ms. Rekha Sethi retired and ceased to be the Independent Director w.e.f. August 31, 2021 i.e. upon conclusion of the 29th Annual General Meeting.

4. Mr. Vivek Chaand Sehgal resigned as the Independent Director with effect from September 1, 2021.

5. Mr. Sunil Ajmera resigned from the position of Company Secretary and Compliance Officer w.e.f. the close of business hours of January 31, 2022.

6. Mr. Anoop Deshpande has been appointed as Company Secretary and Compliance Officer effective from closure of business hours of January 31, 2022.

After the year end and up to the date of the Report, following were the changes:

1. The Board of Directors at its meeting held on May 30, 2022, on the recommendation by Nomination and Remuneration Committee, has approved the re-appointment and remuneration of Mr. Dilip Shanghvi as Managing Director for further period of five years with effect from i.e. April 1, 2023 to March 31, 2028, subject to approval of the shareholders at the 30th Annual General Meeting.

2. The Board of Directors at its meeting held on May 30, 2022, on the recommendation by Nomination and Remuneration Committee, has approved the re-appointment of Mr. Gautam Doshi as Independent Director for further period of five years with effect from

i.e. May 25, 2023 to May 24, 2028, subject to approval of the shareholders at the 30th Annual General Meeting.

Mr. Sailesh T. Desai and Mr. Israel Makov Directors of the Company, retire by rotation at the 30th Annual General Meeting.

The necessary disclosures required under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India, for the above-mentioned appointments/ re-appointment are provided in the 30th Annual General Meeting Notice of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and Listing Regulations and are independent of the management. The Board skill/ expertise/ competencies matrix of all the Directors, including the Independent Directors is provided in the Corporate Governance Report forming part of this Annual Report.

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of Regulation 25(7) of the Listing Regulations, the Company has put in place a Familiarisation Programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarisation Programme conducted are available on the website of the Company: https://sunpharma.com/policies/.

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

During the year, annual performance evaluation of the Board and Committees of the Board, individual Directors including the Chairman of the Company, was carried out as per the criteria and process approved by Nomination and Remuneration Committee, which is in line with the SEBI Guidance Note on Board Evaluation.

The Chairman and other members of the Board discussed upon the performance evaluation outcome and concluded that they were satisfied with the overall performance of the Board and Committees of the Board and Directors individually. The Board also assessed the fulfillment of the independence criteria as specified in Listing Regulations, by the Independent Directors of the Company and their independence from the management.

The performance evaluation of the Non-Independent Directors including the Chairman of the Company and performance of the Board as a whole was discussed at the separate meeting of the Independent Directors.

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND CRITERIA FOR APPOINTMENT OF DIRECTORS

For the purpose of selection of any Director, the Nomination and Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfils such criteria with regard to qualifications, positive attributes, independence, age and other criteria as laid down under the Act, Listing Regulations or other applicable laws and the diversity attributes as per the Board Diversity Policy of the Company. The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy on remuneration of Directors, Key Managerial Personnel and other Employees.

The salient features of the Remuneration Policy of the Company are as under:

A. Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge & skill required including complexity of his job, work duration and risks associated with the work, and attitude of the employee like positive outlook, team work, loyalty etc.

B. Components of Remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

   a) Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.

   b) Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.

   c) Share based payments: The Board may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.

d) Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance/ credit facility, rent free accommodation, Company cars with or without chauffer, share and share price related incentive, reimbursement of electricity and telephone bills etc.

e) Gratuity/group insurance: Personnel may also be awarded to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel.

f) Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.

The complete Policy as approved by the Board is available on the website of the Company and can be accessed through the web link: https://sunpharma.com/policies/.

Information as per Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in 'Annexure – A' to this Report. Further, the information pertaining to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, pertaining to the names and other particulars of employees is available for inspection at the Registered office of the Company during business hours and pursuant to the second proviso to Section 136(1) of the Act, the Report and the accounts are being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary & Compliance Officer either at the Registered/ Corporate Office address or by email to secretarial@sunpharma.com.

BOARD MEETINGS

The Board of Directors of the Company met 5 (Five) times during the year under review. The dates of the Board meeting and the attendance of the Directors at the said meetings are provided in detail in the Corporate Governance Report, which forms a part of this Report.

COMMITTEES OF THE BOARD

As on March 31, 2022, the Board has 6 (six) Committees. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Corporate Governance & Ethics Committee.

The details pertaining to the meetings and composition of the Committees of the Board are included in the Corporate Governance Report, which forms part of this Report.

RELATED PARTY TRANSACTIONS

The policy on Related Party Transactions as approved by the Board is available on the website of the Company and can be accessed through the web link: https://www.sunpharma.com/policies. All contracts/ arrangements/ transactions entered by the Company during the year under review with the related parties were in the ordinary course of business and on an arm's length basis.

As required under Section 134(3)(h) of the Act, details of transactions entered with related parties under the Act exceeding ten percent of the annual consolidated turnover as per the last audited financial statements are given in Form AOC-2 provided as 'Annexure – B' to this Report.

INTERNAL CONTROLS

The Company believes that internal controls are the prerequisite of governance and that action emanating out of agreed business plans should be exercised within a framework of checks and balances. The Company has a well-established internal controls framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of internal controls. The management is committed to ensuring an effective internal controls environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations, ensures accuracy of records, promotes operational efficiency, protects resources and assets and overall minimize the risks.

INTERNAL FINANCIAL CONTROLS

The Company has a well-established internal financial controls framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of internal financial controls. The management is committed to ensuring an effective internal financial controls environment, commensurate with the size and complexity of the business, which provides an assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

GLOBAL INTERNAL AUDIT

An independent and empowered Global Internal Audit Function (GIA) at the corporate level with support from a Big 4/ equally reputed audit firms, wherever required, carries out risk-based audits. GIA audits all businesses to ensure that business process controls are adequate and are functioning effectively. These reviews include financial, operational and compliance controls and risk mitigation plans. The Company's operating management closely monitors the internal control environment and ensures that the audit recommendations are effectively implemented.

The Audit Committee of the Board monitors performance of the Internal Audit Function, periodically reviews key findings and provides strategic guidance.

GIA's functioning is governed by the Audit Charter, duly approved by the Audit Committee of the Board, which stipulates matters contributing to the proper and effective conduct of the audit.

RISK MANAGEMENT

The Board of Directors has constituted a Risk Management Committee which is entrusted with the responsibility of overseeing various organizational risks. The Risk Management Committee also assesses the adequacy of mitigation plans to address such risks. The Corporate Governance Report, which forms part of this report, contains the details of Risk Management Committee of the Company. An overarching Risk Management Policy which was approved by the Board is in place.

The Company has developed and implemented an integrated Enterprise Risk Management (ERM) Framework through which it identifies, monitors, mitigates and reports, key risks that impact the Company's ability to meet its strategic objectives.

The ERM team engages with all Function heads to identify internal and external events that may have an adverse impact on the achievement of Company's objectives and periodically monitors changes in both internal and external environment leading to emergence of a new threat/risk. These risks are captured in a risk register with all the relevant information such as risk area, risk description, risk rating, root cause and mitigation plans, action items etc. The risk register is refreshed semi-annually. Risks are categorised into various categories viz. Strategic, Financial, Operational, Compliance, Cyber, Geo-Political etc. During FY 21-22, the focus was on reviewing effectiveness of actions taken to mitigate the identified risks as well as to identify the new risks and associated risk-mitigation plans, emerging out of constantly changing geo-political situation across the globe.

Outcome of Enterprise Risk Assessments covering Company's various businesses and functions, are one of the key input for the annual internal audit plan.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has adopted a 'Global Whistle Blower Policy' for Sun Pharmaceutical Industries Limited and all its subsidiaries, in addition to the existing Global Code of Conduct that governs the actions of its employees. Further details on vigil mechanism of the Company are provided in the Corporate Governance Report, forming part of this Report.

AUDITORS

Statutory Auditors

S R B C & Co LLP, Chartered Accountants, (Firm's Regn. No. 324982E/ E300003), were appointed as the Statutory Auditors of the Company for a period of 5 (five) years at the 25th Annual General Meeting of the Company to hold office till the conclusion of the 30th Annual General Meeting of the Company.

In terms of provisions of sections 139 read with the Companies (Audit and Auditors) Rules, 2014.S R B C & Co LLP, Chartered Accountants are eligible to be re-appointed for a further term of 5 (five) years.

The Company has received the consent, certificate of eligibility and a certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder and as required under the Listing Regulations, from S R B C & Co LLP, chartered Accountants.

Accordingly, the Board of Directors at its meeting held on May 30, 2022, based on the recommendation of the Audit Committee have approved and recommended the re-appointment of S R B C & Co LLP, Chartered Accountants, (Firm's Regn. No. 324982E/ E300003), as the Statutory Auditors, for a further period of 5 (five) years i.e. from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company, for approval of the Shareholders of the Company at the ensuing 30th Annual General Meeting.

The Auditor's Report for the financial year ended March 31, 2022, has been issued with an unmodified opinion, by the Statutory Auditors.

Secretarial Auditor

The Board had appointed KJB & Co. LLP, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2022. The Secretarial Audit Report in the Form No. MR - 3 for the year is provided as 'Annexure – C1' to this Report.

The Secretarial Audit Report for the year does not contain any qualification, reservation or adverse remark.

In accordance with the provision of Regulation 24A of the Listing Regulations, Secretarial Audit of two material unlisted Indian subsidiaries of the Company namely, Sun Pharma Laboratories Limited (SPLL) and Sun Pharma Distributors Limited (SPDL), was undertaken by KJB & Co. LLP, Practicing Company Secretaries, Mumbai and the Secretarial Audit Reports issued by them are provided as 'Annexure - C2' and 'Annexure - C3' respectively to this Report. The Secretarial Audit Reports for these material unlisted Indian subsidiaries do not contain any qualification, reservation or adverse remark.

Cost Auditor

The Board has appointed K D & Co, Cost Accountants, (Firm's Registration No. 004076) as Cost Auditor of the Company for conducting Cost Audit in respect of Bulk Drugs & Formulations of your Company for the financial year 2022-23.

The Company is required to maintain Cost Records as specified by the Central Government under Section 148(1) of the Act and accordingly, such accounts and records are made and maintained by the Company.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee and the meetings held are detailed in the Corporate Governance Report, forming part of this Report. The CSR Policy of the Company is available on the website of the Company and can be accessed through the web link: https://sunpharma.com/policies/.

The annual report on CSR activities containing details of expenditure incurred by the Company and brief details on the CSR activities are provided in 'Annexure – D' to this Report.

The Board has accorded its consent to set off the excess amount spent by the Company on its CSR Activities against the requirement to spend in terms of Section 135 of the Companies Act, 2013 in any subsequent year(s).

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report of the Company for the year ended March 31, 2022, is provided in a separate section and forms part of this Annual Report and is also made available on the website of the Company at https://sunpharma.com/investors-annual-reports-presentations/.

HUMAN RESOURCES

FY2021-22 was a very challenging year for everyone. Our 38,000+ strong global workforce worked relentlessly to ensure medicines continue to reach patients who rely on us. As lockdowns continued across the world, our teams being part of essential services, ensured our 43 manufacturing sites, distribution centres, R&D centres and sales offices worldwide continue to operate. We are grateful to our employees who made this happen with a safety-first mind set. The top priority for the Human Resource function was providing a safe work environment to employees globally.

Your Directors would like to take this opportunity to express their gratitude and appreciation for the passion, dedication and commitment of the employees and look forward to their continued contribution.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has arranged various interactive awareness workshops in this regard for the employees at the manufacturing sites, R & D set ups & corporate office during the year under review. The Company has submitted the Annual Returns to the local authorities, as required under the above-mentioned Act.

During the financial year ended March 31, 2022, two complaints pertaining to sexual harassment were received. The complaints were resolved and there are no complaints pending as at the end of the financial year.

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance and Certificate of the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, are provided in a separate section and forms part of this Report.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as amended from time to time.

LOANS, GUARANTEES & INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the Financial Statements.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the Public during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided as 'Annexure – E' to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status.

ANNUAL RETURN

The Annual Return as required under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in form MGT-7 is made available on the website of the Company and can be accessed at https://sunpharma.com/investors-annual-reports-presentations.

ACKNOWLEDGEMENTS

Your Directors wish to thank all stakeholders, employees and business partners, Company's bankers, medical professionals and business associates for their continued support and valuable cooperation.

The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

For and on behalf of the Board of Directors

	Dilip Shanghvi	**Sailesh T. Desai**
Place: Mumbai	*Managing Director*	*Whole-time Director*
Date: May 30, 2022	(DIN: 00005588)	(DIN: 00005443)

ANNEXURE – A

Information required under Section 197 of the Act Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2021-22 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY 2021-22:

Name of Director and Key Managerial Personnel	Designation	Ratio of remuneration[(a)] of each Director to median remuneration of employees	Increase/ (Decrease) in Remuneration(a) in the FY 2021-22 (in percentage)
Directors:			
Mr. Israel Makov	Non-Executive Chairman	2.0	50.0
Mr. Dilip S. Shanghvi	Managing Director	84.5	9.7 [(f)]
Mr. Sailesh T. Desai	Whole-time Director	30.6	8.8 [(f)]
Mr. Kalyanasundaram Subramanian	Whole-time Director	115.5	5.5 [(f)]
Mr. Sudhir V. Valia	Non-Executive and Non-Independent Director	2.5	15.4
Ms. Rekha Sethi[(b)]	Non-Executive Independent Director	Not Applicable	Not Applicable
Mr. Vivek Chaand Sehgal[(c)]	Non-Executive Independent Director	Not Applicable	Not Applicable
Mr. Gautam Doshi	Non-Executive Independent Director	11.72[(g)]	204.35[(g)]
Dr. Pawan Goenka	Non-Executive Independent Director	9.96[(g)]	NA
Ms. Rama Bijapurkar	Non-Executive Independent Director	8.03[(g)]	NA
Key Managerial Personnel:			
Mr. C.S.Muralidharan	Chief Financial Officer	Not Applicable	6.4
Mr. Sunil Ajmera[(d)]	Company Secretary and Compliance Officer	Not Applicable	Not Applicable
Mr. Anoop Deshpande[(e)]	Company Secretary and Compliance officer	Not Applicable	Not Applicable

Notes:

(a) Remuneration to Independent Directors consists of sitting fees and commission. Remuneration of Non-Executive Director consists only of sitting fees.

(b) Ms. Rekha Sethi retired and ceased to be the Independent Director w.e.f. August 31, 2021 i.e. upon conclusion of the 29th Annual General Meeting.

(c) Mr. Vivek Chaand Sehgal resigned as the Independent Director with effect from September 1, 2021.

(d) Mr. Sunil Ajmera has resigned from the position of the Company Secretary w.e.f close of business hours on January 31, 2022.

(e) Mr. Anoop Deshpande has been appointed as the Company Secretary and Compliance Officer w.e.f close of business hours on January 31, 2022.

(f) The remuneration paid/payable includes notional value of car perquisites, hence the percentage of increase for Mr. Dilip Shanghvi, Mr. Sailesh T. Desai and Mr. Kalyanasundaram Subramanian comes to 9.7%, 8.8% and 5.5%, the actual percentage increase in remuneration for Mr. Dilip Shanghvi and Mr. Sailesh T. Desai for FY 2021-22 is 9.15% and for Mr. Kalyanasundaram Subramanian is 6.0%.

(g) The Board of Directors at its meeting held on May 30, 2022 has approved payment of Commission for financial year 2021-22 of ₹ 40 Lacs each to the Independent Directors - Mr. Gautam Doshi, Dr. Pawan Goenka and Ms. Rama Bijapurkar, subject to approval of the shareholders at the ensuing 30th Annual General Meeting of the Company.

(ii) The percentage increase in the median remuneration of employees in the FY 2021-22 (Median -2022/Median 2021): 14%

(iii) The number of permanent employees on the rolls of the Company as on March 31, 2022: 19,021

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year ending March 31, 2022 was approximately 10.5% and the average increase in the managerial personnel remuneration was 8.1%.

(v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE – B

AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 ("the Act") and rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

2. Details of material contracts or arrangement or transactions (i.e. exceeding ten percent of the annual consolidated turnover as per the last audited financial statements) at arm's length basis.

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, as on March 31, 2022 if any:
1.	Sun Pharma Laboratories Limited (Wholly-Owned Subsidiary)	Purchase and sale of Goods Purchase and Sale of Property, Plant and Equipment Receiving and Rendering of Services Reimbursement of expenses paid and received Loans taken Loans Repaid Interest expense Lease Rent Received Payment towards Lease Liabilities Other Operative Income/ Other Income	On-going	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY22 was ₹ 178,027.6 Million	Since these transactions were in the ordinary course of business and were on arm's length basis, approval of the Board was not applicable	Nil
2.	Sun Pharma Distributors Limited (Wholly-Owned Subsidiary)	Revenue From Contracts With Customers, Net of Returns Reimbursement of Expenses - Received Lease Rent Received	On-going	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY22 was ₹ 38,508.6 Million	Since these transactions were in the ordinary course of business and were on arm's length basis, approval of the Board was not applicable	Nil
3.	Sun Pharmaceutical Industries INC (Wholly-Owned Subsidiary)	Revenue From Contracts With Customers, Net Of Returns Reimbursement of Expenses – Paid and Received Rendering Of Service - Income Interest Income Sale of Investment	On-going	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY22 was ₹ 54,227.0 Million	Since these transactions were in the ordinary course of business and were on arm's length basis, approval of the Board was not applicable	Nil
4.	Sun Pharma (Netherlands) BV (Wholly-Owned Subsidiary)	Reimbursement of Expenses - Paid Further Investment Sale of Investment Loans given and assigned Loan Repaid Interest Income and Expense	On-going	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY22 was ₹ 42,604.5 Million	Since these transactions were in the ordinary course of business and were on arm's length basis, approval of the Board was not applicable	Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 30, 2022

Dilip Shanghvi
Managing Director
(DIN: 00005588)

Sailesh T. Desai
Whole-time Director
(DIN: 00005443)

ANNEXURE – C1

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Sun Pharmaceutical Industries Limited,
Vadodara, Gujarat.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practice by **Sun Pharmaceutical Industries Limited ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2022,** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022, according to the provisions of:

i. The Companies Act, 2013 ***("the Act")*** and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ***("SCRA")*** and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India ***("SEBI")*** Act, 1992:

   a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 – **Not applicable to the Company for the year under review;**

   e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not applicable to the Company for the year under review;**

   f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company for the year under review;**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **– Not applicable to the Company for the year under review;**

h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company;**

i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company for the year under review.**

We have also examined compliance with the applicable clauses of the:

a. Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

b. SEBI circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22nd October 2019 read with SEBI circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/167 dated 24th December 2019 ***("SEBI CP Circulars")*** in respect of framework for listing of Commercial papers.

The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors.

2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in three instances where the meeting was held on a shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. On verification of minutes, we have not found any dissent / disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the respective plant heads, the Company has identified and complied with the following laws applicable to the Company:

- Drugs and Cosmetics Act, 1940 and rules made thereunder;
- Factories Act, 1948.

For KJB & CO LLP,

Practicing Company Secretaries

Firm Unique Identification No. – L2020MH006600

Peer Review Certificate No. – 934/2020

Alpeshkumar Panchal

Partner

ACS No.: 49008
C P No.: 20120
UDIN: A049008D000430334
Date: May 30, 2022
Place: Vadodara

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

ANNEXURE 1

To,
The Members,
Sun Pharmaceutical Industries Limited,
Vadodara, Gujarat.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, KJB & CO LLP,

Practicing Company Secretary
Firm Unique Identification No. – L2020MH006600
Peer Review Certificate No. – 934/2020

Alpeshkumar Panchal

Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008D000430334
Date: May 30, 2022
Place: Vadodara

ANNEXURE – C2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2022.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sun Pharma Laboratories Limited,
Mumbai.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practice by **Sun Pharma Laboratories Limited ("the Company").** The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022, according to the provisions of:

i. The Companies Act, 2013 ***("the Act")*** and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ***('SCRA')*** and the rules made thereunder; **Not applicable to the Company for the year under review;**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable during the period under review of Overseas Direct Investment; External Commercial Borrowings (Regulations relating to Foreign Direct Investment not attracted to the Company for the year under review);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ***("SEBI Act"):***

   a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company for the year under review;**

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not applicable to the Company for the year under review;**

   c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **- Not applicable to the Company for the year under review;**

   d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable to the Company for the year under review;**

   e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company for the year under review;**

f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **– Not applicable to the Company for the year under review;**

g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **– Not applicable to the Company for the year under review;**

h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client **– Not applicable to the Company for the year under review;**

i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 **– Not applicable to the Company for the year under review;**

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director to the extent applicable during the period under review. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. On verification of minutes, we have not found any dissent/disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the respective plant heads of R&D centers, the Company has identified and complied with the following laws applicable to the Company:

- Drugs and Cosmetics Act, 1940;
- Factories Act, 1948.

For KJB & CO LLP,

Practicing Company Secretaries
Firm Unique Identification No.- L2020MH006600
Peer Review Certificate No.- 934/2020

Alpeshkumar Panchal

Partner

ACS No. - 49008
C. P. No. – 20120
UDIN: A049008D000410413
Date: May 27, 2022
Place: Vadodara.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Sun Pharma Laboratories Limited,
Mumbai.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KJB & CO LLP,
Practicing Company Secretaries
Firm Unique Identification No.- L2020MH006600
Peer Review Certificate No.- 934/2020

Alpeshkumar Panchal
Partner
ACS No. - 49008
C. P. No. – 20120
UDIN: A049008D000410413
Date: May 27, 2022
Place: Vadodara.

ANNEXURE – C3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sun Pharma Distributors Limited,
Mumbai, Maharashtra.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sun Pharma Distributors Limited ("the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under - Not applicable to the Company for the year under review;

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under - Not applicable to the Company for the year under review;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings - Not applicable to the Company for the year under review.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (SEBI)Act, 1992: -

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereto from time to time ("LODR Regulations") - Not applicable to the Company for the year under review;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - Not applicable to the Company for the year under review;

(c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not applicable to the Company for the year under review;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company for the year under review;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- Not applicable to the Company for the year under review;

(f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company for the year under review;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company for the year under review;

(h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company for the year under review;

(i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable to the Company for the year under review;

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

We further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

b) Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) On verification of minutes, we have not found any dissent / disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the management, the Company has identified and complied with the following law applicable to the Company:

- Drugs and Cosmetics Act, 1940
- The Drugs & Magic Remedies (Objectionable Advertisements) Act, 1954
- Drugs Price Control Order, 1995 (DPCO)

For KJB & CO LLP,

Practicing Company Secretaries
Firm Unique Identification No.-L2020MH006600
Peer Review Certificate No.-934/2020

Alpeshkumar Panchal

Partner
ACS No. - 49008
C. P. No. - 20120
UDIN: A049008D000409489
Date: May 27, 2022
Place: Vadodara.

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

ANNEXURE 1

To,
The Members,
Sun Pharma Distributors Limited,
Mumbai, Maharashtra

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KJB & CO LLP,

Practicing Company Secretaries
Firm Unique Identification No.-L2020MH006600
Peer Review Certificate No.-934/2020

Alpeshkumar Panchal

Partner
ACS No. - 49008
C. P. No. - 20120
UDIN: A049008D000409489
Date: May 27, 2022
Place: Vadodara.

ANNEXURE - D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY2021-22

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Company's CSR policy encompasses the company's philosophy towards corporate social responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. The Company, through its CSR activities, strives to create maximum impact by leveraging its financial and human resources, networks and expertise. The CSR Policy and programs focus on the areas covered under Schedule VII of the Companies Act, 2013.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation in the CSR Committee	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Dilip S. Shanghvi	Chairman	Managing Director	3	3
2.	Mr. Sudhir V. Valia	Member	Non-executive Non-Independent Director	3	3
3.	Ms. Rama Bijapurkar#	Member	Independent Director	2	2
4.	Ms. Rekha Sethi*	Member	Independent Director	1	1

Appointed as member with effect from May 27, 2021.

* Ceased to be a member with effect from August 31, 2021.

3. WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

The details and the web-links, where such details can be accessed are given hereunder:

Details	Web-Links
Composition of CSR committee	https://sunpharma.com/committees-of-the-board/
CSR Policy	https://sunpharma.com/policies/
CSR projects approved by te Board	https://sunpharma.com/csr/

4. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE.

Not Applicable for the projects completed during FY22

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set off for the financial year, if any
1	2018-19	-	-
2	2019-20	-	-
3	2020-21	₹ 139.69 Million	₹ 118.77 Million
TOTAL		**₹ 139.69 Million**	**₹ 118.77 Million**

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5). – ₹ 15,868.58 Million

7.

(a)	Two percent of average net profit of the company as per section 135(5).	₹ 317.37 Million
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any.	₹ 118.77 Million
(d)	Total CSR obligation for the financial year (7a+7b-7c).	₹ 198.60 Million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 198.60 Million	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Million)	Mode of implemen--tation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Support towards setting-up of Cancer Sanatorium Institute, Wadala, Mumbai	Healthcare	Yes	Maharashtra	Mumbai	100.00	No	Shantilal Shanghvi Foundation	CSR00002593
2.	Infrastructural Development for Pharma Research Laboratory	Healthcare	No	Pan India	Baramati, Dist.-Pune	25.00	No	Agricultural Development Trust	CSR00001043
3.	Mobile Healthcare Unit	Healthcare	Yes	Maharashtra, Gujarat, Punjab, Tamil Nadu	Ahmednagar, Halol, Mohali, Toansa, Paonta Sahib, Dewas, Panoli, Ankleshwar, Karkhadi, Malanpur and Maduranthakam	26.17	No	Sun Pharma Community Healthcare Society	CSR00003635
4.	Grants for Covid-19	Disaster Response	No	Haryana	Panchkula	2.50	No	Sun Pharma Community Healthcare Society	CSR00003635
5.	Healthcare Awareness Programme	Healthcare	Yes	Maharashtra	Mumbai	0.60	No	The Bandra Holy Family Hospital Society	CSR00001516
6.	School Development Project	Education	Yes	Gujarat	Panchmahal, Bharuch	0.62	No	Vadodara Education Trust	CSR00001522
7.	Model School Development	Education	Yes	Gujarat	Bharuch	0.74	No	Gram Vikas Trust	CSR00000175
8.	Promotion of Scientific Medical & Pharma Research Outcomes for Public Health Improvement	Education	Yes	Delhi	Delhi	1.50	No	Sun Pharma Science Foundation	CSR00004251
9.	Setting-up of Digital Classroom Project	Education	Yes	Gujarat	Ankleswar, Halol and Karkhadi	1.00	No	Vadodara Education Trust	CSR00001522
10.	Smart Classroom Project	Rural Development	Yes	Gujarat	Bharuch	0.46	No	Gram Vikas Trust	CSR00000175
11.	Rural Development Project	Rural Development	Yes	Gujarat, Dadra & Nagar Haveli,	Bharuch, Dadra & Nagar Haveli,	0.95	No	United Way of Baroda	CSR00002187
12.	Provision of Health Equipment	Disaster Response	Yes	Gujarat	Panchmahal	0.50	No	Shri Narayan Arogyadham Annapurna Trust	CSR00002248

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ in Million)	(7) Mode of implemen--tation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
13.	Provision of Medicine	Disaster Response	Yes	Dadra and Nagar Haveli	Dadra and Nagar Haveli	0.16	No	Rogi Kalyan Samiti	CSR00004127
14.	Community Drinking Water Project	Water	Yes	Gujarat	Bharuch	0.65	No	Gram Vikas Trust	CSR00000175
15.	Solar Rooftop System	Environment	Yes	Gujarat	Halol	0.24	Yes	-	-
16.	Drinking Water	Water	Yes	Gujarat, Punjab, Tamil Nadu	Madurantakam, Toansa and Panoli	0.36	Yes	-	-
17.	Water Conservation	Water	Yes	Gujarat	Halol	0.31	Yes	-	-
18.	Installation of Solar Street Lights	Rural Development	Yes	Maharashtra	Ahmednagar	0.20	Yes	-	-
19.	Rural Infrastructure Development Projects	Rural Development	Yes	Gujarat, Maharashtra, Tamil Nadu, UT of Dadra & Nagar Haveli	Halol,Panoli, Ahmednagar, Madurantakam, Ankleshwar, Dahej and Silvassa	0.86	Yes	-	-
20.	Tree Plantation	Environment	Yes	Gujarat, Maharashtra, Himachal Pradesh	Ahmednagar, Panoli, Paonta, Halol and Vadodara	0.76	Yes	-	-
21.	Provision of Covid-19 Relief Material & Awareness	Disaster Response	No	Pan India	Pan India	19.81	Yes	-	-
22.	Healthcare Infrastructure Support & Awareness	Healthcare	Yes	Goa, Maharashtra, Gujarat, Madhya Pradesh, Punjab, Tamil Nadu	Goa, Ahmednagar, Halol, Baroda, Dewas, Toansa and Madurantakam	0.69	Yes	-	-
23.	Anganwadi Infrastructural Development	Education	Yes	Gujarat, Dadra & Nagar Haveli, Madhya Pradesh	Vadodara, Dewas and Silvassa	2.44	Yes	-	-
24.	School Infrastructure Development Project	Education	Yes	Gujarat, Tamil Nadu, UT of Dadra and Nagar Haveli	Halol, Panoli, Vadodara, Maduranthakam, Malanpur, Toansa, Silvassa, Ahmednagar and Karkhadi	4.12	Yes	-	-
	Total					**190.63**			

(d) Amount spent in Administrative Overheads - ₹ 7.97 Million

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 198.60 Million

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Million)
(i)	Two percent of average net profit of the company as per section 135(5)	317.37
(ii)	Total amount spent for the Financial Year	317.37
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year (₹ In Million)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	N.A.	39.362	N.A.	N.A.	N.A.	N.A.
2.	2019-20	N.A.	43.708	N.A.	N.A.	N.A.	N.A.
3.	2020-21	Nil	269.504	N.A.	N.A.	N.A.	N.A.
	TOTAL		**352.574**	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the roject (in ₹)	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed /Ongoing
	TOTAL				**NIL**			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the finan cial year.

Particulars of the Project(s)	Support towards setting-up of Cancer Sanatorium Institute, Wadala, Mumbai (Status: Work in Progress)	Infrastructural Development for Pharma Research Laboratory	Setting-up of Digital Classroom Project			Mobile Healthcare Unit	School Infrastructure Development Project	Smart Classroom Project	Community Drinking Water Project		Solar Rooftop System		Provision of Covid-19 Relief Material & Awareness				
			Setting-up of Digital Classroom Project, Halol	Setting-up of Digital Classroom Project, Karkhadi	Setting-up of Digital Classroom Project, Ankleswar				Overhead Water Tank, Village -Sanjali, Dist.-Bharuch, Gujarat	Mini Water Works, Village –Bhadi, Dist.-Bharuch, Gujarat	Solar Rooftop System, Tarkhanda, Halol	Solar Rooftop System, Jambughoda,, Dist- Panchmahal, Gujarat	Provision of Oxygen Plant during Covid-19				
(a) Date of creation or acquisition of the capital asset(s) *	Not ascertainable	18-Jun-2021	23-Nov-2021	29-Nov-2021	10-Jan-2022	5-July-2021 17-Dec- 2021 16- Mar-2022	25-Mar-2022	07-Jan-2022	03-Sep-2021	07-Mar-2022	29-Mar-2022	29-Mar-2022	03-Jun-2021	03-Jun-2021	03-Jun-2021	03-Jun-2021	03-Jun-2021
(b) Amount of CSR spent for creation or acquisition of capital asset (₹ in Million)	100.00	25.00	0.33	0.33	0.33	1.97 (BreakupPanoli -0.011 Paonta -0.029 Karkhadi - 1.931)	0.31	0.45	0.26	0.39	0.12	0.12	1.90	1.81	2.33	2.03	2.30
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Shantilal Shanghvi Foundation	Agriculture Development Trust, Baramati, Dist.-Pune, Maharashtra	Govt. Primary School, Intwadi, Halol, Gujarat	Govt. Primary School, Gam Tadav, Tithod Village, Dist. - Vadodara, Gujarat	Govt. Primary School, Jepura Village, Halol, Gujarat	Sun Pharma Community Healthcare Society	Government Primary School, Bakrol	Govt. Primary School, Surwadi, Taluka-Ankleswar, District - Bharuch, Gujarat	Gram Panchayat, Sanjali, District – Bharuch, Gujarat	Gram Panchayat, Bhadi, District – Bharuch, Gujarat	Shri Narayan High School, Tarkhanda, Halol, Gujarat	The Secondary School, Jambughoda, District – Panchmahal, Gujarat	Government Ayurveda Hospital, Rajpipla, Gujarat	GS Gune Ayurved College, Ahmednagar, Maharashtra	Jaya Arogaya Hospital, Gwalior, Madhya Pradesh	Government Hospital of Tambaram, Chennai, Tamil Nadu	Government Civil Hospital of SBS Nagar, Toansa, Punjab
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Construction of Hospital Building, Wadala, Mumbai, Maharashtra	Construction of of R& D building and labs such as Analytical Lab "AAS section", Quality Control Lab Section, F & D Lab Section, Disease Diagnosis Section, Provision of LCMS Equipment at Agriculture Development Trust, Baramati, Dist.-Pune, Maharashtra	Interactive Panel Board, Projector, Computer, Speaker Set, PC Cabinet and Woofer at Govt. Primary School, Intwadi, Halol, Gujarat	Interactive Panel Board, Projector, Computer, Speaker Set, PC Cabinet and Woofer at Govt. Primary School, Gam Tadav, Tithod Village, Dist. - Vadodara, Gujarat	Interactive Panel Board, Projector, Computer, Speaker Set, PC Cabinet and Woofer at Govt. Primary School, Jepura Village, Halol, Gujarat	Almirah Sun Pharma Community Healthcare society, Panoli, Gujarat Lenovo Tab M8 (ZA6L0002IN) Sun Pharma Community Healthcare society, Paonta, Sahib- Himachal Pradesh Traveller T1 Ambulance-Reg No-GJ06BT9156 Sun Pharma Community Healthcare society,Karkhadi, Gujarat	Classroom Benches Government Primary School, Bakrol Village, Taluka-Ankleshwar, District-Bharuch, Gujarat	Interactive Panel Board, Projector, Computer, Speaker Set, PC Cabinet and Woofer at Govt. Primary School, Surwadi, Taluka-Ankleswar, District - Bharuch, Gujarat	Construction of Over Head Water Tank at Sanjali Village, Gram Panchayat, Sanjali, Taluka – Ankleswar,District – Bharuch, Gujarat	Construction of Mini Water Works in Gram Panchayat, Bhadi, Taluka – Ankleswar, District – Bharuch, Gujarat	Solar Power Plant 3.15 KW at Shri Narayan High School, Tarkhanda, Halol, Gujarat	Solar Power Plant 3.15 KW at The Secondary School, Jambughoda, District – Panchmahal, Gujarat	Oxygen Plant of 167 Lit./Min capacity at Government Ayurveda Hospital, Rajpipla, Gujarat	Oxygen Plant of 100 Lit./ Min capacity at GS Gune Ayurved College, Ahmednagar, Maharashtra	Oxygen Plant of 417 Lit./ Min capacity at Jaya Arogaya Hospital, Gwalior, Madhya Pradesh	Oxygen Plant of 83 Lit./Min capacity at Government Hospital of Tambaram, Chennai, Tamil Nadu	Oxygen Plant of 167 Lit./Min capacity at Government Civil Hospital of SBS Nagar, Toansa, Punjab

Note: The date when creation of asset is recognised/ acknowledged by the Company based on inputs from the Implementing Agency

11. REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5)

Not Applicable

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

	Dilip S. Shanghvi	**Sudhir V. Valia**
	Chairman – CSR Committee and Managing Director	*Member - CSR Committee and Director*
Date: May 30, 2022	(DIN -00005588)	(DIN: 00005561)

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Sun Pharma is committed to making a positive impact on communities, environment and other key stakeholders in line with Vision statement **"Reaching People. Touching Lives."** Sun Pharma has been serving the society to meet the needs of its stakeholders and business operations in the most suitable way. Our CSR activities are conducted across various sectors that are in line with Schedule VII of the Act. Sun Pharma has recognized few key areas like education, health, sanitation, drinking water and environment sustainability programme for improving the quality of life of our communities.

The focus areas of the Company's CSR activities are listed hereunder but not limited to:

A. Health
B. Education
C. Drinking water & Sanitation
D. Environmental Sustainability
E. Rural Development
F. Disaster relief & Response to COVID-19 Pandemic.

In FY 2021-22, the company has spent ₹ 317.37 million towards implementation of CSR projects.

1) SUPPORT TOWARDS SETTING-UP OF CANCER SANATORIUM INSTITUTE AT WADALA, MUMBAI

The project aims to provide comprehensive cancer cure facility for delivering high-quality treatment and care for patients, embracing all socio-economic backgrounds by setting up a clean and aesthetically designed sanatorium for housing of cancer patients for chemotherapy and radiation treatment at Wadala, Mumbai. The company has contributed ₹ 100.00 Million during FY2021-22 and the project has been implemented by Shantilal Shanghvi Foundation.

2) INFRASTRUCTURAL DEVELOPMENT FOR PHARMA RESEARCH LABORATORY

The project has been undertaken to set-up laboratory at Agriculture Development Institute, Baramati, Maharashtra for carrying-out scientific, dairy and agricultural research. This developed scientific lab will provide a platform for Students and young scientist as well as teachers to carry out research on the innovative concept in the field of agriculture, healthcare and pharma technology, manufacturing and industry and other areas of social and national importance. The company has contributed ₹ 25.00 Million during FY2021-22 and the project has been implemented by Agriculture Development Trust, Baramati.

3) MOBILE HEALTHCARE UNIT

At present 11 Mobile Healthcare Units (MHUs) are operational across the India. These Vans are operational at Ahmednagar, Halol, Mohali, Toansa, Paonta Sahib, Dewas, Panoli, Ankleshwar, Karkhadi, Malanpur and Maduranthakam. Through MHUs services we are covering more than 4,12,600 populations of 11 districts from 5 states and provided 1.77 lakh treatments last year. All vans are operational in peripheral areas of Sun Pharma Plant locations under banner of Sun Pharma Community Healthcare Society to provide health promotive, preventive and curative services with a focus on Reproductive Child Health, through team comprising an MBBS doctor & two trained ANMs. Services are provided through MHU which includes free consultation of MBBS doctor, Basic diagnostics, free treatment, free medicine, home visits by doctor for bedridden patients those are unable to reach to MHU. We also organize awareness camps, meetings and group discussions with IEC Materials to raise awareness in community on health related issues, Hygiene and Sanitation Awareness Programs. The Project has provided Curative Treatment to 1,53,873 patients and Preventive & Promotive Healthcare to 24,064 people during FY2021-22. The company has Contributed ₹ 26.17 Million during FY2021-22.

4) HEALTHCARE INFRASTRUCTURE DEVELOPMENT & AWARENESS

Healthcare is main focus area of Sun Pharma and every year providing support to PHC's & CHC's for development of healthcare infrastructure aiming to provide better healthcare services to nearby community. We organized blood donation camp and health awareness activities in nearby community for betterment of society. In FY2021-22 company has contributed ₹ 1.28 Million for this project and organized activities at Goa, Ahmednagar, Halol, Baroda, Dewas, Toansa and Madurantakam which has benefitted to community.

5) ANGANBARI INFRASTRUCTURAL DEVELOPMENT

The project has been providing a caring environment that addresses the educative, health and nutritive requirements of rural children by refurbishing of existing centres in child friendly environment including learning environment through provision of good infrastructure and learning materials in Anganbari Centres of Vadodara, Dewas and Silvassa. The company has contributed ₹ 2.44 Million during the financial year 2021-22, with benefit being extended to 2182 toddlers.

6) SCHOOL INFRASTRUCTURE DEVELOPMENT PROJECT

To enhance the quality of education in schools we have upgraded the infrastructural facilities in surrounding schools of Halol, Panoli, Maduranthakam, Vodadora, Malanpur, Toansa, Silvassa, Ahmednagar and Karkhadi. Infrastructure such as construction of classrooms, drinking water, sanitation facilities, sports equipment facilities and school furniture were taken up. This project has benefitted 17,203 Students with an investment of ₹ 5.82 million.

7) PROMOTION OF SCIENTIFIC MEDICAL & PHARMA RESEARCH OUTCOMES FOR PUBLIC HEALTH IMPROVEMENT

The project has been undertaken with aim to sharing medical and pharma research for public benefit and awareness after carrying-out scientific and health research for Improvement of public health. This helped young scientist and scholars in the field of medical and pharma aimed at improvement of public health. The company has contributed ₹ 1.50 Million during FY2021-22 and the project has been implemented by Sun Pharma Science Foundation.

8) SETTING-UP OF DIGITAL CLASSROOM PROJECT

In order to enhance the quality of education in Govt. schools through digital mode, company has setup digital class rooms at schools located at Ankleswar, Halol and Karkhadi. This project has benefitted to 1094 Students with an investment of ₹ 1.45 million in FY2021-22.

9) INSTALLATION OF SOLAR STREET LIGHTS

Solar street lights are the best ways to light the streets in rural unserved areas to provide community lighting. Solar energy is the cleanest and most abundant renewable energy source available and it is increasing in popularity because it is versatile with many benefits to people and the environment. Company has installed solar street lights under CSR initiative in vicinity of our plants. Solar street lights were installed at Vilad village in Ahmednagar District to provide community lighting in unserved areas and benefited rural communities. The company has Contributed ₹ 0.20 Million for this activity during the financial year 2021 – 22.

10) RURAL INFRASTRUCTURE DEVELOPMENT PROJECTS

With aim to uplift rural communities by upgrading much needed rural infrastructure facilities. Sun Pharma helped rural communities by developing basic infrastructure facilities. This project has benefitted the communities at large through various activities such as Installation of Solar street lights, renovation of Anganwadi center and community centers. The company has contributed ₹ 1.81 Million in the project during the financial year 2021-22, with benefit being extended to communities.

11) TREE PLANTATION

Tree plantation is a regular activity at Sun Pharma in and around its operation sites. We have not only planted trees but also ensured their survival by erecting tree guards and carefully nurtures them till the sapling matures into a tree. The Company has planted saplings under CSR activity and maintained greenery in and around the plant premises. The company has contributed ₹ 0.76 million during the financial year 2021-22 for this project which is been benefitting to nearby community.

12) SOLAR ROOFTOP SYSTEM

Sun Pharma is providing facilities in Government schools with consistent access to electricity for an uninterrupted learning and teaching experience. We have installed rooftop solar systems in two government schools till date. In the FY 2021–22 we have installed 3Kwph rooftop solar system in Halol area. The company has Contributed ₹ 0.24 Million for this activity during the FY 2021–22.

13) DRINKING WATER

The project aims to provide access to safe and potable water to community, Sun Pharma has rejuvenated community drinking water storage tanks at Madurantakam, Toansa and Panoli with provision of piped water connection to individual households for potable water supply for community. Company has constructed water storage tank with maintenance of tube well and made an arrangement of piped water for individual households for supply of safe and potable drinking water to community of Toansa (Punjab). Company has constructed 10 KL water storage tank at Vilad village and 20 KL water storage tank at Karjune khare village in Ahmednagar, Maharashtra to make safe and potable drinking water available to all. This project benefitted to 285 households with an investment of ₹ 1.02 Million during the FY 2021-22.

14) WATER CONSERVATION

Rainwater harvesting system was installed in a Govt. School at Halol to collect, store and consume rainwater for landscape irrigation and other uses of schools. During FY 2021–22, as a pilot project we introduced rain water harvesting structure with aim to save water from going down to the drains and store it to utilize for sanitation facilities as well as gardening and watering trees in schools. The company has contributed ₹ 0.31 million for this project which has been benefitting to nearby community.

15) PROVISION OF COVID-19 RELIEF MATERIALS & AWARENESS

Sun Pharma has supported local administration and communities to combat prevention of COVID-19. Various activities were taken up such as medicines, PPEs, sanitizers, beds, ventilators, oxygen concentrators and essential medicines to covid care centres and Government facilities including setting-up of five Oxygen Plants in different Govt. Hospitals to combat the second wave of COVID-19 in FY2021-22, Sun Pharma has spent the sum of ₹ 22.97 Million on COVID-19 activities.

ANNEXURE – E

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

The company is fully committed for energy conservation in its various operations and has a dedicated energy management team for constant monitoring and analysing energy consumption. Various projects are taken year on year to reduce energy consumption and improve energy efficiency.

The dedicated energy management team is working with systematic approach towards energy conservation. The Halol, Dadra, Dewas and Mohali sites of the Company are ISO 50001:2008 (Energy Management System) Certified.

1. Steps taken or impact on Conservation of Energy

- Reduced power consumption in compressed air system with the introduction of Intelligent flow controller.
- Improved pumping efficiency at various location by installation of energy efficient pumping system
- Replacement of old inefficient brine compressor with energy efficiency compressor and improved Chiller performance (ikw/TR).
- Use of dry vacuum pump in place of steam ejectors.
- Steam consumption at MEE reduced by utilizing waste heat for preheating MEE feed.
- Minimization of steam distribution losses though steam trap optimization.
- Reduced pumping power in chilled water system by installation of Closed loop pumping system.
- Synchronization of DG to reduce diesel consumption.
- Utilization of flash steam for hot water generation.
- Utilization of VFD in compressed air system.
- Energy efficient Axial pump installed in MEE to reduce power consumption.
- Reduced power consumption in refrigeration system with the use of automatic tube cleaning system.
- Improved efficiency in plant lighting.

2. Steps taken by the Company for utilising alternate sources of energy

Company has taken various initiative for utilization of alternate source of energy. Majority of site like Ahmednagar, Baddi, Dadra, Dahej, Dewas, Kharkhadi, Malanpur, Mohali, Poanta shahib, Panoli, Silvasa, Toansa are mostly utilizing sustainable green fuel biomass as boiler fuel for steam generation.

Captive solar powerplant at Dewas helps us to substitute major part of electricity consumed for site operation to renewable energy.

MKM site is using wind power for its partial power requirement.

Guwahati, Gurgaon R&D, Dadra, Ahmednagar, Panoli and Silvasa sites are using solar rooftop for its partial power requirement.

3. Capital investment on energy conservation equipments

Capital investment of ₹ 219.8 Million has been made on energy conservation Equipment.

B. TECHNOLOGY ABSORPTION

(A) Research and Development

Expenditure on R&D –

(₹ in Million)

	Year ended March 31, 2022	Year ended March 31, 2021
Capital	787.0	383.8
Revenue	15,529.7	14,519.4
Total	**16,316.7**	**14,903.2**
Total R&D expenditure as % of Total Turnover	**10.51%**	**10.65%**

(B) Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation

The Company continues to invest on R&D, both as revenue expenses as well as capital investments. This spending is directed at developing complex products, specialty products, generic products, and API technologies. Some of these products may require dedicated manufacturing blocks.

Investments have been made in employing scientifically skilled and experienced manpower, adding technologically advanced and latest equipment, sponsored research and in accessing world class consultants to continuously upgrade the research understanding of the scientific team in the technologies and therapy areas of our interest.

There has been thrust on the development of novel technologies like use of green reagents for chemical transformations in API synthesis, use of PAT tools in process development, and advanced crystallization and powder processing techniques like ultrasonic crystallisation for achieving required particle size and physical characteristics for formulation, plug flow reactors, advanced flow reactors for continuous process and safety related studies using reaction calorimetry and other advanced process engineering tools. Product Life Cycle management has been undertaken for key products. Backward integration is a key strategic objective and many of our products enjoy the benefit of this backward integration.

Process optimization based on Quality by Design (QbD) concept and robustness by six sigma calculation have been implemented for wide range of products with the objective to reduce cost and increase in-process capability.

Novel compact dosage forms having differentiation with regards to improved stability and/or reduced pharmacokinetic variability have been developed for the Indian market. Stable liquid oral formulations of labile products are also being developed.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution

   (a) Offers complete basket of products under chronic therapeutic classes. Many products are in the pipeline for future introduction in India, emerging markets, as well as US and European generic market. The company has developed an ability to challenge patents in the US market, and earn exclusivity.

   (b) For FY22, 42 formulations were developed and filed from our R&D locations for the Indian and regulated markets and 153 dossiers were submitted for filing in various emerging markets. The Company has also filed 100+ drug master files across various markets during the year.

   (c) Not dependent on imported technology, can make high-end products available at competitive prices by using indigenously developed manufacturing processes and formulation technologies.

   (d) Offers technologically advanced differentiated products which are convenient and safe for administration to patients.

   (e) We are among the few selected companies that have set up completely integrated manufacturing capability for the production of anticancer, hormones, peptide, immunosuppressant and steroidal drugs.

   (f) The Company has benefited from reduction in cost due to import substitution and increased revenue through higher exports.

   (g) Clinical studies of some products (complex and difficult to formulate) have been carried out at our in-house clinical pharmacology units. This has helped to maintain R&D quality and regulatory compliance with significantly reduced cost.

3. Your Company has not imported technology during the last 5 years reckoned from the beginning of the financial year.

(C) Foreign Exchange Earnings and Outgo –

(₹ in Million)

	Year ended March 31, 2022	Year ended March 31, 2021
Earnings	106,330.5	97,936.1
Outgo	71,874.3	50,755.6

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE INITIATIVES AT SUN PHARMA

Sun Pharma ensures adherence to regulatory requirements at all times and is committed to implement the highest standards of Corporate Governance and ethical practices. In the last few years, the Company has taken various initiatives to implement the best practices with a focus on further enhancing the Corporate Governance standards.

Highlights of the Corporate Governance Initiatives at Sun Pharma:

- The Company has appointed Dr. Pawan Goenka, Independent Director of the Company as the Lead Independent Director.
- The Company constituted a Corporate Governance and Ethics Committee, with the objective to monitor Company's compliance with the Corporate Governance guidelines and applicable laws and regulations, make recommendations to the Audit Committee and thereby to the Board on all such matters and on corrective actions, if any, to be undertaken, review and ensure implementation of ethical standards and practices in respect of Corporate Governance by the Company in spirit, substance and intent perspective.
- Extended the Whistle Blower mechanism to external stakeholders which enables anonymous complaints.
- Our policy on Global Code of Conduct sets forth legal and ethical standards of conduct for us, to ensure compliance with legal requirements and serves as a guide for our daily business interactions, reflecting our standard for appropriate behavior and our corporate values, is made applicable to all the employees (whether permanent or temporary) as well as employees of our subsidiaries, affiliates and business units within and outside India (except any publicly held companies and its subsidiaries and affiliates).
- Sharing of general guide for investors - FAQs and Guide book is made available on the website of the Company at the link https://sunpharma.com/investors-faqs/ for the convenience of shareholders.
- The Company sends on quarterly basis, the quarterly results along with summary of significant events to the shareholders whose e-mail IDs are available with the Company/Registrar.
- The Company has been spending on CSR activities in some of the previous years on voluntary basis more than legally required.
- The Company initiated payment of unpaid dividend of past seven years of those shareholders whose recent dividend was electronically credited and their updated Bank details were available based on updated KYC. This activity facilitated reduction in the amount of unpaid dividend as well as the corresponding shares, as applicable, to be transferred to IEPF.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time the Company submits the Corporate Governance Report for the year ended March 31, 2022.

Sun Pharmaceutical Industries Limited's philosophy envisages reaching people touching lives globally by following the core values of the Company viz Quality, Reliability, Consistency, Trust, Humility, Integrity, Passion and Innovation which are also a way of life at the Company. These values form a base of the Corporate Governance practices of the Company. The Company ensures to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, consumers, suppliers and statutory authorities.

Sun Pharmaceutical Industries Limited is committed to learn and adopt the best practices of Corporate Governance.

2. BOARD OF DIRECTORS

The present strength of the Board of Directors of your Company is eight Directors.

Composition and category of Directors is as follows:

Category of Directors	Name of the Directors	Inter-se Relationship between Directors
Non-Promoter Non-Executive and Non-Independent Director	Mr. Israel Makov (Chairman)	-
Promoter Executive Director	Mr. Dilip S. Shanghvi (Managing Director)	Brother-in-law of Mr. Sudhir V. Valia
Non-Promoter (however part of Promoter Group) Non-Executive and Non Independent Director	Mr. Sudhir V. Valia	Brother-in-law of Mr. Dilip S. Shanghvi
Non-Promoter Executive Directors	Mr. Sailesh T. Desai (Whole-time Director)	-
	Mr. Kalyanasundaram Subramanian (Whole-time Director)	-
Non-Executive Independent Directors	Mr. Gautam Doshi	-
	Ms. Rama Bijapurkar (Appointed with effect from May 21, 2021)	-
	Dr. Pawan Goenka (Appointed with effect from May 21, 2021)	-

Ms. Rekha Sethi, retired as director of the Company with effect from August 31, 2021.
Mr. Vivek Chaand Sehgal, resigned as a director with effect from September 1, 2021.

Number of Board meetings held during the year ended March 31, 2022 and the dates on which held:

Five Board meetings were held during the year. The dates on which the meetings were held during the year ended March 31, 2022 are as follows:

May 27, 2021; July 30, 2021; November 2, 2021; January 31, 2022 and March 21, 2022.

Number of Board meetings the Directors were entitled to attend, attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) held by audio-visual means, and number of other Directorships and Chairmanships/Memberships of Committee of each Director for the year under review, is given below:

Name of the Director	Attendance particulars for the year ended March 31, 2022			No. of other Directorships and Committee Memberships / Chairmanships as of March 31, 2022[1]		
	Number of Board Meetings Entitled to attend	Number of Board Meetings attended	Last AGM held on August 31, 2021	Other Directorships	Committee Memberships[2]	Committee Chairmanships[2]
Mr. Israel Makov	5	5	Yes	-	-	-
Mr. Dilip S. Shanghvi	5	5	Yes	1	-	-
Mr. Sudhir V. Valia	5	5	Yes	4	3	1
Mr. Sailesh T. Desai	5	5	Yes	3	-	-
Mr. Kalyanasundaram Subramanian	5	5	Yes	2	-	-
Ms. Rekha Sethi[3]	2	2	Yes	NA	NA	NA
Mr. Vivek Chaand Sehgal[4]	2	2	Yes	NA	NA	NA
Mr. Gautam Doshi	5	5	Yes	4	3	1
Ms.Rama Bijapurkar	5	5	Yes	7	3	3
Dr. Pawan Goenka	5	5	Yes	2	1	1

Notes:

[1] The above number of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private Limited, Foreign and Section 8 Companies.

[2] The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Stakeholders' Relationship Committee only.

[3] Ms. Rekha Sethi, retired as director of the Company with effect from August 31, 2021.

[4] Mr. Vivek Chaand Sehgal, resigned as a director with effect from September 1, 2021.

Names of the Indian listed entities where the Directors of the Company hold Directorship and the category of directorship as on March 31, 2022:

Name of the Director	Other Indian Listed entities in which they hold Directorship	Category of Directorship
Mr. Dilip S. Shanghvi	Sun Pharma Advanced Research Company Ltd	Non-Executive Chairman
Mr. Sudhir V. Valia	Sun Pharma Advanced Research Company Ltd	Non-Executive and Non-Independent Director
Mr. Gautam Doshi	Suzlon Energy Limited	Non-Executive and Independent
Dr. Pawan Goenka	Bosch Limited	Non-Executive and Independent
Ms. Rama Bijapurkar	Nestle India Limited	Non-Executive and Independent
	Cummins India Limited	Non-Executive and Independent
	VST Industries Limited	Non-Executive and Independent
	Mahindra and Mahindra Financial Services Limited	Non-Executive and Independent
	Apollo Hospitals Enterprise Limited	Non-Executive and Independent

In terms of requirement of Listing Regulations, the Board has identified the core skills/expertise/competencies of the Directors, as given below:

Knowledge	Skills	Behavioural Traits
Specialisation / Expertise	Strategic Thinking/ Planning Skills	Integrity
Finance & Accounts	Problem Solving Skills	Genuine interest
Legal	Analytical Skills	Interpersonal skills / communication
Governance	Decision Making Skills	Active Participation
Industry Knowledge	Leadership Skills	
Risk Management		
General Management		

The skills/expertise/competencies of the Directors are as given below:

Skill set/ Area of Expertise	Name of Director							
	Israel Makov	Dilip Shanghvi	Sailesh Desai	Kalyanasundaram Subramanian	Sudhir Valia	Gautam Doshi	Pawan Goenka	Rama Bijapurkar
Knowledge								
Specialisation / Expertise in one or more fields	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
• In the field of:								
Finance & Accounts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Legal	Yes				Yes	Yes		
Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Knowledge (Pharma Industry)	Yes	Yes	Yes	Yes	Yes			
Risk Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
General Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

The Independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

3. CODE OF CONDUCT

The Board of Directors has laid down a Global Code of Conduct for all Board members, and all employees, including the senior management of the Company. This Code serves as a guide for our daily business interactions reflecting our standard for appropriate behavior and our corporate values, and is designed to prevent, detect, and address any allegation of misconduct and to provide guidance to Personnel in recognising and dealing with important ethical and legal issues and to foster a culture of honesty and accountability within the organisation.

All the Directors and senior management have affirmed compliance with the Global Code of Conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Managing Director has been annexed as Annexure 'A' to the Corporate Governance Report. The Global Code of Conduct of the Company is available on the website of the Company at www.sunpharma.com. The Global Code of Conduct of the Company is applicable to all the employees of the Company including its subsidiary companies within and outside India, (except any publicly held companies and its subsidiaries), and the employees are required to affirm compliance with the Code on an annual basis.

4. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of three Directors which include two Non-executive and Independent Directors viz. Mr. Gautam Doshi, Dr. Pawan Goenka and one Whole-time Director viz. Mr. Sailesh T. Desai. Mr. Gautam Doshi is the Chairman of the Audit Committee. Dr. Pawan Goenka has been appointed as the member of the Committee with effect from May 27, 2021. Ms. Rekha Sethi, Independent Director who was a member of the Committee ceased to be a Director and member of the committee effective from August 31, 2021. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Mr. Sunil Ajmera ceased to be the Secretary of the Audit Committee on him ceasing to be the Company Secretary of the Company effective from January 31, 2022 and Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of the Audit Committee effective from January 31, 2022.

The terms of reference of the Audit Committee inter alia include: overseeing the Company's financial reporting process, reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, recommendation for appointment, remuneration and terms of appointment of auditors of the company, reviewing the adequacy of internal audit function, discussion with internal auditors on any significant findings and follow up there on, evaluation of internal financial controls and risk management systems, review functioning of Whistle Blower/ Vigil Mechanism, approval of appointment of Chief Financial Officer, review and monitor the auditor's independence and performance, effectiveness of audit process, approval of transactions with related parties and reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary based on the threshold limits specified as per the Listing Regulations.

The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

Executives from the Finance Department, representatives of the Statutory Auditors and Internal Audit Department are also invited to attend the Audit Committee Meetings, whenever necessary.

The Committee has discussed with the Statutory Auditors and the head, Internal Audit about their audit methodology, audit planning and significant observations/ suggestions made by them.

In addition, the Committee has discharged such other role/ functions as envisaged under Regulation 18 of the Listing Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013.

Seven Audit Committee Meetings were held during the year ended March 31, 2022. The dates on which the Meetings were held are as follows:

May 26, 2021[1]; June 25, 2021; July 29, 2021[2]; October 29, 2021[3]; December 22, 2021; January 29, 2022[4] and March 21, 2022.

The attendance of each Member of the Committee is given below:

Name of the Director	Number of Audit Committee Meetings entitled to attend	Number of Audit Committee Meetings attended
Mr. Gautam Doshi	7	7
Ms. Rekha Sethi[5]	3	3
Mr. Sailesh T. Desai	7	7
Dr. Pawan Goenka[6]	6	6

[1]The Audit Committee meeting held on May 26, 2021 was adjourned for consideration of few agenda items and the adjourned meeting was held on May 27, 2021, and the adjourned meeting was attended by all members.

[2]The Audit Committee meeting held on July 29, 2021 was adjourned for consideration of few agenda items and the adjourned meeting was held on July 30, 2021, and the adjourned meeting was attended by all members.

[3]The Audit Committee meeting held on October 29, 2021 was adjourned for consideration of few agenda items and the adjourned meeting was held on November 2, 2021, and the adjourned meeting was attended by all members.

[4]The Audit Committee meeting held on January 29, 2022 was adjourned for consideration of few agenda items and the adjourned meeting was held on January 31, 2022, and the adjourned meeting was attended by all members.

[5]Ms. Rekha Sethi retired as a Director and member of the Committee effective from August 31, 2021

[6]Dr. Pawan Goenka was appointed as the member of the Committee effective from May 27, 2021

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises of three Non-Executive Directors viz. Dr. Pawan Goenka, Israel Makov and Mr. Gautam Doshi. Dr. Pawan Goenka is the Chairman of the Committee. Ms. Rekha Sethi ceased to be a Director and Chairperson of the Committee effective from August 31, 2021. Dr. Pawan Goenka has been appointed as the member of the Committee with effect from May 27, 2021 and Chairman with effect from September 1, 2021. The constitution of the Nomination and Remuneration Committee meets with the requirements of Section 178 of the Companies Act, 2013 as also the requirements laid down in Regulation 19 of the Listing Regulations. Mr. Sunil R. Ajmera was the Secretary of the Committee upto January 31, 2022 and Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of the Committee effective from January 31, 2022.

The terms of reference of the Nomination and Remuneration Committee inter alia include; to determine the Company's policy on specific remuneration packages for executive directors, to review, recommend and/ or approve remuneration to Whole-time Directors, to review and approve the Remuneration Policy of the Company, to formulate criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and carry out evaluation of every directors' performance, recommending to the board, all remuneration, in whatever form, payable to senior management etc.

The Nomination and Remuneration Committee has adopted the criteria as provided in the Guidance Note on Board Evaluation by Securities and Exchange Board of India vide its notification no. SEBI/HO/ CFD/CMD/ CIR/P2017/004 dated January 5, 2017 for evaluation of the Individual Directors including Independent Directors. The said criteria provides certain parameters like qualification, experience, knowledge, competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution, and judgment, etc.

The Independent Directors are additionally evaluated on the basis of independence, independent views and judgement etc. Further the evaluation of Chairman of the Board, in addition to the above criteria for individual Directors, also includes evaluation based on effectiveness of leadership and ability to steer the meetings, impartiality, etc.

Seven meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2022. The dates on which the meetings were held are as follows:

May 19, 2021; May 24, 2021; June 25, 2021; July 27, 2021; October 29, 2021 January 29, 2022; and March 21, 2022.

The attendance of each Member of the Committee is given below:

Name of the Director	Number of Nomination and Remuneration Committee Meetings entitled to attend	Number of Nomination and Remuneration Committee Meetings attended
Ms. Rekha Sethi*	4	4
Dr. Pawan Goenka**	5	5
Mr. Israel Makov	7	7
Mr. Gautam Doshi	7	7

* Ms. Rekha Sethi retired as a Director and Chairperson of the Committee effective from August 31, 2021.

** Dr. Pawan Goenka was appointed as the member of the Committee effective from May 27, 2021 and Chairperson of the Committee effective from September 1, 2021.

6. REMUNERATION OF DIRECTORS

The remuneration of the Managing Director and Whole-time Director(s) is approved by the Board, as per recommendation of the Nomination and Remuneration Committee within the overall limit fixed by the shareholders.

The Non-Executive Directors of the Company are entitled to sitting fees of ₹ 100,000/- for attending each meeting of the Board and/or of Committee thereof except the Corporate Governance and Ethics Committee for which they are entitled to ₹ 50,000/- for each meeting of the Committee. With effect from FY 2021-22, the sitting fees for the meetings of Corporate Governance and Ethics Committee has also been increased to ₹ 1,00,000/- per meeting.

The details of Remuneration paid/payable to the Directors of the Company for the year ended March 31, 2022 are given below: -

(Amount in ₹)

Directors	For the year ended March 31, 2022					
	Salary [1]	Bonus	Perquisites / Benefits[2]	Sitting Fees	Commission to Independent Directors	Total
Mr. Dilip S. Shanghvi	37,799,496	7,559,899	5,151,800	-	-	50,511,195
Mr. Sudhir V. Valia	-	-	-	1,500,000	-	1,500,000
Mr. Sailesh T. Desai	13,271,100	2,654,220	2,377,802	-	-	18,303,122
Mr. Kalyanasundaram Subramanian[1]	61,915,691	4,328,150	2,756,494	-	-	69,000,335
Mr. Israel Makov	-	-	-	1,200,000	-	1,200,000
Ms. Rekha Sethi[3]	-	-	-	1,100,000	-	1,100,000
Mr. Vivek Chaand Sehgal[4]	-	-	-	200,000	-	200,000
Mr. Gautam Doshi	-	-	-	3,000,000	4,000,000[5]	7,000,000
Dr. Pawan Goenka	-	-	-	1,950,000	4,000,000[5]	5,950,000
Ms. Rama Bijapurkar	-	-	-	800,000	4,000,000[5]	4,800,000

[1] Salary includes Special Allowance. Salary of Mr. Kalyanasundaram Subramanian also includes variable pay of ₹ 7,773,453/-.

[2] Perquisites include House Rent Allowance, if any, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Directors, as per Company Policy.

[3] Ms. Rekha Sethi ceased to be a Director of the Company effective from August 31, 2021

[4] Mr. Vivek Chaand Sehgal, ceased to be a Director with effect from September 1, 2021.

[5] The Board of Directors at its meeting held on May 30, 2022 has approved Commission of ₹ 4,000,000 (Rupees Forty Lakhs) to be paid to each Independent Director of the Company, for the FY 2021-22, subject to the approval of the members at the ensuing 30th Annual General Meeting and the payment shall be made after obtaining approval of the members.

Besides this, all the Whole-time Directors to whom remuneration is paid are also entitled to encashment of leave as per Company policy, and gratuity at the end of tenure, as per the rules of the Company.

Notes:-

a) The Agreement with Mr. Dilip S. Shanghvi, Managing Director for his present term is for a period of 5 years from April 1, 2018 to March 31, 2023 and remuneration for period of two years from April 1, 2021 to March 31, 2023. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days' notice in writing. The Nomination and Remuneration Committee and the Board of Directors have approved the re-appointment and maximum limit of remuneration of Mr. Dilip S. Shanghvi, Managing Director for a further period of five years with effect from April 1, 2023 to March 31, 2028 subject to approval of the members at the 30th AGM.

b) The Agreement with Mr. Sailesh T. Desai, Whole-time Director for his present term is for a period of 5 years from April 1, 2019 to March 31, 2024 and remuneration for period of 2 years from April 1, 2022 to March 31, 2024. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days' notice in writing.

c) The agreement for appointment of Mr. Kalyansundaram Subramanian, Whole-time Director, is for a period of 2 years with effect February 14, 2021 to February 13, 2023, including for payment of remuneration. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 3 months' notice in writing.

d) There is no separate provision for payment of severance fees to Whole-time Director(s).

The details of Equity Shares held by Non-Executive Directors as on March 31, 2022 are as follows:

Director	No. of Equity Shares held (held singly or jointly as first holder)
Mr. Israel Makov	Nil
Mr. Gautam Doshi	8,000
Mr. Sudhir Valia	14,345,019
Ms. Rama Bijapurkar	Nil
Dr. Pawan Goenka	Nil

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee as on March 31, 2022 comprised of three Directors viz. Mr. Gautam Doshi, Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia. Mr. Gautam Doshi is the Chairman of the Committee. The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Companies Act, 2013 and also of Regulation 20 of the Listing Regulations. Further Dr. Pawan Goenka, Independent Director has been appointed as the member of the Committee effective from May 27, 2022.

Mr. Sunil R. Ajmera was the Secretary of the Committee upto January 31, 2022 and Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of the Committee effective from January 31, 2022.

The terms of reference of the Committee inter alia include the following: Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings; Review of measures taken for effective exercise of voting rights by shareholders; Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company, to investigate any activity within its terms of reference, to seek information from share transfer agents, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary and have full access to the information contained in the records of the Company etc.

The Board has designated, Mr. Anoop Deshpande, Company Secretary as Compliance Officer for the purposes of/under rules, regulations etc. issued by the Securities Exchange Board of India, Stock Exchanges, and Companies Act, 2013.

Four meetings of the Stakeholders' Relationship Committee were held during the year ended March 31, 2022. The dates on which Meetings were held are as follows:

May 26, 2021; July 29, 2021; October 29, 2021 and January 29, 2022.

The attendance of each Member of the Committee is given below:

Name of the Director	Number of Stakeholders' Relationship Committee Meetings entitled to attend	Number of Stakeholders' Relationship Committee Meetings attended
Mr. Gautam Doshi	4	4
Mr. Sudhir V. Valia	4	4
Mr. Dilip S. Shanghvi	4	4

Investor Complaints:

The total numbers of complaints received and resolved to the satisfaction of shareholders, during the year under review were 3. There were no complaints pending at the beginning or at the end of the year.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee as on 31st March, 2022 comprised of three Directors viz. Mr. Sudhir V. Valia, Ms. Rama Bijapurkar and Mr. Dilip S. Shanghvi. The Chairman of the Committee is Mr. Dilip S. Shanghvi. The constitution of the Corporate Social Responsibility Committee meets the requirements of section 135 of the Companies Act, 2013. Mr. Sunil R. Ajmera was the Secretary of the Committee upto 31st January, 2022 and Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of the Committee effective from 31st January, 2022. Ms. Rama Bijapurkar has been appointed as the member of the Committee with effect from May 27, 2021. Ms. Rekha Sethi ceased to be a Director and member of the committee effective from August 31, 2021.

Further Dr. Pawan Goenka, Independent Director has been appointed as the member of the CSR Committee effective from May 27, 2022.

The terms of reference of the CSR Committee are: To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities/ projects to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013; to monitor the Corporate Social Responsibility Policy of the company from time to time and recommend revision/ amendments thereof, wherever required; to recommend the amount of expenditure to be incurred in the above referred activities/projects; to formulate and recommend to the Board, an Annual Action Plan in pursuance of the Corporate Social Responsibility Policy of the Company and the provisions of the Companies Act, 2013, which shall include the list of CSR projects or programs, the manner of execution of such projects or programs, the modalities of utilization of funds and implementation schedules for the projects or programs; to monitor and review the utilization of the funds on the CSR activities/projects, as approved by the Board; to advise board on surplus funds generated out of CSR projects undertaken, and recommend their utilization on the CSR activities/projects of the Company, to monitor/ review the amount incurred towards administrative overheads and to recommend the Board its treatment, to review and monitor the applicability of the Impact Assessment of the CSR Projects undertaken by the Company and if applicable; to review unspent amounts, if any, and recommend to Board, the transfer of such amounts in accordance with provisions of the Companies Act, 2013 etc. The CSR Policy of the Company can be accessed through the web link: https://www.sunpharma.com/policies.

During the year ended March 31, 2022, three meetings of Corporate Social Responsibility Committee were held on May 26, 2021, November 1, 2021 and January 29, 2022. The attendance of each member of Committee is as follows:

Name of the Director	Number of Corporate Social Responsibility Committee meetings entitled to attend	Number of Corporate Social Responsibility Committee meetings attended
Mr. Dilip S. Shanghvi	3	3
Mr. Sudhir V. Valia	3	3
Ms. Rekha Sethi *	1	1
Ms. Rama Bijapurkar**	2	2

* Ms. Rekha Sethi ceased to be a Director and member of the Committee effective from August 31, 2021

** Ms. Rama Bijapurkar was appointed as the member of the Committee effective from May 27, 2021

9. RISK MANAGEMENT COMMITTEE

The Risk Management Committee as on March 31, 2022 comprised of Mr. Dilip S. Shanghvi, Managing Director of the Company, Mr. Gautam Doshi, Mr. Sudhir V. Valia, Director of the Company and Mr. C. S. Muralidharan, Chief Financial Officer of the Company. The Chairman of the Committee is Mr. Dilip S. Shanghvi. Mr. Gautam Doshi, Independent Director, has been appointed as the member of the Risk Management Committee with effect from May 20, 2021. Further Dr. Pawan Goenka, Independent Director has been appointed as the member of the CSR Committee effective from May 27, 2022. Mr. Sunil R. Ajmera was the Secretary of the Committee upto January 31, 2022 and Mr. Anoop Deshpande, the

Company Secretary of the Company is the Secretary of the Committee effective from January 31, 2022. The constitution of the Committee meets the requirements of Regulation 21 of the Listing Regulations.

The terms of reference of the Risk Management Committee are: To formulate a detailed risk management policy which shall include a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, Measures for risk mitigation including systems and processes for internal control of identified risks, Business continuity plan; to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity; to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; to review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any), to coordinate its activities with other committees, in instances where there is any overlap with activities of such committees etc.

During the year ended March 31, 2022, three meetings of Risk Management Committee were held on May 25, 2021, November 01, 2021 and March 21, 2022.

The attendance of each member of committee is as follows:

Name of the member	Number of Risk Management Committee meetings entitled to attend	Number of Corporate Social Responsibility Committee meetings attended
Mr. Dilip S. Shanghvi	3	3
Mr. Sudhir V. Valia	3	3
Mr. Gautam Doshi	3	3
Mr. C S Muralidharan	3	3

10. CORPORATE GOVERNANCE AND ETHICS COMMITTEE

The Corporate Governance and Ethics Committee comprises of Mr. Gautam Doshi, Director, Dr. Pawan Goenka, Director, Mr. C. S. Muralidharan, Chief Financial Officer and Mr. Ashok Bhuta Senior GM - Secretarial & Compliance Officer as the members of the Committee. Mr. Gautam Doshi is the Chairman of the Committee. Dr. Pawan Goenka has been appointed as the member of the Committee with effect from May 27, 2021. Ms. Rekha Sethi ceased to be a Director and member of the Committee effective from August 31, 2021. The terms of reference of committee inter alia include: to review the ethical standards and best practices in respect of Corporate Governance by the Company in spirit, substance and intent perspective apart from benchmarking wherever possible with the best practices that are comparable across the industry; to monitor Company's compliance with the Corporate Governance Guidelines and applicable laws and regulations and make recommendations to the Board on all such matters and on any corrective action to be undertaken, as the Committee may deem appropriate; to set forth policies in respect of furtherance of its objectives and recommend changes and monitor and review compliance of such policies by the Company's directors, officers and employees; to review, recommend changes and monitor the implementation of the Related Party Transactions Policy of the Company and ensure that the Company is in compliance with the applicable regulations in respect of Related Party transactions from time to time etc. The Corporate Governance and Ethics Committee reports to the Audit Committee.

Six meetings of the Corporate Governance and Ethics Committee were held during the year ended March 31, 2022. The dates on which the Meetings were held are as follows: May 26, 2021; July 29, 2021; October 29, 2021; December 22, 2021; January 29, 2022 and March 21, 2022

The attendance of each Member of the Committee is given below:

Name of the Member	Number of Corporate Governance & Ethics Committee Meetings entitled to attend	Number of Corporate Governance & Ethics Committee Meetings attended
Mr. Gautam Doshi	6	6
Ms. Rekha Sethi*	2	2
Dr. Pawan Goenka**	5	5
Mr. C S Muralidharan	6	6
Mr. Ashok Bhuta	6	6

* Ms. Rekha Sethi ceased to be a Director and member of the Committee effective from August 31, 2021

** Dr. Pawan Goenka was appointed as the member of the Committee effective from May 27, 2021

11. SUBSIDIARY COMPANIES

In accordance with Regulation 16 of the Listing Regulations during the year ended March 31, 2022, Sun Pharmaceutical Industries, Inc, Taro Pharma Canada and Sun Pharma Holdings, were material subsidiary companies whose turnover or net worth as per Companies Act, 2013 exceeded 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year and Sun Pharma Laboratories Limited and Sun Pharma Distributors Limited were material subsidiary companies whose turnover or net worth as per Companies Act, 2013 exceeded 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Ms. Rama Bijapurkar, Independent Director of the Company is also Director on the Board of Sun Pharma Laboratories Limited and Sun Pharma Distributors Limited. Mr. Gautam Doshi, Independent Director of the Company is also Director on the Board of Sun Pharma Laboratories Limited, Sun Pharma Holdings, Taro Pharma USA and Sun Pharmaceutical Industries, Inc.

The financial statements including investments made by the unlisted subsidiaries were placed before and reviewed by the Audit Committee of the Company.

The Board of Directors of the Company reviewed periodically, the statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies. Copies of the Minutes of the Board Meetings of the unlisted subsidiary Companies were placed at the Board Meetings of the Company held during the year.

The policy for determining material subsidiaries of the Company is available on the website of the Company and can be accessed at: https://www.sunpharma.com/policies.

12. GENERAL BODY MEETINGS

(i) Location and time of the last three Annual General Meetings:

Year	Meeting	Location	Date	Time
2018-2019	Twenty- Seventh AGM	Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390 020	August 28, 2019	3:15 p.m.
2019-2020	Twenty- Eighth AGM	Held through Video Conferencing and deemed to be held at the registered office of the Company at SPARC, Tandalja, Vadodara – 390012, as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020	August 27, 2020	3:30 p.m.
2020-21	Twenty-Ninth AGM	Held through Video Conferencing and deemed to be held at the registered office of the Company at SPARC, Tandalja, Vadodara – 390012, as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020	August 31, 2021	3:00 p.m.

(ii) Special Resolutions passed at the last three Annual General Meetings:

a) At the Twenty-Seventh Annual General Meeting

(1) Approval for consent/ratification of excess commission paid to Non-executive Directors for the year 2013-14 pursuant to the letter received from MCA in respect of abatement of the pending applications for approval of remuneration

(2) Approval of remuneration to be paid to Mr. Kalyanasundaram Subramanian, (DIN: 00179072), Whole-time Director, with effect from July 04, 2019 till remaining term of his appointment upto February 13, 2021.

b) At the Twenty-Eighth Annual General Meeting

(1) Approval of maximum remuneration of Mr. Dilip Shanghvi (DIN:00005588), Managing Director, for further period of two years i.e. from April, 2021 to March 31, 2023.

c) At the Twenty-Ninth Annual General Meeting

(1) Approval of re-appointment and maximum remuneration of Mr. Kalyanasundaram Subramanian (DIN: 00179072) as the Whole-time Director of the Company for a further period of 2 (Two) years effective from February 14, 2021 upto February 13 2023.

(2) Approval of maximum remuneration of Mr. Sailesh T. Desai Whole-time Director (DIN: 00005443) for a period of 2 (Two) years with effect from April 1 2022 to March 31 2024 i.e. upto the expiry of his present term of office.

Resolution Passed Through Postal Ballot:

No resolution was passed through postal ballot during the year under review.

13. DISCLOSURES

- No transaction of a material nature has been entered into by the Company with its related parties that may have a potential conflict with the interests of the Company. Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transactions with the related parties as per Ind AS-24, are disclosed in Note 49 of the Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022.
- There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- The Company has laid down procedures to inform Board members about the risk assessment and its minimisation, which is periodically reviewed to ensure that risk control is exercised by the management effectively.
- The Board of Directors of the Company has approved a Whistle Blower Policy/Vigil Mechanism to monitor the actions taken on complaints received under the said policy. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company. Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. An Ombudsperson/s has been appointed to receive the complaints through a portal or email or letters who would investigate the complaints with an investigating committee. The Policy is expected to help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions. The details of establishment of vigil mechanism are available on the website of the Company. No personnel have been denied access to the Audit Committee. The Whistle Blower Policy of the Company also enables external parties to report any matter.
- Details of the familiarisation programme of the independent directors are available on the website of the Company at: https://www.sunpharma.com/policies.
- During the year, one separate meeting of the independent directors was held on March 21, 2022. At the meeting of independent directors the performance of non-independent directors and the board as a whole was evaluated.
- The policy on dealing with the related party transactions is available on the website of the Company and can be accessed at: https://www.sunpharma.com/policies.
- During the year, there were pecuniary transactions with the Companies in which Non-Executive Directors are interested as follows: a) Transaction of receiving of services from Makov Associates Limited of ₹ 423,882,162/- (Previous Year (PY): ₹ 187,243,223/-) in which Mr. Israel Makov, Non-Executive and Non-Independent Chairman is interested; b) Transactions with MothersonSumi INfotech & Designs Limited for receiving of services upto September 1, 2021 – ₹ 33,325,498/- (PY: ₹ 76,841,912/-) and with Anest Iwata Motherson Private Limited for receiving of services upto September 1, 2021 – ₹ 187,664 /- (PY: ₹ 197,189/-) in which entities Mr. Vivek Chaand Sehgal, Non-Executive and Independent Director upto September 1, 2021 was interested c) Transactions with Sun Petrochemicals Private Limited for lease rent received – ₹ 10,200,000/- (PY: ₹ 2,400,000/-), Other operative income/ other income - ₹ 4,800,000, Deposit Received – ₹ 850,000, Reimbursement of Expenses – Received – ₹ 26,175; and with Kism Textiles Private Limited for purchase of goods/services – ₹ 1,262,251/- (PY: ₹ 206,700); transactions with Sun Pharma Advanced Research Company Limited for Revenue from contracts with customers- net of returns, purchase and sale of property plant and equipment, receiving of service expenses, reimbursement of expenses paid, rendering of service income, reimbursement of expenses received and lease rent received – ₹ 1,049,266,922 /- (PY: ₹ 2,166,860,424/-), transaction with Alfa Infraprop Private Limited for Other operative income/ other income – ₹ 9,560,287 (PY: ₹ 22,693,009/-) and reimbursement of expenses paid – ₹ 20,330,452 /- (PY: ₹ 31,917,752); Corporate Social Responsibility contribution to Shantilal Shanghvi Foundation – ₹ 100,000,000/- (PY: ₹ 100,000,000), in which entities Mr. Sudhir Valia, Non-Executive and Non-Independent Director is interested except for the subsidiaries of the Company wherein it is deemed that he does not have any personal/ pecuniary interest. d) Transactions with Anshul Speciality Molecules Private Limited for Purchase of Goods/ services – ₹ 11,292,000/- (PY: ₹ 55,253,539/-) in which Mr. Gautam Doshi, Non-Executive and Independent Director is interested.

- All the transactions with entities in which the Independent Directors are/were interested constitute negligible percent of the revenue of the Company.
- Apart from the above and sitting fees paid to Non-Executive Directors, and proposed Commission to be paid to Independent Directors, there are no pecuniary transactions with Non-Executive directors of the Company or the companies in which they are interested which had potential conflict of interest with the Company.
- Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority has been annexed as Annexure 'B' to the Corporate Governance Report.
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part was ₹ 165,874,478 (Rupees One Hundred and sixty five million eight lakhs seventy four thousand four hundred and seventy eight only), for the year under review
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

    a. number of complaints filed during the financial year: 2

    b. number of complaints disposed of during the financial year: 2

    c. number of complaints pending as on end of the financial year: 0

- Details of compliance and Adoption/Non-Adoption of the non-mandatory requirements for the year ended March 31, 2022:

    A. The Company complies with all the mandatory requirements specified under Listing Regulations.

    B. The Company sends quarterly results alongwith summary of significant events to the shareholders whose e-mail IDs are available with the Company/Registrar.

    C. The auditors have issued an unmodified opinion to the financial statements of the Company.

14. MEANS OF COMMUNICATION

- **Website:** The Company's website www.sunpharma.com contains a separate dedicated section 'INVESTORS' where shareholders' information is available. The Annual Report for the year and Annual Report/ Abridged Annual Report for the past years are also available on the website in a user friendly and downloadable form. Apart from this, official news releases, detailed presentations made to media, analysts etc., and the transcript of the conference calls are also displayed on the Company's website.
- **Financial Results:** The annual, half-yearly and quarterly results are regularly posted by the Company on its website www.sunpharma.com and are also sent to the shareholders whose e-mail IDs are registered with the Company. These are also submitted to the Stock Exchanges on which the securities of the Company are listed in accordance with the requirements of the Listing Regulations and published in all English Editions of 'Financial Express' and Gujarati Edition of 'Financial Express' which is published in Ahmedabad.
- **Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Board's Report, the Management Discussion and Analysis Report, Auditor's Report, and other important information is sent to the shareholders whose e-mail IDs are registered. However pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and MCA General Circular No. 20/2020 dated May 5, 2020 of Ministry of Corporate Affairs, due to COVID, no physical copies of the Annual Report for FY 2020-21 were sent. Pursuant to SEBI Circular dated May 13, 2022 and MCA Circulars dated May 5, 2022, the Annual Report for FY 2021-22 is being sent electronically. Hard copies shall be sent to those shareholders who request for the same.
- **Chairman's Communique:** The Chairman's Speech is sent to the stock exchanges and placed on the website of the Company.
- **Reminder to Investors:** Reminders for unpaid dividend are sent to shareholders, regularly every year.
- **Corporate Filing:** Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with the Stock Exchanges and are available on the website of BSE Ltd. - www.bseindia.com and National Stock Exchange of India Ltd. - www.nseindia.com and also on the website of the Company – www.sunpharma.com.

15 GENERAL SHAREHOLDER INFORMATION

15.1 Annual General Meeting:

Day, Date and Time	Monday, August 29, 2022 at 03:00 p.m
Venue	Through Video Conferencing/Other Audio Visual means

15.2 Financial Calendar (tentative):

Results for quarter ending June 30, 2022	Last week of July 2022/First week of August 2022.
Results for quarter ending September 30, 2022	Last week of October 2022/First week of November 2022.
Results for quarter ending December 31, 2022	Last week of January 2023/First week of February 2023.
Audited Results for year ended March 31, 2023	Third or Fourth week of May 2023.

15.3 Details of Record Date for payment of Dividend to Equity Shareholders:

Monday, August 22, 2022

15.4 Dividend Payment Date:

On or before, Tuesday, September 20, 2022

15.5 Listing Details

(a)	**Trading Symbol at BSE Ltd.,** Market Operations Dept., P. J. Towers, Dalal Street, Mumbai - 400 001	524715
(b)	**Trading Symbol at National Stock Exchange of India Limited,** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	SUNPHARMA
(c)	**Demat ISIN Numbers in NSDL and CDSL for Equity Shares of ₹1/- each**	ISIN INE044A01036

The Company has paid the Listing fees for the Financial Year 2021-22 to BSE Ltd and National Stock Exchange of India Ltd.

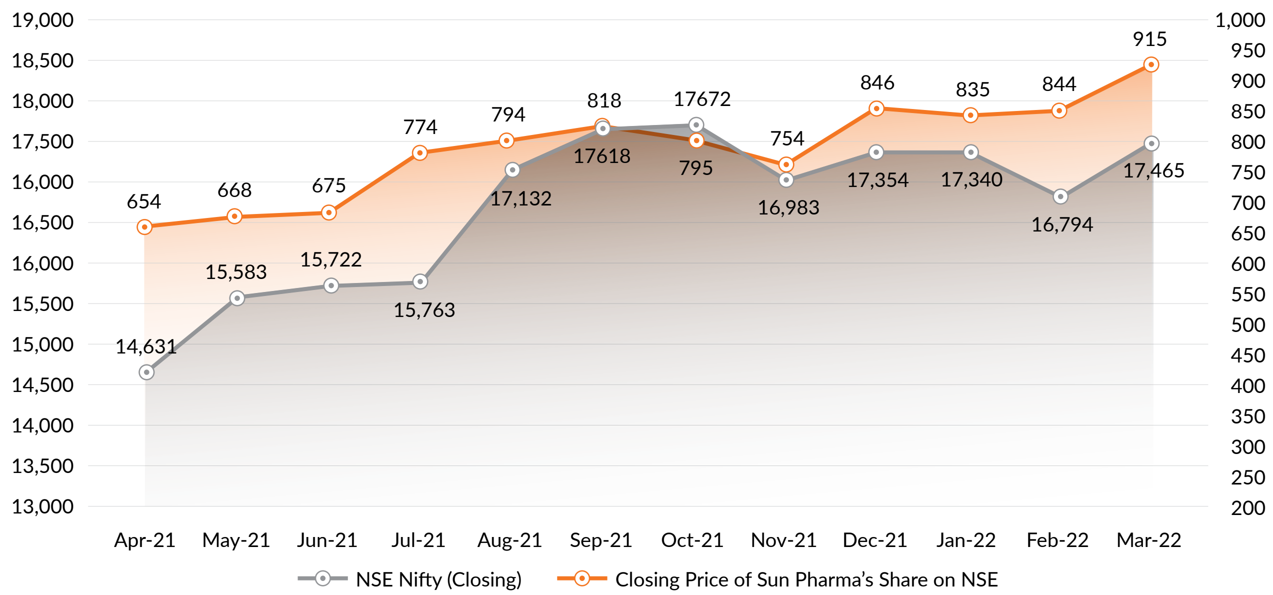
15.6 Stock Market Data - Equity Shares of ₹1/- paid-up value:

	BSE Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	Month's High Price	**Month's Low Price**	**Month's High Price**	**Month's Low Price**
April, 2021	666.50	592.60	666.60	592.75
May, 2021	721.90	640.00	721.85	642.00
June, 2021	686.00	652.75	686.35	652.70
July, 2021	780.10	664.10	783.75	664.20
August, 2021	804.40	743.50	804.35	743.35
September, 2021	833.25	751.10	832.95	751.05
October, 2021	850.00	779.00	851.00	779.35
November, 2021	835.90	746.50	836.00	746.05
December, 2021	850.90	733.95	850.95	733.70
January, 2022	871.00	785.00	871.00	784.80
February, 2022	902.50	815.00	902.85	815.00
March, 2022	930.90	809.50	931.00	809.10

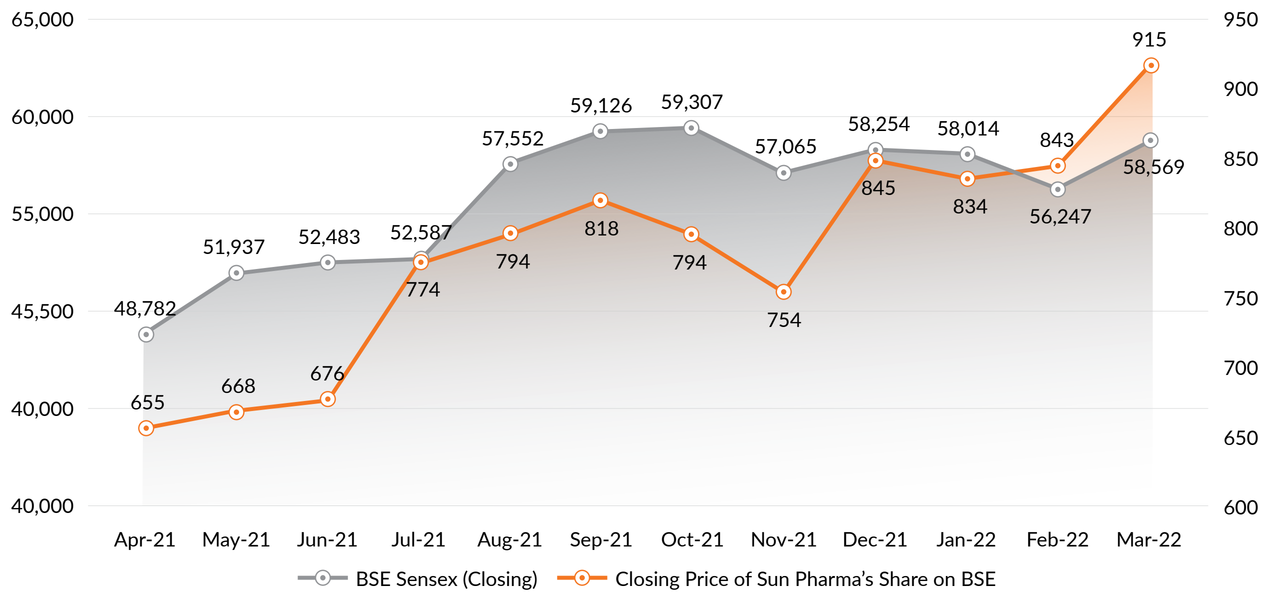
(Source: BSE and NSE website)

15.7 Share Price performance in comparison to broad-based indices – BSE Sensex and NSE Nifty:

Sun Pharmaceutical Industries Limited & NSE Nifty closing price:



Sun Pharmaceutical Industries Limited & BSE Sensex closing price:



15.8 Share price performance relative to NIFTY and BSE Sensex based on share price on March 31, 2022

Period	% change in Sun Pharma Share Price	Nifty	Sun Pharma relative to Nifty	Period	% change in Sun Pharma Share Price	BSE Sensex	Sun Pharma relative to Sensex
Year-on-Year	53.02	18.88	34.14	Year-on-Year	53.08	18.30	34.78
2 Years	159.65	103.13	56.52	2 Years	159.74	98.75	60.99
3 Years	91.03	50.25	40.78	3 Years	90.88	51.45	39.44
5 Years	32.93	90.38	-57.45	5 Years	33.02	97.73	-64.71
10 Years	220.99	229.80	-8.81	10 Years	221.26	236.52	-15.26

(Source: Compiled from data available on BSE and NSE website)

15.9 Registrars & Transfer Agent

Registrars & Transfer Agent (Share transfer and communication regarding share certificates, dividends and change of address)	Link Intime India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 E-Mail: rnt.helpdesk@linkintime.co.in Tel: 022- 49186270 Fax : 022- 49186060

15.10 Share Transfer System

Effective from April 1, 2019, SEBI has mandated that shares can be transferred only in Demat. Hence no transfer of shares in physical form can be lodged by the shareholders.

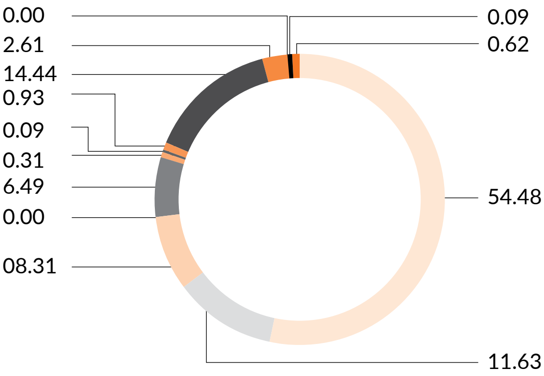
15.11 Distribution of Shareholding as on March 31, 2022

No. of Equity Shares held	No. of folios		Shares of face value ₹ 1/- each	
	Numbers	% to total folios	Numbers	% to total folios
Upto 5,000	676,323	99.1388	83,042,375	3.4611
5,001 – 10,000	2,550	0.3738	18,189,988	0.7581
10,001 – 20,000	1,700	0.2492	21,893,532	0.9125
20,001 – 30,000	336	0.0493	8,267,415	0.3446
30,001 – 40,000	165	0.0242	5,853,329	0.2440
40,001 – 50,000	113	0.0166	5,169,542	0.2155
50,001 – 100,000	264	0.0387	19,253,601	0.8025
100,001 and above	747	0.1095	2,237,665,188	93.2619
Total	**731,768**	**100.000**	**2,399,334,970**	**100.000**

15.12 Category-wise Shareholding as on March 31, 2022 of Equity Shares

Sr. No.	Particulars	No. of Shares	Percentage
A.	Indian Promoters and Persons acting in Concert	1,307,134,535	54.48
B.	Mutual Funds	279,008,856	11.63
C.	Banks/ Financial Institutions and Insurance Companies	199,392,213	8.31
D.	Private Corporate Bodies	62,609,043	2.61
E.	Indian Public	155,666,320	6.49
F.	Directors	2,167,347	0.09
G.	NRIs/ OCBs	7,556,816	0.31
H.	Trusts	22,414,233	0.93
I.	Foreign Portfolio Investor (Corporate)	346,442,453	14.44
J.	Foreign National	13,731	0.00
K.	Foreign Bank and Foreign Companies	17,775	0.00
L.	IEPF	2,033,839	0.09
M.	Others	14,877,809	0.62
Total		**2,399,334,970**	**100.00**

Shareholding Pattern as on March 31, 2022: (%)



- Indian Promoters & Persons Acting in Concert
- Mutual Funds and UTI
- Banks/ Financial Institutions and Insurance Companies
- Private Corporate Bodies
- Indian Public
- Directors
- NRIs / OCBs
- Trusts
- Foreign Portfolio Investor(Corporate)
- Foreign National
- Foreign Banks and Foreign Companies
- IEPF
- Others

15.13 Dematerialisation of Shares

About 99.72% of the outstanding Equity shares have been dematerialised up to March 31, 2022. Trading in Shares of the Company is permitted only in dematerialised form.

Liquidity:

Our Company's equity shares are fairly liquid and are actively traded on National Stock Exchange of India Ltd., (NSE) and The BSE Ltd. (BSE). Relevant data for the average daily turnover for the financial year FY 2021-22 is given below:

	BSE	NSE	BSE + NSE
In no. of shares (in Thousands)	223.24	4,718.06	4,931.24
In value terms (₹ Million)	167.67	3,541.58	3,699.99

(Source: Compiled from data available on NSE and BSE website)

15.14 Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs/ ADRs/Warrants/Convertible Instruments as on March 31, 2022.

Outstanding Stock Options

There are no Stock Options outstanding as on March 31, 2022.

Outstanding Unclaimed Shares

The status of outstanding unclaimed shares in the Unclaimed Share Suspense Account of the Company is as under:-

Particulars	No. of Shareholders	No. of equity shares of ₹1/- each
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2021.	296	130,716
Number of shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from April 1, 2021 up to March 31, 2022	12	5,200
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period from April 1, 2021 up to March 31, 2022.	12	5,200
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2022.	284	125,516

*The voting rights in respect of these shares shall remain frozen till the claim of the righteous shareholders is approved by the Company.

15.15 Disclosure of commodity price risk or foreign exchange risk and commodity hedging activities

The Company is exposed to foreign exchange risks emanating from our business, assets and liabilities denominated in foreign currency. In order to hedge this risk, the Company proactively uses hedging instruments e.g. forward contracts, options and other simple derivatives from time to time. The Company does not have any significant exposure on commodities directly.

15.16 Plant locations as on March 31, 2022:

1) Survey No.214 and 20, Govt. Industrial Area, Phase-II, Piparia, Silvassa - 396 230, U.T. of D & NH.

2) Survey no. 259/15, Dadra - 396191, U.T. of D. & NH.

3) Plot No.24/2 and No.25, GIDC, Phase- IV, Panoli - 395 116, Dist. Bharuch, Gujarat.

4) Plot No. 4708, GIDC, Ankleshwar - 393 002, Gujarat.

5) Halol-Baroda Highway, Near Anand Kendra, Halol, Dist. Panchmahal- 389350 Gujarat.

6) Plot No. 817/A, Karkhadi - 391 450, Taluka: Padra, Dis5. Vadodara, Gujarat.

7) Plot No. Z/15, Sez-1, Po. Dahej, Taluko vagra, Dist. Bharuch, Gujarat.

8) A-7 & A-8, MIDC Industrial Area, Ahmednagar - 414 111, Maharashtra.

9) Plot No. B-2 Madkai Industrial Estate, Ponda, Goa

10) Village & PO Ganguwala, Tehsil Paonta Sahib-173025, Distt. Sirmour, Himachal Pradesh

11) Village Toansa, P.O. Railmajra Distt. Nawansahar-144533 (Punjab)

12) A-41, Industrial Area, Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160071 (Punjab)

13) Plot No. K - 5,6,7, Ghirongi Industrial Area, Malanpur, Dist. Bhind, Madhya Pradesh

14) Pharma Manufacturing Industrial Area 3 A.B. Road, Dewas-455001, Madhya Pradesh

15) Sathammai Village, Karunkuzhi Post, Maduranthakam T.K. Kanchipuram Dist. Tamil Nadu - 603 303.

16) Khasra No. – 1335-1340, Near Epip Phase-1, Hill Top Industrial Area, Vill.-Bhatolikalan, P.O.-Barotiwala, Distt-Solan, Himachal Pradesh, India – 174103

15.17 Investor Correspondence:

Registrars & Transfer Agent:	Link Intime India Private Limited, Unit: Sun Pharmaceutical Industries Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai (INDIA) – 400083 Tel. No.: +91 22 49186270 / +91 22 49186000 Fax No.: +91 22 49186060 E-Mail: rnt.helpdesk@linkintime.co.in / sunpharma@linkintime.co.in
Individual Investors & Queries Related to Shares/ Dividend, etc. Secretarial Department	Sun Pharmaceutical Industries Limited Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Telephone: (+91 22) 4324 4324, Direct no. (+91 22) 4324 2230 Email : secretarial@sunpharma.com
Institutional Investors: **Mr. Nimish Desai**	Sun Pharmaceutical Industries Limited Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Telephone: (+91 22) 4324 4324, Direct no. (+91 22) 4324 2778 Email:nimish.desai@sunpharma.com
Nodal Officer (for the purpose of IEPF): Mr. Sunil Ajmera, Company Secretary (upto January 31, 2022) Mr. Anoop Deshpande, Company Secretary (w.e.f. January 31, 2022)	Sun Pharmaceutical Industries Limited Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Telephone: (+91 22) 4324 4324, Direct no. (+91 22) 4324 2231 Email: secretarial@sunpharma.com

15.18 List of all credit ratings

Rating Agency	Instrument Type	Rating	Remarks
ICRA Limited	Bank Facility (Short-Term Scale)	[ICRA] A1+	No revisions in credit rating during the FY22
	Long-Term/Short-Term Borrowing	[ICRA] AAA (Stable)/ [ICRA] A1+	
	Commercial Paper	[ICRA] A1+	
CRISIL Limited	Bank Facility (Short-Term)	CRISIL A1+	No revisions in credit rating during the financial year FY22
	Bank Facility (Long-Term)	CRISIL AAA/ Stable	
	Commercial Paper	CRISIL A1+	

For and on behalf of the Board,

Dilip S. Shanghvi
Managing Director
(DIN: 00005588)

Sailesh T. Desai
Whole-time Director
(DIN: 00005443)

Date: May 30, 2022

ANNEXURE 'A' TO CORPORATE GOVERNANCE REPORT

DECLARATION OF COMPLAINCE WITH CODE OF CONDUCT FOR THE YEAR ENDED MARCH 31, 2022

I, Dilip S. Shanghvi, Managing Director of Sun Pharmaceutical Industries Limited ("the Company") hereby declare that, to the best of my information, all the Board Members and Senior Management Personnel of the Company have affirmed their compliance and undertaken to continue to comply with the Global Code of Conduct laid down by the Board of Directors of the Company.

For Sun Pharmaceutical Industries Ltd.,

Dilip S. Shanghvi
Managing Director
(DIN: 00005588)

Date: May 30, 2022

ANNEXURE 'B' TO CORPORATE GOVERNANCE REPORT

CERTIFICATE

(pursuant to Regulation 34(3) and schedule V para C clause (10) (i) of the SEBI (Listing Obligation Disclosure requirement) Regulation, 2015)

To,
The Members of
Sun Pharmaceutical Industries Limited
CIN: L24230GJ1993PLC019050
Add: SPARC, Tandalja, Vadodara Gujarat - 390012

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Sun Pharmaceutical Industries Limited having CIN L24230GJ1993PLC019050 and having registered office at SPARC, Tandalja, Vadodara Gujarat - 390012 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V para – C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of Directors of the Company as stated below for the Financial year ending on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange and Board of India, Ministry of Corporate affairs or any such other Statutory Authority.

Sr. No	Name of the Directors	Director Identification Number (DIN)	Date of Appointment in the Company
1	Israel Makov	05299764	May 29, 2012
2	Dilip S. Shanghvi	00005588	March 01, 1993
3	Sudhir V. Valia	00005561	January 31,1994
4	Sailesh T. Desai	00005443	March 25, 1999
5	Kalyanasundaram Subramanian	00179072	February 14, 2017
6	Rama Bijapurkar	00001835	May 21, 2021
7	Pawan Goenka	00254502	May 21, 2021
8	Gautam Bhailal Doshi	00004612	May 25, 2018

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, KJB & CO LLP
Practising Company Secretaries,
Firm Unique Identification No. - L2020MH006600
Peer Review Certificate No. - 934/2020

Alpeshkumar Panchal
Partner
ACS No.: 49008
COP No.: 20120
UDIN: A049008C000380614
Date: May 30, 2022
Place: Vadodara

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of
Sun Pharmaceutical Industries Limited

1. The Corporate Governance Report prepared by Sun Pharmaceutical Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2022 as required by the Company for annual submission to the Stock exchange.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

    i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

    ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

    iii. Obtained and read the Register of Directors as on March 31, 2022 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

    iv. Obtained and read the minutes of the following committee meetings / other meetings held April 01, 2021 to March 31, 2022:

        (a) Board of Directors;

        (b) Audit Committee;

        (c) Annual General Meeting (AGM);

        (d) Nomination and Remuneration Committee;

        (e) Stakeholders Relationship Committee;

        (f) Risk Management Committee;

        (g) Corporate Social Responsibility Committee meetings;

        (h) Corporate Governance and Ethics Committee meetings;

        (i) Independent Directors.

v. Obtained necessary declarations from the directors of the Company;

vi. Obtained and read the policy adopted by the Company for related party transactions;

vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee;

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

OTHER MATTERS AND RESTRICTION ON USE

1. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

2. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

per **Paul Alvares**
Partner
Membership Number: 105754
UDIN: 22105754AJVRGA7544
Place of Signature: Mumbai
Date: May 30, 2022

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

DIRECTOR'S MESSAGE

With the vision of 'Reaching people and touching lives globally as a leading provider of valued medicines', we at Sun Pharmaceutical Industries Limited ("SPIL") continue to build our legacy of integrating Environment, Social and Governance (ESG) parameters within our value creation model. While we continue our relentless focus and commitment towards ESG initiatives, we published our progress through our maiden Sustainability Report in the previous year. We further enhance our transparency in ESG disclosures, by voluntarily adopting the Business Responsibility and Sustainability Report this year.

Governance

To embed ESG parameters within our business growth model, we have integrated the principles of sustainability within our corporate governance framework. Building on our legacy of caring for people, communities and the planet, we have adopted a diversified approach towards workforce welfare and community upliftment with a strong interlinkage to our commitment towards enhancing our environment performance.

Employee workforce and community upliftment

At Sun Pharma, our strong global workforce of 38,000+ employees including 22,000+ SPIL employees (including contractual) are integral to realising our vision. Our employees exhibited strong resoluteness during COVID-19 pandemic by overcoming the difficulties with an unwavering strength. As part of our systemic efforts in creating a conducive working environment for employees across the functions, we have implemented relevant e-training modules, enabling the advancement of skill sets. Through the implementation of our inclusive policies, we aim to foster a culture of employee wellbeing and resource development within a well diversified workforce.

As a responsible Company striving towards the growth and upliftment of community, we implement Corporate Social Responsibility (CSR) initiatives to augment our contribution towards social development. In FY 2021-22, we contributed towards initiatives pertaining to alleviation of the COVID-19 impact on local communities by enhancing accessibility of medicines through mobile healthcare units. Further, we enhanced our positive impact on the community through rural infrastructure development projects, among others.

Environment

As a proud signatory of the India CEO forum on Climate Change, we have pledged to build a resilient business that factors around the important issue of environment protection. It reflects our resolute commitment towards climate change action plans in line with the recommendations of the Nationally Determined Contributions (NDC) and the Paris agreement.

In cognizance with the growing momentum on climate change and sustainability, we have set targets for reducing carbon emissions by 35% by 2030 (for scope 1 and scope 2 emissions), reducing water consumption by 10% by 2025 and disposing 30 % of hazardous waste through co processing by 2025. As part of our target setting approach, we have developed a comprehensive road map inclusive of the energy, water and waste management plan, their corresponding implementation strategy and a combined strategy to integrate them within our existing growth model.

Through our transition from Business Responsibility Report (BRR) to Business Responsibility and Sustainability Report (BRSR) this year, we envision to augment our transparency on the ESG performance amongst our stakeholders in accordance with the principles of SEBI's National Guidelines on Responsible Business Conduct (NGRBC). We endeavor to improve our sustainability performance by welcoming your valuable insights and feedback.

Regards,

Kalyanasundaram Subramanian
Whole-time Director

Section A: General Disclosures

DETAILS OF THE LISTED ENTITY:

Corporate Identity Number (CIN) of the Listed Entity	L24230GJ1993PLC019050
Name of the Listed Entity	Sun Pharmaceutical Industries Limited
Year of incorporation	1993
Registered office address	SPARC, Tandalja, Vadodara - 390 012, Gujarat
Corporate address	Sun House, CTS No. 201 B/1, Western Express Highway Goregaon (E), Mumbai 400063, Maharashtra, India
Email	secretarial@sunpharma.com
Telephone	(+91 22) 4324 4324
Website	www.sunpharma.com
Financial year for Reporting	01-April-2021 to 31-March-2022
Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Anoop Deshpande (Company Secretary), Email - Anoop.Deshpande@sunpharma.com, Tel. No. +91-22-4324 4324
Reporting boundary	Standalone Basis
Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Limited
Paid-up Capital (₹)	2,399,334,970

PRODUCTS/SERVICES:

Details of business activities (accounting for 90% of the turnover):

Sr. no.	Description of the main activity	Description of business activity	% Of turnover of the entity
1.	Pharmaceutical	Manufacturing and marketing of pharmaceutical products	100%

Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. no.	Product/Service	NIC Code	% Of total Turnover contributed
1.	Manufacture of pharmaceuticals, medicinal and chemical products	210	100%

OPERATIONS:

Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	18[1]	2	20
International	0	14	14

[1] The plants include the Company's manufacturing locations and R&D centres.

Markets served by the entity

a. Number of Locations

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	Over 100 countries served across the six continents - Asia, North America, Europe, Africa, South America and Australia

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Over the years, the Company has been focusing on increasing its market reach. Presently the Company is serving the market requirements in over 100 countries spanning across the six continents, viz Asia, North America, Europe, Africa, South America and Australia. Further, the Company has been undertaking several initiatives to fulfill market needs across the globe and continue to grow exports. At present 68 % of total turnover is contributed by the exports of products.

c. A brief on types of customers

Pharmaceutical distributors and wholesalers are direct customers as part of the distribution chain and patients are the end-customers.

EMPLOYEES:

Details as at the end of Financial Year

a. Employees and workers (including differently abled)

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Employee				
1	Permanent (D)	13,395	12,338	92.11	1,057	7.89
2	Other than Permanent (E)	2,588	2,381	92	207	8
3	**Total employees (D + E)**	**15,983**	**14,719**	**92.1**	**1,264**	**7.91**
		Worker				
4	Permanent (F)	5,135	4,980	96.98	155	3.02
5	Other than Permanent (G)	992	962	96.98	30	3.02
6	**Total workers (F + G)**	**6,127**	**5,942**	**96.98**	**185**	**3.02**

b. Differently abled employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Differently Abled Employees				
1	Permanent (D)	3	2	66.67	1	33.33
2	Other than Permanent (E)	-	-	-	-	-
3	**Total employees (D + E)**	**3**	**2**	**100**	**1**	**0**
		Differently Abled Workers				
4	Permanent (F)	6	6	66.67	0	33.33
5	Other than Permanent (G)	-	-	-	-	-
6	**Total workers (F + G)**	**6**	**6**	**100**	**0**	**0**

Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5
Key Management Personnel	2	0	0

Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	Turnover Rate								
	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.0%	15.7%	10.4%	7.6%	12.0%	7.9%	9.4%	18.8%	10.0%
Permanent Workers	33.0%	28.4%	32.8%	18.6%	11.8%	18.4%	31.9%	14.4%	31.4%

HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

Names of holding/subsidiary/associate companies/joint ventures as on March 31, 2022.

Sr. No.	Name of the holding/subsidiary/associate companies/ joint ventures	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)*
1.	Green Eco Development Centre Limited	Subsidiary	100.00%	No
2.	Sun Pharmaceutical (Bangladesh) Limited	Subsidiary	72.50%	No
3.	Sun Pharma De Mexico S.A. DE C.V.	Subsidiary	75.00%	No
4.	Sun Pharma Japan Ltd.	Subsidiary	100.00%	No
5.	OOO "Sun Pharmaceutical Industries" Limited	Subsidiary	100.00%	No
6.	Sun Pharma De Venezuela, C.A.	Subsidiary	100.00%	No
7.	Sun Pharma Laboratories Limited	Subsidiary	100.00%	Yes
8.	Faststone Mercantile Company Private Limited	Subsidiary	100.00%	No
9.	Neetnav Real Estate Private Limited	Subsidiary	100.00%	No
10.	Realstone Multitrade Private Limited	Subsidiary	100.00%	No
11.	Skisen Labs Private Limited	Subsidiary	100.00%	No
12.	Sun Pharma Holdings	Subsidiary	100.00%	No
13.	Softdeal Pharmaceutical Private Limited (Formerly known as Softdeal Trading Company Private Limited)	Subsidiary	100.00%	No
14.	Sun Pharma (Netherlands) B.V.	Subsidiary	100.00%	No
15.	Foundation for Disease Elimination and Control of India	Subsidiary	100.00%	No
16.	Zenotech Laboratories Limited	Subsidiary	68.84%	No
17.	Sun Farmaceutica do Brasil Ltda.	Subsidiary	100.00%	No
18.	Sun Pharma France (Formerly Known as Ranbaxy Pharmacie Generiques)	Subsidiary	100.00%	No
19.	Sun Pharmaceutical Industries, Inc.	Subsidiary	100.00%	Yes
20.	Ranbaxy (Malaysia) SDN. BHD.	Subsidiary	95.67%	Yes
21.	Ranbaxy Nigeria Limited	Subsidiary	86.16%	No
22.	Chattem Chemicals Inc.	Subsidiary	100.00%	Yes
23.	The Taro Development Corporation	Subsidiary	100.00%	No
24.	Alkaloida Chemical Company Zrt.	Subsidiary	99.99%	No
25.	Sun Pharmaceutical Industries (Australia) Pty Limited	Subsidiary	100.00%	Yes
26.	Aditya Acquisition Company Ltd.	Subsidiary	100.00%	No
27.	Sun Pharmaceutical Industries (Europe) B.V.	Subsidiary	100.00%	No
28.	Sun Pharmaceuticals Germany GmbH	Subsidiary	100.00%	No
29.	Sun Pharmaceuticals SA (Pty) Ltd	Subsidiary	100.00%	No
30.	Sun Pharma Philippines, Inc.	Subsidiary	100.00%	No
31.	Caraco Pharmaceuticals Private Limited	Subsidiary	100.00%	No
32.	Sun Pharmaceutical Peru S.A.C.	Subsidiary	100.00%	No
33.	Sun Laboratories FZE	Subsidiary	100.00%	No
34.	Taro Pharmaceutical Industries Ltd. (Taro)	Subsidiary	78.48%	Yes
35.	Taro Pharmaceuticals Inc.	Subsidiary	78.48%	Yes
36.	Taro Pharmaceuticals U.S.A., Inc.	Subsidiary	78.48%	No
37.	Taro Pharmaceuticals North America, Inc.	Subsidiary	78.48%	No
38.	Taro Pharmaceuticals Europe B.V.	Subsidiary	78.48%	No
39.	Taro International Ltd.	Subsidiary	78.48%	No
40.	3 Skyline LLC	Subsidiary	78.48%	No
41.	One Commerce Drive LLC	Subsidiary	78.48%	No
42.	Taro Pharmaceutical Laboratories Inc.	Subsidiary	78.48%	No
43.	Dusa Pharmaceuticals, Inc.	Subsidiary	100.00%	No
44.	2 Independence Way LLC	Subsidiary	100.00%	No
45.	Universal Enterprises Private Limited	Subsidiary	100.00%	No
46.	Sun Pharma Switzerland Ltd.	Subsidiary	100.00%	No
47.	Sun Pharma East Africa Limited	Subsidiary	100.00%	No
48.	PI Real Estate Ventures, LLC	Subsidiary	100.00%	No
49.	Sun Pharma ANZ Pty Ltd	Subsidiary	100.00%	No

Sr. No.	Name of the holding/subsidiary/associate companies/ joint ventures	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)*
50.	Ranbaxy Farmaceutica Ltda.	Subsidiary	100.00%	No
51.	Sun Pharma Canada Inc.	Subsidiary	100.00%	No
52.	Sun Pharma Egypt LLC	Subsidiary	100.00%	No
53.	Rexcel Egypt LLC	Subsidiary	100.00%	No
54.	Basics GmbH	Subsidiary	100.00%	No
55.	Sun Pharma Italia srl (Formerly known as Ranbaxy Italia S.P.A.)	Subsidiary	100.00%	No
56.	Sun Pharmaceutical Industries S.A.C.	Subsidiary	100.00%	No
57.	Ranbaxy (Poland) SP. Z O.O.	Subsidiary	100.00%	No
58.	Terapia SA	Subsidiary	96.81%	Yes
59.	AO Ranbaxy	Subsidiary	100.00%	No
60.	Ranbaxy South Africa (Pty) Ltd	Subsidiary	100.00%	Yes
61.	Ranbaxy Pharmaceuticals (Pty) Ltd	Subsidiary	100.00%	No
62.	Sonke Pharmaceuticals Proprietary Limited	Subsidiary	70.00%	No
63.	Sun Pharma Laboratorios, S.L.U. (Formerly known as Laboratorios Ranbaxy, S.L.U.)	Subsidiary	100.00%	No
64.	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	Subsidiary	100.00%	No
65.	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	Subsidiary	100.00%	No
66.	Ranbaxy Inc.	Subsidiary	100.00%	No
67.	Ranbaxy (Thailand) Co., Ltd.	Subsidiary	100.00%	No
68.	Ohm Laboratories, Inc.	Subsidiary	100.00%	Yes
69.	Ranbaxy Signature LLC	Subsidiary	67.50%	No
70.	Sun Pharmaceuticals Morocco LLC	Subsidiary	100.00%	No
71.	“Ranbaxy Pharmaceuticals Ukraine” LLC	Subsidiary	100.00%	No
72.	Sun Pharmaceutical Medicare Limited	Subsidiary	100.00%	Yes
73.	JSC Biosintez	Subsidiary	100.00%	No
74.	Sun Pharmaceuticals Holdings USA, Inc.	Subsidiary	100.00%	No
75.	Zenotech Inc	Subsidiary	68.84%	No
76.	Zenotech Farmaceutica Do Brasil Ltda	Subsidiary	45.69%	No
77.	Sun Pharma Distributors Limited	Subsidiary	100.00%	No
78.	Realstone Infra Limited	Subsidiary	100.00%	No
79.	Sun Pharmaceuticals (EZ) Limited	Subsidiary	99.99%	No
80.	Sun Pharma (Shanghai) Limited	Subsidiary	100.00%	No
81.	Sun Pharma Japan Technical Operations Limited	Subsidiary	100.00%	No
82.	Alchemee, LLC	Subsidiary	78.48%	No
83.	The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.)	Subsidiary	78.48%	No
84.	Proactiv YK	Subsidiary	78.48%	No
85.	The Proactiv Company KK	Subsidiary	78.48%	No
86.	The Proactiv Company Corporation	Subsidiary	78.48%	No
87.	Artes Biotechnology GmbH	Joint Venture	45.00%	No
88.	Medinstill LLC	Associates	19.99%	No
89.	Generic Solar Power LLP	Associates	28.76%	No
90.	Trumpcard Advisors and Finvest LLP	Associates	40.61%	No
91.	Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)	Associates	20.96%	No
92.	WRS Bioproducts Pty Ltd.	Associates	12.50%	No
93.	Composite Power Generation LLP	Associates	36.90%	No
94.	Vintage Power Generation LLP	Associates	39.41%	No
95.	Vento Power Generation LLP	Associates	40.55%	No
96.	HRE LLC	Associates	19.22%	No
97.	HRE II LLC	Associates	19.99%	No
98.	HRE III LLC	Associates	19.99%	No
99.	Dr. Py Institute LLC	Associates	19.22%	No

Sr. No.	Name of the holding/subsidiary/associate companies/ joint ventures	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)*
100.	Medinstill Development LLC	Associates	19.22%	No
101.	ALPS LLC	Associates	19.22%	No
102.	Intact Pharmaceuticals LLC	Associates	19.22%	No
103.	Intact Media LLC (Formerly known as Intact Skin Care LLC)	Associates	19.22%	No
104.	Intact Solutions LLC	Associates	19.22%	No
105.	Intact Closed Transfer Connectors LLC	Associates	19.22%	No
106.	Intact PUR-Needle LLC	Associates	19.22%	No

* Note - While the list provides confirmation for those entities where sustainability reporting initiatives including BRSR have been initiated actively, most company level policies and practice essential for SPIL are also extended to subsidiaries and associates to the extent applicable.

CORPORATE SOCIAL RESPONSIBILITY (CSR) DETAILS

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
(ii) Turnover (in ₹ Million**)**	155,185
(iii) Net worth as per Companies Act (in ₹ Million**)**	201,828

TRANSPARENCY AND DISCLOSURES COMPLIANCES

Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	Financial Year 2021-22			Financial Year 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Company reaches out to 20-25 villages located in the peripheral area of its operating locations through mobile health care units. Each of the mobile health care unit carries a register accessible to all the community members to address the grievances and queries through written complaints. The grievances received through the register are addressed by the concerned authority members.	0	0		0	0	
Shareholders	Yes, the Company has a grievance redressal mechanism for shareholders. The Company has appointed Link Intime India Private Limited as the Share Transfer Registrars/Agents. The Link Intime India Private Limited takes care of shareholders' enquiries/queries, requests and complaints. The Share Transfer Registrars/ Agents respond to enquiries/queries, requests and complaints within the framework specified/ defined by SEBI. There is a dedicated email id to receive the grievances from shareholders- secretarial@sunpharma.com.	3	0		2	0	
Investors[2] (Other than shareholders)	-	-	-		-	-	
Employees and workers	Yes, the employees and workers have access to the Company's Global Whistleblower mechanism. The Company provides different channels of communication for grievances through Whistleblower mechanism- email id, online portal and written complaints	3	0		1	0	

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	Financial Year 2021-22			Financial Year 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers[3]	Yes, the customers address their grievances through various channels of communication such as e-mail, couriers, quality complaints form on website - product quality form: https://sunpharma.com/product-quality-complaint-form/.	10	0		16	0	
Value chain partners	Yes, the grievance redressal mechanism for value chain partners is through email id, shared service helpdesk and Global Whistleblower mechanism.	0	0		1	0	

[2] The Company has a common redressal mechanism for shareholders and investors, which has been captured in the row "Shareholders".

[3] The complaints are pertaining to product quality only.

OVERVIEW OF THE ENTITY'S MATERIAL RESPONSIBLE BUSINESS CONDUCT ISSUES

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

Sr. No.	Material issues identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Implications of the risk or opportunity (indicate positive or negative implications)
1	ESG compliance	Risk	Risk: ESG compliance risk is linked to non-adherence with standards and guidelines of all local and global regulatory agencies, focusing on pharmacovigilance, proprietary, confidentiality and other core governance standards (For instance, CGMP, CGLP, among others).	1. Focusing on stable and larger markets. 2. Strengthening regulatory capacity in key markets by actively engaging with regulatory agencies and hence mitigating risks from external sources.	Positive: Compliance with relevant regulatory requirements pertaining to the ESG domain, reflects the Company's commitment towards responsible business practices. Negative: Non-compliance with ESG and regulatory requirements, may affect the Company's image and impact its business continuity in the long term.
2	Regulatory compliance				
3	Risk management	Risk and Opportunity	Risk: Lack of robust controls across the risk management system may lead to adverse impacts across business operations. Opportunity: Risk Management facilitates addressing risks linked to business interruption from changes in local and global geo-political, socioeconomic, regulatory or other events. Thus, the integration of risk management bolsters the Company's business continuity plan.	1. Ensuring business continuity by maintaining inventory of products and raw materials, having adequate local manufacturing capacity, conducting disaster recovery and business continuity testing for critical applications and alternative vendor development.	Positive: Linking the Company's key material topics with the identified risks and their corresponding mitigation actions, strengthens the Company's growth plan and ensures business continuity in the long run.
4	Emergency preparedness and response	Opportunity	Opportunity: Integration of emergency preparedness and response within the Company's business continuity plan is critically important to ensure the implementation of required actions during unprecedented situations.		Positive: Immediate response with a strong action plan at the time of emergency helps alleviate the devastating impact on business activities and secures the Company from a prolonged duration of disruption.

Sr. No.	Material issues identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Implications of the risk or opportunity (indicate positive or negative implications)
5	ESG Governance	Opportunity	Opportunity: Implementation of a governance structure primarily focusing on the ESG parameters of the Company, will augment the overall ESG performance, and reflect the Company's commitment to integrate responsible business practices within its growth model.		Positive: Leadership oversight on the ESG strategy, action plan and performance facilitate the amplification of the Company's positive impact on environment and community. It also enables the company to further embed robust monitoring mechanisms across ESG initiatives and business practices.
6	Managing waste	Risk and Opportunity	Risk: Waste, water and energy management have been identified as key material issues under the Climate change and environmental risk. The Climate Change and environmental risks is addressed to emphasize on the Company's climate consciousness and its contribution towards mitigation action plans against climate change. Opportunity: Comprehensive resource management plans in alignment with the Company's environment conservation strategy will highlight the Company's commitment towards improving environment preservation and its contribution towards climate change mitigation action plans.	1. Ensuring compliance through strong governance and review mechanisms, strengthening capabilities of EHS and legal compliance teams, conducting risk assessments and periodic reviews, implementing compliance management software for tracking and monitoring adherence to all applicable regulatory requirements 2. Undertaking proactive initiatives towards mitigating the physical and transitional risks linked to climate change, for instance decarbonising operations, GHG emission reduction measures, and physical climate risk assessment for climate-proofing assets. 3. The Company applies the precautionary principle (as described in Rio Declaration 1992) through the ERM framework to mitigate environmental risks.	Positive: The Company's focus on strengthening climate and ESG specific initiatives bolsters long-term value-creation and enables the company to effectively respond to rising stakeholder demands. Negative: Lack of robust initiatives and action plans to contribute to ESG awareness and climate change could adversely impact business operations and lead to workforce disruption.
7	Water stewardship				
8	Energy efficiency and carbon emissions				
9	Climate Change				
10	Attracting and retaining talent	Risk and Opportunity	Risk: Talent management parameters such as acquisition, retention and development are intrinsically linked to workforce welfare. Inability to meet with the workforce expectations may impact the Company's retention rate and affect the Company's the business continuity due to the criticality of workforce as a part of the business growth plan. Opportunity: Company's efforts towards workforce welfare and development directly coveys its resolute commitment towards the upliftment of the most integral asset.	1. Attracting and retaining talent through multiple talent development programs encompassing global talent management, stretch programs and schemes along with compensation and other benefits to employees. 2. Formal succession planning programme for all leadership positions.	Positive: A strong workforce with high retention rate highlights the Company's efforts towards creating a conducive work environment in addition to creating a positive approach towards workforce development Negative: Workforce being an integral component of the Company's value creation strategy play a critical role in the business growth plan. Inability to meet the workforce expectations may result in adverse impacts on the workforce productivity and the company's growth plan in a long run.
11	Workforce welfare				

Sr. No.	Material issues identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Implications of the risk or opportunity (indicate positive or negative implications)
12	Occupational Health and safety	Risk and Opportunity	Risk: Occupational health and safety is critical aspect of the Company's commitment towards workforce welfare which further highlights the performance in terms of provision of safe and secure working environment. Identification of a high number of health and safety incidents reflect the efficiency of the existing EHS management approach. Opportunity: Strong EHS management system integrated with a comprehensive hazard identification, mitigation plans, root cause analysis of the reported incidents and corresponding corrective action plan will highlight the Company's approach and resoluteness towards workforce health and safety.	1. Implementing a robust EHS management system with periodic internal and external audits of the safety practices. 2. Adoption of comprehensive corrective action plans post the identification and assessment of safety incidents to prevent any such future instances.	Positive: Robust Occupational, Health and Safety management approach enables the Company to prevent the occurrence of incidents. Negative: Frequent safety incidents and injuries may adversely impact the Company's performance from the aspect of safety as well as workforce wellbeing.
13	Human Rights	Risk and Opportunity	Risk: Absence of a comprehensive Human Rights governance structure from the aspects of parameters such as working conditions, child/ forced labour, fair remuneration, gender diversity, prevention of sexual harassment, freedom of association, collective bargaining will impact the Company's performance in social domain from the perspective of employee workforce as well as community. Opportunity: Presence of Human Rights Policy and a strong redressal mechanism outlines the Company's commitment towards Human Rights protection.	1. Integrating a strong governance structure for Human Rights from the aspect of Human Rights Policy, grievance redressal mechanism and due diligence across the business operations extending to supply chain partners and vendors.	Positive: Comprehensive alignment of Human Rights principles in accordance with the guiding principles of national and international Human Rights standards amplifies the Company's performance in social aspect as well as reflect its commitment towards human rights integration within the Company's business model. Negative: Absence of a Human Rights governance structure could result in employee dissatisfaction, impacting the workforce productivity that could impact the Company's long-term business growth plan. Lack of a strong redressal mechanism may result in non-compliance issues from relevant regulatory perspective.

Sr. No.	Material issues identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Implications of the risk or opportunity (indicate positive or negative implications)
14	Data integrity and security	Risk and Opportunity	Risk: Risk linked to technology directly impact the security and integrity of the system across the business operation. The criticality involved with the technology and cyber security needs to be assessed periodically to prevent breaches of data privacy from the aspects of confidential information of the Company as well as its stakeholders. Opportunity: A strong governance on the data integrity, technology, digitalization and innovation parameters of the Company enables the creation of a secure and impenetrable network while supporting pace and scale of business transactions across geographies.	1. Strengthened perimeter security, IT and monitoring systems, anti-virus and patch management while conducting trainings on cyber security to reduce risks arising from cyber security and data breaches.	Positive: Strong alignment of secure data integrity principles with the help of innovative technology and digitalisation initiatives within the Company's business operations will ensure compliance of data security, privacy and prevent any loss of data. Negative: Lack of a strong data integrity and security mechanism may lead to increase in number of data breaches and loss of valuable data.
15	Technology and digitalisation				
16	Investments in innovative specialty products and technologies	Opportunity	Opportunity: Investment in innovation and technology facilitates the development of a robust product portfolio in addition to strengthening the product accessibility in line with the Company's vision.		Positive: Investment in innovation and technology will lead to development of stronger product portfolio in addition to fulfillment of patient needs through strengthened product accessibility. Further it will reflect the Company's commitment towards product innovation through its investment in innovation and technology.
17	Development of complex molecules	Risk and opportunity	Risk: Addressing risks pertaining to product portfolio, product accessibility, pricing and margins is significantly important for the pharmaceutical sector. Lack of accessibility to medicines due to pricing and availability pose an adverse effect on the Company's vision as well the business growth strategy. Opportunity: Strong product portfolio built on the foundation of Company's robust R&D principles, leads to accessibility of medicines and healthcare to wider consumer base. Development of complex molecules further advances the Company's contribution towards product accessibility.	1. Establishing a strong and diversified product portfolio by enhancing cross-functional synergies, organisational capabilities, project management and governance focused on product identification, development, planning and launch. 2. Strengthening in-licensing and out-licensing of products. 3. Focus on developing and commercialising specialty products and complex generics among others. 4. Vendor development, strengthening supply chain, working capital and inventory management. 5. Undertaking operational excellence programs focused on yield and throughput improvement.	Positive: A comprehensive product portfolio in terms of accessibility and product pricing through the Company's product innovation and research center amplifies the brand value. Negative: Lack of product accessibility due to pricing issues may lead to an adverse impact on the Company's brand value and business growth in the long run.
18	Product accessibility				
19	Responsible product pricing				

Sr. No.	Material issues identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Implications of the risk or opportunity (indicate positive or negative implications)
20	Product responsibility (including quality and safety across lifecycle)	Risk	Risk: Due to high vulnerability of product quality and safety issues for the pharmaceutical sector, addressing risks relevant to product responsibility is critically important. The risk analysis and consecutive mitigation action plans are linked with standards and guidelines of all local and global regulatory agencies, focusing on pharmacovigilance, proprietary, confidentiality and other core governance standards.	1. Employ robust and centralised pharmacovigilance processes encompassing detailed SOPs that ensure efficient surveillance and reporting of adverse events 2. Make consistent investments in technological interventions, strengthening governance mechanisms, and employee capacity-building in the area of pharmacovigilance management 3. Established global quality standards and procedures throughout the organisation 4. Rolling out periodic training programs for employees on global GMP training 5. Strengthening and harmonising quality related IT applications and systems 6. Undertaking periodic quality review of third-party locations 7. Strengthening quality of manufacturing records, test procedures at lab and continuous uptake of best practices 8. Conducting brand protection activities and strengthen framework for trademark and IP protection activities with the support of a dedicated IP team focusing on patents	Positive: Compliance of products on the aspects of quality and safety from all relevant regulatory requirements, highlights the Company's commitment as well as integrity towards patient safety. Negative: Identification of major issues from the aspects of product safety and quality may lead to penalties and warnings from relevant regulatory authorities. Further it may have adverse impact on the brand image and value.
21	Responsible supply chain management	Risk	Risk: Strong dependency on the supply chain for the entire product life cycle poses a requirement of a strong contingency plan to deal with unprecedented situations which may lead to disruption in the supply chain. Further, the Company extends its responsible business principles across the value chain, expecting its suppliers to adhere with the required principles. Non-adherence of the principles from the supplier end may affect the Company's partnership with them, further impacting the business continuity plan.	1. Establish a robust assessment mechanism to assess the implication of unprecedented disruption on the supply chain and develop a comprehensive contingency plan to avoid major impact on the business 2. Undertake a supplier assessment in alignment with the standard practices and requirements as per the guidance outlined by sector-specific responsible supply chain initiatives.	Positive: Responsible supply chain practices enables the Company to have a strong mechanism to deal with supply chain disruptions due to unprecedented situations, moreover the compliance with the Company's responsible business practices and principles, amplify the Company's social and environment performance across the supply chain. Negative: Non-compliance of the vital requirements from responsible business perspective such as human rights may affect the Company's business partnerships in a long run. Further, it may lead to adverse impact on the brand image from the perspective of association with a non-compliant supplier in the long run.

Sr. No.	Material issues identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Implications of the risk or opportunity (indicate positive or negative implications)
22	Community development - CSR	Opportunity	Opportunity: Streamlining CSR initiatives with the needs of community members by virtue of impact assessments and stakeholder engagement sessions, enables the Company to highlight its positive impact on the community.		Positive: Contributions made by the Company towards upliftment of the community through various initiatives and partnerships focusing on the health, education, rural infrastructure development, sanitation, environment conservation among others, elevates the Company's brand value among the local community members as well as contributes towards positive social performance.
23	Health education and prevention	Opportunity	Opportunity: Contributing towards CSR initiatives focusing on the health and education area facilitates the Company to align its initiatives with the United Nations Sustainable Development Goals		Positive: Accessibility to health and education facilities though the Company's CSR initiatives, contributes to the upliftment of the Community members.

Section B: Management and Process Disclosures

THE NATIONAL GUIDELINES FOR RESPONSIBLE BUSINESS CONDUCT (NGRBC) AS PRESCRIBED BY THE MINISTRY OF CORPORATE AFFAIRS ADVOCATES NINE PRINCIPLES REFERRED AS P1-P9 AS GIVEN BELOW:

Principle 1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive towards all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect, and make efforts to restore the environment
Principle 7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes, the Company has developed comprehensive policies covering these principles, some of the Policies have been approved by the Board as per relevant statutory requirements.								
c. Web Link of the Policies, if available	https://sunpharma.com/policies/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusted) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	National Guidelines on Responsible Business Conduct (NGRBC)	Environment Management System- ISO 14001: 2015, Extended Producer Responsibility (EPR) regulations, NGRBC	Health and Safety- ISO 45001: 2018, International Labour Organisation (ILO), NGRBC	NGRBC	United Nations Guiding Principles on Business and Human Rights (UNGP), Sedex Members Ethical Trade Audit, NGRBC	Environment Management System-ISO 14001:2015, NGRBC, Energy management system-ISO 50001:2018	NGRBC	NGRBC	Product quality-ISO 9001: 2015, NGRBC
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	a) To reduce water consumption by 10% by 2025, considering baseline of 2020 b) To reduce carbon emissions by 35% by 2030 considering baseline of 2020. (Scope 1&2) c) To dispose 30% of hazardous waste through co-processing by 2025	-	-	-
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	-	-	-	-	-	The Company has set environment targets in FY2021-22, hence the performance against set target will not be applicable for this reporting period	-	-	-
Governance, Leadership, and Oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements –	Director's Message at the beginning of this Business Responsibility and Sustainability Report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Kalyanasundaram Subramanian, Designation: Whole-time Director DIN number: 00179072								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, Kalyanasundaram Subramanian, Whole-time Director, oversees the Business Responsibility and Sustainability initiatives of the Company.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Periodically/need based basis								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Ongoing basis								

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11.	**Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).** **If yes, provide name of the agency.**	No, the Company internally reviews the working of the above-mentioned policies.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

Section C: Principle wise Performance Disclosure

ETHICS AND INTEGRITY

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year 2021-22:

Segment	Total number of training and awareness programs held	Topics/ principles covered under the training and its impacts	Percentage of persons in respective category covered by the awareness programs
Board of Directors	5	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9	100%
Key Managerial Personnel	5	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9	100%
Employees other than Board of Directors and KMPs	215	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9	100%
Workers			

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year 2021-22:

In FY 2021-22, there were no cases reported.

Monetary

	NGRBC Principle	Name of the Regulatory/Enforcement agencies/Judicial institution	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-

Non-Monetary

	NGRBC Principle	Name of the Regulatory/Enforcement agencies/Judicial institution	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not applicable	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a weblink to the policy.**

   Yes, the Anti-bribery policy in the Company's Global Code of Conduct outlines the Company's commitment to conduct business with integrity. The Company abides by all the applicable anti-bribery laws including US Foreign Corrupt Practices Act (FCPA). The Anti-bribery policy as part of the Global Code of Conduct is applicable to all the employees (whether permanent, temporary or on contract, direct or through contractor, retainer or full-time consultant), and members of the Board of Directors of the Company ("Personnel"). The Company expects its business partners, including suppliers, service providers, agents, channel partners (dealers, distributors and others) to adhere to the principles of the code. Weblink – Global Code of Conduct: https://sunpharma.com/policies/.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

   In FY 2021-22, there were no cases of disciplinary action taken against any Directors/KMPs/employees/workers by any law enforcement agency for the charges of bribery/corruption.

	FY 2021-22	FY 2020-21
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

   There were no complaints regarding conflict of interest reported in FY 2021-22 and FY 2020-21.

	FY 2021-22		FY 2020-21	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the directors.	0		0	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0		0	

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institution on cases of corruption and conflicts of interest.**

   Not applicable.

Leadership Indicators

1. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

   Yes, the Company's Global Code of Conduct expects all its Personnel (Members of the Board) to refrain from engaging in any activity or having a personal interest that presents a conflict of interest. Further, the Company outlines that Personnel of the Company shall not exploit any information discovered through their position in the Company, for their own personal gain.

SUSTAINABLE BUSINESS

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

% of Turnover

	FY 2021-22	FY 2020-21	Details of improvements in environmental and social impacts
R&D	2.43%	0.26%	Improvement in environmental performance for parameters such as effluent discharged, air pollutants released among others
Capex	1.62%	2.55%	Energy and water conservation initiatives

2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company endeavors to implement responsible procurement practices across its supply chain. As a measure of enhancing its impact on the environment and society, the Company encourages local sourcing enabling the reduction in costs, currency risks and environmental footprint of the transportation services.

2.b. If yes, what percentage of inputs were sourced sustainably?

100% of inputs sourced from critical suppliers is sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

	Disposing at the end of life
(a) Plastics (including packaging)	The Company has an established system for collecting back the plastic waste or multilayered packaging generated due to its products as per the Extended Producer Responsibility (EPR) regulations. The recycling and disposal of the reclaimed plastics (including packaging) is carried out as per the Central Government rules and the provisions of the Plastic Waste Management Rules.
(b) Other waste (Expired products)	The Company has a comprehensive standard operating procedure, for handling and safe disposal of saleable and non-saleable stock returned by the stockiest.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).

- If yes whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?
- If not provide steps taken to address the same.

Yes, the Company is registered as Brand Owner as per the Extended Producer Responsibility (EPR) mandates. The Company collects the end use plastic/post-consumer plastic waste from municipal garbage through waste management agency. Further the Company has submitted a collection plan outlining its mechanism for collecting back the plastic waste and multilayered packaging generated due to the products as per the provisions of Plastic Waste Management Rules. The Company submits a quarterly progress report for disposal of the plastic waste/multilayer packaging as per the mandates of Extended Producer Responsibility (EPR) regulations.

Leadership Indicators

1. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

With the Company's 100% of the production being involved in manufacturing of pharmaceutical products, there is no utilisation of re-used or recycled input material. Given the critical nature and volatility associated with production of pharmaceutical products from the aspect of consumer health, safety, compliance with relevant regulations and clinical trials, there is no scope of reusing or recycling any input material.

2. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

The Company reclaims expired medicine stock from the stockiest as per the Company's standard operating procedure guidelines. The reclaimed expired medicine stock is then disposed in a safe manner, as per the regulatory guidelines.

Indicate Product Category:	Expired products
Reclaimed products and their packaging materials as % of total products sold in respective category	1.94%

EMPLOYEE WELLBEING

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1.a. Details of measures for the well-being of employees:

Category	Total (A)	% Of employees covered by													
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities		Special COVID -19 support		Vaccination support to employees and families	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	Number (G)	% (G/A)	Number (H)	% (H/A)
Permanent employees															
Male	12,338	12,338	100	12,338	100	0	0	12,338	100	12,338	100	12,338	100	12,338	100
Female	1,057	1,057	100	1,057	100	1,057	100	0	0	1,057	100	1,057	100	1,057	100
Total	**13,395**	**13,395**	**100**	**13,395**	**100**	**1,057**	**7.89**	**12,338**	**92.11**	**13,395**	**100**	**13,395**	**100**	**13,395**	**100**
Other than Permanent employees															
Male	2,381	2,381	100	2,381	100	0	0	2,381	100	2,381	100	2,381	100	2,381	100
Female	207	207	100	207	100	207	100	0	0	207	100	207	100	207	100
Total	**2,588**	**2,588**	**100**	**2,588**	**100**	**207**	**8**	**2,381**	**92**	**2,588**	**100**	**2,588**	**100**	**2,588**	**100**

b. Details of measures for the well-being of workers:

Category	Total (A)	% Of workers covered by													
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities		Special COVID -19 support		Vaccination support to employees and families	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	Number (G)	% (G/A)	Number (H)	% (H/A)
Permanent workers															
Male	4,980	4,980	100	4,980	100	0	0	4,980	100	4,980	100	4,980	100	4,980	100
Female	155	155	100	155	100	155	100	0	0	155	100	155	100	155	100
Total	**5,135**	**5,135**	**100**	**5,135**	**100**	**155**	**3.02**	**4,980**	**96.98**	**5,135**	**100**	**5,135**	**100**	**5,135**	**100**
Other than Permanent workers															
Male	962	962	100	962	100	0	0	962	100	962	100	962	100	962	100
Female	30	30	100	30	100	30	100	0	0	30	100	30	100	30	100
Total	**992**	**992**	**100**	**992**	**100**	**30**	**3.02**	**962**	**96.98**	**992**	**100**	**992**	**100**	**992**	**100**

2. Details of retirement benefits, for FY 2021-22 and FY 2020-21

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	4.64	37.31	Y	4.56	44.78	Y

Accessibility Of Workplaces

3. Are the premises/offices of the entity accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act 2016? (Yes/No)

As per the requirements of the Rights of Persons with Disabilities, the Company manufacturing premises and offices have ramps, elevators and infrastructure for differently abled individuals.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? (Yes/No)

Yes, the Company's Global Code of Conduct outlines its commitment to non-discrimination, by providing equal opportunity to all its employees irrespective of race, color, religion, sex, national origin, ancestry, age, marital status, sexual orientation or disability.

If so, provide a web link to the policy.
Global Code of Conduct: https://sunpharma.com/policies/.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate (%)	Retention rate (%)	Return to work rate (%)	Retention rate (%)
Male	100	100	100	100
Female	100	100	100	100
Total	**100**	**100**	**100**	**100**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Permanent employees and workers	As part of the Global Whistleblower Policy, the Company provides a grievance redressal mechanism and encourages its employees and workers to bring to attention any instances of unethical behavior, incidents, frauds or violation. Further, the Company has 'Ask HR' platform for its permanent employees to address any grievances and queries.
Other than Permanent employees and workers	Yes, the non-permanent employees and workers communicate their grievances through their respective supervisors. The grievances are further communicated to the Company for necessary action and resolution of the grievances. Additionally, they can also report on any instances of unethical behavior, incident or violations through the Company's Whistleblower mechanism.

7. Membership of employees and worker in association(s) or unions recognised by the listed entity:

Category	FY 2021-22			FY 2020-21		
	Total employees /workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**13,395**	**0**	**0.00**	**13,460**	**0**	**0.00**
Male	12,338	0	0.00	12,443	0	0.00
Female	1,057	0	0.00	1,017	0	0.00
Total Permanent Workers	**5,135**	**798**	**15.54**	**4,694**	**798**	**17.00**
Male	4,980	702	14.10	4,567	702	15.37
Female	155	96	61.94	127	96	75.59

8. Details of training given to employees and workers:

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health Safety		On Skill Upgradation		Total (D)	On Health Safety		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	12,338	12,338	100	12,338	100	12,443	12,443	100	12,443	100
Female	1,057	1,057	100	1,057	100	1,017	1,017	100	1,017	100
Total	**13,395**	**13,395**	**100**	**13,395**	**100**	**13,460**	**13,460**	**100**	**13,460**	**100**
Workers										
Male	4,980	4,980	100	4,980	100	4,567	4,567	100	4,567	100
Female	155	155	100	155	100	127	127	100	127	100
Total	**5,135**	**5,135**	**100**	**5,135**	**100**	**4,694**	**4,694**	**100**	**4,694**	**100**

9. Details of performance and career development reviews of employees and worker:

Benefits	FY 2021-22			FY 2020-21		
	Total (A)	Number (B)	% (B/A)	Total (C)	Number (D)	% (D/C)
Employee						
Male	12,338	12,338	100	12,443	12,443	100
Female	1,057	1,057	100	1,017	1,017	100
Total	**13,395**	**13,395**	**100**	**13,460**	**13,460**	**100**
Workers						
Male	4,980	4,980	100	4,567	4,567	100
Female	155	155	100	127	127	100
Total	**5,135**	**5,135**	**100**	**4,694**	**4,694**	**100**

10. Health and Safety Management System:

(a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No).	Yes, all manufacturing locations under the entity have an Occupational Health and Safety management system in place, in accordance with the guidelines provided by ISO 45001, OHSAS 18001 standards and the legal requirements such as Factories Act, Indian Boilers Act, Environment Protection Act, The Epidemic Disease Act among others.
If yes, the coverage of such system?	The Occupational Health and Safety management system covers all the units and employees within the manufacturing operation. Hence, the coverage is 100%.
(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company undertakes periodic internal and external audits to ensure the compliance of Occupational Health and Safety management system within the manufacturing operation. The EHS trainings, audits and inspections are carried out as per the guidelines of ISO 45001 standard. The Company's Process Safety Management system facilitates the implementation of best safety practices. Further, it enables the identification of work-related hazards through design checklists, Hazard and Operability Analysis (HAZOP), Hazard Identification and Risk Assessment (HIRA) and other consequence modelling studies.
(c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	Yes, The Company has well-established Standard Operating Procedures (SOP) for employees and workers to identify and report on work-related hazards and the subsequent steps to mitigate them. In addition, the Company trains all its employees and workers with occupational health and safety modules. The training modules cover aspects of the methodology to identify work-related hazards, analyse the risks associated with it and take subsequent steps to mitigate them. During the safety and emergency evacuation drills, employees are trained in dealing with emergency equipment such as fire hydrant, firefighting system, leak and spill control procedures, safety alarms among others. In addition, the proficiency of employees is periodically tested in dealing with the emergency situations. The practical trainings and online safety modules equip the employees with right procedure of reporting work-related hazards and the steps to remove themselves from such situations.
(d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes, the Company provides non-occupational medical and healthcare services to its employees and workers. Further, the Company ensures the provision of medical insurance to all its employees and workers. With the endeavor to promote physical and mental wellbeing for all the employees and workers, the Company designs comprehensive health programs which promote healthy lifestyle practices. Some of the examples of health programs and services offered to the employees are: • Family welfare camp • Nutrition awareness camp • Eye, dental and cardiac checkup camp • Stress management session • Lifestyle counselling session

11. Details of safety related incidents:

Workers in the Company are part of the full-time employees. Monitoring of the injury and incidents related to EHS is done for employees and workers collectively. The following table provides information on the safety incidents for permanent employees and workers and temporary employees and workers.

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR)*	Permanent Employees and workers	0.081	0.016
	Temporary employees (includes contractors, apprentices)	0.140	0.040
Total recordable work-related injuries	Permanent Employees and workers	12	2
	Temporary employees (includes contractors, apprentices)	13	3
Number of fatalities	Permanent Employees and workers	1	0
	Temporary employees (includes contractors, apprentices)	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Permanent Employees and workers	0	**
	Temporary employees (includes contractors, apprentices)	0	**

*The Company refers the OSHA standard for calculating rates for LTIFR, as per the standard 2,00,000 hrs is used for calculation of the rate.

**High Consequence work related injury is being monitored FY2021-22 onwards.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company embeds the guidelines and principles of ISO 45001:2018, OSHA standards, Factory act and other state level regulatory requirements within its Environment Health and Safety (EHS) management system. The EHS policy advocates the provision of safe working environment to all the employees, contractors, sub-contractors, visitors and the neighbouring communities. The Company undertakes periodic internal and external audits to assess the safety practices and procedures in alignment with the EHS management system and the ISO 45001:2018 guidelines. As part of the auditing procedure, the Company recognises the critical areas requiring immediate corrective action. The safety incidents and hazards are analysed to determine the root cause, subsequently corrective action plans are laid out to prevent the occurrence of similar incidents in the future. Further, as part of the EHS management system, the Company provides safety trainings through modules and safety drill practices to all its employees and workers. The safety training programs enable the development of strong foundation among the workforce, in terms of their ability to identify, mitigate and prevent risks pertaining to Occupational Health and Safety. The Company endeavors to prevent negative health impact on the employees through various health awareness sessions, provision of medical facilities and medical insurance benefits. Additionally, the Company provides voluntary health promotion services such as lifestyle counselling, stress management sessions, nutritional awareness campaigns among others for inculcating healthy lifestyle practices.

13. Number of Complaints on the following made by employees and workers:

In the FY 2021-22 and FY 2020-21, there were no complaints filed by the employees and workers on the Company's working conditions, health and safety parameters.

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% Of your plants and offices that were assessed. (by entity or statutory authorities or third parties)
Health and safety practices	100% of the locations are audited internally by the entity. The audits are conducted by internal experts to ensure the compliance of safety regulations and identification of major improvement areas. 61.11% (Out of 18 manufacturing locations and R&D centres under the entity, 11 are assessed on health and safety practices by third party auditor, as per requirements of the ISO 45001:2018 standards).
Working Conditions	100% (All the sites are assessed on their working conditions by the external and internal audits).

15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

In FY 2021-22, there was a fire incident in a solvent recovery tank at the Company's Ahmednagar manufacturing location. Post analysis of root cause of the incident, corrective and preventive actions were taken to avoid the occurrence of such incidents in the future. Static charge dissipation arrangement was provided outside the solvent storage tank in addition to the earthing arrangement of tanks in the tank farm area. To prevent unauthorised entry into the storage tank area, restriction list was displayed, and CCTV was installed for strengthening the surveillance. In addition to the above corrective actions, mechanical integrity of the storage areas was checked and inspected by third party experts.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of: (Y/N)?

(A) Employees	Yes, the Company extends a compensatory package to all its employees including workers in event of death. During the COVID-19, additional benefits over and above the compensatory package were provided to family members of the deceased employees in the form of sponsorship of education for children until the age of 18.
(B) Workers	

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company requires its value chain partners to abide by the principles of the Company's Supplier Code of Conduct and implement responsible business conduct principles in its operating practices.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	1	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company periodically provides skill-upgradation training programs to all its employees during their employment. The training programs cater to the specific requirements of the cadre and relevant function areas which further enable the employees to pursue employment post retirement or termination, based on the acquired skillset.

5. Details on assessment of value chain partners:

	% Of value chain partners that were assessed: (By value of business done with such partners)
Health and safety practices	100%
Working Conditions	100%

As per the Company's Global Code of Conduct, the value chain partners are expected to adhere to the principles of Health and safety practices, working conditions as per extant regulations. However, no independent assessment is carried out.

6. Provide details of any corrective actions taken or underway to address significant risks concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable.

STAKEHOLDER INCLUSIVENESS

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

As a responsible Company focused on driving growth through the strong foundation of stakeholder relationships, Sun Pharmaceutical Industries Limited engages with its prioritised group of stakeholders, identifies the key material issues and manages their expectations. The stakeholder groups are identified as part of the stakeholder engagement mechanism, built on the principles of inclusivity, accountability, and responsibility. As part of the stakeholder engagement and materiality assessment exercise conducted in FY 2020-21, the Company identified key stakeholder groups based on those groups who are impacted as well those who have a major influence on the business decisions. The key internal and external stakeholder groups identified by the Company as part of the engagement mechanism are - Investors/shareholder, regulators, suppliers/vendors/third-party manufacturers, Non-Governmental Organisations (NGO), Community, Customer B2B, Employee, Senior leadership.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group. (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investor/ Shareholder	No	• Annual/ quarterly reports and earning calls • Attending investor conferences • Issuing specific event-based press releases • Investor presentations	Quarterly/ need-based	Investors/ Shareholders form an integral part of the stakeholder group, influencing the decisions of the Company. The key areas of interest for the investors/ shareholders are: • Corporate governance • ESG disclosures • Regulatory compliance • Responsible supply chain management • Product responsibility • Cost competitiveness • Overall Company performance
Regulator	No	• In-person meetings • E-mail	Need-based	Transparent communication with the regulators is critical from the compliance perspective. The key areas of interests for the regulators are: • Regulatory compliance • Community engagement • Rural market penetration • De-risk supply chain
Supplier/ vendor/ third party manufacturer	No	• Vendor meets • Virtual modes such as e-mail, telephonically	Ongoing	Responsible supply chain practices are critically important for ensuring the business continuity in a sustainable manner. Engagement with suppliers, vendors enable the Company to identify the key material issues impacting the supply chain. The key areas of interest for the suppliers are: • Timely payments • Collaboration
NGO	No	• In-person meetings • Virtual modes such as e-mail, telephonically	Ongoing	As a responsible Company, engaging with NGOs facilitate the streamlining of the CSR activities undertaken in partnership. The key areas of interest for NGO are: • Employee volunteering • Agile management process
Community	Yes	• In-person meetings • Engagement through NGO partners	Ongoing	Community development programs initiated by the Company's CSR activities enables driving a positive impact on the community members. The key areas of interest for community are: • Community development programs with a focus on health, education, sanitation and infrastructure development

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group. (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customer B2B	No	• In-person meetings • E-mail • Customer feedback sessions	Ongoing	Customers form a vital part of the Company's stakeholder engagement group to ensure quality services. The key areas of interest for Customer B2B are: • Product quality, access and pricing
Employee	No	• Employee focused web-portal • E-mail • Employee engagement surveys • Town-halls	Ongoing	Employee wellbeing and satisfaction is an integral part of the Company's growth model. Employee engagement through various means of communication provides an insight into the key action areas for employee wellbeing and growth. The key areas of interest for employees are: • Training, professional growth and development • Well-being initiatives • Employee recognition • Fair remuneration • Work-life balance
Senior Leadership	No	• In person meetings • Virtual modes such as e-mail, telephonically	Ongoing	Senior leadership are the key drivers of the Company's sustainable value creation strategy. Senior leadership engagement facilitates the interlinkage of business and sustainable value creation. • The key areas of interest for senior leadership are: • Sustainable and resilient business operations • R&D and innovation • Overall Company performance

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

At Sun Pharmaceutical Industries Limited, stakeholder engagement mechanism is a key driving force towards strengthening and diversifying the stakeholder relationship, which further facilitates the identification of key material issues impacting the Company's growth. The stakeholder engagement and materiality assessment exercise conducted in FY2020-21 led to the prioritisation of material issues, mapping of the risks relevant to each material topic and development of consequent risk mitigation steps. The primary outcome of the stakeholder engagement exercise resulted in identification and prioritisation of material issues relevant to environment, social, governance and economic aspects. The identified material issues were presented to the highest governing member and the Board for their feedback and guidance on strategising the sustainable growth model of the Company. As part of the Company's efforts to continually engage with internal and external stakeholder groups for identification of key material issues impacting them, the stakeholder engagement exercise undergoes periodic review.

2a. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No).	Yes, the identification, prioritisation of material issues relevant to the environment, social, economic and governance topics is done in consultation with the stakeholders. The identified issues are then subsequently mapped with relevant risks. As part of the risk management plan, the Company subsequently strategises and develops mitigation action plans for the identified risk. The material issues form the guiding framework for the non-financial disclosures of the Company through its Sustainability Report. As per the relevant national and international guidelines and standards, the Company discloses its management approach, targets/goals and its non-financial performance in the reporting year for each of the identified material topic. Additionally, the identification of material issues enables the company to focus on its key improvement areas and subsequently develop future action plans such as policy development, initiatives implementation among others.
2b. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.	

2. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable/ marginalised stakeholder groups.

The community members are identified as vulnerable/marginalised stakeholder group for the Company. As part of the Corporate Social Responsibility (CSR) initiatives, the Company undertakes need assessment to identify and prioritise the focus areas for community development. The Company has undertaken various CSR initiatives on seven focus areas- healthcare, education, rural development, environment conservation, sanitation, drinking water project, disaster relief program. For further details refer the Annual Report and the Company's Annual CSR report.

HUMAN RIGHTS

Principle 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. employees' workers covered (B)	% (B/A)	Total (C)	No. employees' workers covered (D)	% (D/C)
Employees						
Permanent	13,395	13,395	100	13,460	13,460	100
Other than permanent	2,588	2,588	100	2,600	2,600	100
Total Employees	**15,983**	**15,983**	**100**	**16,060**	**16,060**	**100**
Workers						
Permanent	5,135	5,135	100	4,694	4,694	100
Other than permanent	992	992	100	907	907	100
Total Workers	**6,127**	**5,135**	**100**	**4,694**	**4,694**	**100**

2. Details of minimum wages paid to employees and workers:

Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to Minimum Wages		More than Minimum wages		Total (D)	Equal to Minimum Wages		More than Minimum wages	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	**13,395**	**0**	**0**	**13,395**	**100**	**13,460**	**0**	**0**	**13,460**	**100**
Male	12,338	0	0	12,338	100	12,443	0	0	12443	100
Female	1,057	0	0	1,057	100	1,017	0	0	1,017	100
Other than permanent	**2,588**	**0**	**0**	**2,588**	**100**	**2,600**	**0**	**0**	**2,600**	**100**
Male	2,381	0	0	2,381	100	2,392	0	0	2,392	100
Female	207	0	0	207	100	208	0	0	208	100
Workers										
Permanent	**5,135**	**0**	**0**	**5,135**	**100**	**4,694**	**0**	**0**	**4,694**	**100**
Male	4,980	0	0	4,980	100	4,567	0	0	4,567	100
Female	155	0	0	155	100	127	0	0	127	100
Other than permanent	**992**	**0**	**0**	**992**	**100**	**907**	**0**	**0**	**907**	**100**
Male	962	0	0	962	100	880	0	0	880	100
Female	30	0	0	30	100	27	0	0	27	100

3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)*	**7**	**70,00,000**	**1**	**48,00,000**
Key Managerial Personnel (KMP)	2	2,98,63,164	-	-
Employees other than BoD and KMP	12,338	7,52,874	1,057	7,00,008
Workers	4,980	3,32,508	155	5,55,924

*The median remuneration of male Board of Directors includes remuneration to whole-time Directors, sitting fees and commission for Independent Directors. The median remuneration of female Board of Directors includes sitting fee and commission for Independent Director. The Board of Directors at its meeting held on May 30, 2022, have approved Commission of ₹ 4,000,000 (Rupees Forty Lakhs) to be paid to each Independent Director of the Company, for the FY 2021-22, subject to the approval of the members at the ensuing 30th Annual General Meeting and the payment shall be made after obtaining approval of the members.

3. **Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, the Head of Human Resource department of the Company is responsible for addressing human rights impact or issues. As part of the Human Rights Policy, the Company expects all its relevant stakeholders to respect and comply with the policy principles, and applicable laws, regulations in all territories of its operation.

4. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   The Company 'Ask HR' platform, email and other informal channels of communication form part of the internal mechanism for grievance redressal of human rights issues. The Company's Human Rights Policy outlines the grievance redressal mechanism through the open channels of communication and the Ombudsman channel as per the Global Whistleblower Policy. The Ombudsman ensures the confidentiality of the complaints and grievances received through Email: ombudsmanSPIL@sunpharma.com.

5. **Number of Complaints on the following made by employees and workers:**

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

6. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   As per the Global Whistleblower Policy, the Company ensures protection of the complainant. The investigation of the complaints is done strictly in a confidential manner ensuring the protection of the complainant against any retaliation.

   The Company provides necessary safeguards to all Whistle Blowers for making Protected Disclosures in good faith, in all the areas mentioned in the Global Code of Conduct such as business with integrity, responsible corporate citizenship, illegal and unfair labor practices, trade practices and other laws.

   For the cases pertaining to sexual harassment, the Company's policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder ensures strict confidentiality of the investigation procedure and protection of the identity of the complainant.

7. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes, Human Rights requirements form an integral part of the Company's business agreements. The Global Code of Conduct outlines details of the Company's commitment towards Human Rights, it is applicable to all the employees, business partners across the value chain. The Global Code of Conduct declaration is required to be signed off by all employees. Further, the human rights requirements form part of the contract for suppliers and contractors.

8. **Assessments for the year:**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

   All the locations under the entity are assessed on the above parameters, complying with the requirements of the Shop Establishments Act for offices and the Factor Inspector audits at plants and R&D centres.

9. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

   Not applicable.

Leadership Indicators

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

   Not applicable.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

   The Company in the reporting period did not undertake any Human Rights due diligence. The Company's revised Human Rights Policy expects all the employees and members of the value chain to abide by its principles. As part of the policy statement, the Company outlines that it will undertake human rights due diligence to identify adverse human rights impact of the business on all relevant stakeholders and correspondingly address, prevent and mitigate through corrective actions.

3. **Is the premise/office of the entity accessible to differently abled visitors as per the requirements of the Rights of Persons with Disabilities Act 2016?**

   Yes, as per the requirements of the Rights of Persons with Disabilities, the Company manufacturing premises and offices have ramps, elevators and infrastructure for differently abled individuals.

4. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

   Not applicable.

ENVIRONMENT

Principle 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Giga-Joule (GJ) or multiples) and energy intensity:**

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	1,464,919 GJ	1,458,072 GJ
Total fuel consumption (B)	1,040,498 GJ	1,075,482 GJ
Energy consumption through other sources – Steam (C)	771,969 GJ	745,010 GJ
Total energy consumption (A+B+C)	**3,277,386 GJ**	**3,278,564 GJ**
Energy intensity per rupee of turnover (Total energy consumption/turnover in Million rupees)	21	26

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved provide the remedial action taken if any.**

   No, the Company is not identified as designated consumer under the Performance Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water:**

Parameter	FY 2021-22	FY 2020-21
Water Withdrawn by the source (KL)		
(i) Surface Water	583,455	642,291
(ii) Ground Water	809,849	853,997
(iii) 3rd Party Water	906,185	965,729
Total Volume of Water Withdrawn (i + ii + iii)	**2,299,489**	**2,462,017**
Total Volume of Water Consumed (KL)	**2,209,014**	**2,375,559**
Water intensity per rupee of turnover (Water consumed/turnover in Million rupees)	14	19

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

An independent assurance has been carried out by an external agency, DNV GL Business Assurance India Private Limited towards environment and social parameters as per GRI standards based on scope defined for Sustainability Report. Key information which are common in the defined scope of Sustainability Report and BRSR have been reviewed by the assurance provider.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? (Yes/No) If yes, Provide details of its coverage and implementation.

Yes.

14 out of 18 manufacturing and R&D locations in the Sun Pharmaceutical Industries Limited boundary are Zero Liquid Discharge (ZLD). The Company implements water conservation through reduce, reuse, recharge and recycle approach within its manufacturing locations. As part of recycle initiative, the Company provides tertiary treatment to its effluent, the treated effluent water is then effectively recycled and reused as make-up water in cooling towers and in-house gardening. This enables the Company to implement ZLD at its manufacturing locations.

5. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit of measurement (UoM)	FY 2021-22	FY 2020-21
NOx	MT	165	158
SOx	MT	147	132
Particulate Matter (PM)	MT	209	210

The Company monitors air emissions for the given parameters- NOx, SOx and Particulate Matter.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions	Metric tonnes of CO_2 eq.	47,743	52,862
Total Scope 2 emissions	Metric tonnes of CO_2 eq.	287,102	284, 807
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 eq./₹ Million	2.16	2.69

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

An independent assurance has been carried out by an external agency, DNV GL Business Assurance India Private Limited towards environment and social parameters as per GRI standards based on scope defined for Sustainability Report. Key information which are common in the defined scope of Sustainability Report and BRSR have been reviewed by the assurance provider.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

As part of its initiatives to reduce the GHG emissions, the Company has implemented more than 110 energy conservation ideas in various sites to reduce energy consumption and minimise the carbon footprint.

Major energy conservation projects are listed below: -

1. Installation of Electric Heat pumps to reduce steam and water consumption.
2. Automatic solid fuel boiler installed to reduce carbon footprint.
3. Intelligent flow controller installed in compressed air system to reduce power consumption.
4. Specific power consumption of chilling system improved by various initiatives like automatic tube cleaning, energy efficient chiller replacement
5. Energy reduction at vacuum system with the introduction of dry vacuum system in place of Steam ejector.

8. Provide details related to waste management by the entity:

Total Waste generated (in metric tonnes)

Parameter	FY 2021-22	FY 2020-21
Plastic waste (A)	831	408
E-waste (B)	3	2
Bio-medical waste (C)	43	30
Battery waste (D)	59	16
Radioactive waste (E)	0	0
Other Hazardous waste (spent solvent, spent oil, spent catalysts, distillation residues, chemical sludge, process residue, discarded/ off-specification products) (F)	23,049	23,923
Other Non-hazardous waste generated (Glass scrap, metal scrap, wooden scrap, storage drums, corrugated box, paper waste, boiler ash) (G)	14,896	9,656
Total (A + B + C + D + E + F + G)	**38,883**	**34,035**

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Parameter	FY 2021-22	FY 2020-21
Hazardous waste		
(i) Recycled	13,447	11,705
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**13,447**	**11,705**
Non-hazardous waste		
(i) Recycled	16,736	11,301
(ii) Re-used	0	0
(iii) Other recovery operations	868	651
Total	**17,604**	**11,952**
E-waste		
(i) Recycled	3	1
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**3**	**1**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Parameter	FY 2021-22	FY 2020-21
Hazardous waste		
(i) Incineration	705	593
(ii) Landfilling	6,587	6,835
(iii) Co-processing	2,088	2,590
(iv) Other disposal operations	0	0
Total	**9,380**	**10,018**
Non-hazardous waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company integrates a waste management plan with a comprehensive approach towards waste minimisation, segregation and safe disposal. As part of the resource optimisation and waste minimisation process, the Company has implemented various initiatives to minimise the rejections in manufacturing. The Company adheres to the mandates of Extended Producer Responsibility (EPR), by way of collection of end-use plastic and enhance its plastic waste management. Further, as part of hazardous waste disposal mechanism, the Company has implemented initiatives of diverting larger quantity of hazardous waste towards co-processing and recycling over other disposal mechanisms that is incineration and landfilling. Further, as part of its approach towards minimisation of waste generation, the Company has implemented digitalisation to replace the waste-generating procedures such as paper-based medication guides with e-guides.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details:

The Company has one of its manufacturing locations located in an ecologically sensitive area.

Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Maduranthakam	Manufacturing	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No environmental impact assessments were undertaken in FY 2021-22.

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

All the manufacturing operations and R&D centres under the entity are in compliance with the applicable environmental laws/regulations and guidelines as per the national and state level mandates.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Giga-Joules (GJ) or multiples) from renewable and non-renewable sources:

Parameter	FY 2021-22	FY 2020-21
From Renewable Sources		
Total electricity consumption (A) [Wind, Solar and Power Purchase Agreements (PPAs)]	156,605 GJ	160,215 GJ
Total fuel consumption (B) (Biomass)	357,123 GJ	323,045 GJ
Energy consumption through other sources (C) (Steam)	771,969 GJ	745,010 GJ
Total energy consumed from renewable sources (A+B+C)	**1,285,697 GJ**	**1,228,271 GJ**
From Non-Renewable Sources		
Total electricity consumption (D) (Grid electricity)	1,308,314 GJ	1,297,856 GJ
Total fuel consumption (E) (Diesel, Petrol, High Speed Diesel, Compressed Natural Gas, Liquified Petroleum Gas, Coal, Furnace Oil)	683,375 GJ	752,437 GJ
Energy consumption through other sources (F)	0 GJ	0 GJ
Total energy consumed from non-renewable sources (D+E+F)	**1,991,689 GJ**	**2,050,293 GJ**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

An independent assurance has been carried out by an external agency, DNV GL Business Assurance India Private Limited towards environment and social parameters as per GRI standards based on scope defined for Sustainability Report. Key information which are common in the defined scope of Sustainability Report and BRSR have been reviewed by the assurance provider.

2. Provide the following details related to water discharged:

Parameter	FY 2021-22	FY 2020-21
Water discharge by destination and level of treatment (KL)		
(i) To Surface Water		
– No treatment	0	0
– With treatment (please specify level of treatment)	0	0
(ii) To Groundwater		
– No treatment	0	0
– With treatment (please specify level of treatment)	0	0
(iii) To Seawater		
– No treatment	0	0
– With treatment (please specify level of treatment)	0	0
(iv) Sent to third parties	Municipality drain and Common Effluent Treatment Plant (CETP)	Municipality drain and Common Effluent Treatment Plant (CETP)
– No treatment		
– With treatment (please specify level of treatment)	Primary treatment (post primary treatment, sent to the CETP) - 36,528 kL Tertiary treatment (In-house ETP treatment, post which sent to the Municipality sewage drain) - 53,947 kL	Primary treatment (post primary treatment, sent to the CETP - 30,099 kL Tertiary treatment (In-house ETP treatment, post which sent to the Municipality sewage drain) - 56,359 kL
Total Water discharged (KL)	**90,475**	**86,458**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

An independent assurance has been carried out by an external agency, DNV GL Business Assurance India Private Limited towards environment and social parameters as per GRI standards based on scope defined for Sustainability Report. Key information which are common in the defined scope of Sustainability Report and BRSR have been reviewed by the assurance provider.

3. **Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):**

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area – Mohali, Dewas, Gurugram and Madurakantam

(ii) Nature of operations – Manufacturing, R&D center

(iii) Water withdrawal, consumption and discharge:

Parameter	FY 2021 – 22	FY 2020 – 21
Water withdrawal by source (in kiloliters)		
(i) Surface water	339,774	421,359
(ii) Groundwater	86,541	83,748
(iii) Third party water	312,049	376,207
Total volume of water withdrawal (kL) (i +ii+ iii)	**738,364**	**881,314**
Total volume of water consumption (kL)	**733,940**	**868,552**
Water intensity per rupee of turnover (Water consumed/turnover in Million ₹)	4.73	6.91
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water		
– No treatment	0	0
– With treatment (please specify level of treatment)	0	0
(ii) Into Groundwater	0	0
– No treatment	0	0
– With treatment (please specify level of treatment)	0	0
(iii) Into Seawater	0	0
– No treatment	0	0
– With treatment (please specify level of treatment)	0	0
(iv) Sent to third parties	Municipality drain and Common Effluent Treatment Plant (CETP)	
– No treatment	0	0
– With treatment (please specify level of treatment)	Tertiary treatment (In-house ETP treatment, post which sent to the Municipality sewage drain)- 4,424 kL	Tertiary treatment (In-house ETP treatment, post which sent to the Municipality sewage drain)- 12,761 kL
Total water discharged (KL)	**4,424**	**12,761**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

An independent assurance has been carried out by an external agency, DNV GL Business Assurance India Private Limited towards environment and social parameters as per GRI standards based on scope defined for Sustainability Report. Key information which are common in the defined scope of Sustainability Report and BRSR have been reviewed by the assurance provider.

4. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.**

The manufacturing facility, Maduranthakam is located 3.72 km (West) from the Vedanthangal Bird Sanctuary. The facility has been functional before the declaration of Vedanthangal Bird Sanctuary in 1998. The facility has no significant direct or indirect impact on the environment, further it complies with all the relevant statutory requirements and clearances such as Environment Clearance, Consent to Operate, Consent to Establish. Maduranthakam is a Zero Liquid Discharge (ZLD) site, equipped with effluent treatment facility to further direct the treated wastewater for in-house uses such as gardening.

5. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives:**

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Heat pump	Heat pump is energy conservation device which is used to transfer heat from source to sink with small energy addition. It is used simultaneously generating hot water and chilled water. The utilisation of condensation and evaporation heat enables in reduction of fuel consumption in addition to saving the water used in cooling towers. Further, due to higher Coefficient of Performance (COP) of the heat pumps, steam consumption is minimised.	1. Reduction in fossil fuel consumption
Intelligent Flow Control System for compressed air System	Intelligent Flow Controllers (IFC) are used in compressed air system for controlling air flow and minimising energy waste. IFC reduces artificial demand by controlling air flow and pressure being delivered to plant. Pressure study was conducted to evaluate supply and demand requirement of plant and IFC was installed to minimise energy losses.	1. Reduction in electricity consumption
SBT (Soil Biotechnology) For sewage treatment	The initiative is implemented with the aim of reducing the energy consumption and overall treatment cost of domestic waste in comparison with conventional treatment. Soil Bio- technology is a terrestrial system for wastewater treatment which is based on the principle of trickling filter. In this system, combination of physical processes like sedimentation, infiltration and biochemical processes are carried out to remove the suspended solids, organic and inorganic contents of the wastewater. The technology works on scientific principles such as Adsorption, Filtration, Biodegradation and Bio Indicator. Filter media which houses filter material, culture & catalyst helps in biodegradation of the adsorbed organic molecules which is essential for adsorptive site rejuvenation. Range of microflora ensures the microbial diversity required for degradation of various contaminants. Hence, the technology facilitates the treatment of sewage in effective manner and meet the desire parameters of treated water, further to which it can be recycled and reused.	1. Low Maintenance 2. High Aesthetics 3. Low Depreciation 4. Low Operating Cost

6. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes, the Company has a business continuity and on-site emergency plan for all its locations. This business continuity plan enables the Company to adapt in situations arising from any natural calamity or an unprecedented event which may disrupt the business operations. The Company continuously enhances its existing plan by incorporating interferences and observations from disruptions faced in the unprecedented situations such as the pandemic. Further, the Company's risk management plan enables the minimisation of disaster-linked losses, by assessing the potential for major disruption with its consequent risks to the business, and by providing the appropriate mitigation action plans.

7. **Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   Not applicable

8. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   In the reporting period, the Company did not evaluate any of its value chain partners on the basis of environmental impact.

   The Company's Supplier Code of Conduct is developed based on the best practices, standards and guidelines for evaluation of suppliers in the pharmaceutical supply chain. The evaluation checklist encompasses various parameters of environment, social and governance perspective to ascertain the compliance of suppliers with the Company's Supplier Code of Conduct. Assessment of value chain partners on the basis of the Company's Supplier Code of Conduct will be done in due course of time.

RESPONSIBLE PUBLIC ADVOCACY

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1.a Number of affiliations with trade and industry chambers/ associations.

The Company is a member of 8 trade and industry chambers/associations.

1.b List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	The Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	The Associated Chambers of Commerce of India (ASSOCHAM)	National
4	Indian Drug Manufacturing Association (IDMA)	National
5	Indian Pharmaceutical Alliance (IPA)	National
6	Federation of Gujarat Industries (FGI)	State
7	Gujarat Employers Organisation (GEO)	State
8	India CEO Forum on Climate Change	National

1.c Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

For the reporting year, there were no cases issued against the Company for issues pertaining to anticompetitive conduct.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/ Quarterly /Others - please specify)	Web link if available
Regulatory Reforms for Pharma sector in India	FICCI publication	Yes	-	https://ficci.in/spdocument/23240/FICCI-Report_Regulatory-Reforms-for-Pharma-Sector.pdf
Regulatory reforms to improve drug development process in India	Indian Pharmaceutical Alliance	No	-	-
Trade Margin Rationalisation	Indian Pharmaceutical Alliance	No	-	-

COMMUNITY UPLIFTMENT

Principle 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

In the reporting year, the Company did not undertake any Social Impact Assessment.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

In the reporting year, the Company did not undertake any ongoing Rehabilitation and Resettlement (R&R) project.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Company engages with its community members through the channel of NGO partners and in-person meetings. These channels of communication facilitate the receipt and redressal of grievances of the community. Further, the Company reaches out to villages located in the peripheral area of its operating locations through mobile health care units. Each of the mobile health care unit carries a register, which is accessible to all the community members to address the grievances and queries through written complaints. The grievances received through the register are addressed by the concerned authority members.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/small producers	8%	11%
Sourced directly from within the district and neighbouring districts	-	-

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   In FY2021-22, there were no Social Impact Assessments conducted.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   For this reporting year, the Company did not undertake any CSR projects in designated aspirational districts.

3.a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

   No, the Company does not have any preferential procurement policy focusing on suppliers from marginalised/vulnerable groups.

3.b **From which marginalised/vulnerable groups do you procure?**

   Not applicable.

3.c **What percentage of total procurement (by value) does it constitute?**

   Not applicable.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

   The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**

   Not applicable.

6. **Details of beneficiaries of CSR Projects:**

CSR Projects	No. of persons benefited from CSR Projects	% Of beneficiaries from vulnerable and marginalised groups
Anganbari Development Project	2,182	99.5
Solar Street Light	5,796	99.5
Mobile Healthcare Unit	1,77,937	100
School Infrastructure Development Project	17,203	100
Setting-up of Digital Classroom Project	1,094	100
Solar rooftop system at School	1,016	100
Water conservation project	700	100

In addition to the list of projects mentioned in the above table, other community development projects were undertaken by the Company for FY 2021-22. The CSR projects pertain to support towards medical healthcare centre, infrastructure development for pharma research laboratory, rural infrastructure development project, provision of relief materials during COVID-19 among others. For further details, refer the Company's CSR Annual Report and Sustainability Report.

CONSUMER WELLBEING

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has a comprehensive Product Quality Complaint Management system to facilitate timely redressal of the consumer complaints received in terms of product quality. The process is initiated once a product quality compliant is received and logged with the Company's system. Post which, the complainant is acknowledged, and a preliminary assessment is undertaken. A sample follow-up is initiated along with the preliminary assessment. The follow up runs in parallel with initial risk assessment and the investigation procedure. Post the completion of investigation a corrective action plan is initiated. Simultaneously, a complaint summary report is submitted. A final risk assessment is carried out and a response to complainant is sent resulting in the final closure of the complaint.

The Company also has an established a global pharmacovigilance policy, which is supported by a Product Safety Committee. The pharmacovigilance policy showcases the Company's commitment and efforts towards patient safety.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental product and social parameters relevant to the Product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

100% of the Company's products carry information about its responsible and safe usage. Due to the criticality associated with the safe and responsible consumption of medicines, the Company displays relevant information on the product labels as per the requirements of national and international drug regulatory bodies.

3. **Number of consumer complaints in respect of the following:**

	FY 2021 – 22			FY 2020 – 21		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Others – Packaging defects, Transportation complaints	1,311	0	The complaints include packaging defects such as missing components, damaged label and damaged outer packaging	1,566	0	The complaints include packaging defects such as missing components, damaged label and damaged outer packaging

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reason for Recall
Voluntary Recall	12	The reasons for recall of products were primarily found to be leakage and out of specification.
Forced Recall	0	Not applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes

Risk Management Policy: https://sunpharma.com/policies/.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

For FY 2021-22, there were no complaints received for issues pertaining to delivery of essential services, advertising, action taken by regulatory authorities on safety of products/services.

For product quality complaints received, the Company carried out the corrective action plans as per the identified root cause analysis for each complaint.

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link if available).

The Company's website provides detailed information on the products sold region-wise. With the market reach in 6 continents, the product list and contact information is outlined on the website for each region. The links to product list for India and US market is:

India Products : https://sunpharma.com/india-products/

US Products : https://sunpharma.com/usa/products/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company adheres to relevant regulatory requirements by disclosing information to its stakeholders on the safe and responsible usage of products. The information label attached to each product informs the consumers about pharmacokinetics, instructions for safe use, sourcing of ingredients, composition, mechanism of action, clinical pharmacology, product interactions and side effects, and guidance on appropriate storage conditions, among others.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As per the guidelines of National Pharmaceutical Pricing Authority, the Company discloses discontinuation of any scheduled formulation by issuing a public notice for relevant stakeholders in addition to informing the Government at least six months prior to the intended date of discontinuation.

4.a Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)

No

4.b If yes, provide details in brief.

Not applicable.

4.c Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customers	0

INDEPENDENT AUDITOR'S REPORT

To the Members of Sun Pharmaceutical Industries Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Sun Pharmaceutical Industries Limited (the "Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone 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 Standalone 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 standalone Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the standalone Ind AS financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Litigations (as described in Note 38 of the standalone Ind AS financial statements)	
The Company is involved in various legal proceedings including product liability, contracts, employment claims, Department of Justice (DOJ) investigations, anti-trust and other regulatory matters relating to conduct of its business. The Company assesses the need to make provision or to disclose a contingent liability on a case-to-case basis considering the underlying facts of each litigation. The eventual outcome of the litigations is uncertain and estimation at balance sheet date involves extensive judgement of management including input from legal counsel due to complexity of each litigation. Adverse outcomes could significantly impact the Company's reported results and balance sheet position. Considering the judgement involved in determining the need to make a provision or disclose as contingent liability, the matter is considered a Key Audit Matter.	Our audit procedures amongst others included the following: • Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of litigations, the recording / re-assessment of the related liabilities, provisions and disclosures. • Obtained a list of litigations from the Company's in-house legal counsel; identified material litigations from the aforementioned list and performed inquiries with the said counsel; obtained and read the underlying documents to assess the assumptions used by management in arriving at the conclusions. • Circulated, obtained and read legal confirmations from Company's external legal counsels in respect of material litigations and considered that in our assessment. • Verified the disclosures related to provisions and contingent liabilities in the standalone Ind AS financial statements to assess consistency with underlying documents.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Tax litigations and recognition of deferred tax assets (as described in Note 9 and 38 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Company has significant tax litigations for which the Company assesses the outcome on a case-to-case basis considering the underlying facts of each tax litigation. Adverse outcomes could significantly impact the Company's reported results and balance sheet position.

The assessment of outcome of litigations involves significant judgement which is dependent on the facts of each case, supporting judicial precedents and legal opinions of external and internal legal counsels and hence the matter has been considered as a Key Audit Matter.

Recognition of deferred tax assets involves the assessment of its recoverability within the allowed time frame requiring significant estimate of the financial projections, availability of sufficient taxable income in the future and also involving significant judgements in the interpretation of tax regulations and tax positions adopted by the Company. Considering the judgement involved in determining the recovery of deferred tax assets, the matter is considered a Key Audit Matter</td><td>Our audit procedures amongst others included the following:
• Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax litigations/deferred tax and the recording and re-assessment of the related liabilities/assets and provisions and disclosures.
• Obtained list of ongoing tax litigations from management along with their assessment of the cases based on past precedents, judgements and matters in the jurisdiction, legal opinions sought by management, correspondences with tax department etc.
• Engaged tax specialists, to evaluate management's assessment of the outcome of these litigations. Our specialists considered legal precedence and other rulings in evaluating management's position on these tax litigations
• Tested management's assumptions including forecasts and sensitivity analysis in respect of recoverability of deferred taxes on unabsorbed depreciation/carry forward losses/Minimum Alternate Tax (MAT) credit.
• Verified disclosures of the tax positions, tax loss carry forwards and tax litigations in the standalone Ind AS financial statements.</td></tr>
<tr><td colspan="2">Identification and disclosures of Related Parties (as described in Note 49 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Company has related party transactions which include, amongst others, sale and purchase of goods/services to its subsidiaries, associates, joint ventures and other related parties and lending, investment and borrowing to/from its subsidiaries, associates and joint ventures.

Identification and disclosure of related parties was a significant area of focus and hence considered it as a Key Audit Matter.</td><td>Our audit procedures amongst others included the following:
• Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions.
• Obtained a list of related parties from the Company's management and traced the related parties to declarations given by directors, where applicable, and to Note 49 of the standalone Ind AS financial statements.
• Read minutes of the meetings of the Board of Directors and Audit Committee and traced related party transactions with limits approved by Audit Committee / Board.
• Read declarations of related party transactions given to the Board of Directors and Audit Committee.
• Verified the disclosures in the standalone Ind AS financial statements for compliance with Ind AS 24.</td></tr>
<tr><td colspan="2">Merger of Sun Pharma Global FZE (as described in Note 54(12) of the standalone Ind AS financial statements)</td></tr>
<tr><td>Pursuant to scheme of arrangement in the nature of amalgamation and merger approved by National Company Law Tribunal ("NCLT") on August 31, 2021, Sun Pharma Global FZE has been merged with the Company with an appointed date of January 01, 2020. As disclosed in Note 54(12) to the standalone Ind AS financial statements, the merger is accounted for as a business combination under common control.

The merger has a significant impact on the standalone Ind AS financial statements of the Company including assets, revenue, results, tax, reserves and comparative numbers.

This transaction had a significant effect on the standalone Ind AS financial statements for the year and hence is considered as Key Audit Matter.</td><td>Our audit procedures amongst others included the following:
• Evaluated the design and tested the operating effectiveness of the controls over the accounting for business combination.
• Obtained the audited financial statements of Sun Pharma Global FZE for the year ended March 31, 2021.
• Traced the numbers pertaining to Sun Pharma Global FZE in the restated financial information of the Company for the year ended March 31, 2021 to the audited financial statements of Sun Pharma Global FZE.
• Tested the exchange restatements to check mathematical accuracy.
• Read the approval obtained from NCLT.
• Tested supporting schedules and evidence to ascertain that the accounting is as per the terms of the scheme of arrangement.
• Evaluated the disclosures in the standalone Ind AS financial statements.</td></tr>
<tr><td colspan="2">Other intangible assets (as described in Note 4 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Company has significant intangible assets, comprising acquired trademarks and product intangibles. The Company conducts an annual impairment testing of intangible assets.

Significant judgements are used to estimate the recoverable amount of these intangible assets and hence is considered as a Key Audit Matter.</td><td>Our audit procedures amongst others included the following:
• Evaluated the design and tested the operating effectiveness of management's controls in assessing the carrying value of intangible assets.
• Obtained the Company's computation of recoverable amount and tested the mathematical accuracy and reasonableness of key assumptions.
• Obtained and evaluated management's sensitivity analysis to ascertain the impact of changes in key assumptions.
• Evaluated the disclosures in the standalone Ind AS financial statements.</td></tr>
</table>

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management 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 are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

As fully described in note 54(12) of the Standalone Ind AS financial statements, the Company has prepared these standalone Ind AS financial statements to give effect to the Scheme of arrangement in the nature of amalgamation and merger of Sun Pharma Global FZE with the Company with an appointed date of January 01, 2020. We did not audit the financial statements and other financial information, in respect of Sun Pharma Global FZE, whose Ind AS financial statements, without giving effect to elimination of intra-group transactions included total assets of ₹ 83,523.4 Million as at March 31, 2021, total income of ₹ 13,379.1 Million, total net loss after tax of ₹ 12,973.2 Million and total comprehensive loss of ₹ 11,889.3 Million for the year ended March 31, 2021 and net cash inflow of ₹ 343.9 Million for the period from April 01, 2020 to March 31, 2021. These Ind AS financial statements and other financial information have been audited by other auditor whose report has been furnished to us. Our conclusion, in so far as it relates to the amounts and disclosures of Sun Pharma Global FZE is based solely on report of such other auditor. Our conclusion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 24 and 28 to the standalone Ind AS financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, except a sum of ₹ 1.2 Million which has been kept in abeyance due to pending legal cases.

iv. (a) The management has represented that, to the best of its knowledge and belief and read with note 54(21) to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief and read with note 54(21) to the standalone Ind AS financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of that declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

As stated in note 42 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

per **Paul Alvares**
Partner
Membership Number: 105754
UDIN: 22105754AJVRMM8346
Place of Signature: Mumbai
Date: May 30, 2022

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS"

RE: SUN PHARMACEUTICALS INDUSTRIES LIMITED (THE "COMPANY")

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records, where relevant, showing full particulars of intangible assets.

(b) All Property, Plant and Equipment have not been physically verified by management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 54(22) to the financial statements included in property, plant and equipment are held in the name of the Company, except for the following immovable properties for which registration of title deeds is in process:

Description	Held in name of	Gross Carrying value (₹ Millions)	Whether promoter, director or their relative or employee	Period held – (In Years)	Reason for not being held in name of company*
Freehold Land	Ranbaxy Drugs Limited	2.7	No	7	The title deeds are in the name of erstwhile companies that were merged with the Company under relevant provisions of the Companies Act, 1956/2013 in terms of approval of the Honorable High Courts of respective states.
Freehold Land	Ranbaxy Laboratories Limited	123.1	No	7	
Leasehold Land	Ranbaxy Laboratories Limited	2.9	No	7	
Freehold Land including building located thereon	Solrex Pharmaceuticals Company	95.9	No	5	
Freehold Land including building located thereon	Tamilnadu Dadha Pharmaceuticals Limited	3.6	No	25	
Building	Various	4.1	No	5	The title deeds are in the name of erstwhile company that was merged with the Company in terms of approval of National Company Law Tribunal (NCLT).
Building	Sun Pharma Global FZE	89.9	No	1	

* In respect of building where the Company is entitled to the right of occupancy and use and disclosed as property, plant and equipment in the standalone Ind AS financial statements, we report that the instrument entitling the right of occupancy and use of building, are in the name of the Company as at the balance sheet date.

(d) The Company does not follow the revaluation model for subsequent measurement of its Property, Plant and Equipment (including Right of use assets) or intangible assets. Accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company and hence not reported upon.

(e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the requirement to report on clause 3(i)(e) of the Order is not applicable to the Company and hence not reported upon.

(ii) (a) Inventory has been physically verified by management during the year except for inventories lying with third parties which have been confirmed by them. In our opinion, the frequency of verification by management is reasonable and the coverage and procedure for such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect such inventories.

(b) The Company has not been sanctioned working capital limits in excess of ₹ five crore in aggregate from banks or financial institutions during the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company and hence not reported upon.

(iii) (a) During the year the Company has provided loan to subsidiaries and employees, the details of which are as follows:

Particulars	Amount in ₹ Million
Aggregate amount provided during the year to	
- Subsidiary	35,724.8
- Employees	155.5
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary	35,999.1
- Employees	97.6

During the year the Company has not provided advances in the nature of loans, stood guarantee or provided security to any entity and hence not commented upon by us.

(b) During the year the investments made and the terms and conditions of the grant of all loans to companies or any other parties are not prejudicial to the Company's interest. The Company has not provided guarantees, given security or granted advances in nature of loans during the year and hence not commented upon by us.

(c) The Company has granted loans to subsidiaries where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts have been regular except in the following cases:

Name of the Entity (Wholly owned Subsidiary)	Amount (in ₹ Million)	Due date	Extent of delay	Remarks, if any
Sun Pharmaceutical Industries Inc.	7,424.0	17-01-2022	NA	The loan was further renewed.
Sun Pharma Netherlands BV	20.4	21-02-2022	70 days	Was paid on 02-05-2022

(d) There are no amounts of loans granted which are overdue for more than ninety days as at March 31, 2022. Accordingly, we have not commented on the steps taken by the Company for recovery of the principal and interest.

(e) During the year, the Company had renewed loans to a subsidiary aggregating ₹ 7,424.0 Million which had fallen due during the year.

Name of Party	Aggregate amount of overdues of existing loans renewed (Amount in ₹ Millions)	Percentage of the aggregate to the total loans granted during the year
Sun Pharmaceutical Industries Inc.	7,424.0	20.69%

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company and hence not reported upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans, making investments and providing guarantees and securities as applicable. During the year, the Company has not granted any loans to parties covered under section 185 of the Act.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company and hence not reported upon.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of applicable pharmaceutical products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities, where applicable, though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable

(b) The dues of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Forum where the dispute is pending	Year to which it pertains	Amount (₹ Million)*
Income Tax Act, 1961	Income taxes, interest, and penalty	Income Tax Appellate Tribunal (ITAT)	Various years from 2006-07 to 2011-12	123.8
Income Tax Act, 1961	Income taxes, Interest, and penalty	Commissioner of Income Tax (Appeals)	Various years from 2009-10 to 2014-15	103.8
Income Tax Act, 1961	Income taxes and Interest	High Court	2007-08	4.7
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Delhi	Various years from 2003-04 to 2016-17	1,008.4
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Commissioner (Appeals)	Various years from 2003-04 to 2017-18	11.9
Finance Act, 1994	Service Tax	Commissioner (Appeals)	Various years from 2004-05 to 2017-18	29.2
Finance Act, 1994	Service Tax	CESTAT	Various years from 2013-14 to 2015-16	7,011.7
The Goods and Service Tax Act	GST	Commissioner (Appeals)	2017-18 and 2018-19	2.6
The Goods and Service Tax Act	GST	Assistant Commissioner	2017-18	4.0
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Assistant / Additional / Senior Joint Commissioner	Various years from 1999-00 to 2017-18	25.6
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Appellate Authority	Various years from 1998-99 to 2017-18	13.5
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Tribunal	Various years from 1998-99 to 2013-14	3.0
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	High Court	Various years from 1999-00 to 2010-11	53.5
Custom Act, 1962	Customs Duty, Penalty and Interest	Commissioner (Appeals)	Various years from 2008-09 to 2014-15	2.8
Custom Act, 1962	Customs Duty, Penalty and Interest	CESTAT	Various years from 2010-11 to 2012-13	116.0

*Amount includes interest till the date of demand and are net of advances paid/adjusted under protest.

(viii) The Company has not surrendered or disclosed any transaction, previously not recorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company and hence not reported upon.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company and hence not reported upon.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company and hence not reported upon.

(x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company and hence not reported upon.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company and hence not reported upon.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year under audit.

(b) During the year, no report under sub-section 12 of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT–4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government.

(c) We have read the whistle blower complaints received by the Company during the year. Whilst, these complaints are substantially immaterial, the Company has a process of evaluation and redressal of all such complaints as required by applicable regulations. Post evaluation by the Company, we have considered these complaints in determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company and hence not reported upon.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the requirement to report on clause 3(xv) of the Order is not applicable to the Company and hence not reported upon.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company and hence not reported upon.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company and hence not reported upon.

(d) Based on information and explanation provided by the management of the Company, there is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company and hence not reported upon. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year. Accordingly, the requirement to report on clause 3(xvii) of the Order is not applicable to the Company and hence not reported upon.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on clause 3(xviii) of the Order is not applicable to the Company and hence not reported upon.

(xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 54(14) to the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Act, in compliance with second proviso to sub-section 5 of section 135 of the Act. This matter has been disclosed in note 54(10) to the standalone Ind AS financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section 6 of section 135 of the Act. This matter has been disclosed in note 54(10) to the standalone Ind AS financial statements.

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

per **Paul Alvares**
Partner
Membership Number: 105754
UDIN: 22105754AJVRMM8346
Place of Signature: Mumbai
Date: May 30, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Sun Pharmaceutical Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per **Paul Alvares**
Partner
Membership Number: 105754
UDIN: 22105754AJVRMM8346
Place of Signature: Mumbai
Date: May 30, 2022

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

₹ in Million

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3 (a) & 3 (b)	49,695.7	48,918.1
(b) Capital work-in-progress		3,589.4	4,592.0
(c) Goodwill	4	1,208.0	1,208.0
(d) Other Intangible assets	4	46,224.1	46,561.8
(e) Intangible assets under development		4,697.0	6,311.8
(f) Investments in the nature of equity in subsidiaries	5	153,404.1	150,903.3
(g) Financial assets			
(i) Investments	6	154.2	4,158.7
(ii) Loans	7	36,566.3	8,527.7
(iii) Other financial assets	8	651.3	751.0
(h) Deferred tax assets (Net)	9	3,240.4	13,374.5
(i) Income tax assets (Net)	10	8,836.7	20,826.3
(j) Other non-current assets	11	2,350.1	3,913.9
Total non-current assets		**310,617.3**	**310,047.1**
(2) Current assets			
(a) Inventories	12	34,037.4	34,234.2
(b) Financial assets			
(i) Investments	13	1,930.4	310.0
(ii) Trade receivables	14	42,451.6	65,852.4
(iii) Cash and cash equivalents	15	4,195.3	3,510.6
(iv) Bank balances other than (iii) above	16	1,154.3	99.2
(v) Loans	17	91.0	7,471.1
(vi) Other financial assets	18	4,021.8	5,266.0
(c) Other current assets	19	9,155.7	10,557.3
Total current assets		**97,037.5**	**127,300.8**
TOTAL ASSETS		**407,654.8**	**437,347.9**

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

₹ in Million

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	2,399.3	2,399.3
(b) Other equity	21	243,480.2	266,985.4
Total equity		**245,879.5**	**269,384.7**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	48,656.4	53,000.2
(ii) Lease liabilities	47	1,896.8	2,028.4
(b) Other non-current liabilities	23	6,187.5	7,185.5
(c) Provisions	24	3,976.3	6,235.8
Total non-current liabilities		**60,717.0**	**68,449.9**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	30.7	18,364.5
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	44	1,052.8	852.0
(b) total outstanding dues of creditors other than micro and small enterprises	44	26,051.6	39,433.4
(iii) Lease liabilities	47	156.5	188.1
(iv) Other financial liabilities	26	40,678.1	22,294.8
(b) Other current liabilities	27	7,463.1	6,333.9
(c) Provisions	28	25,625.5	12,046.6
Total current liabilities		**101,058.3**	**99,513.3**
Total liabilities		**161,775.3**	**167,963.2**
TOTAL EQUITY AND LIABILITIES		**407,654.8**	**437,347.9**

The accompanying notes are an integral part of the standalone 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
Mumbai, May 30, 2022

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
(I) Revenue from operations	29	155,859.8	141,160.5
(II) Other income	30	9,579.2	1,920.7
(III) Total income (I + II)		**165,439.0**	**143,081.2**
(IV) EXPENSES			
Cost of materials consumed	31	45,849.7	40,829.1
Purchases of stock-in-trade		12,486.0	12,042.1
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(1,831.8)	(1,796.4)
Employee benefits expense	33	20,007.8	18,059.8
Finance costs	34	3,881.0	2,675.2
Depreciation and amortisation expense	3 (a), 3 (b) & 4	13,499.5	12,364.3
Other expenses	35	52,662.5	49,318.2
Net (gain) / loss on foreign currency transactions		(2,389.6)	137.6
Total expenses (IV)		**144,165.1**	**133,629.9**
(V) PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III - IV)		**21,273.9**	**9,451.3**
(VI) Exceptional item	54 (2)	18,205.3	895.6
(VII) PROFIT BEFORE TAX (V - VI)		**3,068.6**	**8,555.7**
(VIII) TAX EXPENSE / (CREDIT)			
Current tax	37	(5,535.8)	2,449.1
Deferred tax	9 & 37	5,198.3	(2,317.4)
Deferred tax - exceptional	54 (2)	4,406.0	-
Total tax expense / (credit) (VIII)		**4,068.5**	**131.7**
(IX) PROFIT / (LOSS) FOR THE YEAR (VII - VIII)		**(999.9)**	**8,424.0**
(X) OTHER COMPREHENSIVE INCOME			
A) Items that will not be reclassified to the statement of profit or loss			
a. Gain / (loss) on remeasurement of the defined benefit plans		(223.4)	(111.6)
Income tax on above		78.1	39.0
b. Gain / (loss) on equity instrument measured at fair value through other comprehensive income		233.9	697.2
Income tax on above		(20.8)	(3.0)
Total - (A)		**67.8**	**621.6**

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
B) Items that may be reclassified to the statement of profit or loss			
a. Effective portion of gain / (loss) on designated portion of hedging instruments in a cash flow hedge		(492.4)	1,112.4
Income tax on above		172.1	(375.8)
b. Gain / (loss) on debt instrument measured at fair value through other comprehensive income		(104.4)	359.0
Income tax on above		-	(0.2)
c. Foreign currency translation reserve [gain / (loss)]		199.9	(1,722.2)
Income tax on above		(759.2)	-
Total - (B)		**(984.0)**	**(626.8)**
(X) Total other comprehensive income (A+B)		**(916.2)**	**(5.2)**
(XI) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)		**(1,916.1)**	**8,418.8**
Earnings per equity share (face value per equity share - ₹ 1)	45		
Basic (in ₹)		(0.4)	3.5
Diluted (in ₹)		(0.4)	3.5

The accompanying notes are an integral part of the standalone 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
Mumbai, May 30, 2022

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars	Equity share capital	Other Equity										Total
		Reserve and surplus						Other comprehensive income (OCI)				
		Capital reserve	Securities premium	Amalgamation reserve	Capital redemption reserve	General reserve	Retained earnings	Equity instrument through OCI	Debt instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges	
Balance as at March 31, 2020	2,399.3	53,575.2	11,874.1	43.8	7.5	34,779.3	140,052.7	1.0	(0.3)	1,485.9	(256.3)	243,962.2
Add - Transfer on merger [Refer Note 54 (12)]	-	(31,316.7)	-	-	-	16,655.7	26,832.0	(1,653.3)	(254.1)	22,339.1	(8.4)	32,594.3
Adjusted balance as at March 31, 2020	2,399.3	22,258.5	11,874.1	43.8	7.5	51,435.0	166,884.7	(1,652.3)	(254.4)	23,825.0	(264.7)	276,556.5
Profit for the year	-	-	-	-	-	-	8,424.0	-	-	-	-	8,424.0
Other comprehensive income for the year	-	-	-	-	-	-	^(72.6)	694.2	358.8	(1,722.2)	736.6	(5.2)
Total comprehensive income for the year	-	-	-	-	-	-	**8,351.4**	**694.2**	**358.8**	**(1,722.2)**	**736.6**	**8,418.8**
Payment of dividend	-	-	-	-	-	-	(15,590.6)	-	-	-	-	(15,590.6)
Balance as at March 31, 2021	**2,399.3**	**22,258.5**	**11,874.1**	**43.8**	**7.5**	**51,435.0**	**159,645.5**	**(958.1)**	**104.4**	**22,102.8**	**471.9**	**269,384.7**
Loss for the year	-	-	-	-	-	-	(999.9)	-	-	-	-	(999.9)
Other comprehensive income for the year	-	-	-	-	-	-	^(145.3)	213.1	(104.4)	(559.3)	(320.3)	(916.2)
Total comprehensive income for the year	-	-	-	-	-	-	**(1,145.2)**	**213.1**	**(104.4)**	**(559.3)**	**(320.3)**	**(1,916.1)**
Payment of dividend	-	-	-	-	-	-	(21,589.1)	-	-	-	-	(21,589.1)
Transfer on sale of equity instruments	-	-	-	-	-	-	(790.4)	790.4	-	-	-	-
Balance as at March 31, 2022	**2,399.3**	**22,258.5**	**11,874.1**	**43.8**	**7.5**	**51,435.0**	**136,120.8**	**45.4**	**-**	**21,543.5**	**151.6**	**245,879.5**

^Represents re-measurement of the defined benefit plans.

The accompanying notes are an integral part of the standalone 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
Mumbai, May 30, 2022

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ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	3,068.6	8,555.7
Adjustments for:		
Depreciation and amortisation expense	13,499.5	12,364.3
Net (gain) / loss on sale/write off /impairment of property, plant and equipment,other intangible assets and intangible assets under development	1,348.3	19.2
Finance costs	3,881.0	2,675.2
Interest income	(4,390.2)	(825.8)
Dividend income on investments	(135.4)	(383.4)
Net loss/ (gain) arising on financial assets measured at fair value through profit or loss	(0.5)	(71.7)
Net gain on sale of financial assets measured at fair value through profit or loss	(65.0)	(107.3)
Net (gain) / loss on sale of financial assets measured at fair value through other comprehensive income	(57.7)	(0.4)
Gain on sale of investment in subsidiary	(2,075.7)	-
Provision / write off / (reversal) for doubtful trade receivables / advances	263.2	244.4
Sundry balances written back, net	(48.8)	(75.6)
Effect of exchange rate changes	444.2	3,339.8
Operating profit before working capital changes	**15,731.5**	**25,734.4**
Movements in working capital:		
(Increase)/ decrease in inventories	196.8	(4,950.4)
(Increase)/ decrease in trade receivables	23,384.4	(6,436.9)
(Increase)/ decrease in other assets	2,561.1	757.2
Increase / (decrease) in trade payables	(13,388.6)	(8,679.9)
Increase / (decrease) in other liabilities	15,187.0	(1,452.4)
Increase / (decrease) in provisions	11,096.0	(6,760.4)
Cash generated from / (used in) operations	**54,768.2**	**(1,788.4)**
Net Income tax (paid) / refund received (including interest on refunds)	21,595.4	(2,376.7)
Net cash generated from / (used in) operating activities (A)	**76,363.6**	**(4,165.1)**
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	(8,499.0)	(8,080.7)
Proceeds from disposal of property, plant and equipment and intangible assets	465.0	702.2
Loans / Inter corporate deposits		
Given to		
Subsidiary companies	(28,302.3)	(9,208.1)
Received back / matured from / assigned to		
Subsidiary companies	8,129.0	26,339.3
Others	-	88.2
Purchase of investments		
Subsidiary companies	(14,787.6)	-
Others	(54,857.7)	(78,361.0)
Proceeds from sale of investments		
Subsidiary companies	18,204.3	-
Others	53,303.5	82,098.3
Bank balances not considered as cash and cash equivalents		
Fixed deposits/ margin money placed	(1,050.1)	(11.8)
Fixed deposits/ margin money matured	12.5	16.5
Interest received	226.0	671.8
Dividend received from		
Subsidiary companies	135.4	383.4
Net cash (used in) / from investing activities (B)	**(27,021.0)**	**14,638.1**
C. Cash flow from financing activities		
Proceeds from borrowings		
Subsidiary company	85,611.2	98,472.2
Others	-	45,986.6
Repayment of borrowings		
Subsidiary companies	(88,290.0)	(65,020.3)
Others	(20,564.2)	(74,783.9)
Net increase / (decrease) in working capital demand loan	17.3	13.4

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Repayment towards lease liabilities		
Subsidiary companies	(261.2)	(262.4)
Others	(109.0)	(129.4)
Refund from escrow account for buy-back	-	4,250.0
Finance costs	(3,523.4)	(2,928.8)
Dividend paid	(21,589.2)	(15,594.7)
Net cash used in financing activities (C)	**(48,708.5)**	**(9,997.3)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**634.1**	**475.7**
Cash and cash equivalents at the beginning of the year	3,510.6	3,148.3
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	50.6	(113.4)
Cash and cash equivalents at the end of the year	**4,195.3**	**3,510.6**

Notes:

1 Cash and cash equivalents comprises of

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	4,186.7	3,503.3
Cash on hand	8.6	7.3
Cash and cash equivalents in cash flow statement (Refer Note 15)	**4,195.3**	**3,510.6**

2 Change in financial liability / asset arising from financing activities

₹ in Million

Particulars	Year ended March 31, 2022		Year ended March 31,2021	
	Borrowings	Derivatives, net [(Liabilities) / Asset]	Borrowings	Derivatives, net [(Liabilities) / Asset]
Opening balance	**71,364.7**	**(42.9)**	**67,552.3**	**(161.7)**
Changes from financing cash flows	(23,226.7)	59.6	4,284.7	66.9
Effect of changes in foreign exchange rates	246.8	(16.7)	(302.7)	94.8
Changes in fair value	-	-	-	(42.9)
Other changes	302.3	-	(169.6)	-
Closing balance	**48,687.1**	**-**	**71,364.7**	**(42.9)**

For movement of lease liabilities, Refer Note 47.

The accompanying notes are an integral part of the standalone 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
Mumbai, May 30, 2022

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

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ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE 1: GENERAL INFORMATION

Sun Pharmaceutical Industries Limited (SPIL or the "Company") is a public limited company incorporated and domiciled in India, having it's registered office at Vadodara, Gujarat, India. SPIL is listed on the BSE Limited and National Stock Exchange of India Limited. The Company is engaged in the business of manufacturing, developing and marketing a wide range of branded and generic formulations and Active Pharmaceutical Ingredients (APIs). The Company has various manufacturing locations spread across the country with trading and other incidental and related activities extending to the global markets.

The standalone financial statement were authorised for issue in accordance with a resolution of the directors on May 30, 2022.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared financial statements for the year ended March 31, 2022 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2021.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; (iii) derivative financial instrument and (iv) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The standalone financial statements are presented in ₹ and all values are rounded to the nearest Million (₹ 000,000) upto one decimal, except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

a. Current vs. Non-current

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currency

On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate on that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings (see Note 2.2.r).
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 2.2.i below for hedging accounting policies).
- exchange differences relating to the translation of the results and the net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to statement of profit or loss account on the disposal of the foreign operation.

Non-monetary items that are measured in terms of historical cost in foreign currency are measured using the exchange rates at the date of initial transaction.

c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

d. Property, plant and equipment

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Items of property, plant and equipment acquired through exchange of non-monetary assets are

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the acquired asset is measured at the carrying amount of the asset given up.

Depreciation is recognised on the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as follows:

Asset Category	No. of years
Factory Buildings	10-30
Buildings other than Factory Buildings*	30-60
Plant and equipment	3-25
Vehicles	5-10
Office equipment	2-5
Furniture and fixtures	5-10

* Includes assets given under operating lease.

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortised over the lower of the estimated useful life of the software and the remaining useful life of the tangible fixed asset.

e. Goodwill and Other Intangible assets

Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Company's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Other Intangible assets

Other Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to and has sufficient resources/ability to complete development and to use or sell the asset.

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

Acquired research and development intangible assets which are under development, are recognised as In-Process Research and Development assets ("IPR&D"). IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such IPR&D assets is recognised in profit or loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

The consideration for acquisition of intangible asset which is based on reaching specific milestone that are dependent on the Company's future activity is recognised only when the activity requiring the payment is performed.

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognised in the statement of profit and loss as incurred.

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives for Product related intangibles and Other intangibles ranges from 3 to 12 years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

f. Investments in the nature of equity in subsidiaries and associates

The Company has elected to recognise its investments in equity instruments in subsidiaries and associates at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Impairment policy applicable on such investments is explained in Note 2.2.g.

g. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

Goodwill is tested for impairment annually. Goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

In respect of other asset, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the date the Company commits to purchase or sale the financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all the changes in the profit or loss.

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Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and lease liabilities, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ losses are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, full currency swap, principal only swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss.

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The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Treasury shares

The Company has Employee Benefit Trust (EBT) for providing share-based payment to its employees.

Own equity instruments that are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Dividend distribution to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building 2-10 years
- Plant and Machinery 10-25 years
- Leasehold land 60-99 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect

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the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k. Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade, stores and spares and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method.

Cost of raw materials and packing materials, stock-in-trade, stores and spares includes cost of purchases and other costs incurred in bringing the inventories to its present location and condition.

Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

l. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

m. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Restructuring

A provision for restructuring is recognised when the Company has a detailed formal restructuring plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

n. Revenue

Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Profit Sharing Revenues

The Company from time to time enters into arrangements for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Out-licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the period in which the Company has continuing performance obligations. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive. If

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milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be received.

Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Rendering of services

Revenue from services rendered is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

o. Dividend and interest income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

p. Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised in the statement of profit and loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

q. Employee benefits

Defined benefit plans

The Company operates a defined benefit gratuity plan which requires contribution to be made to a separately administered fund.

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The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

Termination benefits

Termination benefits are recognised as an expense in the statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term and Other long-term employee benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred.

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

Defined contribution plans

The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Company does not have any obligation other than the contribution made.

Share-based payment arrangements

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, on a straight line basis, over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

r. Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

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s. Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

The Company recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax (‘MAT’) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

t. Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

u. Business combination

The Company uses the acquisition method of accounting to account for business combinations that occurred on or after April 01, 2015. The acquisition date is generally the date on which

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as Capital Reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as Capital Reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method.

v. Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

w. Recent Accounting pronouncements

Standards issued but not yet effective and not early adopted by the Company

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 3 (a) PROPERTY, PLANT AND EQUIPMENT

₹ in Million

	Freehold land	Buildings Including given on lease	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost							
As at March 31, 2020	1,147.6	15,044.1	49,909.3	1,070.7	430.8	1,128.8	68,731.3
Taken over on merger	-	91.3	153.6	16.7	10.3	9.2	281.1
Foreign currency translation difference	-	(2.8)	(4.8)	(0.5)	(0.3)	(0.3)	(8.7)
Additions	229.4	435.6	4,320.1	38.0	65.3	378.4	5,466.8
Disposals	(2.5)	(69.6)	(209.0)	(8.2)	(59.0)	(9.8)	(358.1)
As at March 31, 2021	**1,374.5**	**15,498.6**	**54,169.2**	**1,116.7**	**447.1**	**1,506.3**	**74,112.4**
Foreign currency translation difference	-	1.3	2.4	0.2	0.1	0.1	4.1
Additions	35.1	695.2	4,971.6	28.5	102.9	224.4	6,057.7
Disposals	-	(110.2)	(236.0)	(24.5)	(77.3)	(4.7)	(452.7)
As at March 31, 2022	**1,409.6**	**16,084.9**	**58,907.2**	**1,120.9**	**472.8**	**1,726.1**	**79,721.5**
Accumulated depreciation and impairment							
As at March 31, 2020	-	2,422.0	18,705.0	607.6	278.7	699.7	22,713.0
Taken over on merger	-	29.1	25.7	16.7	9.6	8.1	89.2
Foreign currency translation difference	-	(0.9)	(1.0)	(0.5)	(0.3)	(0.2)	(2.9)
Depreciation expense	-	514.8	4,135.8	90.7	61.3	182.0	4,984.6
Disposals	-	(7.0)	(157.0)	(4.5)	(51.4)	(8.6)	(228.5)
As at March 31, 2021	**-**	**2,958.0**	**22,708.5**	**710.0**	**297.9**	**881.0**	**27,555.4**
Foreign currency translation difference	-	0.5	0.7	0.2	0.1	0.1	1.6
Depreciation expense	-	527.2	4,285.7	82.9	62.4	187.2	5,145.4
Disposals	-	(109.1)	(163.1)	(24.0)	(66.6)	(3.2)	(366.0)
As at March 31, 2022	**-**	**3,376.6**	**26,831.8**	**769.1**	**293.8**	**1,065.1**	**32,336.4**
Net book value							
As at March 31, 2021	**1,374.5**	**12,540.6**	**31,460.7**	**406.7**	**149.2**	**625.3**	**46,557.0**
As at March 31, 2022	**1,409.6**	**12,708.3**	**32,075.4**	**351.8**	**179.0**	**661.0**	**47,385.1**

Footnotes

(i) Buildings include ₹ 8,620 (As at March 31, 2021 : ₹ 8,620) towards cost of shares in a co-operative housing society and also includes ₹ 1.1 Million (As at March 31, 2021 : ₹ 1.1 Million) and ₹ 1,133.0 Million (As at March 31, 2021 : ₹ 1,133.0 Million) towards cost of non-convertible preference shares of face value of ₹ 10/- each and compulsorily convertible debentures of face value of ₹ 10,000/- each in a Company respectively entitling the right of occupancy and use of premises and also includes ₹ 4.5 Million (March 31, 2021 : ₹ 4.5 Million) towards cost of flats not registered in the name of the Company but is entitled to right of use and occupancy.

(ii) For details of assets pledged as security refer Note 48.

(iii) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 3 (b) RIGHT-OF-USE ASSETS

₹ in Million

	Leasehold Land	Building	Plant and equipment	Total
As at March 31, 2020	1,098.1	291.5	1,860.9	3,250.5
Additions	-	163.3	98.5	261.8
Disposals	(774.5)	(8.3)	-	(782.8)
As at March 31, 2021	**323.6**	**446.5**	**1,959.4**	**2,729.5**
Additions	109.8	39.8	-	149.6
Disposals	(2.9)	(113.9)	-	(116.8)
As at March 31, 2022	**430.5**	**372.4**	**1,959.4**	**2,762.3**
Accumulated depreciation				
As at March 31, 2020	**14.5**	**95.6**	**56.1**	**166.2**
Depreciation expense	10.8	122.3	85.7	218.8
Disposals	(14.5)	(2.1)	-	(16.6)
As at March 31, 2021	**10.8**	**215.8**	**141.8**	**368.4**
Depreciation expense	6.7	96.1	88.7	191.5
Disposals	(0.5)	(107.7)	-	(108.2)
As at March 31, 2022	**17.0**	**204.2**	**230.5**	**451.7**
Net right-of-use assets				
As at March 31, 2021	**312.8**	**230.7**	**1,817.6**	**2,361.1**
As at March 31, 2022	**413.5**	**168.2**	**1,728.9**	**2,310.6**

Footnote

For details of Ind AS 116 disclosure refer Note 47.

NOTE : 4 GOODWILL / INTANGIBLE ASSETS

Other than internally generated

₹ in Million

	Computer Software	Product related intangibles	Goodwill	Total
At cost or deemed cost				
As at March 31, 2020	2,169.5	7,087.8	1,208.0	10,465.3
Taken over on merger	-	71,661.8	-	71,661.8
Foreign currency translation difference	-	(2,177.1)	-	(2,177.1)
Additions	1,037.1	937.8	-	1,974.9
Disposals	(471.1)	(172.8)	-	(643.9)
As at March 31, 2021	**2,735.5**	**77,337.5**	**1,208.0**	**81,281.0**
Foreign currency translation difference	-	1,041.8	-	1,041.8
Additions	668.6	6,529.1	-	7,197.7
Disposals	-	(54.5)	-	(54.5)
As at March 31, 2022	**3,404.1**	**84,853.9**	**1,208.0**	**89,466.0**
Accumulated amortisation and impairment				
As at March 31, 2020	1,156.2	6,124.8	-	7,281.0
Taken over on merger	-	20,237.4	-	20,237.4
Foreign currency translation difference	-	(703.8)	-	(703.8)
Amortisation expense	408.2	6,752.7	-	7,160.9
Disposals	(464.3)	(0.0)	-	(464.3)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	Computer Software	Product related intangibles	Goodwill	Total
As at March 31, 2021	**1,100.1**	**32,411.1**	**-**	**33,511.2**
Foreign currency translation difference	-	405.8	-	405.8
Amortisation expense	410.6	7,752.0	-	8,162.6
Disposals	-	(45.7)	-	(45.7)
As at March 31, 2022	**1,510.7**	**40,523.2**	**-**	**42,033.9**
Net book value				
As at March 31, 2021	**1,635.4**	**44,926.4**	**1,208.0**	**47,769.8**
As at March 31, 2022	**1,893.4**	**44,330.7**	**1,208.0**	**47,432.1**

Footnotes

(i) The aggregate amortisation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

(ii) Refer Note 54 (1)

(iii) The recoverable amount of Goodwill have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate and appropriate discount rates that reflects current market assessments of time value of money. The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

NOTE : 5 INVESTMENTS IN THE NATURE OF EQUITY IN SUBSIDIARIES (NON-CURRENT)

	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments				
Unquoted (At cost less impairment in value of investments, if any)				
Sun Pharmaceutical Industries, Inc.				
Common shares of no par value	8,387,666	304.2	8,387,666	304.2
Sun Farmaceutica do Brasil Ltda				
Quota of Capital Stock of Real 1 each fully paid	4,019	18.3	4,019	18.3
Sun Pharma De Mexico, S.A. DE C.V.				
Common Shares of no Face Value	750	3.3	750	3.3
Sun Pharmaceutical (Bangladesh) Limited				
Ordinary Shares of 100 Takas each fully paid	434,469	36.5	434,469	36.5
Share application money		31.6		31.6
Sun Pharmaceutical Peru S.A.C.				
Ordinary Shares of Soles 10 each fully paid	-	-	149	0.0
[₹ Nil (March 31, 2021: ₹ 21,734)]				
SPIL DE Mexico S.A. DE CV				
Nominative and free Shares of 500 Mexican Pesos each fully paid	-	-	100	0.2
OOO "Sun Pharmaceutical Industries" Limited				
Par value rouble stock fully paid	1	8.8	1	8.8
5,250,000 Rouble (March 31, 2021: 5,250,000 Rouble)				
Green Eco Development Centre Limited				
Shares of ₹ 10 each fully paid	700,000	7.0	700,000	7.0

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in Million	Quantity	₹ in Million
Sun Pharma De Venezuela, C.A.				
Shares of Bolivars (Bs.F.) 100 each, Bolivars (Bs.F.) 50 per share paid	1,000	0.5	1,000	0.5
Sun Pharma Laboratories Limited				
Shares of ₹ 10 each fully paid	40,050,000	1.5	40,050,000	1.5
Faststone Mercantile Company Private Limited				
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1
Foundation for Disease Elimination and Control of India				
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1
Neetnav Real Estate Private Limited				
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1
Realstone Multitrade Private Limited				
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1
Skisen Labs Private Limited				
Shares of ₹ 10 each fully paid	16,360,000	163.6	16,360,000	163.6
Less: Impairment in value of investment		(163.6)		(163.6)
Softdeal Pharmaceuticals Private Limited (formerly known as Softdeal Trading Company Private Limited)				
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1
Sun Pharma Holdings				
Shares of USD 1 each fully paid	855,199,716	54,031.5	855,199,716	54,031.5
Less: Impairment in value of investment [Refer Note 54 (12)]		(31,590.0)		(31,590.0)
		22,441.5		**22,441.5**
Sun Pharma (Netherlands) B.V.				
Ordinary class A shares of Euro 100 each fully paid	5,473,340	39,877.3	5,473,340	39,877.3
Ranbaxy Malaysia Sdn. Bhd.				
Ordinary Shares of RM 1 each fully paid	3,189,248	37.0	3,189,248	37.0
Sun Pharma Japan Ltd				
Ordinary Shares of JPY 50,000 each fully paid	1,200	553.0	1,200	545.0
Sun Pharma Phillipines Inc.				
Ordinary Shares of Peso 100 each fully paid	-	-	86,534	14.7
Ranbaxy (Thailand) Company Ltd.				
Ordinary Shares of Baht 100 each fully paid ₹ Nil (March 31, 2021 : ₹ 754)	-	-	3	0.0
Sun Pharma East Africa Ltd				
Ordinary Shares of KES 100 each fully paid	-	-	1,000	0.1
Artes Biotechnology GmBh				
Ordinary shares of Euro 1 each fully paid with premium	-	-	15,853	266.4
Quoted (At cost less impairment in value of investments, if any)				
Zenotech Laboratories Limited				
Shares of ₹ 10 each fully paid	42,014,578	3,371.7	35,128,078	3,318.5
Less: Impairment in value of investment		(1,737.8)		(1,737.8)
		1,633.9		1,580.7
		64,954.9		**65,175.1**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in Million	Quantity	₹ in Million
Preference shares - unquoted (At cost)				
Sun Pharma Holdings				
5% Optionally Convertible Preference Shares USD 1 each fully paid	1,165,593,148	73,642.2	1,265,593,148	80,411.1
Sun Pharma Japan Ltd - Preference Shares				
Non-cumulative, redeemable preference Shares of JPY 50,000 each fully paid	1,960	72.6	1,960	71.4
Sun Pharmaceutical Industries (Australia) Pty. Ltd				
Redeemable preference shares of AUD 1 each	-	-	69,644,566	3,769.0
Ranbaxy Pharma Proprietary Ltd				
Non-cumulative, redeemable preference shares of ZAR 1 each	-	-	280,000,000	1,476.7
Sun Pharma (Netherlands) B.V.				
Non-cumulative optionally convertible class B shares of Euro 100 each fully paid	1,707,212	14,734.4	-	-
		88,449.2		**85,728.2**
		153,404.1		**150,903.3**
Aggregate amount of unquoted investments before impairment		183,523.8		181,076.2
Aggregate book value (carrying value) of quoted investments before impairment		3,371.7		3,318.5
Aggregate amount of impairment in value of investments		33,491.4		33,491.4
Aggregate amount of quoted investments at market value		2,115.4		1,229.5

NOTE : 6 INVESTMENTS (NON-CURRENT)

	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments				
Quoted (Fair value through other comprehensive income)				
Krebs Biochemicals and Industries Limited				
Shares of ₹ 10 each fully paid	1,036,943	148.7	1,050,000	90.2
Amneal Pharmaceuticals Inc. (formerly known as Impax Laboratories Inc.,)				
Shares of USD 0.01 each fully paid	-	-	2,868,623	1,412.2
Unquoted (Fair value through profit or loss)				
Enviro Infrastructure Co. Limited				
Shares of ₹ 10 each fully paid	100,000	1.0	100,000	1.0
Shimal Research Laboratories Limited				
Shares of ₹ 10 each fully paid	9,340,000	934.0	9,340,000	934.0
Less: Impairment in value of investment		(934.0)		(934.0)
Shivalik Solid Waste Management Limited				
Shares of ₹ 10 each fully paid	20,000	0.2	20,000	0.2
Biotech Consortium India Limited				
Shares of ₹ 10 each fully paid	50,000	0.5	50,000	0.5
Less: Impairment in value of investment		(0.5)		(0.5)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in Million	Quantity	₹ in Million
Nimbua Greenfield (Punjab) Limited				
Shares of ₹ 10 each fully paid	140,625	1.4	140,625	1.4
Watsun Infrabuild Private Limited				
Shares of ₹ 10 each fully paid	283,500	2.9	283,500	2.9
		154.2		**1,507.9**
Securities				
Quoted (Fair value through other comprehensive income)				
ONGC Videsh 4.625% Regd. Notes				
Regd. Notes maturing July 15, 2024	-	-	160,000	1,284.1
NTPC 4.375% Regd.Euro Medium Term Notes				
Term Notes maturing November 26, 2024	-	-	100,000	800.9
State Bank of India 4.875 %				
Regd. Notes maturing April 17, 2024	-	-	70,000	565.8
		-		2,650.8
		154.2		**4,158.7**
Aggregate book value (carrying value) of quoted investments		148.7		4,153.2
Aggregate amount of quoted investments at market value		148.7		4,153.2
Aggregate amount of unquoted investments before impairment		940.0		940.0
Aggregate amount of impairment in value of investments		934.5		934.5

NOTE : 7 LOANS (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Loans to employees		
Secured, considered good	2.4	2.9
Unsecured, considered good	4.2	3.8
Loans to subsidiaries (Refer Note 49 & 50) *		
Unsecured, considered good	36,559.7	8,521.0
	36,566.3	**8,527.7**

* Loans have been granted for the purpose of their business.

NOTE : 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Interest accrued (unsecured, considered good)	33.8	-
Security deposits (unsecured, considered good)	423.8	445.5
Unbilled revenue (Refer Note 53)	193.7	305.5
	651.3	**751.0**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 9 DEFERRED TAX ASSETS (NET)

₹ in Million

	Opening balance April 01, 2021	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance March 31, 2022
Deferred tax (liabilities) / assets in relation to:				
Difference between written down value of property, plant and equipment, intangible assets and capital work-in-progress as per books of accounts and income tax	(6,081.4)	(4,497.1)	-	(10,578.5)
Tax on foreign currency translation reserve	-	759.2	(759.2)	-
Difference in carrying value and tax base of financial assets of investments	(9.2)	75.5	(20.8)	45.5
Derivatives designated as hedges	(238.1)	(9.8)	172.1	(75.8)
Deferred revenue	587.8	2,205.9	-	2,793.7
Unbilled revenue	19.7	(8.6)	-	11.1
Allowance for doubtful debts and advances	755.0	144.9	-	899.9
Expenses claimed for tax purpose on payment basis	662.1	619.2	78.1	1,359.4
Unabsorbed depreciation / carried forward losses	4,301.9	1,240.4	-	5,542.3
Other assets	2.2	0.2	-	2.4
	-	**529.8**	**(529.8)**	**-**
Minimum Alternate Tax (MAT) credit entitlement	13,374.5	(10,134.1)	-	3,240.4
	13,374.5	**(9,604.3)**	**(529.8)**	**3,240.4**

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :		
Tax losses	79,813.3	63,153.8
Tax losses (Capital in nature)	19,516.0	13,581.1
Unabsorbed depreciation	33,934.8	28,088.7
Unused tax credits (MAT credit entitlement)	7,188.6	2,410.7
Deductible temporary differences	6,962.8	12,027.9

The unused tax credits will expire from financial year 2022-23 to financial year 2031-32 and unused tax losses will expire from financial year 2022-23 to financial year 2029-30.

NOTE : 10 INCOME TAX ASSETS (NET) (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Advance income tax *		
Net of provisions ₹ 6,161.9 Million (March 31, 2021 : ₹ 17,205.2 Million)	8,836.7	20,826.3
	8,836.7	**20,826.3**

* includes amount paid under protest

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 11 OTHER ASSETS (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Capital advances	435.8	2,228.5
Prepaid expenses	13.1	15.6
Balances with government authorities *	1,901.2	1,669.8
	2,350.1	**3,913.9**

* includes amount paid under protest

NOTE : 12 INVENTORIES

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Lower of cost and net realisable value		
Raw materials and packing materials	13,586.6	16,016.8
Goods in transit	552.1	196.9
	14,138.7	**16,213.7**
Work-in-progress	11,246.3	11,041.9
Finished goods	7,261.5	5,213.9
Stock-in-trade	970.8	1,378.8
Stores and spares	420.1	385.9
	34,037.4	**34,234.2**

Footnotes

(i) Inventory write downs are accounted considering the nature of inventory, estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products as well as the provisioning policy. Write downs of inventories amounted to ₹ 8,461.7 Million (March 31, 2021: ₹ 8,433.6 Million). The changes in write downs are recognised as an expense in the statement of profit and loss. The inventories with overseas contract manufacturers are stated as per the quantitative confirmations received from the respective parties.

(ii) For details of inventories pledged as security refer Note 48.

(iii) The cost of inventories recognised as an expense is disclosed in Notes 31, 32 and 35 and as purchases of stock-in-trade in the statement of profit and loss.

NOTE : 13 INVESTMENTS (CURRENT)

	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in Million	Quantity	₹ in Million
Mutual funds				
Unquoted (Fair value through profit or loss) *				
BNP Paribas Mutual fund - BNP Paribas Liquid Fund - Direct Plan - Growth	-	-	97,894	310.0
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option	370,662	1,930.4	-	-
		1,930.4		**310.0**

* Mutual funds have been fair valued at closing net asset value (NAV).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 14 TRADE RECEIVABLES

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered good	42,451.6	65,852.4
Credit impaired	1,341.7	1,251.5
	43,793.3	**67,103.9**
Less : Allowance for credit impaired	(1,341.7)	(1,251.5)
	42,451.6	**65,852.4**

NOTE : 15 CASH AND CASH EQUIVALENTS

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	4,186.7	3,503.3
Cash on hand	8.6	7.3
	4,195.3	**3,510.6**

NOTE : 16 BANK BALANCES OTHER THAN DISCLOSED IN NOTE 15 ABOVE

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Deposit accounts	1,043.5	-
Earmarked balances with banks		
Unpaid dividend accounts	104.2	86.7
Balances held as margin money or security against guarantees and other commitments	6.6	12.5
	1,154.3	**99.2**

NOTE : 17 LOANS (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Loans to employees / others *		
Secured, considered good	0.7	0.7
Unsecured, considered good	90.3	156.6
Credit impaired	15.3	15.3
Less : Allowance for doubtful loans (expected credit loss allowance)	(15.3)	(15.3)
	91.0	**157.3**
Loans to subsidiaries (Refer Note 49 and 50) *		
Unsecured, considered good	-	7,313.8
	91.0	**7,471.1**

* Loans have been granted for the purpose of their business.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 18 OTHER FINANCIAL ASSETS (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Interest accrued (unsecured, considered good)	85.8	53.6
Security deposits (unsecured, considered good)	91.9	47.1
Other receivables	1,675.3	1,864.6
Less : Allowance for doubtful *	(500.0)	(500.0)
	1,175.3	**1,364.6**
Other receivables - from related parties (Refer Note 49)	445.9	17.4
Refund due from government authorities	1,318.0	2,651.7
Unbilled revenue (Refer Note 53)	151.6	336.5
Derivatives not designated as hedges	447.3	71.1
Derivatives designated as hedges	306.0	724.0
	4,021.8	**5,266.0**

* The Company is carrying an allowance of ₹ 500.0 Million (March 31, 2021 : ₹ 500 Million) against Other receivables based on assessment regarding its future recoverability.

NOTE : 19 OTHER ASSETS (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Export incentives receivable	647.5	1,645.1
Prepaid expenses	1,374.7	1,533.3
Advances for supply of goods and services		
Considered good	2,123.9	3,121.0
Considered doubtful	718.2	693.7
Less : Allowance for doubtful	(718.2)	(693.7)
	2,123.9	3,121.0
Balances with government authorities *	4,897.1	4,116.6
Other assets #	112.5	141.3
	9,155.7	**10,557.3**

* includes balances of goods and service tax

includes government grant from Biotechnology Industry Research Assistance Council (BIRAC).

NOTE : 20 EQUITY SHARE CAPITAL

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Authorised				
Equity shares of ₹ 1 each	5,990,000,000	5,990.0	5,990,000,000	5,990.0
Cumulative preference shares of ₹ 100 each	100,000	10.0	100,000	10.0
		6,000.0		**6,000.0**
Issued, subscribed and fully paid up				
Equity Shares of ₹ 1 each	2,399,334,970	2,399.3	2,399,334,970	2,399.3
	2,399,334,970	**2,399.3**	**2,399,334,970**	**2,399.3**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of reporting period				
Opening balance	2,399,334,970	2,399.3	2,399,334,970	2,399.3
Closing balance	**2,399,334,970**	**2,399.3**	**2,399,334,970**	**2,399.3**

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares held by each shareholder holding more than 5 percent equity shares in the Company are as follows:				
Shanghvi Finance Private Limited	967,051,732	40.3	967,051,732	40.3
Dilip Shantilal Shanghvi	230,285,690	9.6	230,285,690	9.6
Life Insurance Corporation Of India and its various funds	139,828,706	5.8	162,207,571	6.8

	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% of holding	% Change during the year	Number of shares	% of holding	% Change during the year
Equity shares held by promoters / members of promoter group / person acting in concert						
Dilip Shantilal Shanghvi	230,285,690	9.6	-	230,285,690	9.6	-
Shanghvi Finance Private Limited	967,051,732	40.3	-	967,051,732	40.3	-
Aditya Medisales Limited	40,153,960	1.7	-	40,153,960	1.7	-
Sudhir V. Valia	14,345,019	0.6	-	14,345,019	0.6	-
Raksha S. Valia	28,830,352	1.2	-	28,830,352	1.2	(0.2)
Vibha D. Shanghvi	8,840,280	0.4	-	8,840,280	0.4	-
Aalok D. Shanghvi	2,877,280	0.1	-	2,877,280	0.1	-
Vidhi D. Shanghvi	2,822,427	0.1	-	2,822,427	0.1	-
Shanghvi Family & Friends Benefit Trust (Kumud S. Shanghvi and Dilip S. Shanghvi are Trustees)	1,276,774	0.1	-	1,276,774	0.1	-
Kumud S. Shanghvi	199,465	0.0	-	199,465	0.0	-
Flamboyawer Finance Private Limited	20,865	0.0	-	20,865	0.0	-
Sanghvi Properties Private Limited	15,479	0.0	-	15,479	0.0	-
Gujarat Sun Pharmaceutical Industries Private Limited	14,362	0.0	-	14,362	0.0	-
Unimed Investments Limited	10,400,850	0.4	-	10,400,850	0.4	-

Footnotes

(i) Nil (upto March 31, 2021: 334,956,764) equity shares of ₹ 1 each have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

(ii) 7,500,000 (upto March 31, 2021: 7,500,000) equity shares of ₹ 1 each have been bought back during the period of five years immediately preceding the date at which the Balance Sheet is prepared. The shares bought back were cancelled.

(iii) Rights, Preference and Restrictions attached to equity shares: The equity shares of the Company, having par value of ₹ 1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 21 OTHER EQUITY

₹ in Million

	As at March 31, 2022	As at March 31, 2021
A) Reserves and Surplus		
Capital reserve	22,258.5	22,258.5
Securities premium	11,874.1	11,874.1
Amalgamation reserve	43.8	43.8
Capital redemption reserve	7.5	7.5
General reserve	51,435.0	51,435.0
Retained earnings	136,120.8	159,645.5
	221,739.7	**245,264.4**
B) Items of other comprehensive income (OCI)		
Equity instrument through OCI	45.4	(958.1)
Debt instrument through OCI	-	104.4
Foreign currency translation reserve	21,543.5	22,102.8
Effective portion of cash flow hedges	151.6	471.9
	21,740.5	**21,721.0**
	243,480.2	**266,985.4**

Refer statement of changes in equity for detailed movement in above balances

Nature and purpose of each reserve

Capital reserve - During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

Amalgamation reserve - The reserve was created pursuant to scheme of amalgamation in earlier years.

Capital redemption reserve - The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

General reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Equity instrument through OCI - The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

Debt instrument through OCI - This represents the cumulative gain and loss arising on fair valuation of debt instruments measured through other comprehensive income. This will be reclassified to statement of profit or loss on derecognition of debt instrument.

Foreign currency translation reserve - Exchange differences relating to the translation of the results and the net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e ₹) are

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to statement of profit or loss account on the disposal of the foreign operation.

Effective portion of cash flow hedges - The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

NOTE : 22 BORROWINGS (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Term loan from department of biotechnology (Refer Note 48)		
Secured	-	54.1
Term loans from banks (Refer Note 48)		
Unsecured	-	1,825.8
Loans from subsidiaries (Unsecured) (Refer Note 48 and 49)	48,656.4	51,120.3
	48,656.4	**53,000.2**

NOTE : 23 OTHER LIABILITIES (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Deferred revenue (Refer Note 53)	6,187.5	7,185.5
	6,187.5	**7,185.5**

NOTE : 24 PROVISIONS (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Employee benefits	2,081.9	1,946.0
Others (Refer Note 51)	1,894.4	4,289.8
	3,976.3	**6,235.8**

NOTE : 25 BORROWINGS (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand		
From Banks		
Unsecured	30.7	2,513.4
Other loans		
Commercial paper (Unsecured)	-	14,006.4
Current maturities of long-term debt (Refer Note 48)	-	1,844.7
	30.7	**18,364.5**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 26 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Interest accrued	-	156.5
Unpaid dividends	100.9	83.5
Security deposits	71.0	85.1
Payables on purchase of property, plant and equipment and Other Intangible assets	3,274.1	1,050.7
Product settlement, claims, recall charges and trade commitments	34,362.6	18,748.2
Payables to employee	2,742.5	2,134.0
Derivatives not designated as hedge	37.8	22.1
Derivatives designated as hedge	89.2	14.7
	40,678.1	**22,294.8**

NOTE : 27 OTHER LIABILITIES (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Statutory remittances	2,334.1	2,617.5
Advance from customers (Refer Note 53)	3,480.6	2,071.9
Deferred revenue (Refer Note 53)	1,644.3	1,640.4
Others	4.1	4.1
	7,463.1	**6,333.9**

NOTE : 28 PROVISIONS (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Employee benefits	1,401.7	894.5
Others [Refer Note 51 and 54 (2)]	24,223.8	11,152.1
	25,625.5	**12,046.6**

NOTE : 29 REVENUE FROM OPERATIONS

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers (Refer Note 53)	155,185.0	139,884.0
Other operating revenues	674.8	1,276.5
	155,859.8	**141,160.5**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 30 OTHER INCOME

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on :		
Bank deposits at amortised cost	2.6	1.5
Loans at amortised cost	224.6	526.2
Investments in debt instruments at fair value through other comprehensive income	37.1	128.9
Other financial assets carried at amortised cost	47.8	49.3
Others [includes interest on income tax refund of ₹ 4,055.8 Million (March 31, 2021 : ₹ 117.9 Million)]	4,078.1	119.9
	4,390.2	**825.8**
Dividend income on investments		
Subsidiary	135.4	383.4
Net gain / (loss) arising on financial assets measured at fair value through profit or loss	0.5	71.7
Net gain on sale of financial assets measured at fair value through profit or loss	65.0	107.3
Net gain / (loss) on sale of financial assets measured at fair value through other comprehensive income	57.7	0.4
Gain on sale of investment in subsidiaries	2,075.7	-
Profit on sale / write off of property, plant and equipment and intangible assets, net	367.1	-
Sundry balances written back, net	48.8	75.6
Gain on derecognition of Right-of-use assets	7.4	103.6
Insurance claims	115.2	72.1
Lease rental and hire charges	49.0	39.7
Settlement income	1,646.8	86.6
Miscellaneous income	620.4	154.5
	9,579.2	**1,920.7**

NOTE : 31 COST OF MATERIALS CONSUMED

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Raw materials and packing materials		
Inventories at the beginning of the year	16,213.7	13,131.8
Purchases during the year	43,752.4	43,964.4
Foreign currency translation difference	22.3	(53.4)
Inventories at the end of the year	(14,138.7)	(16,213.7)
	45,849.7	**40,829.1**

NOTE : 32 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year	17,634.6	15,869.1
Foreign currency translation difference	12.2	(30.9)
Inventories at the end of the year	(19,478.6)	(17,634.6)
	(1,831.8)	**(1,796.4)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 33 EMPLOYEE BENEFITS EXPENSE

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	18,265.7	16,580.3
Contribution to provident and other funds *	1,221.8	1,131.1
Staff welfare expenses	520.3	348.4
	20,007.8	**18,059.8**

* includes gratuity expense of ₹ 338.5 Million (March 31, 2021 : ₹ 316.2 Million)

NOTE : 34 FINANCE COSTS

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense for financial liabilities carried at amortised cost	3,409.7	2,866.2
Interest expense others	439.4	209.1
Exchange differences regarded as an adjustment to borrowing costs	31.9	(400.1)
	3,881.0	**2,675.2**

NOTE : 35 OTHER EXPENSES

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of materials, stores and spare parts	5,431.5	3,966.6
Conversion and other manufacturing charges	2,752.3	2,258.4
Power and fuel	4,223.3	3,841.6
Rent	39.5	38.5
Rates and taxes	2,311.9	2,005.5
Insurance	802.3	765.2
Selling, promotion and distribution	17,179.0	14,721.9
Commission on sales	232.5	466.0
Repairs and maintenance	2,459.4	2,396.2
Printing and stationery	194.0	204.4
Travelling and conveyance	1,032.7	757.6
Freight outward and handling charges	3,142.5	2,990.1
Communication	261.0	263.2
Provision / write off / (reversal) for doubtful trade receivables / advances	263.2	244.4
Professional, legal and consultancy	9,787.4	10,841.5
Donations	158.4	152.6
Loss on sale / write off of property, plant and equipment and intangible assets, net	-	99.7
Payments to auditor (net of input credit, wherever applicable)		
For audit	29.6	29.0
For other services	13.2	12.5
Reimbursement of expenses	0.7	0.8
Impairment of property, plant and equipment, other intangible assets and intangible assets under development	67.1	23.1
Miscellaneous expenses	2,281.0	3,239.4
	52,662.5	**49,318.2**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 36 RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE STATEMENT OF PROFIT AND LOSS

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	3,618.5	3,391.4
Contribution to provident and other funds	230.6	240.9
Staff welfare expenses	18.9	11.7
Consumption of materials, stores and spare parts	4,124.0	2,531.5
Power and fuel	319.1	281.0
Rent	20.6	1.1
Rates and taxes	769.2	540.7
Insurance	73.3	52.6
Repairs and maintenance	429.9	423.4
Printing and stationery	11.0	8.3
Travelling and conveyance	42.3	30.5
Communication	27.2	22.5
Professional, legal and consultancy	5,931.0	7,230.7
Miscellaneous expenses	489.2	374.7
	16,104.8	**15,141.0**
Less :		
Receipts from research activities	533.4	607.8
Miscellaneous income	41.7	13.8
	15,529.7	**14,519.4**

NOTE : 37 TAX RECONCILIATION

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Reconciliation of tax expense		
Profit before tax	3,068.6	8,555.7
Income tax rate (%) applicable to the Company #	34.944%	34.944%
Income tax calculated at income tax rate	1,072.3	2,989.7
Effect of expenses that are not deductible	972.7	35.3
Withholding tax in respect of income earned outside India	192.3	99.9
Effect of unused tax losses and tax offsets not recognised as deferred tax assets (including impact of merger)	(455.3)	(269.9)
Effect of reversal of Minimum Alternate Tax (MAT) credit entitlement	4,406.0	371.8
Others	(2,119.5)	(3,095.1)
Income tax expense recognised in statement of profit and loss	4,068.5	131.7

The tax rate used for reconciliation above is the corporate tax rate of 34.944% (March 31, 2021 : 34.944%) at which the Company is liable to pay tax on taxable income under the Indian Tax Law.

Pursuant to the Scheme of Amalgamation and Merger of Sun Pharma Global FZE, with the Company, as approved by the National Company Law Tribunal on August 31, 2021, Sun Pharma Global FZE, merged with the Company w.e.f. January 01, 2020. The cumulative tax impact of this merger has been given in the standalone financial statements for the year ended March 31, 2022. The Company has not created a deferred tax asset on the losses of the merged entity.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 38 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

		As at March 31, 2022	As at March 31, 2021
i	**Contingent liabilities**		
a	Claims against the Company not acknowledged as debts	567.6	556.5
b	Liabilities disputed - appeals filed with respect to :		
	Income tax on account of disallowances / additions (Company appeals) *	4,125.5	24,277.6
	Sales tax on account of rebate / classification	119.9	148.4
	Goods and service tax / Excise duty / service tax on account of valuation / cenvat credit	301.4	391.4
	ESIC contribution on account of applicability	130.5	130.5
c	Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit enjoyed by the Company	3,474.2	3,488.2
d	Other matters - state electricity board, Punjab Land Preservation Act related matters etc.	90.6	90.2
	Note : includes interest till the date of demand, wherever applicable		
e	**Legal proceedings**		

The Company and/or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims, antitrust 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 than those claimed by plaintiffs. Some of the legal claims against the Company, if decided against the Company or settled by the Company, may result in significant impact on its results of operations.

Antitrust – Lipitor:

The Company and certain of its subsidiaries are defendants in a number of putative class action lawsuits and individual actions brought by purchasers and payors in the U.S. alleging that the Company and certain of its subsidiaries violated antitrust laws in connection with a 2008 patent settlement agreement with Pfizer concerning Atorvastatin. The cases have been transferred to the U.S. District Court for the District of New Jersey for coordinated proceedings. Discovery commenced in January 2020, but was stayed in March 2020 pending mediation. Pursuant to the mediator's order of June 03, 2021, briefing on certain issues was completed by March 2022, and argument on these issues will likely occur in subsequent months.

Product Liability – Ranitidine/Zantac MDL:

In June 2020, the Company and certain of its 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. Discovery in the MDL is ongoing. On July 8, 2021, the District Court granted the generic Defendants' motion to dismiss, the effect of which was to dismiss the Company and its affiliates with prejudice. That decision is up on appeal. In addition to the federal court proceedings, two of the Company's affiliates also have been named as defendants in state court actions pending in Illinois, Pennsylvania, New York, and California. Finally, certain of the Company's subsidiaries are named in three putative class actions pending in three Canadian provinces. The action pending in British Columbia is taking the lead and is in the class certification stage.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

		As at March 31, 2022	As at March 31, 2021
	Fine imposed for anti-competitive settlement agreement by European Commission: On March 25, 2021, the Court of Justice of the European Union ("CJEU") issued a final judgment and upheld the European Commission's ("EC") decision dated June 19, 2013 that a settlement agreement between Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited (together "Ranbaxy") with Lundbeck was anti-competitive. Ranbaxy had made a provisional payment of the fine of Euro 10.3 Million on September 20, 2013. Since there are no further rights of appeal, this amount of ₹ 895.6 Million (inclusive of legal charges) was provided in the standalone financial statements for the year ended March 31, 2021.		
	The Company may now be subject to "follow-on" claims in national courts of some countries. However, the Company has not yet been served with a claim detailing the alleged causation and quantum of any purported damages. Accordingly, the Company is currently unable to estimate the potential liability which may arise on account of follow-on claims. The Company also believes, based on its internal assessment and that of its independent legal counsel, that it has favourable legal arguments in terms of defending any potential damages claim.		
	Note:		
	Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
	* Income tax matters where department has preferred an appeal against favourable order received by the Company amounted to ₹ 22,253.0 Million (March 31, 2021: ₹ 21,808.4 Million). These matters are sub-judice in various forums and pertains to various financial years.		
ii	**Commitments**		
a	Estimated amount of contracts remaining to be executed on capital account [net of advances] *	27,187.1	22,733.2
b	Uncalled liability on partly paid investments	0.5	0.5
c	Letters of credit for imports	325.5	513.3
	* The Company is committed to pay milestone payments and royalty on certain contracts, however, obligation to pay is contingent upon fulfilment of contractual obligation by parties to the contract.		
iii	**Guarantees given by the bankers on behalf of the Company**	1,181.5	1,233.8

NOTE : 39 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue, net (excluding depreciation) (Refer Note 36)	15,529.7	14,519.4
Capital	787.0	383.8
Total	**16,316.7**	**14,903.2**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 40 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Million

	As at March 31, 2022		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments	-	148.7	-
Equity instruments / mutual fund - unquoted	1,935.9	-	-
Loans to subsidiaries	-	-	36,559.7
Loans to employees / others	-	-	97.6
Security deposits	-	-	515.7
Unbilled revenue	-	-	345.3
Trade receivables	-	-	42,451.6
Cash and cash equivalents	-	-	4,195.3
Bank balances other than cash and cash equivalents	-	-	1,154.3
Interest accrued	-	-	119.6
Refund due from government authorities	-	-	1,318.0
Other receivables	-	-	1,621.2
Derivatives designated as hedges	-	306.0	-
Derivatives not designated as hedges	447.3	-	-
	2,383.2	**454.7**	**88,378.3**
Financial liabilities			
Borrowings	-	-	48,687.1
Trade payables	-	-	27,104.4
Payables to employee	-	-	2,742.5
Unpaid dividends	-	-	100.9
Security deposits	-	-	71.0
Payables on purchase of property, plant and equipment and other intangible assets	-	-	3,274.1
Product settlement, claims, recall charges and trade commitments	-	-	34,362.6
Lease liabilities	-	-	2,053.3
Derivatives designated as hedges	-	89.2	-
Derivatives not designated as hedges	37.8	-	-
	37.8	**89.2**	**118,395.9**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	As at March 31, 2021		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments / securities - quoted	-	4,153.2	-
Equity instruments / mutual fund - unquoted	315.5	-	-
Loans to subsidiaries	-	-	15,834.8
Loans to employees / others	-	-	164.0
Security deposits	-	-	492.6
Unbilled revenue	-	-	642.0
Trade receivables	-	-	65,852.4
Cash and cash equivalents	-	-	3,510.6
Bank balances other than cash and cash equivalents	-	-	99.2
Interest accrued	-	-	53.6
Refund due from government authorities	-	-	2,651.7
Other receivables	-	-	1,382.0
Derivatives designated as hedges	-	724.0	-
Derivatives not designated as hedges	71.1	-	-
	386.6	**4,877.2**	**90,682.9**
Financial liabilities			
Borrowings	-	-	71,364.7
Interest accrued	-	-	156.5
Trade payables	-	-	40,285.4
Payables to employee	-	-	2,134.0
Unpaid dividends	-	-	83.5
Security deposits	-	-	85.1
Payables on purchase of property, plant and equipment and other intangible assets	-	-	1,050.7
Product settlement, claims, recall charges and trade commitments	-	-	18,748.2
Lease liabilities	-	-	2,216.5
Derivative designated as hedge	-	14.7	-
Derivatives not designated as hedges	22.1	-	-
	22.1	**14.7**	**136,124.6**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 41 FAIR VALUE HIERARCHY

₹ in Million

	As at March 31, 2022		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity - quoted #	148.7	-	-
Investments in equity - unquoted	-	-	5.5
Mutual funds	1,930.4	-	-
Derivatives not designated as hedges	-	447.3	-
Derivatives designated as hedges	-	306.0	-
	2,079.1	**753.3**	**5.5**
Financial liabilities			
Derivatives not designated as hedges	-	37.8	-
Derivatives designated as hedges	-	89.2	-
	-	**127.0**	-

₹ in Million

	As at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity - quoted #	1,502.4	-	-
Investments in equity - unquoted	-	-	5.5
Investments in securities	2,650.8	-	-
Mutual funds	310.0	-	-
Derivatives not designated as hedges	-	71.1	-
Derivatives designated as hedges	-	724.0	-
	4,463.2	**795.1**	**5.5**
Financial liabilities			
Derivatives not designated as hedges	-	22.1	-
Derivatives designated as hedges	-	14.7	-
	-	**36.8**	-

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximates the fair value because there is wide range of possible fair value measurements and the costs represents estimate of fair value within that range.

These investments in equity instruments are not held for trading. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at fair value through other comprehensive income.

There were no transfers between Level 1 and 2 in the periods.

The management considers that the carrying amount of financial assets and financial liabilities carried at amortised cost approximates their fair value.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Reconciliation of Level 3 fair value measurements

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Unlisted shares valued at fair value		
Balance at the beginning of the year	5.5	3.8
Purchases	-	1.7
Balance at the end of the year	**5.5**	**5.5**

NOTE : 42 CAPITAL MANAGEMENT

The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

(i) Debt equity ratio

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Debt (includes borrowings and lease liabilities)	50,740.4	73,581.2
Total equity, including reserves	245,879.5	269,384.7
Net debt to total equity ratio	**0.21**	**0.27**

(ii) Dividend on equity shares paid during the year

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Dividend on equity shares		
Final dividend for the year ended March 31, 2021 of ₹ 2 (year ended March 31, 2020 : ₹ 1) per fully paid share	4,798.6	2,399.3
Interim dividend for the year ended March 31, 2022 of ₹ 7 (year ended March 31, 2021 : ₹ 5.5) per fully paid share	16,790.5	13,191.3
Dividends not recognised at the end of the reporting period		
The Board of Directors at it's meeting held on May 30, 2022 have recommended payment of final dividend of ₹ 3 per share of face value of ₹ 1 each for the year ended March 31, 2022. The same amounts to ₹ 7,197.9 Million.		
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.		

NOTE : 43 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any significant losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks

Trade receivables

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Financial assets for which loss allowances is measured using the expected credit loss

₹ in Million

	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Trade receivables ageing							
(i) Undisputed Trade receivables – considered good	20,864.6	15,940.1	2,887.4	629.5	208.5	1,917.7	42,447.8
(ii) Undisputed Trade Receivables – credit impaired	-	-	62.5	50.1	20.2	1,182.2	1,315.0
(iii) Disputed Trade Receivables– considered good	-	-	-	-	3.7	-	3.7
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	17.8	9.0	26.8
	20,864.6	**15,940.1**	**2,949.9**	**679.6**	**250.2**	**3,108.9**	**43,793.3**

₹ in Million

	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Trade receivables ageing							
(i) Undisputed Trade receivables – considered good	25,326.9	17,725.3	4,152.3	1,198.5	287.6	17,157.4	65,848.0
(ii) Undisputed Trade Receivables – credit impaired	-	-	0.3	17.2	33.3	1,173.7	1,224.5
(iii) Disputed Trade Receivables– considered good	-	-	-	3.7	0.9	-	4.6
(iv) Disputed Trade Receivables – credit impaired	-	-	-	17.8	-	9.0	26.8
	25,326.9	**17,725.3**	**4,152.6**	**1,237.2**	**321.8**	**18,340.1**	**67,103.9**

Footnote

Unbilled revenue as at March 31, 2022 is ₹ 345.3 Million (March 31, 2021 : ₹ 642.0 Million)

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	1,251.5	1,300.1
Addition	200.4	136.7
Recoveries	(110.2)	(185.3)
Balance at the end of the year	**1,341.7**	**1,251.5**

Other than trade receivables, the Company has recognised an allowance of ₹ 15.3 Million (March 31, 2021 : ₹ 15.3 Million) against past due loans including interest and ₹ 500.0 Million (March 31, 2021 : ₹ 500.0 Million) of other receivables based on assessment regarding its future recoverability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has unutilised working capital lines from banks of ₹ 36,030.0 Million as on March 31, 2022 (March 31, 2021 : ₹ 36,486.6 Million).

The table below provides details regarding the contractual maturities of significant financial liabilities :

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2022
Non derivative				
Borrowings	30.7	-	48,656.4	48,687.1
Trade payables	27,104.4	-	-	27,104.4
Lease liabilities	156.5	246.2	1,650.6	2,053.3
Other financial liabilities	40,551.1	-	-	40,551.1
	67,842.7	**246.2**	**50,307.0**	**118,395.9**
Derivative	127.0	-	-	127.0
	127.0	-	-	**127.0**

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2021
Non derivative				
Borrowings	18,663.8	8,564.9	44,438.1	71,666.8
Trade payables	40,285.4	-	-	40,285.4
Lease liabilities	188.1	269.3	1,759.1	2,216.5
Other financial liabilities	22,258.0	-	-	22,258.0
	81,395.3	**8,834.2**	**46,197.2**	**136,426.7**
Derivative	36.8	-	-	36.8
	36.8	-	-	**36.8**

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign exchange risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars, Euros, South African Rand and Russian Rouble). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, option contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

a) Significant foreign currency risk exposure relating to trade receivables, other receivables, cash and cash equivalents, borrowings and trade payables

₹ in Million

	As at March 31, 2022					
	US Dollar	Euro	Russian Rouble	South African Rand	Others	Total
Financial assets						
Trade receivables	22,552.9	2,273.7	3,959.3	1,625.1	6,974.3	37,385.3
Cash and cash equivalents	1,956.9	1,319.4	117.3	-	17.2	3,410.8
Loans to subsidiaries	35,999.1	-	-	-	-	35,999.1
Interest accrued	82.4	-	-	-	-	82.4
Other receivables - from related party	-	-	-	-	445.9	445.9
	60,591.3	**3,593.1**	**4,076.6**	**1,625.1**	**7,437.4**	**77,323.5**
Financial liabilities						
Trade payables	9,978.3	637.7	2.2	174.3	445.9	11,238.4
Payables on purchase of property, plant and equipment and other intangible assets	2,766.6	-	-	-	-	2,766.6
Product settlement, claims, recall charges and trade commitments	33,493.1	869.5	-	-	-	34,362.6
Provisions [Refer Note 54(2)]	15,917.5	-	-	-	-	15,917.5
	62,155.5	**1,507.2**	**2.2**	**174.3**	**445.9**	**64,285.1**

₹ in Million

	As at March 31, 2021					
	US Dollar	Euro	Russian Rouble	South African Rand	Others	Total
Financial assets						
Trade receivables	43,345.5	2,851.1	3,627.3	2,894.6	6,441.4	59,159.9
Cash and cash equivalents	1,415.1	980.0	31.9	-	601.2	3,028.2
Loans to subsidiaries	7,399.2	-	-	-	-	7,399.2
Other receivables	217.7	-	-	-	-	217.7
	52,377.5	**3,831.1**	**3,659.2**	**2,894.6**	**7,042.6**	**69,805.0**
Financial liabilities						
Borrowings	3,657.4	-	-	-	-	3,657.4
Loans from subsidiaries	-	6,693.0	-	-	-	6,693.0
Trade payables	11,670.3	1,324.7	1.6	164.9	1,329.0	14,490.5
Product settlement, claims, recall charges and trade commitments	17,861.2	887.0	-	-	-	18,748.2
	33,188.9	**8,904.7**	**1.6**	**164.9**	**1,329.0**	**43,589.1**

b) Sensitivity

For the years ended March 31, 2022 and March 31, 2021, every 5% strengthening of the Indian rupee against foreign currencies for the above mentioned financial assets/liabilities would (decrease) / increase the Company's profit and (decrease) / increase the Company's equity by approximately ₹ (651.9) Million and ₹ (1,310.8) Million respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

c) Derivative contracts

The Company is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollars, Euros, South African Rand and Russian Rouble. The Company uses foreign currency forward contracts, foreign currency option contracts and currency swap contracts (collectively, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank or a financial institution.

Hedges of highly probable forecasted transactions

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss.

In respect of the aforesaid hedges of highly probable forecasted transactions, the Company has recorded a net loss of ₹ 492.4 Million for the year ended March 31, 2022 and net gain of ₹ 1,112.4 Million for the year ended March 31, 2021 in other comprehensive income. The Company also recorded hedges as a component of revenue, gain of ₹ 1,128.3 Million for the year ended March 31, 2022 and gain of ₹ 108.6 Million for the year ended March 31, 2021 on occurrence of forecasted sale transaction.

Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the statement of profit and loss. The changes in fair value of the forward contracts and option contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the statement of profit and loss.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts -

Amount in Million

	Currency	Buy / Sell	Cross Currency	As at March 31, 2022	As at March 31, 2021
Derivatives designated as hedges					
Forward contracts	ZAR	Sell	INR	ZAR 360.0	ZAR 300.0
Forward contracts	USD	Sell	INR	$ 501.2	$ 430.6
Forward contracts	USD	Buy	JPY	-	$ 7.6
Derivatives not designated as hedges					
Forward contracts	USD	Sell	INR	$ 75.0	-
Forward contracts	RUB	Buy	USD	$ 6.0	-
Forward contracts	GBP	Sell	USD	$ 10.9	$ 16.5
Forward contracts	EUR	Sell	USD	$ 19.8	$ 24.1
Currency swaps	USD	Sell	INR	$ 400.0	$ 96.2
Interest rate swaps (floating to fixed)	USD			-	$ 50.0

Interest rate risk

The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The Company's Treasury Department monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swaps etc. based on the market / risk perception.

As at March 31, 2022 and March 31, 2021, the Company has loan facilities which are either on fixed interest rates or are managed by interest rate swaps, hence the Company is not exposed to interest rate risk.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2022, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE : 44 TRADE PAYABLES

a) Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,052.8	852.0

There are no amounts of interest paid / due / payable during the year / previous year / succeeding year. Also, there is no amount of interest accrued and remaining unpaid at the end of current accounting year / previous accounting year.

b) Trade payables ageing

₹ in Million

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Outstanding dues of micro and small enterprises	954.1	-	-	-	-	954.1
Outstanding dues of other than micro and small enterprises	15,649.1	4,068.3	1,272.0	240.6	* 4,819.0	26,049.0
Disputed dues of micro and small enterprises	-	88.9	6.7	2.1	1.0	98.7
Disputed dues of other than micro and small enterprises	-	-	-	-	2.6	2.6
	16,603.2	**4,157.2**	**1,278.7**	**242.7**	**4,822.6**	**27,104.4**

* Includes trade payable to subsidiaries of ₹ 4,572.0 Million.

₹ in Million

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Outstanding dues of micro and small enterprises	698.1	-	-	-	-	698.1
Outstanding dues of other than micro and small enterprises	12,998.5	18,813.7	2,704.0	713.9	* 4,160.2	39,390.3
Disputed dues of micro and small enterprises	-	127.7	17.8	5.0	3.4	153.9
Disputed dues of other than micro and small enterprises	-	-	10.0	26.1	7.0	43.1
	13,696.6	**18,941.4**	**2,731.8**	**745.0**	**4,170.6**	**40,285.4**

* Includes trade payable to subsidiaries of ₹ 3,939.8 Million.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 45 EARNINGS PER SHARE

	Year ended March 31, 2022	Year ended March 31, 2021
Profit / (loss) for the year (₹ in Million) - used as numerator for calculating earnings per share	(999.9)	8,424.0
Weighted average number of shares used in computing basic earnings per share	2,399,334,970	2,399,334,970
Face value per share (in ₹)	1	1
Basic earnings per share (in ₹)	(0.4)	3.5
Diluted earnings per share (in ₹)	(0.4)	3.5

NOTE : 46 EMPLOYEE BENEFITS

Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other Statutory Funds are made only by the Company. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 872.1 Million (March 31, 2021 : ₹ 801.6 Million).

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to Provident Fund and Family Pension Fund	762.4	708.1
Contribution to Superannuation Fund	69.8	65.3
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	38.8	27.4
Contribution to Labour Welfare Fund	1.1	0.8

Defined benefit plan

a) **Gratuity**

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

b) **Pension fund**

The Company has an obligation towards pension, a defined benefit retirement plan, with respect to certain employees, who had already retired before March 01, 2013 and will continue to receive the pension as per the pension plan.

c) **COVID-19 Employee children education support**

The Company has undertaken an obligation to provide financial support towards education expenses of the children of those employees who have unfortunately lost their lives due to the COVID-19 pandemic.

Risks

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

i) Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

ii) Interest rate risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

iii) Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Other long term benefit plan

Actuarial Valuation for compensated absences is done as at the year end and the provision is made as per Company policy with corresponding charge to the statement of profit and loss amounting to ₹ 539.5 Million [March 31, 2021 : ₹ 423.0 Million] and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in profit or loss.

₹ in Million

	Year ended March 31, 2022			Year ended March 31, 2021	
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Expense recognised in the statement of profit and loss (Refer Note 33)					
Current service cost	72.7	-	324.1	-	296.9
Interest cost	-	70.1	207.5	65.6	191.6
Expected return on plan assets	-	-	(193.1)	-	(172.3)
Expense charged to the statement of profit and loss	**72.7**	**70.1**	**338.5**	**65.6**	**316.2**
Remeasurement of defined benefit obligation recognised in other comprehensive income					
Actuarial loss / (gain) on defined benefit obligation	-	(23.4)	284.5	74.2	19.8
Actuarial gain on plan assets	-	-	(37.7)	-	17.6
Expense/(income) charged to other comprehensive income	**-**	**(23.4)**	**246.8**	**74.2**	**37.4**
Reconciliation of defined benefit obligations					
Obligation as at the beginning of the year	-	1,087.6	3,330.8	1,009.7	2,949.6
Current service cost	72.7	-	324.1	-	296.9
Interest cost	-	70.1	207.5	65.6	191.6
Obligations transferred	-	-	(10.2)	-	-
Benefits paid	-	(62.1)	(201.4)	(61.9)	(127.1)
Actuarial (gains)/losses on obligations					
- due to change in financial assumptions	-	(40.4)	104.0	5.4	(42.2)
- due to experience	-	17.0	180.5	68.8	62.0
Obligation as at the year end	**72.7**	**1,072.2**	**3,935.3**	**1,087.6**	**3,330.8**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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₹ in Million

	As at March 31, 2022 Gratuity (Funded)	As at March 31, 2021 Gratuity (Funded)
Reconciliation of liability recognised in the financial statement		
Present value of commitments (as per Actuarial Valuation)	3,935.3	3,330.8
Fair value of plan assets	(3,358.6)	(3,091.7)
Net liability recognised in the financial statement	**576.7**	**239.1**

₹ in Million

	As at March 31, 2022 Gratuity (Funded)	As at March 31, 2021 Gratuity (Funded)
Reconciliation of plan assets		
Plan assets as at the beginning of the year	3,091.7	2,653.2
Expected return	193.1	172.3
Plan assets transferred	(10.7)	-
Actuarial gain	37.7	(17.6)
Employer's contribution during the year	248.2	410.9
Benefits paid	(201.4)	(127.1)
Plan assets as at the year end	**3,358.6**	**3,091.7**

	As at March 31, 2022			As at March 31, 2021	
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Assumptions :					
Discount rate	6.85%	6.90%	6.75%	6.45%	6.25%
Expected return on plan assets	N.A.	N.A.	6.75%	N.A.	6.25%
Expected rate of salary increase	N.A.	N.A.	10.00%	N.A.	9.00%
Interest rate guarantee	N.A.	N.A.	N.A.	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Employee turnover	N.A.	N.A.	12.40% - 13.45%	N.A.	12.40% - 13.45%
Retirement Age (years)	N.A.	N.A.	60	N.A.	60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	As at March 31, 2022			As at March 31, 2021	
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Sensitivity analysis:					
The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occuring at the end of the reporting period					
Impact on defined benefit obligation					
Delta effect of +1% change in discount rate	(5.0)	(70.7)	(213.3)	(89.5)	(180.1)
Delta effect of -1% change in discount rate	5.6	76.4	238.0	100.7	200.9
Delta effect of +1% change in salary escalation rate	-	-	228.4	-	194.3
Delta effect of -1% change in salary escalation rate	-	-	(209.1)	-	(178.0)
Delta effect of +1% change in rate of employee turnover	-	-	(36.0)	-	(26.6)
Delta effect of -1% change in rate of employee turnover	-	-	39.6	-	29.2
Maturity analysis of projected benefit obligation for next					
1st year	4.1	154.2	747.3	93.6	633.6
2nd year	5.1	96.2	526.9	92.5	414.4
3rd year	4.3	94.8	511.2	91.5	425.2
4th year	5.3	93.1	455.8	90.4	407.5
5th year	6.6	91.3	425.3	89.5	355.6
Thereafter	95.9	1,760.0	3,615.4	2,187.1	2,853.8
The major categories of plan assets are as under					
Central government securities	-	-	12.3	-	11.3
Bonds and securities	-	-	83.8	-	77.1
Insurer managed funds (Funded with LIC, break-up not available)	-	-	2,078.8	-	1,913.7
Surplus fund lying uninvested	-	-	1,183.7	-	1,089.6
The contribution expected to be made by the Company for gratuity, during financial year ending March 31, 2023 is ₹ 902.0 Million (March 31, 2022 : ₹ 521.6 Million)					

NOTE : 47 LEASES

a) The Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. Expenses relating to short-term leases and low-value assets for year ended March 31, 2022 is ₹ 23.1 Million (March 31, 2021 : ₹ 20.1 Million).

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Lease liabilities - Maturity analysis - contractual undiscounted cashflows		
Not later than one year	323.8	367.2
Later than one year and not later than five years	1,038.2	1,096.1
Later than five years	2,908.2	3,147.3
	4,270.2	**4,610.6**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Movement of lease liabilities		
Opening balance	2,216.5	2,211.8
Addition	39.8	261.8
Interest on lease liabilities	180.4	193.9
Deletion	(13.6)	(59.3)
Effect of changes in foreign exchange rates	0.5	0.2
Payment towards lease liabilities	(370.3)	(391.9)
Closing balance	**2,053.3**	**2,216.5**

b) The Company has given certain premises under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 4 years under leave and license/lease and are renewable by mutual consent on mutually agreeable terms. The Company has received refundable interest free security deposits where applicable in accordance with the agreed terms.

NOTE : 48 BORROWINGS

Details of long term borrowings and current maturities of long term debt (included under short term borrowings)

(I) Unsecured External Commercial Borrowings (ECBs) has USD Nil loan (March 31, 2021 : USD 50 Million) equivalent to ₹ Nil (March 31, 2021 : ₹ 3,657.4 Million). For the ECB loans, the terms of repayment for borrowings are as follows:

(a) USD Nil (March 31, 2021 : USD 50 Million) equivalent to ₹ Nil (March 31, 2021 : ₹ 3,657.4 Million). The loan was taken on October 03, 2018 and was repayable in 2 equal installments of USD 25 Million each. The loan has been repaid during current year. The unsecured ECBs was availed at floating rate linked to Libor (0.66% as at March 31, 2021).

(II) Secured term loan from department of biotechnology of ₹ Nil (March 31, 2021 : ₹ 75.7 Million) was secured by hypothecation of movable assets of the Company. The loan has been repaid during current year.

(III) Unsecured loan from related party of ₹ 48,656.4 Million (March 31, 2021 : ₹ 44,427.3 Million). The loan is taken on March 31, 2021 and is repayable by March 31, 2026. The loan has been availed at 6.50%.

(IV) Unsecured loan from related party of USD Nil (March 31, 2021 : USD 91.5 Million) equivalent to ₹ Nil (March 31, 2021 : ₹ 6,693 Million). The loan has been repaid during current year.

The Company has not defaulted on repayment of loan and interest payment thereon during the year.

NOTE : 49 RELATED PARTY DISCLOSURES (IND AS 24) AS PER ANNEXURE "A"

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 50 LOANS / ADVANCES GIVEN TO SUBSIDIARIES AND ASSOCIATES

₹ in Million

	As at March 31, 2022	Maximum balance March 31, 2022	As at March 31, 2021	Maximum balance March 31, 2021
Loans / advances outstanding from subsidiaries				
Sun Pharmaceutical Medicare Limited, India	-	-	-	5,345.2
Zenotech Laboratories Limited, India	60.0	206.6	206.6	206.6
Skisen Labs Private Limited, India	-	-	-	0.2
Softdeal Trading Company Private Limited, India	-	-	-	10.1
Realstone Infra Limited, India	500.6	500.6	500.6	500.7
Sun Pharma Distributors Limited, India	-	-	-	178.0
Sun Pharmaceutical Inc. USA	30,315.0	30,315.0	7,313.8	7,313.8
Sun Pharma (Netherlands) B.V.	5,684.1	5,684.1	-	-
Ranbaxy (Thailand) Co Ltd	-	-	-	267.2
Sun Pharma East Africa Ltd	-	-	-	38.5
OOO Sun Pharmaceutical Industries	-	-	-	126.9
Sun Pharmaceuticals Korea Lrd	-	-	-	2.2
Sun Pharma Holding	-	-	-	926.1
Sun Pharmaceutical Industries (Australia) Pty Ltd	-	-	-	4,052.8
Sun Pharmaceuticals Ind. S.A.C.	-	131.0	129.5	131.4
Sun Pharmaceutical Peru SA	-	168.7	166.8	169.2
Sun Pharma Phillipines Inc.	-	501.2	495.4	510.2
Sun Laboratories FZE	-	7,104.0	7,022.1	22,570.5

These loans have been granted to the above entities for the purpose of their business.

NOTE : 51

In respect of any present obligation as a result of past event that could lead to a probable outflow of resources, provisions has been made, which would be required to settle the obligation. The said provisions are made as per the best estimate of the management and disclosure as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets" has been given below :

₹ in Million

	Year ended March 31, 2022*	Year ended March 31, 2021*
At the commencement of the year	15,441.9	22,335.8
Add: Provision for the year	17,448.5	1,706.8
Less: Utilisation / settlement / reversal	(6,772.2)	(8,600.7)
At the end of the year [Also Refer Note 54(2)]	**26,118.2**	**15,441.9**

(*) includes provision for trade commitments, discounts, rebates, price reduction and product returns.

NOTE : 52 USE OF ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

a) Litigations [Refer Note 2 (2.2) (m) and Note 38]

b) Revenue [Refer Note 2(2.2)(n)]

c) Impairment of goodwill and intangible assets [Refer Note 2(2.2) (g)]

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 53 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recorded an additional amount of ₹ 667.4 Million (March 31, 2021 : ₹ 1,520.1 Million) as deferred revenue pursuant to the requirements of Ind AS 115. Revenue of ₹ 1,661.5 Million (March 31,2021 : ₹ 1,740.5 Million) has been recognised as Revenue from contract with customer pursuant to completion of performance obligation in respect of the above contracts.

The reconciling items of revenue recognised in the statement of profit and loss with the contracted price are as follows:

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contracted price, net of returns	156,473.1	157,942.5
Add / (Less) :		
Provision for sales return	176.1	(857.5)
Rebates, discounts and price reduction	(1,464.2)	(17,201.0)
	(1,288.1)	**(18,058.5)**
Revenue from contract with customers	**155,185.0**	**139,884.0**

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Contract balances		
Trade receivables	42,451.6	65,852.4
Contract assets	345.3	642.0
Contract liabilities	11,312.4	10,897.8

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract

NOTE : 54

1 Intangible assets consisting of trademarks, designs, technical knowhow, non-compete fees and other intangible assets are available to the Company in perpetuity. The amortisable amount of intangible assets is arrived at based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Company.

2 Exceptional items includes

a) On March 25, 2021 the CJEU (Court of Justice to the European Union) issued a final judgment and upheld the European Commission's ("EC") decision dated June 19, 2013 that a settlement agreement between Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited (together "Ranbaxy") with Lundbeck was anti-competitive. Ranbaxy had made a provisional payment of the fine of Euros 10.3 Million on September 20, 2013. Since there were no further rights of appeal, this amount of ₹ 895.6 Million (inclusive of legal charges) was debited to the standalone financial statement for the year ended March 31, 2021.

b) Standalone financial statements for the year ended March 31, 2022 include a charge of ₹ 1,655.7 Million towards impairment of an acquired intangible asset under development.

c) The Company and certain of its subsidiaries are defendants in a number of class action lawsuits brought by purchasers and payors in the U.S. alleging violation of antitrust laws with respect to its ANDAs for Valganciclovir, Valsartan and Esomeprazole. The cases were transferred to the U.S. District Court for the District of Massachusetts for coordinated

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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proceedings. With a view to resolve the dispute and avoid uncertainty, a settlement without any admission of guilt or violation of any statute, law, rule or regulation, or of any liability or wrongdoing was reached with all of the plaintiff classes on March 23, 2022, for a total settlement amount of USD 485 Million of which USD 210 Million was borne by the Company along with its related legal charges of USD 8.3 Million pertaning to this lawsuit (equivalent to ₹ 16,549.6 Million inclusive of legal charges). The settlement is subject to final approval by the Court.

d) Consequent to the settlement of lawsuit mentioned in "c" above, during the year ended March 31, 2022, the Company has reassessed the expected timing of utilisation of Minimum Alternate Tax (MAT) credit and based on this reassessment written off a MAT credit of ₹ 4,406.0 Million and disclosed the charge as an exceptional item.

3 Since the USFDA import alert at Karkhadi facility in March 2014, the Company remained fully committed to implement all corrective measures to address the observations made by the USFDA with the help of third party consultant. The Company had completed all the action items to address the USFDA warning letter observations issued in May 2014. The Company is awaiting a re-inspection of the facility by the USFDA to resolve the import alert. The contribution of this facility to Company's revenues was negligible.

4 The USFDA, on January 23, 2014, had prohibited using API manufactured at Toansa facility for manufacture of finished drug products intended for distribution in the U.S. market. Consequentially, the Toansa manufacturing facility was subject to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In addition, the Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had also issued an administrative subpoena dated March 13, 2014 seeking information. The Company continues to fully co-operate and provide requisite information to the US DOJ.

5 The December 2019 USFDA inspection of Halol facility was classified as Official Action Indicated (OAI). The Company was in continuous communication with the USFDA to resolve the outstanding issues and was awaiting a re-inspection by USFDA to resolve the OAI status. However, due to the COVID-19 pandemic and travel restrictions, the re-inspection was delayed. In April-May 2022, the USFDA inspected the Halol facility and issued Form-483 with 10 observations. The Company will be submitting a comprehensive response, including the corrective actions to be undertaken for addressing the observations, within the stipulated time to the USFDA.

6 In September 2013, the USFDA had put the Mohali facility under import alert and it was also subjected to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with parent company in March 2015). In March 2017, the USFDA lifted the import alert and indicated that the facility was in compliance with the requirements of cGMP provisions mentioned in the consent decree. The Mohali facility continues to demonstrate sustainable cGMP compliance and has completed the 5-year post certification provisions as required by the consent decree. The Company continues to receive approval of applications, manufacture and distribute products to the U.S from this facility.

7 In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated Ind AS financial statements, and therefore, no separate disclosure on segment information is given in these financial statements.

8 During the year, the Company has acquired additional 11.28 % stake in Zenotech Laboratories Limited (Zenotech), a subsidiary of the Company, from Daiichi Sankyo Company Ltd. for a total consideration of ₹ 53.23 Million pursuant to a share purchase agreement. Post this acquisition, the Company's shareholding in Zenotech has increased from 57.56 % to 68.84 %.

9 The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the standalone financial statements when the Rules/Schemes thereunder are notified.

10 Corporate social responsibility (CSR)
As per section 135 of the Companies Act, 2013, the Company is required to spend at least 2% of its average net profits for the immediately preceding three financial years on corporate social responsibility activities. The CSR

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Committee of the Company monitors the CSR activities and the projects are undertaken in pursuance of the Company's CSR Policy and the Annual Action Plan. Company's Annual Action Plan for the financial year 2021-22 covered CSR activities in the areas - Healthcare; Education; Environment Conservation; Drinking Water Project; Disaster Relief & COVID-19 and Rural Development Programme.

₹ in Million

		As at March 31, 2022	As at March 31, 2021
(a)	Amount required to be spent by the company during the year	317.4	129.8
(b)	Amount of expenditure incurred	198.6	269.5
(c)	Set-off of excess spent of previous years, if any	118.8	-
(d)	Shortfall / (surplus) at the end of the year	-	(139.7)
(e)	Total of previous years shortfall	-	-
(f)	Reason for shortfall	NA	NA
(g)	Details of related party transactions (as per Ind AS 24) #	100.0	100.0
(h)	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

Represents contribution to Shantilal Shanghvi Foundation.

Amount carried forward for set off in subsequent years from the excess spend in FY 2020-21 is ₹ 21.2 Million as at March 31, 2022.

11 The Company continues to monitor the impact of COVID-19 on its business, including its impact on customers, supply-chain, employees and logistics. Due care has been exercised, in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available to date, while preparing the Company's standalone financial statements as on year ended March 31, 2022.

12 The Scheme of Amalgamation and Merger of Sun Pharma Global FZE ("the Transferor"), with the Company ("the Scheme"), inter-alia envisaged merger of the transferor into the Company. The Scheme was approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench on August 31, 2021 and became effective on October 01, 2021 upon completion of all the formalities.

Consequent to the amalgamation and merger prescribed by the Scheme, all the assets and liabilities of the transferor were transferred to and vested in the Company with effect from January 01, 2020 ("the Appointed Date").

The amalgamation was accounted under the "pooling of interest" method prescribed under Ind AS 103 - Business Combinations, as prescribed by the Scheme.

Accordingly all the assets, liabilities, and other reserves of the transferor as on January 01, 2020 were transferred to the Company as per the Scheme. As prescribed by the Scheme no consideration was paid as the transferor is a indirect wholly owned subsidiary of the Company. The resultant difference between the book value of assets and liabilities taken-over as on the appointed date on the existing carrying value has been credited to capital reserve amounting to ₹ 273.3 Million. Further, as prescribed in the Scheme approved by the NCLT, the Company has recorded an impact of impairment in relation to the equity shares held by the Company in the subsidiary through which the Company holds equity shares of the Transferor amounting to ₹ 31,590.0 Million which has been debited to capital reserve account. Also, any gain or loss on translation of assets and liabilities to functional currency (i.e. ₹) till the date of order has been credited or debited to foreign currency translation reserve.

13 As part of the ongoing simplification of the group structure in India, the Board of Directors of the Company at its meeting held on May 30, 2022, approved the Scheme of Amalgamation for the merger of Wholly-owned Subsidiaries, Sun Pharmaceutical Medicare Limited, Green Eco Development Centre Limited, Faststone Mercantile Company Private Limited, Realstone Multitrade Private Limited and Skisen Labs Private Limited (collectively "Transferor Companies"), with Sun Pharmaceutical Industries Limited ("Transferee Company") to be effective from such date as may be decided under the authorization by the Board of Directors of the Transferor Companies and the Board of Directors of the Transferee Company and / or such other date as may be approved by the National Company Law Tribunal pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder.

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14 Ratios

	Ratios and Formulae	Remarks	As at March 31, 2022	As at March 31, 2021	Variance (in %)
a)	Current ratio = Current assets / Current liabilities		0.96	1.28	(24.9%)
b)	Debt equity ratio = (Long-term borrowings + Short-term borrowings and lease liabilities) / Total equity		0.21	0.27	(24.4%)
c)	Debt service coverage ratio = (Profit/(loss) after tax but before finance costs, depreciation and amortisation and exceptional items) / (Finance costs + Short-term borrowings + Short term Lease liabilities)	Change due to reduction in borrowings	9.58	1.15	735.2%
d)	Return on equity ratio (%) = Net profit/(loss) after tax / Equity share capital	Change due to exceptional items	(41.67%)	351.10%	NA
e)	Inventory turnover ratio = (Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress) / Average inventory		1.68	1.63	3.1%
f)	Trade receivables turnover ratio in no. of days = (Average trade receivables * no. of days) / Revenue from contracts with customers		127	167	(23.8%)
g)	Trade payable turnover ratio in no. of days = (Average trade payable * no. of days) / Purchases during the year		219	290	(24.7%)
h)	Net capital turnover ratio = Revenue from contracts with customers / (Current assets - Current liabilities)	Change due to reduction in current assets	(38.60)	5.03	NA
i)	Net profit ratio (%) = Net profit/(loss) after tax / Total revenue from operations	Change due to exceptional items	(0.64%)	6.02%	NA
j)	Return on capital employed (%) = Net Profit/(loss) after tax / (Total assets - total liabilities - intangible assets - intangible assets under development - Goodwill + Long term borrowings + Short term borrowings + Lease liabilities)	Change due to exceptional items	(0.41%)	2.92%	(114.0%)
k)	Return on investment (%) = Income generated from FVTPL Investment / Weighted average FVTPL investment		3.33%	3.72%	(10.5%)

15 No proceeding have been initiated or pending against the Company under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.

16 The Company has not traded or invested in crypto currency or virtual currency during the financial year.

17 The Company has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person.

18 The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

19 The Company has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets.

20 The Company has not been declared wilful defaulter by any bank or financial institution or government or any other government authorities.

21. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the

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Ultimate Beneficiaries. However, the Company, as a part of its treasury operations, invests/advances loans to fund the operations of its subsidiaries/associates/ joint venture which have further utilised these funds for their general corporate purposes/ working capital, etc. within the consolidated group of the Company and in the ordinary course of business. These transactions are done on an arms' length basis following a due approval process.

Further, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

22. Details of property not in the name of the Company as at March 31, 2022

Particulars	Gross carrying value (₹ in Million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold Land	2.7	Ranbaxy Drugs Limited	No	24-Mar-15	The title deeds are in the name of erstwhile companies that were merged with the Company under relevant provisions of the Companies Act, 1956/2013 in terms of approval of the Honorable High Courts / National Company Law Tribunal of respective states.
Freehold Land	123.1	Ranbaxy Laboratories Limited	No	24-Mar-15	
Leasehold Land	2.9	Ranbaxy Laboratories Limited	No	24-Mar-15	
Freehold Land including building located thereon	95.9	Solrex Pharmaceuticals Company	No	08-Sep-17	
Freehold Land including building located thereon	3.6	Tamilnadu Dadha Pharamaceuticals Limited	No	01-Aug-97	
Building	4.1	Various	No	08-Sep-17	
Building	89.9	Sun Pharma Global FZE	No	01-Oct-21	

23. Details of Capital work-in-progress and Intangible assets under development :

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Ageing of Capital work-in-progress					
Projects in progress	2,299.2	839.6	233.0	51.7	3,423.5
Projects temporarily suspended	-	-	-	165.9	165.9
	2,299.2	**839.6**	**233.0**	**217.6**	**3,589.4**

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Ageing of Capital work-in-progress					
Projects in progress	3,484.5	679.4	189.7	74.9	4,428.5
Projects temporarily suspended	-	-	-	163.5	163.5
	3,484.5	**679.4**	**189.7**	**238.4**	**4,592.0**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Overdue Capital work-in-progress					
Projects in progress					
Formulation	749.9	-	-	-	749.9
Active Pharmaceutical Ingredient	144.9	-	-	-	144.9
Others	1.5	-	-	-	1.5
Projects temporarily suspended					
Others	-	165.9	-	-	165.9
	896.3	**165.9**	**-**	**-**	**1, 062.2**

₹ in Million

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Overdue Capital work-in-progress					
Projects in progress					
Formulation	590.0	190.4	-	-	780.4
Active Pharmaceutical Ingredient	124.7	17.0	-	-	141.7
Others	16.2	1.4	-	-	17.6
Projects temporarily suspended	-	-	163.5	-	163.5
	730.9	**208.8**	**163.5**	**-**	**1,103.2**

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Ageing of Intangible assets under development					
Projects in progress	459.8	1,640.4	78.9	2,517.9	4,697.0
	459.8	**1,640.4**	**78.9**	**2,517.9**	**4,697.0**

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Ageing of Intangible assets under development					
Projects in progress	1,771.6	142.2	223.0	4,175.0	6,311.8
	1,771.6	**142.2**	**223.0**	**4,175.0**	**6,311.8**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Overdue Intangible assets under development					
Projects in progress					
Others	32.8	-	-	-	32.8
	32.8	**-**	**-**	**-**	**32.8**

₹ in Million

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Overdue Intangible assets under development					
Projects in progress					
Others	149.8	2.0	-	-	151.8
	149.8	**2.0**	**-**	**-**	**151.8**

24. Relationship with Struck off Companies

    The Company does not have any transactions and balances with companies which are struck off except shares held by 8 shareholders holding 7,653 shares (March 31, 2021 - 7,833 shares) having face value of ₹ 1 per share.

25. Figures for previous year have been regrouped / reclassified wherever considered necessary.

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
Mumbai, May 30, 2022

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

(I) Names of related parties and description of relationships

a Subsidiaries

Green Eco Development Centre Limited	Universal Enterprises Private Limited
Sun Pharmaceutical (Bangladesh) Limited	Sun Pharma Switzerland Limited
Sun Pharmaceutical Industries, Inc.	Sun Pharma East Africa Limited
Sun Farmaceutica Do Brasil Ltda.	Pharmalucence, Inc. (Refer Footnote 8)
Sun Pharma De Mexico S.A. DE C.V.	PI Real Estate Ventures, LLC
SPIL De Mexico S.A. DE C.V. (Refer Footnote 3)	Sun Pharma ANZ Pty Ltd
Sun Pharmaceutical Peru S.A.C.	Ranbaxy Farmaceutica Ltda.
OOO "Sun Pharmaceutical Industries" Limited	Sun Pharma Canada Inc.
Sun Pharma De Venezuela, C.A.	Sun Pharma Egypt LLC
Sun Pharma Laboratories Limited	Rexcel Egypt LLC
Faststone Mercantile Company Private Limited	Office Pharmaceutique Industriel Et Hospitalier (Refer Footnote 6)
Neetnav Real Estate Private Limited	Basics GmbH
Realstone Multitrade Private Limited	Ranbaxy Ireland Limited (Refer Footnote 3)
Skisen Labs Private Limited	Sun Pharma Italia srl (Formerly known as Ranbaxy Italia S.P.A.)
Sun Pharma Holdings	Sun Pharmaceutical Industries S.A.C.
Softdeal Pharmaceuticals Private Limited (Formerly known as Softdeal Trading Company Private Limited)	Ranbaxy (Poland) Sp. Z O.O.
Sun Pharma (Netherlands) B.V.	Terapia SA
Sun Pharma France (Formerly Known as Ranbaxy Pharmacie Generiques)	AO Ranbaxy
Ranbaxy (Malaysia) Sdn. Bhd.	Ranbaxy South Africa (Pty) Ltd
Ranbaxy Nigeria Limited	Ranbaxy Pharmaceuticals (Pty) Ltd
Foundation for Disease Elimination and Control of India	Sonke Pharmaceuticals Proprietary Limited
Zenotech Laboratories Limited	Sun Pharma Laboratorios,S.L.U. (Formerly known as Laboratorios Ranbaxy, S.L.U.)
Chattem Chemicals Inc.	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)
The Taro Development Corporation	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)
Alkaloida Chemical Company Zrt.	Ranbaxy Inc.
Sun Pharmaceutical Industries (Australia) Pty Limited	Ranbaxy (Thailand) Co., Ltd.
Aditya Acquisition Company Ltd.	Ohm Laboratories, Inc.
Sun Pharmaceutical Industries (Europe) B.V.	Ranbaxy Signature LLC
Sun Pharmaceuticals Germany GmbH	Sun Pharmaceuticals Morocco LLC
Sun Pharmaceuticals France (Refer Footnote 4)	"Ranbaxy Pharmaceuticals Ukraine" LLC
Sun Pharmaceuticals SA (Pty) Ltd	Insite Vision Incorporated (Refer Footnote 8)
Aquinox Pharmaceuticals (Canada) Inc (Refer Footnote 2 & 7)	Sun Pharmaceutical Medicare Limited
Sun Pharma Philippines, Inc.	JSC Biosintez
Sun Pharmaceuticals Korea Ltd.(Refer Footnote 4)	Sun Pharmaceuticals Holdings USA, Inc.
Caraco Pharmaceuticals Private Limited	Zenotech Inc
Sun Pharma Japan Ltd.	Zenotech Farmaceutica Do Brasil Ltda
Sun Laboratories FZE	Sun Pharma Distributors Limited
Taro Pharmaceutical Industries Ltd. (TARO) (Refer Footnote 5)	Kayaku Co., Ltd. (Refer Footnote 9)
Taro Pharmaceuticals Inc.	Realstone Infra Limited
Taro Pharmaceuticals U.S.A., Inc.	Sun Pharmaceuticals (EZ) Limited (Refer Footnote 2)
Taro Pharmaceuticals North America, Inc.	Sun Pharma (Shanghai) Limited (Refer Footnote 2)
Taro Pharmaceuticals Europe B.V.	Sun Pharma Japan Technical Operations Limited (Refer Footnote 1)
Taro International Ltd.	Alchemee, LLC (Refer Footnote 1)
3 Skyline LLC	The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.) (Refer Footnote 1)
One Commerce Drive LLC	Proactiv YK (Refer Footnote 1)
Taro Pharmaceutical Laboratories Inc (Refer Footnote 10)	The Proactiv Company KK (Refer Footnote 1)
Dusa Pharmaceuticals, Inc.	The Proactiv Company Corporation (Refer Footnote 1)
Mutual Pharmaceutical Company Inc. (Refer Footnote 8)	Sun Pharma Global FZE. (Refer Footnote 11)
2 Independence Way LLC	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

Names of related parties where there are transactions and description of relationships

b	**Joint Ventures**	
	Artes Biotechnology GmbH	
c	**Associate**	
	Medinstill Development LLC	
	Dy Py Institute LLC	
	Intact Solutions, LLC	
d	**Key Management Personnel (KMP)**	
	Dilip Shantilal Shanghvi	Managing Director
	Sudhir Vrundavandas Valia	Non-Executive Director and Non-Independent Director
	Sailesh Trambaklal Desai	Wholetime Director
	Israel Makov	Chairman and Non-Executive Director (Non-Independent)
	Kalyanasundaram Iyer Natesan Subramanian	Wholetime Director
e	**Relatives of Key Management Personnel**	
	Aalok Shanghvi	
	Vidhi Shanghvi	
f	**Others (Entities in which the KMP and relatives of KMP have control or Significant influence)**	
	Makov Associates Limited	
	Sun Pharma Advanced Research Company Limited.	
	Sun Petrochemicals Private Limited	
	Sidmak Laboratories (India) Private Limited	
	United Medisales Private Limited	
	PV Power Technologies Private Limited	
	Fortune Integrated Assets Finance Ltd	
	Kism Textiles Private Limited	
	Alfa Infraprop Private Limited	
	Airamatrix Pvt Ltd	
	Shantilal Shanghvi Foundation	

Footnote

1. Incorporated / Acquired during the year.
2. Incorporated / Acquired during the previous year.
3. Dissolved / Liquidated during the year.
4. Dissolved / Liquidated during the previous year.
5. Holds voting power of 85.66% (beneficial ownership 78.48%) [March 31, 2021 85.18% (beneficial ownership 77.78%)].
6. Office Pharmaceutique Industriel Et Hospitalier has been merged with Sun Pharma France (Formerly Known as Ranbaxy Pharmacie Generiques) w.e.f. April 01, 2020.
7. Aquinox Pharmaceuticals (Canada) Inc has been merged with Taro Pharmaceuticals Inc. w.e.f. July 31, 2020.
8. Insite Vision Incorporated, Mutual Pharmaceutical Company Inc and Pharmalucence, Inc. has been merged with Sun Pharmaceutical Industries, Inc. w.e.f. April 01, 2020.
9. With effect from September 01, 2021 Kayaku Co. Ltd. has been ceased to be the subsidiary of the company.
10. With effect from January 27, 2022 Taro Pharmaceutical Laboratories Inc. was merged into Taro Pharmaceuticals U.S.A., Inc.
11. Sun Pharma Global FZE is under dissolution.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

(II) Detail of related party transaction during the year ended March 31, 2022:

₹ in Million

Type of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of goods	**5,952.3**	**4,879.2**
Subsidiaries	5,948.0	4,874.5
Others	4.3	4.7
Purchase of property, plant and equipment and other intangible assets	**1,298.7**	**2,195.7**
Subsidiaries	913.5	624.2
Others	385.2	1,571.5
Revenue from contracts with customers, net of returns	**121,827.7**	**112,117.6**
Subsidiaries	121,772.7	112,080.9
Others	55.0	36.7
Sale of property, plant and equipment	**351.7**	**22.5**
Subsidiaries	329.1	9.4
Associates	17.5	-
Others	5.1	13.1
Other operative income /Other Income	**17.2**	**65.2**
Subsidiaries	2.8	42.5
Others	14.4	22.7
Receiving of service	**2,622.2**	**3,064.8**
Subsidiaries	1,650.8	2,329.2
Joint ventures	-	8.0
Others	971.4	727.6
Reimbursement of expenses (paid)	**11,148.3**	**13,020.4**
Subsidiaries	11,122.0	12,975.8
Associates	1.3	8.8
Joint ventures (March 31, 2022 : ₹ 9,849)	0.0	1.1
Others	25.0	34.7
Rendering of service	**932.1**	**1,043.2**
Subsidiaries	863.9	973.7
Others	68.2	69.5
Reimbursement of expenses (received)	**1,890.9**	**261.1**
Subsidiaries*	1,871.0	191.0
Key management personnel	-	17.4
Others	19.9	52.7
Loans given	**29,306.8**	**9,208.1**
Subsidiaries	28,302.3	9,208.1
Associates**	1,004.5	-
Loans received back / Assigned	**9,559.4**	**26,339.3**
Subsidiaries	9,559.4	26,339.3
Security Deposit received	**0.9**	-
Others	0.9	-
Security Deposit given	-	**10.9**
Subsidiaries	-	10.9
Investments In Subsidiary	**14,787.6**	-
Subsidiaries	14,787.6	-
Proceeds from Liquidation of Subsidiary	**0.1**	-
Subsidiaries	0.1	-

* Includes reimbursement of settlement income.

** Includes conversion of Advance (capital advance and advance towards supply of goods/services) to Loan (convertible note).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

(II) Detail of related party transaction during the year ended March 31, 2022:

₹ in Million

Type of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Investment to	**18,204.3**	**-**
Subsidiaries	18,204.3	-
Write off for trade receivables	**104.3**	**-**
Subsidiaries	104.3	-
Advance received /Assigned	**2,925.6**	**-**
Subsidiaries	2,925.6	-
Loan taken	**85,611.2**	**98,473.3**
Subsidiaries	85,611.2	98,473.3
Loan repaid	**88,290.0**	**65,020.3**
Subsidiaries	88,290.0	65,020.3
Loan written off	**-**	**126.9**
Subsidiaries	-	126.9
Dividend income on equity shares	**135.4**	**383.4**
Subsidiaries	135.4	383.4
Interest income	**219.1**	**521.4**
Subsidiaries	219.1	521.4
Interest expense	**3,085.0**	**2,254.3**
Subsidiaries	3,085.0	2,254.3
Lease rental and hire charges (Income)	**44.7**	**34.8**
Subsidiaries	13.5	12.1
Others	31.2	22.7
Rent expense / Payment towards Lease Liabilities	**262.2**	**263.4**
Subsidiaries	262.2	263.4
CSR	**100.0**	**100.0**
Others	100.0	100.0
Remuneration	**202.3**	**165.4**
Key management personnel#	140.5	130.4
Relatives of Key management personnel	61.8	35.0

Key Management Personnel (KMP) and Relatives of KMP who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above and there is no Share-based payments to Key Management Personnel of Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

Balance outstanding as at the end of the year

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Receivables	**34,528.1**	**58,416.1**
Subsidiaries	34,527.7	58,385.8
Key management personnel	-	17.4
Associates (March 31, 2022 : ₹ 5,623)	0.0	-
Others	0.4	12.9
Payable	**9,056.5**	**24,076.2**
Subsidiaries	8,798.2	23,883.1
Key management personnel	-	2.2
Others	258.3	190.9
Loan taken	**48,656.4**	**51,120.3**
Subsidiaries	48,656.4	51,120.3
Loan given	**36,559.7**	**15,834.8**
Subsidiaries	36,559.7	15,834.8
Security Deposit given	**73.4**	**73.4**
Subsidiaries	73.4	73.4
Security Deposit Received	**1.0**	**0.1**
Subsidiaries	0.1	0.1
Others	0.9	-
Other liabilities	**34,362.6**	**18,748.2**
Subsidiaries	34,362.6	18,748.2
Advance from customers	**3,300.4**	**1,758.6**
Subsidiaries	3,300.4	1,758.6
Advance (includes capital and supply of goods/services)	**619.1**	**1,757.0**
Subsidiaries	407.9	539.4
Associates	211.2	1,217.6
Accrued Interest income on loans and advances	**116.2**	**18.4**
Subsidiaries	116.2	18.4
Accrued Interest from borrowings	**-**	**142.9**
Subsidiaries	-	142.9
Provisions	**6,962.8**	**12,027.9**
Subsidiaries	6,962.8	12,027.9
Lease liabilities	**1,818.1**	**1,920.8**
Subsidiaries	1,818.1	1,920.8

a) The sales to and purchases from related parties are made on an arm's length basis. Outstanding trade balances at the year-end are unsecured and there have been no guarantees provided or received for any related party receivables or payables. As on year ended March 31, 2022, the Company has recorded impairment of receivables relating to amounts owed by related parties(wholly owned subsidiaries) amounting to ₹ 59.9 Million (March 31, 2021: ₹ 59.9 Million).

b) Provision includes obligation arising from a supply contract to Sun Laboratories FZE, a wholly owned subsidiary of the Company amounting to ₹ 6,962.8 Million (March 31, 2021: ₹ 12,027.9 Million).

INDEPENDENT AUDITOR'S REPORT

To the Members of Sun Pharmaceutical Industries Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of Sun Pharmaceutical Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint venture comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group, associates and joint venture 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 consolidated Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated Ind AS financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Litigations (as described in Note 39 of the consolidated Ind AS financial statements)	
The Group is involved in various legal proceedings including product liability, contracts, employment claims, Department of Justice (DOJ) investigations, anti-trust and other regulatory matters relating to conduct of its business. The Group assesses the need to make provision or to disclose a contingent liability on a case-to-case basis considering the underlying facts of each litigation. The eventual outcome of the litigations is uncertain and estimation at balance sheet date involves extensive judgement of management including input from legal counsel due to complexity of each litigation. Adverse outcomes could significantly impact the Group's reported results and balance sheet position. Considering the judgement involved in determining the need to make a provision or disclose as contingent liability, the matter is considered a Key Audit Matter.	Our audit procedures and procedures performed by component auditors amongst others included the following: • Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of litigations, the recording / re-assessment of the related liabilities, provisions and disclosures. • Obtained a list of litigations from the Group's in-house legal counsel; identified material litigations from the aforementioned list and performed inquiries with the said counsel; obtained and read the underlying documents to assess the assumptions used by management in arriving at the conclusions. • Circulated, obtained and read legal confirmations from Group's external legal counsels in respect of material litigations and considered that in our assessment. • Verified the disclosures related to provisions and contingent liabilities in the consolidated Ind AS financial statements to assess consistency with underlying documents.
Rebates, discounts, chargebacks, returns and other allowances (as described in note 53 of the consolidated Ind AS financial statements)	
The Group generates revenue across various geographies through commercial arrangements prevalent in those geographies. These commercial arrangements involve rebates, discounts, chargebacks, right to return and other allowances, which are deducted from the gross revenue to arrive at Revenue from Operations. These deductions involve significant judgement and estimation, in particular the accruals associated with the revenue transactions pertaining to business of United States and hence is considered as a Key Audit Matter.	Our audit procedures and procedures performed by component auditors amongst others included the following: • Assessed and tested the design and operating effectiveness of the Group's controls over the completeness, recognition and measurement of accrual. • Obtained and evaluated management's computations for accruals under respective contractual arrangements. • Evaluated the key assumptions used by the Group by comparing it with prior years. • Analysed the historical pattern of chargebacks, the inventory information and performed retrospective reviews in order to validate management's assumption. • Compared the assumptions in respect of rebates, discounts, allowances and returns to current payment trends. • Evaluated adequacy of disclosures as required by Ind AS 115.
Goodwill and other intangible assets (as described in note 3B and 47 of the consolidated Ind AS financial statements)	
The Group has significant intangible assets, comprising acquired trademarks, product intangibles and goodwill. The Group conducts an annual impairment testing of goodwill and intangible assets. Significant judgements are used to estimate the recoverable amount of these intangible assets and goodwill and is hence considered as a Key Audit Matter.	Our audit procedures and procedures performed by component auditors amongst others included the following: • Evaluated the design and tested the operating effectiveness of management's controls in assessing the carrying value of goodwill and intangible assets. • Obtained the Group's computation of recoverable amount and tested the mathematical accuracy and reasonableness of key assumptions. • Obtained and evaluated management's sensitivity analysis to ascertain the impact of changes in key assumptions. • Evaluated the disclosures in the consolidated Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Tax litigations and recognition of deferred tax assets (as described in note 39 and 50 of the consolidated Ind AS financial statements)	
The Group has significant tax litigations for which the Group assesses the outcome on a case-to-case basis considering the underlying facts of each tax litigation. Adverse outcomes could significantly impact the Group's reported results and balance sheet position. The assessment of outcome of litigations involves significant judgement which is dependent on the facts of each case, supporting judicial precedents and legal opinions of external and internal legal counsels and hence the matter has been considered as a Key Audit Matter. Recognition of deferred tax assets involves the assessment of its recoverability within the allowed time frame requiring significant estimate of the financial projections, availability of sufficient taxable income in the future and also involving significant judgements in the interpretation of tax regulations and tax positions adopted by the Group. Considering the judgement involved in determining the recovery of deferred tax assets, the matter is considered a Key Audit Matter.	Our audit procedures and procedures performed by component auditors amongst others included the following: • Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax litigations/deferred tax and the recording and re-assessment of the related liabilities/assets and provisions and disclosures. • Obtained list of ongoing tax litigations from management along with their assessment of the cases based on past precedents, judgements and matters in the jurisdiction, legal opinions sought by management, correspondences with tax department etc. • Engaged tax specialists, to evaluate management's assessment of the outcome of these litigations. Our specialists considered legal precedence and other rulings in evaluating management's position on these tax litigations. • Tested management's assumptions including forecasts and sensitivity analysis in respect of recoverability of deferred taxes on unabsorbed depreciation/carry forward losses/Minimum Alternate Tax (MAT) credit. • Verified disclosures of the tax positions, tax loss carry forwards and tax litigations in the consolidated Ind AS financial statements.
Identification and disclosure of related parties (as described in note 57 of the consolidated Ind AS financial statements)	
The Group has related party transactions which include, amongst others, sale and purchase of goods/services to its associates, joint venture and other related parties and lending, investment and borrowing to its associates and joint venture. Identification and disclosure of related parties was a significant area of focus and hence considered it as a Key Audit Matter.	Our audit procedures and procedures performed by component auditors amongst others included the following: • Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. • Obtained a list of related parties from the Group's management and traced the related parties to declarations given by directors, where applicable, and to note 57 of the consolidated Ind AS financial statements. • Read minutes of the meetings of the Board of Directors and Audit Committee. • Read declarations of related party transactions given to the Board of Directors and Audit Committee. • Verified the disclosures in the consolidated Ind AS financial statements for compliance with Ind AS 24.

OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint venture 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture 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.

Those respective Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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 ability of the Group and its associates and joint venture 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 consolidated Ind AS 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 and its associates and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

a. We did not audit the financial statements and other financial information, in respect of 25 subsidiaries, whose Ind AS financial statements, without giving effect to elimination of intra-group transactions, include total assets of ₹ 5,01,178.9 Million as at March 31, 2022, total revenues of ₹ 1,39,267.0 Million and net cash outflows of ₹ 21,248.9 Million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

   Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by management of the Holding Company and audited by us.

b. The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 21 subsidiaries, whose financial statements and other financial information, without giving effect to elimination of intra-group transactions, reflect total assets of ₹ 11,040.8 Million as at March 31, 2022, and total revenues of ₹ 7,034.5 Million and net cash inflows of ₹ 460.5 Million for the year ended on that date. These financial have been prepared in accordance with accounting principles generally accepted in their respective countries for statutory purposes and have been audited by other auditors. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. In the opinion of the management these are not material to the group. We have not audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by management of the Holding Company.

c. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 165.4 Million for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements, in respect of 5 associates and a joint venture, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint venture and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by management, these financial statements and other financial information are not material to the Group.

   Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company and its subsidiaries incorporated in India for the year ended March 31, 2022;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint venture, as noted in the 'Other matter' paragraph:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint venture in its consolidated Ind AS financial statements – Refer Note 39 to the consolidated Ind AS financial statements;

      ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 23 and 28 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and joint venture and (b) the Group's share of net loss in respect of its associates and joint venture;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint venture, incorporated in India, except a sum of ₹ 1.2 Million, which is held in abeyance due to pending legal cases.

      iv. a) The respective managements of the Holding Company and its subsidiaries, associates and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint venture respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associates and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associates and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, associates and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint venture respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, associates and joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates and joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries, associates and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company, its subsidiaries, associates and joint venture companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid during the year by the Holding Company, its subsidiaries, associates and joint venture companies incorporated in India and until the date of the respective audit reports of such Holding Company, subsidiaries, associates and joint venture is in accordance with section 123 of the Act.

As stated in note 45 to the consolidated Ind AS financial statements, the respective Board of Directors of the Holding Company, its subsidiaries, associates and joint venture companies, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 22105754AJVROF1289
Place of Signature: Mumbai
Date: May 30, 2022

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS"

RE: SUN PHARMACEUTICALS INDUSTRIES LIMITED (THE "COMPANY")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

xxi. Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Name	CIN	Nature of relationship	Clause number of the CARO report which is qualified or is adverse
Sun Pharmaceutical Industries Limited	L24230GJ1993PLC019050	Holding Company	i(c), iii(c), iii(e)
Sun Pharma Laboratories Limited	U25200MH1997PLC240268	Subsidiary	i(c)
Neetnav Real Estate Private Limited	U45200MH2010PTC201611	Subsidiary	i(c)

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

per **Paul Alvares**
Partner
Membership Number: 105754
UDIN: 22105754AJVROF1289
Place of Signature: Mumbai
Date: May 30, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of Sun Pharmaceutical Industries Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Sun Pharmaceutical Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial Ind AS statements of the Holding Company, insofar as it relates to 1 subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

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

per **Paul Alvares**
Partner
Membership Number: 105754
UDIN:22105754AJVROF1289
Place of Signature: Mumbai
Date: May 30, 2022

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

₹ in Million

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3A (I) & (II)	103,713.8	102,349.9
(b) Capital work-in-progress		7,975.1	9,365.2
(c) Goodwill (Net)	47	65,494.5	62,876.4
(d) Other intangible assets	3B	55,389.1	50,303.5
(e) Intangible assets under development		4,892.9	6,303.1
(f) Investment in associates	4	2,320.6	2,327.3
(g) Investment in joint venture	5	340.2	278.3
(h) Financial assets			
(i) Investments	6	49,485.7	62,218.3
(ii) Loans	7	7.1	7.1
(iii) Other financial assets	8	1,259.0	957.8
(i) Deferred tax assets (Net)	50	28,967.2	35,564.4
(j) Income tax assets (Net)	9	25,115.3	34,327.8
(k) Other non-current assets	10	2,888.4	5,367.4
Total non-current assets		**347,848.9**	**372,246.5**
(2) Current assets			
(a) Inventories	11	89,968.1	89,970.2
(b) Financial assets			
(i) Investments	12	76,339.4	31,300.6
(ii) Trade receivables	13	105,928.9	90,614.0
(iii) Cash and cash equivalents	14	45,082.5	62,730.3
(iv) Bank balances other than (iii) above	15	5,251.0	1,724.8
(v) Loans	16	1,699.7	560.1
(vi) Other financial assets	17	7,024.7	8,759.3
(c) Other current assets	18	18,855.5	18,761.5
Total current assets		**350,149.8**	**304,420.8**
TOTAL ASSETS		**697,998.7**	**676,667.3**

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

₹ in Million

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	2,399.3	2,399.3
(b) Other equity	20	477,712.9	462,228.5
Equity attributable to the equity shareholders of the Company		**480,112.2**	**464,627.8**
Non-controlling interests	71	30,548.9	30,170.5
Total equity		**510,661.1**	**494,798.3**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	2,299.2	6,547.1
(ii) Lease Liabilities	54	2,517.9	2,434.2
(iii) Other financial liabilities	22	161.2	195.8
(b) Provisions	23	3,690.7	3,271.2
(c) Deferred tax liabilities (Net)	50	318.6	445.1
(d) Other non-current liabilities	24	6,344.5	7,519.3
Total non-current liabilities		**15,332.1**	**20,412.7**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	7,007.7	28,687.8
(ii) Lease Liabilities	54	1,078.2	1,016.7
(iii) Trade payables		44,793.4	39,736.6
(iv) Other financial liabilities	26	18,832.7	37,118.0
(b) Other current liabilities	27	7,033.9	7,279.9
(c) Provisions	28	91,478.2	45,826.5
(d) Current tax liabilities (Net)	29	1,781.4	1,790.8
Total current liabilities		**172,005.5**	**161,456.3**
Total liabilities		**187,337.6**	**181,869.0**
TOTAL EQUITY AND LIABILITIES		**697,998.7**	**676,667.3**

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
Mumbai, May 30, 2022

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
(I) Revenue from operations	30	386,544.9	334,981.4
(II) Other income	31	9,215.1	8,355.2
(III) Total income (I+II)		**395,760.0**	**343,336.6**
(IV) EXPENSES			
Cost of materials consumed	32	70,491.2	61,531.3
Purchases of stock-in-trade		34,100.3	31,751.7
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(1,076.1)	(6,382.2)
Employee benefits expense	34	73,008.3	68,622.3
Finance costs	35	1,273.5	1,414.3
Depreciation and amortisation expense	3 (A & B)	21,437.4	20,799.5
Other expenses	36	107,583.6	94,781.1
Net (gain) / loss on foreign currency transactions		(1,539.6)	(236.5)
Total expenses (IV)		**305,278.6**	**272,281.5**
(V) PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)		90,481.4	71,055.1
(VI) Exceptional items	61	45,668.2	43,061.4
(VII) PROFIT BEFORE TAX (V-VI)		**44,813.2**	**27,993.7**
(VIII) TAX EXPENSE/(CREDIT)			
Current tax		3,543.9	9,573.0
Deferred tax		7,975.3	(331.0)
Deferred tax - exceptional	61	(764.2)	(4,095.1)
Total tax expense (VIII)	49	**10,755.0**	**5,146.9**
(IX) PROFIT FOR THE YEAR BEFORE SHARE OF PROFIT/(LOSS) OF ASSOCIATES AND JOINT VENTURE (VII-VIII)		34,058.2	22,846.8
(X) Share of profit/(loss) of associates (net of tax)		(217.3)	(135.5)
(XI) Share of profit/(loss) of joint venture (net of tax)		51.9	12.2
(XII) PROFIT FOR THE YEAR BEFORE NON-CONTROLLING INTERESTS (IX+X+XI)		**33,892.8**	**22,723.5**
(XIII) Non-controlling interests	71	1,165.5	(6,314.7)
(XIV) PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY (XII-XIII)		**32,727.3**	**29,038.2**
(XV) OTHER COMPREHENSIVE INCOME			
(A) Items that will not be reclassified to profit or loss			
(a) Gain/(loss) on re-measurement of the defined benefit plans		(330.7)	(81.9)
Income tax on above		115.3	29.2
		(215.4)	**(52.7)**
(b) Gain/(loss) on equity instruments measured at fair value through other comprehensive income		(1,542.8)	3,315.8
Income tax on above		45.6	(174.6)
		(1,497.2)	**3,141.2**
Total (A)		**(1,712.6)**	**3,088.5**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
(B) Items that may be reclassified to profit or loss			
(a) Gain/(loss) on debt instruments measured at fair value through other comprehensive income		(1,567.3)	1,172.5
Income tax on above		131.6	(80.3)
		(1,435.7)	**1,092.2**
(b) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		(515.3)	1,451.3
Income tax on above		171.4	(436.9)
		(343.9)	**1,014.4**
(c) Exchange differences in translating the financial statements of foreign operations		9,479.1	(8,013.1)
Exchange differences on translation of net investment in foreign operations		344.4	1,357.7
Income tax on above		(759.2)	-
		9,064.3	**(6,655.4)**
Total (B)		**7,284.7**	**(4,548.8)**
(XV) TOTAL OTHER COMPREHENSIVE INCOME (A + B)		5,572.1	(1,460.3)
(XVI)TOTAL COMPREHENSIVE INCOME FOR THE YEAR (XII+XV)		39,464.9	21,263.2
Other comprehensive income for the year attributable to:			
- Owners of the Company		4,794.5	(904.8)
- Non-controlling interests		777.6	(555.5)
Total comprehensive income for the year attributable to:			
- Owners of the Company		37,521.8	28,133.4
- Non-controlling interests		1,943.1	(6,870.2)
Earnings per equity share (face value per equity share - ₹ 1)	51		
Basic (in ₹)		13.6	12.1
Diluted (in ₹)		13.6	12.1

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
Mumbai, May 30, 2022

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars	Equity share capital	Other equity											Attributable to owners of parent company	Non-controlling interests	Total
		Reserves and surplus							Other comprehensive income (OCI)						
		Capital reserve	Securities premium	Amalgamation reserve	Capital redemption reserve	Legal reserve	General reserve	Retained earnings	Debt instrument through OCI	Equity instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges			
Balance as at March 31, 2020	**2,399.3**	**3,681.7**	**11,874.1**	**43.8**	**7.5**	**230.5**	**35,621.0**	**353,200.5**	**(533.6)**	**749.9**	**45,799.0**	**(429.2)**	**452,644.5**	**38,602.4**	**491,246.9**
Profit for the year	-	-	-	-	-	-	-	29,038.2	-	-	-	-	29,038.2	(6,314.7)	22,723.5
Exchange difference arising on translation of foreign operations/ net investment in foreign operations, net of tax	-	-	-	-	-	-	-	-	-	-	(5,874.5)	-	(5,874.5)	(780.9)	(6,655.4)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	* (52.7)	928.6	3,141.2	-	952.6	4,969.7	225.4	5,195.1
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**28,985.5**	**928.6**	**3,141.2**	**(5,874.5)**	**952.6**	**28,133.4**	**(6,870.2)**	**21,263.2**
Payment of dividend	-	-	-	-	-	-	-	(15,590.6)	-	-	-	-	(15,590.6)	(267.0)	(15,857.6)
Buy-back/purchase of equity shares by overseas subsidiaries company	-	-	-	-	-	-	-	(559.5)	-	-	-	-	(559.5)	(1,294.7)	(1,854.2)
Transfer from surplus in consolidated statement of profit and loss as per the local law of overseas subsidiaries	-	-	-	-	-	55.0	-	(55.0)	-	-	-	-	-	-	-
Balance as at March 31, 2021	**2,399.3**	**3,681.7**	**11,874.1**	**43.8**	**7.5**	**285.5**	**35,621.0**	**365,980.9**	**395.0**	**3,891.1**	**39,924.5**	**523.4**	**464,627.8**	**30,170.5**	**494,798.3**
Profit for the year	-	-	-	-	-	-	-	32,727.3	-	-	-	-	32,727.3	1,165.5	33,892.8
Exchange difference arising on translation of foreign operations/ net investment in foreign operations, net of tax	-	-	-	-	-	-	-	-	-	-	8,010.6	-	8,010.6	1,053.7	9,064.3
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	* (215.6)	(1,164.6)	(1,497.2)	-	(338.7)	(3,216.1)	(276.1)	(3,492.2)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**32,511.7**	**(1,164.6)**	**(1,497.2)**	**8,010.6**	**(338.7)**	**37,521.8**	**1,943.1**	**39,464.9**
Payment of dividend	-	-	-	-	-	-	-	(21,589.1)	-	-	-	-	(21,589.1)	(102.7)	(21,691.8)
Buy-back/purchase of equity shares	-	-	-	-	-	-	-	(448.3)	-	-	-	-	(448.3)	(1,462.0)	(1,910.3)
Transfer on of sale of equity instrument	-	-	-	-	-	-	-	1.3	-	(1.3)	-	-	-	-	-
Balance as at March 31, 2022	**2,399.3**	**3,681.7**	**11,874.1**	**43.8**	**7.5**	**285.5**	**35,621.0**	**376,456.5**	**(769.6)**	**2,392.6**	**47,935.1**	**184.7**	**480,112.2**	**30,548.9**	**510,661.1**

* Represents re-measurement of the defined benefit plans.

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
Mumbai, May 30, 2022

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities		
Profit / (Loss) before tax	44,813.2	27,993.7
Adjustments for:		
Depreciation and amortisation expense	21,437.4	20,799.5
Net (gain) / loss on sale / write off / impairment of property, plant and equipment, other intangible assets and intangible assets under development	1,656.0	16.7
Finance costs	1,273.5	1,414.3
Interest income	(5,533.7)	(2,111.3)
Dividend income on investments	(2,153.3)	(2,560.4)
Net (gain) / loss arising on financial assets measured at fair value through profit or loss	3,619.5	(2,197.6)
Net gain on sale of financial assets measured at fair value through profit or loss	(486.1)	(138.2)
Net (gain) / loss on sale of financial assets measured at fair value through other comprehensive income	(7.7)	(260.0)
Provision / write off /(reversal) for doubtful trade receivables / advances	175.7	43.1
Sundry balances written back, net	(59.8)	(122.8)
Effect of exchange rate changes	(172.0)	3,215.2
Operating profit before working capital changes	**64,562.7**	**46,092.2**
Movements in working capital:		
(Increase) / Decrease in inventories	3,069.5	(10,802.9)
(Increase) / Decrease in trade receivables	(13,422.6)	937.3
(Increase) / Decrease in other assets	141.1	1,166.2
Increase / (Decrease) in trade payables	3,699.2	3,814.6
Increase / (Decrease) in other liabilities	(23,333.5)	24,983.5
Increase / (Decrease) in provisions	45,436.8	5,542.2
Cash generated from operations	**80,153.2**	**71,733.1**
Net Income tax (paid) / refund received (including interest on refunds)	9,692.2	(10,029.4)
Net cash generated from operating activities (A)	**89,845.4**	**61,703.7**
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital work-in-progress, other intangible assets and intangible assets under development)	(14,950.4)	(11,701.3)
Proceeds from disposal of property, plant and equipment and other intangible assets	606.1	971.0
Loans / inter corporate deposits given / placed	(76.8)	-
Loans / inter corporate deposits received back / matured	140.4	882.2
Purchase of investments (includes investment in subsidiaries and associates)	(241,506.2)	(185,417.4)
Proceeds from sale of investments	207,020.8	197,088.0
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	(5,117.9)	(2,818.7)
Fixed deposits / margin money matured	1,692.6	4,880.8
Acquisition of subsidiary	(7,395.7)	(616.0)
Disposal of subsidiary	238.4	-
Interest received	763.0	717.7
Dividend received	1,338.3	1,375.9
Net cash from / (used in) investing activities (B)	**(57,247.4)**	**5,362.2**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. Cash flow from financing activities		
Proceeds from borrowings	16,567.7	66,028.7
Repayment of borrowings	(43,999.0)	(108,020.8)
Repayment towards lease liabilities	(1,286.5)	(1,177.9)
Payment for buy-back of equity shares held by non-controlling interests of subsidiaries	(1,857.0)	(1,854.2)
Net increase / (decrease) in working capital demand loans	1,064.2	(1,726.4)
Refund from escrow account for buy-back	-	4,250.0
Finance costs	(732.1)	(1,442.5)
Dividend payment to non-controlling interests	(102.7)	(267.0)
Dividend paid	(21,589.2)	(15,594.7)
Net cash used in financing activities (C)	**(51,934.6)**	**(59,804.8)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(19,336.6)	7,261.1
Cash and cash equivalents at the beginning of the year	62,730.3	56,766.1
Cash and cash equivalents transferred on sale of subsidiary / taken over on acquisition of subsidiary	414.5	-
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	1,274.3	(1,296.9)
Cash and cash equivalents at the end of the year	**45,082.5**	**62,730.3**

Notes:

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	21,487.4	28,097.7
In deposit accounts with original maturity less than 3 months	23,439.1	34,327.7
Cheques, drafts on hand	140.8	290.8
Cash on hand	15.2	14.1
Cash and cash equivalents (Refer note 14)	**45,082.5**	**62,730.3**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

Change in financial liability/ asset arising from financing activities

₹ in Million

Particulars	Year ended March 31, 2022	
	Borrowings	Derivatives, net [(liabilities) / asset]
Opening balance	35,234.9	(299.5)
Changes from financing cash flows	(26,367.1)	133.8
The effect of changes in foreign exchange rates	136.8	(137.0)
Other changes	302.3	-
Closing balance	**9,306.9**	**(302.7)**

₹ in Million

Particulars	Year ended March 31,2021	
	Borrowings	Derivatives, net [(liabilities) / asset]
Opening balance	79,708.5	(355.0)
Changes from financing cash flows	(43,718.5)	120.6
The effect of changes in foreign exchange rates	(585.5)	41.1
Other changes	(169.6)	-
Changes in fair value	-	(106.2)
Closing balance	**35,234.9**	**(299.5)**

For movement of lease liabilities, Refer Note 54.

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
Mumbai, May 30, 2022

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

1. GENERAL INFORMATION

Sun Pharmaceutical Industries Limited (SPIL or the "parent company"), is a public limited company incorporated and domiciled in India, having its registered office at Vadodara, Gujarat, India. SPIL is listed on the BSE Limited and National Stock Exchange of India Limited. The parent company and its subsidiaries (hereinafter referred to as the "Company " or the "Group") are engaged in the business of manufacturing, developing and marketing a wide range of branded and generic formulation and Active Pharmaceutical ingredients (APIs). The Group has various manufacturing locations spread across the world with trading and other incidental and related activities extending to the global market.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2022 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2021.

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost convention and on an accrual basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; (iii) investment in joint ventures and associates are accounted for using the equity method (iv) derivative financial instruments and (v) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below :

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Million (₹000,000) upto one decimal, except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company and its subsidiaries as disclosed in Note 38. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances, transactions including unrealised gain / loss from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investment in Associates and Joint Ventures

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the Group's share of losses of an associate or a joint venture exceeds its interest in that associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has obligations or has made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture and discontinues from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed off the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in the associate or joint venture that are not related to the Group.

b. Current vs. Non-current

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c. Business combinations

The Group uses the acquisition method of accounting to account for business combinations that occurred on or after April 01, 2015. The acquisition date is generally the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as Capital reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as Capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

d. Foreign currency

Foreign currency transactions

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are translated at exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate on that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings (see note 2.2.s).
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 2.2.j below for hedging accounting policies).
- exchange differences relating to the translation of the results and the net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to statement of profit or loss account on the disposal of the foreign operation.

Non-monetary items that are measured in terms of historical cost in foreign currency are measured using the exchange rates at the date of initial transaction.

Foreign operations

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised in other comprehensive income and presented within equity as part of Foreign Currency Translation Reserve (and attributed to non-controlling interests as appropriate). When a foreign operation is disposed off, the relevant

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amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

e. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

f. Property, plant and equipment

Items of property, plant and equipment are stated in consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the acquired asset is measured at the carrying amount of the asset given up.

Depreciation is recognised on the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives. Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as follows:

Asset Category	No. of years
Buildings including factory buildings*	7-125
Plant and equipment	1-30
Vehicles	2-15
Office equipment	2-17
Furniture and fixtures	3-30

* Includes assets given under operating lease.

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as

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expense as incurred. The capitalised costs are amortised over the lower of the estimated useful life of the software and the remaining useful life of the tangible fixed asset.

g. Goodwill and Other Intangible assets

Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Group's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a cash-generating unit to which goodwill is allocated, the goodwill associated with the disposed cash-generating unit is included in the carrying amount of the cash-generating unit when determining the gain or loss on disposal.

Other Intangible assets

Other Intangible assets that are acquired by the Group and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Group intends to and has sufficient resources/ability to complete development and to use or sell the asset.

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

Acquired research and development intangible assets which are under development, are recognised as In-Process Research and Development assets ("IPR&D"). IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such IPR&D assets is recognised in profit or loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

The consideration for acquisition of intangible asset which is based on reaching specific milestone that are dependent on the Group's future activity is recognised only when the activity requiring the payment is performed.

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognised in the statement of profit and loss as incurred.

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Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives for Product related intangibles and Other intangibles ranges from 3 to 20 years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

h. Impairment of non-financial assets other than goodwill

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

In respect of assets other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed off is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale.

Any retained portion of an investment in an associate or a joint venture that has not been

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classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the date the Group commits to purchase or sell the financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all the changes in the profit or loss.

Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the parent Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the parent Company's own equity instruments.

Compound financial instruments

The component of compound financial instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and lease liabilities, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the consolidated statement of profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss.

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After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, full currency swap, principal only swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) *Fair value hedges*

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) *Cash flow hedges*

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(iii) *Net Investment Hedge*

The Group designates certain foreign currency liability as hedge against certain net investment in foreign subsidiaries. Hedges of net investments in foreign operations are accounted similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR')- a component of equity. The ineffective portion of the gain or loss on these hedges is immediately recognised in the consolidated statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

Treasury shares

The Group has Employee Benefit Trust (EBT) for providing share-based payment to its employees.

Own equity instruments that are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

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Dividend distribution to equity holders of the parent

Final dividend on equity shares (including dividend tax on distribution of such dividends, if any) are recorded as a liability on the date of their approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. As per the corporate laws in India, a distribution of final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

k. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Asset Category	No. of years
Leasehold land	49 -196
Building	1-99
Plant and Machinery	1-5
Furniture and Fixture	5
Vehicles	1-5
Office Equipment	5

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

ii) *Lease Liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

iii) *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l. Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade, stores and spares and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials and packing materials, stock-in-trade, stores and spares includes cost of purchases and other costs incurred in bringing the inventories to its present location and condition. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis

m. Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

n. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Restructuring

A provision for restructuring is recognised when the Group has a detailed formal restructuring plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the consolidated financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs

o. Revenue

Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). The Group estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Profit Sharing Revenues

The Company from time to time enters into arrangements for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Out-licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the period in which the Company has continuing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

performance obligations. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be received.

Sales returns

The Group accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Group's estimate of expected sales returns. With respect to established products, the Group considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. With respect to new products introduced by the Group, such products have historically been either extensions of an existing line of product where the Group has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract

Rendering of services

Revenue from services rendered is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

p. Dividend and interest income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

q. Government grants

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

to compensate, are expensed. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

r. Employee benefits

Defined benefit plans

The Company operates a defined benefit gratuity plan which requires contribution to be made to a separately administered fund.

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

Termination benefits

Termination benefits are recognised as an expense in the statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term and Other long-term employee benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

The Group's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

Defined contribution plans

The Group's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Group does not have any obligation other than the contribution made.

Share-based payment arrangements

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, on a straight line basis, over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

s. Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

t. Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for the temporary differences that arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and taxable temporary differences arising upon the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

The Company recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the consolidated statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management based

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

u. Earnings per share

The parent Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the parent Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

v. Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

w. Recent Accounting pronouncements

Standards issued but not yet effective and not early adopted by the Company

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 3A(I) PROPERTY, PLANT AND EQUIPMENT

₹ in Million

	Freehold land	Buildings including given on lease	Plant and equipment	Furniture and fixtures	Furniture and fixtures given under operating lease	Vehicles	Office equipment	Total
At cost or deemed cost								
As at March 31, 2020	4,250.5	56,379.1	109,746.5	4,259.3	0.4	1,060.2	2,289.4	177,985.4
Consolidation adjustments	(56.8)	(336.4)	353.3	(51.7)	-	5.2	(98.6)	(185.0)
Additions	234.3	1,205.6	7,372.2	131.8	-	125.8	564.9	9,634.6
Disposals	(2.5)	(157.1)	(1,183.0)	(130.7)	(0.4)	(110.4)	(53.5)	(1,637.6)
As at March 31, 2021	**4,425.5**	**57,091.2**	**116,289.0**	**4,208.7**	**-**	**1,080.8**	**2,702.2**	**185,797.4**
Consolidation adjustments	(17.3)	852.4	1,275.0	72.2	-	6.3	10.1	2,198.7
Taken over on acquisition	-	123.3	1,273.4	18.1	-	-	-	1,414.8
Additions	2,346.1	1,111.9	6,686.2	77.7	-	199.1	335.6	10,756.6
Disposals	(306.2)	(1,342.7)	(1,894.7)	(145.4)	-	(138.2)	(25.6)	(3,852.8)
As at March 31, 2022	**6,448.1**	**57,836.1**	**123,628.9**	**4,231.3**	**-**	**1,148.0**	**3,022.3**	**196,314.7**
Accumulated depreciation and impairment								
As at March 31, 2020	-	17,225.4	55,614.6	2,743.5	0.4	705.9	1,384.8	77,674.6
Consolidation adjustments	-	78.5	339.0	(37.4)	-	10.1	(45.3)	344.9
Depreciation expense	-	2,501.3	8,110.1	281.5	-	129.2	322.7	11,344.8
Disposals	-	(30.9)	(1,048.4)	(126.5)	(0.4)	(96.9)	(53.2)	(1,356.3)
As at March 31, 2021	**-**	**19,774.3**	**63,015.3**	**2,861.1**	**-**	**748.3**	**1,609.0**	**88,008.0**
Consolidation adjustments	-	199.9	771.5	61.1	-	1.1	7.6	1,041.2
Taken over on acquisition	-	61.3	666.8	17.8	-	-	-	745.9
Depreciation expense	-	2,052.9	8,191.3	264.7	-	123.2	335.7	10,967.8
Disposals	-	(1,290.6)	(1,786.9)	(99.2)	-	(122.6)	(21.2)	(3,320.5)
As at March 31, 2022	**-**	**20,797.8**	**70,858.0**	**3,105.5**	**-**	**750.0**	**1,931.1**	**97,442.4**
Carrying amount								
As at March 31, 2021	**4,425.5**	**37,316.9**	**53,273.7**	**1,347.6**	**-**	**332.5**	**1,093.2**	**97,789.4**
As at March 31, 2022	**6,448.1**	**37,038.3**	**52,770.9**	**1,125.8**	**-**	**398.0**	**1,091.2**	**98,872.3**

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FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 3A (II) RIGHT-OF-USE ASSETS

₹ in Million

	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost							
As at March 31, 2020	2,609.1	2,064.9	9.1	6.6	2,128.9	38.2	6,856.8
Consolidation adjustments	(41.6)	12.8	(0.3)	(6.6)	(45.2)	(6.3)	(87.2)
Additions	191.6	255.6	-	-	948.2	1.5	1,396.9
Disposals	(760.8)	(52.3)	(8.8)	-	(398.6)	(6.8)	(1,227.3)
As at March 31, 2021	**1,998.3**	**2,281.0**	**-**	**-**	**2,633.3**	**26.6**	**6,939.2**
Consolidation adjustments	47.9	14.3	-	0.0	52.6	(1.6)	113.2
Taken over on acquisition	-	379.7	-	3.0	-	-	382.7
Additions	132.8	303.3	-	-	841.0	3.1	1,280.2
Disposals	(5.9)	(336.3)	-	-	(594.4)	(4.0)	(940.6)
As at March 31, 2022	**2,173.1**	**2,642.0**	**-**	**3.0**	**2,932.5**	**24.1**	**7,774.7**
Accumulated depreciation and impairment							
As at March 31, 2020	357.8	439.4	0.9	2.2	680.0	13.0	1,493.3
Consolidation adjustments	(9.3)	10.2	-	(2.2)	(11.6)	(7.5)	(20.4)
Depreciation expense	36.8	473.4	-	-	602.2	8.3	1,120.7
Disposals	-	(10.2)	(0.9)	-	(197.1)	(6.7)	(214.9)
As at March 31, 2021	**385.3**	**912.8**	**-**	**-**	**1,073.5**	**7.1**	**2,378.7**
Consolidation adjustments	10.8	4.9	-	0.1	24.8	(0.6)	40.0
Taken over on acquisition	-	131.5	-	1.0	-	-	132.5
Depreciation expense	44.8	428.8	-	-	634.5	6.9	1,115.0
Disposals	-	(320.6)	-	-	(408.6)	(3.8)	(733.0)
As at March 31, 2022	**440.9**	**1,157.4**	**-**	**1.1**	**1,324.2**	**9.6**	**2,933.2**
Carrying amount							
As at March 31, 2021	**1,613.0**	**1,368.2**	**-**	**-**	**1,559.8**	**19.5**	**4,560.5**
As at March 31, 2022	**1,732.2**	**1,484.6**	**-**	**1.9**	**1,608.3**	**14.5**	**4,841.5**

(i) For details of Ind AS 116 disclosure refer Note 54.

NOTE : 3B OTHER INTANGIBLE ASSETS

Other than internally generated

₹ in Million

	Computer Software	Trademarks and Designs	Total
At cost or deemed cost			
As at March 31, 2020	3,095.9	98,407.0	101,502.9
Consolidation adjustments	(31.6)	(2,306.7)	(2,338.3)
Additions	1,130.4	1,034.3	2,164.7
Disposals	(486.3)	(666.1)	(1,152.4)
As at March 31, 2021	**3,708.4**	**96,468.5**	**100,176.9**
Consolidation adjustments	117.4	1,492.1	1,609.5
Taken over on acquisition	-	3,112.3	3,112.3
Additions	695.5	9,906.2	10,601.7
Disposals	(0.2)	(64.7)	(64.9)
As at March 31, 2022	**4,521.1**	**110,914.4**	**115,435.5**

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₹ in Million

	Computer Software	Trademarks and Designs	Total
Accumulated amortisation and impairment			
As at March 31, 2020	1,909.3	41,613.4	43,522.7
Consolidation adjustments	65.7	(1,123.7)	(1,058.0)
Amortisation expense	503.9	7,830.1	8,334.0
Disposals	(478.5)	(446.8)	(925.3)
As at March 31, 2021	**2,000.4**	**47,873.0**	**49,873.4**
Consolidation adjustments	115.3	666.8	782.1
Amortisation expense	435.8	9,007.5	9,443.3
Disposals	(0.1)	(52.3)	(52.4)
As at March 31, 2022	**2,551.4**	**57,495.0**	**60,046.4**
Carrying amount			
As at March 31, 2021	**1,708.0**	**48,595.5**	**50,303.5**
As at March 31, 2022	**1,969.7**	**53,419.4**	**55,389.1**

Footnotes :

(a) Buildings include ₹ 8,620 (March 31, 2021: ₹ 8,620) towards cost of shares in a co-operative housing society and also includes ₹ 4.5 Million (March 31, 2021 : ₹ 4.5 Million) towards cost of flats not registered in the name of the Parent company but is entitled to right of use and occupancy.

(b) Other intangible assets consisting of trademarks, brands acquired, research and development, designs, technical know-how, licences, non-compete fees and other intangible assets are available to the Group in perpetuity. The amortisable amount of intangible assets is arrived at, based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Group.

(c) For details of assets pledged as security Refer note 66.

(d) ₹ 88.7 Million related to impairment of property, plant and equipment and other intangible assets has been included above under depreciation and amortisation expense.

(e) The aggregate amortisation has been included under depreciation and amortisation expense in the consolidated statement of profit and loss.

NOTE : 4 INVESTMENT IN ASSOCIATES (NON-CURRENT)

	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in Million	Quantity	₹ in Million
(Carrying amount determined using equity method of accounting)				
Unquoted, fully paid				
Equity instruments				
Medinstill LLC	1,999	887.7	1,999	1,071.4
Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)	455,447	443.5	345,622	158.0
Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.) share application money	-	-		182.8
Intact Solution LLC	153	57.8	153	55.9
WRS Bioproducts Pty Ltd	428,571	112.2	428,571	113.1
Limited liability partnership				
Trumpcard Advisors and Finvest LLP		819.4		746.1
Generic Solar Power LLP [₹ Nil (March 31, 2021: ₹ 4,389)]		-		0.0
		2,320.6		**2,327.3**
Aggregate carrying value of unquoted investments		2,320.6		2,327.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 5 INVESTMENT IN JOINT VENTURE (NON-CURRENT)

	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in Million	Quantity	₹ in Million
(Carrying amount determined using equity method of accounting)				
Unquoted, fully paid				
Equity instruments				
Artes Biotechnology GmbH	15,853	340.2	15,853	278.3
		340.2		**278.3**
Aggregate carrying value of unquoted investments		340.2		278.3

NOTE : 6 INVESTMENTS (NON-CURRENT)

	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments - Quoted - At fair value through other comprehensive income				
Amneal Pharmaceuticals Inc. Shares of USD 0.01 each fully paid	2,868,623	906.7	2,868,623	1,412.2
Krebs Biochemicals and Industries Limited Shares of ₹ 10 each fully paid	1,036,943	148.7	1,050,000	90.2
Krystal Biotech, Inc. Shares of USD 0.00001 each fully paid	914,107	4,610.4	914,107	5,151.1
scPharmaceuticals Inc.	2,167,679	933.3	2,167,679	1,054.4
Others (equity instruments received as part of distribution)		287.2		477.6
Equity instruments - Quoted - At fair value through Profit or Loss		737.8		1,718.3
Equity instruments - Unquoted - At fair value through Profit or Loss				
Shimal Research Laboratories Limited Shares of ₹ 10 each fully paid	9,340,000	934.0	9,340,000	934.0
Less: Impairment in value of investment		(934.0)		(934.0)
Biotech Consortium India Limited Shares of ₹ 10 each fully paid	50,000	0.5	50,000	0.5
Less: Impairment in value of investment		(0.5)		(0.5)
Reanal Finomvegyszergyar Zrt.	38,894	195.2	38,894	188.3
Less: Impairment in value of investment		(195.2)		(188.3)
Others		212.0		204.9
Limited liability partnership - Unquoted - At fair value through other comprehensive income				
ABCD Technologies LLP		402.5		400.0
Debentures/bonds - Quoted - At fair value through other comprehensive income				
Bonds (various small denomination)		30,205.8		35,747.6
ONGC Videsh 4.625% Regd. Notes maturing July 15, 2024#	160,000	1,238.5	160,000	1,284.1
NTPC 4.375% Regd. Euro Medium Term Notes maturing November 26, 2024#	100,000	770.5	100,000	800.9
State Bank of India 4.875% Notes maturing April 17, 2024#	70,000	545.4	70,000	565.7
Venture funds - Unquoted - At fair value through Profit or Loss		6,444.2		9,072.4
Others - Quoted - At fair value through other comprehensive income (small denomination U.S Treasuries, certificate of deposits and commercial papers)	-	2,042.7	-	4,238.9
		49,485.7		**62,218.3**
Aggregate book value (carrying value) of quoted investments		42,427.0		52,541.0
Aggregate amount of quoted investments at market value		42,427.0		52,541.0
Aggregate amount of unquoted investments before impairment		8,188.4		10,800.1
Aggregate amount of impairment in value of investments		1,129.7		1,122.8

Investment in bonds are encumbered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 7 LOANS (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Loans to employees		
Secured, considered good	2.4	2.9
Unsecured, considered good	4.7	4.2
	7.1	**7.1**

NOTE : 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Security deposits - unsecured, considered good	625.8	650.3
Derivatives not designated as hedges	5.5	2.0
Unbilled revenue (Refer note 53)	193.7	305.5
Others	434.0	-
	1,259.0	**957.8**

NOTE : 9 INCOME TAX ASSET (NET) [NON-CURRENT]

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provisions)*	25,115.3	34,327.8
	25,115.3	**34,327.8**

* Includes amount paid under protest

NOTE : 10 OTHER ASSETS [NON-CURRENT]

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Capital advances	908.5	3,577.6
Prepaid expenses	21.7	44.7
Balances with government authorities*	1,958.2	1,745.1
	2,888.4	**5,367.4**

* Includes amount paid under protest

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 11 INVENTORIES

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Lower of cost and net realisable value		
Raw materials and packing materials	28,417.5	32,862.7
Goods in transit	717.9	579.0
	29,135.4	**33,441.7**
Work-in-progress	20,578.0	18,292.9
Finished goods	30,648.1	29,756.3
Stock-in-trade	8,209.3	7,325.2
Goods-in-transit	173.5	81.6
	8,382.8	**7,406.8**
Stores and spares	1,223.8	1,072.5
	89,968.1	**89,970.2**

(i) Inventory write downs are accounted, considering the nature of inventory, estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products as well as provisioning policy of the company. Write downs of inventories amounted to ₹ 21,294.2 Million (March 31, 2021: ₹ 20,106.6 Million). The changes in write downs are recognised as an expense in the consolidated statement of profit and loss.

(ii) The cost of inventories recognised as an expense is disclosed in notes 32, 33 and 36 and as purchases of stock-in-trade in the consolidated statement of profit and loss.

NOTE : 12 INVESTMENTS (CURRENT)

	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments - Quoted - At fair value through Profit or Loss	-	749.5	-	-
Bonds/debentures - Quoted - At fair value through other comprehensive income				
Bonds (various small denomination investments)	-	26,820.4	-	15,555.8
National Highways Authority of India - 8.2% Bonds of ₹ 1,000 each fully paid of maturing on January 25, 2022	-	-	61,809	63.9
Power Finance Corporation Ltd (Series I) - 8.2% Bonds of ₹ 1,000 each fully paid maturing on February 01, 2022	-	-	142,393	147.2
Indian Railway Finance Corporation Ltd - 8/8.15% Bonds of ₹ 1,000 each fully paid maturing on February 23, 2022	-	-	163,131	168.7
Mutual funds * - Unquoted - At fair value through Profit or Loss	-	36,021.4	-	310.0
Others - Quoted - At fair value through other comprehensive income (small denomination U.S Treasuries, certificate of deposits and commercial papers)	-	12,748.1	-	15,055.0
		76,339.4		**31,300.6**
Aggregate book value (carrying value) of quoted investments		40,318.0		30,990.6
Aggregate amount of quoted investments at market value		40,318.0		30,990.6
Aggregate amount of unquoted investments before impairment		36,021.4		310.0
Aggregate amount of impairment in value of investments		-		-

* Investments in mutual funds have been fair valued at closing net asset value (NAV).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 13 TRADE RECEIVABLES

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	105,928.9	90,614.0
Credit impaired	3,685.6	2,410.4
	109,614.5	**93,024.4**
Less : Allowance for credit impaired	(3,685.6)	(2,410.4)
	105,928.9	**90,614.0**

NOTE : 14 CASH AND CASH EQUIVALENTS

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Balance with banks		
In current accounts	21,487.4	28,097.7
In deposit accounts with original maturity less than 3 months	23,439.1	34,327.7
Cheques, drafts on hand	140.8	290.8
Cash on hand	15.2	14.1
	45,082.5	**62,730.3**

NOTE : 15 BANK BALANCES OTHER THAN DISCLOSED IN NOTE 14 ABOVE

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Deposit accounts	5,126.0	1,600.9
Earmarked balances with banks		
Unpaid dividend accounts	104.2	86.7
Balances held as margin money or security against guarantees and other commitments	20.8	37.2
	5,251.0	**1,724.8**

NOTE : 16 LOANS (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Loans to related party		
Secured, considered good (Refer note 68)	379.0	365.7
Unsecured, considered good (Refer note 68)	1,098.0	-
Loans to employees/others *		
Secured, considered good	0.7	0.7
Unsecured, considered good	222.0	193.7
Loans to employees/others - credit impaired	15.3	15.3
Less : Allowance for credit impaired	(15.3)	(15.3)
	222.7	**194.4**
	1,699.7	**560.1**

* Others: Loans given to various parties at prevailing market interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 17 OTHER FINANCIAL ASSETS (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Interest accrued on investments/balances with banks	104.8	63.4
Security deposits (unsecured, considered good)	232.3	143.6
Derivatives designated as hedges	306.0	724.0
Derivatives not designated as hedges	621.4	118.8
Refund due from government authorities	3,256.9	5,657.7
Unbilled Revenue (Refer note 53)	188.6	364.9
Others	2,814.7	2,186.9
Less : Allowance for doubtful others *	(500.0)	(500.0)
	7,024.7	**8,759.3**

* The Group is carrying an allowance of ₹ 500.0 Million (March 31, 2021 : ₹ 500.0 Million) against other receivables (Others) based on assessment regarding its future recoverability.

NOTE : 18 OTHER ASSETS (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Export incentives receivable	647.5	1,645.1
Prepaid expenses	2,862.2	2,787.0
Advances for supply of goods and services		
Considered good	3,140.3	3,647.8
Considered doubtful	722.4	698.7
Less : Allowance for doubtful	(722.4)	(698.7)
Balances with government authorities*	11,664.6	10,173.4
Others	540.9	508.2
	18,855.5	**18,761.5**

* Includes balances of goods and services tax.

NOTE : 19 EQUITY SHARE CAPITAL

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Authorised				
Equity shares of ₹ 1 each	5,990,000,000	5,990.0	5,990,000,000	5,990.0
Cumulative preference shares of ₹ 100 each	100,000	10.0	100,000	10.0
		6,000.0		**6,000.0**
Issued, subscribed and fully paid up				
Equity shares of ₹ 1 each (Refer note 41)	2,399,334,970	2,399.3	2,399,334,970	2,399.3
	2,399,334,970	**2,399.3**	**2,399,334,970**	**2,399.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 20 OTHER EQUITY

₹ in Million

		As at March 31, 2022	As at March 31, 2021
A)	**Reserves and surplus**		
	Capital reserve	3,681.7	3,681.7
	Securities premium	11,874.1	11,874.1
	Amalgamation reserve	43.8	43.8
	Capital redemption reserve	7.5	7.5
	Legal reserve	285.5	285.5
	General reserve	35,621.0	35,621.0
	Retained earnings	376,456.5	365,980.9
B)	**Items of other comprehensive income (OCI)**		
	Debt instrument through other comprehensive income	(769.6)	395.0
	Equity instrument through other comprehensive income	2,392.6	3,891.1
	Foreign currency translation reserve	47,935.1	39,924.5
	Effective portion of cash flow hedges	184.7	523.4
		477,712.9	**462,228.5**

Refer consolidated statement of changes in equity for detailed movement in above balances.

Nature and purpose of each reserve

Capital reserve - During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

Amalgamation reserve - The reserve was created pursuant to scheme of amalgamation in earlier years.

Capital redemption reserve - The Group has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

Legal reserve - The reserve has been created by an overseas subsidiaries in compliance with requirements of local laws.

General reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Debt instrument through OCI - This represents the cumulative gain and loss arising on fair valuation of debt instruments measured through other comprehensive income. This amount will be reclassified statement of profit and loss account on derecognition of debt instrument.

Equity instrument through OCI - The Company has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

Foreign currency translation reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to consolidated profit or loss on the disposal of the foreign operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Effective portion of cash flow hedges - The cash flow hedging reserve represents the cumulative effective portion of gain or loss arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedges reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

NOTE : 21 BORROWINGS (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Term loans		
From banks (unsecured)	2,299.2	6,468.8
From department of biotechnology (secured)	-	54.1
From others (secured)	-	24.2
	2,299.2	**6,547.1**

Also refer note 66 for borrowings (non-current).

NOTE : 22 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Derivatives not designated as hedges	-	14.2
Derivatives designated as hedges	160.0	178.2
Others	1.2	3.4
	161.2	**195.8**

NOTE : 23 PROVISIONS (NON-CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Employee benefits	3,433.5	2,886.2
Others (Refer note 60)	257.2	385.0
	3,690.7	**3,271.2**

NOTE : 24 OTHER NON-CURRENT LIABILITIES

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Deferred revenue (Refer note 53)	6,187.5	7,185.5
Others	157.0	333.8
	6,344.5	**7,519.3**

NOTE : 25 BORROWINGS (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand		
From banks (unsecured)	4,685.2	3,333.8
Other loans		
From banks (unsecured)	-	7,108.8
Commercial paper (unsecured)	-	14,006.4
Current maturities of long-term debt (Refer note 66)	2,322.5	4,238.8
	7,007.7	**28,687.8**

Also refer note 67 for borrowings (current).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 26 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Interest accrued	29.0	47.1
Unpaid dividends	100.9	83.5
Security deposits	141.6	155.9
Payables on purchase of property, plant and equipment and Other Intangible assets	6,000.3	3,385.5
Derivatives designated as hedges	272.0	115.0
Derivatives not designated as hedges	37.8	29.2
Payables to employee	10,530.4	7,336.1
Others*	1,720.7	25,965.7
	18,832.7	**37,118.0**

* Include claims, recall charges, contractual and expected milestone obligations, trade and other commitments (also refer note 61).

NOTE : 27 OTHER LIABILITIES (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Statutory remittances	5,005.7	5,086.7
Advance from customers (Refer note 53)	285.8	471.9
Deferred revenue (Refer note 53)	1,644.3	1,671.0
Others	98.1	50.3
	7,033.9	**7,279.9**

NOTE : 28 PROVISIONS (CURRENT)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Employee benefits	4,273.3	4,588.7
Others (Refer note 60 and 61)	87,204.9	41,237.8
	91,478.2	**45,826.5**

NOTE : 29 CURRENT TAX LIABILITIES (NET)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Provision for income tax [Net of advance income tax]	1,781.4	1,790.8
	1,781.4	**1,790.8**

NOTE : 30 REVENUE FROM OPERATIONS

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers (Refer note 53)	384,264.2	332,330.8
Other operating revenues	2,280.7	2,650.6
	386,544.9	**334,981.4**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 31 OTHER INCOME

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on:		
Bank deposits at amortised cost	290.9	317.2
Loans at amortised cost	6.5	65.2
Investments in debt instruments at fair value through other comprehensive income	817.6	1,289.8
Other financial assets carried at amortised cost	79.2	49.3
Others [includes interest on income tax refund of ₹ 4,055.8 Million (March 31, 2021 : ₹ 285.8 Million)]	4,339.5	389.8
	5,533.7	**2,111.3**
Dividend income on investments	2,153.3	2,560.4
Net gain on sale of financial assets measured at fair value through profit or loss	486.1	138.2
Net gain on sale of financial assets measured at fair value through other comprehensive income	7.7	260.0
Net gain / (loss) arising on financial assets measured at fair value through profit or loss	(3,619.5)	2,197.6
Net gain on disposal of property, plant and equipment and other intangible assets	485.6	161.2
Sundry balances written back, net	59.8	122.8
Insurance claims	170.1	146.9
Lease rental and hire charges	69.0	97.8
Settlement Income	3,368.8	86.6
Miscellaneous income	500.5	472.4
	9,215.1	**8,355.2**

NOTE : 32 COST OF MATERIALS CONSUMED

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Raw materials and packing materials		
Inventories at the beginning of the year	33,441.7	28,936.0
Purchases during the year	65,898.9	65,829.0
Foreign currency translation difference	286.0	208.0
Inventories at the end of the year	(29,135.4)	(33,441.7)
	70,491.2	**61,531.3**

NOTE : 33 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year	55,456.0	48,864.4
Inventories taken over on acquisition	2,090.7	-
Foreign currency translation difference	986.1	209.4
Inventories at the end of the year	(59,608.9)	(55,456.0)
	(1,076.1)	**(6,382.2)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 34 EMPLOYEE BENEFITS EXPENSE

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	64,444.7	60,530.1
Contribution to provident and other funds*	5,206.0	4,792.9
Staff welfare expenses	3,357.6	3,299.3
	73,008.3	**68,622.3**

* Includes gratuity expense of ₹515.1 Million (March 31, 2021: ₹480.0 Million)

NOTE : 35 FINANCE COSTS

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense :		
- for financial liabilities carried at amortised cost	587.2	1,193.0
- others (includes interest on income tax and lease liability)	686.3	217.9
Exchange differences regarded as an adjustment to borrowing costs	-	3.4
	1,273.5	**1,414.3**

NOTE : 36 OTHER EXPENSES

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of materials, stores and spare parts	7,983.0	6,537.3
Conversion and other manufacturing charges	5,578.1	5,416.1
Power and fuel	7,027.8	6,270.9
Rent	535.4	419.8
Rates and taxes	5,958.4	4,587.6
Insurance	2,617.0	2,360.2
Selling, promotion and distribution	30,862.9	22,782.9
Commission on sales	1,954.4	2,033.0
Repairs and maintenance	5,246.0	5,284.4
Printing and stationery	606.1	532.6
Travelling and conveyance	3,737.3	2,401.9
Freight outward and handling charges	7,932.9	6,223.7
Communication	945.8	983.8
Provision/write off/(reversal) for doubtful trade receivables/advances	175.7	43.1
Professional, legal and consultancy	18,031.3	20,235.4
Donations	600.5	515.6
Loss on sale/write off of property, plant and equipment and other intangible assets, net	138.1	22.4
Payment to auditors (net of input credit, wherever applicable)	274.2	273.2
Impairment of property, plant and equipment, goodwill, other intangible assets and Intangible asset under development	204.6	155.5
Miscellaneous expenses	7,174.1	7,701.7
	107,583.6	**94,781.1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 37 RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	6,551.5	6,535.3
Contribution to provident and other funds	578.1	569.9
Staff welfare expenses	226.0	255.3
Consumption of materials, stores and spare parts	4,449.4	2,848.9
Power and fuel	352.6	315.1
Rates and taxes	1,093.4	823.7
Rent	32.2	15.4
Insurance	84.1	62.7
Repairs and maintenance	539.0	550.9
Printing and stationery	25.0	24.3
Travelling and conveyance	56.6	33.8
Communication	32.9	32.6
Professional, legal and consultancy	6,882.2	8,554.4
Miscellaneous expenses	422.1	405.9
	21,325.1	**21,028.2**
Less:		
Miscellaneous income	41.7	13.8
Receipts from research activities	48.6	42.3
	90.3	**56.1**
	21,234.8	**20,972.1**

NOTE : 38 a) List of entities included in the Consolidated Financial Statements is as under:

		Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2022	March 31, 2021
Parent Company				
Sun Pharmaceutical Industries Limited				
Direct Subsidiaries				
1	Green Eco Development Centre Limited	India	100.00%	100.00%
2	Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	72.50%	72.50%
3	Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%
4	SPIL De Mexico S.A. DE C.V.	Mexico	- (Refer note g)	100.00%
5	Sun Pharma Japan Ltd.	Japan	100.00%	100.00%
6	OOO "Sun Pharmaceutical Industries" Limited	Russia	100.00%	100.00%
7	Sun Pharma De Venezuela, C.A.	Venezuela	100.00%	100.00%
8	Sun Pharma Laboratories Limited	India	100.00%	100.00%
9	Faststone Mercantile Company Private Limited	India	100.00%	100.00%
10	Neetnav Real Estate Private Limited	India	100.00%	100.00%
11	Realstone Multitrade Private Limited	India	100.00%	100.00%
12	Skisen Labs Private Limited	India	100.00%	100.00%
13	Sun Pharma Holdings	Mauritius	100.00%	100.00%
14	Softdeal Pharmaceutical Private Limited (Formerly known as Softdeal Trading Company Private Limited)	India	100.00%	100.00%
15	Sun Pharma (Netherlands) B.V.	Netherlands	100.00%	100.00%

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FOR THE YEAR ENDED MARCH 31, 2022

		Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2022	March 31, 2021
16	Foundation for Disease Elimination and Control of India	India	100.00% (Refer note e)	100.00% (Refer note e)
17	Zenotech Laboratories Limited	India	68.84% (Refer note f)	57.56% (Refer note f)
	Indirect Subsidiaries			
18	Sun Farmaceutica do Brasil Ltda.	Brazil	100.00%	100.00%
19	Sun Pharma France (Formerly Known as Ranbaxy Pharmacie Generiques)	France	100.00%	100.00%
20	Sun Pharmaceutical Industries, Inc.	United States of America	100.00%	100.00%
21	Ranbaxy (Malaysia) SDN. BHD.	Malaysia	95.67%	95.67%
22	Ranbaxy Nigeria Limited	Nigeria	86.16%	86.16%
23	Chattem Chemicals Inc.	United States of America	100.00%	100.00%
24	The Taro Development Corporation	United States of America	100.00%	100.00%
25	Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%
26	Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	100.00%	100.00%
27	Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%
28	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	100.00%	100.00%
29	Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%
30	Sun Pharmaceuticals France	France	-	- (Refer note l)
31	Sun Pharma Global FZE	United Arab Emirates	- (Refer note h)	100.00%
32	Sun Pharmaceuticals SA (Pty) Ltd	South Africa	100.00%	100.00%
33	Sun Pharma Philippines, Inc.	Philippines	100.00%	100.00%
34	Sun Pharmaceuticals Korea Ltd.	South Korea	-	- (Refer note k)
35	Caraco Pharmaceuticals Private Limited	India	100.00%	100.00%
36	Sun Pharmaceutical Peru S.A.C.	Peru	100.00%	99.33%
37	Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%
38	Taro Pharmaceutical Industries Ltd. (Taro)	Israel (Refer note b)	78.48%	77.78%
39	Taro Pharmaceuticals Inc.	Canada	78.48%	77.78%
40	Taro Pharmaceuticals U.S.A., Inc.	United States of America	78.48%	77.78%
41	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	78.48%	77.78%
42	Taro Pharmaceuticals Europe B.V.	Netherlands	78.48%	77.78%
43	Taro International Ltd.	Israel	78.48%	77.78%
44	3 Skyline LLC	United States of America	78.48%	77.78%
45	One Commerce Drive LLC	United States of America	78.48%	77.78%
46	Taro Pharmaceutical Laboratories Inc.	United States of America	78.48% (Refer note p)	77.78%
47	Dusa Pharmaceuticals, Inc.	United States of America	100.00%	100.00%
48	Mutual Pharmaceutical Company Inc.	United States of America	-	- (Refer note o)
49	2 Independence Way LLC	United States of America	100.00%	100.00%
50	Universal Enterprises Private Limited	India	100.00%	100.00%
51	Sun Pharma Switzerland Ltd.	Switzerland	100.00%	100.00%
52	Sun Pharma East Africa Limited	Kenya	100.00%	100.00%
53	Pharmalucence, Inc.	United States of America	-	- (Refer note o)
54	PI Real Estate Ventures, LLC	United States of America	100.00%	100.00%
55	Sun Pharma ANZ Pty Ltd	Australia	100.00%	100.00%

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FOR THE YEAR ENDED MARCH 31, 2022

		Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2022	March 31, 2021
56	Ranbaxy Farmaceutica Ltda.	Brazil	100.00%	100.00%
57	Sun Pharma Canada Inc.	Canada	100.00%	100.00%
58	Sun Pharma Egypt LLC	Egypt	100.00%	100.00%
59	Rexcel Egypt LLC	Egypt	100.00%	100.00%
60	Office Pharmaceutique Industriel Et Hospitalier	France	-	- (Refer note n)
61	Basics GmbH	Germany	100.00%	100.00%
62	Ranbaxy Ireland Limited	Ireland	- (Refer note j)	100.00% (Refer note j)
63	Sun Pharma Italia srl (Formerly known as Ranbaxy Italia S.P.A.)	Italy	100.00%	100.00%
64	Sun Pharmaceutical Industries S.A.C.	Peru	100.00%	100.00%
65	Ranbaxy (Poland) SP. Z O.O.	Poland	100.00%	100.00%
66	Terapia SA	Romania	96.81%	96.81%
67	AO Ranbaxy	Russia	100.00%	100.00%
68	Ranbaxy South Africa (Pty) Ltd	South Africa	100.00%	100.00%
69	Ranbaxy Pharmaceuticals (Pty) Ltd	South Africa	100.00%	100.00%
70	Sonke Pharmaceuticals Proprietary Limited	South Africa	70.00%	70.00%
71	Sun Pharma Laboratorios,S.L.U. (Formerly known as Laboratorios Ranbaxy, S.L.U.)	Spain	100.00%	100.00%
72	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	United Kingdom	100.00%	100.00%
73	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	United Kingdom	100.00%	100.00%
74	Ranbaxy Inc.	United States of America	100.00%	100.00%
75	Ranbaxy (Thailand) Co., Ltd.	Thailand	100.00%	100.00%
76	Ohm Laboratories, Inc.	United States of America	100.00%	100.00%
77	Ranbaxy Signature LLC	United States of America	67.50%	67.50%
78	Sun Pharmaceuticals Morocco LLC	Morocco	100.00%	100.00%
79	"Ranbaxy Pharmaceuticals Ukraine" LLC	Ukraine	100.00%	100.00%
80	Insite Vision Incorporated	United States of America	-	- (Refer note o)
81	Sun Pharmaceutical Medicare Limited	India	100.00%	100.00%
82	JSC Biosintez	Russia	100.00%	100.00%
83	Sun Pharmaceuticals Holdings USA, Inc.	United States of America	100.00%	100.00%
84	Zenotech Inc	United States of America	68.84% (Refer note f)	57.56% (Refer note f)
85	Zenotech Farmaceutica Do Brasil Ltda	Brazil	45.69% (Refer note f)	38.21% (Refer note f)
86	Kayaku Co., Ltd.	Japan	- (Refer note i)	100.00%
87	Sun Pharma Distributors Limited	India	100.00%	100.00%
88	Realstone Infra Limited	India	100.00%	100.00%
89	Sun Pharmaceuticals (EZ) Limited	Bangladesh	99.99%	99.99%
90	Sun Pharma (Shanghai) Co.,Ltd	China	100.00%	100.00%
91	Aquinox Pharmaceuticals (Canada) Inc	Canada	-	- (Refer note m)
92	Sun Pharma Japan Technical Operations Limited	Japan	100.00%	-
93	Alchemee, LLC	United States of America	78.48%	-
94	The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.)	United States of America	78.48%	-
95	Proactiv YK	Japan	78.48%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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		Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2022	March 31, 2021
96	The Proactiv Company KK	Japan	78.48%	-
97	The Proactiv Company Corporation	Canada	78.48%	-
	Name of Joint Venture Entity			
98	Artes Biotechnology GmbH	Germany	45.00%	45.00%
	Name of Associates			
99	Medinstill LLC	United States of America	19.99%	19.99%
100	Generic Solar Power LLP	India	28.76%	28.76%
101	Trumpcard Advisors and Finvest LLP	India	40.61%	40.61%
102	Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)	Israel	20.96%	18.71%
103	WRS Bioproducts Pty Ltd.	Australia	12.50%	12.50%
	Name of Subsidiary of Associates			
104	Composite Power Generation LLP	India	36.90%	36.90%
105	Vintage Power Generation LLP	India	39.41%	39.41%
106	Vento Power Generation LLP	India	40.55%	40.55%
107	HRE LLC	United States of America	19.22%	19.88%
108	HRE II LLC	United States of America	19.99%	19.99%
109	HRE III LLC	United States of America	19.99%	19.99%
110	Dr. Py Institute LLC	United States of America	19.22%	19.88%
111	Medinstill Development LLC	United States of America	19.22%	19.88%
112	ALPS LLC	United States of America	19.22%	19.88%
113	Intact Pharmaceuticals LLC	United States of America	19.22%	19.88%
114	Intact Media LLC (Formerly known as Intact Skin Care LLC)	United States of America	19.22%	19.88%
115	Intact Solutions LLC	United States of America	19.22%	19.88%
116	Intact Closed Transfer Connectors LLC	United States of America	19.22%	-
117	Intact PUR-Needle LLC	United States of America	19.22%	-
b	**Following are the details of the Group's holding in Taro:**			
	Voting power		85.66%	85.18%
	Beneficial ownership		78.48%	77.78%

c In respect of entities at Sr. Nos. 3, 4, 6, 36, 67, 79, 80, 82, 90, 98, 99, 102, 103 and from 107 to 117 the reporting date is different from the reporting date of the Parent Company.

d In respect of entitiy at Sr. No. 92, 93, 94, 95, 96, 97, 116 and 117 has been incorporated/ acquired during the year ended March 31, 2022.

e Foundation for Disease Elimination and Control of India (FDEC), a wholly owned subsidiary incorporated in India on September 21, 2016 by the parent company as part of its Corporate Social Responsibility (CSR) initiative. FDEC has entered into an MOU with Indian Council of Medical Research (ICMR) and Madhya Pradesh State Government to undertake the Mandla Malaria Elimination Demonstration Project with a goal to eliminate Malaria in the state. FDEC is a Section 8 company not considered for consolidation since it can apply its income for charitable purposes only and can raise funds/contribution independently.

f Books of accounts and other related records/documents of the overseas subsidiaries of the Zenotech Laboratories Limited were missing and due to non-availability of those records/information, Zenotech Laboratories Limited is unable to prepare consolidated accounts.

g With effect from June 07, 2021 SPIL De Mexico S.A. DE C.V. has been dissolved.

h Sun Pharma Global FZE is under dissolution.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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i With effect from September 01, 2021 Kayaku Co. Ltd. has been ceased to be the subsidiary of the company.

j With effect from September 04, 2021 Ranbaxy Ireland Limited has been dissolved.

k With effect from January 05, 2021 Sun Pharmaceuticals Korea Ltd has been dissolved.

l With effect from March 17, 2021 Sun Pharmaceuticals France has been dissolved.

m With effect from July 31, 2020 Aquinox Pharmaceuticals (Canada) Inc has been merged with Taro Pharmaceuticals Inc.

n With effect from April 01, 2020 Office Pharmaceutique Industriel Et Hospitalier has been merged with Sun Pharma France (Formerly Known as Ranbaxy Pharmacie Generiques).

o With effect from April 01, 2020 Insite Vision Incorporated , Mutual Pharmaceutical Company Inc and Pharmalucence, Inc.has been merged with Sun Pharmaceutical Industries, Inc.

p With effect from January 25, 2022 Taro Pharmaceutical Laboratories Inc. was merged into Taro Pharmaceuticals U.S.A., Inc.

q Significant Accounting Policies and other Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding of the consolidated position of the Group. Recognising this purpose, the Group has disclosed only such policies and notes from the individual financial statements which fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the individual financial statements.

NOTE : 39 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

		As at March 31, 2022	As at March 31, 2021
A)	**Contingent liabilities**		
I)	Claims against the Group not acknowledged as debts	569.5	558.3
II)	Liabilities disputed - appeals filed with respect to:		
	Income tax on account of disallowances / additions (Company appeals) *	28,717.0	38,643.2
	Sales tax on account of rebate / classification	119.9	148.4
	Goods and Service tax / Excise duty / service tax on account of valuation / cenvat credit	1,789.6	1,511.6
	ESIC contribution on account of applicability	130.5	130.5
III)	Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit enjoyed by the Group	3,474.2	3,488.2
IV)	Other matters - state electricity board, Punjab Land Preservation Act related matters etc.	90.6	90.2

Note : Includes interest till the date of demand, wherever applicable.

V) Legal proceedings :

The parent company and/or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims, antitrust 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

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 than those claimed by plaintiffs. Some of the legal claims against the Company, if decided against the Company or settled by the Company, may result in significant impact on its results of operations.

Antitrust – Gx Drug Price Fixing Litigation:

On April 01, 2016, Sun Pharmaceutical Industries, Inc. ("SPIINC"), a subsidiary of the parent company, received a grand jury subpoena from the U.S. Department of Justice ("DOJ"), Antitrust Division, seeking documents relating to certain generic pharmaceutical products and pricing, potential communications with competitors, and certain other related matters. On or before November 2017, SPIINC provided documents and information related to three pharmaceutical products. The Antitrust Division has not asked for any additional information from SPIINC, or communicated with SPIINC, about the subpoena since that time.

On April 30, 2018, SPIINC received a Civil Investigative Demand ("CID") from the DOJ, Civil Division, in connection with a False Claims Act investigation, seeking information relating to certain generic pharmaceutical products and pricing, potential communications with competitors, and certain other related matters. In response to the CID, SPIINC provided certain materials to the Civil Division in 2018. The Civil Division has not asked for any additional information from SPIINC, or communicated with SPIINC, about the CID since that time.

On July 23, 2020, Taro Pharmaceuticals U.S.A., Inc. ("Taro U.S.A.") came to a global resolution with the DOJ, Antitrust Division and Civil Division in connection with DOJ's multi-year investigation into the U.S. generic pharmaceutical industry. Under a Deferred Prosecution Agreement ("Agreement") reached with the Antitrust Division, the DOJ filed an Information relating to conduct allegedly occurring between 2013 and 2015. If Taro U.S.A. adheres to the terms of the Agreement, including payment of USD 205.7 Million (equivalent to ₹ 15,601.8 Million), the DOJ will dismiss the Information at the end of a three-year period. Taro U.S.A. has paid this amount in full to the Antitrust Division. Taro U.S.A. has also reached an agreement with the DOJ Civil Division on September 30, 2021, pursuant to which Taro U.S.A. agreed to pay USD 213.3 Million (equivalent to ₹ 16,179.6 Million) to resolve all claims related to federal healthcare programs. Taro U.S.A. has paid this amount in full to the Civil Division.

SPIINC, Taro Pharmaceutical Industries Ltd. ("Taro Industries") and its subsidiaries, along with more than 70 other pharmaceutical companies and individuals, are named as defendants in lawsuits brought by several putative classes, state Attorneys Generals, municipalities, and individual company purchasers and payors, alleging violations of the antitrust and related laws in the U.S. and Canada. Additionally, SPIINC, Taro U.S.A., and more than 70 other pharmaceutical companies and individuals have been named as defendants in Writs of Summons issued in Pennsylvania state court; the Writs of Summons indicate an intent by the filing plaintiffs to file a complaint, but no complaints have yet been formally filed. Each of the cases that were filed in U.S. federal court 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. In May 2021, that Court designated certain complaints naming SPIINC and Taro U.S.A. as "bellwether" cases to begin the sequencing of proceedings. Subsequently , a settlement was reached with the Direct Purchaser class plaintiffs, subject to final Court approval, pursuant to which SPIINC will pay a maximum of $ 17.4 Million (equivalent to ₹ 1,309.7 Million) subject to a reduction of up to $ 2.1 Million (equivalent to ₹ 157.9 Million) depending on the volume of certain class members that may opt-out of the settlement, and Taro U.S.A. will pay a maximum of $ 67.6 Million (equivalent to ₹ 5,084.0 Million) subject to a reduction of up to $ 8.0 Million (equivalent to ₹ 601.7 Million) depending on the volume of certain class members that may opt-out of the settlement. Further, during the year ended March 31, 2022 and March 31, 2021, Taro Industries made a provision of USD 60 Million and USD 140 Million (equivalent to ₹ 4,425.0 Million and ₹ 10,384.4 Million) for this ongoing multi-jurisdiction civil antitrust matters; however, the ultimate outcome of these matters cannot be predicted with certainty. These provisions have been disclosed as exceptional items in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Speakes v. Taro Pharmaceutical Industries Ltd.:

Taro Pharmaceutical Industries Ltd. and two of its former officers are named as defendants in a putative shareholder class action litigation pending in the U.S. District Court for the Southern District of New York, which asserts claims under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") against all defendants and claims under Section 20(a) of the Exchange Act against the individual defendants. The lawsuit generally alleges that the defendants made material misstatements and omissions in connection with an alleged conspiracy to fix drug prices. On September 24, 2018, the Court granted in part and denied in part the Taro Industries' motion to dismiss. The case is proceeding with limited discovery.

Taro Industries Shareholders Litigation in Israel:

On June 22, 2020, a motion seeking documents before filing a shareholder derivative action was filed by a single shareholder against Taro Industries and Taro U.S.A. in the Haifa District Court related to alleged U.S. antitrust violations. On September 22, 2020, a subsequent motion seeking documents was filed by a single shareholder against Taro Industries related to alleged misreporting to U.S. Medicaid and three prior state settlements. Both motions were consolidated on February 16, 2021, and remain pending before the Haifa District Court. Taro Industries has filed a motion to stay proceedings pending resolution of the related U.S. litigation, and also a motion for service recognition in which the Company requested the court to determine that the service of the motion to Taro U.S.A. seeking documents before filing a shareholder derivative action was performed in accordance with Israeli Law requirements.

Opioids:

SPIINC is a defendant 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, as well as in state cases pending in Utah state court; SPIINC and the parent company are also named as defendants in two individual personal injury complaints filed in West Virginia state court in March 2022; separately, the parent company and Sun Pharma Canada Inc. are defendants in putative class actions pending in Canada. The 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. Currently, all matters against SPIINC in the National Prescription Opiate Litigation are stayed; SPIINC obtained an order in the Utah matters dismissing all claims except public nuisance and negligence claims; and the Canadian matters are in the early stages of pleading.

Taro Industries has been named as a defendant in a putative opioids class action pending in Israel, in which the claimant alleges that Taro Industries did not provide sufficient disclosure regarding the risks associated with opioid use in alleged violation of the Israeli Consumer Protection Act. Taro Industries filed its defense to the application for class action approval on May 02, 2021, and a preliminary hearing to address the issue may be scheduled for late 2022.

Antitrust – Lipitor:

The parent company and certain of its subsidiaries are defendants in a number of putative class action lawsuits and individual actions brought by purchasers and payors in the U.S. alleging that the parent company and certain of its subsidiaries violated antitrust laws in connection with a 2008 patent settlement agreement with Pfizer concerning Atorvastatin. The cases have been transferred to the U.S. District Court for the District of New Jersey for coordinated proceedings. Discovery commenced in January 2020, but was stayed in March 2020 pending mediation. Pursuant to the mediator's order of June 03, 2021, briefing on certain issues was completed by March 2022, and argument on these issues will likely occur in subsequent months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Product Liability – Ranitidine/Zantac MDL:

In June 2020, the parent company and certain of its 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. Discovery in the MDL is ongoing. On July 8, 2021, the District Court granted the generic Defendants' motion to dismiss, the effect of which was to dismiss the parent company and its affiliates with prejudice. That decision is up on appeal. In addition to the federal court proceedings, two of the parent company's affiliates also have been named as defendants in state court actions pending in Illinois, Pennsylvania, New York, and California. Finally, certain of the parent company's subsidiaries are named in three putative class actions pending in three Canadian provinces. The action pending in British Columbia is taking the lead and is in the class certification stage.

Fine imposed for anti-competitive settlement agreement by European Commission:

On March 25, 2021, the Court of Justice of the European Union ("CJEU") issued a final judgment and upheld the European Commission's ("EC") decision dated June 19, 2013 that a settlement agreement between Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited (together "Ranbaxy") with Lundbeck was anti-competitive. Ranbaxy had made a provisional payment of the fine of Euro 10.3 Million on September 20, 2013. Since there are no further rights of appeal, this amount of ₹ 895.6 Million (inclusive of legal charges) was provided in the consolidated financial statements for the year ended March 31, 2021.

The Company may now be subject to "follow-on" claims in national courts of some countries. However, the Company has not yet been served with a claim detailing the alleged causation and quantum of any purported damages. Accordingly, the Company is currently unable to estimate the potential liability which may arise on account of follow-on claims. The Company also believes, based on its internal assessment and that of its independent legal counsel, that it has favourable legal arguments in terms of defending any potential damages claim.

Note:

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

* Income tax matters where department has preferred an appeal against favourable orders received by the Company amounted to ₹ 40,969.4 Million (March 31, 2021: ₹ 40,524.8 Million). These matters are sub-judice in various forums and pertains to various financial years.

₹ in Million

		As at March 31, 2022	As at March 31, 2021
B)	**Guarantees given by the bankers on behalf of the Group**	1,579.8	1,817.6

NOTE : 40 COMMITMENTS

₹ in Million

		As at March 31, 2022	As at March 31, 2021
I)	Estimated amount of contracts remaining to be executed on capital account (net of advances) *	29,833.6	23,436.0
II)	Investment related commitments	758.9	119.4
III)	Letters of credit for imports	501.9	633.9

* The Group is committed to pay milestone payments and royalty on certain contracts, however, obligation to pay is contingent upon fulfilment of contractual obligation by parties to the contract.

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FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 41 DISCLOSURES RELATING TO SHARE CAPITAL

i Rights, preferences and restrictions attached to equity shares

The equity shares of the Parent Company, having par value of ₹ 1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

ii Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of reporting period

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Opening balance	2,399,334,970	2,399.3	2,399,334,970	2,399.3
Closing balance	2,399,334,970	2,399.3	2,399,334,970	2,399.3

iii Nil (upto March 31, 2021: 334,956,764) equity shares of ₹ 1 each have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the date at which the balance sheet is prepared.

iv 7,500,000 (upto March 31, 2021: 7,500,000) equity shares of ₹ 1 each have been bought back during the period of five years immediately preceding the date at which the Balance Sheet is prepared. The shares bought back were cancelled.

v Equity shares held by each shareholder holding more than 5 percent equity shares in the Parent Company are as follows:

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding	Number of shares	% of holding
Shanghvi Finance Private Limited	967,051,732	40.3	967,051,732	40.3
Dilip Shantilal Shanghvi	230,285,690	9.6	230,285,690	9.6
Life Insurance Corporation of India and its various funds	139,828,706	5.8	162,207,571	6.8

Equity shares held by promoters / members of promoter group / person acting in concert	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% of holding	% Change during the year	Number of shares	% of holding	% Change during the year
Dilip Shantilal Shanghvi	230,285,690	9.6	-	230,285,690	9.6	-
Shanghvi Finance Private Limited	967,051,732	40.3	-	967,051,732	40.3	-
Aditya Medisales Limited	40,153,960	1.7	-	40,153,960	1.7	-
Sudhir V. Valia	14,345,019	0.6	-	14,345,019	0.6	-
Raksha S. Valia	28,830,352	1.2	-	28,830,352	1.2	(0.2)
Vibha D. Shanghvi	8,840,280	0.4	-	8,840,280	0.4	-
Aalok D. Shanghvi	2,877,280	0.1	-	2,877,280	0.1	-
Vidhi D. Shanghvi	2,822,427	0.1	-	2,822,427	0.1	-
Shanghvi Family & Friends Benefit Trust (Kumud S. Shanghvi and Dilip S. Shanghvi are Trustees)	1,276,774	0.1	-	1,276,774	0.1	-
Kumud S. Shanghvi	199,465	0.0	-	199,465	0.0	-
Flamboyawer Finance Private Limited	20,865	0.0	-	20,865	0.0	-
Sanghvi Properties Private Limited	15,479	0.0	-	15,479	0.0	-
Gujarat Sun Pharmaceutical Industries Private Limited	14,362	0.0	-	14,362	0.0	-
Unimed Investments Limited	10,400,850	0.4	-	10,400,850	0.4	-

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FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 42 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue, net (excluding depreciation) (Refer note 37)	21,234.8	20,972.1
Capital	868.9	471.2
	22,103.7	**21,443.3**

NOTE : 43 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Million

	As at March 31, 2022		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	1,487.3	6,886.3	-
Equity instruments - unquoted	212.0	402.5	-
Bonds/debentures - quoted	-	59,580.6	-
Mutual funds - unquoted	36,021.4	-	-
Others - quoted	-	14,790.8	-
Venture funds - unquoted	6,444.2	-	-
Loans to related parties	-	-	1,477.0
Loans to employees/others	-	-	229.8
Trade receivables	-	-	105,928.9
Security deposits	-	-	858.1
Cash and cash equivalents	-	-	45,082.5
Bank balances other than cash and cash equivalents	-	-	5,251.0
Interest accrued on investments / balances with banks	-	-	104.8
Refund due from government authorities	-	-	3,256.9
Derivatives designated as hedges	-	306.0	-
Unbilled revenue	-	-	382.3
Other financial assets	-	-	2,748.7
Derivatives not designated as hedges	626.9	-	-
Total	**44,791.8**	**81,966.2**	**165,320.0**
Financial liabilities			
Borrowings	-	-	9,306.9
Lease liabilities	-	-	3,596.1
Trade payables	-	-	44,793.4
Interest accrued	-	-	29.0
Unpaid dividends	-	-	100.9
Security deposits	-	-	141.6
Payable on purchase of property, plant and equipment and Other Intangible assets	-	-	6,000.3
Derivatives designated as hedges	-	432.0	-
Payables to employee	-	-	10,530.4
Other financial liabilities	-	-	1,721.9
Derivatives not designated as hedges	37.8	-	-
Total	**37.8**	**432.0**	**76,220.5**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	As at March 31, 2021		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	1,718.3	8,185.5	-
Equity instruments - unquoted	204.9	400.0	-
Bonds/debentures - quoted	-	54,333.9	-
Mutual funds - unquoted	310.0	-	-
Others - quoted	-	19,293.9	-
Venture funds - unquoted	9,072.4	-	-
Loans to related parties	-	-	365.7
Loans to employees/others	-	-	201.5
Trade receivables	-	-	90,614.0
Security deposits	-	-	793.9
Cash and cash equivalents	-	-	62,730.3
Bank balances other than cash and cash equivalents	-	-	1,724.8
Interest accrued on investments / balances with banks	-	-	63.4
Refund due from government authorities	-	-	5,657.7
Derivatives designated as hedges	-	724.0	-
Unbilled revenue	-	-	670.4
Other financial assets	-	-	1,686.9
Derivatives not designated as hedges	120.8	-	-
Total	**11,426.4**	**82,937.3**	**164,508.6**
Financial liabilities			
Borrowings	-	-	35,234.9
Lease liabilities	-	-	3,450.9
Trade payables	-	-	39,736.6
Interest accrued	-	-	47.1
Unpaid dividends	-	-	83.5
Security deposits	-	-	155.9
Payable on purchase of property, plant and equipment and Other Intangible assets	-	-	3,385.5
Derivatives designated as hedges	-	293.2	-
Payables to employee	-	-	7,336.1
Other financial liabilities	-	-	25,969.1
Derivatives not designated as hedges	43.4	-	-
Total	**43.4**	**293.2**	**115,399.6**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 44 FAIR VALUE HIERARCHY

Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period

₹ in Million

	As at March 31, 2022		
	Level 1	Level 2	Level 3
Financial assets			
Investments			
Equity instruments - quoted #	6,886.3	-	-
Equity instruments - quoted	1,487.3	-	-
Equity instruments - unquoted	-	-	212.0
Equity instruments - unquoted #	-	-	402.5
Bonds/debentures - quoted	59,580.6	-	-
Mutual funds - unquoted	36,021.4	-	-
Others - quoted	14,790.8	-	-
Venture funds - unquoted	-	6,444.2	-
Derivatives designated as hedges	-	306.0	-
Derivatives not designated as hedges	-	626.9	-
Total	**118,766.4**	**7,377.1**	**614.5**
Financial liabilities			
Derivatives designated as hedges	-	432.0	-
Derivatives not designated as hedges	-	37.8	-
Total	**-**	**469.8**	**-**

₹ in Million

	As at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets			
Investments			
Equity instruments - quoted #	8,185.5	-	-
Equity instruments - quoted	1,718.3	-	-
Equity instruments - unquoted	-	-	204.9
Equity instruments - unquoted #	-	-	400.0
Bonds/debentures - quoted	54,333.9	-	-
Mutual funds - unquoted	310.0	-	-
Others - quoted	19,293.9	-	-
Venture funds - unquoted	-	9,072.4	-
Derivatives designated as hedges	-	724.0	-
Derivatives not designated as hedges	-	120.8	-
Total	**83,841.6**	**9,917.2**	**604.9**
Financial liabilities			
Derivatives designated as hedges	-	293.2	-
Derivatives not designated as hedges	-	43.4	-
Total	**-**	**336.6**	**-**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximates the fair value because there is wide range of possible fair value measurements and the costs represents estimate of fair value within that range.

These investments in equity instruments are not held for trading. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at fair value through other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

There were no transfers between Level 1 and 2 in the periods.

The management considers that the carrying amount of financial assets and financial liabilities carried at amortised cost approximates their fair value.

Reconciliation of Level 3 fair value measurements

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Unlisted shares valued at fair value		
Balance at the beginning of the year	604.9	118.9
Purchases	-	401.6
Others including fair value changes and foreign exchange fluctuations	9.6	84.4
Balance at the end of the year	**614.5**	**604.9**

NOTE : 45 CAPITAL MANAGEMENT

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and

- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Group monitors capital on the basis of the carrying amount of debt as presented in the consolidated financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure.

a) Debt equity ratio

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Debt (includes borrowings and lease liabilities)	12,903.0	38,685.8
Total equity, including reserves	480,112.2	464,627.8
Debt to total equity ratio	0.03	0.08

b) Dividend on equity shares paid during the year

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Dividend on equity shares		
Final dividend for the year ended March 31, 2021 of ₹ 2 (year ended March 31, 2020: ₹ 1) per fully paid share	4,798.6	2,399.3
Interim dividend for the year ended March 31, 2022 of ₹ 7 (year ended March 31, 2021: ₹ 5.5) per fully paid share	16,790.5	13,191.3

Dividends not recognised at the end of the reporting period

The Board of Directors at it's meeting held on May 30, 2022 have recommended payment of final dividend of ₹ 3 per share of face value of ₹ 1 each for the year ended March 31, 2022. The same amounts to ₹ 7,197.9 Million.

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 46 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Group grants credit terms in the normal course of business.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any significant losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

The Group has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Financial assets for which loss allowances is measured using the expected credit loss

₹ in Million

	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Trade receivables ageing							
(i) Undisputed Trade receivables – considered good	93,786.3	10,460.8	1,137.9	323.6	154.6	62.0	105,925.2
(ii) Undisputed Trade Receivables – credit impaired	79.5	593.1	633.2	469.7	97.3	1,506.2	3,379.0
(iii) Disputed Trade Receivables – considered good	-	-	*0.0	-	3.7	-	3.7
(iv) Disputed Trade Receivables – credit impaired	-	-	-	1.7	33.4	271.5	306.6
	93,865.8	**11,053.9**	**1,771.1**	**795.0**	**289.0**	**1,839.7**	**109,614.5**

* ₹ 8,015/-

₹ in Million

	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Trade receivables ageing							
(i) Undisputed Trade receivables – considered good	79,207.7	10,184.4	544.7	506.0	116.1	49.0	90,607.9
(ii) Undisputed Trade Receivables – credit impaired	154.8	66.8	122.6	229.5	58.8	1,472.0	2,104.5
(iii) Disputed Trade Receivables – considered good	-	1.5	-	3.7	0.9	-	6.1
(iv) Disputed Trade Receivables – credit impaired	-	2.5	-	33.6	15.7	254.1	305.9
	79,362.5	**10,255.2**	**667.3**	**772.8**	**191.5**	**1,775.1**	**93,024.4**

Note

Unbilled revenue as at March 31, 2022 is ₹ 382.3 Million (March 31, 2021 : ₹ 670.4 Million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	2,410.4	2,513.7
Addition	473.0	315.3
Taken over on acquistion	1,111.8	-
Recoveries / reversals / foreign exchange fluctuation	(309.6)	(418.6)
Balance at the end of the year	**3,685.6**	**2,410.4**

Other than Trade receivables, the Group has recognised an allowance of ₹ 15.3 Million (March 31, 2021 : ₹ 15.3 Million) against past due loans including interest and ₹ 500.0 Million (March 31, 2021 : ₹ 500.0 Million) of other receivables based on assessment regarding its future recoverability.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group had unutilised working capital lines from banks of ₹ 74,815.8 Million as on March 31, 2022 (March 31, 2021 : ₹ 68,518.2 Million).

The table below provides details regarding the contractual maturities of significant financial liabilities :

₹ in Million

	As at March 31, 2022			
	Less than 1 year	1 - 3 years	More than 3 years	Total
Non derivative				
Borrowings	7,007.7	2,299.2	-	9,306.9
Lease liabilities	1,078.2	1,434.9	1,083.0	3,596.1
Trade payables	44,793.4	-	-	44,793.4
Other financial liabilities	18,522.9	1.2	-	18,524.1
	71,402.2	**3,735.3**	**1,083.0**	**76,220.5**
Derivatives	309.8	160.0	-	469.8

₹ in Million

	As at March 31, 2021			
	Less than 1 year	1 - 3 years	More than 3 years	Total
Non derivative				
Borrowings	28,687.8	6,536.3	10.8	35,234.9
Lease liabilities	1,016.7	1,286.2	1,148.0	3,450.9
Trade payables	39,736.6	-	-	39,736.6
Other financial liabilities	36,973.8	3.4	-	36,977.2
	106,414.9	**7,825.9**	**1,158.8**	**115,399.6**
Derivatives	144.2	192.4	-	336.6

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Foreign exchange risk

The Group's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollar, Euro, South African Rand, Japanese Yen and Russian Rouble) and foreign currency borrowings (primarily in US Dollar). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Group's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, option contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

a) Significant foreign currency risk exposure relating to trade receivables, cash and cash equivalents, borrowings and trade payables

₹ in Million

	As at March 31, 2022					
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	Total
Financial assets						
Receivables	59,288.7	4,209.0	4,076.3	1,625.1	1,186.7	70,385.8
Cash and cash equivalents	2,029.2	1,689.5	566.9	-	328.0	4,613.6
	61,317.9	**5,898.5**	**4,643.2**	**1,625.1**	**1,514.7**	**74,999.4**
Financial liabilities						
Borrowings	9,856.7	869.5	-	-	2,071.7	12,797.9
Payables/ Provisions	68,419.2	2,592.2	41.6	174.3	512.4	71,739.7
	78,275.9	**3,461.7**	**41.6**	**174.3**	**2,584.1**	**84,537.6**

₹ in Million

	As at March 31, 2021					
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	Total
Financial assets						
Receivables	46,477.0	3,601.3	4,110.2	2,894.6	1,157.1	58,240.2
Cash and cash equivalents	1,481.0	1,389.5	246.6	-	425.8	3,542.9
	47,958.0	**4,990.8**	**4,356.8**	**2,894.6**	**1,582.9**	**61,783.1**
Financial liabilities						
Borrowings	13,766.3	1,484.2	-	-	3,307.5	18,558.0
Payables/ Provisions	36,087.5	2,930.8	11.2	164.9	1,208.7	40,403.1
	49,853.8	**4,415.0**	**11.2**	**164.9**	**4,516.2**	**58,961.1**

b) Sensitivity

For the years ended March 31, 2022 and March 31, 2021 every 5% strengthening of the Indian rupee against major foreign currencies for the above mentioned financial assets/liabilities would increase Group's profit and Group's equity by approximately ₹ 476.9 Million and decrease Group's profit and Group's equity by approximately ₹ 141.1 Million respectively. A 5% weakening of the Indian rupee and the respective major currencies would lead to an equal but opposite effect.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

c) Derivative contracts

The Group is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollar, Euro, South African Rand, Japanese Yen and Russian Rouble and foreign currency debt is primarily in US Dollar. The Group uses foreign currency forward contracts, foreign currency option contracts, interest rate swap and currency swap contracts (collectively, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank or a financial institution.

Hedges of highly probable forecasted transactions

The Group designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the consolidated statement of profit and loss.

In respect of the aforesaid hedges of highly probable forecasted transactions, the Group has recorded a net loss of ₹ 515.3 Million for the year ended March 31, 2022 and net gain of ₹ 1,451.3 Million for the year ended March 31, 2021 in other comprehensive income. The Group also recorded hedges as a component of revenue, net gain of ₹ 1,128.3 Million for year ended March 31, 2022 and net gain of ₹ 108.6 Million for year ended March 31, 2021 on occurrence of forecasted sale transaction.

Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the consolidated statement of profit and loss. The changes in fair value of the forward contracts and option contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the consolidated statement of profit and loss.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts:

Amount in Million

	Currency	Buy / Sell	Cross Currency	As at March 31, 2022	As at March 31, 2021
Derivatives designated as hedges					
Forward contracts	ZAR	Sell	INR	ZAR 360.0	ZAR 300.0
Forward contracts	USD	Sell	INR	USD 501.2	USD 430.6
Forward contracts	USD	Buy	JPY	-	USD 7.6
Forward contracts	USD	Sell	CAD	USD 20.8	USD 10.2
Forward contracts	USD	Sell	NIS	USD 55.3	USD 51.5
Forward contracts	AUD	Buy	USD	USD 11.2	-
Forward contracts	USD	Buy	AUD	AUD 1.4	-
Currency swaps	JPY	Buy	USD	USD 31.5	USD 47.3
Derivatives not designated as hedges					
Forward contracts	AUD	Sell	USD	AUD 64.4	-
Forward contracts	GBP	Sell	USD	USD 10.9	USD 16.5
Forward contracts	EUR	Sell	USD	USD 19.8	USD 24.1
Forward contracts	USD	Sell	NIS	-	USD 3.0
Forward contracts	USD	Sell	INR	USD 75.0	-
Forward contracts	RUB	Buy	USD	USD 6.0	-
Currency swaps	USD	Sell	INR	USD 400.0	USD 96.2
Interest rate swaps (Floating to fixed)	USD			USD 33.3	USD 100.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Interest rate risk

The Group has loan facilities on floating interest rate, which exposes the Group to risk of changes in interest rates. The Group monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swaps etc. based on the market / risk perception.

For the year ended March 31, 2022 and March 31, 2021, every 50 basis point decrease in the floating interest rate component applicable on its closing balance of loans and borrowings would increase the Group's profit by approximately ₹ 46.5 Million and ₹ 262.8 Million respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2022, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE : 47 GOODWILL (NET):

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Goodwill in respect of:		
Sun Pharmaceutical Industries, Inc.	28,077.2	27,097.5
Sun Farmaceutica do Brasil Ltda.	347.5	277.2
Sun Pharma Japan Ltd.	127.7	135.9
Taro Pharmaceutical Industries Ltd.	14,721.1	13,867.7
Terapia SA	20,196.2	19,513.0
Ranbaxy Farmaceutica Ltda.	419.4	404.8
Basics GmbH	386.8	394.6
Zenotech Laboratories Limited	595.4	595.4
Sun Pharmaceutical Industries Limited	1,677.4	1,677.4
Ranbaxy South Africa (Pty) Ltd	3.6	3.4
JSC Biosintez	204.4	211.9
Sun Pharmaceutical Medicare Limited	1.0	1.0
Total (A)	**66,757.7**	**64,179.8**
Less:		
Capital reserve in respect of :		
Alkaloida Chemical Company Zrt.	1,168.5	1,211.1
Ranbaxy Nigeria Limited	1.7	1.6
Sun Pharmaceutical Industries Limited	27.5	27.5
Ranbaxy Malaysia SDN. BHD.	65.5	63.2
Total (B)	**1,263.2**	**1,303.4**
Total (A-B)	**65,494.5**	**62,876.4**

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ii) **Below is the reconciliation of the carrying amount of goodwill:**

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	62,876.4	64,814.6
Add/ (less): Acquisition during the year	344.8	-
Add/ (less): Foreign currency translation difference	2,273.3	(1,938.2)
Closing balance	**65,494.5**	**62,876.4**

The carrying amount of goodwill is stated above. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering a period of five years (which are based on key assumptions such as expected growth rates based on past experience, margins and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The cash flow projections includes estimates for five years developed using internal forecasts and terminal growth rate thereafter. The planning horizon reflects the assumptions for short to mid-term market developments. The average growth rate used in extrapolating cash flows beyond the planning period ranged from (5.0%) to 8.0% for the year ended March 31, 2022. Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated on the weighted average cost of capital for respective CGU or group of CGUs. Discount rate used ranged from 3.9% to 12.0% for the year ended March 31, 2022. The discount rate considered for the Company's operation in the United States ranges from 5.3% and 6.7% and for Terapia SA has been considered at 7.5%. The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit. Based on the impairment assessment, the Management has determined no impairment loss in the value of goodwill.

NOTE : 48 Disclosures mandated by the Companies Act, 2013 Schedule III Part II by way of additional information is given in Annexure 'A'.

NOTE : 49 INCOME TAXES

Tax reconciliation

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Reconciliation of tax expense		
Profit before tax	44,813.2	27,993.7
Income tax rate in India (%)	34.944%	34.944%
Income tax expense calculated at corporate tax rate	**15,659.5**	**9,782.1**
Effect of deduction claimed under chapter VI A of Income Tax Act, 1961	(14,385.8)	(10,625.3)
Effect of income that is exempt from tax	(8.7)	(89.0)
Effect of expenses that are not deductible	2,173.4	562.7
Effect of Incremental deduction allowed on account of research and development costs and other allowances	(153.8)	(148.9)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets (net)	(291.1)	82.3
Effect of difference between Indian and foreign tax rates and non taxable subsidiaries	1,909.0	2,093.0
Effect of deferred tax expense/ (credit) on unrealised profits	333.4	660.1
Tax payable under Minimum Alternate Tax (MAT) on which deferred tax assets was not created	6,070.0	3,972.9
Effect of reversal of MAT credit entitlement, restructuring of an acquired entity and DOJ settlement	4,406.0	4,302.6
Others	(4,956.9)	(5,445.6)
Income tax expense recognised in consolidated statement of profit and loss	**10,755.0**	**5,146.9**

Pursuant to the Scheme of Amalgamation and Merger of Sun Pharma Global FZE, with the Company, as approved by the National Company Law Tribunal on August 31, 2021, Sun Pharma Global FZE, merged with the Company w.e.f. January 01, 2020. The cumulative tax impact of this merger has been given in the standalone financial statements for the year ended March 31, 2022. The Company has not created a deferred tax asset on the losses of the merged entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 50 DEFERRED TAX

i) Deferred tax assets (Net)

₹ in Million

	Opening balance April 01, 2021	Profit/(loss) movement during the year *	Other comprehensive income movement during the year *	Closing balance March 31, 2022
Deferred tax assets				
Expenses that are allowed on payment basis	7,015.9	4,911.1	79.6	12,006.6
Unabsorbed depreciation / carried forward losses	8,632.1	1,348.7	-	9,980.8
Inventory and other related items	8,562.8	(1,187.7)	-	7,375.1
Intangible assets	2,392.0	(321.9)	-	2,070.1
Others	5,218.8	3,319.0	(583.4)	7,954.4
	31,821.6	**8,069.2**	**(503.8)**	**39,387.0**
MAT credit entitlement	13,374.5	(10,134.1)	-	3,240.4
	45,196.1	**(2,064.9)**	**(503.8)**	**42,627.4**
Less : Deferred tax liabilities				
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax	7,528.6	4,582.9	-	12,111.5
Others	2,103.1	(403.7)	(150.7)	1,548.7
	9,631.7	**4,179.2**	**(150.7)**	**13,660.2**
	35,564.4	**(6,244.1)**	**(353.1)**	**28,967.2**

ii) Deferred tax liabilities (Net)

₹ in Million

	Opening balance April 01, 2021	Profit/(loss) movement during the year *	Other comprehensive income movement during the year *	Closing balance March 31, 2022
Deferred tax liabilities				
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax and others	2,370.9	103.4	-	2,474.3
	2,370.9	**103.4**	**-**	**2,474.3**
Less : Deferred tax assets				
Expenses that are allowed on payment basis	331.5	62.7	35.7	429.9
Others	165.5	1.3	(7.6)	159.2
	497.0	**64.0**	**28.1**	**589.1**
MAT credit entitlement	1,428.8	137.8	-	1,566.6
	1,925.8	**201.8**	**28.1**	**2,155.7**
	445.1	**(98.4)**	**(28.1)**	**318.6**

* Movement during the year includes foreign currency translation difference amounting to ₹ 611.0 Million gain for the year ended March 31, 2022 and also includes on account of acquisition ₹ 454.4 Million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

iii) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Tax losses (includes capital in nature)	122,169.7	97,221.0
Unabsorbed depreciation	36,103.9	30,014.5
Unused tax credits (MAT credit entitlement)	7,209.7	2,410.7
Deductible temporary differences	19,549.5	22,261.9

The unused tax credits will expire from financial year 2022-23 to financial year 2036-37 and unused tax losses will expire from financial year 2022-23 to 2040-41. However in case of certain overseas subsidiaries there is no expiry period for tax losses and unused tax credits.

NOTE : 51 EARNINGS PER SHARE

	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year (₹ in Million) - used as numerator for calculating earnings per share	32,727.3	29,038.2
Weighted average number of shares used in computing basic and diluted earnings per share	2,399,334,970	2,399,334,970
Face value per share (in ₹)	1	1
Basic earnings per share (in ₹)	13.6	12.1
Diluted earnings per share (in ₹)	13.6	12.1

NOTE : 52 SEGMENT REPORTING

The Chief Operating Decision Maker ('CODM') evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are as follows:

1. India
2. United States of America
3. Emerging markets
4. Rest of the world

The reportable segments derives their revenues from the sale of pharmaceuticals products (generics, speciality, API, etc.). The CODM reviews revenue as the performance indicator. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

Revenue by Geography

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
India	134,438.6	109,583.7
United States of America	117,343.6	103,647.0
Emerging markets	72,756.5	64,058.4
Rest of the world	59,725.5	55,041.7
	384,264.2	**332,330.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Non-current Assets by Geography [includes Property, plant and equipment, Capital work-in-progress, Other intangible assets, Intangible assets under development and Other non-current assets

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
India	129,898.5	131,092.2
United States of America	13,454.3	13,474.9
Emerging markets	10,620.8	11,006.3
Rest of the world	20,885.7	18,115.7
	174,859.3	**173,689.1**

In view of the interwoven / intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

No customer contributed more than 10.0% of total revenues for the year ended March 31, 2022 and March 31, 2021.

NOTE : 53 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recorded an additional amount of ₹ 667.4 Million (March 31, 2021 : ₹ 1,520.1 Million) as deferred revenue pursuant to the requirements of Ind AS 115. Revenue of ₹ 1,661.5 Million (March 31, 2021 : ₹ 1,740.5 Million) has been recognised as Revenue from contract with customer pursuant to completion of performance obligation in respect of the above contracts.

The reconciling items of revenue recognised in the consolidated statement of profit and loss with the contracted price are as follows :

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contracted price, net of returns	669,633.4	611,970.4
Less :		
Provision for sales return	(10,294.0)	(9,217.9)
Chargebacks, Rebates, discounts and others	(275,075.2)	(270,421.7)
	(285,369.2)	**(279,639.6)**
Revenue from contracts with customers	**384,264.2**	**332,330.8**

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Contract balances		
Trade receivables	105,928.9	90,614.0
Contract assets	382.3	670.4
Contract liabilities	8,117.6	9,328.4

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 54 LEASES

(a) The Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. Expenses related to short term leases and low-value assets for the year ended March 31, 2022 is ₹ 237.7 Million (March 31, 2021 : ₹ 198.0 Million).

(b) The following is the movement of lease liabilities

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Balance as at beginning of the year	3,450.9	3,440.3
Additions	1,168.7	1,402.1
Deletions	(227.3)	(371.0)
Taken over on acquisition	280.2	-
Interest expense on lease liability	158.7	184.8
Payment towards lease liabilities	(1,286.5)	(1,177.9)
Foreign currency translation difference	51.4	(27.4)
Balance at end of the year	**3,596.1**	**3,450.9**

(c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Less than one year	1,225.7	1,134.2
Later than one year and not later than five years	2,220.2	2,099.8
Later than five years	1,446.3	1,593.4

(d) The Company has given certain premises under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 4 years under leave and license/lease and are renewable by mutual consent on mutually agreeable terms. The Company has received refundable interest free security deposits where applicable in accordance with the agreed terms.

NOTE : 55 EMPLOYEE BENEFITS

Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Corporation (ESIC) and other Funds which covers all regular employees of the parent company and its Indian subsidiaries. While the employees and the parent company and its Indian subsidiaries make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other statutory funds are made only by the parent company and its Indian subsidiaries. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 1,239.0 Million (March 31, 2021 : ₹ 1,120.9 Million).

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to Provident Fund and Family Pension Fund	1,124.3	1,022.7
Contribution to Superannuation Fund	69.8	65.3
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	43.7	32.0
Contribution to Labour Welfare Fund	1.2	0.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Defined benefit plan

a) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the parent company and its Indian subsidiaries review the level of funding in gratuity fund. The parent company and its Indian subsidiaries decides its contribution based on the results of its annual review. The parent company and its Indian subsidiaries aim to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

b) Pension fund

The parent company have an obligation towards pension, a defined benefit retirement plan, with respect to certain employees, who had already retired before March 01, 2013, will continue to receive the pension as per the pension plan.

c) COVID-19 Employee children education support

The parent company and its Indian subsidiaries has undertaken an obligation to provide financial support towards education expenses of the children of those employees who have unfortunately lost their lives due to the COVID-19 pandemic.

Risks

These plans typically expose the parent company and its Indian subsidiaries to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

i) Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

ii) Interest rate risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

iii) Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability."

Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and the provision is made as per the parent company and its Indian subsidiaries rules with corresponding charge to the consolidated statement of profit and loss amounting to ₹ 848.8 Million (March 31, 2021: ₹ 632.6 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in the consolidated statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	Year ended March 31, 2022			Year ended March 31, 2021	
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Expense recognised in the consolidated statement of profit and loss (Refer note 34)					
Current service cost	92.5	-	483.3	-	441.2
Interest cost	-	70.1	287.8	65.6	264.2
Expected return on plan assets	-	-	(256.0)	-	(225.4)
Expense charged to the consolidated statement of profit and loss	92.5	70.1	515.1	65.6	480.0
Remeasurement of defined benefit obligation recognised in other comprehensive income					
Actuarial loss / (gain) on defined benefit obligation	-	(23.4)	399.4	74.2	(12.0)
Actuarial loss/ (gain) on plan assets	-	-	(45.3)	-	19.7
Expense/(income) charged to other comprehensive income		(23.4)	354.1	74.2	7.7
Reconciliation of defined benefit obligations					
Obligations as at the beginning of the year	-	1,087.6	4,607.1	1,009.7	4,065.1
Current service cost	92.5	-	483.3	-	441.2
Interest cost	-	70.1	287.8	65.6	264.2
Benefits paid	-	(62.1)	(240.3)	(61.9)	(151.4)
Actuarial (gains)/losses on obligations					
- due to change in demographic assumptions	-	-	-	-	(4.6)
- due to change in financial assumptions	-	(40.4)	155.1	5.4	(91.1)
- due to experience	-	17.0	244.3	68.8	83.7
Obligation as at the year end	92.5	1,072.2	5,537.3	1,087.6	4,607.1

₹ in Million

	As at March 31, 2022	As at March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the consolidated balance sheet		
Present value of commitments (as per actuarial valuation)	5,537.3	4,607.1
Fair value of plan assets	(4,616.1)	(4,097.4)
Net liability recognised in the consolidated financial statement	921.2	509.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
Reconciliation of plan assets		
Plan assets as at the beginning of the year	4,097.4	3,470.6
Expected return	256.0	225.4
Assets transferred in/ Acquisitions	-	2.0
Actuarial gain/ (loss)	45.3	(19.7)
Employer's contribution during the year	457.7	570.5
Benefits paid	(240.3)	(151.4)
Plan assets as at the year end	4,616.1	4,097.4

₹ in Million

	As at March 31, 2022			As at March 31, 2021	
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Assumptions :					
Discount rate	6.85%	6.90%	In range of 6.75% to 7.05%	6.45%	6.25%
Expected return on plan assets	N.A.	N.A.	In range of 6.75% to 7.05%	N.A.	6.25%
Expected rate of salary increase	N.A.	N.A.	In range of 7% to 10%	N.A.	In range of 7.00% to 9.00%
Interest rate guarantee	N.A.	N.A.	N.A.	N.A.	N.A
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Morality (2012-14)
Employee turnover	N.A.	N.A.	In range of 12.40% to 13.45%	N.A.	In range of 12.40% to 13.45%
Retirement age (years)	N.A.	N.A.	58 to 60	N.A.	58 to 60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	As at March 31, 2022			As at March 31, 2021	
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Sensitivity analysis:					
The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occurring at the end of the reporting period.					
Impact on defined benefit obligation					
Delta effect of +1% change in discount rate	(6.4)	(70.7)	(323.2)	(89.5)	(266.8)
Delta effect of -1% change in discount rate	7.1	76.4	362.9	100.7	299.0
Delta effect of +1% change in salary escalation rate	-	-	348.5	-	289.3
Delta effect of -1% change in salary escalation rate	-	-	(317.0)	-	(263.6)
Delta effect of +1% change in rate of employee turnover	-	-	(56.9)	-	(40.9)
Delta effect of -1% change in rate of employee turnover	-	-	63.0	-	45.1
Maturity analysis of projected benefit obligation for next					
1st year	5.20	154.20	955.40	93.6	812.0
2nd year	6.5	96.2	709.4	92.5	557.0
3rd year	5.5	94.8	718.3	91.5	566.2
4th year	6.7	93.1	634.3	90.4	567.0
5th year	8.4	91.3	600.2	89.5	487.2
Thereafter	122.1	1,760.0	5,549.6	2,187.1	4,261.0
The major categories of plan assets are as under:					
Central government securities	-	-	12.3	-	11.3
Bonds and securities	-	-	83.8	-	77.1
Insurer managed funds (Funded with LIC, break-up not available)	-	-	3,336.3	-	2,919.4
Surplus fund lying uninvested	-	-	1,183.7	-	1,089.6

The contribution expected to be made by the parent company and its Indian subsidiaries for gratuity, during financial year ending March 31, 2023 is ₹ 1,410.3 Million (March 31, 2022 ₹ 923.2 Million).

In the United States, the Company sponsors a defined contribution 401(k) retirement savings plan for all eligible employees who meet minimum age and service requirements. The Company has no further obligations under the plan beyond its annual matching contributions.

NOTE : 56 On November 4, 2019, Taro announced that its Board of Directors approved a USD 300 Million share repurchase of ordinary shares. On November 15, 2019, Taro commenced a modified "Dutch auction" tender offer to repurchase up to USD 225 Million in value of its ordinary shares. In accordance with the terms and conditions of the tender offer, which expired on December 16, 2019, Taro repurchased 280,719 ordinary shares at the final purchase price of USD 91.00 per share. During the year ended March 31, 2022 and March 31, 2021, in accordance with Rule 10b5-1 program, Taro repurchased 341,413 shares at an average price of USD 73.03 per share and 332,033 shares at an average price of USD 75.23 per share respectively, leaving USD 224.5 Million remaining under the current board authorization of Taro.

NOTE : 57 RELATED PARTY DISCLOSURES (IND AS-24) - AS PER ANNEXURE 'B'.

NOTE : 58 Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 458.3 Million (March 31,2021 : ₹ 575.6 Million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 59 The Group does not have any material associates or joint venture warranting a disclosure in respect of individual associate or joint venture. The Group's share of other comprehensive income is ₹ Nil (March 31, 2021: ₹ Nil) in respect of such associates and joint venture. The unrecognised share of loss is ₹ Nil (March 31, 2021: ₹ Nil) in respect of such associates and joint venture.

NOTE : 60 In respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, provision has been made, which would be required to settle the obligation. The said provisions are made as per the best estimate of the management and disclosure as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets" has been given below:

₹ in Million

	Year ended March 31, 2022*	Year ended March 31, 2021*
Opening balance	41,622.8	36,819.9
Add: Provision for the year	87,713.0	51,653.9
Less: Utilisation/settlement/reversal	(43,124.5)	(46,298.7)
Add/(less): Foreign currency translation difference	1,250.8	(552.3)
Closing balance (Also Refer note 61)	**87,462.1**	**41,622.8**

* Includes provision for trade commitments, discounts, rebates, price reductions, product returns, chargeback, medicaids, contingency provision and clawback.

NOTE : 61 EXCEPTIONAL ITEMS INCLUDE :

a) On July 23, 2020, Taro Pharmaceuticals U.S.A., Inc. ("Taro"), our subsidiary, globally resolved all matters in connection with the multi-year investigations by the Department of Justice, Antitrust Division and Civil Division ("DOJ") into the United States generic pharmaceutical industry. Under a Deferred Prosecution Agreement reached with DOJ Antitrust, the DOJ filed an Information for conduct that took place between 2013 and 2015. If Taro adheres to the terms of the agreement, including the payment of $ 205.7 Million (equivalent to ₹ 15,601.8 Million), the DOJ will dismiss the Information at the end of a three-year period. Taro has paid this amount in full to the Antitrust Division. Taro also reached an agreement with the DOJ Civil Division on September 30, 2021, pursuant to which Taro agreed to pay $ 213.3 Million (equivalent to ₹ 16,179.6 Million) to resolve all claims related to federal healthcare programs. Taro U.S.A. has paid this amount in full to the Civil Division. Further, in respect of ongoing multi-jurisdiction civil antitrust matters, currently in progress, Taro has made a provision of $ 200 Million (equivalent to ₹ 14,809.4 Million). Of the $ 200 Million (equivalent to ₹ 14,809.4 Million), amounts of $ 60 Million and $ 80 Million (equivalent to ₹ 4,551.9 Million and ₹ 5,832.5 Million) were accounted for in year ended March 31, 2021 . Further, an additional provision of $ 60 Million (equivalent to ₹ 4,425.0 Million) was recognised in the year ended March 31, 2022.

On April 08, 2022, our U.S. subsidiaries, Taro and Sun Pharmaceutical Industries Inc, (SPIINC) each entered into settlement agreements that resolve the above-reference civil anti-trust matter with the Direct Purchaser Plaintiffs class ("DPPs"), without any admission of guilt or violation of any statute, law, rule or regulation, or of any liability or wrongdoing, pursuant to which Taro will pay approximately USD 59.6 Million (provided for in earlier period) depending on the number of certain class members that may opt-out of the settlement, and SPIINC will pay approximately USD 15.3 Million (equivalent to ₹ 1,151.8 Million) depending on the number of certain class members that may opt-out of the settlement. Taro's and SPIINC's settlements with the DPPs is subject to final approval by the Court.

During the year SPIINC provided USD 15.3 Million for payments to DPPs. This along with related legal charges of USD 5.5 Million pertaining to this lawsuit (equivalent to ₹ 1,562.5 Million inclusive of legal charge) has been disclosed as exceptional item during the year ended March 31, 2022.

Exceptional tax for the year ended March 31, 2022 and March 31, 2021, is on account of recognition of deferred tax asset amounting to ₹ 272.7 Million and ₹ 1,212.3 Million arising out of the above settlements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

b) On March 25, 2021 the CJEU (Court of Justice to the European Union) issued a final judgment and upheld the European Commission's ("EC") decision dated June 19, 2013 that a settlement agreement between Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited (together "Ranbaxy") with Lundbeck was anti-competitive. Ranbaxy had made a provisional payment of the fine of Euros 10.3 Million on September 20, 2013. Since there were no further rights of appeal, this amount of ₹ 895.6 Million (inclusive of legal charges) was provided in the consolidated financial statements for the year ended March 31, 2021.

c) Exceptional item includes ₹ 1,503.3 Million towards impairment of an acquired intangible asset under development. Further, the Group disposed off assets which were classified as assets held for sale as per the requirements of IND AS 105 and a write down of ₹ 382.4 Million was disclosed as an exceptional item.

d) During the year ended March 31, 2022 the Company has incurred a one-time cost of ₹ 563.5 Million in relation to restructuring of operations in certain countries. This has been disclosed as exceptional item.

e) Tax gain (exceptional) for the year ended March 31, 2021 also includes creation of a deferred tax asset amounting to ₹ 2,882.8 Million arising out of subsequent measurement attributable to restructuring of an acquired entity.

f) The parent company and certain of its subsidiaries are defendants in a number of class action lawsuits brought by purchasers and payors in the U.S. alleging violation of antitrust laws with respect to its ANDAs for Valganciclovir, 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 any admission of guilt or violation of any statute, law, rule or regulation, or of any liability or wrongdoing was reached with all of the plaintiff classes on March 23, 2022, for a total settlement amount of USD 485 Million and incurred related legal charges of USD 8.3 Million pertaining to this lawsuit (equivalent to ₹ 37,231.5 Million inclusive of legal charges). The settlement is subject to final approval by the Court.
Exceptional tax for the year ended March 31, 2022, is on account of recognition of deferred tax asset amounting to ₹ 4,897.5 Million arising out above settlement."

g) Consequent to the settlement of lawsuit mentioned in 61 (f) above, during the year ended March 31, 2022, the parent company has reassessed the expected timing of utilisation of Minimum Alternate Tax (MAT) credit and based on this reassessment written off MAT credit of ₹ 4,406.0 Million and disclosed the charge as an exceptional item.

NOTE : 62

a) Since the USFDA import alert at Karkhadi facility in March 2014, the parent company remained fully committed to implement all corrective measures to address the observations made by the USFDA with the help of third party consultant. The Parent Company had completed all the action items to address the USFDA warning letter observations issued in May 2014. The contribution of this facility to Company's revenues was negligible.

b) The USFDA, on January 23, 2014, had prohibited using API manufactured at Toansa facility for manufacture of finished drug products intended for distribution in the U.S. market. Consequentially, the Toansa manufacturing facility was subject to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In addition, the Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had also issued an administrative subpoena dated March 13, 2014 seeking information. The parent company continues to fully co-operate and provide requisite information to the US DOJ.

c) The December 2019 USFDA inspection of Halol facility was classified as Official Action Indicated (OAI). The Company was in continuous communication with the USFDA to resolve the outstanding issues and was awaiting a re-inspection by USFDA to resolve the OAI status. However, due to the COVID-19 pandemic and travel restrictions, the re-inspection was delayed. In April-May 2022, the USFDA inspected the Halol facility and issued Form-483 with 10 observations. The Company will be submitting a comprehensive response, including the corrective actions to be undertaken for addressing the observations, within the stipulated time to the USFDA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

d) In September 2013, the USFDA had put the Mohali facility under import alert and it was also subjected to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with parent company in March 2015). In March 2017, the USFDA lifted the import alert and indicated that the facility was in compliance with the requirements of cGMP provisions mentioned in the consent decree. The Mohali facility continues to demonstrate sustainable cGMP compliance and has completed the 5-year post certification provisions as required by the consent decree. The parent Company continues to receive approval of applications, manufacture and distribute products to the U.S from this facility.

NOTE : 63

The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the consolidated financial statement when the Rules/Schemes thereunder are notified.

NOTE : 64

a) No proceeding have been initiated or pending against the parent company and its Indian subsidiaries under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.

b) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

c) The Group has not granted any loans or advances in the nature of loans to promoters, directors and KMPs (as defined under the Companies Act, 2013), either severally or jointly with any other person.

d) The parent company and its Indian subsidiaries does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

e) The Group has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets.

f) The parent company and its Indian subsidiaries has not been declared wilful defaulter by any bank or financial institution or government or any other government authorities.

g) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. However , the Company, as a part of its treasury operations, invests/advances loans to fund the operations of its subsidiaries/associates/ joint venture which have further utilised these funds for their general corporate purposes/ working capital, etc. within the consolidated group of the Company and in the ordinary course of business. These transactions are done on an arms' length basis following a due approval process.

   Further, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE : 65

The Group continues to monitor the impact of COVID-19 on its business, including its impact on customers, supply-chain, employees and logistics. Due care has been exercised, in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available to date, while preparing the Group's consolidated financial statements as of and for the year ended March 31, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 66 DETAILS OF LONG-TERM BORROWINGS AND CURRENT MATURITIES OF LONG-TERM DEBT [INCLUDED UNDER SHORT TERM BORROWINGS]

A Secured term loan from other parties:

(i) Secured term loan from department of biotechnology of ₹ Nil (March 31, 2021 : ₹ 75.7 Million) was secured by hypothecation of movable assets of the parent company. The loan has been repaid during the current year.

(ii) Secured term loan from Industrial development fund, Russia of RUB 25 Million equivalent to ₹ 23.3 Million (March 31, 2021: ₹ 96.7 Million) has been secured by bank guarantee. The loan was taken on July 14, 2020 and is repayable in 4 equal quarterly installments of RUB 25 Million each commencing from September 30, 2021.

The Company has not defaulted on repayment of loan and interest payment thereon during the year. The above secured loans have been availed at an interest rate range of 1% to 3%.

B Term loan from banks:

Unsecured

(i) Unsecured External Commercial Borrowings (ECBs) comprises of 1 loan of USD 33.3 Million (March 31, 2021 : USD 100.0 Million) equivalent to ₹ 2,526.6 Million (March 31, 2021 : ₹ 7,314.7 Million) and 1 loan of JPY 3333.3 Million (March 31, 2021 : JPY 5000.0 Million) equivalent to ₹ 2,071.8 Million (March 31, 2021 : ₹ 3,307.4 Million). For the ECB loans outstanding as at March 31, 2022, the terms of repayment for borrowings are as follows:

a) USD Nil (March 31, 2021 : USD 50 Million) equivalent to ₹ Nil (March 31, 2021 : ₹ 3,657.4 Million). The loan was taken on October 03, 2018 and was repayable in 2 equal installments of USD 25 Million each. The loan has been repaid during current year.

b) USD 33.3 Million (March 31, 2021 : USD 50.0 Million) equivalent to ₹ 2,526.6 Million (March 31, 2021 : ₹ 3,657.3 Million). The loan was taken on August 29, 2019 and is repayable in 3 equal installments of USD 16.67 Million each. The first installment of USD 16.67 Million has been repaid during the year. Second installment of USD 16.67 Million is due on August 29, 2022 and last installment of USD 16.67 Million is due on August 29, 2023.

c) JPY 3333.3 Million (March 31, 2021 : JPY 5000.0 Million) equivalent to ₹ 2,071.8 Million (March 31, 2021 : ₹ 3,307.4 Million). The loan was taken on August 29, 2019 and is repayable in 3 equal installments of JPY 1667 Million each. The first installment of JPY 1667 has been repaid during the year. Second installment of JPY 1667 Million is due on August 29, 2022 and last installment of JPY 1667 Million is due on August 29, 2023.

The Company has not defaulted on repayment of loan and interest payment thereon during the year. The aforementioned unsecured ECBs have been availed from bank in different currencies. USD ECB loan is at floating rate linked to applicable Libor (1.30% p.a. as at March 31, 2022) and the JPY ECB loan is at fixed rate (0.47% p.a. as at March 31, 2022)

NOTE : 67 DETAILS OF SECURITIES FOR CURRENT BORROWINGS ARE AS UNDER:

Borrowings/ debt availed by overseas subsidiaries /joint venture are usually supported by the letters of awareness issued by the parent company.

NOTE : 68 LOANS/ADVANCES DUE FROM AN ASSOCIATE

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Interest bearing with specified repayment schedule:		
Medinstill LLC (Refer note 57)		
Considered good	1,477.0	365.7
	1,477.0	**365.7**

Loans have been granted to the above entity for the purpose of its business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 69

a) Sun Pharma Netherlands B.V., a subsidiary of the parent company holds 21.53% in the capital of Enceladus Pharmaceutical B.V. However, as Sun Pharma Netherlands B.V. does not have any 'Significant Influence' in Enceladus Pharmaceutical B.V., as is required under Ind AS 28 - "Investments in Associates and Joint Ventures", the said investment in Enceladus Pharmaceutical B.V. has not been consolidated as an "Associate Entity".

b) The Parent Company holds 24.91% in the capital of Shimal Research Laboratories Limited. However, as the Parent Company does not have any 'Significant Influence' in Shimal Research Laboratories Limited, as is required under Ind AS 28 - "Investments in Associates and Joint Ventures", the said investment in Shimal Research Laboratories Limited has not been consolidated as an "Associate Entity".

NOTE : 70

As part of the ongoing simplification of the group structure in India, the Board of Directors of the Company at its meeting held on May 30, 2022, approved the Scheme of Amalgamation for the merger of Wholly-owned Subsidiaries, Sun Pharmaceutical Medicare Limited, Green Eco Development Centre Limited, Faststone Mercantile Company Private Limited, Realstone Multitrade Private Limited and Skisen Labs Private Limited (collectively "Transferor Companies"), with Sun Pharmaceutical Industries Limited ("Transferee Company") to be effective from such date as may be decided under the authorization by the Board of Directors of the Transferor Companies and the Board of Directors of the Transferee Company and / or such other date as may be approved by the National Company Law Tribunal pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder.

NOTE : 71 DISCLOSURE OF A SUBSIDIARY THAT HAS NON-CONTROLLING INTEREST THAT IS MATERIAL TO THE GROUP

Name of Subsidiary	Principal place of business	Country of incorporation	Held by non-controlling interest	As at March 31, 2022	As at March 31, 2021
Taro Pharmaceutical Industries Ltd. and its subsidiaries (TARO Group)	United States of America	Israel	Beneficial ownership	21.52%	22.22%
			Voting power	14.34%	14.82%

₹ in Million

Name of Subsidiary	Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
TARO Group	845.3	(6,542.8)	28,283.8	28,014.9
Individually immaterial subsidiaries with non-controlling interests	320.2	228.1	2,265.1	2,155.6
Total	**1,165.5**	**(6,314.7)**	**30,548.9**	**30,170.5**

The summarised consolidated financial information of TARO Group before inter-company eliminations:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Consolidated balance sheet of TARO Group		
Non-current assets	65,502.2	70,100.7
Current assets	99,366.4	105,791.2
Non-current liabilities	(679.7)	(342.2)
Current liabilities	(32,758.5)	(49,470.3)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Consolidated statement of profit and loss of TARO Group		
Total income	43,893.9	43,474.1
Total expenses excluding exceptional item	33,749.0	31,205.9
Profit after tax	3,944.9	(28,626.6)
Total comprehensive income for the year	7,208.3	(31,343.7)

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Consolidated cash flows information of TARO Group		
Net cash generated from / (used in) operating activities	(12,261.2)	3,822.8
Net cash generated from / (used in) investing activities	(12,707.4)	4,973.3
Net cash used in financing activities	(1,857.5)	(1,781.5)

For repurchase of ordinary shares done by Taro refer note 56.

NOTE : 72

Pursuant to the Scheme of Amalgamation and Merger of Sun Pharma Global FZE, with the Company, as approved by the National Company Law Tribunal on August 31, 2021, Sun Pharma Global FZE, merged with the Company w.e.f. January 01, 2020. The effect of this merger including the tax impact was given in the financial statements of the year ended March 31, 2022 in accordance with Ind AS 103 – Business Combinations.

NOTE : 73

During the year, the Company has acquired additional 11.28 % stake in Zenotech Laboratories Limited (Zenotech), a subsidiary of the Company, from Daiichi Sankyo Company Ltd. for a total consideration of ₹ 53.2 Million pursuant to a share purchase agreement entered during the year. Post this acquisition, the Company's shareholding in Zenotech has increased from 57.56% to 68.84%.

NOTE : 74

Trade Payable Ageing

₹ in Million

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Outstanding dues	36,068.0	7,812.9	231.6	163.2	390.2	44,665.9
Disputed dues	-	109.0	7.5	2.4	8.6	127.5
	36,068.0	**7,921.9**	**239.1**	**165.6**	**398.8**	**44,793.4**

₹ in Million

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Outstanding dues	28,435.2	10,011.5	398.4	304.7	288.1	39,437.9
Disputed dues	-	169.3	76.2	36.6	16.6	298.7
	28,435.2	**10,180.8**	**474.6**	**341.3**	**304.7**	**39,736.6**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

NOTE : 75

Details of Capital Work-in-progress and Intangible Assets under development :

Ageing of Capital work-in-progress

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Projects in progress	2,533.7	4,870.7	314.4	90.4	7,809.2
Projects temporarily suspended	-	-	-	165.9	165.9
	2,533.7	**4,870.7**	**314.4**	**256.3**	**7,975.1**

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Projects in progress	7,812.6	927.1	256.7	160.5	9,156.9
Projects temporarily suspended	-	-	-	208.3	208.3
	7,812.6	**927.1**	**256.7**	**368.8**	**9,365.2**

₹ in Million

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Overdue Capital work-in-progress					
Projects in progress					
Formulation	971.4	0.2	-	-	971.6
Bulk Drug	144.9	-	-	-	144.9
Others	1.5	-	-	-	1.5
Projects temporarily suspended	-	165.9	-	-	165.9
	1,117.8	**166.1**	**-**	**-**	**1,283.9**

₹ in Million

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Overdue Capital work-in-progress					
Projects in progress					
Formulation	873.2	252.8	-	-	1,126.0
Bulk Drug	124.7	17.0	-	-	141.7
Others	16.2	1.4	-	-	17.6
Projects temporarily suspended	-	-	208.3	-	208.3
	1,014.1	**271.2**	**208.3**	**-**	**1,493.6**

Ageing of intangible asset under development

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Projects in progress	622.7	1,673.4	78.9	2,517.9	4,892.9
	622.7	**1,673.4**	**78.9**	**2,517.9**	**4,892.9**

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Projects in progress	1,737.9	142.2	248.0	4,175.0	6,303.1
	1,737.9	**142.2**	**248.0**	**4,175.0**	**6,303.1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

Overdue intangible asset under development

₹ in Million

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Projects in progress					
Others	32.8	-	-	-	32.8
	32.8	**-**	**-**	**-**	**32.8**

₹ in Million

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2021
Projects in progress					
Others	149.8	2.0	-	-	151.8
	149.8	**2.0**	**-**	**-**	**151.8**

NOTE : 76 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

a) Litigations (Refer note 2 (n) and note 39)

b) Revenue (Refer note 2 (o))

c) Impairment of goodwill and intangible assets (Refer note 2 (g), (h) and 47)

NOTE : 77 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company does not have any transactions and balances with companies which are struck off except shares held by 8 shareholders holding 7,653 shares (March 31, 2021 - 7,833 shares) having face value of ₹ 1 per share.

NOTE : 78 BUSINESS COMBINATIONS

During the year ended March 31, 2022 our subsidiary company, Taro Pharmaceutical Industries Ltd., has acquired all of the outstanding capital stock of Proactiv Company Holdings, Inc. (formerly known as Galderma Holdings, Inc.), Proactiv YK ; The Proactiv Company KK ; Alchemee LLC ; The Proactiv Company Corporation ; and other assets of The Proactiv Company Sarl. Hence the figures for the year ended March 31, 2022 are not comparable to the previous year presented.

The business acquisition was completed by entering into a share purchase agreement for a cash consideration of ₹ 7,395.7 Million.

As per Ind AS 103 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Assets	
Cash and cash equivalents	551.8
Trade Receivable	2,060.9
Other current assets	51.4
Inventory	2,090.7
Property, plant and equipment and other intangible assets	4,031.4
Deferred tax assets	454.4
Total Assets	**9,240.6**
Liabilities	
Trade Payable	1,285.0
Other current financial liability	201.7
Short term provision	74.9
Other current liability	4.3
Short term lease liability	64.4
Current tax liability	79.6
Long term provision	264.0
Long term lease liability	215.8
Total liabilities	**2,189.7**
Net worth	**7,050.9**
Total identifiable assets at fair value	
Goodwill	344.8
Total purchase price	**7,395.7**

From the date of acquisition, it has contributed revenue of ₹ 689.4 Million and loss before tax of ₹ 325.5 Million to the Group. If the business combinations had taken place at the beginning of the year, the revenue and profit before exceptional item and tax of the group would have been ₹ 395,476.9 Million and ₹ 90,542.8 Million respectively.

NOTE : 79

Figures for previous year have been regrouped / reclassified wherever considered necessary.

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
Mumbai, May 30, 2022

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'A')

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2021-22		2021-22		2021-22		2021-22	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
Parent Entity - Sun Pharmaceutical Industries Limited		48.1	245,879.5	(3.1)	(999.9)	(19.1)	(916.2)	(5.1)	(1,916.1)
Subsidiaries									
Indian									
1	Green Eco Development Centre Limited	0.0	0.5	0.0	2.2	-	-	0.0	2.2
2	Sun Pharma Laboratories Limited	49.4	252,372.3	87.3	28,578.3	(1.1)	(52.3)	76.0	28,526.0
3	Faststone Mercantile Company Private Limited	0.0	3.2	0.0	0.0	-	-	0.0	0.0
4	Neetnav Real Estate Private Limited	1.0	5,235.2	0.0	0.8	-	-	0.0	0.8
5	Realstone Multitrade Private Limited	0.0	2.3	0.0	0.0	-	-	0.0	0.0
6	Skisen Labs Private Limited	(0.0)	(0.4)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
7	Softdeal Pharmaceutical Private Limited (Formerly known as Softdeal Trading Company Private Limited)	0.1	466.8	1.4	456.4	(0.0)	(0.6)	1.2	455.8
8	Universal Enterprises Private Limited	0.0	5.1	(0.0)	(0.1)	-	-	(0.0)	(0.1)
9	Realstone Infra Limited	(0.0)	(120.9)	(0.3)	(83.8)	-	-	(0.2)	(83.8)
10	Sun Pharmaceutical Medicare Limited	(0.6)	(2,940.9)	(0.6)	(188.7)	(0.1)	(3.5)	(0.5)	(192.2)
11	Zenotech Laboratories Limited	0.2	1,243.7	0.4	145.6	0.0	0.7	0.4	146.3
12	Sun Pharma Distributors Limited	0.7	3,633.2	5.0	1,631.4	0.0	1.7	4.4	1,633.1
13	Caraco Pharmaceuticals Private Limited	(0.0)	(0.2)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
Foreign									
1	Sun Pharmaceutical (Bangladesh) Limited	0.5	2,440.9	1.0	324.5	-	-	0.9	324.5
2	Sun Farmaceutica Do Brasil Ltda.	(0.5)	(2,485.3)	1.9	609.2	-	-	1.6	609.2
3	Sun Pharma De Mexico S.A. DE C.V.	0.2	919.5	0.6	194.9	-	-	0.5	194.9
4	SPIL De Mexico S.A. DE C.V.	-	-	(0.0)	(0.1)	-	-	(0.0)	(0.1)
5	Sun Pharmaceutical Peru S.A.C.	(0.0)	(174.4)	0.0	2.8	-	-	0.0	2.8
6	OOO "Sun Pharmaceutical Industries" Limited	0.0	0.1	0.6	202.5	-	-	0.5	202.5
7	Sun Pharma De Venezuela, C.A.	0.0	0.0	-	-	-	-	-	-
8	Sun Pharma France (Formerly known as Ranbaxy Pharmacie Generiques)	(0.6)	(3,252.2)	(1.0)	(319.3)	-	-	(0.9)	(319.3)
9	Ranbaxy (Malaysia) SDN. BHD.	0.4	1,797.6	1.0	333.3	-	-	0.9	333.3
10	Ranbaxy Nigeria Limited	(0.2)	(986.4)	(1.4)	(444.8)	-	-	(1.2)	(444.8)
11	Sun Pharma (Netherlands) B.V	16.5	84,074.5	(1.8)	(602.9)	(15.1)	(723.8)	(3.5)	(1,326.7)
12	Alkaloida Chemical Company Zrt.	10.4	53,234.0	1.4	447.1	-	-	1.2	447.1
13	Sun Pharmaceutical Industries (Australia) Pty Limited	(0.2)	(905.3)	(4.2)	(1,365.2)	-	-	(3.6)	(1,365.2)
14	Aditya Acquisition Company Ltd.	(0.0)	(0.9)	(0.0)	(6.2)	-	-	(0.0)	(6.2)
15	Sun Pharmaceutical Industries (Europe) B.V.	0.0	157.6	0.2	77.7	-	-	0.2	77.7
16	Sun Pharmaceuticals Germany GmbH	(0.0)	(66.7)	0.1	35.0	-	-	0.1	35.0
17	Sun Pharmaceuticals SA (Pty) Ltd.	0.0	4.6	(0.0)	(0.2)	-	-	(0.0)	(0.2)
18	Sun Pharma Philippines, Inc.	(0.1)	(502.0)	(0.0)	(14.6)	-	-	(0.0)	(14.6)
19	Sun Pharma Japan Ltd. (Consolidated with its Subsidiary)	0.5	2,597.3	0.4	130.8	-	-	0.3	130.8
20	Sun Laboratories FZE	(0.4)	(2,016.9)	(3.9)	(1,264.6)	(6.5)	(310.9)	(4.2)	(1,575.5)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'A')

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2021-22		2021-22		2021-22		2021-22	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
21	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	25.7	131,430.4	12.1	3,944.9	(26.8)	(1,283.6)	7.1	2,661.3
22	Sun Pharma Switzerland Ltd.	0.0	6.5	(0.0)	(2.6)	-	-	(0.0)	(2.6)
23	Sun Pharma Holdings	39.2	199,954.4	(0.0)	(14.5)	-	-	(0.0)	(14.5)
24	Sun Pharma East Africa Limited	(0.0)	(65.7)	0.1	44.8	-	-	0.1	44.8
25	Sun Pharma ANZ Pty Ltd	0.1	418.1	0.4	125.4	-	-	0.3	125.4
26	Ranbaxy Farmaceutica Ltda.	(0.3)	(1,394.1)	0.3	100.1	-	-	0.3	100.1
27	Sun Pharma Canada Inc.(Formerly known as Ranbaxy Pharmaceuticals Canada Inc.)	0.1	365.1	0.1	26.6	-	-	0.1	26.6
28	Sun Pharma Egypt Ltd LLC	0.1	492.9	(0.2)	(62.7)	-	-	(0.2)	(62.7)
29	Rexcel Egypt LLC	(0.0)	(21.3)	(0.0)	(1.2)	-	-	(0.0)	(1.2)
30	Basics GmbH	0.2	1,266.7	0.0	11.5	-	-	0.0	11.5
31	Sun Pharma Italia srl (Formerly known as Ranbaxy Italia S.P.A.)	0.0	4.1	(0.3)	(100.6)	-	-	(0.3)	(100.6)
32	Sun Pharmaceutical Industries S.A.C.	(0.0)	(168.2)	(0.1)	(44.7)	-	-	(0.1)	(44.7)
33	Ranbaxy (Poland) SP. Z O.O.	0.1	265.5	0.1	25.6	-	-	0.1	25.6
34	Terapia SA	2.0	10,163.6	10.1	3,313.8	-	-	8.8	3,313.8
35	AO Ranbaxy	0.2	1,245.6	1.8	581.0	-	-	1.5	581.0
36	JSC Biosintez	0.2	942.6	0.5	164.0	-	-	0.4	164.0
37	Ranbaxy South Africa (Pty) Ltd. (Consolidated with its Subsidiary)	0.2	1,096.0	0.1	47.5	-	-	0.1	47.5
38	Ranbaxy Pharmaceuticals (Pty) Ltd.	0.5	2,509.0	0.8	258.3	-	-	0.7	258.3
39	Sun Pharma Laboratorios,S.L.U. (Formerly known as Laboratorios Ranbaxy, S.L.U.)	0.1	565.2	0.1	28.0	-	-	0.1	28.0
40	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	0.4	1,814.2	0.3	99.1	-	-	0.3	99.1
41	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	0.6	3,065.9	(0.0)	(0.7)	-	-	(0.0)	(0.7)
42	Sun Pharmaceutical Holding USA Inc (Consolidated with its Subsidiaries and its Associate)	11.3	57,569.1	(48.7)	(15,942.7) #	(5.6)	(269.7)	(43.2)	(16,212.4)#
43	Ranbaxy (Thailand) Co., Ltd.	0.0	249.7	0.1	16.6	-	-	0.0	16.6
44	Sun Pharmaceuticals Morocco LLC	0.0	165.1	0.1	35.2	-	-	0.1	35.2
45	"Ranbaxy Pharmaceuticals Ukraine" LLC	0.1	461.1	0.4	124.6	-	-	0.3	124.6
46	Sun Pharma (Shanghai) Co.,Ltd	0.0	5.7	(0.0)	(5.9)	-	-	(0.0)	(5.9)
47	Sun Pharmaceuticals (EZ) Limited	0.0	5.0	(0.1)	(35.4)	-	-	(0.1)	(35.4)
Non controlling interest in all subsidiaries		6.0	30,548.9	(3.6)	(1,165.5)	(16.2)	(777.6)	(5.2)	(1,943.1)
Intercompany Elimination and Consolidation Adjustments		(112.2)	(572,915.4)	40.6	13,274.9	190.5	9,130.3	59.8	22,405.2
Total		**100.0**	**510,661.1**	**100.0**	**32,727.3**	**100.0**	**4,794.5**	**100.0**	**37,521.8**

Includes share of loss and share of TCI, from its associate of ₹ 219.0 Million.

Note: The above amounts / percentage of net assets and net profit or (loss) in respect of the parent company, its subsidiaries, associates and joint ventures are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'A')

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2020-21		2020-21		2020-21		2020-21	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
Parent Entity - Sun Pharmaceutical Industries Limited		54.4	269,384.7	29.0	8,424.0	0.6	(5.2)	29.9	8,418.8
Subsidiaries									
Indian									
1	Green Eco Development Centre Limited	(0.0)	(1.7)	(0.0)	(1.7)	-	-	(0.0)	(1.7)
2	Sun Pharma Laboratories Limited	45.2	223,846.3	64.1	18,615.3	(1.4)	12.7	66.2	18,628.0
3	Faststone Mercantile Company Private Limited	0.0	3.2	0.0	0.2	-	-	0.0	0.2
4	Neetnav Real Estate Private Limited	0.6	2,923.5	0.0	1.1	-	-	0.0	1.1
5	Realstone Multitrade Private Limited	0.0	2.3	0.0	0.2	-	-	0.0	0.2
6	Skisen Labs Private Limited	(0.0)	(0.3)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
7	Softdeal Pharmaceuticals Private Limited (Formerly known as Softdeal Trading Company Private Limited)	0.0	11.0	(0.0)	(0.1)	-	-	(0.0)	(0.1)
8	Universal Enterprises Private Limited	0.0	5.2	(0.0)	(0.1)	-	-	(0.0)	(0.1)
9	Realstone Infra Limited	(0.0)	(37.0)	(0.1)	(39.2)	-	-	(0.1)	(39.2)
10	Sun Pharmaceutical Medicare Limited	(0.6)	(2,748.8)	(3.0)	(872.0)	(0.5)	4.7	(3.1)	(867.3)
11	Zenotech Laboratories Limited	0.2	1,097.4	(0.6)	(180.9)	(0.0)	0.1	(0.6)	(180.8)
12	Sun Pharma Distributors Limited	0.4	2,000.1	4.6	1,325.1	(0.0)	0.2	4.7	1,325.3
13	Caraco Pharmaceuticals Private Limited	(0.0)	(0.2)	(0.0)	(0.1)	-	-		(0.1)
Foreign									
1	Sun Pharmaceutical (Bangladesh) Limited	0.4	2,075.1	1.1	325.7	-	-	1.2	325.7
2	Sun Farmaceutica Do Brasil Ltda.	(0.5)	(2,530.2)	(0.7)	(206.7)	-	-	(0.7)	(206.7)
3	Sun Pharma De Mexico S.A. DE C.V.	0.2	846.5	0.9	247.1	-	-	0.9	247.1
4	SPIL De Mexico S.A. DE C.V.	0.0	0.2	-	-	-	-	-	-
5	Sun Pharmaceutical Peru S.A.C.	(0.0)	(168.3)	(0.1)	(16.0)	-	-	(0.1)	(16.0)
6	OOO "Sun Pharmaceutical Industries" Limited	(0.0)	(220.8)	0.0	3.5	-	-	0.0	3.5
7	Sun Pharma De Venezuela, C.A.	-	-	-	-	-	-	-	-
8	Sun Pharma France (Formerly known as Ranbaxy Pharmacie Generiques)	(0.6)	(2,987.7)	0.0	5.5	-	-	0.0	5.5
9	Ranbaxy (Malaysia) SDN. BHD.	0.3	1,430.3	1.6	450.2	-	-	1.6	450.2
10	Ranbaxy Nigeria Limited	(0.1)	(573.6)	(0.8)	(222.2)	-	-	(0.8)	(222.2)
11	Sun Pharma (Netherlands) B.V	13.4	66,243.3	1.4	416.7	(247.9)	2,243.1	9.5	2,659.8
12	Alkaloida Chemical Company Zrt.	10.3	50,930.2	0.8	235.0	-	-	0.8	235.0
13	Sun Pharmaceutical Industries (Australia) Pty Limited	0.1	498.1	(1.5)	(446.9)	-	-	(1.6)	(446.9)
14	Aditya Acquisition Company Ltd.	0.0	5.0	(0.0)	(6.0)	-	-	(0.0)	(6.0)
15	Sun Pharmaceutical Industries (Europe) B.V.	0.0	83.8	0.1	41.0	-	-	0.1	41.0
16	Sun Pharmaceuticals Germany GmbH	(0.0)	(105.2)	0.1	40.4	-	-	0.1	40.4
17	Sun Pharmaceuticals France	-	-	(0.0)	(2.4)	-	-	(0.0)	(2.4)
18	Sun Pharmaceuticals SA (Pty) Ltd.	0.0	4.6	0.0	3.3	-	-	0.0	3.3
19	Sun Pharma Philippines, Inc.	(0.1)	(501.1)	0.2	55.2	-	-	0.2	55.2
20	Sun Pharmaceuticals Korea Ltd.	-	-	0.0	0.3	-	-	0.0	0.3
21	Sun Pharma Japan Ltd. (Consolidated with its Subsidiary)	0.5	2,614.6	0.1	24.9	-	-	0.1	24.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'A')

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2020-21		2020-21		2020-21		2020-21	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
22	Sun Laboratories FZE	(0.1)	(412.4)	1.0	282.7	-	-	1.0	282.7
23	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	25.5	126,079.4	(98.6)	(28,626.6)	(112.0)	1,013.4	(98.2)	(27,613.2)
24	Sun Pharma Switzerland Ltd.	0.0	8.6	(0.0)	(0.6)	-	-	(0.0)	(0.6)
25	Sun Pharma Holdings	46.4	229,551.6	(0.1)	(29.6)	-	-	(0.1)	(29.6)
26	Sun Pharma East Africa Limited	(0.0)	(110.9)	0.1	19.8	-	-	0.1	19.8
27	Sun Pharma ANZ Pty Ltd	0.1	283.8	1.5	432.3	-	-	1.5	432.3
28	Ranbaxy Farmaceutica Ltda.	(0.2)	(1,215.8)	0.0	0.6	-	-	0.0	0.6
29	Sun Pharma Canada Inc.(Formerly known as Ranbaxy Pharmaceuticals Canada Inc.)	0.1	325.2	0.4	103.5	-	-	0.4	103.5
30	Sun Pharma Egypt Ltd LLC	0.1	442.9	(0.3)	(72.8)	-	-	(0.3)	(72.8)
31	Rexcel Egypt LLC	(0.0)	(22.6)	(0.0)	(0.3)	-	-	(0.0)	(0.3)
32	Basics GmbH	0.3	1,280.6	0.2	65.2	-	-	0.2	65.2
33	Ranbaxy Ireland Limited	0.1	596.6	(0.0)	(1.2)	-	-	(0.0)	(1.2)
34	Sun Pharma Italia srl (Formerly known as Ranbaxy Italia S.P.A.)	0.0	107.2	0.3	78.1	-	-	0.3	78.1
35	Sun Pharmaceutical Industries S.A.C.	(0.0)	(124.5)	0.1	30.7	-	-	0.1	30.7
36	Ranbaxy (Poland) SP. Z O.O.	0.0	245.4	0.1	22.0	-	-	0.1	22.0
37	Terapia SA	1.8	8,870.1	10.7	3,099.8	-	-	11.0	3,099.8
38	AO Ranbaxy	0.1	737.8	(1.4)	(396.5)	-	-	(1.4)	(396.5)
39	JSC Biosintez	0.2	824.6	1.1	314.3	-	-	1.1	314.3
40	Ranbaxy South Africa (Pty) Ltd. (Consolidated with its Subsidiary)	0.2	1,016.3	0.4	129.6	-	-	0.5	129.6
41	Ranbaxy Pharmaceuticals (Pty) Ltd.	0.4	2,105.4	0.5	133.7	-	-	0.5	133.7
42	Sun Pharma Laboratorios,S.L.U. (Formerly known as Laboratorios Ranbaxy, S.L.U.)	0.1	549.9	0.1	26.5	-	-	0.1	26.5
43	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	0.4	1,740.7	0.3	81.9	-	-	0.3	81.9
44	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	0.6	3,108.2	(0.0)	(0.7)	-	-	(0.0)	(0.7)
45	Sun Pharmaceutical Holding USA Inc (Consolidated with its Subsidiaries and its Associate)	14.4	71,330.1	5.6	1,623.9#	(22.5)	203.9	6.5	1,827.8#
46	Ranbaxy (Thailand) Co., Ltd.	0.0	239.5	0.1	23.2	-	-	0.1	23.2
47	Sun Pharmaceuticals Morocco LLC	0.0	130.6	0.4	112.7	-	-	0.4	112.7
48	"Ranbaxy Pharmaceuticals Ukraine" LLC	0.1	352.7	0.2	71.3	-	-	0.3	71.3
49	Sun Pharma (Shanghai) Co.,Ltd	-	-	-	-	-	-	-	-
50	Sun Pharmaceuticals (EZ) Limited	0.0	39.9	(0.0)	(11.8)	-	-	(0.0)	(11.8)
	Non controlling interest in all subsidiaries	6.1	30,170.5	21.7	6,314.7	(61.4)	555.5	24.4	6,870.2
	Intercompany Elimination and Consolidation Adjustments	(120.8)	(597,583.6)	58.5	16,991.5	545.2	(4,933.2)	42.9	12,058.3
	Total	**100.0**	**494,798.3**	**100.0**	**29,038.2**	**100.0**	**(904.8)**	**100.0**	**28,133.4**

Includes share of loss and share of TCI, from its associate of ₹ 144.2 Million

Note: The above amounts / percentage of net assets and net profit or (loss) in respect of the parent company, its subsidiaries, associates and joint ventures are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'B')

IND AS- 24 - "RELATED PARTY DISCLOSURES"

Names of related parties where there are transactions and description of relationships

a	**Key Management Personnel (KMP)**	
	Dilip Shantilal Shanghvi	Managing Director
	Israel Makov	Chairman and Non- Executive Director (Non- Independent)
	Kalyanasundaram Iyer Natesan Subramanian	Wholetime Director
	Sailesh Trambaklal Desai	Wholetime Director
	Sudhir Vrundavandas Valia	Non-Executive Director and Non-Independent Director
b	**Relatives of Key Management Personnel**	
	Aalok Shanghvi	
	Vidhi Shanghvi	
c	**Others (Entities in which the KMP and relatives of KMP have control or significant influence)**	
	Airamatrix Private Limited	
	Alfa Infraprop Private Limited	
	Fortune Integrated Assets Finance Limited	
	Kism Textiles Private Limited	
	Makov Associates Limited	
	PV Power Technologies Private Limited	
	Shanghvi Finance Private Limited	
	Shantilal Shanghvi Foundation	
	Sidmak Laboratories (India) Private Limited	
	Sun Petrochemicals Private Limited	
	Sun Pharma Advanced Research Company Limited.	
	United Medisales Private Limited	
d	**Joint Venture**	
	Artes Biotechnology GmbH	
e	**Associates**	
	Medinstill LLC	
	Medinstill Development LLC	
	Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)	
	Intact Solution LLC	
	Dr. Py Institute LLC	
f	**Unconsolidated Subsidiary**	
	Foundation for Disease Elimination and Control of India	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'B')

IND AS- 24 - "RELATED PARTY DISCLOSURES"

Details of related party transaction :

₹ In Million

	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of goods	**245.4**	**383.7**
Others	245.4	383.7
Purchase of property, plant and equipment and other intangible assets	**385.2**	**1,572.0**
Others	385.2	1,572.0
Revenue from contracts with customers, net of returns	**223.9**	**197.9**
Others	223.9	197.9
Sale of property, plant and equipment	**22.6**	**13.2**
Others	5.1	13.2
Associates	17.5	-
Other operating revenue /Other Income	**14.4**	**22.7**
Others	14.4	22.7
Receiving of service	**1,878.9**	**1,439.0**
Others	1,878.9	1,431.0
Joint venture	-	8.0
Reimbursement of expenses (Paid)	**53.6**	**84.0**
Others	52.3	74.1
Joint venture (March 31, 2022 : ₹ 20,077)	0.0	1.1
Associates	1.3	8.8
Rendering of service	**276.8**	**276.0**
Others	276.8	276.0
Reimbursement of expenses (Received)	**44.9**	**158.0**
Others	44.9	140.6
Key management personnel	-	17.4
Unconsolidated subsidiary (March 31, 2021 : ₹ 4,793)	-	0.0
Loan given	**1,080.9**	-
Associates *	1,073.2	-
Joint venture	7.7	-
Loan received back	**7.9**	-
Joint venture	7.9	-
Interest income	**0.1**	-
Joint venture	0.1	-
Security Deposit received	**0.9**	-
Others	0.9	-
Lease Rental and hire charges (Income)	**31.2**	**22.7**
Others	31.2	22.7
Rent expense / payment towards lease liabilities	**9.6**	**8.9**
Others	9.6	8.9
Investment in Associates	**151.9**	**242.3**
Associates	151.9	242.3
Remuneration/ compensation	**319.0**	**290.6**
Key management personnel	257.2	255.6
Relatives of Key management personnel	61.8	35.0
CSR	**254.2**	**236.5**
Others	250.0	200.0
Unconsolidated subsidiary	4.2	36.5

* Includes conversion of Advance (capital advance and advance towards supply of goods/services) to Loan (convertible note).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(Annexure 'B')

IND AS- 24 - "RELATED PARTY DISCLOSURES"

Balance outstanding as at end of the year

₹ In Million

	As at March 31, 2022	As at March 31, 2021
Receivables	**196.7**	**430.4**
Others	196.7	413.0
Associates (₹ 5,623/-)	0.0	-
Key management personnel	-	17.4
Payables	**949.1**	**538.7**
Others	838.4	475.2
Key management personnel	110.7	63.5
Security deposit given	**0.5**	**0.5**
Others	0.5	0.5
Security deposit received	**0.9**	-
Others	0.9	-
Loan given	**1,477.0**	**365.7**
Associates	1,477.0	365.7
Lease liability	**86.4**	**88.4**
Others	86.4	88.4
Advance (Includes capital and supply of goods/services)	**211.2**	**1,202.9**
Associates	211.2	1,202.9

Key Management Personnel (KMP) and Relatives of KMP who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits'. As these employee benefits are lump sum amount provided on the basis of actuarial valuation, the same is not included above and there is no Share-based payments to key management personnel and relatives of KMP.

The sales to and purchases from related parties are made on an arm's length basis. Outstanding trade balances at the year-end are unsecured and there have been no guarantees provided or received for any related party receivables or payables.

FORM AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 with the Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint venture

PART "A": SUBSIDIARIES

₹ In Million

Sr. No.	Name of the Subsidiary Company	Date of acquisition of subsidiary	Reporting Currency	Closing Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
1	Green Eco Development Centre Limited	12.11.2010	INR	1.00	7.0	(6.5)	55.8	55.3	-	-	2.9	0.7	2.2	-	100.00%
2	Sun Pharmaceutical (Bangladesh) Limited	29.03.2001	BDT	0.88	52.7	2,389.6	3,629.5	1,187.2	-	2,241.8	518.5	190.4	328.1	-	72.50%
3	Sun Pharmaceutical Industries, Inc.	14.06.2011	USD	75.80	-	59,954.6	143,871.2	83,916.6	9,206.2	74,380.2	(629.6)	(631.5)	1.9	-	100.00%
4	Sun Farmaceutica do Brasil Ltda.	22.05.2009	BRL	15.89	88.5	(2,569.5)	1,482.4	3,963.4	-	2,857.2	787.6	142.5	645.1	-	100.00%
5	Sun Pharma De Mexico S.A. DE C.V.	03.12.2002	MXN	3.81	3.9	969.1	1,194.8	221.8	-	1,313.5	275.1	65.6	209.5	-	75.00%
6	Sun Pharmaceutical Peru S.A.C.	27.06.2006	PEN	20.35	0.0	(186.8)	1.8	188.6	-	-	(14.5)	-	(14.5)	-	100.00%
7	OOO "Sun Pharmaceutical Industries" Limited	12.11.2007	RUB	0.93	0.0	(82.2)	21.9	104.1	-	-	115.2	23.6	91.6	-	100.00%
8	Sun Pharma De Venezuela, C.A.	06.11.2011	VES	0.00	0.0	0.0	0.0	0.0	-	-	0.0	-	0.0	-	100.00%
9	Chattem Chemicals Inc.	24.11.2008	USD	75.80	2,609.9	1,852.2	4,069.5	(392.6)	-	2,925.2	396.1	(2.9)	399.0	-	100.00%
10	The Taro Development Corporation	20.09.2010	USD	75.80	-	6,449.6	6,535.1	85.5	-	-	(3,668.8)	(666.3)	(3,002.5)	-	100.00%
11	Alkaloida Chemical Company Zrt.	05.08.2005	USD	75.80	6,765.7	46,578.7	54,078.3	733.9	776.9	3,311.9	444.7	24.1	420.6	-	99.99%
12	Sun Pharmaceutical Industries (Australia) Pty Limited	11.03.2008	AUD	56.76	3,953.4	(4,858.6)	6,150.3	7,055.5	-	2,639.8	(1,162.6)	-	(1,162.6)	-	100.00%
13	Aditya Acquisition Company Ltd.	22.04.2007	ILS	23.86	0.0	(0.9)	6.4	7.3	-	-	(6.3)	-	(6.3)	-	100.00%
14	Sun Pharmaceutical Industries (Europe) B.V.	29.06.2007	EUR	84.20	1.5	193.7	1,221.9	1,026.7	-	3,188.0	95.3	21.2	74.1	-	100.00%
15	Sun Pharmaceuticals Germany GmbH	11.08.2008	EUR	84.20	2.1	(2.1)	1,373.1	1,373.1	-	2,773.8	71.9	22.2	49.7	-	100.00%
16	Sun Pharmaceuticals SA (Pty) Ltd	22.10.2008	ZAR	5.23	0.0	4.3	284.1	279.8	-	13.3	(0.2)	-	(0.2)	-	100.00%
17	Sun Laboratories FZE	13.03.2011	USD	75.80	928.6	(2,513.2)	14,660.5	16,245.1	3,461.1	17,660.2	(1,118.3)	-	(1,118.3)	-	100.00%
18	Sun Pharma Japan Ltd.	01.03.2012	JPY	0.62	98.2	1,950.5	8,998.3	6,949.6	-	9,058.6	335.9	6.3	329.6	-	100.00%
19	Sun Pharma Japan Technical Operations Limited	01.06.2021	JPY	0.62	31.1	1,020.0	1,810.8	759.7	-	990.6	2.3	0.5	1.8	-	100.00%
20	Sun Pharma Philippines, Inc.	08.12.2011	PHP	1.46	12.7	(514.0)	404.2	905.5	-	635.4	3.3	23.1	(19.8)	-	100.00%
21	Caraco Pharmaceuticals Private Limited	12.01.2012	INR	1.00	0.1	(0.3)	0.0	0.2	-	-	(0.1)	-	(0.1)	-	100.00%
22	Sun Pharma Laboratories Limited	09.03.2012	INR	1.00	400.5	251,971.8	270,530.4	18,158.1	33,354.9	87,532.5	34,676.4	6,098.1	28,578.3	-	100.00%
23	Taro Pharmaceutical Industries Ltd. (Taro)	20.09.2010	USD	75.80	51.6	129,671.6	134,266.0	4,542.8	9,767.3	11,334.9	(3,702.6)	246.0	(3,948.6)	-	78.48%
24	Taro Pharmaceuticals Inc.	20.09.2010	USD	75.80	28,242.7	112,826.9	147,783.7	6,714.1	62,140.4	21,888.2	5,416.2	985.0	4,431.2	-	78.48%
25	Taro Pharmaceuticals U.S.A., Inc.	20.09.2010	USD	75.80	11.0	(6,949.3)	39,144.5	46,082.8	646.8	27,374.9	(611.5)	(437.3)	(174.2)	-	78.48%
26	Taro Pharmaceuticals North America, Inc.	20.09.2010	USD	75.80	0.0	28,246.8	28,246.8	-	-	-	(0.1)	-	(0.1)	-	78.48%
27	Taro Pharmaceuticals Europe B.V.	20.09.2010	EUR	84.20	1.5	0.5	5.6	3.6	-	-	0.2	0.0	0.2	-	78.48%
28	Taro International Ltd.	20.09.2010	USD	75.80	0.0	2,328.9	2,697.0	368.1	-	1,886.6	687.3	139.4	547.9	-	78.48%
29	Dusa Pharmaceuticals, Inc.	19.12.2012	USD	75.80	0.8	18,039.3	18,582.4	542.3	-	5,706.7	4,514.0	90.6	4,423.4	-	100.00%
30	Faststone Mercantile Company Private Limited	01.04.2012	INR	1.00	0.1	3.2	3.3	0.0	-	-	0.1	0.0	0.1	-	100.00%
31	Neetnav Real Estate Private Limited	01.04.2012	INR	1.00	0.1	5,235.0	5,556.5	321.4	48.0	1.6	1.0	0.3	0.7	-	100.00%
32	Realstone Multitrade Private Limited	01.04.2012	INR	1.00	0.1	2.2	2.3	0.0	-	-	0.0	0.0	0.0	-	100.00%
33	Skisen Labs Private Limited	01.04.2012	INR	1.00	163.6	(164.0)	0.0	0.4	0.0	-	(0.1)	-	(0.1)	-	100.00%
34	Softdeal Pharmaceutical Private Limited (Formerly known as Softdeal Trading Company Private Limited)	01.04.2012	INR	1.00	0.1	466.7	1,140.5	673.7	1,000.6	2,589.3	610.7	154.3	456.4	-	100.00%

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Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 with the Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint venture

₹ In Million

Sr. No.	Name of the Subsidiary Company	Date of acquisition of subsidiary	Reporting Currency	Closing Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
35	Universal Enterprises Private Limited	31.08.2012	INR	1.00	4.5	0.6	8.2	3.1	-	-	(0.1)	-	(0.1)	-	100.00%
36	Sun Pharma Switzerland Ltd.	10.06.2013	CHF	82.02	8.2	(1.8)	8.3	1.9	-	51.5	(2.7)	0.0	(2.7)	-	100.00%
37	Sun Pharma Holdings	06.08.2015	USD	75.80	259,291.3	(59,560.5)	200,699.9	969.1	-	-	(14.7)	-	(14.7)	-	100.00%
38	PI Real Estate Ventures, LLC	15.07.2014	USD	75.80	-	2,674.1	2,674.1	-	-	227.4	116.8	-	116.8	-	100.00%
39	Sun Pharma East Africa Limited	13.06.2014	KES	0.66	0.1	(65.8)	671.7	737.4	-	636.1	16.4	5.8	10.6	-	100.00%
40	Basics GmbH	24.03.2015	EUR	84.20	410.5	588.4	6,659.0	5,660.1	-	4,050.5	49.9	16.3	33.6	-	100.00%
41	"Ranbaxy Pharmaceuticals Ukraine" LLC	24.03.2015	UAH	2.57	102.5	341.8	601.8	157.5	-	1,048.3	146.5	26.7	119.8	-	100.00%
42	Sun Pharmaceuticals Morocco LLC	24.03.2015	MAD	7.85	96.0	56.4	2,321.8	2,169.4	-	2,385.6	71.3	33.1	38.2	-	100.00%
43	Sun Pharmaceutical Industries S.A.C.	24.03.2015	PEN	20.35	88.4	(262.5)	626.3	800.4	-	819.6	(37.5)	-	(37.5)	-	100.00%
44	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	24.03.2015	GBP	99.48	3,039.9	151.0	3,192.9	2.0	-	-	(0.7)	-	(0.7)	-	100.00%
45	Sun Pharma France (Formerly known as Ranbaxy Pharmacie Generiques)	24.03.2015	EUR	84.20	2,100.6	(5,343.2)	870.7	4,113.3	-	2,767.9	(319.6)	-	(319.6)	-	100.00%
46	Sun Pharma Italia SRL (Formerly known as Ranbaxy Italia S.P.A.)	24.03.2015	EUR	84.20	4.2	(1.3)	2,017.3	2,014.4	-	3,359.1	(128.3)	(24.4)	(103.9)	-	100.00%
47	Ranbaxy Pharmaceuticals (Pty) Ltd	24.03.2015	ZAR	5.23	3,658.1	(1,149.3)	5,269.4	2,760.6	-	7,315.4	282.1	-	282.1	-	100.00%
48	Ranbaxy South Africa (Pty) Ltd (consolidated)	24.03.2015	ZAR	5.23	91.5	1,313.0	2,048.1	643.6	-	3,237.8	139.0	27.9	111.1	-	100.00%
49	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	24.03.2015	EGP	4.15	954.0	(455.9)	628.6	130.5	-	490.4	(55.4)	-	(55.4)	-	100.00%
50	Rexcel Egypt LLC	24.03.2015	EGP	4.15	8.7	(29.9)	8.7	29.9	-	0.3	(1.0)	-	(1.0)	-	100.00%
51	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	24.03.2015	GBP	99.48	2,163.8	(349.0)	3,183.2	1,368.4	-	4,075.9	119.9	22.8	97.1	-	100.00%
52	Ranbaxy (Poland) SP. Z O.O.	24.03.2015	PLN	18.10	77.6	187.7	383.3	118.0	-	607.6	35.6	10.8	24.8	-	100.00%
53	Ranbaxy Nigeria Limited	24.03.2015	NGN	0.18	7.3	(984.8)	2,070.0	3,047.5	-	1,287.0	(439.2)	3.2	(442.4)	-	86.16%
54	Ranbaxy (Thailand) Co., Ltd.	24.03.2015	THB	2.28	262.0	(12.3)	1,094.1	844.4	-	1,485.9	29.4	13.0	16.4	-	100.00%
55	Ohm Laboratories, Inc.	24.03.2015	USD	75.80	18.1	(18,059.4)	14,679.3	32,720.6	-	7,583.9	(23,407.4)	(4,565.5)	(18,841.9)	-	100.00%
56	Ranbaxy Signature LLC	24.03.2015	USD	75.80	-	961.7	3.6	(958.1)	-	3.4	(6.9)	-	(6.9)	-	67.50%
57	Ranbaxy Inc.	24.03.2015	USD	75.80	985.4	(18,700.4)	(16,799.4)	915.6	-	-	(19,077.5)	(70.2)	(19,007.3)	-	100.00%
58	AO Ranbaxy	24.03.2015	RUB	0.93	152.1	1,163.3	5,265.8	3,950.4	-	5,794.4	469.3	102.0	367.3	-	100.00%
59	Sun Pharma Laboratorios, S.L.U (formerly Laboratorios Ranbaxy, S.L.U.)	24.03.2015	EUR	84.20	84.2	488.2	712.0	139.6	-	1,434.2	34.9	8.7	26.2	-	100.00%
60	Ranbaxy (Malaysia) SDN. BHD.	24.03.2015	MYR	18.02	149.6	1,648.0	2,295.6	498.0	-	2,746.3	432.0	95.9	336.1	-	95.67%
61	Ranbaxy Farmaceutica Ltda.	24.03.2015	BRL	15.89	275.9	(1,664.0)	2,454.2	3,842.3	-	3,490.9	271.2	164.4	106.8	-	100.00%
62	Sun Pharma ANZ Pty Ltd	24.03.2015	AUD	56.76	987.7	(569.5)	2,938.5	2,520.3	-	3,492.0	185.8	56.8	129.0	-	100.00%
63	Sun Pharma Canada Inc. (Formerly known as Ranbaxy Pharmaceuticals Canada Inc.)	24.03.2015	CAD	60.51	136.1	229.0	1,571.6	1,206.5	-	2,189.4	26.3	-	26.3	-	100.00%
64	Terapia SA	24.03.2015	RON	17.01	425.2	11,171.4	14,819.2	3,222.6	-	14,723.7	3,593.6	430.5	3,163.1	-	96.81%
65	Sun Pharma (Netherlands) B.V. (Formerly known as Ranbaxy (Netherlands) B.V.)	24.03.2015	USD	75.80	60,457.4	23,401.4	89,631.6	5,772.8	5,161.3	1,375.8	1,069.6	44.0	1,025.6	-	100.00%
66	JSC Biosintez	19.12.2016	RUB	0.93	0.3	747.4	4,234.0	3,486.3	1.9	3,110.8	413.9	88.6	325.3	-	100.00%
67	Sun Pharmaceutical Holdings USA, Inc	18.11.2016	USD	75.80	-	45,774.0	45,774.0	-	-	-	(18,995.8)	-	(18,995.8)	-	100.00%

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Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint venture

₹ In Million

Sr. No.	Name of the Subsidiary Company	Date of acquisition of subsidiary	Reporting Currency	Closing Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
68	Foundation for Disease Elimination and Control of India	21.09.2016	INR	1.00	0.1	0.5	0.9	0.3	-	4.2	(0.7)	-	(0.7)	-	100.00%
69	Zenotech Laboratories Limited	27.07.2017	INR	1.00	610.3	96.1	940.8	234.4	-	365.7	99.0	(122.7)	221.7	-	68.84%
70	Sun Pharmaceutical Medicare Limited	16.01.2017	INR	1.00	2.5	(2,943.4)	4,724.6	7,665.5	-	2,616.5	(187.5)	1.2	(188.7)	-	100.00%
71	Sun Pharma Distributors Limited	19.03.2019	INR	1.00	1.5	3,631.7	23,974.8	20,341.6	402.5	127,962.5	2,195.4	564.0	1,631.4	-	100.00%
72	Realstone Infra Limited	31.01.2020	INR	1.00	2.5	(123.3)	3,577.3	3,698.1	-	-	(83.8)	-	(83.8)	-	100.00%
73	Sun Pharmaceuticals (EZ) Limited	25.10.2020	BDT	0.88	52.7	(42.1)	384.4	373.8	-	-	(30.0)	-	(30.0)	-	99.99%
74	Sun Pharma (Shanghai) Co.,Ltd	21.12.2020	RMB	11.95	12.0	(5.7)	10.1	3.8	-	45.1	(5.7)	-	(5.7)	-	100.00%
75	Alchemee, LLC	28.02.2022	USD	75.80	-	2,784.6	4,678.5	1,893.9	-	468.8	(306.0)	(86.0)	(220.0)	-	78.48%
76	Proactiv YK	28.02.2022	USD	75.80	-	608.2	662.4	54.2	-	184.4	11.4	(23.1)	34.5	-	78.48%
77	The Proactiv Company KK	28.02.2022	USD	75.80	-	(45.2)	301.4	346.6	-	-	(22.3)	(1.9)	(20.4)	-	78.48%
78	The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.)	28.02.2022	USD	75.80	233.0	(307.6)	-	74.6	-	-	-	-	-	-	78.48%
79	The Proactiv Company Corporation	28.02.2022	USD	75.80	-	539.3	633.7	94.4	-	59.1	(11.2)	-	(11.2)	-	78.48%

Note:

1. 0.0' represents amount less than 0.05 Million and rounded off.
2. In respect of entities at Sr. Nos. 5 to 7, 41, 58, 66 and 74 the reporting date is as of December 31, 2021 and different from the reporting date of the parent company.
3. In respect of entitiy at Sr. No. 19 and 75 to 79 has been incorporated/ acquired during the year ended March 31, 2022.
4. Foundation for Disease Elimination and Control of India (FDEC), a wholly owned subsidiary incorporated in India on September 21, 2016 by the parent company as part of its Corporate Social Responsibility (CSR) initiative, has entered into an MOU with Indian Council of Medical Research (ICMR) and Madhya Pradesh State Government to undertake the Mandla Malaria Elimination Demonstration Project with a goal to eliminate Malaria in the state. FDEC is a Section 8 company not considered for consolidation since it can apply its income for charitable purposes only and can raise funds/contribution independently.
5. Books of accounts and other related records/documents of the overseas subsidiaries of the Zenotech Laboratories Limited were missing and due to non-availability of those records/information, Zenotech Laboratories Limited is unable to prepare consolidated accounts.
6. 3 Skyline LLC and One Commerce drive LLC are being consolidated with Taro Pharmaceuticals U.S.A.,Inc.
7. The above does not include Taro Pharmaceutical Laboratories Inc. and 2 Independence Way LLC as they have no operation and does not have any Assets, Liabilities or Equity as on the close of their financial year.
8. Sonke Pharmaceuticals Proprietary Limited have been consolidated with Ranbaxy South Africa (Pty) Ltd.
9. With effect from September 04, 2021 Ranbaxy Ireland Limited has been dissolved.
10. With effect from September 01, 2021 Kayaku Co. Ltd. has been ceased to be the subsidiary of the company.
11. With effect from January 28, 2022 Taro Pharmaceutical Laboratories Inc. was merged into Taro Pharmaceuticals U.S.A., Inc.
12. Sun Pharma Global FZE is under dissolution.
13. With effect from June 07, 2021 SPIL De Mexico S.A. DE C.V. has been dissolved.

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Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint venture

PART "B": ASSOCIATE COMPANIES AND JOINT VENTURES

₹ in Million

		Joint Venture	Associate				
Sr. No.	**Name of Associates/Joint Ventures**	**Artes Biotechnology GmbH**	**Generic Solar Power LLP**	**Trumpcard Advisors and Finvest LLP (Consolidated)**	**Medinstill LLC (Consolidated)**	**Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)**	**WRS Bioproducts Pty Ltd**
1	Latest Balance Sheet Date	December 31, 2021	March 31, 2022	March 31, 2022	December 31, 2021	December 31, 2021	December 31, 2021
	Date of acquisition	February 13, 2014	October 09, 2015	March 31, 2017	March 13, 2014	September 10, 2018	March 10, 2021
2	Shares of Associate/Joint Ventures held by the company on the year end						
	No.	15,853	NA	NA	1,999	455,447	428,571
	Amount of Investment in Associates/Joint Venture	340.2	-	819.4	945.5	443.5	112.2
	Extend of Holding %	45.00%	28.76%	40.61%	19.99%	20.96%	12.50%
3	Description of how there is significant influence	NA	NA	NA	NA	NA	NA
4	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA
5	Networth attributable to Shareholding as per latest Balance Sheet (adjusted till March 31, 2022)	108.9	-	488.5	(1,281.1)	59.8	4.4
6	Profit/(loss) for the year						
	i. Considered in Consolidation	51.9	(0.0)	73.3	(219.1)	(67.1)	(4.4)
	ii. Not Considered in Consolidation	63.4	(0.0)	107.2	(876.9)	(253.0)	(30.8)

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN: 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN: 00005443)

ANOOP DESHPANDE
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Thirtieth (30th) Annual General Meeting** of the members of **Sun Pharmaceutical Industries Limited** will be held on **Monday, August 29, 2022 at 3.00 p.m. IST (Indian Standard Time) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)** to transact the following business:

ORDINARY BUSINESS:

1. a. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon.

   b. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of the Auditors thereon.

2. To confirm payment of Interim Dividend of ₹7/- (Rupees Seven Only) per Equity Share and to declare Final Dividend of ₹3/- (Rupees Three Only) per Equity Share for the financial year 2021-22.

3. To appoint Mr. Sailesh T. Desai (DIN: 00005443), who retires by rotation and being eligible, has offered himself for re-appointment, as a Director.

4. To consider and re-appoint M/s. S R B C & Co LLP, Chartered Accountants as the Statutory Auditors of the Company and to authorize Board of Directors to fix their remuneration, and in this regard, to consider and if thought fit, to pass the following **Ordinary Resolution:**

   “RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. S R B C & Co LLP, Chartered Accountants (Firm’s Registration No. 324982E/E300003) be and are hereby re-appointed as the Statutory Auditors of the Company for a further term of 5 (Five) consecutive years to hold office from the conclusion of this 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting of the Company, at such remuneration (exclusive of applicable taxes and reimbursement of out of pocket expenses) as shall be fixed by the Board of Directors of the Company from time to time in consultation with them.”

SPECIAL BUSINESS:

5. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

   “RESOLVED THAT pursuant to Section 152 of the Companies Act, 2013, Mr. Israel Makov (DIN: 05299764), Non-executive & Non-Independent Director, retires by rotation with effect from the conclusion of 30th Annual General Meeting and the vacancy caused as such not be filled up.”

6. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

   “RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration as set out in the Explanatory Statement annexed to this Notice, payable to M/s. K D & Co, Cost Accountants, Firm’s Registration No. 004076, appointed as the Cost Auditors of the Company to conduct the audit of cost records maintained by the Company for the financial year 2022-23, be and is hereby ratified.

   RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof, be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

7. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

   “RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 (“the Act”), read with Schedule V of the Act, and Rules made thereunder, pursuant to the recommendation of the Board of Directors of the Company, payment of commission of ₹40,00,000/- (Rupees Forty Lakhs only) each to Dr. Pawan Goenka, Mr. Gautam Doshi and Ms. Rama Bijapurkar, Independent Directors of the Company, for financial year ending on March 31, 2022, be and is hereby approved.

   RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof, be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

8. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Gautam Doshi (DIN: 00004612), who holds office upto May 24, 2023, be and is hereby re-appointed as an Independent Director of the Company, for a second term of 5 (Five) years commencing from May 25, 2023 to May 24, 2028, who shall continue to hold office after attaining the age of seventy-five years during the aforesaid term, and he shall not be liable to retire by rotation."

9. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act, Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, Mr. Dilip S. Shanghvi (DIN: 00005588) be and is hereby re-appointed as the Managing Director of the Company for a further period of 5 (five) years effective from April 1, 2023 to March 31, 2028 on the terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as per the draft agreement ("Agreement"), which is hereby specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or the Agreement, in such manner as may be agreed to between the Board of Directors and Mr. Dilip S. Shanghvi in accordance with the requirements of the Act and within the limits approved by the Members of the Company, and who shall continue to hold office after attaining the age of seventy years during the aforesaid term.

   The main terms and conditions of Mr. Dilip S. Shanghvi's re-appointment shall be as under:

   1. Mr. Dilip S. Shanghvi shall hold office as the Managing Director of the Company for a further period of five years with effect from April 1, 2023 on the terms and conditions hereinafter mentioned.

   2. Mr. Dilip S. Shanghvi shall act as the Managing Director and may devote such time in the performance of his duties as the Managing Director of the Company as it is considered necessary and expedient.

   3. The Managing Director has to perform such duties and exercise such powers as are additionally entrusted to him by the Board.

   4. **REMUNERATION:**

      The remuneration payable shall be determined by the Board of Directors, from time to time, within the maximum limits set forth below:

      a. **Salary (including bonus and perquisites)** up to ₹8,10,00,000/- (Rupees Eight Crores and Ten Lakhs only) per annum.

         Perquisites: He will be entitled to furnished/non-furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company-maintained car, telephone and such other perquisites in accordance with the Company's rule, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962.

      b. **Commission** at the rate of not more than 1% of the net profit for the year, the Board of Directors will determine the commission payable within the overall ceiling laid down in section 197 and 198 of the Act and Schedule V as may be applicable from time to time. He is not entitled to any sitting fees as are payable to other Non-Executive Directors.

      c. **Company's contribution to Provident Fund and superannuation fund** or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

d. **Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year, Mr. Dilip S. Shanghvi shall be entitled to receive a total remuneration including perquisites, etc. not exceeding the ceiling limits as approved by the Members herein above, as minimum remuneration.

5. **Other terms and conditions:** Subject to the control and supervision of the Board of Directors and subject to the provisions of the Act, Mr. Dilip S. Shanghvi shall have the power of general conduct and management of the affairs of the Company and he shall be entitled to exercise all such powers and to do all such acts and things the Company is authorised to exercise and all such powers, acts or things which are directed or required by the Act or any other law or by the Articles of Association of the Company except such powers/ acts/ things which can be exercised or done by the Company in General Meeting or by the Board of Directors. Mr. Dilip S. Shanghvi to perform such duties and exercise such powers as are additionally entrusted to him by the Board and/ or the Chairman. He is further authorized to do all such acts, deeds, things and matters as he may be required or permitted to do as a Managing Director.

   The appointment will be for a period of five years which may be terminated by either party giving to the other thirty days' notice in writing or upon Mr. Dilip S. Shanghvi's ceasing to be a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be required to give effect to this resolution."

10. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, basis the approval and recommendation of the Corporate Governance and Ethics Committee, Audit Committee and Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to related party transaction(s)/ arrangement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) proposed to be entered into between two non wholly-owned subsidiaries of Sun Pharmaceutical Industries Limited ("the Company"), that is, Taro Pharmaceuticals USA, Inc. ("Taro USA") and Taro Pharmaceuticals Inc., Canada ("Taro Canada"), for purchase and sale of pharmaceutical products, on such terms and conditions as may be agreed between Taro USA and Taro Canada, for a period of 2 (two) financial years from April 1, 2022 to March 31, 2023 and April 1, 2023 to March 31, 2024, upto an aggregate value equivalent to ₹2,000 crores for each financial year, and that such transaction(s)/ arrangement(s) shall be at arm's length.

RESOLVED FURTHER THAT the Board of Directors of the Company and any Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions as may be required to give effect to this resolution."

By order of the Board of Directors
For Sun Pharmaceutical Industries Limited,

Anoop Deshpande
Company Secretary and Compliance Officer
(Membership No.: A23983)

Place: Mumbai
Date: August 3, 2022

Registered Office:
SPARC, Tandalja,
Vadodara - 390 012.
Gujarat, India

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') relating to the Ordinary/ Special Business(es) to be transacted at the 30th Annual General Meeting of the Company (the "Meeting" or "AGM") under Item Nos. 4 to 10, is annexed hereto. The relevant details as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking re-appointment as Directors or whose remuneration is proposed, are given under the heading "Profile of Directors" forming part of this Notice.

2. **In accordance with the provisions of the Act read with the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular Nos. 2/2022 and 3/2022 dated May 05, 2022 (hereinafter referred to as "MCA Circulars"), the forthcoming 30th AGM of the Company is scheduled on Monday, August 29, 2022 through video conferencing ("VC") or other audio visual means ("OAVM"). Hence, members can attend and participate in the ensuing 30th AGM through VC/OAVM.**

3. In line with MCA Circulars read with circulars issued by Securities Exchange Board of India (SEBI) vide SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (hereinafter referred to as "SEBI Circular for AGM"), the Notice of 30th AGM along with the Annual Report for 2021-22 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. ("RTA") / Depositories. Hard copies shall be sent to those members who shall request for the same. Members may note that the Notice of the 30th AGM along with the Annual Report 2021-22 is also available for download on the website of the Company at www.sunpharma.com and on the websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL at www.evotingindia.com.

4. **Pursuant to MCA Circulars read with SEBI Circular for AGM, the facility to appoint proxy to attend and cast vote for the members is not available for this 30th AGM.** However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the 30th AGM through VC/ OAVM and cast their votes through e-voting.

5. Corporate members intending to appoint authorized representative(s) to attend and vote on their behalf at the 30th AGM are requested to submit to the Company a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising their representative(s) to attend and vote by e-mail to secretarial@sunpharma.com or scrutinizer@sunpharma.com before the commencement of the 30th AGM.

6. In case of joint holders attending the 30th AGM, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote, provided the votes are not already cast by remote e-voting.

7. The record date for determining the members eligible to receive Final Dividend for the year 2021-22 is Monday, August 22, 2022 ("Record Date").

8. Shareholders who would like to express their views/ ask questions during the 30th AGM may register themselves by sending their request, mentioning their name, demat account number/folio number, e-mail id and mobile number, at secretarial@sunpharma.com latest by August 24, 2022.

   Only registered speakers shall be allowed to express their views/ ask questions during the meeting for a maximum time of 3 (three) minutes each, once the floor is open for shareholder queries. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.

   The shareholders who do not wish to speak during the AGM but have queries may send their queries, mentioning their name, demat account number/ folio number, e-mail id and mobile number, to secretarial@sunpharma.com. These queries will be suitably replied to by the Company by e-mail.

9. For receiving all communication (including Notice and Annual Report) from the Company electronically:

   (a) Members holding shares in physical mode and who have not registered/ updated their e-mail addresses with the Company/ RTA are requested to register/ update the same by writing to the Company/ RTA with details of folio number and attaching a self-attested copy of the PAN Card at secretarial@sunpharma.com or to the Company's RTA at rnt.helpdesk@linkintime.co.in. Further, for updating KYC details, members are requested to submit Form ISR-1 to the Company's RTA.

   (b) Members holding shares in dematerialised mode are requested to register/ update their e-mail addresses with the relevant Depository Participants.

10. Members will be able to attend the 30th AGM through VC/ OAVM or view the live webcast by following instructions detailed in Note no. 26 of this Notice.

11. Relevant registers as required under the Act and the relevant documents referred to in the Notice and the Explanatory Statement will be available for inspection electronically upto the date of 30th AGM, and during the meeting hours. Those shareholders who wish to inspect the relevant registers/ documents electronically may send their requests to secretarial@sunpharma.com, mentioning their name, demat account number/ folio number, e-mail id and mobile number. The aforementioned documents shall also be available for physical inspection at the registered office of the Company, on all working days, except Saturdays and Sundays, between 11:00 a.m. IST and 1:00 p.m. IST, upto the date of 30th AGM.

12. The Board of Directors at its Meeting held on January 31, 2022 had declared an Interim Dividend of ₹7.00/- per Equity Share of ₹1/- each. The Interim Dividend on 2,398,634,970 equity shares amounting to ₹16,790,444,790/-, excluding interim dividend on 700,000 equity shares amounting to ₹4,900,000/- which had been waived by one of the shareholders, was paid on February 18, 2022 to those shareholders who held shares as on February 10, 2022, being the record date for payment.

13. **The Board of Directors at its Meeting held on May 30, 2022, recommended Final Dividend of ₹3/- (Rupees Three only) per equity share of ₹1/- each of the Company for the year ended March 31, 2022 and the same if declared/ approved at the 30th AGM, will be paid on or before September 20, 2022, to the Company's members whose names stand in the Register of Members as beneficial owners on Monday, August 22, 2022 as per the list provided by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in respect of shares held in electronic form and as members in the Register of Members of the Company after giving effect to valid transmissions lodged with the Company on Monday, August 22, 2022.**

    The actual Final Dividend on equity shares, as aforesaid, will be for equity shares other than the equity shares in respect of which the equity shareholder(s) has/have waived/forgone his/her/their right to receive the dividend for the financial year ended March 31, 2022 in accordance with the rules framed by the Board as per Note no. 15 of this Notice.

14. Pursuant to the amendments introduced by the Finance Act, 2020, the dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. **The procedure and Details for Deduction of Tax on Dividend and Submission of Documents is provided in Annexure-1 to this Notice.**

15. At the Extra Ordinary General Meeting of the members of the Company held on September 1, 2003, the members had approved, by way of a Special Resolution, certain amendments whereby few Articles were inserted in the Articles of Association of the Company relating to enabling the Company to implement any instruction from member(s) of the Company to waive / forgo his / their right to receive the dividend (interim or final) from the Company for any financial year. The above referred amendments as approved at the aforesaid Extra Ordinary General Meeting have been retained and are inter alia forming part of new set of Articles of Association adopted at the 24th Annual General Meeting of the Company held on September 17, 2016. Thus, the members of the Company can waive / forgo, if he / they so desire(s), his / their right to receive the dividend (interim or final) for any financial year effective from the dividend recommended by the Board of Directors of the Company for the year ended March 31, 2004 on a year to year basis, as per the rules framed by the Board of Directors of the Company from time to time for this purpose. **The member, if so wishes to waive/ forgo the right to receive Final Dividend for the year ended March 31, 2022, shall fill up the form and send it to the Company's RTA before Monday, August 22, 2022.** The form prescribed by the Board of Directors of the Company for waiving / forgoing the right to receive Dividend for any year shall be available for download on the Company's website www.sunpharma.com under section "Investor - Shareholder's Information - Statutory Communication" or can also be obtained from the Company's RTA.

    The Board of Directors of the Company at its meeting held on September 01, 2003 have framed the following rules under old Article 190A (corresponding Article 142 as per the new set of Articles of Association) of the Articles of Association of the Company for members who want to waive / forgo the right to receive dividend in respect of financial year 2002-2003 or for any year thereafter:

    I. A Shareholder can waive / forgo the right to receive the dividend (either final and / or interim) to which he is entitled, on some or all the Equity Shares held by him in the Company as on the Record Date / Book-closure Date fixed for determining the names of Members entitled for such dividend. However, the Shareholder cannot waive / forgo the right to receive the dividend (either final and / or interim) for a part of percentage of dividend on a share(s).

    II. The Equity Shareholder(s) who wish to waive/ forgo the right to receive the dividend for any year shall inform the Company in the form prescribed by the Board of Directors of the Company only.

    III. In case of joint holders holding the Equity Shares of the Company, all the joint holders are required to intimate to the Company in the prescribed form their decision of waiving / forgoing their right to receive the dividend from the Company.

    IV. The Shareholder, who wishes to waive / forgo the right to receive the dividend for any year shall send his irrevocable instruction waiving / forgoing dividend so as to reach the Company before the Record Date / Book Closure Date fixed for the payment of such dividend. Under no circumstances, any instruction received for waiver / forgoing of the right to receive the dividend for any year after the Record Date / Book Closure Date fixed for the payment of such dividend for that year shall be given effect to.

    V. The instruction once given by a Shareholder intimating his waiver/ forgoing of the right to receive the dividend for any year for interim, final or both shall be irrevocable and cannot be withdrawn for that particular year for such waived/ forgone the right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Record Date/ Book Closure Date fixed for the payment of such dividend, the instruction once exercised by such earlier Shareholder intimating his waiver/ forgoing the right to receive dividend will be invalid for the next succeeding Shareholder(s) unless such next succeeding Shareholder(s) intimates separately in the prescribed form, about his waiving/ forgoing of the right to receive the dividend for the particular year.

VI. The Equity Shareholders who wish to waive/ forgo their right to receive the dividend for any year can inform the Company in the prescribed form only after the beginning of the relevant financial year for which the right to receive the dividend is being waived/ forgone by him.

VII. The instruction by a Shareholder to the Company for waiving/ forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholder(s). There is no interference with a Shareholder's Right to receive the dividend, if he does not wish to waive/ forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.

VIII. The decision of the Board of Directors of the Company or such person(s) as may be authorized by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and / or implementation of these Rules.

IX. These Rules can be amended by the Board of Directors of the Company from time to time as may be required.

16. The members of erstwhile Tamilnadu Dadha Pharmaceuticals Limited; erstwhile Gujarat Lyka Organics Limited; erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited; who have not yet sent their share certificates for exchange with the share certificates of Sun Pharmaceutical Industries Limited, are requested to do so at the earliest, provided their shares are not already transferred to IEPF, since share certificates of the erstwhile Tamilnadu Dadha Pharmaceuticals Limited; erstwhile Gujarat Lyka Organics Limited; erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited are no longer tradable/ valid.

17. The members may be aware that the equity shares of the Company had been subdivided from 1 (One) equity share of ₹ 5/- (Rupees Five Only) each to 5 (Five) equity shares of ₹ 1/- each on November 29, 2010 based on the Record Date of November 26, 2010. The members who have yet not sent their share certificates of ₹ 5/- (Rupees Five Only) each of the Company for exchange with new equity shares of ₹ 1/- each are requested to send the same to the Company's RTA, provided their shares are not already transferred to IEPF, since the old share certificates of ₹ 5/- (Rupees Five Only) each are no longer tradable.

18. Pursuant to Section 124 of the Act, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). The Company will be transferring the unclaimed dividends during the financial years ending March 31, 2022 to March 31, 2029 as given below:

Dividend for Financial Year	Date of Declaration of Dividend Entitled	Rate of Dividend per share of ₹ 1/- each	Date on which Dividend will become due for transfer to IEPF
2014-2015	31.10.2015	₹ 3.00	29.11.2022
2015-2016	17.09.2016	₹ 1.00	16.10.2023
2016-2017	26.09.2017	₹ 3.50	28.10.2024
2017-2018	26.09.2018	₹ 2.00	27.10.2025
2018-2019	28.08.2019	₹ 2.75	29.09.2026
2019-2020 (Interim Dividend)	06.02.2020	₹ 3.00	11.03.2027
2019-2020	27.08.2020	₹ 1.00	28.09.2027
2020-2021 (Interim Dividend)	29.01.2021	₹ 5.50	04.03.2028
2020-2021	31.08.2021	₹ 2.00	05.10.2028
2021-2022 (Interim Dividend)	31.01.2022	₹ 7.00	02.03.2029

Members who have yet not encashed their dividend warrants/demand drafts, for the financial year ended March 31, 2015 and onwards are requested to approach the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India, to claim their unpaid Dividend. The Dividend declared for the financial year ended March 31, 2015 and remaining unpaid and unclaimed, will become due for transfer to the Investor Education and Protection Fund on November 29, 2022. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 31, 2021 (date of the last Annual General Meeting of the Company) on the website of the Company viz., www.sunpharma.com under head "Investor" sub-head "Shareholder Information" as well as on the website of the Ministry of Corporate Affairs viz., www.iepf.gov.in.

19. The members may note that pursuant to Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time ("the Rules"), the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall be transferred to the demat account created by the IEPF Authority.

    Consequently, the Company has transferred the shares to the IEPF Authority in respect of which dividend has remained unpaid or unclaimed from the financial year 2013-14 for 7 (seven) consecutive years, the details of which are available on website of the Company www.sunpharma.com under head "Investor" sub-head "Shareholder Information".

    The shares in respect of which dividend has remained unpaid or unclaimed for 7 (seven) consecutive years commencing from the financial year 2014-15 are liable for transfer to the IEPF Authority pursuant to the Rules. The details of such shares which are becoming due for transfer to IEPF Authority on November 29, 2022 are available on website of the Company www.sunpharma.com under head "Investor" sub-head "Shareholder Information". The shareholders are requested to claim their unpaid or unclaimed Dividend latest by November 29, 2022 after which date the Company shall initiate the process of transferring the eligible shares to the IEPF Authority.

    The procedure to claim shares from IEPF Authority is provided on the website of the Company and can be accessed from: www.sunpharma.com under head "Investor" sub-head "Shareholder Information".

20. The members are requested to get their physical shares dematerialised, since vide SEBI Circular dated June 08, 2018 read with SEBI Circular dated December 03, 2018 with effect from April 01, 2019, the securities shall not be transferred unless they are held in the dematerialised form. Further, vide SEBI Circular dated January 25, 2022, securities shall be issued in dematerialised form while processing requests for transmission/ transposition/ duplicate certificates, etc.

21. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 30th AGM of the Company. For this purpose, the Company has appointed Central Depository Services (India) Limited ("CDSL") for facilitating voting through electronic means, as the authorised e-voting agency.

22. The Members can join the 30th AGM in the VC/ OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure as detailed in this Notice. As per the MCA Circulars, the facility of participation at the 30th AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 30th AGM without restriction on account of first come first served basis.

23. The attendance of the Members attending the 30th AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

24. The voting rights of Members shall be in proportion to their shares in the paid-up share capital of the Company as on the Cut-off Date for e-voting, i.e., Monday, August 22, 2022. A person who is not a Member as on the Cut-off Date should treat this Notice solely for information purposes. Those who acquire equity shares of the Company and become members of the Company after the Notice is sent, and hold equity shares as on the Cut-off Date, can login to vote/ attend the 30th AGM, as detailed in Note no. 26 of this Notice.

25. The Board of Directors have appointed Mr. Chintan Goswami, Partner of KJB & Co. LLP, Practising Company Secretaries, and failing him, Mr. Alpesh Panchal, Partner of KJB & Co. LLP, Practising Company Secretaries, as the Scrutinizer to scrutinize the e-voting during the 30th AGM by electronic mode and remote e-voting process in a fair and transparent manner. They have communicated their willingness to be appointed as such and they are available for the said purpose.

26. **Instructions for Remote E-Voting and E-Voting during the Meeting :**

    (i) **The remote e-voting period begins on Friday, August 26, 2022 at 09:00 a.m. and ends on Sunday, August 28, 2022 at 05:00 p.m.** During this period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the Cut-off Date for e-voting, i.e. Monday, August 22, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those members who will be present in the 30th AGM through VC/ OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 30th AGM.

    (ii) Shareholders who have already voted prior to the meeting date would not be entitled to cast their vote again.

    (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

    E-voting has been enabled for all the demat account holders by way of a single login credential through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-voting service providers, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

    (iv) In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail id in their demat accounts in order to access e-voting facility.

Pursuant to aforesaid circular, login method for e-voting and joining virtual meetings for individual shareholders holding securities in demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of e-voting Service Provider i.e. CDSL, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from an e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also be able to directly access the system of the respective e-voting Service Provider, i.e. CDSL.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name – Sun Pharmaceutical Industries Limited or e-voting service provider name - CDSL and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name - *Sun Pharmaceutical Industries Limited* or e-voting service provider name - CDSL and you will be redirected to CDSL's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name – *Sun Pharmaceutical Industries Limited* or e-voting service provider name - CDSL, and you will be redirected to CDSL website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at toll free no.: 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

(v) Login method for e-voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form**.

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" module.
- Now enter your User ID
    a. For CDSL: 16 digits beneficiary ID
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
    c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

- If you are a first time user follow the steps given below:

	For Physical shareholders and shareholders other than individual holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number/e-voting code sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN no. 220719016 for Sun Pharmaceutical Industries Limited.

(x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xv) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., to the Scrutinizer and to the Company at the e-mail address viz; secretarial@sunpharma.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Process for shareholders to register/ update their e-mail addresses/ mobile nos. with the depositories/ RTA:

1. **For Physical shareholders** – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to Company/RTA e-mail id.

2. **For Demat shareholders** - Please update your e-mail id & mobile no. with your respective Depository Participant (DP).

3. **For Individual Demat shareholders** – Please update your e-mail id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

(xvii) Instructions for shareholders attending the 30th AGM through VC/OAVM & E-voting during the 30th AGM are as under:-

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the 30th AGM.

4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.

5. Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

8. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

(xviii) In case you have any queries or issues regarding attending AGM & e-voting from the e-voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com or call at toll free no.: 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call at toll free no.: 1800 22 55 33.

27. The Scrutinizer will, immediately after the conclusion of voting at the 30th AGM, start scrutinizing the votes cast at the Meeting along with remote e-voting and prepare a consolidated Scrutinizer's Report and submit thereafter to the Chairman of the Meeting or any person authorised by him in writing. The result declared along with the consolidated Scrutinizer's Report will be placed on the Company's website at www.sunpharma.com and on the website of CDSL at www.evotingindia.com, as well as displayed on the notice board at the Registered Office and Corporate Office of the Company, within 48 hours of the conclusion of the Meeting. The Company will simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out material facts relating to the Ordinary/ Special Business as set out at Item Nos. 4 to 10 of the accompanying Notice dated August 03, 2022.

Item No. 4:

The shareholders of the Company, at the 25th AGM, had appointed M/s. S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E / E300003) as the Statutory Auditors of the Company for a term of 5 (five) consecutive years to hold office until the conclusion of the 30th AGM of the Company at such remuneration (exclusive of applicable taxes and reimbursement of out of pocket expenses) as fixed by the Board of Directors of the Company in consultation with them.

Under the provisions of Section 139(2) of the Act, the Company is permitted to appoint the aforementioned Statutory Auditors for one more term of 5 (five) years. The Audit Committee and the Board of Directors at their respective meetings held on May 29, 2022 and May 30, 2022, have recommended the appointment of M/s. S R B C & Co. LLP, Chartered Accountants for a second term of 5 (five) years from the conclusion of this 30th AGM upto the conclusion of 35th AGM of the Company, at such remuneration as may be fixed by the Board of Directors in consultation with them.

M/s. S R B C & Co. LLP, Chartered Accountants have consented to act as Statutory Auditors and have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed, that they are not disqualified to be appointed as Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board recommends the Resolution as set out at item no. 4 of the Notice for approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the resolution as set out in Item no. 4 of this Notice.

Item No. 5:

Under the provisions of Section 152 of the Act, at least one-third of the directors who are liable to retire by rotation, shall retire at every Annual General Meeting of the Company. Mr. Israel Makov, Non-executive Director, and Chairman of the Board, retires by rotation at this 30th AGM, and has not offered himself for re-appointment. The Company does not propose to fill up the vacancy at this 30th AGM or any adjournment thereof. Hence, as required under Section 152 of the Act, an ordinary resolution is proposed not to fill up the vacancy caused by the retirement of Mr. Israel Makov.

The Board recommends the Resolution as set out at Item no. 5 of the Notice for approval of the Members as an Ordinary Resolution.

Except Mr. Israel Makov, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution as set out in Item No. 5 of this Notice.

Item No. 6:

M/s. K D & Co, Cost Accountants, have been appointed as the Cost Auditors by the Board of Directors of the Company on recommendation of the Audit Committee, for conducting audit of cost records and accounts maintained by the Company pertaining to the formulations and bulk drugs activities of the Company for the financial year ending March 31, 2023 at a remuneration of ₹27,82,500/- (Rupees Twenty-Seven Lakhs Eighty-Two Thousand Five Hundred only) per annum plus reimbursement of out of pocket expenses, applicable taxes.

In terms of provisions of Section 148(3) of the Act, read with Companies (Audit and Auditors) Rules, 2014, members' ratification is required for remuneration payable to the Cost Auditors.

Therefore, consent of the members of the Company is being sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

The Board recommends the resolution as set out at Item no. 6 of the Notice for approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the resolution as set out in Item no. 6 of this Notice.

Item No. 7:

Based on the performance evaluation for financial year 2021-22 and recognising the contribution made by the Independent Directors ("IDs"), the Board of Directors recommended to reward the IDs for their contribution and valuable inputs provided in the Board processes.

The shareholders, at the 29th AGM, had passed a resolution for payment of commission to the Non-Executive Directors of the Company, within the maximum limit of 1% of the net profits, for a period of 5 years from financial year 2021-22 to financial year 2025-26. However, in view of loss incurred by the Company in FY 2021-22 on account of exceptional items, as detailed in Statement of Information for the members pursuant to Section II of Part II of Schedule V to the Act forming part of this Notice, specific approval of the shareholders is sought by way of Special Resolution pursuant to requirements under Schedule V of the Act.

The Nomination and Remuneration Committee had in its meeting held on May 27, 2022 had taken up the agenda for payment of commission to IDs, however, since only Mr. Israel Makov, being non-interested Committee member at the meeting, the decision regarding the amount to be paid was referred for approval of the Board. The Board of Directors at their meeting held on May 30, 2022 approved the payment of commission of ₹ 40,00,000/- to each Independent Director, that is, Mr. Gautam Doshi, Dr. Pawan Goenka and Ms. Rama Bijapurkar for FY 2021-22, subject to the approval of the members.

The above commission shall be in addition to sitting fees payable to the Independent Director(s) for attending meetings of the Board/ Committees and reimbursement of expenses, if any for participation in the Board/ Committee meetings.

The Statement of Information for the members pursuant to Section II of Part II of Schedule V to the Act is annexed to this Notice.

The Board recommends the Resolution at Item No. 7 of the Notice for the approval of the Members as a Special Resolution.

All the Independent Directors of the Company, i.e Mr. Gautam Doshi, Dr. Pawan Goenka and Ms. Rama Bijapurkar and their respective relatives are deemed to be concerned or interested in resolution as set out in Item no. 7 of this Notice. Other than the Independent Directors, none of the other Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in this resolution.

Item No. 8:

Mr. Gautam Doshi (DIN: 00004612) was appointed as the Independent Director of the Company at its 26th Annual General Meeting held on September 26, 2018 for a term of 5 (five) years from May 25, 2018 upto May 24, 2023 under the provisions of Section 149 and Section 152 of the Act. Since he shall complete one term in May 2023, he is eligible for re-appointment for second term as Independent Director.

The performance evaluation of Mr. Gautam Doshi was conducted by the Board of Directors on the basis of various criteria as approved by the Nomination and Remuneration Committee and adopted by the Board. Accordingly, based on aforesaid performance evaluation, the Nomination and Remuneration Committee and the Board of Directors at its meetings held on May 27, 2022 and May 30, 2022 respectively, have recommended the re-appointment of Mr. Gautam Doshi as an Independent Director of the Company for a second term of 5 (five) years, from May 25, 2023 upto May 24, 2028, and he shall not be liable to retire by rotation. As per the provisions of Section 149 of the Act, members' approval is required by way of Special Resolution for his re-appointment.

The Company has received declaration from Mr. Gautam Doshi confirming that he meets with the criteria of independence as prescribed under Section 149(6) of the Act, and under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, in the opinion of the Board, he fulfils all the conditions specified in the Act, for such re-appointment.

The draft letter of appointment of Mr. Gautam Doshi, setting out the terms and conditions of appointment is being made available for inspection by any member as detailed in point no. 11 of Notes to Notice of this 30th AGM.

The brief profile of Mr. Gautam Doshi is provided under heading "Profile of Directors" forming part of this Notice.

Further, Mr. Gautam Doshi shall attain the age of 75 years during his second term of appointment. In compliance with Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the continuation of Directorship of a person who has attained the age of 75 years shall be subject to the approval of the members by special resolution. Accordingly, approval of members is also being sought for the same.

The Board recommends the Resolution as set out at Item no. 8 of the Notice for approval of the Members as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Gautam Doshi himself, to whom this resolution pertains and his relatives, are in any way concerned or interested in the resolution as set out at Item no. 8 of this Notice.

Item No. 9:

At the 25th Annual General Meeting of the Company held on September 26, 2017, Mr. Dilip S. Shanghvi was re-appointed as Managing Director by way of a special resolution for a period of 5 (five) years effective from April 1, 2018 upto March 31, 2023. The members, by way of a special resolution at the 25th AGM and 27th AGM, had approved the maximum remuneration to be paid to Mr. Dilip S. Shanghvi, Managing Director for a period of 3 years with effect from April 1, 2018 to March 31, 2021, and for a remaining period of his present term of appointment with effect from April 1, 2021 to March 31, 2023, respectively, including the remuneration to be paid to him in event of loss or inadequacy of profits in any financial year during the aforesaid period.

On the recommendation of the Nomination and Remuneration Committee and the Board of Directors at its meetings held on May 27, 2022 and May 30, 2022 respectively, Mr. Dilip S. Shanghvi was re-appointed as the Managing Director of the Company for a further period of 5 (five) years from the expiry of his present term, i.e. from April 1, 2023 upto March 31, 2028, and his remuneration was approved for the aforementioned period, subject to the approval of the members.

The maximum limit of remuneration approved by the members for his present term of appointment is ₹ 8.10 crores per annum, within which limit the Nomination and Remuneration Committee/ Board approved the remuneration for each financial year. The present actual remuneration paid/payable to Mr. Dilip S. Shanghvi for the year 2021-22 is ₹ 5.05 crores. It is proposed to the members that the maximum limit of ₹ 8.10 crores per annum be continued as his maximum remuneration for his appointment from April 1, 2023 upto March 31, 2028 including the minimum remuneration to be paid to him in event of loss or inadequacy of profits in any financial year during the aforesaid period. The aforesaid maximum remuneration has also been recommended and approved by the Nomination and Remuneration Committee and the Board of Directors of the Company.

Mr. Dilip S. Shanghvi, Managing Director of the Company is highly experienced and controls the affairs of the Company as a whole under the direction of the Board of Directors of the Company. He has successfully and in a sustained way contributed significantly towards growth in performance of the Company. He has extensive experience in the pharmaceutical industry and is actively involved inter alia in international pharmaceutical markets, business strategy, business development functions of the Company. Mr. Shanghvi has won numerous awards and recognitions. His brief profile is provided under heading “Profile of Directors” forming part of this Notice.

The brief terms of re-appointment including remuneration of Mr. Dilip S. Shanghvi, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors are provided in the resolution set out at Item No. 9 of this Notice.

Mr. Dilip S. Shanghvi fulfils all the conditions given under Section 196 and Schedule V of the Act for being eligible for his re-appointment. He is not disqualified under Section 164 from being appointed as the Director. In compliance with the requirements of Section 196 of the Act, since Mr. Dilip S. Shanghvi shall attain the age of 70 years during the aforesaid term of appointment, the resolution set out at Item No. 9 of this Notice is recommended as a Special Resolution.

Pursuant to provisions of Section 197 of the Act, the Company may pay remuneration in excess of the limits prescribed therein, if the approval of the members is obtained by way of Special Resolution. Additionally, under Regulation 17 (6) (e) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), members approval by way of Special Resolution is required to pay remuneration to a Director who is a promoter of the Company, in case, such annual remuneration is 2.5% of the net profit of the Company or ₹ 5 crores, whichever is higher. Since Mr. Dilip S. Shanghvi is also the promoter of the Company, members’ approval is sought by way of special resolution.

Since members’ approval for payment of remuneration to Mr. Dilip S. Shanghvi for the aforesaid proposed term of his appointment is being sought by way of special resolution, the limits prescribed under Schedule V of the Act shall not be applicable to the Company in case there is a loss/ inadequacy of profits during his term of appointment. However, the Statement of Information for the members pursuant to Section II of Part II of Schedule V to the Act is annexed to this Notice.

This explanatory statement and the Resolution set out at Item No. 9 of this Notice may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The copy of the draft agreement with respect to the re-appointment and term of remuneration, to be entered into with Mr. Dilip S. Shanghvi is available for inspection by any member as detailed in point no. 11 of Notes to Notice of this 30th Annual General Meeting.

The Board recommends the Resolution as set out at Item no. 9 of the Notice for approval of the Members as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Dilip S. Shanghvi to whom this resolution relates and Mr. Sudhir V. Valia, being brother-in-law of Mr. Dilip S. Shanghvi and their relatives, are in any way concerned or interested in the Resolution as set out at Item no. 9 of this Notice.

Item No. 10:

Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, related party transactions having a value of lower of ₹ 1,000 crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, shall be considered as material. Taro Pharmaceuticals Inc., Canada ("Taro Canada") is an indirect subsidiary of the Company through its subsidiary Taro Pharmaceutical Industries Limited, Israel, which is primarily engaged in manufacture of pharmaceutical products. Taro Pharmaceuticals USA, Inc. ("Taro USA") is another indirect subsidiary of the Company, and is a wholly owned subsidiary of Taro Canada. To bring about greater efficiency and manage the supply chain effectively, Taro USA acts as a distributor for Taro Canada in the US markets.

The proposed transaction value between Taro Canada and Taro USA, being non wholly-owned subsidiaries of the Company, for FY 2022-23 and FY 2023-24 is equivalent to ₹ 2,000 Crores for each year, which is material, hence, approval of the shareholders is being sought.

The proposed transaction shall be at arm's length and in the ordinary course of business of the respective companies. The Corporate Governance and Ethics Committee, Audit Committee and the Board of Directors of the Company have reviewed the relevant details, as required under the law, of the proposed transaction(s), and thereafter approved and recommended to the shareholders for their approval, the material related party transaction as detailed in the resolution.

Information pursuant to SEBI Circular No. SEBI/HO/CFD/CM1/CIR/P/2021/662 dated November 22, 2021 and the Act, is given below:

Sr. No.	Description	Details
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Taro Pharmaceuticals USA, Inc. ("Taro USA") and Taro Pharmaceuticals Inc., Canada ("Taro Canada") are subsidiaries of the Company through its subsidiary Taro Pharmaceutical Industries Limited, Israel. Also, Taro Pharmaceuticals Inc, Canada is the holding company of Taro Pharmaceuticals USA. Inc. Taro USA and Taro Canada are the wholly owned subsidiaries of Taro Pharmaceutical Industries Limited, Israel, subsidiary of the Company. The Company, Sun Pharmaceutical Industries limited, is not a party in the proposed related party transaction.
b.	Type, material terms and particulars of the proposed transaction	Purchase and Sale of pharmaceutical products Taro USA acts as distributor for Taro Canada products in the US market. Taro USA is guaranteed an arm's length remuneration for its distribution and ancillary activities.
c.	Tenure of the proposed transaction (particular tenure shall be specified)	2 (two) financial years i.e. April 1, 2022 to March 31, 2023, and April 1, 2023 to March 31, 2024
d.	Value of the proposed transaction	April 1, 2022 to March 31, 2023 - Equivalent to ₹ 2,000 Crores April 1, 2023 to March 31, 2024 - Equivalent to ₹ 2,000 Crores
e.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	For the Company - 5.20% For Taro USA – 73.06% For Taro Canada – 91.37%

Sr. No.	Description	Details
f.	Any advance paid or received for the contract or arrangement, if any	Nil
g.	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is determined on arm's length basis.
h.	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	Yes
i.	Name of the director or key managerial personnel who is related, if any	Mr. Sudhir Valia, Director of the Company is a Director of Taro Canada and Taro USA. Mr. Gautam Doshi, Director of the Company is a Director of Taro USA.
j.	Justification as to why the RPT is in the interest of the listed entity	US is largest pharma market and Taro USA sources its products from various manufacturers including Taro Canada, a group company.
k.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: (i) details of the source of funds in connection with the proposed transaction (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness; • cost of funds; and • tenure; (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable
l.	A statement that the valuation or other external party report, if any such report has been relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders	Not Applicable
m.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	As per clause e above.
n.	Any other information that may be relevant	-

The Board recommends the Resolution as set out at Item no. 10 of the Notice for approval of the Members as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives except Mr. Sudhir Valia and Mr. Gautam Doshi, by virtue of their directorships in the aforementioned subsidiary companies, are concerned or interested in the Resolution set out at Item No. 10.

PROFILE OF DIRECTORS

(Details of Directors proposed to be reappointed/ whose remuneration is proposed)

As required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS – 2), the particulars of Directors who are proposed to be reappointed and whose remuneration is proposed, at this 30th AGM, are given below:

The details of Board and Committee Meetings attended by these Directors during the year 2021-22 are stated in the Corporate Governance Report which forms part of this Annual Report.

The details of remuneration, wherever applicable, are provided in the respective resolution(s).

Particulars	Mr. Sailesh T. Desai
Age	68 Years
Brief resume of the Director including nature of expertise in specific functional areas:	Mr. Sailesh T. Desai is a science graduate from Kolkata University and is a successful entrepreneur with more than 35 years of wide industrial experience including more than 30 years in the pharmaceutical industry. Mr. Desai has extensive and comprehensive corporate affairs experience, being involved in the turnaround at Milmet prior to Sun Pharma's acquisition, as well as in the early stages of the company's growth.
Date of First appointment on the Board:	March 25, 1999
Directorship held in other companies (excluding foreign companies & section 8 companies):	1) Sun Pharma Laboratories Limited 2) Sun Pharmaceutical Medicare Limited 3) Sun Pharma Distributors Limited 4) Universal Enterprises Private Limited
Membership / Chairmanship of Committees of other public Companies:	1) Sun Pharma Laboratories Limited • Nomination and Remuneration Committee – Member 2) Sun Pharma Distributors Limited • Corporate Social Responsibility Committee - Member
Inter-se Relationship between Directors:	None
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2022:	2,159,347 Equity Shares

Particulars	Mr. Dilip S. Shanghvi
Age	66 Years
Brief resume of the Director including nature of expertise in specific functional areas:	Mr. Dilip Shanghvi, Managing Director, is also the founder of Sun Pharmaceutical Industries Limited and has extensive industrial experience in the pharmaceutical industry. A first-generation entrepreneur, Mr. Shanghvi has won numerous awards and recognitions, including Forbes's Entrepreneur of the Year Award (2014), Economic Times' Business Leader of the Year (2014), CNN IBN's Indian of the Year (Business) (2011), Business India's Businessman of the Year (2011) and Ernst and Young's World Entrepreneur of the Year (2011). He has also been awarded the Economic Times' Entrepreneur of the Year (2008), Business Standard's CEO of the Year (2008), and CNBC TV 18's First Generation Entrepreneur of the Year (2007). Mr. Shanghvi was conferred with the prestigious 'Padma Shri' award by the Hon'ble President of India in the year 2016. As the promoter of the Company, he has been actively involved in international pharmaceutical markets, business strategy, business development and research and development functions in the Company. Mr. Shanghvi is also Chairman of Sun Pharma Advanced Research Company Limited. He holds a B. Com degree from the University of Kolkata.
Date of First appointment on the Board:	March 1, 1993
Directorship held in other companies (excluding foreign companies & section 8 companies):	1) Sun Pharma Advanced Research Company Limited 2) Sun Petrochemicals Private Limited 3) Alfa Infraprop Private Limited 4) Aditya Clean Power Ventures Private Limited

Particulars	Mr. Dilip S. Shanghvi
Membership / Chairmanship of Committees of other public Companies:	1) Sun Pharma Advanced Research Company Limited – • Corporate Social Responsibility Committee - Member • Fund Management Committee - Member • Securities Allotment Committee - Member • Risk Management Committee - Chairman
Inter-se Relationship between Directors:	Mr. Dilip S. Shanghvi is Brother-in-law of Mr. Sudhir V. Valia, Director
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2022:	230,285,690 Equity Shares

Particulars	Mr. Gautam Doshi
Age	69 Years
Brief resume of the Director including nature of expertise in specific functional areas:	Mr. Gautam Doshi, a Chartered Accountant and Masters in Commerce, has been in professional practice for over 40 years. He advises various industrial groups and families and also serves as a Director on boards of public listed and unlisted companies. Mr. Doshi has more than 40 years of experience in wide range of areas covering Mergers and Acquisitions, Direct, Indirect and International Taxation, Transfer Pricing, Accounting and Corporate and Commercial Laws. He has been actively involved in conceptualizing and implementing a number of mergers and restructuring transactions both domestic and cross border, involving many of the top 20 listed companies on BSE as also those forming part of FTSE 100. A prolific speaker, Mr Doshi has addressed several seminars and conferences within and outside of India and courses organized by the Institute of Chartered Accountants of India, International Fiscal Association, other professional bodies and Chambers of Commerce. He has served on the Councils of Western Region as also All India level of the Institute of Chartered Accountants of India which has the task of development and regulation of profession of accountancy in India. During his tenure on the Council, he served on several committees and contributed significantly to the work of Board of Studies which is responsible for education and system of training of students. He also served as Chairman of Committees on direct and indirect taxation.
Date of First appointment on the Board:	May 25, 2018
Directorship held in other companies (excluding foreign companies & section 8 companies):	1) Sun Pharma Laboratories Limited 2) Piramal Capital & Housing Finance Limited 3) Suzlon Energy Limited 4) PHL Fininvest Private Limited 5) Capricorn Realty Limited 6) Aashni Ecommerce Private Limited 7) Kudal Real Estate Private Limited 8) Banda Real Estate Private Limited 9) Connect Capital Private Limited
Membership / Chairmanship of Committees of other public Companies:	1) Piramal Capital & Housing Finance Limited • Audit & Risk Management Committee – Chairman 2) Capricorn Realty Limited • Audit Committee – Member 3) PHL Fininvest Private Limited • Corporate Social Responsibility Committee – Chairman • Audit and Risk Management Committee – Member 4) Sun Pharma Laboratories Limited • Audit Committee – Member • Nomination and Remuneration Committee - Chairman • Corporate Social Responsibility Committee - Member
Inter-se Relationship between Directors:	None
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2022:	8,000 Equity Shares

Particulars	Dr. Pawan Goenka
Age	**67 Years**
Brief resume of the Director including nature of expertise in specific functional areas:	Dr. Pawan Goenka earned his B. Tech. in Mechanical Engineering from IIT, Kanpur and Ph.D. from Cornell University, U.S.A. He is also a Graduate of Advanced Management Program from Harvard Business School. He worked at General Motors R&D Centre in Detroit, U.S.A. from 1979 to 1993. He joined Mahindra & Mahindra Ltd., as General Manager (R&D) and led the development of the Scorpio SUV. Dr. Goenka is credited with building a strong R&D infrastructure and a wide product portfolio for Mahindra and is also widely recognised as a statesman of the India Auto Industry. Dr. Goenka served on the boards of several Mahindra Group Companies, both domestic and International. He retired from Mahindra as Managing Director and CEO on April 1, 2021. Dr. Goenka has received several awards during his tenure such as Burt L. Newkirk Award, Charles L. McCuen Achievement Award, the FISITA Medal of Honour, Automotive Man of the Year Award, CV Man of the Year Award, Lifetime Achievement Award & Param Shreshth Award. Dr. Goenka was also honoured with the Lifetime Achievement Award for his unparalled contribution to the automotive industry by the Automotive Component Manufacturers Association (ACMA) in March 2022. He received the Distinguished Alumni Award from IIT Kanpur in 2004 and was also conferred with the Doctor of Science (honoris causa) in 2015. He is a Fellow of SAE International and of The Indian National Academy of Engineers and a member of National Academy of Engineers, USA. Dr. Goenka is past President of Society of Automotive Engineers India (SIAM), the ARAI Governing Council, and served as a Board Member of National Skills Development Corporation (NSDC) and a member of Confederation of Indian Industries (CII) National Council. He is currently serving as the Chairman of the Board of Governors of IIT Madras. Dr. Goenka is the Chairperson of Indian National Space Promotion and Authorisation Centre (IN-SPACe), Department of Space, Government of India and of the Steering Committee for Advancing Local value-add and Exports (SCALE), an initiative under the Ministry of Commerce & Industry. Dr. Goenka also serves as an Independent Director on the Board of Bosch Limited.
Date of First appointment on the Board:	May 21, 2021
Directorship held in other companies (excluding foreign companies & section 8 companies):	1) Mahindra Agri Solutions Limited 2) Bosch Limited
Membership / Chairmanship of Committees of other public Companies:	1) Mahindra Agri Solutions Limited • Risk Management Committee – Member 2) Bosch Limited • Audit Committee – Member; • Nomination and Remuneration Committee – Member; • Corporate Social Responsibility Committee – Member; • Stakeholder's Relationship Committee – Chairman; • Risk Management Committee – Chairman
Inter-se Relationship between Directors:	None
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2022:	Nil

Particulars	Ms. Rama Bijapurkar
Age	**65 Years**
Brief resume of the Director including nature of expertise in specific functional areas:	Researcher, consultant, academic, author of books on Consumer India and on business-market strategy, Ms. Rama Bijapurkar is a recognised thought leader on market strategy and consumer behaviour as well as a keen commentator on social and cultural change in India. Over the past several decades, she has been a dominant voice in the media on business and policy issues through her columns in leading newspapers and magazines and through her hallmark books on Consumer India. Ms. Bijapurkar is Professor of Management Practice at Indian Institute of Management, Ahmedabad, her alma mater. Ms. Bijapurkar is amongst India's most experienced independent board directors and has served on the boards of several of India's blue chip companies and public institutions. Ms. Bijapurkar holds a BSc (Hons) degree in Physics from Delhi University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. Her over four decades of work experience in strategy consulting and market research includes her own consulting practice, and employment with McKinsey & Company, MARG (now Nielsen India), Mode Services (now TNS India).
Date of First appointment on the Board:	May 21, 2021
Directorship held in other companies (excluding foreign companies & section 8 companies):	1) Sun Pharma Laboratories Limited 2) Sun Pharma Distributors Limited 3) Mahindra & Mahindra Financial Services Limited 4) Nestle India Limited 5) VST Industries Limited 6) Cummins India Limited 7) Apollo Hospital Enterprise Limited
Membership / Chairmanships of Committees of other public Companies:	1) Sun Pharma Distributors Limited • Corporate Social Responsibility Committee – Member 2) Mahindra & Mahindra Financial Services Limited • Audit Committee – Member • Stakeholders' Relationship Committee – Chairperson • Risk Management Committee – Member • Corporate Social Responsibility Committee – Member 3) Nestle India Limited • Stakeholders Relationship Committee – Chairperson • Corporate Social Responsibility Committee – Member 4) VST Industries Limited • Audit Committee – Member • Stakeholders Relationship Committee – Chairperson • Nomination and Remuneration Committee – Chairperson • Risk Management Committee – Member • Corporate Social Responsibility Committee – Member • Strategy Committee – Member 5) Cummins India Limited • Stakeholders Relationship Committee – Member • Risk Management Committee – Member • Corporate Social Responsibility Committee – Member • Nomination and Remuneration Committee – Chairperson
Inter-se Relationship between Directors:	None
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2022:	Nil

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013

(Refer Explanatory Statement for Item Nos. 7 & 9)

I. General Information:

(i) Nature of Industry:

The Company is engaged into development, manufacture, sale, trading, marketing and export of various pharmaceutical products.

(ii) Date or expected date of commencement of commercial production:

The Company carries on pharmaceutical business since its incorporation.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

(iv) Financial performance based on given indicators:

Standalone Financial Results:

(₹ in Crores except EPS)

Particulars	2021-22	2020-21
Profit/(Loss) after Tax	(99.99)	842.40
Total Equity (Share capital + other equity)	24,587.95	26,938.47
Revenue from operations	15,585.98	14,116.05
Earnings Per Share	(0.4)	3.5

Consolidated Financial Results:

(₹ in Crores except EPS)

Particulars	2021-22	2020-21
Profit/(Loss) after Tax	3,272.73	2,903.82
Total Equity (Share capital + other equity)	48,011.22	46,462.78
Revenue from operations	38,654.49	33,498.14
Earnings Per Share	13.6	12.1

(v) Foreign investments or collaborations, if any.

For details of investment made by the Company, please refer the schedule no. 5, 6 and 13 of the Standalone Balance sheet forming part of the Annual Report for 2021-22 being sent along with this Notice. The Company has not entered into any material foreign collaboration.

As on March 31, 2022, the Shareholding of Foreign Institutional Investors, Foreign Nationals and Foreign Companies, in the Company is detailed as under:

Particulars	No. of Shares	%
Foreign Portfolio Investors	346,442,453	14.44
Foreign Nationals	13,731	0.00
Non-Resident Indians (Repat)	4,050,334	0.17
Non-Resident Indians (Non-Repat)	3,460,482	0.14
Foreign Companies	6,897	0.00
Overseas Bodies Corporate	46,000	0.00
Foreign Bank	10,878	0.00
Total	**354,030,775**	14.75

II. Information about the Appointees/ Directors whose remuneration is proposed:

(i) Background details

The background details and profiles of Dr. Pawan Goenka, Ms. Rama Bijapurkar, Mr. Gautam Doshi and Mr. Dilip S. Shanghvi are provided under the heading "Profile of Directors" given with this Notice.

(ii) Past remuneration

The remuneration paid/ payable for Financial Year 2021-22 to Independent Directors is as follows:

(in ₹)

Name of Director	Sitting Fees	Commission[1]	Total
Pawan Goenka	1,950,000	4,000,000	5,950,000
Rama Bijapurkar	800,000	4,000,000	4,800,000
Gautam Doshi	3,000,000	4,000,000	7,000,000

[1] The Board of Directors at their meeting held on May 30, 2022 have approved Commission of ₹ 4,000,000 (Rupees Forty Lakhs only) to be paid to each Independent Director of the Company, for the FY 2021-22, subject to the approval of the members at the ensuing 30th Annual General Meeting and the payment shall be made after obtaining approval of the members.

The remuneration paid/ payable for Financial Year 2021-22 to Managing Director is as follows:

(in ₹)

Name of Director	Salary	Bonus	Perquisites/ Benefits	Total
Dilip Shanghvi	37,799,496	7,559,899	5,151,800	50,511,195

Notes:

Perquisites include House Rent Allowance if any, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites etc, payable to Directors, as per Company Policy.

Besides this, he is also entitled to encashment of leave as per Company policy, and gratuity at the end of tenure, as per the rules of the Company.

Further details are provided under the heading 'Remuneration to Directors' in the Corporate Governance Report forming part of the Annual Report for the financial year 2021-22.

(iii) Recognition or awards

Refer details provided in "Profile of Directors" forming part of this Notice.

(iv) Job profile and his suitability

Their detailed profiles are provided under heading "Profile of Directors" forming part of this Notice

(v) Remuneration proposed

Details of remuneration proposed for approval of the Shareholders at this 30th AGM of the Company are as provided in the respective resolutions no. 7 & 9 of this Notice.

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The proposed remuneration to Mr. Dilip S. Shanghvi, and proposed commission to Dr. Pawan Goenka, Mr. Gautam Doshi and Ms. Rama Bijapurkar (looking at their profile, position and responsibilities), is commensurate with the remuneration being paid by the Companies of comparable size in the industry in which the Company operates.

(vii) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel [or other director], if any.**

Apart from the sitting fees/ commission/ remuneration and perquisites (as applicable) paid/ payable, as stated above and their respective shareholding held directly or indirectly in the Company, Dr. Pawan Goenka, Ms. Rama Bijapurkar, Mr. Gautam Doshi and Mr. Dilip S. Shanghvi do not have any pecuniary relationship directly or indirectly with the Company and its managerial personnel.

III. Other information:

(i) **Reasons of loss or inadequate profits**

The Company and certain of its subsidiaries are defendants in a number of class action lawsuits brought by purchasers and payors in the U.S. alleging violation of antitrust laws with respect to its ANDAs for Valganciclovir, 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 any admission of guilt or violation of any statute, law, rule or regulation, or of any liability or wrongdoing was reached with all of the plaintiff classes on March 23, 2022, for a total settlement amount of USD 485 Million of which USD 210 Million was borne by the Company along with its related legal charges of USD 8.3 Million pertaining to this lawsuit (equivalent to ₹ 16,549.6 Million inclusive of legal charges). The settlement is subject to final approval by the Court.

Consequent to the settlement of lawsuit mentioned in above, during the year ended March 31, 2022, the Company has reassessed the expected timing of utilisation of Minimum Alternate Tax (MAT) credit and based on this reassessment written off a MAT credit of ₹ 4,406.0 Million and disclosed the charge as an exceptional item which resulted in loss for FY 2021-22.

For further details, please refer Note 54 (2) of standalone financial statements.

(ii) **Steps taken or proposed to be taken for improvement**

Since the loss incurred is due to exceptional item and tax, as detailed in clause (i) above, there are no steps required to be taken for improvement.

(iii) **Expected increase in productivity and profits in measurable terms**

N.A.

IV. Disclosures:

The information and disclosures of aforementioned Directors have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading “Remuneration to Directors”.

Mr. Dilip S. Shanghvi, whose re-appointment is proposed satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act. Further, he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India or any other authority.

ANNEXURE - 1

Details for Deduction of tax on Dividend and Submission of Documents

Pursuant to the amendments introduced by the Finance Act, 2020, the dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. However, no tax will be deducted on payment of dividend to the resident individual shareholders, if the total dividend paid does not exceed ₹ 5,000/-. The rate of tax deducted at source will vary depending on the residential status of the shareholder and documents registered with the Company.

a) RESIDENT SHAREHOLDERS

(i) Tax Deductible at Source for resident shareholders

Sr. No.	Particulars	Rate of Deduction of Tax at Source	Documents Required (if any)
1.	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought)
2.	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
3.	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the Certificate	Lower/nil tax deduction certificate obtained from Income Tax Authority

(ii) No Tax Deductible at Source on dividend payment to resident shareholders if the shareholders submit and register following documents mentioned in column no. 4 of the below table with the Company/ Company's RTA – Link Intime India Private Limited

Sr. No.	Particulars	Rate of Deduction of Tax at Source	Documents Required (if any)
1.	Submission of Form No. 15G/15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm)/ Form No.15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions. Please download Form No. 15G/ 15H from the Income Tax website www.incometaxindia.gov.in.
2.	Securitisation Trust	NIL	Copy of registration/ document evidencing the shareholder being a securitisation trust (as defined in clause (d) of the Explanation below section 115TCA).
3.	Shareholders to whom section 194 of the Income Tax Act, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence that the said provisions are not applicable.
4.	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds specified u/s 10(23D) of the Income-tax Act, 1961.	NIL	Documentary evidence for coverage u/s 196 of the Income Tax Act, 1961
5.	Category I and II Alternative Investment Fund	NIL	SEBI AIF registration certificate to claim benefit u/s 197A (1F) read with section 10(23FBA) of the Income Tax Act, 1961
6.	• Recognised provident funds • Approved superannuation fund • Approved gratuity fund	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
7.	National Pension System Trust referred to in section 10(44) of the Income-tax Act, 1961	NIL	No TDS as per section 197A (1E) of the Income Tax Act, 1961

(iii) The Finance Act, 2021 inserted a new section, section 206AB as a special provision providing for higher rates of TDS for non-filers of income tax returns. The said section came into effect from July 1, 2021. The provisions of section 206AB of the Income-tax Act, 1961 ('the Act') as amended from April 1, 2022 provide for higher rates of withholding tax, in case where the recipient /deductee is a 'Specified person' as per the provisions of the Income Tax Act, 1961.

Higher rates of TDS for the purpose of section 206AB of the Act:

The TDS rate for payments made to the specified persons stated above, shall be the higher of the following:

- at twice the rate specified in the relevant provision;
- at twice the rate in force; or
- at the rate of 5%.

If the provision of section 206AA of the Act (deduction of tax at higher rate for non-furnishing of PAN by the deductee) is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this section and in section 206AA of the Income-tax Act, 1961.

'Specified person' means a person who -

- has not furnished the return of income for the assessment year relevant to the previous year immediately preceding financial year in which tax is required to be deducted, for which time limit to furnish return of income under section 139(1) of the Act has expired; **and**
- the aggregate TDS and TCS in his case is ₹ 50,000 or more in the said previous year.

Further, DIT (Systems) vide Notification no. 1 of 2022 pursuant to CBDT circular no. 11 of 2021 and circular no. 10 of 2022 notified a functionality "Compliance Check for Sections 206AB & 206CCA" on the reporting portal of the Income-tax Department to facilitate the tax deductor/collector to check if the deductee/collectee is a 'specified person' under Section 206AB.

In view of the above, the Company would check whether shareholder is a 'specified person' under section 206AB and if any shareholder is found as a 'specified person' as defined in Section 206AB then the company shall be liable to deduct tax at source at higher rate in such case.

b) NON-RESIDENT SHAREHOLDERS

Tax deducted at source on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following documents with the Company/ Company's RTA – Link Intime India Private Limited

Sr. No.	Particulars	Rate of Deduction of Tax at Source	Documents Required (if any)
1.	Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number/ certificate.
2.	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate, whichever is beneficial	To avail beneficial rate of tax as per applicable tax treaty, following documents would be required: 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. Permanent Account Number (PAN) 3. Form No. 10F duly filled in & signed 4. Self-declaration by the shareholder for non-existence of permanent establishment/ fixed base in India 5. Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, General Anti Avoidance Rule (GAAR), Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements. (Note: Application of beneficial tax treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and review to the satisfaction of the Company)
3.	Indian Branch of a Foreign Bank	NIL	Lower/nil tax deduction certificate u/s 195(3) obtained from Income Tax Authority. Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank.
4.	Overseas Trust	20% (plus applicable surcharge and cess)	The overseas trust can also be given the tax treaty rate. However, the same can be litigative and hence, on a conservative basis, withholding on dividends paid to overseas trust should be as per Income-tax Act, 1961 only
5.	Availability of Lower/Nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the Certificate	Lower/Nil tax deduction certificate obtained from Income Tax Authority

c) The Company will issue soft copy of TDS certificate to its shareholders through e-mail registered with Company/ Company's RTA post payment of dividend. Shareholders will be able to download the TDS certificate from the Income Tax Department's website https://incometaxindiaefiling.gov.in (refer to Form 26AS).

d) The aforesaid documents such as Form No. 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower/Nil Tax deduction certificate etc. can be submitted to the Company/ Company's RTA at sunpharmadivtax@linkintime.co.in or can be uploaded on the link https://linkintime.co.in/formsreg/submissionof-form-15g-15h.html on or before August 22, 2022 to enable the Company to determine the appropriate TDS/ withholding tax rate applicable. Any communication on the tax determination/ deduction received post August 22, 2022 shall not be considered for the payment of Final Dividend for the financial year 2021-22.

   All queries/ grievances/ issues in this regard shall be attended/ addressed on rnt.helpdesk@linkintime.co.in.

e) Application of TDS rate is subject to necessary verification as per details as available in Register of Members as on the Record Date, i.e. Monday, August 22, 2022, and other documents available with the Company/ Company's RTA.

f) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund from the Income-tax department.

g) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings.

h) This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

i) The tax withholding rates referred above are based on the law prevailing as on the date.

j) In the event there is ambiguity in law or interpretation or matters concerning tax withholding, the highest applicable tax withholding rate shall be considered on a conservative basis.

CORPORATE INFORMATION

BOARD OF DIRECTORS

ISRAEL MAKOV
Chairman, Non-Executive and Non-Independent Director

DILIP S. SHANGHVI
Managing Director

DR. PAWAN GOENKA
Non-Executive and Lead Independent Director

GAUTAM DOSHI
Non-Executive and Independent Director

RAMA BIJAPURKAR
Non-Executive and Independent Director

SUDHIR V. VALIA
Non-Executive and Non-Independent Director

SAILESH T. DESAI
Whole-time Director

KALYANASUNDARAM SUBRAMANIAN
Whole-time Director

CHIEF FINANCIAL OFFICER

C. S. MURALIDHARAN

COMPANY SECRETARY & COMPLIANCE OFFICER

ANOOP DESHPANDE

AUDITORS

S R B C & CO. LLP
Chartered Accountants, Mumbai

REGISTRARS & SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.
C 101, 247 Park,
L B S Marg, Vikhroli (West),
Mumbai – 400 083
Tel: (022)-49186000
Fax: (022)-49186060
E-mail: sunpharma@linkintime.co.in
rnt.helpdesk@linkintime.co.in

OPERATIONAL MANUFACTURING PLANTS

1. Dewas, Madhya Pradesh, India
2. Karkhadi, Gujarat, India
3. Baddi, Himachal Pradesh, India
4. Dadra, Dadra & Nagar Haveli, India
5. Ponda, Goa, India
6. Halol, Gujarat, India
7. Mohali, Punjab, India
8. Paonta Sahib, Himachal Pradesh, India
9. Silvassa, Dadra & Nagar Haveli, India
10. Ahmednagar, Maharashtra, India
11. Ankleshwar, Gujarat, India
12. Dahej, Gujarat, India
13. Maduranthakam, Tamilnadu, India
14. Malanpur, Madhya Pradesh, India
15. Panoli, Gujarat, India
16. Toansa, Punjab, India
17. Sun Pharma Laboratories Ltd., Guwahati, Assam, India
18. Sun Pharma Laboratories Ltd., Jammu, Jammu & Kashmir, India
19. Sun Pharma Laboratories Ltd., Setipool, Sikkim, India
20. Sun Pharma Laboratories Ltd., Ranipool, Sikkim, India
21. Sun Pharmaceutical Medicare Ltd., Baska, Gujarat, India
22. Zenotech Laboratories Ltd., Medchal–Malkajgiri Dist., Telangana, India
23. Sun Pharmaceutical Industries (Australia), Latrobe, Australia
24. Sun Pharmaceutical Industries (Australia), Port Fairy, Australia
25. Sun Pharmaceutical (Bangladesh) Ltd., Joydevpur, Gazipur, Bangladesh
26. Taro Pharmaceuticals Inc., Brampton, Ontario, Canada
27. Taro Pharmaceutical Industries Ltd., Haifa Bay, Israel
28. Alkaloida Chemical Company Zrt., Tiszavasvari, Kabay, Hungary
29. Ranbaxy Egypt (L.L.C.), October City, Giza, Egypt
30. Ranbaxy Malaysia Sdn. Bhd., Kedah, Malaysia
31. Ranbaxy Nigeria Limited, Lagos (Magboro), Nigeria
32. S.C Terapia S. A., Cluj, Romania
33. JSC Biosintez, Penza, Russia
34. Ranbaxy Pharmaceuticals., (Pty) Ltd., Roodepoort, Johannesburg, South Africa
35. Chattem Chemicals, Inc., Chattanooga, US
36. Ohm Laboratories Inc., New Brunswick, New Jersey, US
37. Ohm Laboratories Inc., North Brunswick, NJ, New Jersey, US
38. Pharmalucence Inc., Billerica, Massachusetts, US
39. Pola Pharma Inc., Saitama, Japan

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