

Innovation for better patient care

Reaching People. Touching Lives.



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Innovation for better patient care

As a global pharmaceutical company, we continue to enhance our focus on innovation to introduce medicines that address various unmet needs of patients. At the heart of this patient-centric innovation lies our fast-growing global specialty business. We have made further progress in this area and remain committed to making a meaningful difference in patients' lives in our core therapies – dermatology, ophthalmology and onco-dermatology.

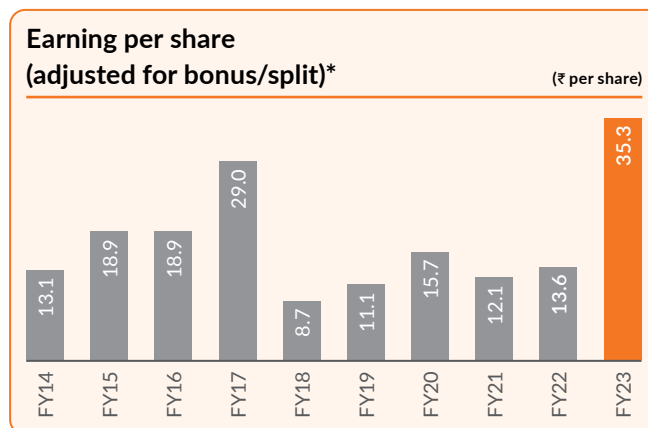
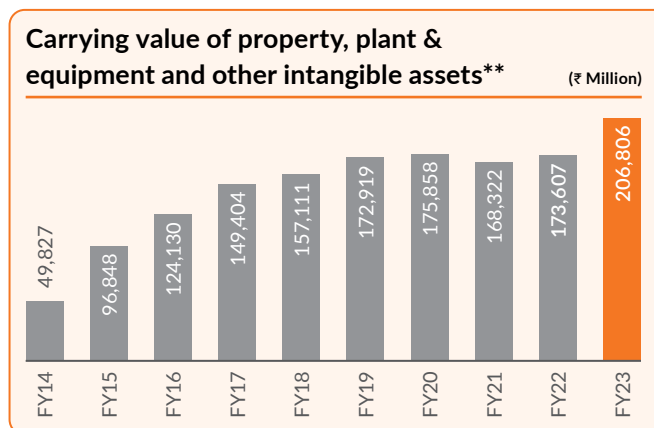
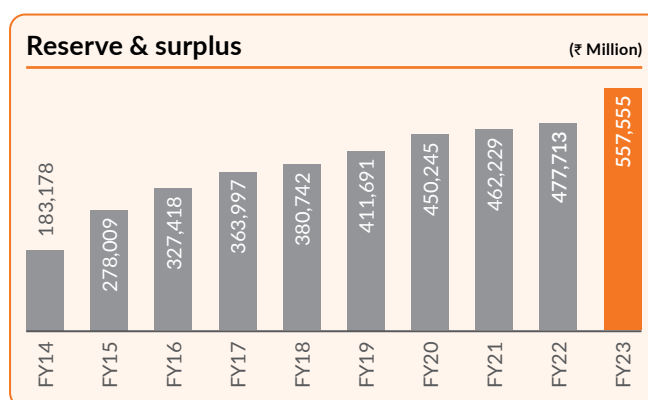
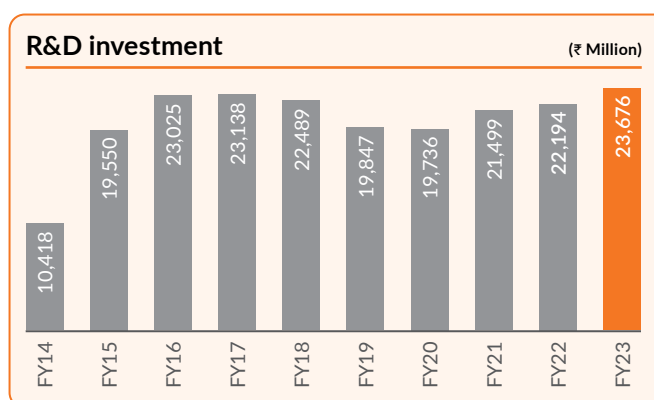
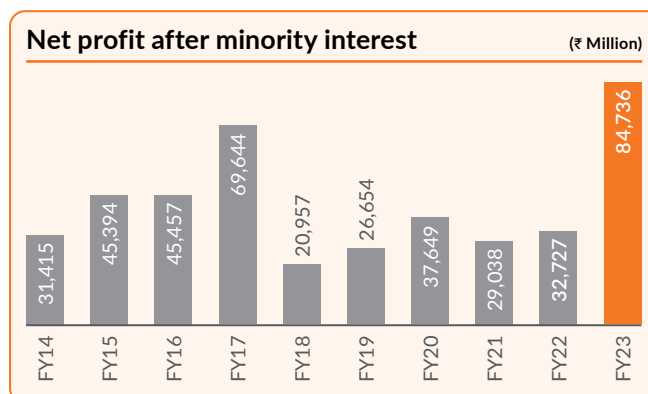
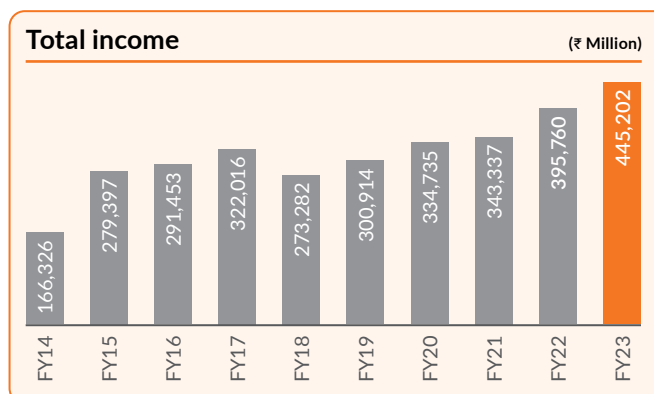
Our flagship specialty product, Ilumya and other brands such as Cequa and Winlevi are playing a vital role in strengthening our position in the specialty domain. The acquisition of Concert Pharmaceuticals, Inc. in the U.S. provides us access to the late-stage asset, deuruxolitinib, which has successfully completed Phase-3 studies for the treatment of alopecia areata. This addition should help us further strengthen our dermatology portfolio, once approved.

This pursuit of innovation not only positions us favourably for growth, but also showcases our commitment to better patient care.



Key Performance Indicators

(Consolidated)



* 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)

Particular	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	(₹ Million)
										FY23
Operating performance										
Revenue from operations	160,804	273,920	284,870	315,784	264,895	290,659	328,375	334,981	386,545	438,857
Total income	166,326	279,397	291,453	322,016	273,282	300,914	334,735	343,337	395,760	445,202
Net profit for the year (after minority interest)	31,415	45,394	45,457	69,644	20,957	26,654	37,649	29,038	32,727	84,736
R&D expenditure	10,418	19,550	23,025	23,138	22,489	19,847	19,736	21,499	22,194	23,676
(a) Capital	556	1,178	783	1,679	1,819	718	484	471	869	599
(b) Revenue (excluding depreciation)	9,862	18,373	22,242	21,459	20,669	19,129	19,252	21,028	21,325	23,077
(c) % of sales	6.5	7.2	8.3	7.6	8.6	6.9	6.1	6.5	5.8	5.5
Financial position										
Equity share capital	2,071	2,071	2,407	2,399	2,399	2,399	2,399	2,399	2,399	2,399
Reserve and surplus	183,178	278,009	327,418	363,997	380,742	411,691	450,245	462,229	477,713	557,555
Property, plant & equipment and other intangible assets (at cost)**	86,505	143,616	187,212	217,315	238,073	271,424	298,549	308,582	334,029	397,151
Carrying value of property, plant & equipment and other intangible assets***	49,827	96,848	124,130	149,404	157,111	172,919	175,858	168,322	173,607	206,806
Investments	27,860	35,028	18,299	11,919	71,429	79,025	101,431	96,125	128,486	148,301
Net current assets	126,969	135,488	167,973	150,666	117,716	137,296	159,477	142,965	176,562	199,763
Stock information										
Number of shares (in Million)	2,071	2,071	2,407	2,399	2,399	2,399	2,399	2,399	2,399	2,399
Earnings per share (adjusted for bonus/split) (in ₹)*	13.1	18.9	18.9	29.0	8.7	11.1	15.7	12.1	13.6	35.3
Earnings per share – Basic (in ₹)*	15.2	18.9	18.9	29.0	8.7	11.1	15.7	12.1	13.6	35.3
Earnings per share – Diluted (in ₹)*	15.2	18.9	18.9	29.0	8.7	11.1	15.7	12.1	13.6	35.3

* 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.

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

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Managing Director's Message



Dilip Shanghvi
Managing Director

Dear Shareholders,

I am happy to report that we had a good year with strong performance across multiple parameters.

Our global consolidated revenues grew by 12.6% to ₹ 433 Billion while EBITDA grew by 12% to ₹ 116 Billion. Adjusted net profit was up by about 12.8% to ₹ 86 Billion. Our return ratios have also continued their improving trend this year.

The contribution of our Global Specialty business has more than doubled from 7% of consolidated revenues in FY18 to 16.2% in FY23. It is among the larger businesses for Sun already, yet offers even more exciting growth avenues from here.

Since inception, Sun has been deploying its resources to build new pharma businesses in a selective manner. Typically, it takes us several years to achieve initial scale in new businesses. This initial period consumes significant effort and resources, usually with no return in sight. Our investment in building specialty business over the past decade showcases our ability to nurture businesses with patient capital.

Global Pharmaceutical industry remains quite dynamic, and always buzzing with new avenues for capital deployment. Pursuing any one of these options can place considerable pressure on our balance sheet. Our existing businesses also require significant capital and attention. We are acutely aware that our own resources are finite, placing a limit on the number of opportunities we can pursue simultaneously.

Success is not guaranteed, and it is important for us that we remain thoughtful and selective in deciding which options to pursue. However, we will not shy away from making disproportionate investments to grow our businesses, should an opportunity present itself.

Our endeavour at all times is to find the best role for Sun in a value chain to keep ourselves from spreading thin. In Specialty business, we have built commercial infrastructure in certain large pharma markets and we believe this makes Sun a partner of choice for innovation-led companies. We are in the process of strengthening the internal R&D engine with an aim to create and fortify our future product pipeline.

Operational Performance

For FY23, India formulation sales were at ₹ 136 Billion, up by 6.6% and accounted for about 32% of overall revenues. Excluding the contribution of COVID-19 products in the previous year, the underlying business performed well, with about 10.2% growth Y-o-Y.

Our India business was in line with the average industry growth, driven by our leading presence in chronic segments and our strong brand equity with doctors. As per AIOCD AWACS March 2023 data, our market share remained flat at 8.3% on MAT basis vs the previous year.

As per SMSRC data for February 2023, Sun Pharma ranks No. 1 by prescriptions with 12 different classes of doctors. We continued our momentum with 105 new product introductions in India.



We also undertook India field force expansion in FY23, adding 10% to our existing strength. The field force expansion implemented in 2 rounds over last 3 years has helped us declutter our portfolio and expand our presence in Tier-2 and Tier-3 towns.

Revenues in the US grew by 19% to ₹ 135 Billion and accounted for approximately 31% of our consolidated revenues for FY23. Specialty sales in the US continued to gain traction. While the generics business continued to face price erosion and the negative impact of Import Alert at our Halol facility, we were able to partly compensate it through new launches and market share gains. During the year, we acquired Concert Pharmaceuticals Inc. with an aim to expand our Specialty offering. Sezaby launch in the US has added an exciting product to our specialty basket.

Our subsidiary, Taro, recorded a 2.1% growth in overall revenues to US\$573 Million. Taro's portfolio continued to face price erosion in the US.

Our Emerging Markets (EM) sales grew by 17.1% to ₹ 79 Billion and contributed about 18% of our consolidated revenues. In local currency terms, large markets like Brazil and Romania recorded strong double-digit growth. During the year, Sun Pharma expanded its OTC presence in Romania by acquiring the Uractiv™ OTC portfolio.

Sales in the Rest of World (RoW) markets grew by 10.8% to ₹ 60 Billion and contributed about 14% to consolidated revenues. Growth was on the back of higher sales in Western Europe and the ramp up in Ilumya sales in Australia and Japan. Odomzo also gained traction in RoW markets.

Global Specialty Business Performance

Global Specialty revenues recorded a strong 29.3% growth to reach US\$871 Million. Ilumya sales continued to do well globally and were up by about 51% to US\$ 477 Million.

During the year, we acquired Concert Pharmaceuticals Inc, with its lead asset, deuruxolitinib, having completed two Phase-3 trials in alopecia areata. Deuruxolitinib is expected to address a significant unmet need thereby strengthening our global dermatology franchise. Additionally, Sezaby is an important launch, as it is the first and only product in the US specifically indicated to treat seizures in infants. Occurrence of neonatal seizures is associated with poor outcomes such as cerebral palsy, global developmental delay, and epilepsy.

Following products were key contributors to the Global Specialty business growth in FY23.

Marketed Specialty Portfolio: Select Products

Ilumya is an IL-23 inhibitor biologic used in treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy.

It is marketed by Sun Pharma directly in several markets including the US, Canada, Australia, Japan and in EU through our partner. This is the largest product by revenues in our Global Specialty portfolio. In May 2023, Ilumya received approval to market in China. We are making continued efforts to expand the product's indications as well as geographic footprint.

Winlevi is a first-in-class topical androgen receptor inhibitor, approved by the USFDA for the topical treatment of acne vulgaris in patients above the age of 12. Winlevi is the first FDA-approved acne drug in nearly 40 years with a first-in-class mechanism of action. During FY23, we expanded our license from Cosmo to include 6 major geographies besides the US, where it is currently marketed.

Cequa for topical ophthalmic use is the first and only USFDA approved cyclosporine treatment delivered with NCELL™ technology. Cequa, which offers the highest concentration of cyclosporine for ophthalmic use approved by the USFDA, is indicated to increase tear production in patients with dry eye, an inflammatory disease that afflicts more than 16 million people in the US. We have recently launched Cequa in India to expand our commercial footprint and bring our global specialty portfolio to the home market.

Odomzo is indicated for the treatment of adult patients with locally advanced Basal Cell Carcinoma (laBCC) that has recurred following surgery or radiation therapy, or for those who are not candidates for surgery or radiation therapy. Odomzo works by inhibiting a molecular pathway known as the hedgehog signaling pathway which is implicated in the origination and development of basal cell carcinoma when the pathway malfunctions. We have launched Odomzo in the US and several other international markets.

Levulan Kerastick+BLU-U combines a powerful 20% aminolevulinic acid HCl (ALA) topical treatment with blue-light precision, while minimising exposure to the deeper tissue. It is the only Photo Dynamic Therapy indicated for the treatment of minimally to moderately thick actinic keratoses of the face or scalp, or actinic keratosis of the upper extremities.

Research & Development (R&D)

Our R&D investments stood at approximately ₹ 24 Billion, at 5.5% 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 were delayed during previous years and in FY23, as the pandemic and geopolitical tensions impacted our ability to enroll study subjects in a timely manner. Our Company has taken steps to improve study enrollment during FY23. Besides internal R&D, Sun Pharma scouts for external late-stage R&D assets to strengthen the pipeline.

We remain disciplined in identifying future R&D projects for the US generics market with a focus on developing complex products. Investments for developing the long-term specialty pipeline are expected to continue and R&D spending is expected to increase as clinical trials for specialty products gain traction.

Besides deuruxolitinib discussed above, Sun Pharma's specialty R&D pipeline has four other candidates undergoing clinical trials:

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.

MM-II has completed global Phase-2B trial as a potential treatment for knee pain in patients with symptomatic knee osteoarthritis. Clinical data showed that a single intra-articular injection of MM-II provided durable pain relief up to 26 weeks vs placebo and demonstrated a safety profile comparable to placebo. While the study did not achieve statistical significance on the primary outcome measure, it did show meaningful and sustained improvement across several clinical measures. Clinical data has received support from clinicians and we are assessing next steps for the programme.

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.

GLP-1R (Glucagon-Like Peptide-1 Receptor) agonist has completed Phase-1 clinical trials. Early clinical data demonstrated marked weight loss in single and multiple ascending dose studies. The drug was well-tolerated and we expect to start enrolling patients in Phase-2 trials in 2023. We presented Phase-1 data in ADA conference in San Diego, US held in June 2023.

cGMP compliance

During FY23, our facilities underwent 12 different and successful inspections by key global regulatory agencies. However, we had two inspections that led to adverse outcomes.

In December 2022, the US FDA issued an import alert to the Company's Halol facility. The USFDA has exempted 14 products from this import alert, subject to certain conditions.

In April 2023, the US FDA issued a Non-compliance letter to the Company's Mohali facility. The agency has directed the Company to take certain corrective actions at the Mohali facility before releasing further batches into the US.

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.

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.

Net Cash and deployment opportunities

At year-end, Sun Pharma had a strong net cash position of approximately US\$1.5 Billion. Our strong cash position enables us to explore inorganic opportunities, including but not limited to strengthening our global specialty portfolio.



Overall outlook

All our businesses are well-positioned, and we expect high-single-digit consolidated topline growth for FY24. The expansion of our global specialty business is expected to continue. As business operations have normalised globally, overall expenses are expected to increase. Our R&D spending is expected to be about 7-8% of sales in FY24 with an increasing share of spending expected on clinical trials for specialty products.

Top priorities for FY24

- Sustainable and profitable business growth
- Supply chain continuity along with focus on inventory optimisation
- Continued focus on cost and operational efficiency
- Increased investments in IT to ensure secure systems, facilitate business operations and digital transformation
- Focus on improving overall return ratios
- Embed sustainability practices in our operations. We have set clear and actionable targets to achieve our sustainability goals

Sun Pharma's dedicated workforce has been instrumental in attaining our organisational goals. We have faced several challenges in the recent years including pandemic-induced disruptions and an IT security incident in March 2023. Our employees have ensured that operations remained on track during these disruptive threats.

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.

Dilip Shanghvi

Managing Director

Sun Pharmaceutical Industries Limited

Board of Directors



Dilip S. Shanghvi
Managing Director



Dr. Pawan Goenka
Lead Independent Director



Sailesh T. Desai
Whole-time Director



Gautam Doshi
Independent Director



Rama Bijapurkar
Independent Director



Aalok D. Shanghvi
Whole-time Director
(appointed with effect from June 01, 2023)



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



Sanjay Asher
Independent Director
(appointed with effect from November 01, 2022)



Rolf Hoffmann
Independent Director
(appointed with effect from June 15, 2023)

Leadership Team



Abhay Gandhi
CEO – North America



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



Aalok D. Shanghvi
Whole-time Director
Executive Vice-President,
Emerging Markets, Global generic R&D,
Global BD (Generics Segment) & API



C. S. Muralidharan
Chief Financial Officer



Jila Breeze
Executive Vice-President,
Global Head – Quality



Anil Rao
Senior Vice-President,
Chief Information Officer



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



Uday Baldota
CEO - Taro Pharmaceutical
Industries Ltd.



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



S. Damodharan
CEO - API Business

Management Discussion and Analysis

Global Pharmaceutical Industry¹

The global pharmaceutical industry has risen to the challenge of the COVID-19 pandemic by developing effective vaccines and therapeutics and overcoming unprecedented supply chain disruptions. This is a true testament to the industry’s adaptability and resilience in the face of a global health crisis. While the industry is expected to return to pre-pandemic growth rates by 2024, uncertainties related to viral variants, vaccine distribution, economic and geopolitical factors may impact future growth.

Following a rebound in global medicine use in 2021 after the pandemic, growth slowed in 2022 and spending inched up from US\$ 1.42 Trillion to US\$ 1.48 Trillion. The global pharmaceutical spending is projected to grow by a CAGR of 3-6% between 2023 and 2027, to reach a total market size of approximately US\$ 1.9 Trillion. The growth is expected to be primarily driven by the COVID-19 vaccination and introduction of novel medicines. This will be offset by

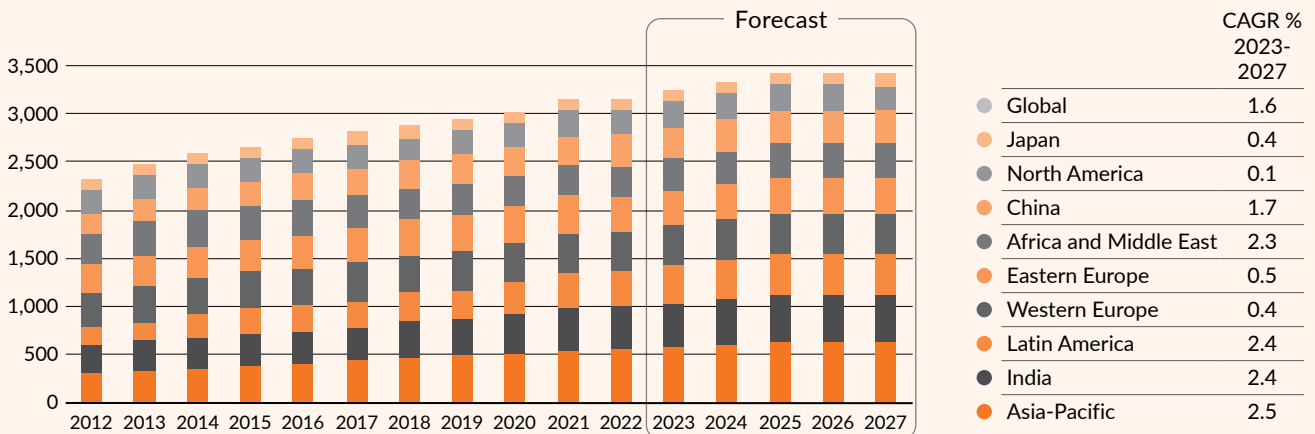
the loss of exclusivity and the lower costs of generics and biosimilars.

Regional spending and volume growth trends will continue to diverge with developed markets growing at a slower rate than Pharmerging markets**. US pharmaceutical spending is expected to grow at 2.5%-5.5% CAGR through 2027 helped by increased spend on existing medicines as well as introduction of new medicines. However, on a net price basis, the US market is forecast to grow at lower rate reflecting the impact of newly introduced Inflation Reduction Act. The Asia-Pacific region is projected to experience steady growth after the pandemic, while China is expected to see a slowdown in growth due to pricing pressures. It is expected that spending on pharmaceuticals in India will continue to increase at a CAGR of 7.5-10.5% to reach US\$35-39 Billion annually by 2027. Among other Pharmerging markets, Latin America and Eastern Europe are among the fastest-growing regions in terms of medicine spending globally.

Graph 1

Global Pharmaceutical Industry Growth: 2018-2027¹

(Defined Daily Doses in Billions)



Source: IQVIA Market Prognosis, September 2022; IQVIA Institute, December 2022.

** 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.



Global Pharmaceutical Market¹

Table 1

Regions	2022	2018-2022 CAGR	2027	(US\$ Billion)	
				2023-2027 CAGR	
Developed Markets	1,088	5.7%	1,370-1,400	2.5-5.5%	
Pharmerging Markets	371	7.2%	487-518	5-8%	
Other Markets	23	6.0%	29-33	4.5-7.5%	
Global Pharmaceutical Market	1,482	6.1%	1,900-1,930	3-6%	

Global Pharmaceutical Market – Share by Product Type¹

Table 2

Region	(% of Total)									
	Original Brands (%)		Non-original Brands (%)		Unbranded Generics (%)		OTC, Vaccines & Others (%)		Total (US\$ Billion)	
	2022	2027	2022	2027	2022	2027	2022	2027	2022	2027
Developed Markets	73	71-75	10	11-12	9	7-8	8	7-8	1,088	1,370-1400
Pharmerging Markets	28	26-31	34	30-36	13	12-13	25	22-27	371	487-518
Other Markets	33	27-37	47	36-55	6	6-10	14	8-19	23	29-33
Global Markets	61	60-62	16	17-19	10	8-10	13	11-13	1,482	1,900-1,930

Key Trends

Specialty Medicines: Specialty medicines that treat chronic, complex, and rare diseases have been increasing as a share of spending in higher-income countries. They are expected to be 43% of global spending by 2027. Pharmerging countries have lagged behind in usage of Specialty medicines mainly due to higher prices. Specialty medicines comprised 16% of Pharmerging countries drug spending in 2022, and it is expected to be unchanged as a share of spending in 2027.

Key Therapy Areas: The therapy areas with the highest spending forecast in 2027 are Oncology, Immunology, and Diabetes, followed by Cardiovascular System. Oncology is expected to grow 13–16% CAGR through to 2027 as novel treatments will continue to be launched in this category. Immunology is expected to grow relatively slower in the range of 3-6% due to the price erosion driven by launch of biosimilars. With nearly US\$ 168 Billion in revenues by 2027, Diabetes is expected to be the third-largest therapy area globally, with growth estimated to be 3–6% over the next five years. Most other therapy areas are expected to grow at lower growth rates through 2027 with the exception of Obesity. Availability of new highly effective treatments and wider global usage is expected to enable Obesity spending to grow at 35-38%.

Per Capita Consumption: Per capita use of medicines is directly correlated with GDP. Countries such as Japan and those in Western Europe have more than double the per capita medicine use of Pharmerging markets.

COVID-19 Impact: The COVID-19 pandemic has had a significant impact on the pharmaceutical industry, with global spending on medicines expected to exceed pre-pandemic projections by US\$ 497 Billion by 2027 due to new spending on COVID-19 vaccines and therapeutics.

One of the key growth drivers for the pharmaceutical industry is the increasing life expectancy. With declining fertility rates and improved healthcare, the proportion of elderly in the population is increasing. This demographic shift is driving demand for healthcare solutions that can address age-related health issues and chronic ailments.

Longer Life Expectancy

Another significant factor driving increased pharmaceutical spending involves people's lifestyle. Sedentary lifestyles, unhealthy dietary habits, hectic and stressful work habits, decreasing sleep quality and exposure to environmental factors are leading to a higher incidence of chronic and lifestyle related diseases. This shift is driving demand for relevant medical and pharmaceutical solutions.

Changing Lifestyle

Improved Purchasing Power

The middle-class population and per capita income are expanding, particularly in emerging markets. As purchasing power and awareness increases, patients can afford newer and more expensive treatments. This phenomenon has led to increasing spend on healthcare solutions, including pharmaceutical products.

Health Insurance and Infrastructure

The penetration of health insurance is expected to increase with government-sponsored initiatives and programmes, making healthcare more affordable and accessible to the population. This will drive demand for healthcare solutions. Additionally, improvements in healthcare infrastructure, including hospitals and clinics, will also drive demand for pharmaceutical products.

Innovation and Digital Adoption

Major technological shifts have encouraged the rapid adoption of advanced analytics in the pharmaceutical industry. Advanced analytics provide insights into customer behaviour, help in clinical trial design, and optimise the supply chain, driving growth and productivity across the pharma value chain. The use of digital technologies such as telemedicine and artificial intelligence (AI) enables remote diagnosis, personalised medicine, and drug discovery. These digital technologies and advanced analytics are expected to play a significant role in increasing the adoption of modern medicine.





Developed Markets

Growth in the pharmaceutical industry in developed markets is expected to be led by the introduction of new drugs. Specialty medicines are forecast to account for a significant portion, exceeding 55% of total spending in developed markets in 2027. However, pharmaceuticals in developed markets face challenges such as biosimilar competition and increasing number of patent expiries. Despite these challenges, the increasing adoption of specialty medicines is expected to persist, particularly in oncology and immunology.

Developed Markets – Pharmaceutical Spending and Growth¹

Table 3

Region/Country	2022	2018-2022 CAGR	2027	(US\$ Billion)	
				2023-2027 CAGR	
Top 10 Developed Markets	968.9	5.7%	1,207-1,237	2.5-5.5%	
Other Developed Markets	119.4	6.4%	156-176	4-7%	
Total Developed Markets	1088.3	5.7%	1,370-1,400	2.5-5.5%	

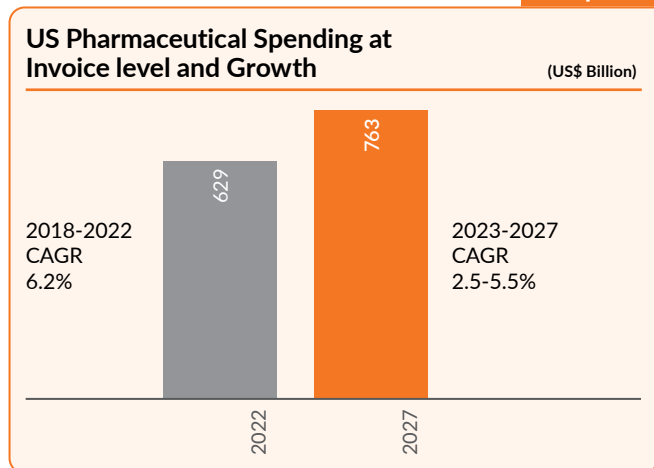
US¹

The US pharmaceutical industry is expected to witness subdued growth over the next five years due to several factors namely increased discounts and rebates, upcoming patent expiries and heightened competition from new generic and biosimilar drugs. However, spending on medicines is still projected to increase by US\$ 134 Billion annually by 2027, with the main driver being the use of existing branded products.

The key contributors towards the annual increase in US medicine spending by 2027 are expected to include the increasing use of existing protected brand products (154 Billion) and new brands (122 Billion) offset by Loss of Exclusivity on existing products (141 Billion). Therefore, despite the challenges of Loss of Exclusivity, innovation is expected to drive growth with the launch of new oncology drugs and next generation biotherapeutics.

Off-invoice discounts and rebates result in spending that is estimated at 36% lower than the invoice level in 2022 and projected to be 45% lower than the invoice level in 2027. On a net price basis, US market is expected to grow at -1 to 2% through 2027. Introduction of Inflation Reduction Act or IRA is expected to be a key reason of increasing off-invoice discounts and rebates.

Graph 2

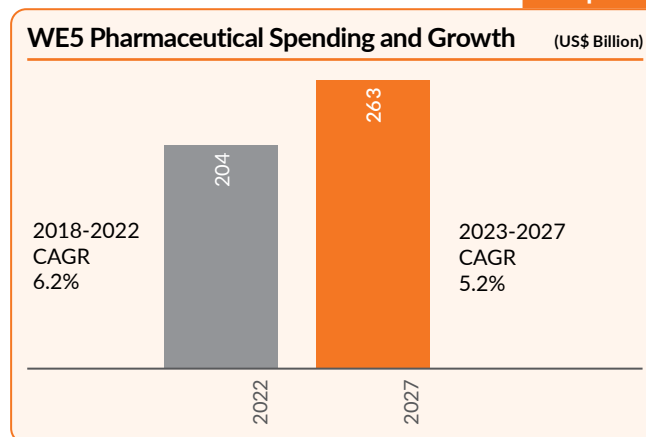


Top 5 Western European Markets (WE5)¹

The top five Western European pharmaceutical markets are expected to experience a mix of opportunities and challenges over the next five years. Despite the pandemic's sustained impact on marketing operations early on and budget pressures affecting reimbursement decisions later, the launch of new brands is expected to continue driving growth through to 2027. Additionally, generics and biosimilars are projected to contribute to growth, though this may be offset by price deflation and losses of exclusivity.

The oncology and neurology therapies are among the areas expected to see significant growth, along with next generation biotherapeutics.

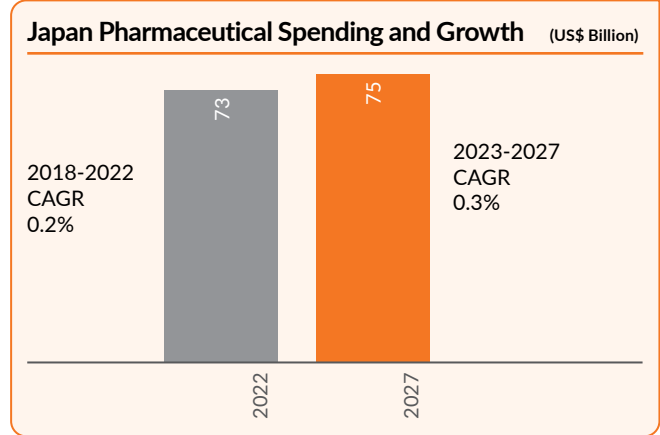
Graph 3



Japan¹

The Japan pharmaceutical market is expected to register limited or no growth due to long-term trends affecting long-listed brands. Although there will be a rebound from the pandemic's impact, annual pricing revisions are expected to continue. Protected brands have gained a larger share of spending while long-listed product spending has continued to decline. Generic spending is expected to rise due to effective government policies.

Graph 4



Pharmerging Markets¹

The Pharmerging markets are projected to show 5-8% revenue CAGR between 2023-27, primarily driven by the increasing usage of generic drugs and branded generics. These markets have shown resilience during the pandemic, with many countries being impacted by COVID-19 in later waves and thereby experiencing less of the early wave behaviour changes. Pharmerging and lower-income countries have a lower share of spending from originator products, with a greater focus on either generics or non-original branded products, which are typically priced lower.

Latin America and Eastern Europe are among the fastest-growing regions in terms of medicine spending globally. Brazil and Mexico are expected to lead the growth in Latin America at 9-12% and 7.5-10.5%, CAGR respectively through 2027. In Eastern Europe, Russia is projected to grow at 6-9% CAGR through 2027. However, the ongoing Ukraine conflict has impacted medicine use and spending in Ukraine, as well as potentially impacting neighbouring countries with the medical needs of displaced persons and economic activity.

Pharmerging Markets – Pharmaceutical Spending and Growth¹

Table 4

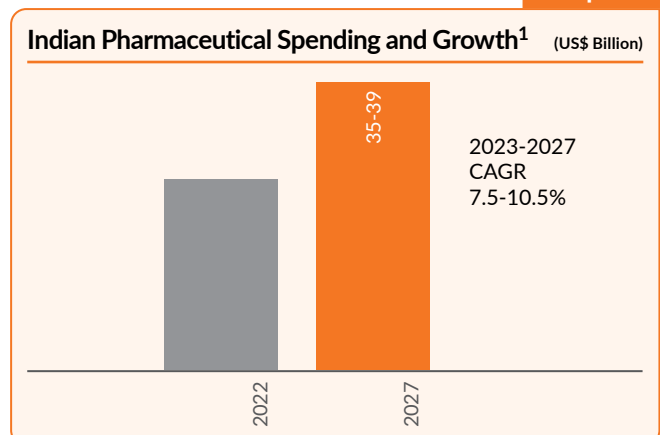
Region	2022	2018-2022 CAGR	2027	2023-2027 CAGR
Pharmerging Markets	370.8	7.2%	487-518	5-8%

(US\$ Billion)

India¹

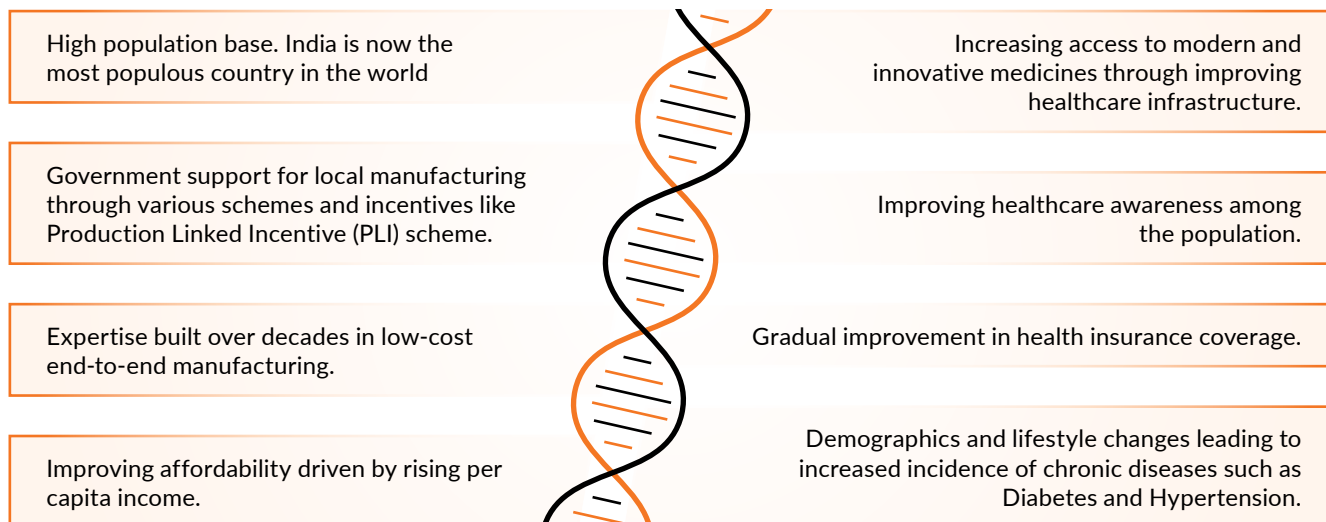
The Indian pharmaceutical industry has been experiencing steady growth with a focus on generic medicines. It is expected that spending on pharmaceuticals in India will continue to increase, with a CAGR of 7.5-10.5% between 2023-27 to reach US\$ 35-39 Billion annually. The industry's continued focus on generics is a key factor to its growth, as they are typically priced lower than branded medicines. The industry's low-cost structure and its ability to produce large quantities of medicines have also made it a key player in the global pharmaceutical market.

Graph 5





Growth Drivers



Specialty Medicines¹

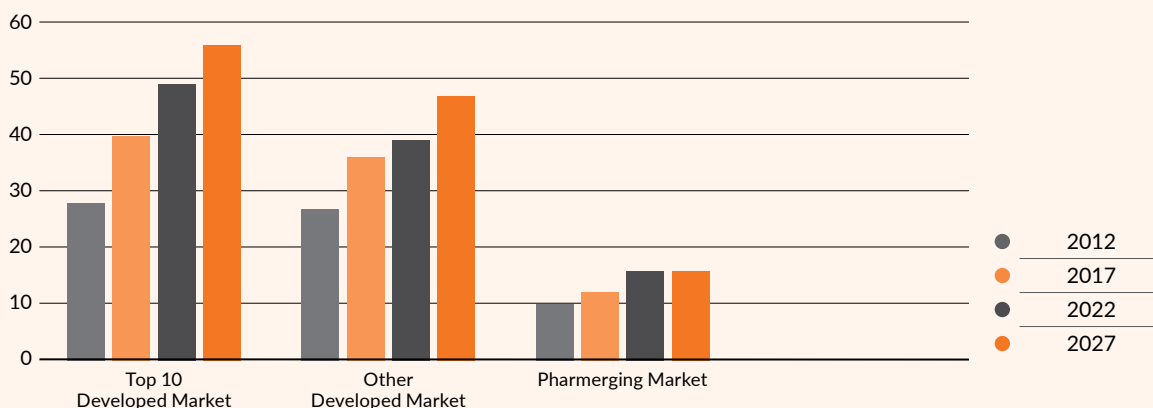
Specialty medicines, which treat chronic, complex, and rare diseases, have seen an increase in spending in higher-income countries, including the 10 largest developed countries and other high and upper-middle-income countries.

By 2027, it is projected that specialty medicines will make up 43% of global medicine spending. The share of specialty spending in the top-10 developed economies is expected to be higher at 56%. As Specialty medicines treat rare diseases with smaller patient population, they tend to treat only 2-3% of overall patients. As the spend on Specialty medicines is increasing, it is also notable that the costs of traditional therapies have been declining.

Graph 6

Share of Specialty Medicines in Overall Pharmaceutical Spending – By Market¹

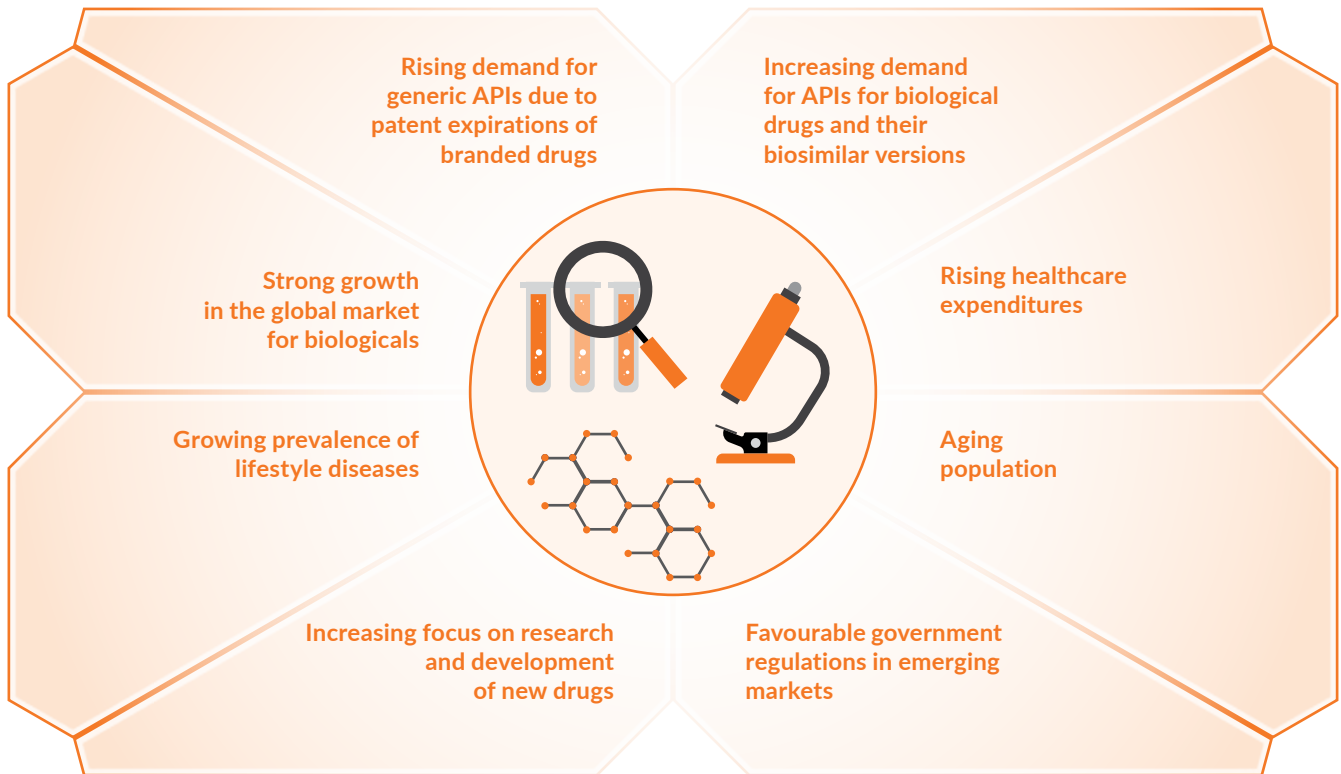
(%)



Active Pharmaceutical Ingredients (APIs)²

The global market for Active Pharmaceutical Ingredients (APIs) has been growing steadily and is expected to continue growing from US\$ 210 Billion to reach US\$ 292 Billion by 2027, at a CAGR of 5.64% during 2021-27.

Growth Drivers for API



Consumer Healthcare (CHC) Market³

The consumer health industry has demonstrated impressive resilience throughout the past three years of the COVID-19 pandemic. Despite the challenges posed by the outbreak, the industry has maintained steady growth, with categories such as Vitamins, Minerals, and Supplements (VMS) stepping up to compensate for the shortfalls in Cold/flu and Pain categories during periods of lockdown and social distancing. The global consumer healthcare (CHC) market is currently valued at US\$ 175 Billion (MAT Q2 2022) and is expected to continue growing at a rate of approximately 6% annually over the next five years.

Sun Pharma: A Leading Global Pharmaceutical Company

Sun Pharmaceutical Industries Limited, its subsidiaries, and associates (together, "Sun Pharma") is a leading global pharmaceutical company and the largest pharmaceutical

company in India. Sun Pharma delivers high-quality medicines that are trusted by customers and patients in more than 100 countries. The Company boasts of a multicultural workforce comprising over 50 nationalities.

Sun Pharma's marketed portfolio comprises innovative specialty medicines, branded generics, pure generics and APIs. The Company's R&D skills, strong manufacturing capabilities and a global commercial presence enable it to meet the evolving needs of patients and customers worldwide.

Sun Pharma has a large and diverse manufacturing footprint spread across multiple countries, approved by major regulatory agencies. The Company's manufacturing capabilities include a broad range of dosage forms, namely pills, capsules, injectables, sprays, ointments, creams, liquids, drug delivery systems, APIs and intermediates.

Strong Global Positioning ^{4, 5}

Largest Pharmaceutical company in India	Leading Global specialty generic company	Among the Largest Indian pharmaceutical companies in emerging markets	10th Largest generic pharmaceutical company in the US
100+ Countries market reach	43 Global manufacturing sites across six continents	41,000+ Global employee base	50+ Employee nationalities

Major Milestones

Year	Deals	Country	Rationale
2023	Launched Sezaby	US	Addition to portfolio of specialty branded products. Treatment of neonatal seizures
2022	Acquired Concert Pharma in the US	US	Adding a late-stage product to dermatology franchise
2022	Acquired Uractiv™ Portfolio from Fiterman Pharma	Romania	Expand non-prescription product basket in Romania and neighbouring markets
2022	In-licensing agreement to expand Winlevi®	Japan, Australia, New Zealand, Brazil, Mexico and Russia	Increasing access to new markets for Winlevi®
2022	Taro (Sun's subsidiary company) acquired Alchemee Business from Galderma	US, Japan and Canada	Acquired the 'Proactiv', 'Restorative Elements' and 'In Defense of Skin' brands. Strengthens Taro's OTC portfolio
2021	In-licensed agreement for Winlevi®	US and Canada	Topical treatment of acne vulgaris
2020	Exclusive out-licensing agreement with Hikma for Ilumya	Middle East and North Africa	Registration and commercialisation of the product in all Middle East & North Africa (MENA) markets
2020	In-licensing agreement with SPARC for SCD-044	Global	Potential indication in psoriasis, atopic dermatitis and other auto-immune disorders
2019	Out-licensing agreement with AstraZeneca UK for ready-to-use infusion oncology products	Mainland China	Access to oncology market in Mainland China
2019	Licensing agreement with CMS for Tildrakizumab, Cequa and 8 generic products	Greater China	Access to Greater China market
2018	Acquired Pola Pharma in Japan	Japan	Access to Japanese dermatology market
2016	Acquired global rights for Cequa and Odomzo	Global	Enhances specialty pipeline
2016	Acquired Biosintez	Russia	Local manufacturing capability to enhance presence in Russian market
2016	Out-licensing agreement with Almirall for Tildrakizumab	Europe	Access to European market for Tildrakizumab
2016	Acquired 14 brands from Novartis	Japan	Entry into Japan
2015	Acquired InSite Vision Inc.	US	Strengthens branded ophthalmic portfolio in the US
2015	Sun Pharma-Ranbaxy merger	Global Markets	Strengthen position in the global generic pharma industry. #1 Pharma Company in India and strong positioning in emerging markets
2014	In-licensing agreement with Merck for Tildrakizumab	Global Markets	Strengthening the specialty product pipeline
2014	Acquired Pharmeducence	US	Access to sterile injectable capacity in the US
2012	Acquired DUSA Pharma, Inc.	US	Access to specialty drug-device combination in dermatology segment
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel and Canada	Access to dermatology generics portfolio manufacturing facilities at Israel & Canada
1997	Acquired Caraco	US	Entry into the US market

Our Global Specialty Business*

Specialty medicines are the latest generation of products that are specifically developed for treating chronic, complex, and rare diseases. In 2022, they accounted for around 43% of the global pharmaceutical spending, up from 32% in 2017. They account for 49% of pharmaceutical spending in top-10 developed markets in 2022, expected to grow to 56% in respective markets by 2027. This highlights the sustained growth of specialty medicines in addressing the unmet medical needs of patients worldwide.

Share of Specialty Medicines in Overall Pharmaceutical Spending – By Market¹

Table 5

Year	2012	2017	2022	2027
				(%)
Top 10 Developed Market	28	40	49	56
Other Developed Market	27	36	39	47
Pharmerging Market	10	12	16	16
Global Market	24	32	43	43

Beginning with acquisition of DUSA in 2012, Sun Pharma has continued to expand its global specialty offering. Within specialty, the Company is mainly focused on addressing patient needs in areas of dermatology, ophthalmology and onco-dermatology. Sun's investments in specialty have continued in three core areas

- Attain product access through in-licensing/acquisitions and in-house R&D
- Clinical development of pipeline specialty assets
- Build front-end commercial infrastructure

*Global Specialty revenues are separately reported but also as a part of geographical businesses, including US and others.

FY23 Highlights

During the year, Sun acquired Concert Pharma Inc. The lead asset of Concert, deuruxolitinib, has successfully completed global Phase-3 trials including in the US, for the indication of treatment of Alopecia Areata. The Company also launched SEZABY (phenobarbital sodium injection) for the US market, for the treatment of neonatal seizures. SEZABY is the first and only product approved by the U.S. Food and Drug Administration for the treatment of neonatal seizures in term and preterm infants.

Till date, Sun Pharma has marketed approximately 26 specialty products across different markets, which contributed ~16.2% to the Company's consolidated revenues for FY23.

Currently Marketed Specialty Portfolio

Table 6

Product	Description
Ilumya/ Ilumetri	<p>For treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy</p> <ul style="list-style-type: none"> • Long term clinical data shows that the significant response rate seen in 52 & 64 weeks were maintained over five years¹ • Ongoing Phase-3 trials for Psoriatic Arthritis • Current Markets: US, Australia, Japan, Canada, Europe (by partner Almirall) • Out licensed to CMS for Greater China where it received approval in May 2023 & to Hikma for Middle East & North Africa
Winlevi	<p>Topical treatment of acne vulgaris in patients 12 years of age and older</p> <ul style="list-style-type: none"> • Results from two pivotal clinical trials showed favourable safety and efficacy data for WINLEVI in patients with acne aged 12 years and older² • Current Markets: US
Levulan Kerastick + BLU-U	<p>For photodynamic therapy (treatment) of minimally to moderately thick actinic keratoses of the face or scalp, or actinic keratoses of the upper extremities</p> <ul style="list-style-type: none"> • First and only PDT approved to treat the face and scalp as well as the upper arms, forearms, and hands³ • Current Markets: US



Table 6

Product	Description
Absorica LD	<p>Treatment of severe recalcitrant nodular acne in non-pregnant patients 12 years of age and older with multiple inflammatory nodules with a diameter of 5 mm or greater</p> <ul style="list-style-type: none"> After one 20-week course of ABSORICA therapy, 95% of patients didn't require additional isotretinoin treatment up to two years posttreatment⁴ Current Markets: US
Odomzo	<p>Treatment of adult patients with locally advanced Basal Cell Carcinoma (BCC) that has recurred following surgery or radiation therapy, or those who are not candidates for surgery or radiation therapy.</p> <ul style="list-style-type: none"> ODOMZO was shown to shrink laBCC in almost 6 out of 10 patients (56%) in a clinical study. laBCC Patients were treated with ODOMZO[®] and followed for at least 18 months⁵ Currently marketed in US, Canada, Germany, France, Denmark, Switzerland, Spain, Italy, Australia and Israel
Cequa	<p>To increase tear production in patients with keratoconjunctivitis sicca (dry eye)</p> <ul style="list-style-type: none"> Phase 3 confirmatory study observed clinically and statistically significant improvements in tear production and ocular surface integrity in patients⁶ Current Markets: US, Canada Out-licensed to CMS for Greater China in June 2019
Bromsite	<p>Treatment of postoperative inflammation and prevention of ocular pain in patients undergoing cataract surgery</p> <ul style="list-style-type: none"> More than 2x as many patients treated with Bromsite[®] were inflammation-free at day 15 than those treated with vehicle and nearly 80% of patients treated with Bromsite[®] were pain-free at day 1 post surgery⁷ Current Markets: US
Xelpros	<p>Reduction of elevated intraocular pressure (IOP) in patients with open-angle glaucoma or ocular hypertension.</p> <ul style="list-style-type: none"> In clinical trials, XELPROS demonstrated reductions from baseline in intraocular pressure (IOP) in patients with open-angle glaucoma or ocular hypertension⁸ Current Markets: US
Yonsa	<p>In combination with methylprednisolone for the treatment of patients with metastatic castration resistant prostate cancer (CRPC).</p> <ul style="list-style-type: none"> Yonsa[®] was shown in clinical studies to be an effective form of abiraterone acetate, and can be taken with or without food, in combination with methylprednisolone⁹ Current Markets: US
Sezaby	<p>First and only product approved in the US for treating seizures in neonatal patients</p> <ul style="list-style-type: none"> NEOLEV2 study compared phenobarbital to levetiracetam in the first-line treatment of neonatal seizures. 24 hours following the administration, 73% vs. 25% were seizure-free in the respective groups¹⁰ Current Markets: US
Sprinkle portfolio	<p>For therapeutic solutions for long-term care (LTC) patients</p> <ul style="list-style-type: none"> Products using sprinkle technology for patients who have difficulty swallowing Sprinkle versions of metoprolol (cardiology), rosuvastatin (cardiology) & duloxetine (neuro-psychiatry) Current Markets: US

Source: (1, 2, 4, 6, 9 & 10 – Sun press release), (3 – Levulan website), (5 – product label), (7 & 8 – product label)

Specialty R&D Pipeline

Sun Pharma has a pipeline of five specialty molecules undergoing clinical trials:

Table 7

Molecule/Asset	Indication	Route of Administration	Mechanism of Action	Pre-clinical	Phase-1	Phase-2	Phase-3	Registration
CTP-543 (deuruxolitinib)	Alopecia Areata	Oral	JAK Inhibitor					
Ilumya (tildrakizumab)	Psoriatic Arthritis	Injection	IL-23 Antagonist					
MM-II	Pain in osteoarthritis	Injection	Liposomal intra-articular lubrication					
SCD-044	Psoriasis, Atopic Dermatitis	Oral	Selective S1PR1 Agonist					
GL0034	Type 2 Diabetes	Injection	GLP-1R Agonist					

Business Model

At Sun Pharma, we are committed to our Vision of “Reaching People and Touching Lives Globally as a Leading Provider of Valued Medicines.” We strive to achieve this vision through a well-defined strategy that focuses on sustainable growth, cost leadership, business development, balanced investments, and future profitability.



* Global Specialty revenues are separately reported but also as a part of geographical businesses, including US and others.

** Global Consumer Healthcare revenues are reported as part of geographical businesses, included India and others.

Growth Strategies

Sustainable Growth

- Achieve critical mass in key markets
- Clear and actionable targets on sustainability
- Embed sustainability practices in businesses

Cost Leadership

- Optimise operational costs
- Leverage benefits of vertically integrated operations

Business Development

- Use acquisitions to bridge critical capability gaps while yielding target ROI
- Focus on access to novel products, technology, market presence

Balance Profitability and Investments for the Future

- Increased contribution of specialty and complex products
- Direct future investments towards differentiated products

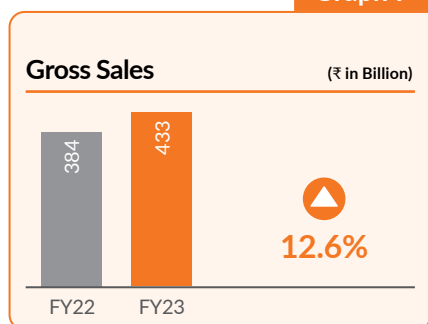
Focus Areas

- Enhance share of specialty products in overall business
- Develop and commercialise differentiated and difficult-to-manufacture products
- Focus on improving return ratios
- 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

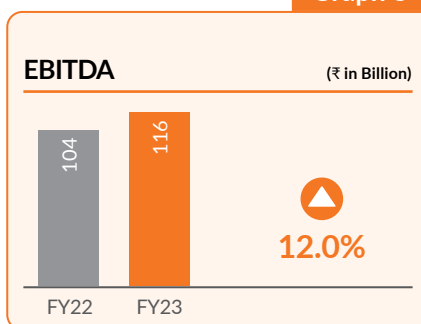


Key Performance Indicators

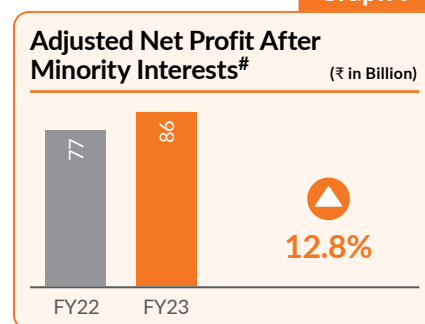
Graph 7



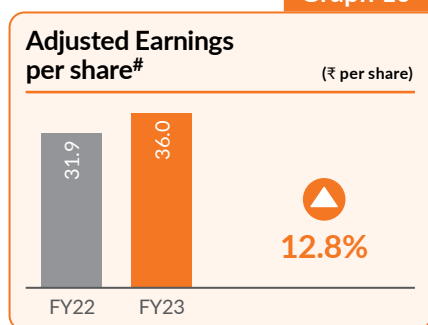
Graph 8



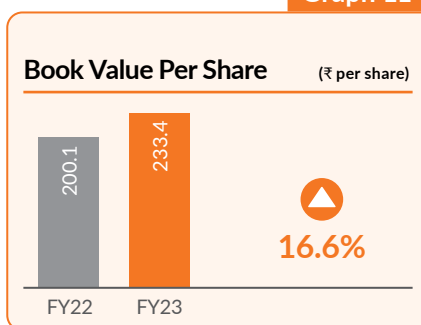
Graph 9



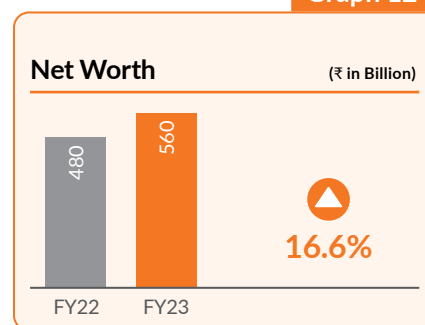
Graph 10



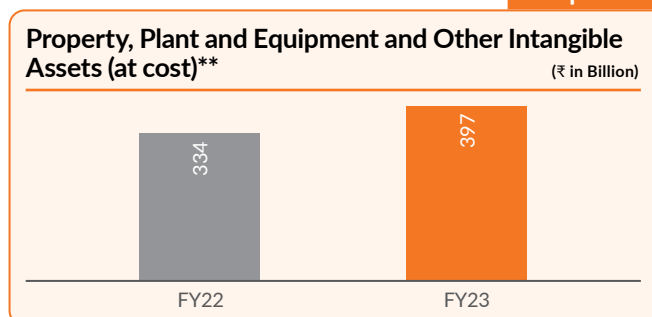
Graph 11



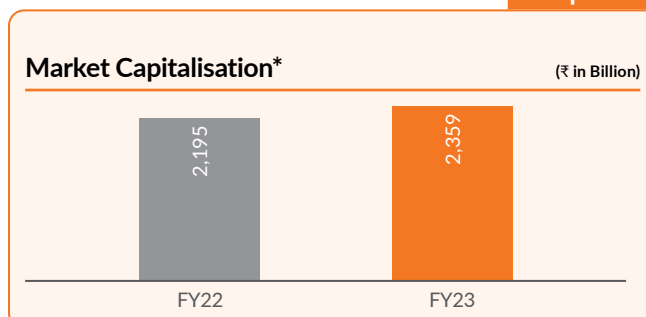
Graph 12



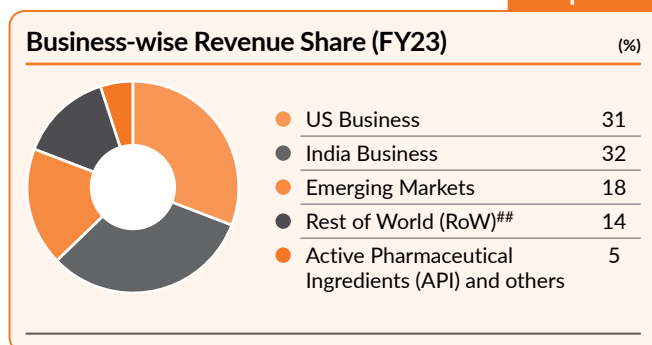
Graph 13



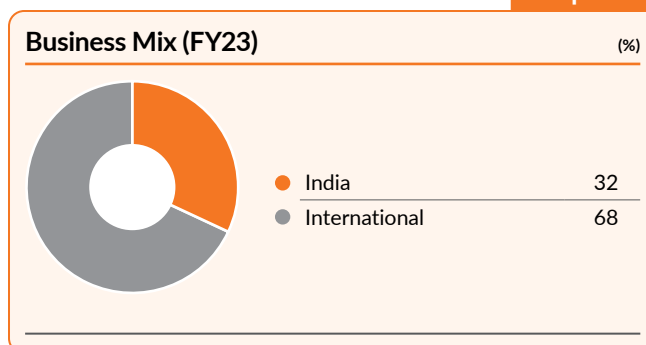
Graph 14



Graph 15



Graph 16



EBITDA = (Revenue from contracts with customers + Other operating income) - (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

Consolidated

Table 8

Ratios	FY23	FY22	Variance (%)	Reasons if variance is more than 25%
Return on Net Worth (%)	15.1	6.8	122.1	Return on Net Worth is higher for the year ended 31 March 2023, due to reduced exceptional expenses
Debtors Turnover (times)	3.8	3.7	2.7	-
Inventory Turnover (times)	1.0	1.2	(16.7)	-
Interest Coverage	56.7	72.0	(21.3)	-
Current Ratio (times)	2.0	2.0	0.0	-
Debt Equity Ratio (times)	0.12	0.03	300.0	Increase in borrowings
Operating Profit Margin (%)	25.5	26.5	(3.8)	-
Net Profit Margin (%)	19.6	8.5	130.6	Increase in profit on account of reduced exceptional expenses

Standalone

Table 9

Ratios	FY23	FY22	Variance (%)	Reasons if variance is more than 25%
Return on Net Worth (%)	7.1	(0.4)	(1,850.7)	Return on Net Worth is higher for the year ended 31 March 2023, due to increase in profit on account of higher sales during the year
Debtors Turnover (times)	2.9	3.7	(21.7)	-
Inventory Turnover (times)	1.5	1.7	(8.6)	-
Interest Coverage	10.9	6.5	68.3	Interest coverage ratio is higher due to increase in profit before interest and tax, on account of higher sales during the year
Current Ratio (times)	1.97	0.96	104.7	Increase in current assets on account of classification of loans given as current loans during the year
Debt Equity Ratio (times)	0.33	0.21	59.0	Increase in borrowings
Operating Profit Margin (%)	29.7	18.3	62.2	Increase in profit on account of higher sales and product mix
Net Profit Margin (%)	8.3	(0.6)	(1,386.6)	Increase in profit on account of higher sales and product mix

FY23 Business Highlights

Sun Pharma demonstrated a strong performance across its global operations with a consolidated topline growth of 12.6% compared to FY22. Business-wise, the topline growth was primarily led by the US market with 19% Y-o-Y growth, followed by emerging markets with 17.1% Y-o-Y growth. India business also demonstrated 6.6% growth in revenue over the past year and Rest of the World revenue witnessed a steady growth compared to previous year.

The Company's EBITDA for FY23 witnessed a growth of 12% compared to last year, with an EBITDA margin of 26.5%. Adjusted net profit for the year grew by 12.8% Y-o-Y, demonstrating profitable growth for FY23.

Overall, these results reflect Sun Pharma's continued focus on growth and profitability across its global operations. The Company's strong performance across its key markets demonstrates its ability to navigate through challenging times and continue to deliver value to its stakeholders.

Business-wise Review

US Business

31% Revenue share	₹ 135,352 Million Revenue in FY23	616 Cumulative ANDAs filed as on March 31, 2023	519 Cumulative ANDAs approved as on March 31, 2023
67 Cumulative NDAs filed as on March 31, 2023	54 Cumulative NDAs approved as on March 31, 2023	97 ANDAs pending USFDA approval as on March 31, 2023	13 NDAs pending USFDA approval as on March 31, 2023



Sun's US business comprises of sales of Specialty and Generic medicines. Over the years, Sun Pharma has solidified its position as a major player in the US generics market. The Company has emerged as the 10th largest generics pharmaceutical company in the US and is ranked 2nd by prescriptions in the US dermatology market. In addition, the Company has been continuously expanding its footprint in the specialty segment, focusing on dermatology,

ophthalmology, and oncology. In FY23, the US business contributed 31% to the Company's consolidated revenues.

Sun Pharma has established valuable relationships with leading wholesalers, distributors, chain drugstores, healthcare providers, and payors in the US. Moreover, Sun Pharma possesses vertically integrated manufacturing capabilities that enables it to serve its customers efficiently in the US.

Milestones in the US Business

Table 10

Years	Major Initiatives
FY23	<ul style="list-style-type: none"> Acquired Concert Pharma giving access to deuruxolitinib for Alopecia Areata Launched SEZABY in the US
FY22	<ul style="list-style-type: none"> Launched Winlevi® in the US
FY21	<ul style="list-style-type: none"> Presented long-term clinical data for Ilumya and other clinical insights for Odomzo and Levulan at the American Academy of Dermatology Conference
FY20	<ul style="list-style-type: none"> Launched Cequa and Absorica LD in the US
FY19	<ul style="list-style-type: none"> Launched Ilumya, Yonsa & Xelpros in the US Received USFDA approval for Cequa Released Ready-to-Infuse INFUGEM™
FY18	<ul style="list-style-type: none"> Launched Odomzo in the US Received USFDA approval for Ilumya
FY17	<ul style="list-style-type: none"> Acquired Ocular Technologies to receive access to Cequa for dry eye Acquired Odomzo, a branded oncology product from Novartis
FY13	<ul style="list-style-type: none"> Acquired DUSA for entry into branded specialty
FY10	<ul style="list-style-type: none"> Acquired Taro Pharma for entry into US dermatology
FY98	<ul style="list-style-type: none"> Entry into the US through Caraco acquisition

FY23 Highlights

Revenues from the US grew by 19% Y-o-Y to ₹ 135,353 Million in FY23. The growth was mainly driven by the ramp-up in specialty.

Sun Pharma Acquires Concert Pharmaceuticals, Inc.

Sun Pharma acquired Concert Pharmaceuticals, a clinical-stage biopharmaceutical company that has been developing a novel oral JAK1/2 inhibitor called 'deuruxolitinib' for treating moderate to severe alopecia areata in adult patients. The acquisition will expand Sun Pharma's global dermatology portfolio and presence in the Boston biotech hub. The combined expertise of Concert's talented team and Sun Pharma's commercial capabilities will help bring 'deuruxolitinib' to the global market, benefitting alopecia areata patients worldwide.

Approvals and Launches in the US

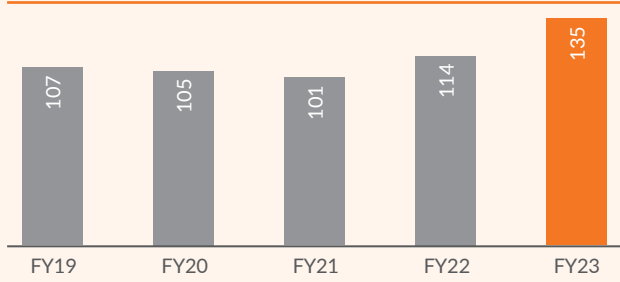
- Sun Pharma launched SEZABY™ (phenobarbital sodium) in the U.S. for the treatment of neonatal seizures. SEZABY is the first and only product approved by the U.S. Food and Drug Administration (US FDA) for the treatment of neonatal seizures in term and preterm infants. Earlier during the year, Sun Pharma and SPARC entered into a licensing agreement for commercialisation of the product in the United States.
- A wholly owned subsidiary of Sun Pharma received final approval from US FDA for its Abbreviated New Drug Application (ANDA) for generic lenalidomide Capsules, 5mg, 10mg, 15mg, 25mg, 2.5mg, 20mg. The respective product approval is based on Revlimid® Capsules, 5mg, 10mg, 15mg, 25mg and 2.5mg, 20mg as a reference product.
- Sun Pharma received final approval from US FDA for its Abbreviated New Drug Application (ANDA) for generic Mesalamine Extended Release Capsules, 500 mg. The generic product approval is based on Pentasa® Extended-Release Capsules, 500mg as a reference product.

[Source: Press Releases]

Graph 17

US Sales Growth

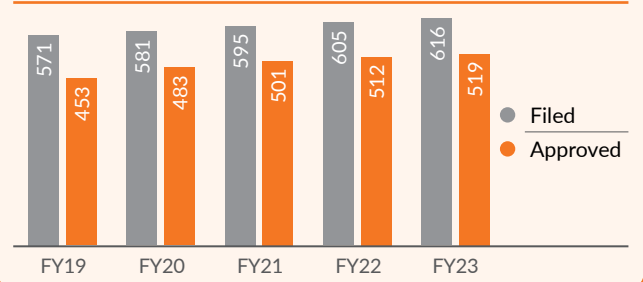
(₹ in Billion)



Graph 18

Cumulative ANDAs filed and approved

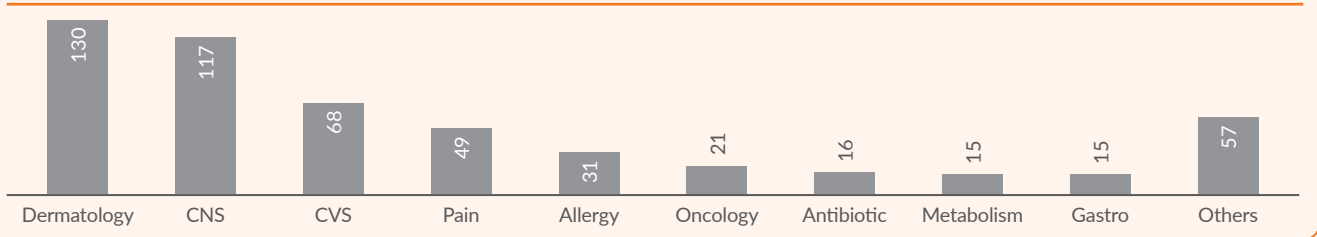
(Numbers)



Graph 19

ANDA Approvals by Therapeutic Areas as of March 2023

(Numbers)



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 compliance, product robustness and supply chain efficiencies.

India Branded Formulations Business: Largest Pharma Company in India ^{4,5}

32% Revenue share	₹ 136,031 Million Revenue in FY23	#1 Rank with 8.3% market share
#1 Rank by prescription with 12 different classes of doctors	32 Brands among India's top 300 brands	12,600+ Strong field force

Sun Pharma is India's largest pharmaceutical company, with 8.3% market share and a strong position in the chronic and acute segment in India. The Company offers a comprehensive product portfolio across various therapeutic segments, including neuropsychiatry, cardiology, diabetes, gastroenterology, 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.

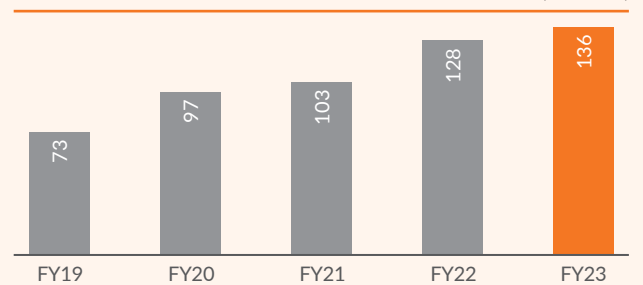
While the Company continues to launch a slew of new products in India, developed through its in-house R&D efforts, it is also leveraging its strengths in India to position

itself as a partner of choice for in-licensing of latest generation innovative products for patients in India.

Graph 20

India Sales Growth

(₹ in Billion)





Graph 21

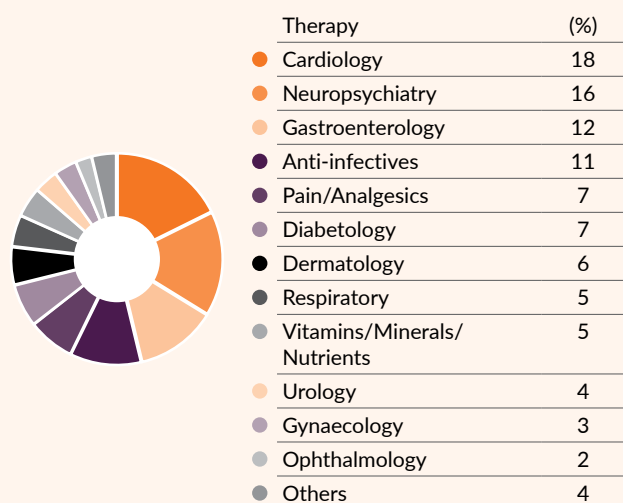
India Business Therapeutic Revenue Break-Up⁴ (%)India Prescription Ranking – Leadership in Key Therapeutic Areas⁵

Table 11

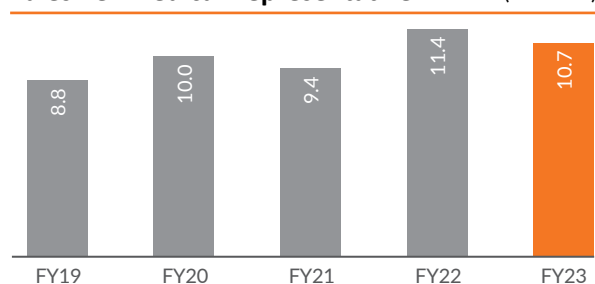
Specialist	February 2023	February 2022
Psychiatrists	1	1
Neurologists	1	1
Cardiologists	1	1
Orthopaedic specialists	1	2
Diabetologists	1	1
Gastroenterologists	1	1
Nephrologists	1	2
Consultant Physicians	1	1
Urologists	1	1
Dermatology	1	1
ENT Specialists	1	1
Chest Physicians	1	1
Ophthalmologists	2	2
General Surgeons	2	1
Gynaecologists	2	2

Best-in-class Field Force Productivity

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

Graph 22

Sales Per Medical Representative (₹ in Million)



FY23 Highlights

- Revenue from the India business* grew by 6.6% to ₹ 136,031 Million, driven by growth across most of the Company's therapies.

*India business comprises India Branded Formulations business, described here, and part of Global Consumer Healthcare business, described in a later section.

New Product Approvals, Launches and Acquisitions in India

- Sun Pharma acquired three brands viz. Disperzyme[®] (Trypsin BP 96 mg, Bromelain 180 mg & Rutoside Trihydrate 200 mg), Disperzyme-CD[®] (Trypsin BP 48 mg, Bromelain 90 mg & Rutoside Trihydrate 100 mg) and Phlogam[®] (Trypsin BP 48 mg, Bromelain 90 mg & Rutoside Trihydrate 100 mg) from Aksigen Hospital Care. All the brands are approved by the Drugs Controller General of India (DCGI) for post-operative inflammation in patients undergoing minor surgery and dental procedures. The addition of Disperzyme[®] and Phlogam[®] strengthens Sun's anti-inflammatory portfolio.
- Sun Pharma launched a novel anti-cancer drug, Palbociclib in India for patients who have advanced breast cancer, the most common cancer among women in the country. The Company has made the drug available under the brand name, PALENO[™] (Palbociclib) 75 mg, 100 mg, 125 mg. Palbociclib is already approved by the USFDA, EMA and CDSCO in combination with hormonal therapies for patients with hormone receptor positive, human Epidermal Growth Factor Receptor-2 negative locally advanced or metastatic breast cancer.

[Source: Press Releases]

Road Ahead

- Continue to focus on productivity improvement
- Strive to maintain leadership position in a fiercely competitive market
- Continuously innovate to ensure high brand equity with prescribers
- Continue to evaluate in-licensing opportunities for latest generation innovative products



Emerging Markets: Among the Leading Indian Companies in Emerging Markets

18% Revenue share	₹ 78,977 Million Revenue in FY23	Leading Indian company in Emerging Markets
~80 Markets sales reach	7 Markets with local manufacturing footprint	2,300+ Sales representative

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 flexibility to serve these markets. Emerging markets accounted for 18% of the consolidated revenues for FY23.

FY23 Highlights

- Revenues from Emerging Markets grew by 17.1% Y-o-Y to ₹ 78,977 Million driven by growth across multiple markets.

Road Ahead

- Gain critical mass in key markets
- Enhance specialty product basket in Emerging Markets
- Focus on profitable growth

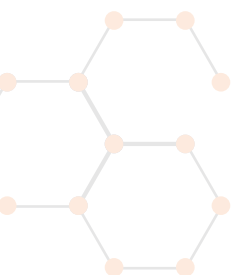
Rest of the World (RoW): Western Europe, Canada, Israel, Japan, Australia & New Zealand (ANZ) and Other markets

14% Revenue share	₹ 60,426 Million Revenue in FY23	Leading Indian company in RoW
5 Markets with local manufacturing footprint		

Sun Pharma is one of the leading Indian pharmaceutical companies in Western Europe, Canada, 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 in Canada, Japan, Australia, Israel, 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.





FY23 Highlights

- Revenue from RoW markets increased by 10.8% to ₹ 60,426 Million
- Sun Pharma and Cassiopea agreed to expand the License and Supply Agreements for WINLEVI cream 1% to include more countries such as Japan, Australia, New Zealand, Brazil, Mexico, and Russia. In 2021, they had already signed agreements for the US and Canada markets, and Sun Pharma launched WINLEVI in the US market in November 2021. Sun Pharma will have exclusive rights to develop and sell WINLEVI in the newly added countries, while Cosmo is the only supplier of the product.

Road Ahead

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

Global Consumer Healthcare Business⁶



Sun Pharma's Consumer Health Care business is India's 5th largest business with a portfolio based on scientific formulations, having operations in about 25 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.

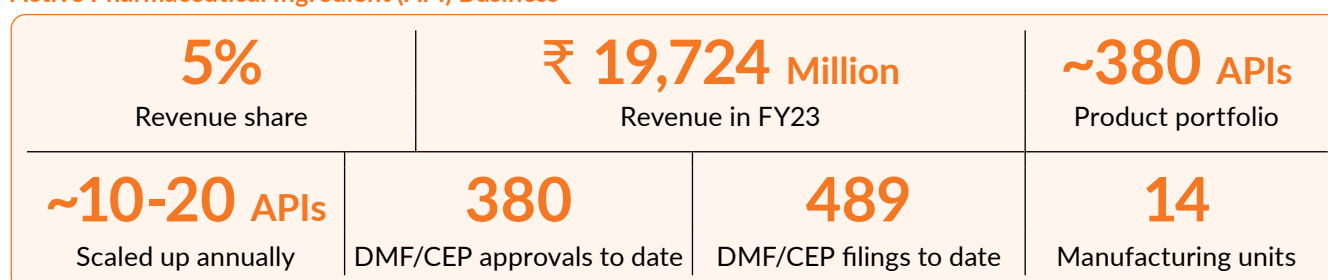
FY23 Highlights

- In FY23, 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 franchisee in the nutraceutical category were undertaken

Road Ahead

- Sustained focus and investments in anchor brands with a view of category development
- 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
- Activating digital for wider consumer outreach

Active Pharmaceutical Ingredient (API) Business



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 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.

FY23 Highlights

- Revenue from the API business increased by 7.5% to ₹ 19,724 Million mainly due to higher sales recorded in India

Road Ahead

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

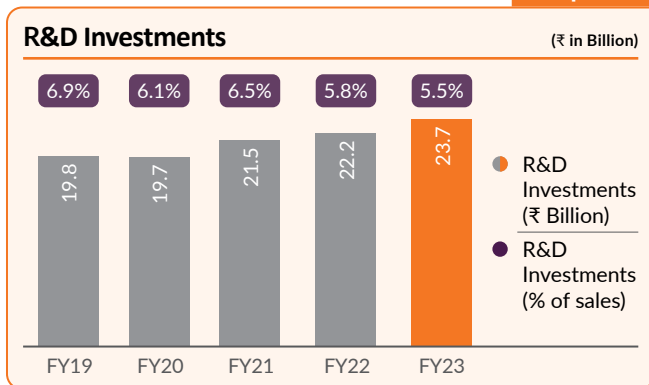
Research and Development (R&D)

<p>5.5% R&D spend as percentage of sales in FY23</p>	<p>₹ 238+ Billion Cumulative R&D expenditure till date</p>	<p>2,800+ Strong R&D team</p>
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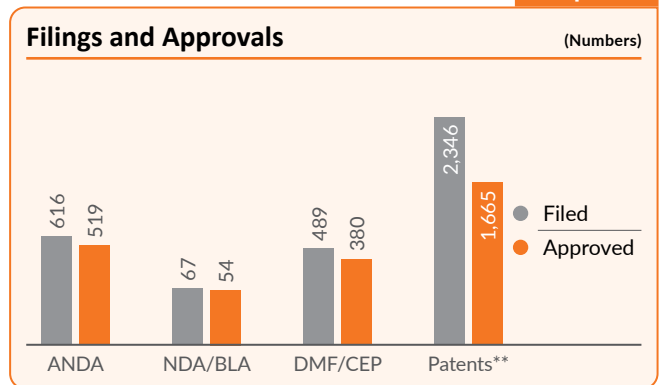
Sun Pharma’s dedicated R&D team endeavours to offer patients with innovative and affordable medicines and treatments to alleviate their ailments. The Company has been continuously investing in building a strong portfolio of generics, branded generics, and specialty products for the global market.

Our R&D capabilities extend across various dosage forms, including injectables, orals, liquids, ointments, gels, sprays, hormones and oral products. Additionally, our robust intellectual property capability provides support to its R&D team.

Graph 23



Graph 24



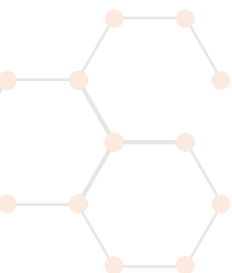
** Excludes Expired/Abandoned Patents (All data as of March 31, 2023)

FY23 Highlights

- Overall R&D investments for the year was ₹ 23,676 million (5.5% of sales)
- Developed and filed ~200 formulation dossiers globally
- Addition and progress on Specialty R&D Pipeline

Road Ahead

- Focus on developing complex products across multiple dosage forms
- Invest to further build the specialty pipeline





Global Manufacturing Base: World-Class Manufacturing Infrastructure

With 43 state-of-the-art manufacturing facilities spanning across 6 continents, Sun Pharma has established a leading position in the global pharmaceutical industry. Our vertically integrated network enables us to produce a wide range of pharmaceuticals, including oncology, hormones, peptides, and steroidal drugs, while adhering to the highest quality standards. We offer a variety of dosage forms, including orals, creams, ointments, injectables, sprays, and liquids. At Sun Pharma, we are committed to providing high-quality pharmaceutical products that make a positive impact on people's lives. Our extensive global footprint and world-class manufacturing infrastructure allow us to deliver on this promise to our customers and patients around the world.

Sun Pharma's manufacturing facilities are certified by global regulatory agencies such as the USFDA, European Medicines Evaluation Agency (EMA); 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), and South Korea's Ministry of Food and Drug Safety and Japan's Pharmaceuticals and Medical Devices Agency.

29

Finished dosage
manufacturing facilities

14

API facilities

Finishing Dosage Manufacturing Facilities

Table 12

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

API Manufacturing Facilities

Table 13

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

People: Nurturing a Diverse and Inclusive Global Workforce

With a global workforce of over 41,000 people from more than 50 nationalities, Sun Pharma is committed to providing a work environment that is conducive to employee growth and development. The Company recognises and values the diverse perspectives and experiences that its employees bring to the table and strives to promote a culture of inclusivity and equal opportunities. Sun Pharma encourages its employees to continuously learn and share their knowledge and invests in various learning and development initiatives to help them stay future-ready. This dedication to employee well-being and development has helped Sun Pharma earn the Great Place To Work® in 2022.

Great Place to Work® Certified

Sun Pharma has been certified as a 'Great Place To Work®' in India which is a testament to the positive and fulfilling experience of our employees. We are proud of this achievement and will continue to prioritise our employees' well-being and satisfaction.

A great team makes a workplace great. This recognition truly belongs to each member of the Sun team. At Sun, we are always guided by our ideologies - humility, integrity, passion and innovation. This is our DNA and it inspires us to grow, innovate and improve access to high-quality medicines that help patients with unmet medical needs.

Dilip Shanghvi

Commitment to Quality

Sun Pharma's robust quality management system ensures the highest quality standards are maintained across its research centres, manufacturing divisions, testing labs, and distribution centres. Our Quality Management Team oversees regulatory compliance for all products and manufacturing plants, and we hold Current Good Manufacturing Practice (cGMP) certifications from various international regulatory bodies such as USFDA, EMA, WHO, and TGA. Our Corporate Quality Unit ensures the execution of the latest GMP upgrades and guidelines.



The May 2022 US FDA inspection of Halol facility was classified as Official Action Indicated (OAI). The Halol facility was put under import alert in December 2022 with certain products exempted from import alert. Company is in continuous communication with the USFDA to resolve the outstanding issues to resolve the OAI status and import alert.

The August 2022 US FDA inspection of Mohali facility was classified as Official Action Indicated (OAI). In April 2023, US FDA has directed the Company to take certain corrective

actions at the Mohali facility before releasing further final product batches into the US. These actions include, among others, retaining an independent cGMP expert to conduct batch certifications of drugs manufactured at the Mohali facility. The Company is taking required corrective steps.

Road Ahead

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

SWOT Analysis ^{1,3,4,5}

Strengths

- Strong global prominence
 - Leading global specialty generics company
 - 10th 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 12 different classes of doctors in India
 - Among the largest Indian pharmaceutical companies in the Emerging Markets
 - Largest Indian pharmaceutical company in Japan
- Robust R&D infrastructure and capabilities to develop technologically complex products in the generics and specialty segments
- Focus on driving growth and profitability through a pragmatic mix of organic and inorganic initiatives
- Strong balance sheet imparts ability to undertake inorganic initiatives without any significant leverage, allowing future growth headroom
- Ability to supply high-quality products at affordable prices across the world

Opportunities

- 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
- 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
- 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
- Growing penetration of generics in Japan and opening of the China market present good long-term opportunities for Indian companies, including Sun Pharma

Threats and Weaknesses

- 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
- 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
- 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
- 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
- Developing a specialty pipeline entails high upfront investments for long-term benefits, and may impact short-term profitability



Internal Controls (IC) and Internal Financial Controls (IFC)

The management 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 management is committed to ensuring an effective internal controls environment, commensurate with the size and complexity of the business, which assures compliance with internal policies, applicable laws and regulations, ensures reliability and accuracy of records, promotes operational efficiency, protects resources and assets, helps to prevent and detect fraud, errors and irregularities and overall minimises the risks.

The Company has a well-established internal controls framework comprising a set of policies, procedures and systems, instrumental in enhancing the efficiency and effectiveness of business operations, reducing risks and costs, and improving decision-making and accountability.

Internal financial controls framework, sub-set of internal controls framework assures the reliability and accuracy of financial reporting and the preparation of financial statements for external purposes following generally accepted accounting principles.

Disclaimer

Statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or industry conditions or events are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, competitors' pricing in the Company's principal markets, changes in government regulations, tax regimes, economic conditions within India and the countries within which the Company conducts business and other factors, such as litigation and labour unrest or other difficulties. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, based on any subsequent development, new information or future events or otherwise except as required by applicable law. Unless the context otherwise requires, references in this document to 'we', 'us' or 'our' refers to Sun Pharmaceutical Industries Limited and consolidated subsidiaries.

References:

1. IQVIA Institute: Global Use of Medicine Outlook 2023
2. Research and Market
3. IQVIA Consumer Health Global OTC Insights
4. AIOCD-AWACS Data
5. SMSRC Data
6. Euromonitor



Board's Report

Your Directors take pleasure in presenting the Thirty-first Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2023 ('FY23').

Financial Results

	(₹ in Million)			
	Standalone		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	208,121.4	155,859.8	438,856.8	386,544.9
Profit before exceptional item and tax	46,788.4	21,273.9	95,798.8	90,481.4
Exceptional Item	29,377.9	18,205.3	1,714.5	45,668.2
Profit before tax but after exceptional item	17,410.5	3,068.6	94,084.3	44,813.2
Profit after tax	16,907.2	(999.9)	85,608.4	34,058.2
Opening balance in Retained Earnings	136,120.8	159,645.5	376,456.5	365,980.9
Closing balance in Retained Earnings	127,908.8	136,120.8	436,102.5	376,456.5

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, 2023 pursuant to Section 129(3) of the Companies Act, 2013, form part of this Annual Report.

Dividend

During the year under review, the Directors have declared an interim dividend of ₹ 7.50/- (Rupees Seven and Paise Fifty only) per equity share of ₹ 1/- (Rupee One only) each [previous year ₹ 7.00/- (Rupees Seven only) per equity share of ₹ 1/- (Rupee One only) each] for the year ended March 31, 2023.

In addition to above, the Directors have recommended a final dividend of ₹ 4.00/- (Rupees Four only) per equity share of ₹ 1/- (Rupee One only) each [previous year ₹ 3.00/- (Rupees Three only) per equity share of ₹ 1/- (Rupee One only) each] for the year ended March 31, 2023, subject to the approval of the shareholders at the ensuing 31st Annual General Meeting of the Company.

The total dividend payout for the FY23 is ₹ 11.50/- (Rupees Eleven and paise fifty only) per equity share of ₹ 1/- each [previous year ₹ 10.0/- (Rupees Ten 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, <https://sunpharma.com/policies>.

Transfer to Reserves

The Directors do not propose any transfer to reserve.

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.

Changes in Capital Structure

During the year under review there was no change in the capital structure of the Company.

Credit Rating

The highest credit rating has been reaffirmed by CRISIL and ICRA and the ratings are disclosed in the Corporate Governance Report which forms part of this Annual Report.

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 this Annual Report.

During the year under review, apart from the other acquisitions, the Company has completed the acquisition of Concert Pharmaceuticals, Inc. which was a strategic investment to strengthen global specialty product portfolio of the Company.

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.



Directors and Key Managerial Personnel

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

1. Mr. Dilip Shanghvi (DIN: 00005588) is re-appointed as Managing Director for a further period of 5 years, from April 1, 2023 to March 31, 2028 at the 30th Annual General Meeting held on August 29, 2022.
2. Mr. Gautam Doshi (DIN: 00004612) is re-appointed as an Independent Director for a second term of 5 years, from May 25, 2023 to May 24, 2028 at the 30th Annual General Meeting held on August 29, 2022.
3. Mr. Sanjay Asher (DIN: 00008221) is appointed as an Independent Director for a term commencing from November 1, 2022 till March 31, 2025, by the shareholders vide resolution passed by Postal Ballot on January 27, 2023.
4. Mr. Israel Makov (DIN: 05299764) retired and ceased to be the Chairman and Director upon the conclusion of 30th Annual General Meeting held on August 29, 2022.
5. Mr. Kalyanasundaram Subramanian (DIN: 00179072) retired and ceased to be the Director effective from February 13, 2023.

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

6. The Board of Directors at its meeting held on May 26, 2023, on the recommendation by Nomination and Remuneration Committee, has approved the appointment of Mr. Rolf Hoffmann as an Independent Director for a term of five years to be effective from the date of allotment of Director Identification Number, subject to approval of the shareholders.
7. The Board of Directors at its meeting held on May 26, 2023, on the recommendation by Nomination and Remuneration Committee, has approved the appointment and remuneration of Mr. Aalok Shanghvi (DIN: 01951829) as a Whole-time Director for a term of five years effective from June 1, 2023, subject to approval of the shareholders.

Mr. Sudhir Valia Director of the Company, retires by rotation at the ensuing 31st Annual General Meeting, and being eligible has offered himself for re-appointment.

The necessary disclosures required under the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") 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 31st 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 with the criteria of independence as prescribed under Section 149(6) of the Act and the Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and the Listing Regulations and are independent of the management.

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 Board discussed upon the outcome of performance evaluation 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 fulfilment of the independence criteria by the Independent Directors of the Company and their independence from the management as specified in the Listing Regulations.

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

Remuneration policy for Directors, Key Managerial Personnel and Other Employees and Criteria for appointment of Directors

The Company has in place a process for selection of any Director, wherein the Nomination and Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and 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.

Further, the Company has 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
 - (b) Variable compensation
 - (c) Share based payments
 - (d) Non-monetary benefits
 - (e) Gratuity/group insurance
 - (f) Commission

The Remuneration 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) and 5(3) of the aforesaid Rules, pertaining to the names and other particulars of employees is available for inspection at the Registered office of the Company during business hours and the Annual Report is being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary and Compliance Officer either at the Registered/ Corporate Office address or by email to secretarial@sunpharma.com.

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 which includes the state of affairs of the Company.

Corporate Governance Report

The Corporate Governance Report and the Certificate from the Auditors of the Company as stipulated in Schedule V of the Listing Regulations, are provided in a separate section and forms part of this Report.

Board Meetings

The Board of Directors of the Company met 6 (six) 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 the Corporate Governance Report, which forms a part of this Report.

Committees of the Board

As on March 31, 2023, 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, <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 are given in Form AOC-2, provided as 'Annexure - B' to this Report.

Internal Controls and Internal Financial Controls

The management believes that internal controls are the prerequisite of governance and that action emanating from agreed business plans should be exercised within a framework of checks and balances. The management is committed to ensuring adequate internal controls environment commensurate with the size and complexity of the business, which assures compliance with internal policies, applicable laws and regulations, ensures reliability and accuracy of records, promotes operational efficiency, protects resources and assets, helps to prevent and detect fraud, errors and irregularities and overall minimises the risks.

The Company has a well-established internal controls framework comprising a set of policies, procedures and systems, instrumental in enhancing the efficiency and effectiveness of business operations, reducing risks and costs, and improving decision-making and accountability.

Internal financial controls framework, sub-set of internal controls framework assures the reliability and accuracy of financial reporting and the preparation of financial statements for external purposes following generally accepted accounting principles.



Whistle-Blower Policy/Vigil Mechanism

As a Company of repute and global standing, Sun Pharma is committed to conducting its business by adopting the highest standards of professional integrity and ethical behaviour. The organisation has a detailed Global Code of Conduct ('Code') that directs the Employees to uphold the Company values and urges them to conduct business with integrity and the highest ethical standards. Management intends to prevent the occurrence of any practice not in compliance with this Code through the Global Whistle Blower Policy. This mechanism aims to provide a secure environment to Employees for responsible reporting of Code violations by Employees. The Board approved Global Whistle-blower Policy is available on the website, <https://sunpharma.com/policies>. Further details on the vigil mechanism of the Company are provided in the Corporate Governance Report, forming part of this Report.

Global Internal Audit

An independent and empowered Global Internal Audit Function (GIA) at the corporate level with support from highly skilled and reputed external audit firms, carries out risk-based internal audits of the Company's operations, governance, risk management and internal controls wherever required. GIA audits all businesses & support functions on a rotation basis to ensure that business process controls are adequate and functioning effectively. These reviews include financial, operational, and compliance controls' design and operating effectiveness and risk mitigation plans.

The GIA department comprises qualified Chartered Accountants, Certified Internal Auditors, Certified Information System Auditors, Certified Fraud Examiners, Company Secretaries, MBAs and Engineers. GIA provides assurance and advice to management on improving the effectiveness and efficiency of the Company's processes and systems.

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

The Company's operating management closely monitors the internal control environment and ensures that the audit recommendations are effectively implemented.

Enterprise Risk Management

The Board of Directors has constituted a Risk Management Committee which is entrusted with the responsibility of overseeing various organisational risks. The Corporate Governance Report, which forms part of this Report, contains the details of the Risk Management Committee of the Company. The Risk Management Committee assesses the adequacy of mitigation plans to address such risks. The Board approved an overarching Risk Management Policy. The Policy synopsis is available on the website at <https://sunpharma.com/policies>.

The Company has developed and implemented an integrated Enterprise Risk Management (ERM) Framework through which it identifies, assesses, prioritises, mitigates, monitors, reports and manages, critical risks impacting its ability to meet its key strategic and operational objectives. ERM helps to align the risk appetite and strategy of the organisation, enhance risk response decisions, reduce operational surprises and losses, and improve stakeholder confidence and trust.

The ERM team engages with all Functional heads/designees to identify internal and external events that may harm the achievement of the Company's objectives and periodically monitors changes in both internal and external environments leading to a new threat/risk. Risks are categorised into various categories viz. Financial, Operational, Sectorial, Sustainability, Cyber, Strategic, Compliance, Social, Geo-Political, Third-Party etc. These risks are captured in a risk register with all the relevant information such as risk area, risk description, risk rating, root cause, mitigation plans, action items etc. The risk register is refreshed periodically.

AUDITORS

Statutory Auditors

S R B C & Co. LLP, Chartered Accountants, (Firm's Regn. No. 324982E/ E300003), were re-appointed as the Statutory Auditors of the Company for a period of 5 (five) years at the 30th Annual General Meeting of the Company to hold office till the conclusion of the 35th Annual General Meeting of the Company.

The Auditor's Report for the financial year ended March 31, 2023, has been issued with an unmodified opinion, by the Statutory Auditors. Further, the Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

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, 2023. 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 except a comment, as follows, which, in the opinion of the Board is self-explanatory.

"We report that the UDIN and date of issue of certificate annexed in the Annual Report for FY 2021-22, issued under Regulation 34 read with Schedule V, Para C, Clause 10(i) of SEBI LODR Regulations was incorrectly mentioned. It is clarified that there is no change in the contents of such certificate and such certificate was without any qualifications."

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 FY23.

The Company has maintained the Cost Records as specified by the Central Government under Section 148(1) of the Act.

Business Responsibility & Sustainability Report

The Business Responsibility and Sustainability Report of the Company for the year ended March 31, 2023, 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>.

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 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.

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.

Human Resources

FY23 was an exciting year for everyone. Our 41,000+ strong global workforce worked relentlessly to ensure medicines continue to reach patients who rely on us. Driven by Sunology, our employees spread across manufacturing

sites, distribution centres, R&D centres and sales offices worldwide enabled us in delivering a high performance. The top priority for the Human Resource function is to provide a work environment which is safe, diverse, inclusive and full of growth opportunities.

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.

There were four complaints received during the year. All the complaints were disposed of and no complaints were pending as on the end of March 31, 2023.

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.

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 of the Company.

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/annual-return>



Secretarial Standards

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

Other Disclosures

There are no proceedings initiated/ pending against your Company under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution.

Cyber Security Incident

In March 2023, the Company experienced an IT Security Incident that impacted some of the Company's IT assets and operations. Based on the Company's investigation, the Company currently believes that the incident's effects on its IT system include a breach of certain file systems and the theft of Company data and personal data. A ransomware group has claimed responsibility for this incident. As part of the Company's containment and remediation efforts, the Company has taken various measures, including but not limited to strengthening its cybersecurity infrastructure to safeguard against such risks in the future. The details on the IT Security Incident are also provided in Note 55(11) of the standalone financial statements.

Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) read with Section 134(3)(c) of the 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, 2023, 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 judgements 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, 2023 and of the profit 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.

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

Mr. Dilip Shanghvi
Managing Director
(DIN: 00005588)

Place: Mumbai
Date: May 26, 2023

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

**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 FY23 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY23:

Name of Director and Key Managerial Personnel	Designation	Ratio of remuneration (a) of each Director to median remuneration of employees	Increase/ (Decrease) in Remuneration ¹ in the FY23 (in percentage)
Directors:			
Dr. Pawan Goenka	Lead Independent Director	13.13	30.00
Mr. Dilip Shanghvi	Managing Director	84.27	8.49
Mr. Gautam Doshi	Independent Director	11.74	7.89
Ms. Rama Bijapurkar	Independent Director	7.42	0.00
Mr. Sanjay Asher ²	Independent Director	3.35	Not Applicable
Mr. Sudhir Valia	Non-executive Director	2.94	21.05
Mr. Sailesh Desai	Whole-time Director	30.48	8.49
Mr. Israel Makov ³	Non-executive Chairman	0.77	Not Applicable
Mr. Kalyanasundaram Subramanian ⁴	Whole-time Director	109.45	6.15
Key Managerial Personnel:			
Mr. C. S. Muralidharan	Chief Financial Officer	Not Applicable	14.47
Mr. Anoop Deshpande	Company Secretary and Compliance officer	Not Applicable	10.88

Notes:

- Remuneration to Independent Directors consists of sitting fees and commission. Remuneration to Non-Executive Director consists only of sitting fees. The percentage increase/ (Decrease) in Remuneration in the FY23 is calculated on the basis of cost to company for MD, WTD and KMPs.
- Mr. Sanjay Asher is appointed as an Independent Director of the Company effective from November 1, 2022 till March 31, 2025.
- Mr. Israel Makov retired and ceased to be the Chairman and Director of the Company upon the conclusion of 30th Annual General Meeting held on August 29, 2022.
- Mr. Kalyanasundaram Subramanian retired and ceased to be the Director of the Company effective from February 13, 2023.

- (ii) The percentage increase in the median remuneration of employees in the FY23 (Median -2023/Median 2022): 8.32%
- (iii) The number of permanent employees on the rolls of the Company as on March 31, 2023: 19,124.
- (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, 2023 was approximately 11.37% and the average increase in the managerial personnel remuneration was 7.71%.

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



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 at arm's length basis - NIL. However, the Company's transactions with related parties which are material as per the Company's Policy on Materiality of and Dealing with Related Party Transactions, are as follows:

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, 2023 if any:
1.	Sun Laboratories FZE (Wholly-Owned Subsidiary)	Revenue from Contracts with Customers, Net of Returns	On-going	The aggregate amount of transactions for the FY23 was ₹ 13,004.51 Million	Not applicable	NIL
2.	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 Revenue from Contracts with Customers, Net of Returns	On-going	The aggregate amount of transactions for the FY23 was ₹ 1,50,167.34 Million	Not applicable	NIL
3.	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 aggregate amount of transactions for the FY23 was ₹ 40,032.71 Million	Not applicable	NIL
4.	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	On-going	The aggregate amount of transactions for the FY23 was ₹ 85,706.37 Million	Not applicable	NIL

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 26, 2023

Mr. Dilip Shanghvi
Managing Director
(DIN: 00005588)

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023.

[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 compliance of applicable statutory provisions and the adherence to good corporate governance practices 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, 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 authorised 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, 2023 ("Review Period")**, 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, 2023, 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 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 ("**SEBI LODR Regulations**");
 - 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 Review Period**;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not applicable to the Company for the Review Period**;
 - f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable to the Company for the Review Period**;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company for the Review Period**;
 - 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 Review Period**;
 - i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company for the Review Period**.



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 the Companies Act, 2013.

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

We report that the UDIN and date of issue of certificate annexed in the Annual Report for FY 2021-22, issued under Regulation 34 read with Schedule V, Para C, Clause 10(i) of SEBI LODR Regulations was incorrectly mentioned. It is clarified that there is no change in the contents of such certificate and such certificate was without any qualifications.

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 during the Review Period, however, for the period from August 29, 2022 (i.e. date on which Mr. Israel Makov retired as non-executive chairperson of the Company), the Company does not have a regular chairperson and accordingly, the lead independent director, as per approved roles and responsibilities, assumed the role as chairperson. Owing to not having regular chairperson, the Company received request for clarification from the National Stock Exchange of India Limited regarding compliance with minimum one-half independent director composition to the board of directors of the Company, which was suitably replied to by the Company.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in some cases where the meeting was held on 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 various laws applicable to the Company *inter-alia*:

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

For **KJB & Co. LLP**,
Practicing Company Secretaries
Firm Unique Identification No.: L2020MH006601
Peer Review Certificate No.: 2797/2022

Alpeshkumar Panchal
Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008E000381505
Date: Jyeshtha 5, 1945 | May 26, 2023
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 Secretaries
Firm Unique Identification No.: L2020MH006601
Peer Review Certificate No.: 2797/2022

Alpeshkumar Panchal

Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008E000381505
Date: Jyeshtha 5, 1945 | May 26, 2023
Place: Vadodara



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023.

[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 authorised 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, 2023, 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, 2023, 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, 2021 - **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 and Sweat Equity) Regulations, 2021 – **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 Non-Executive Directors and Independent Directors 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. Further, The Board of Directors of the Company consist of 2 (two) Independent Directors although the provisions relating to having independent directors is not applicable to the Company and therefore in the opinion of the management the requirements under schedule IV of the Act are not applicable.
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 various laws applicable to the Company *inter-alia*:

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

For **KJB & Co. LLP**,
Practicing Company Secretaries
Firm Unique Identification No.: L2020MH006601
Peer Review Certificate No.: 2797/2022

Alpeshkumar Panchal
Partner
ACS No.: 49008
C. P. No.: 20120
UDIN: A049008E000381582
Date: Jyeshtha 4, 1945 | May 25, 2023
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.: L2020MH006601
Peer Review Certificate No.: 2797/2022

Alpeshkumar Panchal

Partner
ACS No.: 49008
C. P. No.: 20120
UDIN: A049008E000381582
Date: Jyeshtha 4, 1945 | May 25, 2023
Place: Vadodara

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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 authorised 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, 2023, 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, 2023, 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 Act, 1992 ("**SEBI Act**"):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereto from time to time - **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 Sweat Equity) Regulations, 2021 - **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, 2021 – **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 meetings 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 a proper balance of Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.
- (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 various laws applicable to the Company *inter-alia*:

- 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.: L2020MH006601

Peer Review Certificate No.: 2797/2022

Alpeshkumar Panchal

Partner

ACS No.: 49008

C. P. No.: 20120

UDIN: A049008E000381505

Date: Jyeshtha 4, 1945 | May 25, 2023

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.: L2020MH006601
Peer Review Certificate No.: 2797/2022

Alpeshkumar Panchal

Partner
ACS No.: 49008
C. P. No.: 20120
UDIN: A049008E000381505
Date: Jyeshtha 4, 1945 | May 25, 2023
Place: Vadodara



Annual Report on Corporate Social Responsibility (CSR) Activities for the FY23

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 Shanghvi	Chairman ¹	Managing Director	4	4
2.	Mr. Sudhir Valia	Member	Non-Executive Non-Independent Director	4	4
3.	Ms. Rama Bijapurkar	Member ¹	Non-Executive Independent Director	4	3
4.	Dr. Pawan Goenka	Member	Non-Executive Independent Director	4	4

¹ Ms. Rama Bijapurkar is the Chairperson and Mr. Dilip Shanghvi continues to be a Member of the CSR Committee with effect from May 26, 2023.

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.

Composition of CSR committee - <https://sunpharma.com/committees-of-the-board/>

CSR Policy - <https://sunpharma.com/policies/>

CSR projects approved by the Board - <https://sunpharma.com/csr/>

4. EXECUTIVE SUMMARY ALONGWITH WEB-LINK 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

5.	(a) Average Net Profit of the Company as per Section 135(5)-	₹ 14,628.17 Million
	(b) Two percent of average net profit of the company as per section 135(5).	₹ 292.56 Million
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(d) Amount required to be set off for the financial year, if any	Nil
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	₹ 292.56 Million

6.	(a) Amount spent on CSR Projects (both ongoing projects and other than ongoing projects)	₹ 283.51 Million
	(b) Amount spent in Administrative Overheads	₹ 10.13 Million
	(c) Amount spent on Impact Assessment, if applicable	Not Applicable
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 293.64 Million

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Mn.)	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
293.64	-	-	-	-	-

(f) Excess amount for set off, if any -

Sl. No.	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 292.56 Million
(ii)	Total amount spent for the Financial Year	₹ 293.64 Million
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 1.08 Million
(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)]	₹ 1.08 Million

7. (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) (in ₹)	Balance Amount in unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (₹ In Million)	Amount transferred to a fund specified under Schedule VII as per second proviso to section 135(6), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency if any
					Amount (in ₹)	Date of transfer		
1.	2019-20	N.A.		43.708	N.A.	N.A.	N.A.	N.A.
2.	2020-21	Nil		269.504	Nil	Nil	Nil	Nil
3.	2021-22	Nil		198.60	Nil	Nil	Nil	Nil
TOTAL				511.81				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: Yes

Number of capital assets created/acquired: 308

Details relating to the asset so created or acquired through CSR spent in the financial year are given below:

Sl. No.	Particulars of the Project	Date of creation or acquisition of the capital asset*	Amount of CSR spent (in ₹ Million)	Details of the entity or public authority or beneficiary of the registered owner			Short Particulars of the property/ asset	Address of location of assets	Pincode
				CSR Registration No., if applicable	Name of entity	Address of entity			
1.	Digital Classroom Development	March 10, 2023	0.35	-	Government Primary School	Government Primary School, Gadkhol, Ankleshwar Block, Bharuch District, PIN Code: 393001	Interactive Board, Projector, PC, Speaker, Cabinet, Roller Blind & Carpet	Government Primary School, Gadkhol, Ankleshwar Block, Bharuch District	393001
2.	Digital Classroom Development	March 31, 2023	0.22	-	Government Primary School	Primary School, Vadek Village, Ta. Jambughoda, District Panchmahal, Gujarat - 389360	Interactive Board, UPS	Primary School, Vadek Village, Ta. Jambughoda, District Panchmahal, Gujarat	389360
3.	Digital Classroom Development	March 31, 2023	0.22	-	Government Primary School	Primary School, Dadiyapura Village, Ta. Jambughoda, District Panchmahal, Gujarat - 389360	Interactive Board, UPS	Primary School, Dadiyapura Village, Ta. Jambughoda, District Panchmahal, Gujarat	389360
4.	Digital Classroom Development	March 31, 2023	0.25	-	Adarsh Kelavani Mandal Mishra Primary School	Adarsh Kelavani Mandal Mishra Primary School, Ankleshwar, Bharuch, Gujarat - 393001	Interactive Board, UPS	Adarsh Kelavni Mandla Mishra Primary School, Ankleshwar, Bharuch, Gujarat	393001
5.	Digital Classroom Development	March 31, 2023	0.25	-	Ideal Primary School	Ideal Primary School (The Bhadi Education Trust), Bhadi Village, Ta. Ankleshwar, Dist. Bharuch, Gujarat - 394115	Interactive Board, UPS	Ideal Primary School (The Bhadi Education Trust), Bhadi Village, Ta. Ankleshwar, Dist. Bharuch, Gujarat	394115
6.	Digital Classroom Development	March 31, 2023	0.25	-	The Kharod Anjuman Sarvajanik High School,	The Kharod Anjuman Sarvajanik High School, Kharod Village, Ta. Ankleshwar, Dist. Bharuch, Gujarat - 394115	Interactive Board, UPS	The Kharod Anjuman Sarvajanik High School, Kharod Village, Ta. Ankleshwar, Dist. Bharuch, Gujarat	394115



Sl. No.	Particulars of the Project	Date of creation or acquisition of the capital asset*	Amount of CSR spent (in ₹ Million)	Details of the entity or public authority or beneficiary of the registered owner			Short Particulars of the property/ asset	Address of location of assets	Pincode
				CSR Registration No., if applicable	Name of entity	Address of entity			
7.	Digital Classroom Development	March 31, 2023	0.25	-	Zilla Panchayat School	Zilla Panchayat School, Nagapur, Ta. & Dist. Ahmednagar, Maharashtra - 414111	Interactive Board, UPS	Zilla Panchayat School, Nagapur, Ta. & Dist. Ahmednagar, Maharashtra	414111
8.	Digital Classroom Development	March 31, 2023	0.25	-	Zilla Panchayat School, Navnagapur	Zilla Panchayat School, Navnagapur, Ahmednagar, Maharashtra - 414111	Interactive Board, UPS	Zilla Panchayat School, Navnagapur, Ahmednagar, Maharashtra	414111
9.	Digital Classroom Development	March 31, 2023	0.25	-	Rameshra High School	Rameshra High School, Rameshra, Ta. Halol, Dist. Panchmahal, Gujarat - 389350	Interactive Board, UPS	Rameshra High School, Rameshra, Ta. Halol, Dist. Panchmahal, Gujarat	389350
10.	Digital Classroom Development	March 31, 2023	0.25	-	Sarvajanik High School	Sarvajanik High School, Panoli, Ta. Ankleshwar, Dist. Bharuch, Gujarat - 394115	Interactive Board, UPS	Sarvajanik High School, Panoli, Ta. Ankleshwar, Dist. Bharuch, Gujarat	394115
11.	Digital Classroom Development	March 31, 2023	0.25	-	Sun Pharma School	Sun Pharma School, Bolhegaon, Ta. & Dist Ahmednagar, Maharashtra - 414111	Interactive Board, UPS	Sun Pharma School, Bolhegaon, Ta. & Dist Ahmednagar, Maharashtra	414111
12.	Digital Classroom Development	March 31, 2023	0.25	-	Government Primary School	Primary School, Gam Tadav, Tithore, Ta. Padra, Dist. Vadodara, Gujarat - 391450	Interactive Board, UPS	Primary School, Gam Tadav, Tithore, Ta. Padra, Dist. Vadodara, Gujarat	391450
13.	School Classroom Furniture	March 31, 2023	0.32	-	Government Primary School	Primary School, Intwadi, Ta. Halol, Dist. Panchmahal, Gujarat - 389350	Classroom Desks and Benches	Primary School, Intwadi, Ta. Halol, Dist. Panchmahal Gujarat	389350
14.	Solar Water Pump System	February 28, 2023	0.33	-	Grampanchayat Vilad	Grampanchayat Vilad, Tal.& Dist. Ahmednagar, Maharashtra - 414111	5HP Water Pump, 16 solar Panels, HDP Pipe	Grampanchayat Vilad, Tal.& Dist- Ahmednagar, Maharashtra	414111
15.	Digital Classroom Development	March 31, 2023	0.16	-	Government Middle School	Government Middle School, Vedavakkam, Chengalpattu district, Tamilnadu, PIN 603303	Interactive Board and UPS	Government Middle School, Vedavakkam, Chengalpattu district, Tamilnadu,	603303
16.	Digital Classroom Development	March 31, 2023	0.16	-	Government Primary School	Government Primary School, Sathammai, village, Chengalpattu district, Tamilnadu, PIN 603204	Interactive Board and UPS	Government Primary School, Sathammai, village, Chengalpattu district, Tamilnadu	603204
17.	TLM Modules, Cup Board & Activity Desk	October 18, 2022	0.20	-	Government Primary School	Government Primary School, Jepura, Taluka. Halol, Dist. Panchmahal, Gujarat - 389352	TLM Modules, Cup Board & Activity Desk	Government Primary School, Jepura, Taluka. Halol, Dist. Panchmahal, Gujarat	389355
18.	TLM Modules, Cup Board & Activity Desk, Educational Slides	March 31, 2023	0.20	-	Government Primary School	Government primary school Gam Talav (Tithor), Taluka.- Padra, Dist. Vadodara, Gujarat - 391452	TLM Modules, Cup Board & Activity Desk, Educational Slides	Government primary school Gam Talav (Tithor), Taluka.- Padra, Dist. Vadodara, Gujarat	391455
19.	Mobile Healthcare Unit	June 22, 2022	0.03	CSR00003635	Sun Pharma Community Healthcare Society	A-41, Industrial Area, Phase-VIII A, S.A.S. Nagar - 160071, Punjab, India	LENOVO TAB M8	A-41, Industrial Area, Phase-VIII A, S.A.S. Nagar, Punjab, India	160071
20.	Mobile Healthcare Unit	June 22, 2022	0.03	CSR00003635	Sun Pharma Community Healthcare Society	Industrial Area 3, A.B. Road, Dewas, Madhya Pradesh (India) - 455 001	LENOVO TAB M9	Industrial Area 3, A.B. Road, Dewas, Madhya Pradesh (India)	455001
21.	Mobile Healthcare Unit	June 22, 2022	0.03	CSR00003635	Sun Pharma Community Healthcare Society	Village - Toansa, PO-RailMajra, Distt.-SBS Nagar, Punjab - 144533	LENOVO TAB M17	Village - Toansa, PO-RailMajra, Distt.-SBS Nagar	144533
22.	Mobile Healthcare Unit	June 22, 2022	0.03	CSR00003635	Sun Pharma Community Healthcare Society	A-7/A-8, MIDC Industrial Area, Nagapur, Ahmednagar, Maharashtra (India) - 414111	LENOVO TAB M10	A-7/A-8, MIDC Industrial Area, Nagapur, Ahmednagar, Maharashtra (India)	414111

Sl. No.	Particulars of the Project	Date of creation or acquisition of the capital asset*	Amount of CSR spent (in ₹ Million)	Details of the entity or public authority or beneficiary of the registered owner			Short Particulars of the property/ asset	Address of location of assets	Pincode
				CSR Registration No., if applicable	Name of entity	Address of entity			
23.	Mobile Healthcare Unit	June 22, 2022	0.03	CSR00003635	Sun Pharma Community Healthcare Society	Sathammai Village, Karunkuzhi (PO), Madhuranthagam (TK), Kancheepuram (DT), Tamilnadu (India), PIN - 603303	LENOVO TAB M11	Sathammai Village, Karunkuzhi (PO), Madhuranthagam (TK), Kancheepuram (DT), Tamilnadu (India)	603303
24.	Mobile Healthcare Unit	June 22, 2022	0.03	CSR00003635	Sun Pharma Community Healthcare Society	24/2, 25 Phase IV GIDC Panoli, Bharuch, Gujarat (India) PIN - 394 116.	LENOVO TAB M12	24/2, 25 Phase IV GIDC Panoli, Bharuch, Gujarat (India)	394116
25.	Mobile Healthcare Unit	June 22, 2022	0.03	CSR00003635	Sun Pharma Community Healthcare Society	Plot No .817/A, Village-Karkhadi Tal.-Padra, Dist. Vadodara, PIN - 391 450 Gujarat (India)	LENOVO TAB M13	Plot No .817/A, Village-Karkhadi Tal.-Padra, Dist. Vadodara, Gujarat (India)	391450
26.	Mobile Healthcare Unit	June 22, 2022	0.03	CSR00003635	Sun Pharma Community Healthcare Society	4708, GIDC, Ankleshwar. Gujarat (India) - 393 002	LENOVO TAB M14	4708, GIDC, Ankleshwar. Gujarat (India)	393002
27.	Mobile Healthcare Unit	June 22, 2022	0.03	CSR00003635	Sun Pharma Community Healthcare Society	Halol, Gujarat India - 389 350	LENOVO TAB M15	Halol-Baroda Highway, Halol, Gujarat (India)	389350
28.	Mobile Healthcare Unit	June 22, 2022	0.03	CSR00003635	Sun Pharma Community Healthcare Society	K-5,6,7 &10, Ghirongi Industrial Area, Malanpur, Distt- Bhind, Madhya Pradesh (India) - 477 117	LENOVO TAB M16	K-5,6,7 &10, Ghirongi Industrial Area, Malanpur, Distt- Bhind, Madhya Pradesh (India)	477117
29.	Mobile Healthcare Unit	February 28, 2023	2.03	CSR00003635	Sun Pharma Community Healthcare Society	Sathammai Village, Karunkuzhi (PO), Madhuranthagam (TK), Kancheepuram (DT), Tamilnadu (India), PIN - 603303	Force Traveller Ambulance	Sathammai Village, Karunkuzhi (PO), Madhuranthagam (TK), Kancheepuram (DT), Tamilnadu (India)	603303

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

9. 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.

Date: May 26, 2023

Dilip Shanghvi
(DIN: 00005588)

Rama Bijapurkar
(DIN: 00001835)



Corporate Social Responsibility Activities

1. Elimination of Malnutrition through Action-Research on Moderately and Acute Malnourished Children:

Sun Pharma and The Christian Medical College Vellore Association have embarked on a ground-breaking project aimed at developing a novel type of supplemental food to treat acute malnutrition. Specifically designed to repair the gut microbiota of children suffering from this devastating condition, this food has the potential to improve growth outcomes significantly. This initiative aims to address the gut microbiota defects that affect children with acute malnutrition during their first two postnatal years. These defects can lead to immature microbial communities and hinder normal growth and development.

This collaborative project is a significant step towards developing a solution that addresses acute malnutrition and improving the health outcomes of vulnerable children. The company has contributed ₹ 70.50 Million during the FY23.

2. Support towards setting-up of Cancer Sanatorium Institute:

Shantilal Shanghvi Foundation has taken-up a noble mission to establish a state-of-the-art cancer care facility. The objective of this project is to provide comprehensive treatment and care for cancer patients from all socio-economic backgrounds. The facility is designed to accommodate patients for chemotherapy and radiation treatment in a clean, safe, and aesthetically pleasing environment.

During the FY23, the company has contributed ₹ 150.00 Million towards this project. The project has been implemented by Shantilal Shanghvi Foundation at Wadala, Mumbai.

3. Mobile Healthcare Unit:

The Mobile Healthcare Unit is a pioneering initiative aimed at providing essential healthcare services to underprivileged communities in remote areas where access to quality care is limited. Its comprehensive approach focuses on Health Promotion, Preventive Healthcare Education, and providing Curative Treatment to those in need. Mobile Healthcare Unit has made remarkable progress in delivering healthcare services to the most vulnerable populations. It has provided Curative Treatment to 1,62,049 patients and Preventive & Promotive Healthcare Education to 28,096 people.

The company has Contributed ₹ 30.12 Million during the FY23 with the project being implemented by Sun Pharma Community Healthcare Society.

4. Healthcare Infrastructure Support & Awareness:

Sun Pharma is committed to improve Healthcare Infrastructure and Awareness in the vicinity of its business operations. The company has undertaken a range of projects under this thematic area such as organising school eye check-ups and distributing spectacles to students, helping to identify visual impairments that can affect their academic performance, upgrading healthcare infrastructure in rural areas, organising blood donation camps and providing educational resources and nutritional ration kits to TB patients and their families.

This project was implemented by ETI Foundation. The company has contributed ₹ 4.26 Million during the FY23 with the benefit being extended to communities at large.

5. Medicines for Health Activities:

Medicines related to general illness have been provided to old-age home and orphanage to meet their regular health requirement. The project was executed by CSR Department with the expenditure of ₹ 0.04 Million during the financial year.

6. Anganwadi Infrastructural Development:

The company is committed to undertaking Anganwadi Infrastructure development projects to create a nurturing environment that meets the educational, health, and nutritional needs of rural children. This involves renovating existing centres to provide child-friendly spaces, including a conducive learning environment with quality infrastructure and materials. The company has contributed ₹ 3.33 Million during the FY23, with the project being implemented by Gramin Vikas Trust and Vishakha BAA Foundation Trust.

7. School Infrastructure Development Project:

Sun Pharma engages in various activities as part of its School Infrastructure Development Projects. These include the construction of classrooms, construction of drinking water and sanitation facilities, construction of mid-day meal sheds, tree plantation, rainwater harvesting, installation of safety grills and boundary walls, and the provision of sports equipment, chairs, and benches. The objective is to enhance the quality of infrastructure and improve learning outcomes in rural schools.

The project was implemented directly as well as through Association for Sustainable Community Development, Act-Eve Education & Social Welfare Society, Anwasha Foundation, Vadodara Education Trust and Sahyog Vikas Foundation. The company has contributed ₹ 11.85 Million during the FY23 with the benefit being extended to more than 8,238 students across different locations.

8. Promotion of Scientific Medical & Pharma Research Outcomes for Public Health Improvement:

Sun Pharma has undertaken a project aimed at promoting scientific medical and pharmaceutical research outcomes for public health improvement. The project involves sharing medical and pharmaceutical research with the public after conducting scientific research on ways to improve public health. This initiative has helped young scientists and scholars in the medical and pharmaceutical fields to work towards improving public health.

The company has contributed ₹ 4.64 Million towards this project during the FY23 with the project being implemented by Sun Pharma Science Foundation.

9. Setting-up of Digital Classroom Project:

Sun Pharma has established digital classrooms in Government schools located at Vadodara, Ankleshwar and Halol location to improve the quality of education through digital means. This initiative addresses the growing need to integrate information and communication technology (ICT) into the current education system.

The company has contributed ₹ 2.83 Million during the FY23 with the project being implemented by Vadodara Education Trust and Gramin Vikas Trust.

10. Installation of Solar Street Lights:

Sustainable development is a key focus area for Sun Pharma, with a particular emphasis on promoting the use of renewable energy sources. In order to achieve this goal and provide community lighting in rural, underserved areas, the company has installed solar street lights in nearby villages surrounding its Ahmednagar, Panoli, Dahej and Silvassa plants. The objective of this initiative is to provide community lighting in unserved rural areas and promote the use of renewable energy sources. By using solar energy, the company is not only reducing its carbon footprint but also contributing towards sustainable development.

The company has contributed ₹ 2.18 Million during the FY23 with the project being implemented by Sahyog Vikas Foundation.

11. Rural Infrastructure Development Projects:

Sun Pharma has taken the initiative to uplift rural communities by upgrading much-needed infrastructure facilities. The project aims to benefit the communities at large through various activities such as the installation of solar water pumps, renovation of community centers, etc.

This project was implemented through Navjeevan Gramoday Prathisthan. The company has contributed ₹ 1.02 Million during the FY23 towards this project with the benefit being extended to communities at large.

12. Tree Plantation:

Sun Pharma regularly engages in tree plantation activities around its operational sites. The company not only plants saplings but also takes measures to ensure their survival, such as erecting tree guards and providing nurturing care until they grow into mature trees.

The company has contributed ₹ 1.55 Million during the FY23.

13. Drinking Water:

Access to safe and potable drinking water remains a significant issue in many villages, and Sun Pharma has been working towards improving access to safe drinking water in rural areas through various projects. The company has undertaken the construction of a storage tank and maintenance of a tube well to provide piped water to individual households in the community. The company has also constructed a drinking water tank and installed RO water purifier system. The project was implemented through Association for Sustainable Community Development. The company has contributed ₹ 1.14 Million during the FY23 with the benefit being extended to school and other communities at large.

14. Disaster Relief:

Sun Pharma has supported the prevention of COVID-19 pandemic during subsequent waves. The Company has contributed ₹ 0.05 Million towards provision of sanitizer, mask and other items.



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 committed to continuously improve energy performance and conserve energy in its various operations. Dedicated team is continuously working to ensure efficient use of energy. Equipment and plant wise energy consumption is monitored and benchmarking is done at frequent interval, energy gap assessment is carried out, energy conservation projects are identified and implemented.

We have also implemented Energy management system ISO: 50001:2018 at Halol, Mohali, Dadra & Dewas sites to further ensure structured and systematic approach towards energy conservation.

1. Steps taken or impact on Conservation of Energy

- Energy efficient chiller installed at Mohali plant to improve iKw/TR
- Installation of energy efficient blower for HVAC system.
- Installation of VFD in various motors including chiller compressor.
- Condensate recovery improved, resulting in Fuel and water reduction at Mohali
- Motion sensor for lighting load optimisation.
- Utilisation of heat pump for hot water generator and reducing steam consumption.
- Old energy inefficient motors are replaced with energy efficient motors, Motor replaced with energy efficient motors
- Demand side air management for reducing power consumption in air compressor.
- Replacement of old energy inefficient pump with energy efficient pump in cooling towers.
- AHU automation for power reduction.
- Energy efficient new compressed air dryer installed
- Flash steam recovery system installed to recovery waste heat.
- Cooling tower online Chemical dosing and blow down system installed at Halol to improve chiller approach.
- Online monitoring of condensate recovery at Halol site.

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

We are consistently taking various initiatives to reduce carbon emission and utilising alternate source of energy.

- Boiler fuel at most of locations are shifted from conventional fuel like furnace oil /high speed diesel a with renewable biomass briquettes fuel for Steam generation,
- Wind mills are used to meet partial power requirement at MKM Site,
- Company owned solar power plant supplies Partial power at Dewas site,
- Solar rooftop is installed at Gurgaon, Silvassa, Dadra and Vadodara sites,
- Hybrid (Wind + Solar) powerplant is being installed to meet partial power requirement for Gujarat sites,
- Solar rooftop is being installed at Halol facility.

3. Capital investment on energy conservation equipments

Capital investment initiated during the year for energy conservation equipments is ₹ 1,473 Million.

(B) Technology Absorption

(A) Research and Development

Expenditure on R&D

	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Capital	507.0	787.0
Revenue	15,980.1	15,529.7
Total	16,487.1	16,316.7
Total R&D expenditure as % of Total Revenue	7.9%	10.4%

(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 crystallisation 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 optimisation 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 FY23, 41 formulations were developed and filed from our R&D locations for the Indian and regulated markets and 148 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, 2023	Year ended March 31, 2022
Earnings	154,052.6	106,330.5
Outgo	71,511.4	71,874.3



Corporate Governance Report

1. Corporate Governance Initiatives at Sun Pharma

The Company has taken various initiatives to implement the best practices with a focus on further enhancing the Corporate Governance standards in the last few years. Highlights of the initiatives taken are:

- Dr. Pawan Goenka, Independent Director is the Lead Independent Director.
- Corporate Governance and Ethics Committee continues to drive initiatives on best governance practices.
- Board has adopted standard for minimum attendance of at least 75% at the Board/ Committee meetings in a financial year on a best effort basis w.e.f. April 1, 2023.
- Significant measures are undertaken to reduce amount of unclaimed dividend.
- Robust Whistle Blower mechanism covering even the external stakeholders.

2. Company's Philosophy on Corporate Governance

Company's philosophy envisages reaching people touching lives globally by following the core values 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. The Company ensures adherence to the regulatory requirements and is committed to learn and adopt and implement ethical standards and best practices of Corporate Governance.

3. Code of Conduct

The Board of Directors has laid down a Global Code of Conduct for all Board members, the senior management of the Company and all employees including employees of its subsidiary companies. 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. The Global Code of Conduct of the Company is available on the website of the Company at <https://sunpharma.com/policies>.

All the directors and senior management affirm 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 this Report.

4. Board of Directors

a. Board Composition

The Board of Directors of the Company as on March 31, 2023 comprises of seven Directors. The composition and category of Directors is as follows:

Category of Directors	Sl. No.	Name of the Directors	Inter-se Relationship between Directors
Independent Directors	1.	Dr. Pawan Goenka ¹ (Lead Independent Director)	-
	2.	Ms. Rama Bijapurkar	-
	3.	Mr. Gautam Doshi	-
	4.	Mr. Sanjay Asher ²	-
Promoter Executive Director	5.	Mr. Dilip Shanghvi (Managing Director)	Brother-in-law of Mr. Sudhir Valia
Non-Promoter (however part of Promoter Group) Non-Executive and Non-Independent Director	6.	Mr. Sudhir Valia	Brother-in-law of Mr. Dilip Shanghvi
Non-Promoter Executive Directors	7.	Mr. Sailesh Desai (Whole-time Director)	-

Notes:

1. Dr. Pawan Goenka is appointed as the Lead Independent Director w.e.f. May 30, 2022. The details of roles and responsibilities of Lead Independent Director are available on the website of the Company, <https://sunpharma.com/policies>.
2. Mr. Sanjay Asher is appointed as an Independent Director of the Company for a term commencing from November 1, 2022 till March 31, 2025.

The Independent directors fulfill conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and are independent of the management.

b. Board skill matrix

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

Knowledge/Expertise in one or more of the following	Skills	Behavioral Traits
Finance & Accounts	Strategic Thinking/Planning Skills	Integrity
Legal	Problem Solving Skills	Genuine interest
Governance	Analytical Skills	Interpersonal skills/communication
Industry Knowledge	Decision Making Skills	Active Participation
Risk Management	Leadership Skills	
General Management		

The expertise of the Board Members are as given below:

Expertise	Name of the Director						
	Pawan Goenka	Dilip Shanghvi	Gautam Doshi	Rama Bijapurkar	Sanjay Asher	Sudhir Valia	Sailesh Desai
Finance & Accounts	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Legal	No	No	Yes	No	Yes	Yes	No
Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Knowledge (Pharma Industry)	No	Yes	No	No	Yes	Yes	Yes
Risk Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes
General Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral Traits	Yes	Yes	Yes	Yes	Yes	Yes	Yes

c. Other Directorships

Name of the Director	No. of other Directorships and Committee Memberships / Chairmanships as of March 31, 2023			Other Indian Equity Listed entities in which they hold Directorship	Category of Directorship
	Other Directorships ¹	Committee Memberships ^{2&3}	Committee Chairmanships ²		
Dr. Pawan Goenka	1	2	0	Bosch Limited	Non-Executive and Independent
Mr. Dilip Shanghvi	1	0	0	Sun Pharma Advanced Research Company Ltd.	Non-Executive and Non Independent Chairman
Mr. Gautam Doshi	4	4	1	Suzlon Energy Limited	Non-Executive and Independent
Ms. Rama Bijapurkar	6	5	2	Piramal Enterprises Limited	Non-Executive and Independent
				Gokaldas Exports 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
Mr. Sanjay Asher	8	10	4	Apollo Hospitals Enterprise Limited	Non-Executive and Independent
				Meghmani Finechem Limited	Non-Executive and Independent
				IndusInd Bank Limited	Non-Executive and Independent
				Sonata Software Limited	Non-Executive and Independent
				Deepak Nitrite Limited	Non-Executive and Independent
				Ashok Leyland Limited	Non-Executive and Independent
Mr. Sudhir Valia	4	4	1	Sudarshan Chemical Industries Limited	Non-Executive and Independent
Mr. Sailesh Desai	3	0	0	Sun Pharma Advanced Research Company Ltd.	Non-Executive and Non-Independent
				Nil	Not Applicable

Notes:

- The above number of other directorships does not include Directorships in Private Limited, Foreign and Section 8 Companies.
- The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Stakeholders' Relationship Committee only.
- The Committee Memberships include Chairmanships as well.

**d. Board Meetings and attendance**

Six meetings of the Board were held during the financial year ended March 31, 2023, i.e. May 30, 2022; July 29, 2022; November 1, 2022; January 18, 2023; January 31, 2023 and March 30, 2023. Attendance of the Directors is given below:

Name of the Director	Attendance particulars for the year ended March 31, 2023		
	Number of Board Meetings Entitled to attend	Number of Board Meetings attended	Last AGM held on August 29, 2022
Dr. Pawan Goenka	6	6	Yes
Mr. Dilip Shanghvi	6	6	Yes
Mr. Gautam Doshi	6	6	Yes
Ms. Rama Bijapurkar	6	4	Yes
Mr. Sanjay Asher ¹	4	4	Not Applicable
Mr. Sudhir Valia	6	6	Yes
Mr. Sailesh Desai	6	6	Yes
Mr. Israel Makov ²	2	2	Yes
Mr. Kalyanasundaram Subramanian ³	5	5	Yes

Notes:

1. Mr. Sanjay Asher is appointed as an Independent Director of the Company for a term commencing from November 1, 2022 till March 31, 2025.
2. Mr. Israel Makov retired and ceased to be the Chairman and Director of the Company upon the conclusion of 30th Annual General Meeting held on August 29, 2022.
3. Mr. Kalyanasundaram Subramanian retired and ceased to be the Director of the Company effective from February 13, 2023.

e. Familiarisation Programme

Details of the familiarisation programme of the independent directors are available on the website of the Company, <https://sunpharma.com/policies>.

f. Equity Shares held by Non-Executive Directors as on March 31, 2023:

Name of the Director	No. of Equity Shares
Mr. Gautam Doshi	8,000
Mr. Sudhir Valia	14,345,019
Ms. Rama Bijapurkar	Nil
Dr. Pawan Goenka	Nil
Mr. Sanjay Asher	Nil

5. Committees of the Board**A. Audit Committee**

Composition of the Audit Committee and the terms of reference are in compliance with the requirements under Section 177 of the Companies Act, 2013 ('Act') and of Regulation 18 of the Listing Regulations.

The terms of reference of the Audit Committee, inter alia, include:

- overseeing 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,
- review and monitor the auditor's independence and performance, effectiveness of audit process, and recommendation for appointment, remuneration and terms of appointment of auditors of the company,
- reviewing the adequacy of internal audit function, discussion with internal auditors of 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,
- 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.

Meetings and Composition:

Six meetings of the Audit Committee were held during the financial year ended March 31, 2023, i.e. May 29, 2022; July 14, 2022; July 28, 2022; October 31, 2022; January 30, 2023 and March 30, 2023. All the meeting(s) were adjourned to the next day for consideration of few agenda items, except the meeting held on July 14, 2022 and March 30, 2023. Details of the composition of the Audit Committee and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Gautam Doshi	Independent Director	Chairman	6	6
2.	Dr. Pawan Goenka	Lead Independent Director	Member	6	6
3.	Mr. Sailesh Desai	Whole-time Director	Member	6	6

Mr. Anoop Deshpande, the Company Secretary and Compliance Officer of the Company is the Secretary of the Audit Committee.

B. Nomination and Remuneration Committee ('NRC')

Composition of NRC and the terms of reference are in compliance with the requirements under Section 178 of the Act and Regulation 19 of the Listing Regulations.

The terms of reference of NRC, inter alia, include:

- 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 director's performance,
- to devise a policy on Board Diversity,
- to formulate criteria for evaluation of Independent Directors and the Board,
- to review and approve the Remuneration Policy of the Company, specific remuneration packages for executive directors,
- to review, recommend and/ or approve remuneration to Whole-time Directors,
- to recommend to the board, all remuneration, in whatever form, payable to senior management, etc.

Meetings and Composition:

Five meetings of NRC were held during the financial year ended March 31, 2023, i.e. May 27, 2022; June 22, 2022; July 28, 2022; October 31, 2022 and January 30, 2023. Details of the composition of NRC and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Dr. Pawan Goenka	Lead Independent Director	Chairman	5	5
2.	Mr. Gautam Doshi	Independent Director	Member	5	4
3.	Mr. Sudhir Valia ¹	Non-Executive Director	Member	2	2
4.	Mr. Israel Makov ²	Non-Executive Chairman	Member	3	3

Notes:

1. Mr. Sudhir Valia was appointed as a member of NRC effective from September 13, 2022.
2. Mr. Israel Makov ceased to be the member of NRC effective from August 29, 2022, consequent to his retirement and cessation as Chairman and Director of the Company effective from that date.

Mr. Anoop Deshpande, the Company Secretary and Compliance Officer of the Company is the Secretary of NRC.

Performance Evaluation Criteria for Independent Directors:

NRC has adopted the performance evaluation criteria for Independent Directors which is in-line with the Guidance Note of SEBI on Board Evaluation. The said criteria provide certain parameters like knowledge, competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution, independence and independent views and judgement. The details of the performance evaluation carried out for FY23 is provided in the Boards' Report forming part of this Annual Report.

**C. Stakeholders' Relationship Committee ('SRC')**

Composition of SRC and the terms of reference are in compliance with the requirements under Section 178 of the Act and Regulation 20 of the Listing Regulations.

The terms of reference of SRC, *inter alia*, include:

- 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,

Meetings and Composition:

Four meetings of SRC were held during the financial year ended March 31, 2023, i.e. May 27, 2022; July 28, 2022; October 31, 2022 and January 30, 2023. Details of the composition of SRC and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Gautam Doshi	Independent Director	Chairman	4	3
2.	Dr. Pawan Goenka ¹	Lead Independent Director	Member	4	4
3.	Mr. Sudhir Valia	Non-Executive Director	Member	4	4
4.	Mr. Dilip Shanghvi	Managing Director	Member	4	4

Note:

1. Dr. Pawan Goenka was appointed as a member of SRC effective from May 27, 2022.

Mr. Anoop Deshpande, the Company Secretary and Compliance Officer of the Company is the Secretary of SRC.

Compliance Officer:

The Board has designated Mr. Anoop Deshpande as the Compliance Officer for the purposes of/ under rules, regulations etc. issued by the SEBI and Stock Exchanges.

Significant measures towards reducing unclaimed dividend:

In its endeavour to facilitate the shareholders, under the guidance of SRC, the Company has walked an extra-mile and has voluntarily processed dividend remaining unclaimed for previous years based on the analysis carried out for the shareholders whose updated Bank details were available with the Company based on the latest dividend paid electronically. It was a one-time significant exercise carried out by the Company as a result of which, unclaimed dividend of more than 7,000 shareholders was paid. This resulted in reduction in the amount of unpaid dividend.

Company shall continue to take various measures in the best interest of the shareholders.

Investor Complaints:

Particulars	No. of Complaints
Pending at the beginning of the year i.e. April 1, 2022	0
Received during the year	34
Resolved during the year	34
Pending at the end of the year i.e. March 31, 2023	0

D. Corporate Social Responsibility Committee

Composition of the Corporate Social Responsibility Committee ('CSR Committee') and the terms of reference are in compliance with the requirements under section 135 of the Companies Act, 2013.

The terms of reference of the CSR Committee, *inter alia*, include:

- to formulate and recommend to the Board, a CSR Policy, which shall indicate the activities/ projects to be undertaken by the Company and recommend revision/ amendments thereof, wherever required;
- to recommend to the Board, an Annual Action Plan in pursuance of the CSR Policy of the Company and the amount of expenditure to be incurred on the CSR activities/projects;
- to review and monitor the applicability of the Impact Assessment of the CSR Projects undertaken by the Company;

Meetings and Composition:

Four meetings of CSR Committee were held during the financial year ended March 31, 2023, i.e. May 27, 2022; July 28, 2022; October 31, 2022 and January 30, 2023. Details of the composition of CSR Committee and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Dilip Shanghvi ¹	Managing Director	Chairman	4	4
2.	Dr. Pawan Goenka ²	Lead Independent Director	Member	4	4
3.	Ms. Rama Bijapurkar ¹	Independent Director	Member	4	3
4.	Mr. Sudhir Valia	Non-Executive Director	Member	4	4

Note:

- Ms. Rama Bijapurkar has been appointed as Chairperson of the CSR Committee and Mr. Dilip Shanghvi has been re-designated as Member of the Committee effective from May 26, 2023.
- Dr. Pawan Goenka was appointed as a member of CSR Committee effective from May 27, 2022.

Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of CSR Committee.

E. Risk Management Committee ('RMC')

Composition of RMC and the terms of reference are in compliance with the requirements under Regulation 21 of the Listing Regulations.

The terms of reference of the Risk Management Committee, inter alia, include:

- 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;

Meetings and Composition:

Three meetings of RMC were held during the financial year ended March 31, 2023, i.e. May 29, 2022; November 1, 2022; March 30, 2023. Details of the composition of RMC and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Dilip Shanghvi	Managing Director	Chairman	3	3
2.	Mr. Pawan Goenka ¹	Lead Independent Director	Member	3	3
3.	Mr. Gautam Doshi	Independent Director	Member	3	3
4.	Mr. Sudhir Valia	Non-Executive Director	Member	3	3
5.	Mr. C. S. Muralidharan	Chief Financial Officer	Member	3	3

Note:

- Dr. Pawan Goenka was appointed as a member of RMC effective from May 29, 2022.

Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of RMC.

F. Corporate Governance and Ethics Committee

The Board has constituted a Corporate Governance and Ethics Committee ('CGEC') as the Company's philosophy on Corporate Governance envisages working towards highest levels of transparency, accountability and consistent value systems.

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.

Meetings and Composition:

Five meetings of CGEC were held during the financial year ended March 31, 2023, viz. May 29, 2022; July 28, 2022; October 31, 2022; January 30, 2023; and March 30, 2023. Details of the composition of CGEC and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Gautam Doshi	Independent Director	Chairman	5	5
2.	Dr. Pawan Goenka	Lead Independent Director	Member	5	5
3.	Mr. C. S. Muralidharan	Chief Financial Officer	Member	5	5
4.	Mr. Anoop Deshpande ¹	Company Secretary & Compliance Officer	Member	1	1
5.	Mr. Ashok Bhuta ²	Sr. GM - Secretarial	Member	4	4

Notes:

- Mr. Anoop Deshpande was appointed as a member of the Committee effective from January 31, 2023.
- Mr. Ashok Bhuta ceased to be a member of the Committee effective from January 31, 2023.

Mr. Anoop Deshpande, the Company Secretary of the Company is the Secretary of CGEC.

6. Independent Directors' Meeting

A meeting of Independent Directors of the Company was held on March 30, 2023 where performance evaluation of non-independent directors and the board as a whole was discussed, *inter-alia*.

7. Remuneration of Directors

- 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 a Committee.
- The Board of Directors from time to time determine payment of Commission to the Independent Directors considering various factors including but not limited to the amount of time spent by each of the Independent Directors considering the attributing factors viz. period of directorship during the year, position as a Lead ID, Chairmanship of the Audit Committee and Chairmanship of other Board Committees.
- 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. Remuneration includes salary, bonus, perquisites, contribution to provident and superannuation fund and other benefits as per Company's policy as applicable from time to time. There is no variable / performance linked pay except in case of Mr. Kalyanasundaram Subramanian who was a Director up to February 13, 2023.
- The Agreement with Mr. Dilip Shanghvi, Managing Director for his present term of appointment and remuneration is for a period of 5 years from April 1, 2023 to March 31, 2028. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 (Thirty) days' notice in writing.
- The Agreement with Mr. Sailesh 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 (Thirty) days' notice in writing.
- There is no separate provision for payment of severance fees to Whole-time Director(s).

The details of Remuneration paid/payable to the Directors of the Company for the year ended March 31, 2023 are as follows:

Directors	Salary ¹	Bonus	Perquisites/ Benefits ²	Sitting fees	Commission ³	Amount in ₹
						Total
Israel Makov	-	-	-	500,000	-	500,000
Dilip Shanghvi	41,008,680	8,201,736	5,324,493	-	-	54,534,909
Sailesh Desai	14,397,816	2,879,563	2,447,980	-	-	19,725,359
Kalyanasundaram Subramanian ¹	58,704,217	4,034,673	2,559,983	-	-	65,298,873
Sudhir Valia	-	-	-	1,900,000	-	1,900,000
Gautam Doshi	-	-	-	2,800,000	4,800,000	7,600,000
Pawan Goenka	-	-	-	3,400,000	5,100,000	8,500,000
Rama Bijapurkar	-	-	-	800,000	4,000,000	4,800,000
Sanjay Asher	-	-	-	500,000	1,666,667	2,166,667

Notes:

- Salary includes Special Allowance. Salary of Mr. Kalyanasundaram Subramanian also includes variable pay of ₹ 8,175,213/-.
- 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.
- The Board of Directors at their meeting held on May 26, 2023 has approved Commission which is to be paid subsequently.

8. Material Subsidiaries

Details of Material Subsidiaries of the Company, identified as per the criteria prescribed under Regulation 16 and Regulation 24 of the Listing Regulations, for the year ended March 31, 2023 are as follows.

Sl. No.	Name of the Material Unlisted Subsidiary Company	Date of Incorporation/ Acquisition	Place of Incorporation	Name and Date of appointment of the Statutory Auditors	Company's Independent Director on the material unlisted Subsidiary*
1.	Sun Pharma Laboratories Limited	March 9, 2012	India	Name: SRBC & Co. LLP Date: August 24, 2022	Gautam Doshi
2.	Sun Pharma Distributors Limited	March 19, 2019	India	Name: SRBC & Co. LLP Date: September 30, 2019	Rama Bijapurkar Gautam Doshi
3.	Sun Pharma Holdings	October 29, 2013	Mauritius	Name: Lancasters Chartered Accountants Date: February 26, 2014	Gautam Doshi
4.	Sun Pharmaceutical Industries, Inc.	June 14, 2011	USA	Name: SRBC & Co. LLP Date: October 20, 2022	Gautam Doshi
5.	Taro Pharmaceuticals Inc.	September 20, 2010	Canada	Not Applicable	Not Applicable

Note: *Independent Directors are appointed pursuant to obligation under Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable.

The policy for determining material subsidiaries of the Company is available on the website of the Company, <https://www.sunpharma.com/policies>.

9. Related Party Transactions

The policy on Related Party Transactions as approved by the Board is available on the website of the Company, <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. The transactions entered into pursuant to the omnibus and specific approvals, are reviewed periodically by the Audit Committee.

10. Prevention of Insider Trading

The Company has a Code of Conduct for Prevention of Insider Trading ('the Code') in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations') to regulate, monitor and report trading by the Designated Person(s)/ and other connected person(s). The structured digital database of Unpublished Price Sensitive Information (UPSI) is maintained with adequate internal controls.

The Company's Code of practices and procedures for fair disclosure of unpublished price sensitive information is available on the website of the Company, <https://sunpharma.com/policies>.

11. Other 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, as may be applicable. The transactions with the related parties as per Ind AS-24, are disclosed in Note 50 of the Notes forming part of the Standalone Financial Statements for the year ended March 31, 2023.
- 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 Company has a Global 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 or external stakeholders blows the whistle for any wrong-doing in the Company. The policy is available on the website of the Company, <https://sunpharma.com/policies>. No personnel have been denied access to the Audit Committee.
- 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 upto August 29, 2022 of ₹ 61.3 Million in which Mr. Israel Makov, Non-Executive and Non-Independent Chairman upto August 29, 2022 was interested; b) Transactions with Sun Petrochemicals Private Limited for lease rent received – ₹ 11.0 Million, Other operative income/ other income – ₹ 5.2 Million, Reimbursement of Expenses – Received ₹ 3.6 Million; and 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 – ₹ 642.1 Million; and with Alfa Infraprop Private Limited for Other operative income/ other income – ₹ 9.5 Million and reimbursement of expenses paid – ₹ 24.9 Million; Corporate Social Responsibility contribution to Shantilal Shanghvi Foundation – ₹ 150 Million, in which 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. c) Transactions with Anshul Speciality Molecules Private Limited for Purchase of Goods/ services – ₹ 26.3 Million 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 Commission 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 ₹ 179.9 Million for the year under review.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are provided in the Boards' Report.

Following is the details required for the financial year ended March 31, 2023:

Particulars	Information
Number of complaints filed during the financial year	Four
Number of complaints disposed of during the financial year	Four
Number of complaints pending as on end of the financial year	Nil

- Details of compliance and Adoption/Non-Adoption of the non-mandatory requirements for the year ended March 31, 2023:
 - A. The Company complies with all the mandatory requirements specified under Listing Regulations.
 - B. The Company sends on quarterly basis, the quarterly financial results along with 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.
 - D. The Lead Independent Director presides over the meetings of the Board in absence of the Chairman.
 - E. The Internal Auditor reports their findings to the Audit Committee.

- No loans and/ or advances in the nature of loans are given to the firms/companies in which directors are interested.
- **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.
- During the year under review, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) and (t) of Regulation 46(2) of SEBI Listing Regulations, as applicable.
- During the year under review, the recommendations made by the Board Committees to the Board, were accepted by the Board.

12. General Shareholder Information

1. General Meetings

A. Annual General Meeting:

Day, Date and Time	Monday, August 28, 2023 at 03:00 p.m. IST
Venue	Through Video Conferencing/Other Audio Visual means

B. Location and time of the last three Annual General Meetings and the special resolutions passed, if any:

Year	Meeting	Location	Date and time	Details of Special Resolution Passed
2019-20	Twenty-Eighth AGM	Held through Video Conferencing and deemed to be held at the registered office of the Company at SPARC, Tandalja, Vadodara - 390012. (Registered Office of the Company)	August 27, 2020 at 3:30 p.m.	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.
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. (Registered Office of the Company)	August 31, 2021 at 3:00 p.m.	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.
2021-22	Thirtieth AGM	Held through Video Conferencing and deemed to be held at the registered office of the Company at SPARC, Tandalja, Vadodara - 390012. (Registered Office of the Company)	August 29, 2022 at 3:00 p.m.	1. Payment of commission of ₹ 40,00,000/- (Rupees Forty Lakh only) each to Dr. Pawan Goenka, Mr. Gautam Doshi and Ms. Rama Bijapurkar, Independent Directors of the Company, for the financial year ending on March 31, 2022. 2. Re-appointment of Mr. Gautam Doshi (DIN: 00004612) as an Independent Director of the Company for a second term of 5 (five) years commencing from May 25, 2023 to May 24, 2028. 3. Re-appointment of Mr. Dilip Shanghvi (DIN: 00005588) as Managing Director of the Company for a further period of 5 (five) years effective from April 1, 2023 to March 31, 2028 and approve his remuneration for the aforesaid period, 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).

**C. Resolution Passed Through Postal Ballot:**

During the year the Special Resolution for Appointment of Mr. Sanjay Asher (DIN: 00008221) as an Independent Director of the Company, was passed by way of Postal Ballot on January 27, 2023.

Mr. Chintan Goswami, Partner KJB & Co. LLP was the scrutiniser for the Postal Ballot.

Voting Results for Postal Ballot:

Particulars	No. of shares	% of total votes	Result
Votes in favour of the resolution			
Promoter and Promoter Group	1,307,122,535	62.40	
Public institution	323,869,597	15.46	
Public non-institution	51,374,950	2.45	
Total	1,682,367,082	80.31	Resolution passed with requisite majority
Votes against the resolution			
Promoter and Promoter Group	0	0.00	
Public institution	412,484,128	19.69	
Public non-institution	22,038	0.00	
Total	412,506,166	19.69	

2. Dividend

- A.** Record Date for payment of Dividend to Equity Shareholders: July 28, 2023
- B.** Dividend Payment Date: On or before September 8, 2023

3. 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 2022-23 and Annual Reports 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 quarterly results are regularly posted by the Company on its website www.sunpharma.com and 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.
- The quarterly financial results along with summary of significant events is also sent to the shareholders whose e-mail IDs are registered with the Company and also 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 available on the website of the Company at www.sunpharma.com. Pursuant to SEBI Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and MCA Circular dated December 28, 2022, the Annual Report for FY 2022-23 is being sent electronically to the shareholders whose e-mail IDs are registered. Hard copies shall be sent to those shareholders who request for the same.
- **Investors Presentation:** The presentations made at the analyst/ institutional investors' meetings are filed with the stock exchanges and hosted on the Company's website, <https://sunpharma.com/investors-investor-presentations>.

4. Shares Related Information

A. Listing Details

Particulars	Details
(a) Trading Symbol at BSE Limited	524715
(b) Trading Symbol at National Stock Exchange of India Limited	SUNPHARMA
(c) Demat ISIN	INE044A01036

The Company has paid the Listing fees for the FY23 and 2023-24, to BSE Ltd. and National Stock Exchange of India Ltd.

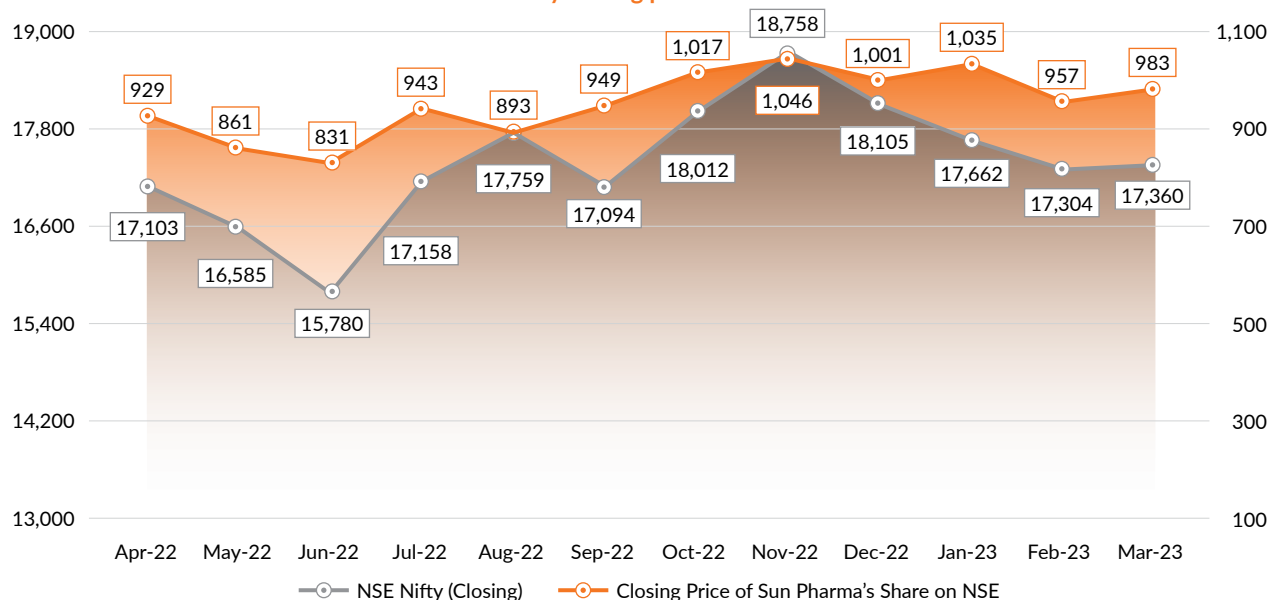
B. Stock Market Data - Monthly High-low

Particulars	BSE Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	High Price	Low Price	High Price	Low Price
April, 2022	966.90	897.00	967.05	896.60
May, 2022	931.00	835.25	931.30	835.20
June, 2022	878.80	789.75	875.00	789.90
July, 2022	951.25	821.95	951.95	821.90
August, 2022	942.95	855.85	939.95	865.00
September, 2022	955.40	856.85	955.50	856.80
October, 2022	1,027.10	922.45	1,027.30	935.25
November, 2022	1,070.80	993.55	1,070.95	993.50
December, 2022	1,057.55	973.80	1,057.85	973.70
January, 2023	1,071.90	987.00	1,072.15	987.20
February, 2023	1,042.30	954.15	1,043.95	954.00
March, 2023	996.65	942.05	996.50	946.10

(Source: BSE and NSE website)

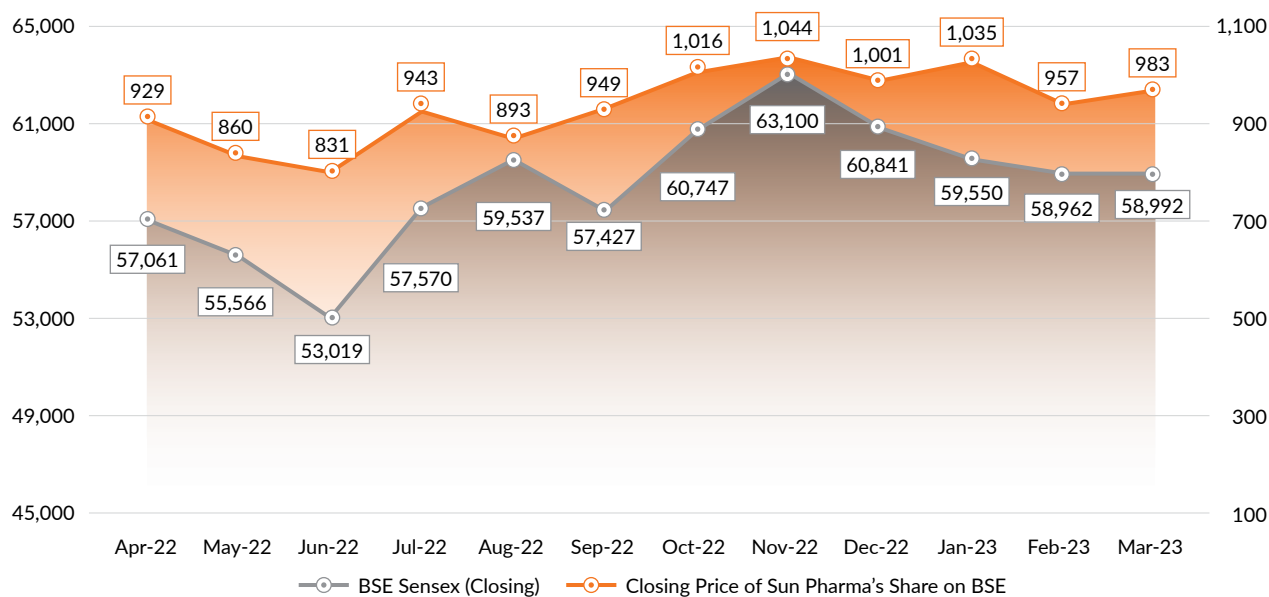
C. Share Price Performance in Comparison to Broad-based Indices

Sun Pharmaceutical Industries Limited & NSE Nifty closing price:





Sun Pharmaceutical Industries Limited & BSE Sensex closing price:



D. Share Price Performance Relative to NIFTY and BSE Sensex based on Share Price on March 31, 2023

Period	% change in		% change in	
	Sun Pharma Share Price	Nifty	Sun Pharma Share Price	BSE Sensex
Y-o-Y	7.47%	-0.60%	7.47%	0.72%
2 Years	64.45%	18.17%	64.51%	19.15%
3 Years	179.05%	101.91%	179.13%	100.19%
5 Years	98.57%	71.65%	98.45%	78.93%
10 Years	140.09%	205.49%	140.26%	213.19%

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

E. Share Transfer System

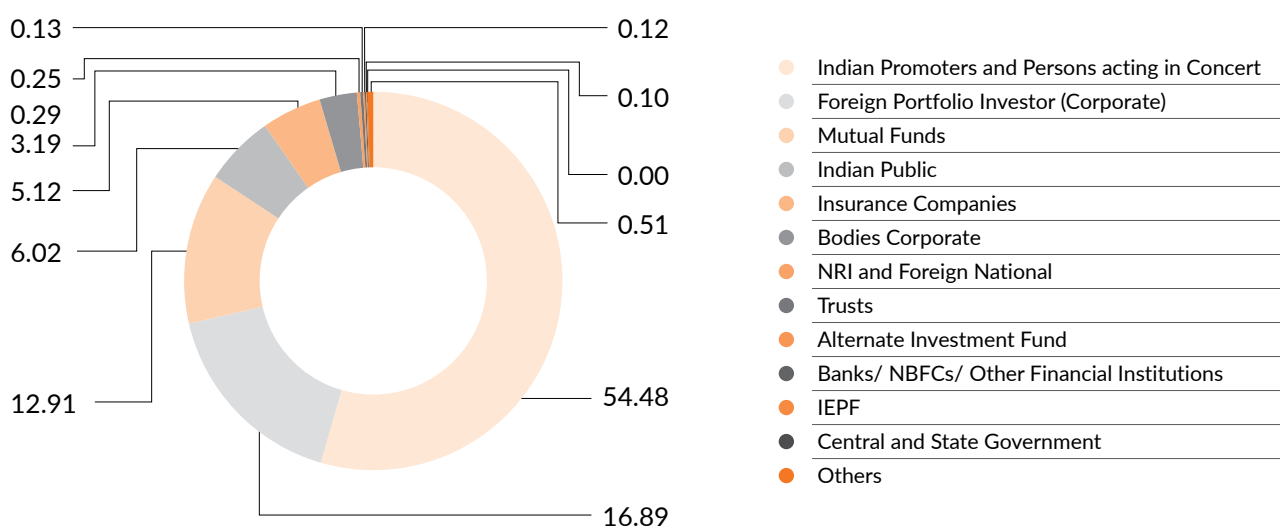
Effective from April 1, 2019, SEBI has mandated that shares can be transferred only in Demat. Hence no transfer of shares in physical form can be lodged by the shareholders.

F. Distribution of Shareholding as on March 31, 2023

No. of Equity Shares held	No. of folios		Shares of face value Re. 1/- each	
	Numbers	% to total folios	Numbers	% to total folios
Upto 5,000	638,916	99.12	74,935,972	3.12
5,001 - 10,000	2,360	0.36	16,890,311	0.70
10,001 - 20,000	1,591	0.25	20,587,229	0.86
20,001 - 30,000	311	0.05	7,685,424	0.32
30,001 - 40,000	168	0.02	5,898,442	0.25
40,001 - 50,000	116	0.02	5,318,829	0.22
50,001 - 100,000	305	0.05	22,437,071	0.94
100,001 and above	812	0.13	2,245,581,692	93.59
Total	644,579	100.00	2,399,334,970	100.00

G. Category-wise Shareholding as on March 31, 2023 of Equity Shares

Sr. No.	Particulars	No. of Shares	Percentage
1.	Indian Promoters and Persons acting in Concert	1,307,134,535	54.48
2.	Foreign Portfolio Investor (Corporate)	405,257,237	16.89
3.	Mutual Funds	309,659,889	12.91
4.	Indian Public	144,483,861	6.02
5.	Insurance Companies	122,810,617	5.12
6.	Bodies Corporate	76,532,986	3.19
7.	NRI and Foreign National	6,907,146	0.29
8.	Trusts	5,948,158	0.25
9.	Alternate Investment Fund	3,028,340	0.13
10.	Banks/ NBFCs/ Other Financial Institutions	2,844,317	0.12
11.	IEPF	2,499,580	0.10
12.	Central and State Government	6,430	0.00
13.	Others	12,221,874	0.51
	Total	2,399,334,970	100.00

Shareholding Pattern as on March 31, 2023:**H. Dematerialisation of Shares**

About 99.78% of the outstanding Equity shares have been dematerialised up to March 31, 2023. Trading in Shares of the Company is permitted only in dematerialised form.

I. 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, 2023.

J. Outstanding Stock Options

There are no Stock Options outstanding as on March 31, 2023.

**K. 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
Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2022.	284	125,516
Shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from April 1, 2022 up to March 31, 2023	8	8,461
Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period from April 1, 2022 up to March 31, 2023.	8	8,461
Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2023.	276	117,055

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

5. 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 – 400083 Tel. No.: +91 22 49186270/ +91 22 49186000 Fax No.: +91 22 49186060 E-Mail: rnt.helpdesk@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 Email : secretarial@sunpharma.com
Institutional Investors: Dr. Abhishek Sharma	Sun Pharmaceutical Industries Limited Telephone: (+91 22) 4324 4324 Email: Investor.Relations@sunpharma.com
Nodal Officer (for the purpose of IEPF): Mr. Anoop Deshpande	Sun Pharmaceutical Industries Limited Telephone: (+91 22) 4324 4324 Email: secretarial@sunpharma.com

6. Credit Ratings

Rating Agency	Instrument Type	Rating	Remarks
ICRA Limited	Bank Facility (Short-Term Scale)	A1+	No revisions in credit rating during FY23
	Long-Term/Short-Term Borrowing	AAA (Stable)/ A1+	
	Commercial Paper	A1+	
CRISIL Limited	Bank Facility (Short-Term)	A1+	No revisions in credit rating during FY23
	Bank Facility (Long-Term)	AAA/ Stable	
	Commercial Paper	A1+	

7. Plant Locations As On March 31, 2023:

Sr. No.	Location	Address
1.	Ahmednagar	A-7 & A-8, MIDC Ind. Area, Ahmednagar, Maharashtra - 414 111.
2.	Ankleshwar	Plot No. 4708, GIDC, Ankleshwar, Gujarat - 393 002.
3.	Baddi	Khasra No.- 1335-1340, Near EPIP Phase-1, Hill Top Industrial Area, Village-Bhatolikalan, P.O. Barotiwala, Tehsil Nalagarh, Distt-Solan, BADDI, Himachal Pradesh - 174 103
4.	Dadra	Survey No. 1012, Dadra - 396 193 (U.T. of D. & N.H & Daman & Diu)
5.	Dahej	Spil, Plot No.Z/15, Sez-1, Po.Dahej, Taluko Vagra, Dist. Bharuch, Gujarat - 392 130.
6.	Dewas	Industrial Area 3, A.B.Road, Dewas, Madhya Pradesh - 455 001.
7.	Halol	Halol-Baroda Highway, Halol, Dist. Panchmahal, Gujarat - 389 350.
8.	Karkhadi	Plot No. 817/A, Karkhadi, Taluka Padra, Dist. Vadodara, Gujarat - 391 450.
9.	Maduranthakam	Sathammai Village, Karunkuzhi Post, Maduranthakam TK, Kanchipuram District, Tamil Nadu - 603 303.
10.	Malanpur	K-5, 6,7,10 Ghirongi Malanpur, Distt. Bhind, Madhya Pradesh - 477 116.
11.	Mohali	Sun Pharmaceutical Industries Limited, SEZ Unit-I, Plot A-41, Industrial Area, Phase-VIIIA, S.A.S Nagar, Mohali, Punjab - 160 071.
12.	Panoli	Plot No. 24/2 & 25, GIDC, Phase-IV, Panoli, Dist. Bharuch, Gujarat - 394 116.
13.	Paonta Sahib	Village & P.O. Ganguwala, Tehsil. Paonta Sahib, Distt. Sirmour, Himachal Pradesh - 173 025.
14.	Ponda	B-2, Madkai Industrial Estate Madkai, Ponda, Goa- 403404.
15.	Silvassa	Survey No. 214, Plot No. 20, Govt. Industrial Area, Phase II, Piparia, Silvassa - 396 230, (U.T. of D & NH)
16.	Toansa	Village Toansa P.O. Railmajra Distt. Nawansahar, Punjab - 144 533

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 26, 2023**Mr. Dilip Shanghvi**
Managing Director
(DIN: 00005588)**Mr. Sailesh Desai**
Whole-time Director
(DIN: 00005443)**Annexure 'A' to Corporate Governance Report****Declaration of Compliance with Code of Conduct for the year ended March 31, 2023**

I, Dilip 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 Limited

Date: May 26, 2023

Dilip Shanghvi
Managing Director
(DIN: 00005588)



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 Requirements) Regulation, 2015.

To,
The Member 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 sated below for the financial year ending on March 31, 2023 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.	Dilip S. Shanghvi	00005588	March 1, 1993
2.	Sudhir V. Valia	00005561	January 31, 1994
3.	Sailesh T. Desai	00005443	March 25, 1999
4.	Rama Bijapurkar	00001835	May 21, 2021
5.	Pawan Goenka	00254502	May 21, 2021
6.	Gautam Bhailal Doshi	00004612	May 25, 2018
7.	Sanjay Khatau Asher	00008221	November 1, 2022

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**,
Practicing Company Secretary
Firm Unique Identification No.: L2020MH006601
Peer Review Certificate No.: 2797/2022

Alpeshkumar Panchal
Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008E000393209
Date: Jyeshtha 5, 1945 / May 26, 2023
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, 2023 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, 2023 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, 2022 to March 31, 2023:
 - (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;
 - (h) Corporate Governance and Ethics Committee;
- 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, 2023, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. 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.
11. 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: 23105754BGQUON9970

Place of Signature: Mumbai

Date: May 26, 2023

Business Responsibility and Sustainability Report

Director's Message

Dear Stakeholders,

I am extremely pleased to present our Business Responsibility and Sustainability Report (BRSR) for FY 2022-23, which highlights our steadfast commitment to delivering sustainable value for all our stakeholders. Our commitment to excellence extends beyond the traditional bounds of business to encompass environmental, social, and governance (ESG) parameters. We have incorporated sustainability principles in our business from the outset and have built a strong foundation for creating a sustainable future.

As part of our commitment to sustainable development, we recognise the importance of transparency in our communication with stakeholders. We believe that the BRSR is one of the essential tools to provide an accurate and detailed account of our corporate responsibility initiatives, sustainability measures, and overall performance. This report demonstrates our efforts to integrate sustainability into our everyday operations while providing a holistic view of our ESG performance.

Our corporate governance framework is an integral factor for driving the best governance practices across our businesses, enabling sustainable outcomes for all our stakeholders. The Board has oversight through various committees focussing on different aspects of responsible business practices as part of our corporate governance framework. We have adopted multiple policies to facilitate the implementation of these practices. We also employ a secure grievance redressal and global whistle blower mechanism for our stakeholders, enabling us to uphold our values and highest standards of corporate governance. To enhance transparency, several of our Company policies and redressal mechanisms are publicly available on our corporate website. Furthermore, as a member of the United Nations Global Compact (UNGC), we support the 10 principles covering human rights, labour, environment and anti-corruption and further we are committed to ensure that these principles are a part of our overall business strategy.

Our approach to workforce well-being and community upliftment emphasises our commitment to caring for people, communities, and the planet. Our strong workforce of 24,767 employees (permanent and contractual) with Sun Pharmaceutical Industries Limited (SPIL), the standalone entity, is essential to realising our vision.

We take a systemic approach to create a conducive working environment for employees through training and inclusive policies that foster employee well-being and resource development. Our company has received the "Great Place To Work" certification in India, reflecting an inclusive work culture and positive people practices.

As a responsible Company, we are committed to delivering social impact through a well-defined CSR strategy. Our CSR initiatives demonstrate our strong commitment towards social causes and responsibilities. Our CSR initiatives in FY 2022-23 included programs covering healthcare, education, rural development, environment conservation, drinking water and disaster relief.

As a leading global generic pharmaceutical company, we enable access to medical products through our global presence in over 100 countries and a portfolio of 1,000+ products spanning across multiple therapeutic segments.

We are committed to addressing the impact of climate change through strategic actions to manage and mitigate carbon emissions associated with our operations and by assessing climate risk exposure. Our climate change action plans are in line with Nationally Determined Contributions (NDCs) and Paris Agreement. We are also signatory to India CEO forum on Climate Change. In the near future, we plan to initiate a climate risk assessment as per the Task Force on Climate-related Financial Disclosures (TCFD) protocol. We are also planning to carry out Biodiversity assessment for some of our manufacturing locations. With 2020 as the baseline year, we have set targets for reducing Scope 1 and Scope 2 emissions by 35% by 2030, reducing water consumption by 10% by 2025, and disposing of 30% of hazardous waste through co-processing by 2025. We have a comprehensive roadmap for achieving these targets, including energy, water, and waste management plans and corresponding implementation and integration strategies.

While we continue to integrate sustainability principles into our operations, and deliver on our promises of sustainable value creation, we welcome your valuable feedback in order to improve our sustainability performance.

Regards,

Sailesh Desai
Whole-time Director



Section A: General Disclosures

1. 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
E-mail	secretarial@sunpharma.com
Telephone	(+91 22) 4324 4324
Website	www.sunpharma.com
Financial year for Reporting	April 1, 2022 to March 31, 2023
Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the Business Responsibility and Sustainability Report (BRSR)	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

2. Products / Services

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

Sr. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY23)
1.	Pharmaceutical	Manufacturing and marketing of pharmaceutical products	100%

b. 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%

3. Operations

Location	Number of plants	Number of offices	Total
National	18*	2	20
International	0	14	14

*The plants include the Company's manufacturing locations and R&D centres

4. Markets Served By The Entity

a. Number of locations

Location	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 focused on increasing its market reach, serving 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 fulfil market needs across the globe and continue to grow exports. In the reporting year, 75.6% of total turnover was contributed by exports.

c. A brief on types of customers

Patients are the end customers and are serviced through our distribution chain including distributors, wholesalers and retailers.

5. 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)	14,248	13,100	91.94	1,148	8.06
2.	Other than Permanent (E)	1,267	943	74.43	324	25.57
3.	Total employees (D + E)	15,515	14,043	90.51	1,472	9.49
WORKER						
4.	Permanent (F)	4,876	4,724	96.88	152	3.12
5.	Other than Permanent (G)	4,376	3,812	87.11	564	12.88
6.	Total workers (F + G)	9,252	8,536	92.26	716	7.73

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)	14	13	92.86	1	7.14
2.	Other than Permanent (E)	4	2	50.00	2	50.00
3.	Total differently abled employees (D + E)	18	15	83.33	3	16.67
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	5	4	80	1	20
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	5	4	80	1	20

c. Participation/Inclusion/Representation of women as on March 31, 2023

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.28
Key Management Personnel	2	0	0

Note: After the year end and up to the date of the Report, Mr. Rolf Hoffmann was appointed as an Independent Director for a term of five years to be effective from the date of allotment of Director Identification Number, subject to approval of the shareholders. Mr. Aalok Shanghvi (DIN: 01951829) was appointed as a Whole-time Director for a term of five years effective from June 1, 2023, subject to approval of the shareholders.

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

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.2%	13.9%	13.2%	10.0%	15.7%	10.4%	7.6%	12.0%	7.9%
Permanent Workers	6.2%	2.2%	6.1%	10.3%	10.5%	10.3%	18.6%	11.8%	18.4%

6. Holding, Subsidiary And Associate Companies (Including Joint Ventures)

The names of the holding / subsidiary / associate companies / joint ventures as on March 31, 2023, are available on page 286 of our Annual Report for FY 2022-23. The Annual Report can be accessed at the following link: <https://sunpharma.com/investors-annual-reports-presentations/>.

Most Company level policies and practices essential for SPIL are also extended to subsidiaries and associates. Our Indian subsidiaries, where applicable, participate in the sustainability and business responsibility initiatives of our Company.



7. Corporate Social Responsibility (CSR) Details

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in ₹ Million)	203,946.3
(iii) Net Worth (as per companies Act) (in ₹ Million)	193,614.7

8. Transparency and Disclosure 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)	FY 2022-23			FY 2021-22		
		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 utilises mobile health care units to reach out to 20-25 villages in the surrounding areas of its working locations. Each mobile health care unit carries a register that is accessible to all community members in order to record grievances and questions through written complaints. The concerned authority members then take the necessary steps to address the concerns raised.	0	0	-	0	0	-
Shareholders	Yes, the Company has a procedure for resolving shareholder grievances. Link Intime India Private Limited has been appointed as the Company's Share Transfer Registrars/Agents. They handle shareholder inquiries, requests, and complaints. Within the framework specified/ defined by SEBI, Share Transfer Registrars/ Agents respond to enquiries/questions, requests, and complaints. There is a dedicated email id to receive the grievances from shareholders - secretarial@sunpharma.com .	34	0	-	3	0	-
Employees and workers	Yes, the employees and workers can use the Company's Global Whistleblower process. The Company provides numerous channels of communication for grievances via the Global Whistleblower mechanism, including an email address, a web portal and written complaints.	7	0	-	3	0	-
Customers*	Yes, customers can get their grievances addressed using several channels of communication such as e-mail, couriers, and the quality complaints form on the Company website. Link to the Product Quality form: https://sunpharma.com/product-quality-complaint-form/ .	1,011	7	-	1,184	0	-
Value Chain Partners	Yes, value chain partners can file complaints via email, shared service helpdesk, or the Global Whistleblower mechanism.	0	0	-	0	0	-

*These complaints pertain to packaging defects such as missing components, damaged label, damaged outer packaging, product quality, etc.

Overview of The Entity's Material Responsible Business Conduct Issues

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 issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1.	Corporate Governance and Business Ethics	Risk and Opportunity	<p>Risk: Failure to maintain the highest standards of corporate governance and business ethics may lead to regulatory repercussions and financial and reputational loss.</p> <p>Opportunity: Adherence to good governance practices and ethical standards will lead to long term sustainable value creation for all stakeholders.</p>	<ol style="list-style-type: none"> Ensuring regulatory compliance across our operations / markets through proactive interaction with regulatory organisations, to reduce the risk of non-compliance. Ensuring strict adherence to the Company's policies by all employees through regular training on business ethics and code of conduct. We also place a strong emphasis on our quality control measures in operating locations to ensure cGMP compliance. 	<p>Positive: The Company's dedication to ethical business practices and consistent regulatory compliance will be viewed favourably by its stakeholders and improve our perception as an ethical corporate citizen.</p> <p>Negative: The Company's reputation and business continuity may be negatively impacted in the long run due to non-compliance with regulatory standards.</p>
2.	Product Quality, Safety and Recall Management	Risk	<p>Risk: Due to the pharmaceutical industry's significant vulnerability to product quality and safety issues, addressing risks related to product responsibility is critical.</p>	<ol style="list-style-type: none"> Ensure strict adherence to global quality standards and procedures. Employ robust and centralised pharmacovigilance processes encompassing detailed SOPs that ensure efficient surveillance and reporting of adverse events. Make consistent investments in technological interventions, training on cGMP standards, automation and digitalisation, and employee capacity-building. Undertaking periodic quality review of third-party suppliers. Implementing brand protection (IP and trademark) and anti-counterfeit measures to ensure authenticity of our products in the market. 	<p>Positive: Adherence to the highest standards of product quality and safety helps preserve our positive brand image and further strengthens the reputation of the company amongst our stakeholders.</p> <p>Negative: Any major issues identified in product quality and safety may result in recalls, warnings from regulatory agencies, leading to temporary disruption of operations and brand/reputation loss. It may also expose us to litigation risks, fines and penalties.</p>
3.	Cyber Security and Data Privacy	Risk and Opportunity	<p>Risk: The security and integrity of the IT system across the entire business is directly impacted by risks related to Cyber Security and Data Privacy.</p> <p>Opportunity: A strong governance mechanism for data integrity, technology and digitalisation leads to a secure IT network, thus supporting the productivity and growth of the business.</p>	<ol style="list-style-type: none"> To avoid breaches related to company or stakeholders' data, the vulnerability of our technology and IT systems is evaluated on a regular basis. In order to mitigate the risks associated with cyber security and data breaches, we have implemented perimeter security, IT monitoring systems, antivirus, and patch management. Cybersecurity trainings have also been conducted for our employees. We also enhance awareness of our employees via periodic internal emails related to safe practices surrounding data security, protection against potential phishing attacks, and prevention of hacker attacks. 	<p>Positive: Cutting-edge technology, digitalisation, and data integrity principles ingrained in our processes ensures compliance with data security and privacy laws, protects against data loss, and facilitates productivity improvement, ultimately leading to sustainable growth in the long term.</p> <p>Negative: Lack of a robust data integrity and security mechanism could increase the rate of data breaches and result in the loss of valuable data that may have an adverse impact on the business. Breach of customer/stakeholder data may potentially expose us to litigations, fines and penalties.</p>
4.	Innovation Management	Opportunity	<p>Opportunity: Development and commercialisation of a strong product portfolio (including generics and specialty products), driven by investments in innovation and technology helps in catering to unmet patient needs and in improving product accessibility across global markets.</p>	-	<p>Positive: A stronger portfolio of innovative products will help in addressing the unmet needs of patients globally as well as facilitate patient access to newer products and therapies. Additionally, innovation in processes may result in higher productivity and resource efficiency in operations.</p>



Sr. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
5.	Human Capital Development	Risk and Opportunity	<p>Risk: Human Capital Development pertains to talent management initiatives, including talent acquisition, retention, development, employee well-being and satisfaction. As our business is dependent on the well-being of our people, failure to meet/exceed employee expectations may have an adverse impact on the Company's employee retention rate, productivity, and business continuity.</p> <p>Opportunity: The Company's efforts to improve employee welfare and development directly demonstrates its focus on human capital development. This facilitates retention and attracts the right talent, which drives productivity, innovation, long term growth of the business and leads to value creation for all stakeholders.</p>	<ol style="list-style-type: none"> 1. We have multiple initiatives to attract and retain talent through development programs encompassing global talent management, competitive remuneration, inclusive work culture and other employee benefits programs. 2. Formal succession planning programme for all leadership positions. 3. Employee skill enhancement through continuous training and development. 	<p>Positive: Focused efforts on human capital development results in a motivated workforce with a high retention and satisfaction rate. These metrics demonstrate the Company's efforts to foster a healthy work environment and reflects a proactive strategy for workforce development, which is imperative for long term growth and sustainability of the business.</p> <p>Negative: Failure to cater to employee expectations could have negative long-term effects on employee productivity and adversely impact the Company's growth.</p>
6.	Access to and Affordability of Medicines	Risk and Opportunity	<p>Risk: Addressing impediments related to product portfolio, product accessibility, and pricing, is important for the pharmaceutical sector. Lack of access to medicines owing to pricing and availability has a negative impact on the society's access to medicines and may create challenges in aligning with the Company's vision and long-term growth potential.</p> <p>Opportunity: Given our strong generic and specialty product portfolio, coupled with our global presence, the company is well positioned to facilitate access to medicines for its patients across the world, and meet the growing demand for pharmaceutical products.</p>	<ol style="list-style-type: none"> 1. We have a strong focus on establishing a robust 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. We prioritise development and commercialisation of complex generics and specialty products, amongst other things. 4. We focus on operational excellence programs aimed at enhancing yields, ensure supply chain continuity and maintain adequate inventories. 	<p>Positive: The Company's product innovation and research efforts enhance the brand value by offering a wide range of products that are both easily accessible and reasonably priced. These products enable us to cater to unmet patient needs and also facilitates access for low and middle income countries.</p> <p>Negative: In the long run, the Company's brand value and long-term growth may be negatively impacted in case of inaccessibility of its products and inability to expand geographically.</p>
7.	Environmental Impact Management	Risk	<p>Risk: Management of water and waste are critical issues for the company to create a positive environmental footprint. Focused efforts for efficient water usage and reduced waste generation and proper disposal are imperative to demonstrate the company's commitment to a sustainable future and a healthy planet.</p>	<ol style="list-style-type: none"> 1. The Company continuously identifies opportunities to manage its environmental impact. We have established targets for water conservation and waste management. We have a target to reduce water consumption by 10% by 2025 and 30% of hazardous waste co-processing by 2025. 2. We are continuously monitoring our performance on water and waste parameters. We are focusing on efficient water consumption, reducing water withdrawal and increasing water recovery. For waste management, we are focusing on increasing the share of recycling and reuse within our own operations, and co-processing of hazardous waste. 	<p>Negative: Failure to manage environmental impacts can lead to adverse legal, regulatory and financial consequences, loss of reputation and stakeholder trust, ultimately leading to a loss of license to operate.</p>

Sr. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
8.	Climate Change	Risk and Opportunity	<p>Risk: Ineffective management of greenhouse gas (GHG) emissions may expose the company to climate related physical and transition risks which might lead to disruption of operations and affect business continuity.</p> <p>Opportunity: Adapting new low carbon technologies may unlock opportunities for more efficient manufacturing processes and will contribute towards business resilience.</p>	<ol style="list-style-type: none"> 1. The Company has taken a GHG reduction target to reduce 35% GHG emissions (covering scope 1 and scope 2) by 2030. 2. We are also conducting climate risk assessment across our operations to evaluate physical and transitional risks. 3. We are continuously exploring avenues to reduce our reliance on fossil fuels in our operations by increasing the share of biomass, procurement of renewable energy and implementing energy efficiency initiatives to optimise our energy consumption. 	<p>Negative: Potential immediate physical risks to our operations may damage our assets, which in turn, could lead to business interruptions and increased expenses for repairs and restoration of damaged sites. The transition risks associated with climate change could also result in more stringent regulations in the countries of our operations and exports, leading to higher compliance costs or investment costs in newer technologies. Failure to adapt to adverse impacts of climate can also lead to loss of reputation and stakeholder trust.</p> <p>Positive: Working towards climate change mitigation and adaptation may offer businesses opportunities to take advantage of emerging technologies and more efficient means of production.</p>
9.	Diversity, Equity and Inclusivity	Opportunity	<p>Opportunity: Diversity, inclusion and providing equal opportunities improves the company's performance by bringing together people with varied knowledge, views, and perspectives. This results in identifying innovative ideas and improves talent attraction and retention at the workplace.</p>	-	<p>Positive: A diverse and inclusive workforce from different genders, age, ethnicities, and special abilities enables a productive environment and drives innovative thinking, helping in employee engagement and unlocking higher efficiencies.</p>
10.	Sustainable Supply Chain and Responsible Procurement	Risk and Opportunity	<p>Risk: Due to the pharmaceutical industry's reliance on the supply chain for critical raw materials and last mile delivery of medicines, any disruption of supply chain may impact business continuity and/or product quality. Non-substitutable suppliers also pose a risk in terms of continued availability of critical raw materials.</p> <p>The Company requires its supply chain partners to adhere to its ESG principles and any non-adherence may result in a disruption of supplies.</p> <p>Opportunity: Supply chain plays a determining role in the sustainability of an organisation. Integrating suppliers into the ESG journey helps the Company to develop a resilient supply chain and cascade a virtuous cycle of environmentally and socially responsible behaviour across the value chain.</p>	<ol style="list-style-type: none"> 1. We are continuously exploring opportunities to de-risk the supply chain by evaluating alternate suppliers for critical or non-substitutable raw materials. 2. As part of the Company's Supplier Code of Conduct, the suppliers are expected to adhere to the Company's ESG standards. 3. The Company has a high focus on developing quality products and safety of consumers. The quality of raw materials for our production process is ensured by conducting periodic supplier audits. 	<p>Negative: Long-term commercial partnerships with suppliers may be impacted if standards related to various social, environmental and safety aspects are not complied with by suppliers, leading to loss of business value. Non-substitutable and critical raw material suppliers may impact the business in case of any unforeseen disruptions.</p> <p>Positive: The Company's ability to deal with supply chain disruptions brought on by unprecedented circumstances is ensured by responsible supply chain practices. In addition, the Company's adherence to its responsible sourcing enhances its social and environmental performance.</p> <p>Assessing alternate suppliers may also help reduce risk exposure and open access to previously unexplored suppliers for raw materials. It may lead to discovery of local suppliers, which reduces environmental footprint and may result in better control over evaluation of supplier practices.</p>



Sr. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
11.	Occupational Health and Safety	Risk	Risk: Occupational health and safety is a vital component of the Company's commitment towards providing a safe and secure working environment. Ineffectiveness of the current Health and Safety management programs may lead to a large number of health and safety incidents.	<ol style="list-style-type: none"> The company has a strong Environment Health and Safety (EHS) management system that includes regular internal and external audits of its EHS practices. Our risk assessment methodology and safety practices are based on guiding principles of our Process Safety Management system which adds cohesiveness to our health and safety approach from the aspects of risk assessment and working conditions. Adoption of a detailed corrective action plan post the identification of hazards and assessment of safety incidents help in preventing any such instances in the future. 	Negative: Frequent health and safety incidents will have a negative influence on the Company's performance in terms of both safety and workforce well-being. This will impact the brand image, reputation and the Company's ability to attract and retain talent.
12.	Ethical Clinical Trials and Animal Testing	Risk	Risk: Addressing risks associated with clinical trials and animal testing is critical to demonstrate the Company's commitment to responsible research practices, especially around the ethical and safety related concerns of trials on human subjects and animal testing. Adverse events related to research practices can cause delays in product development and lead to financial losses and negative public perception.	<ol style="list-style-type: none"> The Company complies with all relevant regulatory requirements governing clinical trials and animal testing. We have dedicated teams responsible for ensuring adherence to these regulations, which involve obtaining necessary approvals, permits, and maintaining thorough documentation. We also implement robust quality control and safety measures throughout the research process. This involves monitoring and auditing the conduct of clinical trials, data collection, and analysis to ensure accuracy, reliability, and compliance with relevant standards. Long term safety studies are undertaken for some of our innovative specialty products, post commercialisation, in order to evaluate and measure safety parameters over a longer time horizon. On certain projects we collaborate with academic institutions, research organisations, and regulatory agencies to share knowledge, expertise, and resources. Such collaborations also enable collective efforts, checks and balances to enhance the quality and ethical standards of clinical trials and animal testing. 	Negative: Failure to comply with guidelines and regulations of clinical trials and animal testing can undermine the efficacy and safety of the Company's clinical trials. It may also have an adverse regulatory/legal impact, lead to financial damages and reputation loss and have a negative impact on participant's health and safety. Delays at any stage can also prolong the overall timeline for drug development, leading to increased costs.
13.	Social Impact through Community Engagement	Opportunity	Opportunity: By aligning CSR programs with the needs of the community, through impact assessments and stakeholder engagement sessions, the Company focuses on creating an environment of mutual trust with the community. This will help in ensuring a long-term beneficial relationship with the community and enhance the social positioning of the Company.	-	Positive: The Company's perception among the local community members is enhanced by its contributions to the community's upliftment through various initiatives and partnerships that focus on health, education, rural infrastructure development, sanitation, and environment conservation among others. These efforts also help to promote positive social outcomes.

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

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	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. 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
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.								
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
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									
Principle 1	National Guidelines on Responsible Business Conduct (NGRBC), United Nations Global Compact (UNGC)								
Principle 2	Environment Management System - ISO 14001: 2015, Extended Producer Responsibility (EPR) regulations, NGRBC								
Principle 3	Health and Safety - ISO 45001: 2018, International Labour Organisation (ILO), NGRBC, UNGC								
Principle 4	NGRBC								
Principle 5	United Nations Guiding Principles on Business and Human Rights (UNGPR), NGRBC, UNGC								
Principle 6	Environment Management System - ISO 14001:2015, NGRBC, Energy Management System ISO 50001:201, UNGC								
Principle 7	NGRBC								
Principle 8	NGRBC								
Principle 9	Product Quality - ISO 9001: 2015, NGRBC								



Disclosure	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	P6: a) To reduce water consumption by 10% by 2025, considering baseline of 2020 b) To reduce carbon emissions (Scope 1 and 2) by 35% by 2030 considering the baseline of 2020. 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.	By implementing out several ESG initiatives at different levels, the Company has been able to achieve: a) Reduction in overall water consumption by 17.7% in FY 2022-23, as compared to baseline of 2020 b) Reduction in carbon emissions (Scope 1 and Scope 2) by 10.4% in FY 2022-23 as compared to the baseline of 2020. c) 21.8% of hazardous waste has been disposed of through co-processing in FY 2022-23								
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. Sailesh Desai Designation: Wholetime Director DIN number: 00005443								
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, Mr. Sailesh Desai is responsible for decisions on sustainability-related issues.								

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Director									Periodically/ Need based								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Director									Ongoing basis								
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency	No, the Company internally reviews the working of the above-mentioned policies.																	

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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 programmes on any of the Principles during the FY23:

Category	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	P2, P8, P9	100%
Key Managerial Personnel	5	P2, P8, P9	100%
Employees other than BoD and KMPs Workers	353*	Periodic awareness programs were organised and conducted on the Global Code of Conduct, Safety Awareness, etc.	100%

* Employee and worker training numbers are provided on a consolidated basis.

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, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

The Company has not paid any fines or penalties in the reporting year FY 2022-23 to regulatory/ Enforcement agencies/ judicial institutions as specified in regulation 30.

Monetary

	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NA	NA	0	NA	NA
Settlement	NA	NA	0	NA	NA
Compounding fee	NA	NA	0	NA	NA

Non-monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

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.

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 web-link to the policy.

Yes, the anti-bribery clauses in the Company's Global Code of Conduct (Code) 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 clause 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 code and its principles.

Weblink – Global Code of Conduct: <https://sunpharma.com/wp-content/uploads/2023/03/Global-Code-of-Conduct-effective-from-30th-March-2023.pdf>.

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

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, 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 (GCoC) requires all of its personnel (including members of the Board) to refrain from engaging in any activity or having a personal interest that presents a conflict of interest. The Board members give an annual declaration confirming adherence to the GCoC. The Board members give disclosure of interest in other persons / entities annually as well as whenever there is a change and the same is placed before the Board for its information. The Company has constituted a Corporate Governance and Ethics Committee (CGEC), with the objective to monitor the 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. The CGEC also evaluates and approves all related party transactions as per the requirements of the policy on Related Party Transactions as approved by the Board. All contracts/ arrangements/ transactions entered by the Company during the year under review with the related parties were approved by the CGEC and were undertaken in the ordinary course of business and on an arm's length basis.

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.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	100%	100%	R&D investments pertain to spending on various projects focused on improving the environmental and/or social impacts of our products and processes.
Capex*	15.60%	6.98%	These projects pertain to improving environment footprint, i.e., energy conservation, water conservation, increasing renewable energy adoption, etc.

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

Yes, the Company endeavours 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, which improves supply chain resilience, limits various risks including currency risk and reduces supply timelines. Further, it encourages local businesses to improve their capabilities. In its endeavour to further ESG practices in the supply chain, the Company has introduced ESG parameters in vendor audits intended to better understanding the supply chain ESG risks and remediation requirements.

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

100% of inputs 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
Plastics (including packaging)	The Company has an established system for collecting back the plastic waste or multi-layered 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 Government rules and the provisions of the Plastic Waste Management Rules. We have engaged a waste management agency to collect and recycle plastic waste in accordance with regulatory norms.
E-waste	Not Applicable
Hazardous Waste	Not Applicable
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 stockist.

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 has appointed a waste management agency to collect the end use plastic/post-consumer plastic waste from municipal garbage. The collected EPR target quantities of plastic waste is recycled every year as per the provisions of plastic waste management rules.

* Capital expenditure (capex) pertains to the amount capitalised during the year by the entity



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).

As 100% of the Company's production activities focus on manufacturing pharmaceutical products, there is no utilisation of re-used or recycled input material. There is no scope for reusing or recycling any input material due to the criticality involved in producing and safely delivering pharmaceutical products from the perspective of consumer health, safety, compliance with pertinent regulations, and clinical studies.

2. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	2011.52 MT	0	0	531.11 MT	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

3. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

The Company reclaims expired/damaged medicine stock from the stockist as per the Company's standard operating procedures and guidelines. The reclaimed medicine stock is then disposed of in a safe manner, as per the regulatory guidelines.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Pharmaceuticals	2.16%

Employee Well-being

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	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No.(B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	13,100	13,100	100	13,100	100	-	-	13,100	100	13,100	100
Female	1,148	1,148	100	1,148	100	1,148	100	-	-	1,148	100
Total	14,248	14,248	100	14,248	100	1,148	8.05	13,100	91.1	14,248	100
Other than Permanent Employees											
Male	943	943	100	943	100	-	-	943	100	943	100
Female	324	324	100	324	100	324	100	-	-	324	100
Total	1,267	1,267	100	1,267	100	324	25.57	943	74.42	1,267	100

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No.(B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	4,724	4,724	100	4,724	100	-	-	4,724	100	4,724	100
Female	152	152	100	152	100	152	100	-	-	152	100
Total	4,876	4,876	100	4,876	100	152	3.11	4,724	96.88	4,876	100
Other than Permanent Workers											
Male	3,812	3,812	100	3,812	100	-	-	3,812	100	3,812	100
Female	564	564	100	564	100	564	100	-	-	564	100
Total	4,376	4,376	100	4,376	100	564	12.88	3,812	87.11	4,376	100

2. Details of retirement benefits.

Benefits	FY 2022-23			FY 2021-22		
	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	6.1%	27.5%	Y	4.64%	37.31%	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? If not, whether any steps are being taken by the entity in this regard.

In accordance with the requirements of the Rights of Persons with Disabilities Act, 2016, the Company's manufacturing facilities and corporate offices provide ramps, lifts, 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? If so, provide a web link to the policy.

Yes, the Company's Global Code of Conduct demonstrates its commitment to non-discrimination, by offering equal opportunity to all its employees regardless of race, colour, religion, sex, national origin, ancestry, age, marital status, sexual orientation or disability.

Web link to the policy - Global Code of Conduct: <https://sunpharma.com/wp-content/uploads/2023/03/Global-Code-of-Conduct-effective-from-30th-March-2023.pdf>.



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%	82%	100%	83%
Female	70%	77%	0%*	100%
Total	96%	82%	100%	83%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Permanent Employees and Workers	The Company provides an 'Ask HR' portal for its permanent employees to address any concerns or questions. In January 2023, the Company launched RAY, a new grievance redressal platform for both permanent employees and workers. Additionally, the Company provides a grievance redressal procedure as part of its Global Whistleblower Policy and encourages its employees and workers to report any instances of unethical behaviour, incidents, fraud, or violations. 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. Employees/workers can file any complaints/grievances related to sexual harassment under this mechanism.
Other than Permanent Employees and Workers	Yes, the non-permanent employees and workers can report their concerns to their respective superiors. The grievances are then submitted to the Company for required action and resolution. They can also use the Company's Global Whistleblower process to report any instances of unethical behaviour, incidents, or violations. 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. Employees/workers can file any complaints/grievances related to sexual harassment under this mechanism.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	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)
Permanent Employees						
Male	13,100	0	0.00	12,338	0	0.00
Female	1,148	0	0.00	1,057	0	0.00
Total	14,248	0	0.00	13,395	0	0.00
Permanent Workers						
Male	4,724	864	18.29	4,980	702	14.1
Female	152	88	57.89	155	96	61.9
Total	4,876	952	19.5	5,135	798	15.5

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	13,100	13,100	100	13,100	100	12,338	12,338	100	12,338	100
Female	1,148	1,148	100	1,148	100	1,057	1,057	100	1,057	100
Total	14,248	14,248	100	14,248	100	13,395	13,395	100	13,395	100
Permanent Workers										
Male	4,724	4,724	100	4,724	100	4,980	4,980	100	4,980	100
Female	152	152	100	152	100	155	155	100	155	100
Total	4,876	4,876	100	4,876	100	5,135	5,135	100	5,135	100

*The return to work rate for Permanent Workers (Female) is 0% as only one female worker has opted for maternity leave which is ending post March 31, 2023.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	13,100	13,100	100	12,338	12,338	100
Female	1,148	1,148	100	1,057	1,057	100
Total	14,248	14,248	100	13,395	13,395	100
Permanent Workers						
Male	4,724	4,724	100	4,980	4,980	100
Female	152	152	100	155	155	100
Total	4,876	4,876	100	5,135	5,135	100

10. Health and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No).	All manufacturing locations of the Company have a formal Occupational Health and Safety management system, aligned to the requirements of ISO 45001, OHSAS 18001 standards, the Company's EHS Management system, and the legal requirements such as Factories Act, Indian Boilers Act, Environment Protection Act, The Epidemic Disease Act, among others. Requisite safety management systems are in place at our office locations.
b. If yes, the coverage of such a system?	The coverage of the Company's Occupational Health and Safety Management System is 100%.
c. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	In line with the requirements of the ISO 45001 Standard, periodic internal and external audits are undertaken to monitor compliance and identify and assess work-related hazards in a timely manner. The Company also provides Environment Health and Safety (EHS) training to all personnel. The Company's Process Safety Management system supports the implementation of best safety practices. Identification of potential risks are also undertaken through designed checklists, Hazard and Operability Studies (HAZOP), Hazard Identification and Risk Assessment (HIRA) and other consequence modelling studies.
d. 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 formalised robust Standard Operating Procedures (SOPs) for timely identification and mitigation of work-related hazards and risks. The Company provides occupational health and safety training to all workers. The training modules cover methodologies to identify workplace hazards, evaluate the risks involved, as well as take appropriate action to reduce them. Employees receive training on how to use emergency equipment like fire hydrants, fire-fighting systems, leak and spill control methods, safety alarms, and more during the safety and emergency evacuation drills. Additionally, the ability of the staff to handle emergencies is assessed on a regular basis. The practical training and online safety modules educate employees about reporting and responding to work-related hazards.
e. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes, the Company provides its employees and workers with non-occupational medical and healthcare services. Moreover, the Company ensures that all of its employees and workers have access to medical insurance. The Company designs holistic health programmes that promote healthy lifestyle practices in order to enhance physical and mental well-being for all employees and workers. Examples of health programmes and services provided to employees include: <ul style="list-style-type: none"> • Family welfare camp • Nutrition awareness camp • Eye, dental, and heart screenings • Stress management session • Lifestyle counselling session • Monthly sessions on Health topics with renowned Doctors • Mann Talks – Counselling sessions on mental health

**11. Details of safety-related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)*	Employees	0.088	0.085
	Workers	0.089	0.134
Total recordable work-related injuries	Employees	13	13
	Workers	8	13
No. of fatalities	Employees	0	1
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

* The Company refers to the OSHA standard for calculating rates for LTIFR. Therefore, as per the standard 200,000 hrs is used for calculation of the rate.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Within its Environment, Health, and Safety (EHS) management system, the Company incorporates the guidelines and principles of ISO 45001:2018, OSHA standards, the Factory Act, and other state-level regulations. The EHS Policy promotes a safe environment for all employees, contractors, subcontractors, visitors, and the neighbouring communities. The Company conducts internal and external audits on a regular basis to ensure that its safety practices and procedures are in accordance with the EHS management system and the ISO 45001:2018 criteria. The Company identifies key areas requiring immediate corrective action as part of the auditing procedures. The safety incidents and hazards are investigated to establish the root cause, after which corrective action plans are developed for preventing similar incidents from arising in the future.

Furthermore, as part of the EHS management system, the Company conducts safety training for all of its employees and workers through various modules and safety drill practices. The safety training programs enable the workforce to build a firm foundation in terms of their abilities to detect, reduce, and prevent occupational health and safety issues. The Company strives to prevent negative health impacts on employees through various health awareness sessions, medical facility services, and medical insurance benefits. Furthermore, the Company offers voluntary health promotion services such as lifestyle counselling, stress management sessions, and nutritional awareness programs, among others, to encourage healthy lifestyle practices.

13. Number of complaints on the following made by employees and workers

	FY 2022-23			FY 2021-22		
	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. Internal experts conduct the audits in order to ensure compliance with safety rules and the identification of important improvement areas. 63.15% of locations have been assessed on health and safety practices by third party auditors, 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.

There have been no adverse findings from the assessments undertaken for the reporting year and hence no corrective action undertaken.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company extends a compensatory package to all its employees including workers in event of death. During 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.

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 and in line with contractual obligations.

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 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	1	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)

Throughout their employment, all employees receive skill-upgradation training from the Company on a regular basis. The training programmes address the specific needs of the cadre and key function areas, allowing employees to continue working after retirement or termination based on the acquired expertise.

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 conditions	100% of critical vendors
Working conditions	100% of critical vendors

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.

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 partner

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.

Sun Pharmaceutical Industries Limited actively engages with stakeholders, carefully identifying critical material issues, and is committed to effectively addressing stakeholder expectations. As a responsible company, we are steadfast in our commitment to cultivating strong and meaningful relationships with stakeholders. The stakeholder engagement process, which is based on inclusivity, accountability, and responsibility, helps us to identify the stakeholder groups. The Company defined important stakeholder groups based on those who are impacted as well as those who have a significant impact on the business as part of the stakeholder engagement and materiality assessment exercise conducted in FY 2020-21. Investors/shareholders, regulators, suppliers/vendors/third-party manufacturers, non-governmental organisations (NGO), community, customer B2B, employees, and senior management are the primary internal and external stakeholder groups defined by the Company as part of the engagement process.

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
Investors / Shareholders	No	<ul style="list-style-type: none"> Annual/ quarterly reports and earning calls Attending investor conferences Issuing specific event-based press releases Investor presentations 	Quarterly/ need-based	<p>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:</p> <ul style="list-style-type: none"> Corporate governance ESG Regulatory compliance Responsible supply chain management Product responsibility Cost competitiveness Overall Company performance
Regulator	No	<ul style="list-style-type: none"> In-person meetings E-mail 	Need - based	<p>Transparent communication with the regulators is critical from the compliance perspective. The key areas of interests for the regulators are:</p> <ul style="list-style-type: none"> Regulatory compliance Community engagement Rural market penetration Supply chain continuity Product responsibility
Supplier / Vendor / Third party manufacturer	No	<ul style="list-style-type: none"> Vendor meets Virtual modes such as e-mail, telephonically 	Ongoing	<p>Responsible supply chain practices are critically important for ensuring the business continuity in a sustainable manner. Engagement with suppliers enables the Company to identify the key material issues impacting the supply chain. The key areas of interest for the suppliers are:</p> <ul style="list-style-type: none"> Collaboration Quality standards adherence Timely Supply of Materials Timely payments
NGO	No	<ul style="list-style-type: none"> In-person meetings Virtual modes such as e-mail, telephonically 	Ongoing	<p>Engaging with NGOs facilitates the streamlining of the CSR activities undertaken in partnership. The key areas of interest for NGO are:</p> <ul style="list-style-type: none"> Employee volunteering Agile management process
Community	Yes	<ul style="list-style-type: none"> In-person meetings Engagement through NGO partners 	Ongoing	<p>Community development programs initiated by the Company helps in driving a positive impact on the community members. The key areas of interest for community are:</p> <ul style="list-style-type: none"> 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
Customers B2B	No	<ul style="list-style-type: none"> In-person meetings E-mail Customer feedback sessions 	Ongoing	Customers form a vital part of the Company's stakeholder engagement group. The key areas of interest for Customer B2B are: <ul style="list-style-type: none"> Product quality, timely supply and pricing
Employees	No	<ul style="list-style-type: none"> Employee focused web-portal E-mail Employee engagement surveys Town-halls 	Ongoing	Employee well-being and satisfaction is an integral part of the Company's growth strategy. Employee engagement through various means of communication provides an insight into the key action areas for employee well-being and growth. The key areas of interest for employees are: <ul style="list-style-type: none"> Learning and Development Professional Growth Well-being initiatives Employee recognition Fair remuneration Work-life balance
Senior Leadership	No	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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, we strongly acknowledge the importance of focused stakeholder engagement for timely identification of environment, social and governance issues material to the Company. Emerging from the extensive stakeholder engagement exercise undertaken in FY 2020-21, material issues were identified and presented to the highest governing member and the Board for their consideration towards guiding strategy and decision making. The stakeholder engagement exercise is periodically reviewed as part of the Company's efforts to continuously interact with internal and external stakeholder groups for identification of the important material issues influencing them.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). 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.**

Yes, material topics related to ESG are identified and prioritised after consultation with the stakeholders. The Company then formulates strategies and creates action plans for the identified material topics. The Company's Sustainability Report contains non-financial disclosures that are guided by the results and outcomes of the materiality assessment. The Company discloses its management strategy, targets/goals, and non-financial performance in the reporting year for each of the specified material areas in accordance with national and international norms and standards.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

The Company has designated community members as a vulnerable/marginalised stakeholder group. The Company conducts a community needs assessment as part of the Corporate Social Responsibility (CSR) programs to determine and prioritise the focus areas for community development. The Company has implemented a number of such CSR projects in six priority areas, including disaster assistance, rural development, sanitation, and drinking water projects. Refer to the Annual Report and the Company's Annual CSR report for more information.



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 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	14,248	14,248	100	13,395	13,395	100
Other than permanent	1,267	1,267	100	2,588	2,588	100
Total	15,515	15,515	100	15,983	15,983	100
Workers						
Permanent	4,876	4,876	100	5,135	5,135	100
Other than permanent	4,376	4,376	100	992	992	100
Total	9,252	9,252	100	6,127	6,127	100

2. Details of minimum wages paid to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent Male	13,100	0	0	13,100	100	12,338	0	0	12,338	100
Permanent Female	1,148	0	0	1,148	100	1,057	0	0	1,057	100
Total	14,248	0	0	14,248	100	13,395	0	0	13,395	100
Other than Permanent Male	943	0	0	943	100	2,381	0	0	2,381	100
Other than Permanent Female	324	0	0	324	100	207	0	0	207	100
Total	1,267	0	0	1,267	100	2,588	0	0	2,588	100
Workers										
Permanent Male	4,724	0	0	4,724	100	4,980	0	0	4,980	100
Permanent Female	152	0	0	152	100	155	0	0	155	100
Total	4,876	0	0	4,876	100	5,135	0	0	5,135	100
Other than Permanent Male	3,812	0	0	3,812	100	962	0	0	962	100
Other than Permanent Female	564	0	0	564	100	30	0	0	30	100
Total	4,376	0	0	4,376	100	992	0	0	992	100

3. Details of remuneration/salary/wages:

(Amount in ₹)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	8,050,000	1	4,800,000
Key Managerial Personnel	2	27,704,123	0	-
Employees other than BoD and KMP	13,096	804,935	1,148	750,012
Workers	4,724	353,508	152	447,204

4. 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 Company's Head of Human Resources is responsible for monitoring and addressing human rights impacts and issues. As part of its Human Rights Policy, the Company expects all key stakeholders to respect and comply with the policy principles, as well as all applicable laws and regulations, in all of its operating regions.

5. Describe the internal mechanisms in place to redress grievances related to 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.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	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	4	0	-	2	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Under the Global Whistleblower Policy, the Company protects the complainant. The complaints are investigated carefully in a confidential manner, ensuring the complainant's protection from retaliation.

All whistleblowers are provided with the necessary safeguards to make Protected Disclosures in good faith in all areas mentioned in the Global Code of Conduct, such as business with integrity, responsible corporate citizenship, illegal and unfair labour 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 the 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.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, Human Rights requirements have been embedded into the Company's business agreements. The Global Code of Conduct highlights the Company's commitment to Human Rights and extends to all employees and business partners throughout the value chain. Furthermore, in 2021-22, the Company implemented a dedicated Supplier Code of Conduct Policy capturing human rights practices and provisions. Further details may be found at: <https://sunpharma.com/policies/>.

9. Assessments of 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 Shops and Establishments Act for offices, and the Factories Act at plants and R&D centres.

10. 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.**

In the reporting year, there have been no business process modifications as a result of addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due diligence conducted

The Company's 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 the 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 Act 2016, the Company manufacturing premises and offices have ramps, elevators, and infrastructure for differently abled individuals.

Environment

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	1,489,233 GJ	1,464,919 GJ
Total fuel consumption (B)	1,019,551 GJ	1,040,498 GJ
Energy consumption through other sources - Steam (C)	698,069 GJ	771,969 GJ
Total energy consumption (A+B+C)	3,206,853 GJ	3,277,386 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in ₹ Million)	15.7	21.1

An independent assurance has been carried out by an external agency, DNV Business Assurance towards environmental and social parameters as per GRI standards based on the scope defined for the Sustainability Report. Key information which are common in the defined scope of the Sustainability Report and BRSR have been reviewed by the assurance provider. Further, DNV has also reviewed company's policies mapped with BRSR principles especially policies related to requirements of Principle 6.

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? (Y/N) 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 a 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, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	578,741	583,455
(ii) Groundwater	752,557	809,849
(iii) Third party water	820,579	906,185
(iv) Seawater / Desalinated Water	0	0
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,151,878	2,299,489
Total volume of water consumption (in kilolitres)	2,032,731	2,209,014
Water intensity per rupee of turnover (Water consumed / turnover in ₹ Million)	10	14

An independent assurance has been carried out by an external agency, DNV Business Assurance towards environmental and social parameters as per GRI standards based on the scope defined for the Sustainability Report. Key information which are common in the defined scope of the Sustainability Report and BRSR have been reviewed by the assurance provider. Further, DNV has also reviewed company's policies mapped with BRSR principles especially policies related to requirements of Principle 6.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. Within the Company's manufacturing facilities, 15 manufacturing and R&D locations are Zero Liquid Discharge (ZLD). The company has adopted reduce, reuse, recycle and recharge strategy to conserve water. Process and domestic wastewater is treated in a facility consisting of primary, secondary and tertiary treatment with membrane filtration (UF/RO). Treated process wastewater is recycled in utilities as boiler feed and cooling tower make up water. Domestic waste water is treated and used for gardening and flushing.



5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22*
NOx	MT	126	166
SOx	MT	121	150
Particulate matter (PM)	MT	142	214
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

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6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ eq.	41,174	47,743
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ eq.	261,803	254,394**
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ eq./ ₹ Million	1.49	1.95

An independent assurance has been carried out by an external agency, DNV Business Assurance towards environmental and social parameters as per GRI standards based on the scope defined for the Sustainability Report. Key information which are common in the defined scope of the Sustainability Report and BRSR have been reviewed by the assurance provider. Further, DNV has also reviewed company's policies mapped with BRSR principles especially policies related to requirements of Principle 6.

7. Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.

The Company is committed to continuously improve energy performance and conserve energy in its various operations along with reducing GHG emissions.

Major projects related to reducing GHG emission are listed below:

- Installation of Hybrid (Wind + Solar) power plant to meet partial power requirement for Gujarat sites.
- Solar rooftop installation at Halol Site.
- Energy efficient chiller installed at Mohali plant to improve Kw/TR.
- Utilisation of heat pump for hot water generator and reducing steam consumption.
- Installation of energy efficient blower for HVAC system.
- Installation of VFD in various motors including chiller compressor, pumps.
- Motion sensor for lighting load optimisation.
- Old motors are replaced with energy efficient motors.
- Demand side air management for reducing power consumption in air compressors.
- Replacement of old pump with energy efficient pump in cooling towers.
- AHU automation for power reduction.
- Energy efficient new compressed air dryer installed.
- Flash steam recovery system installed to recover waste heat.

* Revised figure for past year (including Goa and Silvassa)

** Emission factor revised as per CEA guidelines for Indian Power Sector released in December 2022

8. Provide details related to waste management by the entity:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1,015	831
E-waste (B)	6	3
Bio-medical waste (C)	66	43
Construction and demolition waste (D)	0	0
Battery waste (E)	50	59
Radioactive waste (F)	0	0
Other Hazardous waste (G) - spent solvent, spent oil, spent catalysts, distillation residues, chemical sludge, process residue, discarded/ off-specification products	25,684	23,081*
Other Non-hazardous waste generated (H) - Glass scrap, metal scrap, wooden scrap, storage drums, corrugated box, paper waste, boiler ash	16,410	16,373*
Total (A + B + C + D + E + F + G + H)	43,231	40,390
Waste generated per rupee of turnover (Waste generated in MT / turnover in ₹ Million)	0.21	0.26
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Hazardous Waste		
(i) Recycled	14,111	13,447
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	14,111	13,447
Non-Hazardous Waste		
(i) Recycled	16,787	17,152*
(ii) Re-used	0	0
(iii) Other recovery operations	442.9	694
Total	17,230	17,846
E-waste		
(i) Recycled	2.34	4
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	2.34	4
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Hazardous Waste		
(i) Incineration	605	703*
(ii) Landfilling	7,286	7,134*
(iii) Co-Processing	2,198	1,900*
(iv) Other disposal operations	0	0
Total	10,089	9,737*
Non-Hazardous Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

An independent assurance has been carried out by an external agency, DNV Business Assurance towards environmental and social parameters as per GRI standards based on the scope defined for the Sustainability Report. Key information which are common in the defined scope of the Sustainability Report and BRSR have been reviewed by the assurance provider. Further, DNV has also reviewed company's policies mapped with BRSR principles especially policies related to requirements of Principle 6.

* Revised figure for past year



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's waste management plan includes a strategy for waste minimisation, segregation, and safe disposal. The Company has implemented a number of measures to reduce manufacturing rejects aligned with its resource optimisation and waste minimisation objectives. The Company complies with the requirements of Extended Producer Responsibility (EPR) by collecting end-of-use plastic and improving its management of plastic waste. Additionally, the Company has adopted initiatives to divert greater amounts of hazardous waste toward co-processing and recycling over other disposal mechanisms, such as burning and landfilling, as part of the hazardous waste disposal mechanism. Additionally, the Company has embraced digitalisation to reduce paper consumption.

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 in the following format:

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	The facility has the "consent to operate" from the concerned Pollution Control Board.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not undertaken any Environmental Impact Assessments in the reporting year.

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, in the following format:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1.	Action under Section 32 of the water (Prevention and Control of Pollution) Act 1974 from Punjab Pollution Control Board	Accidental stagnation of greyish colour water, mix of rainwater, run off water from plant areas and an odour in treated water observed at open area at the Toansa facility.	Paid ₹ 5 million under section 32 of the Water (Prevention and Control of Pollution) Act 1974	All stagnant water was lifted for treatment at the ETP facility, and the area was cleaned, the upper layer of the soil was disposed of at TSDF facility Nimbua Punjab. Soil was tested and parameters found to be with the limit.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From Renewable Sources		
Total electricity consumption (A)	161,783 GJ	156,605 GJ
Total fuel consumption (B)	410,840 GJ	357,123 GJ
Energy consumption through other sources (C)	698,069 GJ	771,969 GJ
Total energy consumed from renewable sources (A+B+C)	1,270,692 GJ	1,285,697 GJ
Percentage of total energy from renewable sources	39.6%	39.2%
From Non-renewable Sources		
Total electricity consumption (D)	1,327,450 GJ	1,308,314 GJ
Total fuel consumption (E)	608,711 GJ	683,375 GJ
Energy consumption through other sources (F)	0 GJ	0 GJ
Total energy consumed from non-renewable sources (D+E+F)	1,936,161 GJ	1,991,689 GJ

An independent assurance has been carried out by an external agency, DNV Business Assurance towards environmental and social parameters as per GRI standards based on the scope defined for the Sustainability Report. Key information which are common in the defined scope of the Sustainability Report and BRSR have been reviewed by the assurance provider. Further, DNV has also reviewed company's policies mapped with BRSR principles especially policies related to requirements of Principle 6.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(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	119,147	90,475
- No treatment	-	-
- With treatment - please specify level of treatment	Primary treatment (post primary treatment, sent to the CETP) - 58,189 kL Tertiary treatment (In-house ETP treatment, post which sent to the Municipality sewage drain) - 60,958 kL	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
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	119,147	90,475
Water discharged per rupee of turnover (Water discharged in MT / turnover ₹ Million)	0.58	0.58

An independent assurance has been carried out by an external agency, DNV Business Assurance towards environmental and social parameters as per GRI standards based on the scope defined for the Sustainability Report. Key information which are common in the defined scope of the Sustainability Report and BRSR have been reviewed by the assurance provider. Further, DNV has also reviewed company's policies mapped with BRSR principles especially policies related to requirements of Principle 6.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area*: Dadra, Gurugram, Mohali, Silvassa, Toansa
- (ii) Nature of operations: Manufacturing, R&D centre

*Identified as per Central Ground Water Board (CGWB) Report, 2022



(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	7,200	7,200*
(ii) Groundwater	447,394	497,240*
(iii) Third party water	53,998	51,717*
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	508,592	556,157*
Total volume of water consumption (in kilolitres)	502,284	551,733*
Water intensity per rupee of turnover (Water consumed / turnover in ₹ Million)	2.46	3.56*
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Sent to third parties		
- 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) - 6,308 kL	Tertiary treatment (In-house ETP treatment, post which sent to the Municipality sewage drain) - 4,424 kL
Total water discharged (in kilolitres)	6,308	4,424

An independent assurance has been carried out by an external agency, DNV Business Assurance towards environmental and social parameters as per GRI standards based on the scope defined for the Sustainability Report. Key information which are common in the defined scope of the Sustainability Report and BRSR have been reviewed by the assurance provider. Further, DNV has also reviewed company's policies mapped with BRSR principles especially policies related to requirements of Principle 6.

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 was functional before the declaration of Vedanthangal Bird Sanctuary in 1998. The facility has no significant direct or indirect impact on the environment. Additionally, the Consent to Operate by the relevant Pollution Control Board has also been obtained. It is a Zero Liquid Discharge (ZLD) site, equipped with an effluent treatment facility to further direct the treated wastewater for in-house uses.

* Revised figure for past year

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, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Hybrid Solar-Wind Powerplant	A hybrid solar-wind power plant has been installed for increased efficiency in generation of energy. This hybrid model enables regulated energy generation, enhancing conservation of energy.	Reduction in GHG emission.
2.	Electronically Commutated (EC) Blower	In order to address the challenges of conventional fan systems, EC Blowers have been installed as a direct drive Fan Grid solution. Such an integrated system enables minimal power loss. There is also minimal effort required for installation and maintenance. Further, the motor used in this blower is a brushless, permanent magnet motor with built-in electronics that control the torque and speed of the blower.	1. Reduction in GHG emission. 2. Reduction in Energy consumption 3. Reliability improvement

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 and respond to 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 inferences and observations from disruptions faced in unprecedented situations. 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 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.

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 ESG parameters to ascertain the adherence with the Company's Supplier Code of Conduct. Assessment of value chain partners on the basis of the Company's Supplier Code of Conduct has been initiated for selected vendors and will be extended to all critical vendors in due course.



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.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a 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.	The Associated Chambers of Commerce of India (ASSOCHAM)	National
2.	The Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3.	Confederation of Indian Industry (CII)	National
4.	Indian Drug Manufacturing Association (IDMA)	National
5.	Federation of Gujarat Industries (FGI)	State
6.	India CEO Forum on Climate Change	National
7.	Indian Pharmaceutical Alliance (IPA)	National
8.	Gujarat Employers Organisation (GEO)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive 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 based on adverse orders from regulatory authorities.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
1.	Regulatory Reforms for Pharma sector in India	FICCI publication	No	-	-
2.	Regulatory reforms to improve drug development process in India	Indian Pharmaceutical Alliance	No	-	-
3.	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 Assessments of projects.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

None of the Company's operations or units have resulted in community displacement. As a result, no project required Rehabilitation and Resettlement (R&R) in the reporting year.

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company engages with and redresses the grievances of all community members through its NGO partners and through in-person meetings. Mobile healthcare units visit the peripheral areas of the Company's operations in order to engage with local community. Each of the mobile health care units carries a register, which is accessible to all the community members to address grievances and queries through written complaints. The grievances received through the register are addressed by the Company. All community issues are adequately monitored and resolved on time.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	15%	8%
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):**

Not Applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

For the reporting year, the Company did not undertake any CSR projects in the designated aspirational districts.

3. **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.



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:

Sr. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	Support towards setting up of Cancer Sanatorium Institute, Wadala, Mumbai.	Community	NA
2.	Elimination of Malnutrition through Action – Research on Moderately and Acute Malnourished Children	Community	NA
3.	Mobile Healthcare Unit	1,90,145	100%
4.	Healthcare Infrastructure Support & Awareness	Community	100%
5.	Medicines for Health Activities	Community	100%
6.	Anganwadi Infrastructural Development	666	100%
7.	School Infrastructure Development Project	8,238	100%
8.	Promotion of Scientific Medical & Pharma Research Outcomes for Public Health Improvement	Community	NA
9.	Setting-up of Digital Classroom Project	1214	100%
10.	Installation of Solar Street Lights	Community	100%
11.	Rural Infrastructure Development Projects	Community	100%
12.	Tree Plantation	Community	NA
13.	Drinking Water	360 households	100%
14.	Provision of COVID-19 Relief Material and Awareness	Community	100%

For further information, please see the Company's CSR Annual Report and Sustainability Report.

Consumer Well-being

Principle 9: Businesses should engage with and provide value to their 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 complaint management process to facilitate timely redressal of the product quality complaints. Once a product quality complaint is received, either directly by the Company or through a third-party entity (appointed to handle product complaints), and registered in the Company's system, it is acknowledged, and a preliminary assessment is undertaken. In certain markets, based on local requirements, a Field Alert Report (FAR) may be filed for the complaint depending on its nature and severity. Along with the initial evaluation, a follow-up is initiated for requesting the complaint sample and any additional information to facilitate the preliminary assessment and the investigation. The initial risk assessment and the investigative process proceeds concurrently with the follow-up. A remedial action plan is launched after the investigation is completed and the root cause is determined. A complaint summary report is also prepared at the same time. The complaint is finally closed after a final risk assessment is completed and a response is delivered to the complainant. Any market actions for the impacted product are considered and may be communicated with the local regulatory authorities depending on local requirements.

The Company has a global Pharmacovigilance Policy and mechanism in place, which is supported by a product safety group, committed to responding to patient safety concerns and incidents.

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 and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

Note: 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 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
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	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	34	The reasons for recall of products were primarily found to be leakage and out of specification results for various test.
Forced recalls	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.

The Company has put into place a risk management policy that includes a framework for identifying internal and external risks related to cybersecurity or information hazards.

Link to the policy: <https://sunpharma.com/wp-content/uploads/2022/08/Sun-Pharma-Risk-Management-Policy-Synopsis-May-2022.pdf>.

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.

In FY 2022-2023, there were no complaints filed related to advertising, provision of critical services, cyber security, consumer data privacy. The Company implemented corrective action plans for complaints concerning the quality of its products in accordance with each complaint's established root cause analysis.



The May 2022 USFDA inspection of Halol facility was classified as Official Action Indicated (OAI). The Halol facility was placed under import alert in December 2022 with certain products exempted from import alert. The Company is in communication with the US FDA to resolve the outstanding issues underlying OAI status and import alert.

The August 2022 USFDA inspection of Mohali facility was classified as Official Action Indicated (OAI) and subsequently, in April 2023, the US FDA issued a Non-Compliance letter to the Mohali facility. As a result, US FDA has directed the Company to take certain corrective actions at the Mohali facility before releasing further final product batches into the US. These actions include, among others, retaining an independent CGMP expert to conduct batch certifications of drugs manufactured at the Mohali facility and for shipment to the U.S. market.

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

The links to the product list for India and US market are given below:

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 complies with pertinent regulatory obligations by informing its stakeholders about the appropriate and safe use of its products. Each product packaging/label includes information on safe and responsible usage of the product.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As per the regulatory guidelines, the Company discloses discontinuation of any scheduled formulation in India, by issuing a public notice for relevant stakeholders in addition to informing the local regulator at least six months prior to the intended date of discontinuation. However, if six months' advance notice is not possible, the notification is submitted as soon as practicable thereafter. Furthermore, in certain international markets, based on local regulatory requirements, a notification concerning a permanent discontinuance or interruption in manufacturing of a covered finished product must be submitted no later than five business days after the discontinuance or interruption in manufacturing occurs.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

The Company displays all relevant information mandated as per local laws regarding the product.

5. 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)

In the reporting year, the company didn't conduct any surveys to determine consumer satisfaction with its key goods and services or key operating hubs.

6. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact:

On March 1, 2023, the Company disclosed an information security incident that impacted some of the Company's IT assets. The Company promptly took steps to contain and remediate the impact of the information security incident, including employing appropriate containment protocols to mitigate the threat, and enhancing security measures and utilising global cyber security experts to ensure the integrity of the Company's IT systems' infrastructure and data. As part of the containment measures, the Company proactively isolated its network and initiated recovery procedures. As a result of these measures, certain business operations were also impacted.

The Company has since strengthened its cybersecurity infrastructure and is in the process of implementing improvements to its cyber and data security systems to safeguard against such risks in the future. The Company is also implementing certain long-term measures to augment its security controls systems across the organisation. The Company worked with legal counsel across relevant jurisdictions to notify applicable regulatory and data protection authorities, where considered required, and the Company believes there is no material legal non-compliance by the Company on account of the information security incident. The Company believes that all known impacts on its financial statements for the year ended March 31, 2023 on account of this incident have been considered.

b. Percentage of data breaches involving personally identifiable information of customers: Nil

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, 2023, 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, 2023, its profit 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, 2023. 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
<p>Litigations (as described in Note 39 of the standalone Ind AS financial statements)</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> 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.



Key audit matter	How our audit addressed the key audit matter
<p>Tax litigations and recognition of deferred tax assets (as described in Note 9 and 39 of the standalone Ind AS financial statements)</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • 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 experts, to evaluate management's assessment of the outcome of these litigations. Our experts 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.
<p>Identification and disclosures of Related Parties (as described in Note 50 of the standalone Ind AS financial statements)</p> <p>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.</p> <p>Identification and disclosure of related parties was a significant area of focus and hence is considered a Key Audit Matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • 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 50 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.
<p>Assessment of recoverable amount of Investment in Sun Pharma Holdings, Mauritius (as described in Note 55(2a) of the standalone Ind AS financial statements)</p> <p>The Company has total investments in subsidiaries of ₹ 1,53,395.3 Million for which it conducted an annual impairment test. During the year ended March 31, 2023, the Company considered an impairment allowance of ₹ 29,377.9 Million based on its assessment of the recoverable amount of Investment in Sun Pharma Holdings, Mauritius. The net value of investment in Sun Pharma Holdings, Mauritius after considering this allowance is ₹ 66,705.8 Million.</p> <p>Due to the significance of the balances involved and significant estimates and judgements concerning the estimated future cash flows, associated discount rates and growth rates based on management's view of future business prospects, changes to which could lead to material changes in the estimated recoverable amount, this has been considered as a Key Audit Matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over impairment assessment of investments. • Obtained the Company's computation of recoverable amount and tested the mathematical accuracy and reasonableness of key assumptions. • Evaluated the objectivity, competency and independence of the experts engaged by the Company and reviewed the valuation reports issued by such experts. • Assessed the cash flow forecasts through analysis of actual past performance, and comparison to previous forecasts. • With the involvement of our experts, assessed the assumptions around the key drivers of the cash flow forecasts and methodologies used by Management and experts to determine the recoverable amount. • Assessed the conclusions reached by management and those charged with governance on account of various estimates and judgements. • Evaluated the disclosures in the standalone Ind AS financial statements.
<p>Other intangible assets (as described in Note 4 of the standalone Ind AS financial statements)</p> <p>The Company has significant intangible assets, comprising product intangibles and acquired trademarks. 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.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • 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.

Key audit matter	How our audit addressed the key audit matter
<p>Information security incident (as described in Note 55(11) of the Standalone Ind AS financial statements)</p> <p>On March 1, 2023, the Company experienced an Information security incident related to ransomware wherein certain IT systems and data contained therein were impacted ("Incident").</p> <p>In response to this incident, the Company engaged external consultants to analyse the Incident and restore the IT systems. The Company also assessed the compliance requirements arising due to this Incident including inputs from internal legal counsel.</p> <p>The Company took certain measures to protect its core operational and financial systems which resulted into modifications in the internal control systems and processes including those relating to financial reporting.</p> <p>The Company has taken certain immediate steps and is also implementing certain long-term measures to augment its security controls systems across the organization.</p> <p>We have identified this as a key audit matter as it was an area of significant auditor attention which included critical assessment of the principal financial systems and internal controls used in /relied on for the preparation of the Standalone Ind AS financial statements.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Made inquiries with the Company's Chief Information Officer and Chief Financial Officer to understand their assessment of the Incident and the measures in place to mitigate this risk, focusing on the principal financial systems used in the preparation of the Financial Statements. • Read the reports of the external consultants, engaged by management, to gain an understanding of the cause of the Incident and its impact on IT systems including financial systems. • Inquired into the measures taken by management to restore the systems and augment the existing security controls across the organization. • Obtained a representation from Management in consultation with the Company's internal legal counsel to determine whether Incident resulted in any violation of laws/regulations applicable in jurisdictions where Company operates. • Considered information from our internal experts and evidence from our other audit procedures, in order to assess whether any contradictory evidence exists which suggests the financial systems have been compromised. • Performed following procedures considering the facts above: <ul style="list-style-type: none"> – Tested alternate internal controls over financial reporting implemented by Management during the period of breach. – Revisited and extended the nature, timing and extent of the planned substantive procedures arising out of the Incident. – Obtained management's assessment of the impact on internal controls over financial reporting pertaining to this Incident. • Assessed the related disclosures to the financial statements.

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 standalone 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 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 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, 2023 and are therefore 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.

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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 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 39 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 25 and 29 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 ₹ 1.4 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 55(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 55(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 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 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 43 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 dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Paul Alvares**

Partner

Membership Number: 105754

UDIN: 23105754BGQUOQ4724

Place of Signature: Mumbai

Date: May 26, 2023



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 Pharmaceutical 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:

- 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 3(a) to the standalone Ind AS 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	8	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		8	
Leasehold Land	Ranbaxy Laboratories Limited	2.9		8	
Freehold Land including building located thereon	Solrex Pharmaceuticals Company	95.9		6	
Freehold Land including building located thereon	Tamilnadu Dadha Pharmaceuticals Limited	3.6		26	
Building	Various	4.1	No	6	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		2	

* 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 crores 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 –	
- Subsidiaries	159.2
- Employees	211.5
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	159.2
- Employees	105.3

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	Date of payment	Extent of delay	Remarks, if any
Sun Pharmaceutical Industries Inc.	32.2	22-05-2022	07-06-2022	17 days	Interest
Sun Pharmaceutical Industries Inc.	67.4	08-06-2022	13-06-2022	6 days	Interest
Sun Pharma Netherlands BV	10.2	21-05-2022	02-06-2022	13 days	Interest

- (d) There are no loans granted which are overdue for more than ninety days as at March 31, 2023. Accordingly, we have not commented on the steps taken by the Company for recovery of the principal and interest.
- (e) There were no loans granted to companies which had fallen due during the year. There were no advances in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties and hence not commented upon by us.
- (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. Accordingly, the requirement to report on clause 3(iv) of the Order in respect of section 185 is not applicable to the Company and hence not reported upon.
- (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 customs, 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)	AY 2011-12	9.1
Income Tax Act, 1961	Income taxes, Interest, and penalty	Commissioner of Income Tax (Appeals)	Various years from AY 2014-15 to AY 2015-16	68.0
Income Tax Act, 1961	Income taxes and Interest	High Court	AY 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	903.7
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Commissioner (Appeals)	Various years from 2003-04 to 2017-18	11.0
Finance Act, 1994	Service Tax	COMMISSIONER (APPEALS)	Various years from 2015-16 to 2017-18	29.2
Finance Act, 1994	Service Tax	CESTAT	Various years from 2013-14 to 2017-18	7,011.7
The Goods and Service Tax Act	GST	COMMISSIONER (APPEALS)	2017-18 and 2021-22	206.1
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	39.3
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Appellate Authority	Various years from 1998-99 to 2017-18	10.7
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 2017-18	53.5
Custom Act, 1962	Customs Duty, Penalty and Interest	Commissioner (Appeals)	Various years from 2010-11 to 2012-13	2.8
Custom Act, 1962	Customs Duty, Penalty and Interest	Deputy Commissioner	2019-20	183.6
Custom Act, 1962	Customs Duty, Penalty and Interest	CESTAT	Various years from 2010-11 to 2014-15	133.6

* 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 standalone Ind AS 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(ix)(e) 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 3(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) Other than the cyber security incident as explained in Note 55(11) of the standalone Ind AS financial statements, no material fraud on the Company has been noticed or reported during the year. Further, no fraud by the Company has been noticed or reported during the year.
- (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 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 standalone Ind AS 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 is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company and hence not reported upon.
- (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 the 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)(d) 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 55(14) to the standalone Ind AS financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS 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 55(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 55(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: 23105754BGQUOQ4724

Place of Signature: Mumbai

Date: May 26, 2023

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 with reference to standalone Ind AS financial statements of Sun Pharmaceutical Industries Limited (the "Company") as of March 31, 2023 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 ("ICAI"). 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Ind AS financial statements

A company's internal financial controls with reference to 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 controls with reference to 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 With Reference to Standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Paul Alvares**

Partner

Membership Number: 105754

UDIN: 23105754BGQUOQ4724

Place of Signature: Mumbai

Date: May 26, 2023

Standalone Balance Sheet

As at March 31, 2023

Particulars	Notes	₹ in Million	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3 (a) & 3 (b)	47,332.5	49,695.7
(b) Capital work-in-progress	3 (d)	3,288.7	3,589.4
(c) Goodwill	4 (a)	1,208.0	1,208.0
(d) Other Intangible assets	4 (a)	38,576.2	46,224.1
(e) Intangible assets under development	4 (b)	5,240.4	4,697.0
(f) Investments in the nature of equity in subsidiaries	5	124,017.4	153,404.1
(g) Financial assets			
(i) Investments	6	144.0	154.2
(ii) Loans	7	6,327.0	36,566.3
(iii) Other financial assets	8	538.9	651.3
(h) Deferred tax assets (Net)	9	10,323.9	3,240.4
(i) Income tax assets (Net)	10	5,861.3	8,836.7
(j) Other non-current assets	11	2,365.1	2,350.1
Total non-current assets		245,223.4	310,617.3
(2) Current assets			
(a) Inventories	12	39,891.9	34,037.4
(b) Financial assets			
(i) Investments	13	2,002.6	1,930.4
(ii) Trade receivables	14	71,250.2	42,451.6
(iii) Cash and cash equivalents	15	4,102.8	4,195.3
(iv) Bank balances other than (iii) above	16	110.0	1,154.3
(v) Loans	17	33,470.3	91.0
(vi) Other financial assets	18	5,824.0	4,021.8
(c) Other current assets	19	7,785.7	9,155.7
Total current assets		164,437.5	97,037.5
Assets classified as held for sale	3 (c)	214.0	-
TOTAL ASSETS		409,874.9	407,654.8



Standalone Balance Sheet

As at March 31, 2023

Particulars	Notes	₹ in Million	
		As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	2,399.3	2,399.3
(b) Other equity	21	235,084.3	243,480.2
Total equity		237,483.6	245,879.5
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	75,867.3	48,656.4
(ii) Lease liabilities	48	1,815.1	1,896.8
(iii) Other financial liabilities	23	3,912.2	-
(b) Other non-current liabilities	24	5,074.5	6,187.5
(c) Provisions	25	2,061.6	3,976.3
Total non-current liabilities		88,730.7	60,717.0
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	59.4	30.7
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	45	1,194.2	1,052.8
(b) total outstanding dues of creditors other than micro and small enterprises	45	30,061.6	26,051.6
(iii) Lease liabilities	48	166.4	156.5
(iv) Other financial liabilities	27	40,640.1	40,678.1
(b) Other current liabilities	28	3,437.7	7,463.1
(c) Provisions	29	8,095.0	25,625.5
Total current liabilities		83,654.4	101,058.3
Liabilities directly associated with assets classified as held for sale	3 (c)	6.2	-
Total liabilities		172,391.3	161,775.3
TOTAL EQUITY AND LIABILITIES		409,874.9	407,654.8

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 26, 2023

For and on behalf of the Board of Directors of

Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI

Managing Director

(DIN : 00005588)

SAILESH T. DESAI

Wholtime Director

(DIN : 00005443)

ANOOP DESHPANDE

Company Secretary & Compliance Officer

C. S. MURALIDHARAN

Chief Financial Officer

Mumbai, May 26, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

Particulars	Notes	₹ in Million	
		Year ended March 31, 2023	Year ended March 31, 2022
(I) Revenue from operations	30	208,121.4	155,859.8
(II) Other income	31	2,790.3	9,579.2
(III) Total income (I + II)		210,911.7	165,439.0
(IV) EXPENSES			
Cost of materials consumed	32	51,656.3	45,849.7
Purchases of stock-in-trade		11,264.6	12,486.0
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(2,379.3)	(1,831.8)
Employee benefits expense	34	21,569.5	20,007.8
Finance costs	35	4,721.8	3,881.0
Depreciation and amortisation expense	3 (a), 3 (b) & 4 (a)	16,008.7	13,499.5
Other expenses	36	61,784.3	52,662.5
Net (gain) / loss on foreign currency transactions		(502.6)	(2,389.6)
Total expenses (IV)		164,123.3	144,165.1
(V) PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III - IV)		46,788.4	21,273.9
(VI) Exceptional item	55 (2)	29,377.9	18,205.3
(VII) PROFIT BEFORE TAX (V - VI)		17,410.5	3,068.6
(VIII) TAX EXPENSE / (CREDIT)			
Current tax	38	7,527.7	(5,535.8)
Deferred tax	9 & 38	(7,024.4)	5,198.3
Deferred tax - exceptional	55 (2)	-	4,406.0
Total tax expense (VIII)		503.3	4,068.5
(IX) PROFIT / (LOSS) FOR THE YEAR (VII - VIII)		16,907.2	(999.9)
(X) OTHER COMPREHENSIVE INCOME			
A) Items that will not be reclassified to profit or loss			
a. Gain / (loss) on remeasurement of the defined benefit plans		113.4	(223.4)
Income tax on above		(39.6)	78.1
b. Gain / (loss) on equity instrument measured at fair value through other comprehensive income		(90.2)	233.9
Income tax on above		31.5	(20.8)
Total - (A)		15.1	67.8



Standalone Statement of Profit and Loss

for the year ended March 31, 2023

Particulars	Notes	₹ in Million	
		Year ended March 31, 2023	Year ended March 31, 2022
B) Items that may be reclassified to profit or loss			
a. Effective portion of gain / (loss) on designated portion of hedging instruments in a cash flow hedge		(192.4)	(492.4)
Income tax on above		67.2	172.1
b. Gain / (loss) on debt instrument measured at fair value through other comprehensive income		-	(104.4)
Income tax on above		-	-
c. Foreign currency translation reserve [gain / (loss)]		-	199.9
Income tax on above		-	(759.2)
Total - (B)		(125.2)	(984.0)
(X) Total other comprehensive income (A+B)		(110.1)	(916.2)
(XI) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)		16,797.1	(1,916.1)
Earnings per equity share (face value per equity share - ₹ 1)	46		
Basic (in ₹)		7.0	(0.4)
Diluted (in ₹)		7.0	(0.4)

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 26, 2023

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 & Compliance Officer

C. S. MURALIDHARAN

Chief Financial Officer

Mumbai, May 26, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

Particulars	Other Equity										Total	
	Equity share capital	Capital reserve	Securities premium	Amalgamation reserve	Reserve and surplus	Capital redemption reserve	General reserve	Retained earnings	Equity instrument through OCI	Debt instrument through OCI		Foreign currency translation reserve
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, net of tax	-	-	-	-	-	-	^ (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
Profit for the year	-	-	-	-	-	-	16,907.2	-	-	-	-	16,907.2
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	^ 73.8	(58.7)	-	-	(125.2)	(110.1)
Total comprehensive income for the year	-	-	-	-	-	-	16,981.0	(58.7)	-	-	(125.2)	16,797.1
Payment of dividend	-	-	-	-	-	-	(25,193.0)	-	-	-	-	(25,193.0)
Balance as at March 31, 2023	2,399.3	22,258.5	11,874.1	43.8	7.5	51,435.0	127,908.8	(13.3)	-	21,543.5	26.4	237,483.6

^ Represents remeasurement 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/E3000003

per **PAUL ALVARES**

Partner

Membership No. : 105754

Mumbai, May 26, 2023

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)

C. S. MURALIDHARAN

Chief Financial Officer
Mumbai, May 26, 2023

ANOOP DESHPANDE

Company Secretary & Compliance Officer



Standalone Cash Flow Statement

for the year ended March 31, 2023

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax	17,410.5	3,068.6
Adjustments for:		
Depreciation and amortisation expense	16,008.7	13,499.5
Net (gain) / loss on sale/write off /impairment of property, plant and equipment, other intangible assets and intangible assets under development	40.4	1,348.3
(Gain) / loss on derecognition of Right-of-use assets	(0.4)	-
Finance costs	4,721.8	3,881.0
Interest income	(2,202.0)	(4,390.2)
Dividend income on investments	-	(135.4)
Net (gain) / loss arising on financial assets measured at fair value through profit or loss	(2.2)	(0.5)
Net (gain) / loss on sale of financial assets measured at fair value through profit or loss	(173.0)	(65.0)
Net (gain) / loss on sale of financial assets measured at fair value through other comprehensive income	-	(57.7)
Gain on sale of investment in subsidiary	-	(2,075.7)
Provision / write off / (reversal) for doubtful trade receivables / advances	242.5	263.2
Sundry balances written back, net	(128.5)	(48.8)
Write off of investment due to dissolution of subsidiary	8.8	-
Impairment in value of investment	29,377.9	-
Effect of exchange rate changes	340.0	444.2
Operating profit / (loss) before working capital changes	65,644.5	15,731.5
Movements in working capital:		
(Increase)/ decrease in inventories	(5,854.5)	196.8
(Increase)/ decrease in trade receivables	(29,320.1)	23,384.4
(Increase)/ decrease in other assets	(825.3)	2,561.1
Increase / (decrease) in trade payables	4,063.6	(13,388.6)
Increase / (decrease) in other liabilities	(4,985.7)	15,187.0
Increase / (decrease) in provisions	(19,331.8)	11,096.0
Cash generated from / (used in) operations	9,390.7	54,768.2
Net Income tax (paid) / refund received (including interest on refunds)	(4,319.9)	21,595.4
Net cash generated from / (used in) operating activities (A)	5,070.8	76,363.6
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)	(9,624.3)	(8,499.0)
Proceeds from disposal of property, plant and equipment and other intangible assets	83.0	465.0
Loans / Inter corporate deposits		
Given to / Placed		
Subsidiary companies	(159.2)	(28,302.3)
Received back / matured from / assigned to		
Subsidiary companies	60.0	8,129.0
Purchase of investments		
Subsidiary companies	-	(14,787.6)
Others	(36,929.5)	(54,857.7)
Proceeds from sale of investments		
Subsidiary companies	-	18,204.3
Others	36,952.5	53,303.5
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	-	(1,050.1)
Fixed deposits / margin money matured	1,043.5	12.5
Interest received	1,522.3	226.0
Dividend received from		
Subsidiary companies	-	135.4
Net cash (used in) / from investing activities (B)	(7,051.7)	(27,021.0)

Standalone Cash Flow Statement

for the year ended March 31, 2023

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
C. Cash flow from financing activities		
Proceeds from borrowings		
Subsidiary company	82,140.5	85,611.2
Repayment of borrowings		
Subsidiary companies	(54,929.6)	(88,290.0)
Others	-	(20,564.2)
Net increase / (decrease) in working capital demand loans	28.7	17.3
Repayment towards lease liabilities		
Subsidiary companies	(254.6)	(261.2)
Others	(93.5)	(109.0)
Finance costs	(9.6)	(3,523.4)
Dividend paid	(25,188.8)	(21,589.2)
Net cash (used in)/ from financing activities (C)	1,693.1	(48,708.5)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(287.8)	634.1
Cash and cash equivalents at the beginning of the year	4,195.3	3,510.6
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	195.3	50.6
Cash and cash equivalents at the end of the year	4,102.8	4,195.3

Notes:

1. Cash and cash equivalents comprises of

Particulars	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	4,086.6	4,186.7
Cash on hand	16.2	8.6
Cash and cash equivalents in cash flow statement (Refer Note 15)	4,102.8	4,195.3

2. Change in financial liability / asset arising from financing activities

Particulars	₹ in Million			
	Year ended March 31, 2023		Year ended March 31, 2022	
	Borrowings	Derivatives, net [(Liabilities) / Asset]	Borrowings	Derivatives, net [(Liabilities) / Asset]
Opening balance	48,687.1	-	71,364.7	(42.9)
Changes from financing cash flows	27,239.6	-	(23,226.7)	59.6
Effect of changes in foreign exchange rates	-	-	246.8	(16.7)
Other changes	-	-	302.3	-
Closing balance	75,926.7	-	48,687.1	-

For movement of lease liabilities, Refer Note 48.

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 26, 2023

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI

Managing Director

(DIN : 00005588)

SAILESH T. DESAI

Wholtime Director

(DIN : 00005443)

ANOOP DESHPANDE

Company Secretary & Compliance Officer

C. S. MURALIDHARAN

Chief Financial Officer

Mumbai, May 26, 2023



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Note 1: General information

Sun Pharmaceutical Industries Limited (SPIL or the "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 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 26, 2023.

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, 2023 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, 2022.

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

All other assets are classified as non-current.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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.

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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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.

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.

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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.

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-



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for the year ended March 31, 2023

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.

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 through 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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. 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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 in substance 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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

I. 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.

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



Notes to the Standalone Financial Statements

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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 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

Notes to the Standalone Financial Statements

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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.

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



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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.

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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 12 – Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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, 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
Additions	10.0	268.8	2,689.7	43.0	96.3	177.9	3,285.7
Disposals	-	*(0.0)	(130.5)	(3.1)	(103.7)	(14.2)	(251.5)
Reclassified to Assets held for Sale	-	(139.4)	(328.4)	(4.4)	(2.7)	(1.4)	(476.3)
As at March 31, 2023	1,419.6	16,214.3	61,138.0	1,156.4	462.7	1,888.4	82,279.4
Accumulated depreciation and impairment							
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
Depreciation expense	-	502.8	4,467.5	73.1	61.1	222.9	5,327.4
Disposals	-	*(0.0)	(98.2)	(2.5)	(96.9)	(13.1)	(210.7)
Reclassified to Assets held for Sale	-	(40.5)	(227.7)	(4.0)	(1.5)	(1.0)	(274.7)
As at March 31, 2023	-	3,838.9	30,973.4	835.7	256.5	1,273.9	37,178.4
Carrying amount							
As at March 31, 2022	1,409.6	12,708.3	32,075.4	351.8	179.0	661.0	47,385.1
As at March 31, 2023	1,419.6	12,375.4	30,164.6	320.7	206.2	614.5	45,101.0

* ₹ (9,687)

₹ (38)

Footnotes

- (i) Buildings include ₹ 8,620 (As at March 31, 2022: ₹ 8,620) towards cost of shares in a co-operative housing society and also includes ₹ 1.1 Million (As at March 31, 2022: ₹ 1.1 Million) and ₹ 1,133.0 Million (As at March 31, 2022: ₹ 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, 2022: ₹ 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) 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, 2023

NOTE: 3 (b) RIGHT-OF-USE ASSETS

	₹ in Million			
	Leasehold Land	Building	Plant and equipment	Total
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
Additions	2.7	113.8	-	116.5
Disposals	-	(14.7)	-	(14.7)
Reclassified to Assets held for Sale	(8.9)	-	-	(8.9)
As at March 31, 2023	424.3	471.5	1,959.4	2,855.2
Accumulated depreciation				
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
Depreciation expense	7.0	87.7	88.7	183.4
Disposals	-	(10.8)	-	(10.8)
Reclassified to Assets held for Sale	(0.6)	-	-	(0.6)
As at March 31, 2023	23.4	281.1	319.2	623.7
Carrying amount				
As at March 31, 2022	413.5	168.2	1,728.9	2,310.6
As at March 31, 2023	400.9	190.4	1,640.2	2,231.5

Footnote

For details of Ind AS 116 disclosure refer Note 48.

NOTE: 3 (c) ASSETS CLASSIFIED AS HELD FOR SALE

	₹ in Million
	As at March 31, 2023
Buildings	98.9
Computer Software	4.1
Furniture and fixtures	0.4
Leasehold land	8.3
Office equipment	0.4
Plant and equipment	100.7
Vehicles	1.2
	214.0

Net of accumulated depreciation and amortisation.

LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

	₹ in Million
	As at March 31, 2023
Lease liabilities	6.2
	6.2

The company as a part of its ongoing initiative of network strategy and optimization of manufacturing facilities have identified divestment of its Goa facility. The plan involves transferring above assets and liabilities to a prospective buyer. The transfer is to be completed during the year 2023-24 and hence, these have been classified as held for sale. These assets and liabilities have been carried at cost as the same is lower than the fair value expected out of sale.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 3 (d) CAPITAL WORK-IN-PROGRESS

	₹ in Million
	Year ended March 31, 2023
As at March 31, 2022	3,589.4
Additions	3,028.0
Capitalised	(3,286.0)
Disposals	(42.7)
As at March 31, 2023	3,288.7

NOTE: 4 (a) 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, 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
Additions	558.2	2,295.9	-	2,854.1
Disposals	-	-	-	-
Reclassified to Assets held for Sale	(7.9)	-	-	(7.9)
As at March 31, 2023	3,954.4	87,149.8	1,208.0	92,312.2
Accumulated amortisation and impairment				
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
Amortisation expense	496.6	10,001.3	-	10,497.9
Disposals	-	-	-	-
Reclassified to Assets held for Sale	(3.8)	-	-	(3.8)
As at March 31, 2023	2,003.5	50,524.5	-	52,528.0
Carrying amount				
As at March 31, 2022	1,893.4	44,330.7	1,208.0	47,432.1
As at March 31, 2023	1,950.9	36,625.3	1,208.0	39,784.2

Footnotes

- (i) The aggregate amortisation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- (ii) Refer Note 55 (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 average growth rate used in extrapolating cash flows beyond the planning period was 5.0% for the year ended March 31, 2023. 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 was 9.4% for the year ended March 31, 2023. 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: 4 (b) INTANGIBLE ASSETS UNDER DEVELOPMENT

	₹ in Million
	Year ended March 31, 2023
As at March 31, 2022	4,697.0
Additions	3,454.0
Capitalised	(2,792.0)
Disposals	(35.9)
Impairment	(82.7)
As at March 31, 2023	5,240.4

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 5 INVESTMENTS IN THE NATURE OF EQUITY IN SUBSIDIARIES (NON-CURRENT)

	As at March 31, 2023		As at March 31, 2022	
	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
OOO "Sun Pharmaceutical Industries" Limited				
Par value rouble stock fully paid	-	-	1	8.8
Nil (March 31, 2022: 5,250,000 Rouble)				
Green Eco Development Centre Limited				
Shares of ₹ 10 each fully paid	700,000	7.0	700,000	7.0
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				
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 55 (2) & 55 (12)]		(44,022.7)		(31,590.0)
		10,008.8		22,441.5



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

	As at March 31, 2023		As at March 31, 2022	
	Quantity	₹ in Million	Quantity	₹ in Million
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	553.0
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	42,014,578	3,371.7
Less: Impairment in value of investment		(1,737.8)		(1,737.8)
		1,633.9		1,633.9
		52,513.4		64,954.9
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	1,165,593,148	73,642.2
Less: Impairment in value of investment [Refer Note 55 (2)]		(16,945.2)		-
		56,697.0		73,642.2
Sun Pharma Japan Ltd. - Preference Shares				
Non-cumulative, redeemable preference Shares of JPY 50,000 each fully paid	1,960	72.6	1,960	72.6
Sun Pharma (Netherlands) B.V.				
Non-cumulative optionally convertible class B shares of Euro 100 each fully paid	1,707,212	14,734.4	1,707,212	14,734.4
		71,504.0		88,449.2
		124,017.4		153,404.1
Aggregate amount of unquoted investments before impairment		183,515.0		183,523.8
Aggregate book value (carrying value) of quoted investments before impairment		3,371.7		3,371.7
Aggregate amount of impairment in value of investments		62,869.3		33,491.4
Aggregate amount of quoted investments at market value		1,977.2		2,115.4

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 6 INVESTMENTS (NON-CURRENT)

	As at March 31, 2023		As at March 31, 2022	
	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	58.5	1,036,943	148.7
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)
		-		-
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
Agatsa Software Private Limited				
Shares of ₹ 10 each fully paid	2,771	80.0	-	-
		144.0		154.2
Aggregate book value (carrying value) of quoted investments		58.5		148.7
Aggregate amount of quoted investments at market value		58.5		148.7
Aggregate amount of unquoted investments before impairment		1,020.0		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, 2023	As at March 31, 2022
Loans to employees		
Secured, considered good	1.4	2.4
Unsecured, considered good	4.0	4.2
Loans to related parties (Refer Note 50 & 51) *		
Unsecured, considered good	6,321.6	36,559.7
	6,327.0	36,566.3

* Loans have been granted for the purpose of their business.

NOTE: 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Interest accrued (unsecured, considered good)	4.6	33.8
Security deposits (unsecured, considered good)	426.0	423.8
Unbilled revenue (Refer Note 54)	108.3	193.7
	538.9	651.3



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 9 DEFERRED TAX ASSETS (NET)

	₹ in Million			
	Opening balance April 01, 2022	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance March 31, 2023
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	(10,578.5)	1,082.5	-	(9,496.0)
Difference in carrying value and tax base of financial assets of investments	45.5	(11.0)	31.5	66.0
Derivatives designated as hedges	(75.8)	0.1	67.2	(8.5)
Deferred revenue	2,793.7	(616.2)	-	2,177.5
Unbilled revenue	11.1	(6.2)	-	4.9
Allowance for doubtful debts and advances	899.9	(193.0)	-	706.9
Expenses claimed for tax purpose on payment basis	1,359.4	160.0	(39.6)	1,479.8
Unabsorbed depreciation / carried forward losses	5,542.3	(473.7)	-	5,068.6
Other assets	2.4	(1.6)	-	0.8
	-	(59.1)	59.1	-
MAT credit entitlement	3,240.4	7,083.5	-	10,323.9
	3,240.4	7,024.4	59.1	10,323.9

	₹ 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, 2023	As at March 31, 2022
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	29,027.8	79,813.3
Tax losses (Capital in nature)	19,546.0	19,516.0
Unabsorbed depreciation	32,745.3	33,934.8
Unused tax credits (MAT credit entitlement)	6,514.4	7,188.6
Deductible temporary differences	3,352.7	6,962.8

The unused tax credits will expire from financial year 2023-24 to financial year 2031-32 and unused tax losses will expire from financial year 2023-24 to financial year 2029-30.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 10 INCOME TAX ASSETS (NET) (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Advance income tax *	5,861.3	8,836.7
Net of provisions ₹ 13,880.9 Million (March 31, 2022: ₹ 6,161.9 Million)		
	5,861.3	8,836.7

* includes amount paid under protest

NOTE: 11 OTHER ASSETS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Capital advances	311.9	435.8
Prepaid expenses	146.0	13.1
Balances with government authorities *	1,907.2	1,901.2
	2,365.1	2,350.1

* includes amount paid under protest

NOTE: 12 INVENTORIES

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Lower of cost and net realisable value		
Raw materials and packing materials	17,101.1	13,586.6
Goods in transit	411.9	552.1
	17,513.0	14,138.7
Work-in-progress	14,897.2	11,246.3
Finished goods	6,121.6	7,261.5
Stock-in-trade	839.1	970.8
Stores and spares	521.0	420.1
	39,891.9	34,037.4

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 ₹ 8,345.9 Million (March 31, 2022: ₹ 8,461.7 Million). The changes in write downs are recognised 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) 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 statement of profit and loss.

NOTE: 13 INVESTMENTS (CURRENT)

	As at March 31, 2023		As at March 31, 2022	
	Quantity	₹ in Million	Quantity	₹ in Million
Mutual funds				
Unquoted (Fair value through profit or loss) *				
Nippon India Liquid Fund – Direct Plan Growth Plan – Growth Option	-	-	370,662	1,930.4
Mirae Asset Cash Management Fund – Direct Plan – Growth	842,638	2,002.6	-	-
		2,002.6		1,930.4

* Mutual funds have been fair valued at closing net asset value (NAV).



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 14 TRADE RECEIVABLES

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Unsecured		
Considered good	71,250.2	42,451.6
Credit impaired	788.8	1,341.7
	72,039.0	43,793.3
Less: Allowance for credit impaired	(788.8)	(1,341.7)
	71,250.2	42,451.6

NOTE: 15 CASH AND CASH EQUIVALENTS

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	4,086.6	4,186.7
Cash on hand	16.2	8.6
	4,102.8	4,195.3

NOTE: 16 BANK BALANCES OTHER THAN DISCLOSED IN NOTE 15 ABOVE

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Deposit accounts	-	1,043.5
Earmarked balances with banks		
Unpaid dividend accounts	103.4	104.2
Balances held as margin money or security against guarantees and other commitments	6.6	6.6
	110.0	1,154.3

NOTE: 17 LOANS (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Loans to employees / others *		
Secured, considered good	0.3	0.7
Unsecured, considered good	103.3	90.3
Credit impaired	15.3	15.3
Less: Allowance for doubtful loans (expected credit loss allowance)	(15.3)	(15.3)
	103.6	91.0
Loans to related parties (Refer Note 50 and 51) *		
Unsecured, considered good	33,366.7	-
	33,470.3	91.0

* Loans have been granted for the purpose of their business.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 18 OTHER FINANCIAL ASSETS (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Interest accrued (unsecured, considered good)	261.0	85.8
Security deposits (unsecured, considered good)	93.8	91.9
Other receivables	1,800.3	1,675.3
Less: Allowance for doubtful *	(500.0)	(500.0)
	1,300.3	1,175.3
Other receivables - from related parties (Refer Note 50)	-	445.9
Refund due from government authorities	3,844.0	1,318.0
Unbilled revenue (Refer Note 54)	123.2	151.6
Derivatives not designated as hedges	177.3	447.3
Derivatives designated as hedges	24.4	306.0
	5,824.0	4,021.8

* The Company is carrying an allowance of ₹ 500.0 Million (March 31, 2022: ₹ 500 Million) against Other receivables based on assessment regarding its future recoverability.

NOTE: 19 OTHER ASSETS (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Export incentives receivable	3.1	647.5
Prepaid expenses	1,402.4	1,374.7
Advances for supply of goods and services		
Considered good	3,126.2	2,123.9
Considered doubtful	718.9	718.2
Less: Allowance for doubtful	(718.9)	(718.2)
	3,126.2	2,123.9
Balances with government authorities *	2,742.8	4,897.1
Other assets #	511.2	112.5
	7,785.7	9,155.7

* includes balances of goods and service tax

in March 31, 2022 includes government grant from Biotechnology Industry Research Assistance Council (BIRAC).

NOTE: 20 EQUITY SHARE CAPITAL

	As at March 31, 2023		As at March 31, 2022	
	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, 2023

	Year ended March 31, 2023		Year ended March 31, 2022	
	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, 2023		As at March 31, 2022	
	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	78,698,556	3.3	139,828,706	5.8

	As at March 31, 2023			As at March 31, 2022		
	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	-
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	-
Mrs. 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, 2022: 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.
- (ii) 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, 2023

NOTE: 21 OTHER EQUITY

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
A) 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	127,908.8	136,120.8
	213,527.7	221,739.7
B) Items of other comprehensive income (OCI)		
Equity instrument through OCI	(13.3)	45.4
Debt instrument through OCI	-	-
Foreign currency translation reserve	21,543.5	21,543.5
Effective portion of cash flow hedges	26.4	151.6
	21,556.6	21,740.5
	235,084.3	243,480.2

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 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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 22 BORROWINGS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Loans from related party (Unsecured) (Refer Note 49 and 50)	75,867.3	48,656.4
	75,867.3	48,656.4

NOTE: 23 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Interest accrued	3,912.2	-
	3,912.2	-

NOTE: 24 OTHER LIABILITIES (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Deferred revenue (Refer Note 54)	5,074.5	6,187.5
	5,074.5	6,187.5

NOTE: 25 PROVISIONS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Employee benefits	2,061.6	2,081.9
Others (Refer Note 52)	-	1,894.4
	2,061.6	3,976.3

NOTE: 26 BORROWINGS (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand		
From Banks		
Unsecured	59.4	30.7
	59.4	30.7

NOTE: 27 OTHER FINANCIAL LIABILITIES (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Unpaid dividends	104.3	100.9
Security deposits	41.2	71.0
Payables on purchase of property, plant and equipment and other intangible assets	218.6	3,274.1
Product settlement, claims, recall charges and trade commitments	37,685.9	34,362.6
Payables to employee	2,556.9	2,742.5
Derivatives not designated as hedges	33.2	37.8
Derivatives designated as hedges	-	89.2
	40,640.1	40,678.1

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 28 OTHER LIABILITIES (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Statutory remittances	1,566.7	2,334.1
Advance from customers (Refer Note 54)	714.0	3,480.6
Deferred revenue (Refer Note 54)	1,157.0	1,644.3
Others	-	4.1
	3,437.7	7,463.1

NOTE: 29 PROVISIONS (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Employee benefits	1,457.3	1,401.7
Others [Refer Note 52 and 55 (2)]	6,637.7	24,223.8
	8,095.0	25,625.5

NOTE: 30 REVENUE FROM OPERATIONS

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers (Refer Note 54)	203,946.3	155,185.0
Other operating revenues	4,175.1	674.8
	208,121.4	155,859.8

NOTE: 31 OTHER INCOME

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on:		
Bank deposits at amortised cost	5.0	2.6
Loans at amortised cost	1,640.1	224.6
Investments in debt instruments at fair value through other comprehensive income	-	37.1
Other financial assets carried at amortised cost	-	47.8
Others [includes interest on income tax refund of ₹ 425.3 Million (March 31, 2022: ₹ 4,055.8 Million)]	556.9	4,078.1
	2,202.0	4,390.2
Dividend income on investments		
Subsidiary	-	135.4
Net gain arising on financial assets measured at fair value through profit or loss	2.2	0.5
Net gain on sale of financial assets measured at fair value through profit or loss	173.0	65.0
Net gain on sale of financial assets measured at fair value through other comprehensive income	-	57.7
Gain on sale of investment in subsidiary	-	2,075.7
Profit on sale / write off of property, plant and equipment and intangible assets, net	42.3	367.1
Sundry balances written back, net	128.5	48.8
Gain on derecognition of Right-of-use assets	0.4	7.4
Insurance claims	1.5	115.2
Lease rental and hire charges	61.4	49.0
Settlement income	-	1,646.8
Miscellaneous income	179.0	620.4
	2,790.3	9,579.2



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 32 COST OF MATERIALS CONSUMED

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Raw materials and packing materials		
Inventories at the beginning of the year	14,138.7	16,213.7
Purchases during the year	55,030.6	43,752.4
Foreign currency translation difference	-	22.3
Inventories at the end of the year	(17,513.0)	(14,138.7)
	51,656.3	45,849.7

NOTE: 33 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	19,478.6	17,634.6
Foreign currency translation difference	-	12.2
Inventories at the end of the year	(21,857.9)	(19,478.6)
	(2,379.3)	(1,831.8)

NOTE: 34 EMPLOYEE BENEFITS EXPENSE

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	19,801.3	18,265.7
Contribution to provident and other funds *	1,373.4	1,221.8
Staff welfare expenses	394.8	520.3
	21,569.5	20,007.8

* includes gratuity expense of ₹ 412.4 Million (March 31, 2022: ₹ 338.5 Million).

NOTE: 35 FINANCE COSTS

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense for financial liabilities carried at amortised cost	4,346.6	3,409.7
Interest expense others (includes interest on income tax and lease liability)	375.2	439.4
Exchange differences regarded as an adjustment to borrowing costs	-	31.9
	4,721.8	3,881.0

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 36 OTHER EXPENSES

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of materials, stores and spare parts	4,220.1	5,431.5
Conversion and other manufacturing charges	3,137.5	2,752.3
Power and fuel	4,952.1	4,223.3
Rent	43.2	39.5
Rates and taxes	2,360.1	2,311.9
Insurance	875.8	802.3
Selling, promotion and distribution	20,939.2	17,283.5
Commission on sales	259.5	232.5
Repairs and maintenance	3,015.6	2,459.4
Printing and stationery	208.0	194.0
Travelling and conveyance	1,994.2	1,032.7
Freight outward and handling charges	3,788.4	3,142.5
Communication	297.2	261.0
Provision / write off / (reversal) for doubtful trade receivables / advances	242.5	263.2
Professional, legal and consultancy	12,415.0	9,787.4
Loss on dissolution of subsidiary	8.8	-
Donations	272.6	158.4
Sitting fees to Directors	9.9	9.7
Commission to Directors	12.0	-
Payments to auditor (net of input credit, wherever applicable)		
For audit	34.8	29.6
For other services	22.9	13.2
Reimbursement of expenses	4.0	0.7
Impairment of property, plant and equipment, other intangible assets and intangible assets under development	82.7	67.1
Miscellaneous expenses	2,588.2	2,166.8
	61,784.3	52,662.5

NOTE: 37 RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE STATEMENT OF PROFIT AND LOSS

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	4,063.6	3,618.5
Contribution to provident and other funds	248.3	230.6
Staff welfare expenses	26.0	18.9
Consumption of materials, stores and spare parts	2,786.7	4,124.0
Power and fuel	345.6	319.1
Rent	37.9	20.6
Rates and taxes	809.3	769.2
Insurance	70.8	73.3
Repairs and maintenance	484.2	429.9
Printing and stationery	14.4	11.0
Travelling and conveyance	101.5	42.3
Communication	27.1	27.2
Professional, legal and consultancy	7,121.3	5,931.0
Miscellaneous expenses	423.4	489.2
	16,560.1	16,104.8
Less:		
Receipts from research activities	563.6	533.4
Miscellaneous income	16.4	41.7
	15,980.1	15,529.7



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 38 TAX RECONCILIATION

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Reconciliation of tax expense		
Profit before tax	17,410.5	3,068.6
Income tax rate (%) applicable to the Company #	34.944%	34.944%
Income tax calculated at income tax rate	6,083.9	1,072.3
Effect of expenses that are not deductible	10,667.0	972.7
Withholding tax in respect of income earned outside India	444.2	192.3
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(15,494.9)	(455.3)
Effect of reversal of MAT credit entitlement	-	4,406.0
Others	(1,196.9)	(2,119.5)
Income tax expense recognised in statement of profit and loss	503.3	4,068.5

The tax rate used for reconciliation above is the corporate tax rate of 34.944% (March 31, 2022: 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 was given in the standalone financial statements for the year ended March 31, 2022. The Company had not created a deferred tax asset on the losses of the merged entity.

NOTE: 39 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
i Contingent liabilities		
a Claims against the Company not acknowledged as debts	573.1	567.6
b Liabilities disputed - appeals filed with respect to:		
Income tax on account of disallowances / additions (Company appeals) *	2,831.6	4,125.5
Sales tax on account of rebate / classification	138.1	119.9
Goods and service tax / Excise duty / service tax on account of valuation / cenvat credit	947.3	301.4
ESIC contribution on account of applicability	124.5	130.5
c Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit enjoyed by the Company	3,474.2	3,474.2
d Other matters - state electricity board, Punjab Land Preservation Act related matters etc.	91.0	90.6
Note: includes interest till the date of demand, wherever applicable		
e Legal proceedings		
<p>The Company and/or its subsidiaries are involved in various legal proceedings, including but not limited to product liability claims, contract disputes, employment claims, antitrust matters, compliance matters, and other legal and regulatory matters relating to the conduct of its business. Some of the key matters are discussed below. Most of the legal proceedings involve complex issues, which are specific to the case and do not have precedents, and, hence, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the proceedings. This is due to a number of factors, including: the stage of the proceedings and the overall length of 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 outcomes 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 financial statements.</p>		

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Antitrust – Lipitor:		
The Company and certain of its subsidiaries were named as defendants in a number of putative class action lawsuits and individual actions brought by purchasers and payors in the U.S. alleging that the subsidiaries violated antitrust laws in connection with a 2008 patent litigation settlement agreement with Pfizer concerning generic Lipitor (atorvastatin). The cases have been transferred to the U.S. District Court for the District of New Jersey for coordinated pre-trial proceedings. Discovery commenced in January 2020 but was stayed in March 2020 pending mediation. Pursuant to the mediator's order of June 03, 2021, mediation briefing and oral argument on certain issues were completed in March 2022. Limited discovery as to certain issues resumed in July 2022. Under the current schedule, briefing for class certification and summary judgment motions are expected to be completed in 2023.		
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. On July 08, 2021, the court granted the generic Defendants’ motion to dismiss, the effect of which was to dismiss the Company and its subsidiaries with prejudice. That decision is on appeal. In addition to the federal court proceedings, the Company and two of its subsidiaries also are 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 various putative class actions pending in three Canadian provinces.		
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 fine against Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited (together “Ranbaxy”) in full and ruled that the European Commission’s (“EC”) decision dated June 19, 2013 that a settlement agreement between Ranbaxy and Lundbeck had been anti-competitive.		
The Company may now be subject to “follow-on” claims in national courts of some countries in Europe. The Company has recently been served with a claim in the United Kingdom, however the claim does not currently detail how the quantum of any purported damages is carved out between the various defendants. 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 the relevant claim and any potential future 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 ₹ 22,284.7 Million (March 31, 2022: ₹ 22,253.0 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] *	32,222.0	27,187.1
b Uncalled liability on partly paid investments	0.5	0.5
c Letters of credit for imports	1,496.3	325.5
* The Company is committed to pay milestone payments 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	1,197.4	1,181.5



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 40 RESEARCH AND DEVELOPMENT EXPENDITURE

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue, net (excluding depreciation) (Refer Note 37)	15,980.1	15,529.7
Capital	507.0	787.0

NOTE: 41 CATEGORIES OF FINANCIAL INSTRUMENTS

	₹ in Million		
	As at March 31, 2023		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments	-	58.5	-
Equity instruments / mutual funds - unquoted	2,088.1	-	-
Loans to related parties	-	-	39,688.3
Loans to employees / others	-	-	109.0
Security deposits	-	-	519.8
Unbilled revenue	-	-	231.5
Trade receivables	-	-	71,250.2
Cash and cash equivalents	-	-	4,102.8
Bank balances other than cash and cash equivalents	-	-	110.0
Interest accrued	-	-	265.6
Refund due from government authorities	-	-	3,844.0
Other receivables	-	-	1,300.3
Derivatives designated as hedges	-	24.4	-
Derivatives not designated as hedges	177.3	-	-
	2,265.4	82.9	121,421.5
Financial liabilities			
Borrowings	-	-	75,926.7
Interest accrued	-	-	3,912.2
Trade payables	-	-	31,255.8
Payables to employee	-	-	2,556.9
Unpaid dividends	-	-	104.3
Security deposits	-	-	41.2
Payables on purchase of property, plant and equipment and other intangible assets	-	-	218.6
Product settlement, claims, recall charges and trade commitments	-	-	37,685.9
Lease liabilities	-	-	1,981.5
Derivatives not designated as hedges	33.2	-	-
	33.2	-	153,683.1

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

	₹ 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 / securities - quoted	-	148.7	-
Equity instruments / mutual funds - unquoted	1,935.9	-	-
Loans to related parties	-	-	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

NOTE: 42 FAIR VALUE HIERARCHY

	₹ in Million		
	As at March 31, 2023		
	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 #	58.5	-	-
Investments in equity – unquoted	-	-	85.5
Mutual funds	2,002.6	-	-
Derivatives not designated as hedges	-	177.3	-
Derivatives designated as hedges	-	24.4	-
	2,061.1	201.7	85.5
Financial liabilities			
Derivatives not designated as hedges	-	33.2	-
	-	33.2	-



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

	₹ 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	-

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.

Reconciliation of Level 3 fair value measurements

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Unlisted shares valued at fair value		
Balance at the beginning of the year	5.5	5.5
Purchases during the year	80.0	-
Balance at the end of the year	85.5	5.5

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 43 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, 2023	As at March 31, 2022
Debt (includes borrowings and lease liabilities)	77,908.2	50,740.4
Total equity, including reserves	237,483.6	245,879.5
Debt to total equity ratio	0.33	0.21

(ii) Dividend on equity shares paid during the year

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Dividend on equity shares		
Final dividend for the year ended March 31, 2022 of ₹ 3.0 (year ended March 31, 2021: ₹ 2.0) per fully paid share	7,198.0	4,798.6
Interim dividend for the year ended March 31, 2023 of ₹ 7.5 (year ended March 31, 2022: ₹ 7.0) per fully paid share	17,995.0	16,790.5
Dividends not recognised at the end of the reporting period		
The Board of Directors at its meeting held on May 26, 2023 have recommended payment of final dividend of ₹ 4.0 per share of face value of ₹ 1 each for the year ended March 31, 2023. The same amounts to ₹ 9,597.3 Million.		
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.		

NOTE: 44 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.

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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 method

							₹ in Million
Trade receivables ageing	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Undisputed Trade receivables – considered good	35,257.6	23,437.8	9,528.5	1,722.8	407.8	895.7	71,250.2
Undisputed Trade Receivables – credit impaired	87.3	59.9	55.2	25.7	27.7	481.8	737.6
Disputed Trade Receivables – credit impaired	-	-	-	22.4	-	28.8	51.2
	35,344.9	23,497.7	9,583.7	1,770.9	435.5	1,406.3	72,039.0

							₹ in Million
Trade receivables ageing	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
Undisputed Trade receivables – considered good	20,864.6	15,940.1	2,887.4	629.5	208.5	1,917.7	42,447.8
Undisputed Trade Receivables – credit impaired	-	-	62.5	50.1	20.2	1,182.2	1,315.0
Disputed Trade Receivables – considered good	-	-	-	-	3.7	-	3.7
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

Footnote

Unbilled dues as at March 31, 2023 is ₹ 231.5 Million (March 31, 2022: ₹ 345.3 Million)

Trade receivables from parties are non-interest bearing and are generally on terms of 10 to 270 days.

		₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022	
Movement in the expected credit loss allowance on trade receivables			
Balance at the beginning of the year	1,341.7	1,251.5	
Addition	253.7	200.4	
Recoveries / write-offs	(806.6)	(110.2)	
Balance at the end of the year	788.8	1,341.7	

Other than trade receivables, the Company has recognised an allowance of ₹ 15.3 Million (March 31, 2022: ₹ 15.3 Million) against past due loans including interest and ₹ 500 Million (March 31, 2022: ₹ 500.0 Million) of other receivables based on assessment regarding its future recoverability.

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 ₹ 35,780.0 Million as on March 31, 2023 (March 31, 2022: ₹ 36,030.0 Million).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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, 2023
Non derivatives				
Borrowings	59.4	75,867.3	-	75,926.7
Trade payables	31,255.8	-	-	31,255.8
Lease liabilities	166.4	280.8	1,534.3	1,981.5
Other financial liabilities	40,606.9	3,912.2	-	44,519.1
	72,088.5	80,060.3	1,534.3	153,683.1
Derivatives	33.2	-	-	33.2
	33.2	-	-	33.2

	₹ in Million			
	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2022
Non derivatives				
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
Derivatives	127.0	-	-	127.0
	127.0	-	-	127.0

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, Brazilian Real 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, 2023

- 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, 2023						
	US Dollar	Euro	Russian Rouble	South African Rand	Brazilian Real	Others	Total
Financial assets							
Trade receivables	36,239.7	4,346.5	3,934.5	3,148.7	9,336.1	7,481.8	64,487.3
Cash and cash equivalents	2,614.6	669.4	59.0	-	-	297.1	3,640.1
Loans to subsidiaries	39,028.4	-	-	-	-	-	39,028.4
Interest accrued	192.2	-	-	-	-	-	192.2
	78,074.9	5,015.9	3,993.5	3,148.7	9,336.1	7,778.9	107,348.0
Financial liabilities							
Trade payables	13,335.8	1,329.1	29.9	154.1	6.4	1,074.9	15,930.2
Payables on purchase of property, plant and equipment and other intangible assets	12.0	4.0	-	-	-	6.4	22.4
Product settlement, claims, recall charges and trade commitments	37,685.9	-	-	-	-	-	37,685.9
	51,033.7	1,333.1	29.9	154.1	6.4	1,081.3	53,638.5

₹ in Million

	As at March 31, 2022						
	US Dollar	Euro	Russian Rouble	South African Rand	Brazilian Real	Others	Total
Financial assets							
Trade receivables	22,552.9	2,273.7	3,959.3	1,625.1	3,138.0	3,836.3	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	3,138.0	4,299.4	77,323.5
Financial liabilities							
Trade payables	9,978.3	637.7	2.2	174.3	6.3	439.6	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 55(2)]	15,917.5	-	-	-	-	-	15,917.5
	62,155.5	1,507.2	2.2	174.3	6.3	439.6	64,285.1

- b) Sensitivity

For the years ended March 31, 2023 and March 31, 2022, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would (decrease) / increase the Company's profit and (decrease) / increase the Company's equity by approximately ₹ (2,685.5) Million and ₹ (651.9) 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, 2023

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, Brazilian Real 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 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 ₹ 192.4 Million for the year ended March 31, 2023 and net loss of ₹ 492.4 Million for the year ended March 31, 2022 in other comprehensive income. The Company also recorded hedges as a component of revenue, loss of ₹ 1,076.9 Million for the year ended March 31, 2023 and gain of ₹ 1,128.3 Million for the year ended March 31, 2022 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 -

Hedge Type	Currency / Pair	Sold / Bought	Amount in Million	
			As at March 31, 2023	As at March 31, 2022
Derivatives designated as hedges				
Forward contracts	ZAR/INR	Sold ZAR	-	ZAR 360.0
Forward contracts	USD/INR	Sold USD	USD 486.0	USD 501.2
Derivatives not designated as hedges				
Forward contracts	USD/INR	Sold USD	USD 75.0	USD 75.0
Forward contracts	USD/RUB	Bought RUB	-	USD 6.0
Forward contracts	GBP/USD	Sold GBP	GBP 5.0	GBP 8.3
Forward contracts	EUR/USD	Sold EUR	EUR 9.0	EUR 17.5
Currency swaps	USD/INR	Sold USD	USD 400.0	USD 400.0

Interest rate risk

As at March 31, 2023 and March 31, 2022, 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.

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, 2023, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 45 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, 2023	As at March 31, 2022
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,194.2	1,052.8

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, 2023
Outstanding dues of micro and small enterprises	899.7	-	-	-	-	899.7
Outstanding dues of other than micro and small enterprises	21,800.0	3,259.5	399.8	217.3	* 4,385.0	30,061.6
Disputed dues of micro and small enterprises	-	255.1	24.5	9.2	5.7	294.5
	22,699.7	3,514.6	424.3	226.5	4,390.7	31,255.8

* Includes trade payable to subsidiaries of ₹ 4,168.9 Million.

	₹ 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.

NOTE: 46 EARNINGS PER SHARE

	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (loss) for the year (₹ in Million) – used as numerator for calculating earnings per share	16,907.2	(999.9)
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 ₹)	1.0	1.0
Basic earnings per share (in ₹)	7.0	(0.4)
Diluted earnings per share (in ₹)	7.0	(0.4)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 47 EMPLOYEE BENEFIT PLANS

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 ₹ 951.9 Million (March 31, 2022: ₹ 872.1 Million).

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Provident Fund and Family Pension Fund	843.6	762.4
Contribution to Superannuation Fund	71.1	69.8
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	36.0	38.8
Contribution to Labour Welfare Fund	1.2	1.1

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 have undertaken an obligation to provide financial support towards education expenses of the children of those employees who have 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.
- 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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 ₹ 234.8 Million [March 31, 2022: ₹ 539.5 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, 2023			Year ended March 31, 2022		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
Expense recognised in the statement of profit and loss (Refer Note 34)						
Current service cost	-	-	373.5	72.7	-	324.1
Interest cost	5.0	73.9	265.4	-	70.1	207.5
Expected return on plan assets	-	-	(226.5)	-	-	(193.1)
Expense charged to the statement of profit and loss	5.0	73.9	412.4	72.7	70.1	338.5
Remeasurement of defined benefit obligation recognised in other comprehensive income						
Actuarial loss / (gain) on defined benefit obligation	(10.6)	(66.4)	43.8	-	(23.4)	284.5
Actuarial gain on plan assets	-	-	(80.2)	-	-	(37.7)
Expense / (income) charged to other comprehensive income	(10.6)	(66.4)	(36.4)	-	(23.4)	246.8
Reconciliation of defined benefit obligations						
Obligation as at the beginning of the year	72.7	1,072.2	3,935.3	-	1,087.6	3,330.8
Current service cost	-	-	373.5	72.7	-	324.1
Interest cost	5.0	73.9	265.4	-	70.1	207.5
Obligations transferred	-	-	-	-	-	(10.2)
Benefits paid	(1.3)	(61.9)	(224.3)	-	(62.1)	(201.4)
Actuarial (gains) / losses on obligations						
- due to change in demographic assumptions	-	-	41.0	-	-	-
- due to change in financial assumptions	(2.7)	(44.5)	(76.7)	-	(40.4)	104.0
- due to experience	(7.9)	(21.9)	79.5	-	17.0	180.5
Obligation as at the year end	65.8	1,017.8	4,393.7	72.7	1,072.2	3,935.3

	₹ in Million	
	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Reconciliation of liability recognised in the financial statement		
Present value of commitments (as per Actuarial Valuation)	4,393.7	3,935.3
Fair value of plan assets	(3,656.2)	(3,358.6)
Net liability recognised in the financial statement	737.5	576.7

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

	₹ in Million	
	Year ended March 31, 2023 Gratuity (Funded)	Year ended March 31, 2022 Gratuity (Funded)
Reconciliation of plan assets		
Plan assets as at the beginning of the year	3,358.6	3,091.7
Expected return	226.5	193.1
Plan assets transferred	-	(10.7)
Actuarial gain	80.2	37.7
Employer's contribution during the year	215.2	248.2
Benefits paid	(224.3)	(201.4)
Plan assets as at the year end	3,656.2	3,358.6

	As at March 31, 2023			As at March 31, 2022		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
Assumptions:						
Discount rate	7.45%	7.45%	7.45%	6.85%	6.90%	6.75%
Expected return on plan assets	N.A.	N.A.	7.45%	N.A.	N.A.	6.75%
Expected rate of salary increase	N.A.	N.A.	10.00%- 10.50%	N.A.	N.A.	10.00%
Interest rate guarantee	N.A.	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)	Indian Assured Lives Mortality (2012-14)
Employee turnover	N.A.	N.A.	11.78% - 14.00%	N.A.	N.A.	12.40% - 13.45%
Retirement Age (years)	N.A.	N.A.	60	N.A.	N.A.	60

	As at March 31, 2023			As at March 31, 2022		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	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	(4.1)	(62.9)	(243.8)	(5.0)	(70.7)	(213.3)
Delta effect of -1% change in discount rate	4.5	67.2	272.6	5.6	76.4	238.0
Delta effect of +1% change in salary escalation rate	-	-	262.3	-	-	228.4
Delta effect of -1% change in salary escalation rate	-	-	(239.7)	-	-	(209.1)
Delta effect of +1% change in rate of employee turnover	-	-	(38.7)	-	-	(36.0)
Delta effect of -1% change in rate of employee turnover	-	-	42.6	-	-	39.6
Maturity analysis of projected benefit obligation for next						
1 st year	4.6	155.7	823.8	4.1	154.2	747.3
2 nd year	4.4	95.7	589.5	5.1	96.2	526.9
3 rd year	5.4	94.0	537.7	4.3	94.8	511.2
4 th year	6.5	92.1	505.0	5.3	93.1	455.8
5 th year	6.0	90.1	488.3	6.6	91.3	425.3
Thereafter	81.2	1,686.0	4,599.4	95.9	1,760.0	3,615.4



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

	₹ in Million					
	As at March 31, 2023			As at March 31, 2022		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
The major categories of plan assets are as under						
Central government securities	N.A.	N.A.	13.4	N.A.	N.A.	12.3
Bonds and securities	N.A.	N.A.	91.2	N.A.	N.A.	83.8
Insurer managed funds (Funded with LIC, break-up not available)	N.A.	N.A.	2,263.0	N.A.	N.A.	2,078.8
Surplus fund lying uninvested	N.A.	N.A.	1,288.6	N.A.	N.A.	1,183.7
The contribution expected to be made by the Company for gratuity, during financial year ending March 31, 2024 is ₹ 1,104.1 Million (March 31, 2023: ₹ 902.0 Million)						

NOTE: 48 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, 2023 is ₹ 41.2 Million (March 31, 2022: ₹ 23.1 Million).

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Lease liabilities – Maturity analysis – contractual undiscounted cashflows		
Not later than one year	327.6	323.8
Later than one year and not later than five years	1,028.8	1,038.2
Later than five years	2,694.4	2,908.2
	4,050.8	4,270.2

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Movement of lease liabilities		
Opening balance	2,053.3	2,216.5
Additions	113.8	39.8
Interest on lease liabilities	172.8	180.4
Deletions	(10.5)	(13.6)
Effect of changes in foreign exchange rates	0.2	0.5
Payment towards lease liabilities	(348.1)	(370.3)
Closing balance	1,981.5	2,053.3

- b) The Company has given certain premises and plant and machinery under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 3 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 49 BORROWINGS

Details of long term borrowings and current maturities of long term debt (included under short term borrowings)

- (I) Unsecured loan from related party of ₹ 75,867.3 Million (March 31, 2022: ₹ 48,656.4 Million). The loan was taken on March 31, 2021 and is repayable by March 31, 2026. The interest rate is 7.5 % p.a.

No loans were due during the year. Further, the Company has not defaulted on interest payment during the year.

NOTE: 50 RELATED PARTY DISCLOSURES (IND AS 24) AS PER ANNEXURE "A"

NOTE: 51 LOANS / ADVANCES GIVEN TO SUBSIDIARIES

	₹ in Million			
	As at March 31, 2023	Maximum balance March 31, 2023	As at March 31, 2022	Maximum balance March 31, 2022
Loans / advances outstanding from subsidiaries				
Zenotech Laboratories Limited, India	-	60.0	60.0	206.6
Realstone Infra Limited, India	500.7	500.7	500.6	500.6
Sun Pharmaceutical Inc. USA	32,866.0	32,866.0	30,315.0	30,315.0
Neetnav Real estate Pvt. Ltd.	159.2	159.2	-	-
Sun Pharma (Netherlands) B.V.	6,162.4	6,162.4	5,684.1	5,684.1
Sun Pharmaceuticals Ind. S.A.C.	-	-	-	131.0
Sun Pharmaceutical Peru SA	-	-	-	168.7
Sun Pharma Philippines Inc.	-	-	-	501.2
Sun Laboratories FZE	-	-	-	7,104.0

These loans have been granted to the above entities for the purpose of their business.

NOTE: 52

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, 2023*	Year ended March 31, 2022*
At the commencement of the year	26,118.2	15,441.9
Add: Provision for the year	1,754.0	17,448.5
Less: Utilisation / settlement / reversal / actualised	(21,234.5)	(6,772.2)
At the end of the year [Also Refer Note 55(2)]	6,637.7	26,118.2

(*) includes provision for trade commitments, discounts, rebates, price reduction and product returns.

NOTE: 53 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:

- Litigations [Refer Note 2 (2.2) (m) and Note 39]
- Revenue [Refer Note 2(2.2) (n)]
- Impairment of goodwill and intangible assets [Refer Note 2(2.2) (g)]
- Impairment of Investment in subsidiaries [Refer Note 2(2.2) (g)]



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

NOTE: 54 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recorded an additional amount of ₹ 641.2 Million (March 31, 2022: ₹ 667.4 Million) as deferred revenue pursuant to the requirements of Ind AS 115. Revenue of ₹ 2,241.3 Million (March 31, 2022: ₹ 1,661.5 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, 2023	Year ended March 31, 2022
Revenue as per contracted price, net of returns	194,346.4	156,473.1
Add / (Less):		
Provision for sales return	22.9	176.1
Rebates, discounts, price reduction and others	9,577.0	(1,464.2)
	9,599.9	(1,288.1)
Revenue from contract with customers	203,946.3	155,185.0

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Disaggregation of revenue		
Sale of products	198,930.6	151,961.4
Sale of service / others	5,015.7	3,223.6
	203,946.3	155,185.0

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Contract balances		
Trade receivables	71,250.2	42,451.6
Contract assets	231.5	345.3
Contract liabilities	6,945.5	11,312.4

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.

The Company has recognised revenue of ₹ 3,239.1 Million from the amounts included under advance received from customers at the beginning of the year.

NOTE: 55

- 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.
- Exceptional items includes
 - The Company has recognised an impairment charge of ₹ 29,377.9 Million in relation to the Company's investment in equity and preference shares of Sun Pharma Holdings, Mauritius, ("SPH") amounting to ₹ 127,673.7 Million in the standalone financial statements for the year ended March 31, 2023.

Investment by SPH in its step down subsidiaries, primarily in Taro, are determined as CGU as they derive their revenue from pharmaceutical products.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

The recoverable value of CGU represents its Value-in-use. The Value-in-use is determined using the discounted cash flow method on projections using a post-tax rate of 8% while the post-tax discount rate in previous year was 7%. As per management assessment, the fair valuation of the CGU is lower than its carrying value which is on account of various reasons including but not limited to pricing pressure in the United States, delays in launch of generic products, etc. Accordingly, the valuation gap has been addressed by impairment to that extent.

- 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 were 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 charge for the settlement was considered in the year ended March 31, 2022. The court granted final approval to the settlement and dismissed all of the cases in September 2022.
 - 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 US FDA import alert at Karkhadi facility in March 2014, the Company has remained fully committed to implement all corrective measures to address the observations made by the US FDA with the help of third-party consultants. The Company had completed all the action items to address the US FDA warning letter observations issued in May 2014. The Company does not intend to use the Karkhadi facility for drug product manufacturing for the U.S. market. The contribution of this facility to Company's revenues was negligible.
 4. The US FDA, 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 United States Attorney's Office for the District of New Jersey (US DOJ) had also issued an administrative subpoena, dated March 13, 2014, seeking information. The Company has fully cooperated and provided the requisite information to the US DOJ. All the Drug Master Files (DMF) from Toansa Facility for the U.S. market have been withdrawn, and the Company does not intend to use the facility for the U.S. market.
 5. The Halol facility was placed under import alert in December 2022. US FDA has exempted 14 products from import alert, subject to certain conditions. Previously, the facility was inspected by US FDA in May 2022 and the inspection was classified as Official Action Indicated (OAI) in August 2022. The Company is in communication with the US FDA to resolve the outstanding issues underlying OAI status and import alert.
 6. In September 2013, the US FDA 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 US FDA 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 completed the five-year, post-certification provisions as required by the consent decree. The August 2022 US FDA inspection of Mohali facility was classified as Official Action Indicated (OAI) and subsequently, in April 2023, the US FDA issued a Non-Compliance letter to the Mohali facility. As a result, US FDA has directed the Company to take certain corrective actions at the Mohali facility before releasing further final product batches into the US. These actions include, among others, retaining an independent cGMP expert to conduct batch certifications of drugs manufactured at the Mohali facility and for shipment to the U.S. market.
 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 standalone financial statements.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

8. During the year ended March 31, 2022, the Company had 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. Post this acquisition, the Company's shareholding in Zenotech 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 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 2022-23 covered CSR activities in the areas - Healthcare; Education; Environment Conservation; Drinking Water Project; Disaster Relief and Rural Development Programme.

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
(a) Amount required to be spent by the company during the year	292.6	317.4
(b) Amount of expenditure incurred	293.6	198.6
(c) Set-off of excess spent of previous years, if any	-	118.8
(d) Shortfall / (surplus) at the end of the year	(1.0)	-
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	NA	NA
(g) Details of related party transactions (as per Ind AS 24) #	150.0	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 ₹ 20.9 Million as at March 31, 2023.

Amount carried forward for set off in subsequent years from the excess spend in FY 2022-23 is ₹ 1.0 Million as at March 31, 2023.

11. On March 01, 2023, the Company disclosed an information security incident that impacted some of the Company's IT assets. The Company promptly took steps to contain and remediate the impact of the information security incident, including employing appropriate containment protocols to mitigate the threat, employing enhanced security measures and utilising global cyber security experts to ensure the integrity of the Company's IT systems' infrastructure and data. As part of the containment measures, the Company proactively isolated its network and initiated recovery procedures. As a result of these measures, certain business operations were also impacted.

Based on the Company's investigation, the Company currently believes that the incident's effects on its IT system include a breach of certain file systems and the theft of Company data and personal data. A ransomware group has claimed responsibility for this incident.

The Company has since strengthened its cybersecurity infrastructure and is in the process of implementing improvements to its cyber and data security systems to safeguard against such risks in the future. The Company is also implementing certain long-term measures to augment its security controls systems across the organization. The Company worked with legal counsel across relevant jurisdictions to notify applicable regulatory and data protection authorities, where considered required, and the Company believes there is no material legal non-compliance by the Company on account of the information security incident. The Company believes that all known impacts on its standalone financial statements for the year ended March 31, 2023 on account of this incident have been considered.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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 had 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 was 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 authorisation 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.

14. Ratios

Ratios and Formulae	Remarks	As at March 31, 2023	As at March 31, 2022	Variance (in %)
a) Current ratio = Current assets / Current liabilities	Change is due to increase in current assets on account of classification of loans given as current loans during the year.	1.97	0.96	104.7%
b) Debt equity ratio = (Long-term borrowings + Short-term borrowings and lease liabilities) / Total equity	Change due to increase in borrowings	0.33	0.21	59.0%
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 increase in profit on account of higher sales during the year.	13.55	9.58	41.4%
d) Return on equity ratio (%) = Net profit/(loss) after tax / Equity share capital	Change due to increase in profit on account of higher sales during the year.	704.67%	(41.67%)	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		1.66	1.68	(1.3%)
f) Trade receivables turnover ratio in no. of days = (Average trade receivables * no. of days) / Revenue from contracts with customers		102	127	(19.9%)
g) Trade payable turnover ratio in no. of days = (Average trade payable * no. of days) / Purchases during the year	Change due to decrease in the average payables during the year.	161	219	(26.6%)
h) Net capital turnover ratio = Revenue from contracts with customers / (Current assets - Current liabilities)	Change due to higher sales during the year.	2.52	(38.60)	NA
i) Net profit ratio (%) = Net profit/(loss) after tax / Total revenue from operations	Change is due to higher sales and product mix.	8.12%	(0.64%)	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 increase in profit on account of higher sales during the year.	6.25%	(0.41%)	NA
k) Return on investment (%) = Income generated from FVTPL Investment / Weighted average FVTPL investment	Change due to increase in market based returns	6.34%	3.33%	90.4%

Current assets and current liabilities are excluding held for sale assets and liabilities.



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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. No trade or other receivable are due from directors of the company 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 government authority.
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 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 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, 2023

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	

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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, 2023
Ageing of Capital work-in-progress					
Projects in progress	1,525.3	1,250.4	122.3	224.8	3,122.8
Projects temporarily suspended	-	-	-	165.9	165.9
	1,525.3	1,250.4	122.3	390.7	3,288.7
₹ 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					
To be completed in					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Overdue Capital work-in-progress					
Projects in progress					
Domestic formulation	577.8	-	-	-	577.8
Active Pharmaceutical Ingredient	221.7	-	-	-	221.7
Others	106.7	-	-	-	106.7
Projects temporarily suspended	165.9	-	-	-	165.9
	1,072.1	-	-	-	1,072.1
₹ 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					
Domestic formulation	749.9	-	-	-	749.9
Active Pharmaceutical Ingredient	144.9	-	-	-	144.9
Others	1.5	-	-	-	1.5
Projects temporarily suspended	-	165.9	-	-	165.9
	896.3	165.9	-	-	1,062.2
₹ in Million					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Ageing of Intangible assets under development					
Projects in progress	856.8	275.9	1,522.9	2,490.7	5,146.3
Projects temporarily suspended				94.1	94.1
	856.8	275.9	1,522.9	2,584.8	5,240.4



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

	₹ 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				
	To be completed in				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Overdue Intangible assets under development					
Projects in progress					
Others	189.8	0.9	-	-	190.7
	189.8	0.9	-	-	190.7

	₹ in Million				
	To be completed in				As at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Overdue Intangible assets under development					
Projects in progress					
Others	32.8	-	-	-	32.8
	32.8	-	-	-	32.8

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 10 shareholders holding 11,889 shares (March 31, 2022 - 8 shareholders holding 7,653 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 26, 2023

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI

Managing Director

(DIN : 00005588)

SAILESH T. DESAI

Wholtime Director

(DIN : 00005443)

ANOOP DESHPANDE

Company Secretary & Compliance Officer

C. S. MURALIDHARAN

Chief Financial Officer

Mumbai, May 26, 2023

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

(I) Names of related parties and description of relationships

a Subsidiaries

Green Eco Development Centre Limited	Ranbaxy Farmaceutica Ltda.
Sun Pharmaceutical (Bangladesh) Limited	Sun Pharma Canada Inc.
Sun Pharmaceutical Industries, Inc.	Sun Pharma Egypt LLC
Sun Farmaceutica Do Brasil Ltda.	Rexcel Egypt LLC
Sun Pharma De Mexico S.A. DE C.V.	Basics GmbH
SPIL De Mexico S.A. DE C.V. (Refer Footnote 4)	Ranbaxy Ireland Limited (Refer Footnote 4)
Sun Pharmaceutical Peru S.A.C.	Sun Pharma Italia srl
OOO "Sun Pharmaceutical Industries" Limited (Refer Footnote 3)	Sun Pharmaceutical Industries S.A.C.
Sun Pharma De Venezuela, C.A.	Ranbaxy (Poland) Sp. Z o.o.
Sun Pharma Laboratories Limited	SC Terapia SA
Faststone Mercantile Company Private Limited	AO Ranbaxy
Neetnav Real Estate Private Limited	Ranbaxy South Africa (Pty) Ltd.
Realstone Multitrade Private Limited	Ranbaxy Pharmaceuticals (Pty) Ltd.
Skisen Labs Private Limited	Sonke Pharmaceuticals Proprietary Limited
Sun Pharma Holdings	Sun Pharma Laboratorios, S.L.U.
Softdeal Pharmaceuticals Private Limited	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)
Sun Pharma (Netherlands) B.V.	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)
Sun Pharma France	Ranbaxy Inc.
Ranbaxy (Malaysia) Sdn. Bhd.	Ranbaxy (Thailand) Co., Ltd.
Ranbaxy Nigeria Limited	Ohm Laboratories, Inc.
Foundation for Disease Elimination and Control of India	Ranbaxy Signature LLC
Zenotech Laboratories Limited	Sun Pharmaceuticals Morocco LLC
Chattem Chemicals Inc.	"Ranbaxy Pharmaceuticals Ukraine" LLC
The Taro Development Corporation	Sun Pharmaceutical Medicare Limited
Alkaloida Chemical Company Zrt.	JSC Biosintez
Sun Pharmaceutical Industries (Australia) Pty Limited	Sun Pharmaceuticals Holdings USA, Inc.
Aditya Acquisition Company Ltd.	Zenotech Inc
Sun Pharmaceutical Industries (Europe) B.V.	Zenotech Farmaceutica Do Brasil Ltda.
Sun Pharmaceuticals Germany GmbH	Sun Pharma Distributors Limited
Sun Pharmaceuticals SA (Pty) Ltd.	Kayaku Co., Ltd. (Refer Footnote 9)
Sun Pharma Philippines, Inc.	Realstone Infra Limited
Caraco Pharmaceuticals Private Limited	Sun Pharmaceuticals (EZ) Limited
Sun Pharma Japan Ltd.	Sun Pharma Global FZE (Refer Footnote 6)
Sun Laboratories FZE	Sun Pharma (Shanghai) Limited
Taro Pharmaceutical Industries Ltd. (TARO) (Refer Footnote 5)	Sun Pharma Japan Technical Operations Limited (Refer Footnote 2)
Taro Pharmaceuticals Inc.	Alchemee, LLC (Refer Footnote 2)
Taro Pharmaceuticals U.S.A., Inc.	The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.) (Refer Footnote 2)
Taro Pharmaceuticals North America, Inc.	Proactiv YK (Refer Footnote 2)
Taro Pharmaceuticals Europe B.V.	The Proactiv Company KK (Refer Footnote 2)
Taro International Ltd.	Alchemee Skincare Corporation (Formerly known as The Proactiv Company Corporation) (Refer Footnote 2)
3 Skyline LLC	Foliage Merger Sub, Inc. (Refer Footnote 1 & 7)
One Commerce Drive LLC	Concert Pharmaceuticals, Inc. (Refer Footnote 1 & 8)
Taro Pharmaceutical Laboratories Inc. (Refer Footnote 10)	Concert Pharmaceuticals Securities Corp. (Refer Footnote 1)
Dusa Pharmaceuticals, Inc.	Concert Pharma U.K. Ltd. (Refer Footnote 1)
2 Independence Way LLC	Concert Pharma Ireland Limited (Refer Footnote 1)
Universal Enterprises Private Limited	Sun Pharma New Milford Parent LLC (Refer Footnote 1)
Sun Pharma Switzerland Limited	Sun Pharma Housatonic LLC (Refer Footnote 1)
Sun Pharma East Africa Limited	Sun Pharma Housatonic II LLC (Refer Footnote 1)
PI Real Estate Ventures, LLC	Sun Pharma Housatonic III LLC (Refer Footnote 1)
Sun Pharma ANZ Pty Ltd.	



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(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) (upto August 29, 2022)
	Kalyanasundaram Iyer Natesan Subramanian	Wholetime Director (upto February 13, 2023)
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 (upto August 29, 2022)	
	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	
	Pharmarack Technologies Pvt Ltd. (upto February 13, 2023)	

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, 2022 85.66% (beneficial ownership 78.48%)]
6. Sun Pharma Global FZE is under dissolution.
7. With effect from March 06, 2023 Foliage Merger Sub, Inc. merged with Concert Pharmaceuticals, Inc.
8. With effect from March 31, 2023 Concert Pharmaceuticals, Inc. merged with Sun Pharmaceutical Industries, Inc.
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 25, 2022 Taro Pharmaceutical Laboratories Inc. was merged into Taro Pharmaceuticals U.S.A., Inc.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

(II) Detail of related party transaction during the year ended March 31, 2023:

Type of Transaction	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of goods	6,903.1	5,952.3
Subsidiaries	6,899.2	5,948.0
Others	3.9	4.3
Purchase of property, plant and equipment and other intangible assets	21.4	1,298.7
Subsidiaries	18.9	913.5
Others	2.5	385.2
Revenue from contracts with customers, net of returns	170,416.4	121,827.7
Subsidiaries	170,364.4	121,772.7
Others	52.0	55.0
Sale of property, plant and equipment	70.9	351.7
Subsidiaries	66.9	329.1
Associates	-	17.5
Others	4.0	5.1
Other operative income / other income	14.6	17.2
Subsidiaries	-	2.8
Others	14.6	14.4
Receiving of service	3,027.9	2,622.2
Subsidiaries	2,403.2	1,650.8
Associates	0.4	-
Others	624.3	971.4
Reimbursement of expenses (paid)	30,959.0	11,148.3
Subsidiaries	30,932.2	11,122.0
Associates	-	1.3
Joint ventures (March 31, 2022: ₹ 9,849)	-	0.0
Others	26.8	25.0
Rendering of service	955.2	932.1
Subsidiaries	947.0	863.9
Others	8.2	68.2
Reimbursement of expenses (received)	1,320.3	1,890.9
Subsidiaries *	1,293.1	1,871.0
Others	27.2	19.9
Loans given	159.2	29,306.8
Subsidiaries	159.2	28,302.3
Associates**	-	1,004.5
Loans received back / assigned	60.0	9,559.4
Subsidiaries	60.0	9,559.4
Security deposit received	-	0.9
Others	-	0.9
Loss on liquidation of a subsidiary	8.8	-
Subsidiaries	8.8	-
Investments in subsidiary	-	14,787.6
Subsidiaries	-	14,787.6
Assignment of capital advance	266.0	-
Subsidiaries	266.0	-
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, 2023

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

(II) Detail of related party transaction during the year ended March 31, 2023:

Type of Transaction	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
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	82,140.5	85,611.2
Subsidiaries	82,140.5	85,611.2
Loan repaid	54,929.6	88,290.0
Subsidiaries	54,929.6	88,290.0
Dividend income on equity shares	-	135.4
Subsidiaries	-	135.4
Interest income	1,720.3	219.1
Subsidiaries	1,720.3	219.1
Interest expense	4,346.9	3,085.0
Subsidiaries	4,346.9	3,085.0
Lease rental and hire charges (Income)	46.3	44.7
Subsidiaries	14.4	13.5
Others	31.9	31.2
Rent expense / payment towards lease liabilities	255.6	262.2
Subsidiaries	255.6	262.2
CSR	150.0	100.0
Others	150.0	100.0
Remuneration	218.4	202.3
Key management personnel ^(#)	142.0	140.5
Relatives of Key management personnel	76.4	61.8

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, 2023

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

Balance outstanding as at the end of the year

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Receivables	64,156.4	34,528.1
Subsidiaries	64,155.3	34,527.7
Associates (March 31, 2022: ₹ 5,623)	-	0.0
Others	1.1	0.4
Payable	7,076.4	9,056.5
Subsidiaries	6,969.3	8,798.2
Key management personnel	-	-
Others	107.1	258.3
Loan taken	75,867.3	48,656.4
Subsidiaries	75,867.3	48,656.4
Loan given	39,688.3	36,559.7
Subsidiaries	39,688.3	36,559.7
Security deposit given	73.4	73.4
Subsidiaries	73.4	73.4
Security deposit received	1.0	1.0
Subsidiaries	0.1	0.1
Others	0.9	0.9
Other liabilities	37,685.9	34,362.6
Subsidiaries	37,685.9	34,362.6
Advance from customers	544.2	3,300.4
Subsidiaries	544.2	3,300.4
Advance (includes capital and supply of goods/services)	467.7	619.1
Subsidiaries	467.7	407.9
Associates	-	211.2
Accrued Interest income on loans and advances	264.4	116.2
Subsidiaries	264.4	116.2
Accrued Interest from borrowings	3,912.2	-
Subsidiaries	3,912.2	-
Provisions	3,352.7	6,962.8
Subsidiaries	3,352.7	6,962.8
Lease liabilities	1,713.5	1,818.1
Subsidiaries	1,713.5	1,818.1

- a) Transactions with related parties are made on an arm's length basis. Outstanding trade balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. As on year ended March 31, 2023, the Company has credit impairment of receivables relating to amounts owed by related parties (wholly owned subsidiaries) amounting to ₹ 54.9 Million (March 31, 2022: ₹ 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 ₹ 3352.7 Million (March 31, 2022: ₹ 6,962.8 Million).



Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

Disclosure of Material related party transaction as per Company's policy

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers, net of returns		
Sun Laboratories FZE	13,004.5	16,383.3
Sun Pharma Distributors Limited	39,676.9	38,214.2
Sun Pharmaceutical Industries, Inc.	56,150.4	14,979.1
Reimbursement of expenses – Paid		
Sun Pharmaceutical Industries, Inc.	27,807.1	-
Investments in subsidiary		
Sun Pharma (Netherlands) B.V.	-	14,734.4
Sale of investment to		
Sun Pharma (Netherlands) B.V.	-	14,524.3
Loans given		
Sun Pharmaceutical Industries, Inc.	-	22,715.8
Loan taken		
Sun Pharma Laboratories Limited	82,140.5	85,611.2
Loan repaid		
Sun Pharma Laboratories Limited	54,929.6	81,382.1

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 the consolidated Balance sheet as at March 31, 2023, 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 Ind AS 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, 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, 2023, 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 Ind AS 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, 2023. 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 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 by management, 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
<p>Litigations (as described in Note 39 of the consolidated Ind AS financial statements)</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> 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.



Key audit matter	How our audit addressed the key audit matter
<p>Rebates, discounts, chargebacks, returns and other allowances</p> <p>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.</p> <p>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.</p>	<p>(as described in note 53 of the consolidated Ind AS financial statements)</p> <p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of the Group's controls over the completeness, recognition and measurement of accruals. • 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 assumptions. • 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.
<p>Goodwill and other intangible assets (as described in note 3B and</p> <p>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.</p> <p>Significant judgements are used to estimate the recoverable amount of these intangible assets and goodwill and is hence considered as a Key Audit Matter.</p>	<p>47 of the consolidated Ind AS financial statements)</p> <p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> • 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.
<p>Tax litigations and recognition of deferred tax assets (as described</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>in note 39 and 50 of the consolidated Ind AS financial statements)</p> <p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> • 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 expert, to evaluate management's assessment of the outcome of these litigations. Our expert 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.
<p>Identification and disclosure of related parties (as described in</p> <p>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.</p> <p>Identification and disclosure of related parties was a significant area of focus and hence considered it as a Key Audit Matter.</p>	<p>note 57 of the consolidated Ind AS financial statements)</p> <p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> • 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.

Key audit matter	How our audit addressed the key audit matter
<p>Accounting for Business Combination (as described in note 78(a) of the consolidated Ind AS financial statements)</p> <p>During the year ended March 31, 2023, the Group has completed the acquisition of Concert Pharmaceutical Inc. that resulted in the Group acquiring control over the entity as disclosed in Note 78(a) of the consolidated Ind AS financial statements.</p> <p>The accounting for this transaction includes identification and valuation of net assets acquired and liabilities assumed, and the consequent allocation of the purchase price to the assets and liabilities arising from this transaction. Further, the acquisition agreement provides for contingent consideration for which the management estimated a fair value as on the date of acquisition.</p> <p>These require significant estimation and judgment on various aspects including post-acquisition performance of the acquired business, discount rates, growth rate and terminal value used, and is therefore considered a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over accounting of business combination. • Read and evaluated the key terms of the underlying agreements applicable to the acquisition along with the necessary board approval for the acquisition. • Obtained and read the valuation reports issued by experts engaged by management for measuring the assets acquired and liabilities assumed, at fair value including the allocation of purchase price. • Assessed the competence, capabilities and relevant experience of the experts engaged by management to determine fair value of the assets and liabilities acquired. • Evaluated performance forecasts used in the contingent consideration payable calculation and tested the arithmetical accuracy of the underlying calculation of consideration payable. • With the involvement of our experts, analysed the key assumptions adopted by management with reference to their business plan and historical actual results to assess the quality of management's financial projection. • Verified the accounting treatment required as per Ind AS 103 as assessed by the Company for said acquisitions and also assessed the compliance of the disclosures made in note 78(a) of the consolidated Ind AS financial statements.
<p>Information security incident (as described in Note 63 of the consolidated Ind AS financial statements)</p> <p>On March 1, 2023, the Group experienced an Information security incident related to ransomware wherein certain IT systems and data contained therein were impacted ("Incident").</p> <p>In response to this incident, the Group engaged external consultants to analyse the Incident and restore the IT systems. The Group also assessed the compliance requirements arising due to this Incident including inputs from internal legal counsel.</p> <p>The Group took certain measures to protect its core operational and financial systems which resulted into modifications in the internal control systems and processes including those relating to financial reporting.</p> <p>The Group has taken certain immediate steps and is also implementing certain long-term measures to augment its security controls systems across the organization.</p> <p>We have identified this as a key audit matter as it was an area of significant auditor attention which included critical assessment of the principal financial systems and internal controls used in /relied on for the preparation of the consolidated Ind AS financial statements.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> • Made inquiries with the Group's Chief Information Officer and Chief Financial Officer to understand their assessment of the Incident and the measures in place to mitigate this risk, focusing on the principal financial systems used in the preparation of the financial statements. • Read the reports of the external consultants, engaged by management, to gain an understanding of the cause of the Incident and its impact on IT systems including financial systems. • Inquired into the measures taken by management to restore the systems and augment the existing security controls across the organization. • Obtained a representation from management in consultation with the Group's internal legal counsel to determine whether Incident resulted in any violation of laws/regulations applicable in jurisdictions where Group operates. • Considered information from our internal experts and evidence from our other audit procedures, in order to assess whether any contradictory evidence exists which suggests the financial systems have been compromised. • Performed following procedures considering the facts above: <ul style="list-style-type: none"> – Tested alternate internal controls over financial reporting implemented by management during the period of breach. – Revisited and extended the nature, timing and extent of the planned substantive procedures arising out of the Incident. – Obtained management's assessment of the impact on internal controls over financial reporting pertaining to this Incident. • Assessed the related disclosures to the financial statements.



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 their respective companies 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 and its subsidiary companies, which are companies incorporated in India, 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 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, 2023 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 22 subsidiaries, whose financial statements, without giving effect to the elimination of intra-group transactions, include total assets of ₹ 538,660.2 Million as at March 31, 2023, and total revenues of ₹ 145,437.5 Million and net cash inflows of ₹ 2,871.7 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.
- (b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 19 subsidiaries, whose financial statements and other financial information, without giving effect to elimination of intra-group transactions, reflect total assets of ₹ 12,847.9 Million as at March 31, 2023, and total revenues of ₹ 8,953.3 Million and net cash inflows of ₹ 549.9 Million for the year ended on that date. These financial statements 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 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 ₹ 479.0 Million for the year ended March 31, 2023, as considered in the consolidated Ind AS financial statements, in respect of 6 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 associates and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates and joint venture, 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, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose reports 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 the written representations received from the directors of the Holding Company as on March 31, 2023 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 and its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 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) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their 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 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, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated Ind AS financial position of the Group 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 Note 23 and Note 28 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India, except a sum of ₹ 1.4 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 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, associate 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, associate 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 that 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 and its subsidiaries 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 and its subsidiaries incorporated in India and until the date of the respective audit reports of such Holding Company and its subsidiaries 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 and its subsidiaries, 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 dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries, associates and joint venture companies incorporated in India, hence reporting under this clause is not applicable.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Paul Alvares**

Partner

Membership Number: 105754

UDIN: 23105754BGQUOR8603

Place of Signature: Mumbai

Date: May 26, 2023



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 Pharmaceutical 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 Ind AS 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), xi(a)
Sun Pharma Laboratories Limited	U25200GJ1997PLC133846	Subsidiary	i(c), xi(a)
Sun Pharma Distributors Limited	U51909MH2019PLC322778	Subsidiary	xi(a)
Sun Pharmaceutical Medicare Limited	U36900GJ2017PLC095132	Subsidiary	xi(a)
Softdeal Pharmaceutical Private Limited	U51900MH2006PTC159237	Subsidiary	xi(a)
Faststone Mercantile Company Private Limited	U51900GJ2006PTC133844	Subsidiary	xi(a)
Neetnav Real Estate Private Limited	U45200MH2010PTC201611	Subsidiary	xi(a)
Realstone Multitrade Private Limited	U51900GJ2006PTC133238	Subsidiary	xi(a)
Realstone Infra Limited	U70109MH2020PLC337007	Subsidiary	xi(a)
Caraco Pharmaceuticals Private Limited	U24100MH2012FTC225970	Subsidiary	xi(a)
Green Eco Development Centre Limited	U90009GJ2010PLC062892	Subsidiary	xi(a)
Skisen Labs Private Limited	U73100GJ2005PTC133239	Subsidiary	xi(a)

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Paul Alvares**

Partner

Membership Number: 105754

UDIN: 23105754BGQUOR8603

Place of Signature: Mumbai

Date: May 26, 2023

Annexure 2 to the Independent Auditor's 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, 2023, 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 and 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 ("ICAI"). 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to 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 with reference to consolidated 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 With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated Ind AS financial statements of the Holding Company, in so far 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: 23105754BGQUOR8603

Place of Signature: Mumbai

Date: May 26, 2023

Consolidated Balance Sheet

as at March 31, 2023

Particulars	Notes	₹ in Million	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3A (I) & (II)	103,903.8	103,713.8
(b) Capital work-in-progress	3D	9,633.5	7,975.1
(c) Goodwill (Net)	47	87,127.1	65,912.8
(d) Other intangible assets	3B	53,170.3	57,025.0
(e) Intangible assets under development	3E	40,098.1	4,892.9
(f) Investment in associates	4	3,532.3	2,320.6
(g) Investment in joint venture	5	361.6	340.2
(h) Financial assets			
(i) Investments	6	50,680.9	49,485.7
(ii) Loans	7	6.1	7.1
(iii) Other financial assets	8	1,652.9	1,259.0
(i) Deferred tax assets (Net)	50	31,642.4	28,495.8
(j) Income tax assets (Net)	9	23,069.8	25,115.3
(k) Other non-current assets	10	3,723.7	2,888.4
Total non-current assets		408,602.5	349,431.7
(2) Current assets			
(a) Inventories	11	105,130.5	89,251.3
(b) Financial assets			
(i) Investments	12	93,726.1	76,339.4
(ii) Trade receivables	13	114,385.1	104,845.9
(iii) Cash and cash equivalents	14	46,237.3	45,082.5
(iv) Bank balances other than (iii) above	15	11,465.6	5,251.0
(v) Loans	16	413.2	1,699.7
(vi) Other financial assets	17	7,645.1	7,377.3
(c) Other current assets	18	19,616.5	18,798.9
Total current assets		398,619.4	348,646.0
Assets classified as held for sale	3C	214.0	-
TOTAL ASSETS		807,435.9	698,077.7



Consolidated Balance Sheet

as at March 31, 2023

Particulars	Notes	₹ in Million	
		As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	2,399.3	2,399.3
(b) Other equity	20	557,554.5	477,712.9
Equity attributable to the equity shareholders of the Company		559,953.8	480,112.2
Non-controlling interests	71	33,200.9	30,548.9
Total equity		593,154.7	510,661.1
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	-	2,299.2
(ii) Lease Liabilities	54	5,599.1	2,517.9
(iii) Other financial liabilities	22	37.9	161.2
(b) Provisions	23	3,429.1	3,690.7
(c) Deferred tax liabilities (Net)	50	316.9	318.6
(d) Other non-current liabilities	24	5,828.2	6,344.5
Total non-current liabilities		15,211.2	15,332.1
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	61,978.8	7,007.7
(ii) Lease Liabilities	54	1,280.8	1,078.2
(iii) Trade payables	74	56,815.2	44,897.6
(iv) Other financial liabilities	26	15,930.9	18,832.7
(b) Other current liabilities	27	6,427.2	7,033.9
(c) Provisions	28	53,543.8	91,478.2
(d) Current tax liabilities (Net)	29	3,087.1	1,756.2
Total current liabilities		199,063.8	172,084.5
Liabilities directly associated with assets classified as held for sale	3C	6.2	-
Total liabilities		214,281.2	187,416.6
TOTAL EQUITY AND LIABILITIES		807,435.9	698,077.7

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 26, 2023

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholtime Director
(DIN : 00005443)

ANOOP DESHPANDE
Company Secretary & Compliance Officer

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 26, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

Particulars	Notes	₹ in Million	
		Year ended March 31, 2023	Year ended March 31, 2022
(I) Revenue from operations	30	438,856.8	386,544.9
(II) Other income	31	6,345.2	9,215.1
(III) Total income (I+II)		445,202.0	395,760.0
(IV) Expenses			
Cost of materials consumed	32	77,775.7	70,491.2
Purchases of stock-in-trade		35,715.0	34,100.3
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(6,869.1)	(1,076.1)
Employee benefits expense	34	82,960.3	73,008.3
Finance costs	35	1,720.0	1,273.5
Depreciation and amortisation expense	3 (A & B)	25,294.3	21,437.4
Other expenses	36	131,546.0	107,583.6
Net (gain) / loss on foreign currency transactions		1,261.0	(1,539.6)
Total expenses (IV)		349,403.2	305,278.6
(V) Profit before exceptional items and tax (III-IV)		95,798.8	90,481.4
(VI) Exceptional items	61	1,714.5	45,668.2
(VII) Profit before tax (V-VI)		94,084.3	44,813.2
(VIII) Tax expense/(credit)			
Current tax		18,692.2	3,543.9
Deferred tax		(10,216.3)	7,975.3
Deferred tax - exceptional	61	-	(764.2)
Total tax expense (VIII)	49	8,475.9	10,755.0
(IX) Profit for the year before share of profit/(loss) of associates and joint venture (VII-VIII)		85,608.4	34,058.2
(X) Share of profit/(loss) of associates (net of tax)		(476.7)	(217.3)
(XI) Share of profit/(loss) of joint venture (net of tax)		(2.3)	51.9
(XII) Profit for the year before non-controlling interests (IX+X+XI)		85,129.4	33,892.8
(XIII) Non-controlling interests	71	393.6	1,165.5
(XIV) Profit for the year attributable to owners of the Company (XII-XIII)		84,735.8	32,727.3
(XV) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(a) Gain/(loss) on remeasurement of the defined benefit plans		157.4	(330.7)
Income tax on above		(54.2)	115.3
		103.2	(215.4)
(b) Gain/(loss) on equity instruments measured at fair value through other comprehensive income		832.0	(1,542.8)
Income tax on above		(63.8)	45.6
		768.2	(1,497.2)
Total (A)		871.4	(1,712.6)



Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

Particulars	Notes	₹ in Million	
		Year ended March 31, 2023	Year ended March 31, 2022
(B) Items that may be reclassified to profit or loss			
(a) Gain/(loss) on debt instruments measured at fair value through other comprehensive income		(247.7)	(1,567.3)
Income tax on above		(3.8)	131.6
		(251.5)	(1,435.7)
(b) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		(529.6)	(515.3)
Income tax on above		66.1	171.4
		(463.5)	(343.9)
(c) Exchange differences in translating the financial statements of foreign operations		22,913.7	9,479.1
Exchange differences on translation of net investment in foreign operations		(504.4)	344.4
Income tax on above		-	(759.2)
		22,409.3	9,064.3
Total (B)		21,694.3	7,284.7
(XV) Total other comprehensive income (A + B)		22,565.7	5,572.1
(XVI) Total comprehensive income for the year (XII+XV)		107,695.1	39,464.9
Other comprehensive income for the year attributable to:			
- Owners of the Company		20,298.8	4,794.5
- Non-controlling interests		2,266.9	777.6
Total comprehensive income for the year attributable to:			
- Owners of the Company		105,034.6	37,521.8
- Non-controlling interests		2,660.5	1,943.1
Earnings per equity share (face value per equity share - ₹ 1)	51		
Basic (in ₹)		35.3	13.6
Diluted (in ₹)		35.3	13.6

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 26, 2023

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 & Compliance Officer

C. S. MURALIDHARAN

Chief Financial Officer

Mumbai, May 26, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

Particulars	Other equity										Non-controlling interests	Total			
	Equity share capital	Reserves and surplus					Other comprehensive income (OCI)			Attributable to owners of parent company					
		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, 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
Profit for the year	-	-	-	-	-	-	-	84,735.8	-	-	-	-	84,735.8	393.6	85,129.4
Exchange difference arising on translation of foreign operations/ net investment in foreign operations, net of tax	-	-	-	-	-	-	-	-	-	-	20,059.8	-	20,059.8	2,349.5	22,409.3
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	* 103.2	(241.6)	768.2	-	(390.8)	239.0	(82.6)	156.4
Total comprehensive income for the year	-	-	-	-	-	-	-	84,839.0	(241.6)	768.2	20,059.8	(390.8)	105,034.6	2,660.5	107,695.1
Payment of dividend	-	-	-	-	-	-	-	(25,193.0)	-	-	-	-	(25,193.0)	(8.5)	(25,201.5)
Balance as at March 31, 2023	2,399.3	3,681.7	11,874.1	43.8	7.5	285.5	35,621.0	436,102.5	(1,011.2)	3,160.8	67,994.9	(206.1)	559,953.8	33,200.9	593,154.7

* Represents remeasurement 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 26, 2023

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)

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 26, 2023

ANOOP DESHPANDE
Company Secretary & Compliance Officer



Consolidated Cash Flow Statement

for the year ended March 31, 2023

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from operating activities		
Profit / (loss) before tax	94,084.3	44,813.2
Adjustments for:		
Depreciation and amortisation expense	25,294.3	21,437.4
Net (gain) / loss on sale / write off / impairment of property, plant and equipment, other intangible assets, intangible assets under development and goodwill	227.1	1,656.0
Finance costs	1,720.0	1,273.5
Interest income	(3,845.4)	(5,533.7)
Dividend income on investments	(1,464.5)	(2,153.3)
Net (gain) / loss arising on financial assets measured at fair value through profit or loss	1,613.0	3,619.5
Net gain on sale of financial assets measured at fair value through profit or loss	(1,847.1)	(486.1)
Net (gain) / loss on sale of financial assets measured at fair value through other comprehensive income	240.3	(7.7)
Provision/impairment/write off/(reversal) for doubtful trade receivables/advances/loans	2,070.5	175.7
Sundry balances written back, net	(150.7)	(59.8)
Effect of exchange rate changes	3,368.1	(172.0)
Operating profit before working capital changes	121,309.9	64,562.7
Movements in working capital:		
(Increase) / Decrease in inventories	(12,022.0)	3,069.5
(Increase) / Decrease in trade receivables	(9,531.7)	(13,422.6)
(Increase) / Decrease in other assets	(2,158.1)	141.1
Increase / (Decrease) in trade payables	11,823.7	3,699.2
Increase / (Decrease) in other liabilities	(6,691.5)	(23,333.5)
Increase / (Decrease) in provisions	(38,038.6)	45,436.8
Cash generated from operations	64,691.7	80,153.2
Net Income tax (paid) / refund received (including interest on refunds)	(15,098.4)	9,692.2
Net cash generated from operating activities (A)	49,593.3	89,845.4
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)	(20,855.8)	(14,950.4)
Proceeds from disposal of property, plant and equipment and other intangible assets	210.1	606.1
Loans / inter corporate deposits given / placed	-	(76.8)
Loans / inter corporate deposits received back / matured	-	140.4
Purchase of investments		
Associates	(1,554.9)	(152.7)
Others	(218,087.4)	(241,353.5)
Proceeds from sale of Investments (others)	208,968.4	207,020.8
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	(7,251.0)	(5,117.9)
Fixed deposits / margin money matured	1,488.7	1,692.6
Acquisition of subsidiary	(46,858.2)	(7,395.7)
Disposal of subsidiary	-	238.4
Interest received	3,179.3	763.0
Dividend received	1,324.0	1,338.3
Net cash used in investing activities (B)	(79,436.8)	(57,247.4)

Consolidated Cash Flow Statement

for the year ended March 31, 2023

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
C. Cash flow from financing activities		
Proceeds of borrowings	81,597.8	16,567.7
Repayment of borrowings	(28,996.3)	(43,999.0)
Repayment towards lease liabilities	(1,346.2)	(1,286.5)
Payment for buy-back of equity shares held by non-controlling interests of subsidiaries	-	(1,857.0)
Net increase / (decrease) in working capital demand loans	(1,304.9)	1,064.2
Finance costs	(992.4)	(732.1)
Dividend payment to non-controlling interests	(8.5)	(102.7)
Dividend paid	(25,188.8)	(21,589.2)
Net cash from / (used in) financing activities (C)	23,760.7	(51,934.6)
Net decrease in cash and cash equivalents (A+B+C)	(6,082.8)	(19,336.6)
Cash and cash equivalents at the beginning of the period	45,082.5	62,730.3
Cash and cash equivalents transferred on sale of subsidiary/taken over on acquisition of subsidiary	5,666.9	414.5
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	1,570.7	1,274.3
Cash and cash equivalents at the end of the year	46,237.3	45,082.5

Notes:

Particulars	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	32,249.3	21,487.4
In deposit accounts with original maturity less than 3 months	13,871.7	23,439.1
Cheques, drafts on hand	94.9	140.8
Cash on hand	21.4	15.2
Cash and cash equivalents (Refer Note 14)	46,237.3	45,082.5



Consolidated Cash Flow Statement

for the year ended March 31, 2023

Change in financial liability/ asset arising from financing activities

Particulars	₹ in Million	
	Year ended March 31, 2023	
	Borrowings	Derivatives, net [(liabilities) / asset]
Opening balance	9,306.9	(302.7)
Changes from financing cash flows	51,296.6	-
The effect of changes in foreign exchange rates	1375.3	66.1
Closing balance	61,978.8	(236.6)

Particulars	₹ in Million	
	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)

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 26, 2023

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 & Compliance Officer

C. S. MURALIDHARAN

Chief Financial Officer

Mumbai , May 26, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 26, 2023.

2. Significant accounting policies

2.1 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2023 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, 2022.

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, 2023

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

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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



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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 amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

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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*	4-125
Plant and equipment	2-30
Vehicles	3-15
Office equipment	2-17
Furniture and fixtures	3-15

* 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.



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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.

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.

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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 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.



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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 de-recognition 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 de-recognition 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.

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.



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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.

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

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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 de-recognition 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 through 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.

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



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

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.

I. *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.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 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.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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.

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.



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for the year ended March 31, 2023

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 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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements –

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Group's financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors –

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 – Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 3A(I) 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, 2021	4,425.5	57,091.2	116,289.0	4,208.7	1,080.8	2,702.2	185,797.4
Foreign currency translation difference	(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
Foreign currency translation difference	123.1	2,487.9	3,357.6	166.6	15.5	41.8	6,192.5
Taken over on acquisition	-	496.4	194.1	-	-	-	690.5
Additions	104.9	797.6	5,005.0	90.2	230.2	208.1	6,436.0
Disposals	-	(83.2)	(1,083.7)	(45.1)	(204.5)	(24.5)	(1,441.0)
Reclassified to Assets held for Sale	-	(139.4)	(328.4)	(4.4)	(2.7)	(1.4)	(476.3)
As at March 31, 2023	6,676.1	61,395.4	130,773.5	4,438.6	1,186.5	3,246.3	207,716.4
Accumulated depreciation and impairment							
As at March 31, 2021	-	19,774.3	63,015.3	2,861.1	748.3	1,609.0	88,008.0
Foreign currency translation difference	-	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
Foreign currency translation difference	-	1,127.7	2,613.0	131.8	15.3	27.7	3,915.5
Taken over on acquisition	-	215.4	141.5	-	-	-	356.9
Depreciation expense	-	2,047.1	8,663.0	222.7	125.7	372.9	11,431.4
Disposals	-	(79.0)	(984.6)	(36.4)	(186.7)	(22.7)	(1,309.4)
Reclassified to Assets held for Sale	-	(40.5)	(227.7)	(4.0)	(1.5)	(1.0)	(274.7)
As at March 31, 2023	-	24,068.5	81,063.2	3,419.6	702.8	2,308.0	111,562.1
Carrying amount							
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
As at March 31, 2023	6,676.1	37,326.9	49,710.3	1,019.0	483.7	938.3	96,154.3



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for the year ended March 31, 2023

NOTE: 3A(II) RIGHT-OF-USE ASSETS

						₹ in Million
	Leasehold land	Buildings	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost						
As at March 31, 2021	1,998.3	2,281.0	-	2,633.3	26.6	6,939.2
Foreign currency translation difference	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
Foreign currency translation difference	137.1	126.8	(0.2)	216.7	(0.2)	480.2
Taken over on acquisition	-	1,382.1	-	-	-	1,382.1
Additions	5.8	3,193.3	-	515.7	-	3,714.8
Disposals	(4.8)	(542.7)	-	(381.7)	-	(929.2)
Reclassified to Assets held for Sale	(8.9)	-	-	-	-	(8.9)
As at March 31, 2023	2,302.3	6,801.5	2.8	3,283.2	23.9	12,413.7
Accumulated depreciation						
As at March 31, 2021	385.3	912.8	-	1,073.5	7.1	2,378.7
Foreign currency translation difference	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
Foreign currency translation difference	22.6	75.1	-	114.8	0.1	212.6
Taken over on acquisition	-	729.6	-	-	-	729.6
Depreciation expense	49.4	595.0	0.6	664.8	5.4	1,315.2
Disposals	-	(341.0)	-	(184.8)	-	(525.8)
Reclassified to Assets held for Sale	(0.6)	-	-	-	-	(0.6)
As at March 31, 2023	512.3	2,216.1	1.7	1,919.0	15.1	4,664.2
Carrying amount						
As at March 31, 2022	1,732.2	1,484.6	1.9	1,608.3	14.5	4,841.5
As at March 31, 2023	1,790.0	4,585.4	1.1	1,364.2	8.8	7,749.5

* 38,546/-

(i) For details of Ind AS 116 disclosure refer Note 54.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 3B OTHER INTANGIBLE ASSETS

Other than internally generated

	Computer Software	Product related intangibles	₹ in Million Total
At cost or deemed cost			
As at March 31, 2021	3,708.4	96,468.5	100,176.9
Foreign currency translation difference	117.4	1,489.2	1,606.6
Taken over on acquisition	-	4,751.1	4,751.1
Additions	695.5	9,906.2	10,601.7
Disposals	(0.2)	(64.7)	(64.9)
As at March 31, 2022	4,521.1	112,550.3	117,071.4
Foreign currency translation difference	71.5	2,046.5	2,118.0
Taken over on acquisition	39.9	-	39.9
Additions	731.8	7,352.4	8,084.2
Disposals	(1.2)	(15.3)	(16.5)
Reclassified to Assets held for Sale	(7.9)	-	(7.9)
As at March 31, 2023	5,355.2	121,933.9	127,289.1
Accumulated amortisation and impairment			
As at April 01, 2021	2,000.4	47,873.0	49,873.4
Foreign currency translation difference	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
Foreign currency translation difference	60.7	1,463.1	1,523.8
Taken over on acquisition	18.8	-	18.8
Amortisation expense	533.4	12,024.3	12,557.7
Disposals	(0.5)	(23.6)	(24.1)
Reclassified to Assets held for Sale	(3.8)	-	(3.8)
As at March 31, 2023	3,160.0	70,958.8	74,118.8
Carrying amount			
As at March 31, 2022	1,969.7	55,055.3	57,025.0
As at March 31, 2023	2,195.2	50,975.1	53,170.3

Footnotes:

- Buildings include ₹ 8,620 (March 31, 2022: ₹ 8,620) towards cost of shares in a co-operative housing society and also includes ₹ 4.5 Million (March 31, 2022: ₹ 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.
- For details of assets pledged as security, if any Refer note 66.
- 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.
- ₹ 10.0 Million (March 31, 2022: ₹ 88.7 Million) related to impairment of Property, Plant and Equipment and other Intangible Assets has been included above under depreciation and amortisation expense.
- The aggregate amortisation has been included under depreciation and amortisation expense in the consolidated statement of profit and loss.

NOTE: 3C ASSETS CLASSIFIED AS HELD FOR SALE

	₹ in Million As at March 31, 2023
Buildings	98.9
Computer Software	4.1
Furniture and fixtures	0.4
Leasehold land	8.3
Office equipment	0.4
Plant and equipment	100.7
Vehicles	1.2
	214.0

Net of accumulated depreciation and amortisation



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

	₹ in Million
	As at March 31, 2023
Lease liabilities	6.2
	6.2

The company as a part of its ongoing initiative of network strategy and optimization of manufacturing facilities have identified divestment of its Goa facility. The plan involves transferring above assets and liabilities to a prospective buyer. The transfer is to be completed during the year 2023-24 and hence, these have been classified as held for sale. These assets and liabilities have been carried at cost as the same is lower than the fair value expected out of sale.

NOTE: 3D CAPITAL WORK-IN-PROGRESS

	₹ in Million
	Year ended March 31, 2023
As at March 31, 2022	7,975.1
Additions	6,167.7
Capitalised	(4,501.1)
Foreign currency translation difference	(8.2)
As at March 31, 2023	9,633.5

NOTE: 3E INTANGIBLE ASSETS UNDER DEVELOPMENT

	₹ in Million
	Year ended March 31, 2023
As at March 31, 2022	4,892.9
Additions	6,618.6
Taken over on acquisition	34,258.6
Capitalised	(5,715.6)
Impairment	(82.7)
Foreign currency translation difference	126.3
As at March 31, 2023	40,098.1

NOTE: 4 INVESTMENT IN ASSOCIATES (NON-CURRENT)

	As at March 31, 2023		As at March 31, 2022	
	Quantity	₹ in Million	Quantity	₹ in Million
(Carrying amount determined using equity method of accounting)				
Unquoted, fully paid				
Equity instruments				
Medinstill LLC	1,999	763.9	1,999	887.7
Tarsier Pharma Ltd.	455,447	401.7	455,447	443.5
Tarsier Pharma Ltd. – share application money	-	57.5	-	-
Intact Solution LLC	153	52.4	153	57.8
WRS Bioproducts Pty Ltd.	428,571	117.4	428,571	112.2
Remidio Innovative Solutions Private Limited	525	77.3	-	-
Preference shares				
Remidio Innovative Solutions Private Limited	474,511	1,420.0	-	-
Limited liability partnership				
Trumpcard Advisors and Finvest LLP		642.1		819.4
Generic Solar Power LLP [₹ Nil (March 31, 2022: ₹ Nil)]		-		-
		3,532.3		2,320.6
Aggregate carrying value of unquoted investments		3,532.3		2,320.6

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 5 INVESTMENT IN JOINT VENTURE (NON-CURRENT)

	As at March 31, 2023		As at March 31, 2022	
	Quantity	₹ in Million	Quantity	₹ in Million
(Carrying amount determined using equity method of accounting)				
Unquoted, fully paid				
Equity instruments				
Artes Biotechnology GmbH	15,853	361.6	15,853	340.2
		361.6		340.2
Aggregate carrying value of unquoted investments		361.6		340.2

NOTE: 6 INVESTMENTS (NON-CURRENT)

	As at March 31, 2023		As at March 31, 2022	
	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	327.6	2,868,623	906.7
Krebs Biochemicals and Industries Limited Shares of ₹ 10 each fully paid	1,036,943	58.5	1,036,943	148.7
Krystal Biotech, Inc. Shares of USD 0.00001 each fully paid	914,107	6,013.5	914,107	4,610.4
scPharmaceuticals Inc. Shares of USD 0.0001 each fully paid	2,167,679	1,615.6	2,167,679	933.3
Others (equity instruments received as part of distribution)		212.6		287.2
Equity instruments - Quoted - At fair value through Profit or Loss		669.1		737.8
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. Less: Impairment in value of investment	38,894	211.6	38,894	195.2
Others		(211.6)		(195.2)
		325.8		212.0
Limited liability partnership - Unquoted - At fair value through other comprehensive income				
ABCD Technologies LLP		406.2		402.5
Debentures/bonds - Quoted - At fair value through other comprehensive income				
Bonds (various small denomination)*		28,003.7		30,205.8
ONGC Videsh 4.625% Regd. Notes maturing July 15, 2024 #	160,000	1,300.2	160,000	1,238.5
NTPC 4.375% Regd. Euro Medium Term Notes maturing November 26, 2024 #	100,000	807.9	100,000	770.5
State Bank of India 4.875% Notes maturing April 17, 2024 #	70,000	572.6	70,000	545.4
Vedanta Resources Plc 6.125% maturing on August 09, 2024	141,000	684.1	-	-
Venture funds - Unquoted - At fair value through Profit or Loss		5,079.8		6,444.2
Others - Quoted - At fair value through other comprehensive income (small denomination U.S Treasuries, certificate of deposits and commercial papers)	-	4,603.7	-	2,042.7
		50,680.9		49,485.7
Aggregate book value (carrying value) of quoted investments		44,869.1		42,427.0
Aggregate amount of quoted investments at market value		44,869.1		42,427.0
Aggregate amount of unquoted investments before impairment		6,957.9		8,188.4
Aggregate amount of impairment in value of investments		1,146.1		1,129.7

* Various small denomination bonds individually below USD 5 Million comprised of sovereign bonds, corporate bonds, perpetual bonds, etc.

Investment in bonds were encumbered as at March 31, 2022.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 7 LOANS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Loans to employees		
Secured, considered good	1.4	2.4
Unsecured, considered good	4.7	4.7
	6.1	7.1

NOTE: 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Security deposits – unsecured, considered good	763.3	625.8
Derivatives designated as hedges	0.1	-
Derivatives not designated as hedges	-	5.5
Unbilled revenue (Refer note 53)	108.3	193.7
Others	781.2	434.0
	1,652.9	1,259.0

NOTE: 9 INCOME TAX ASSET (NET) [NON-CURRENT]

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provisions)*	23,069.8	25,115.3
	23,069.8	25,115.3

* Includes amount paid under protest

NOTE: 10 OTHER ASSETS [NON-CURRENT]

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Capital advances	1,303.9	908.5
Prepaid expenses	150.0	21.7
Balances with government authorities*	2,269.8	1,958.2
	3,723.7	2,888.4

* Includes amount paid under protest.

NOTE: 11 INVENTORIES

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Lower of cost and net realisable value		
Raw materials and packing materials	34,325.5	28,417.5
Goods-in-transit	459.0	717.9
	34,784.5	29,135.4
Work-in-progress	24,973.8	20,578.0
Finished goods	34,510.9	30,648.1
Stock-in-trade	9,202.1	7,492.5
Goods-in-transit	348.7	173.5
	9,550.8	7,666.0
Stores and spares	1,310.5	1,223.8
	105,130.5	89,251.3

(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 ₹ 22,082.4 Million (March 31, 2022: ₹ 21,294.2 Million). The changes in write downs are recognised 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 12 INVESTMENTS (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Equity instruments - Quoted - At fair value through Profit or Loss	644.6	749.5
Bonds/debentures - Quoted - At fair value through other comprehensive income		
Bonds (various small denomination investments)#	28,917.3	26,820.4
Mutual funds * - Unquoted - At fair value through Profit or Loss	44,377.4	36,021.4
Others - Quoted - At fair value through other comprehensive income (small denomination U.S Treasuries, certificate of deposits and commercial papers)	19,786.8	12,748.1
	93,726.1	76,339.4
Aggregate book value (carrying value) of quoted investments	49,348.7	40,318.0
Aggregate amount of quoted investments at market value	49,348.7	40,318.0
Aggregate amount of unquoted investments before impairment	44,377.4	36,021.4
Aggregate amount of impairment in value of investments	-	-

Various small denomination bonds individually below USD 5 Million comprised of sovereign bonds, corporate bonds, perpetual bonds, etc.

* Investments in mutual funds have been fair valued at closing net asset value (NAV).

NOTE: 13 TRADE RECEIVABLES

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	114,385.1	104,845.9
Credit impaired	4,149.3	4,766.2
	118,534.4	109,612.1
Less: Allowance for credit impaired	(4,149.3)	(4,766.2)
	114,385.1	104,845.9

NOTE: 14 CASH AND CASH EQUIVALENTS

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Balance with banks		
In current accounts	32,249.3	21,487.4
In deposit accounts with original maturity less than 3 months	13,871.7	23,439.1
Cheques, drafts on hand	94.9	140.8
Cash on hand	21.4	15.2
	46,237.3	45,082.5

NOTE: 15 BANK BALANCES OTHER THAN DISCLOSED IN NOTE 14 ABOVE

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Deposit accounts	11,336.7	5,126.0
Earmarked balances with banks		
Unpaid dividend accounts	103.4	104.2
Balances held as margin money or security against guarantees and other commitments	25.5	20.8
	11,465.6	5,251.0



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 16 LOANS (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Loans to related party		
Secured, considered good (Refer note 61 and 68)	-	379.0
Unsecured, considered good (Refer note 61 and 68)	246.4	1,098.0
Unsecured, credit impaired (Refer note 61 and 68)	1,354.9	-
Less: Allowance for credit impaired	(1,354.9)	-
	246.4	1,477.0
Loans to employees/others *		
Secured, considered good	0.3	0.7
Unsecured, considered good	166.5	222.0
Unsecured, credit impaired	111.2	15.3
Less: Allowance for credit impaired	(111.2)	(15.3)
	166.8	222.7
	413.2	1,699.7

* Others: Loans given to various parties at prevailing market interest rate.

NOTE: 17 OTHER FINANCIAL ASSETS (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Interest accrued on investments/balances with banks	325.0	104.8
Security deposits (unsecured, considered good)	278.6	232.3
Derivatives designated as hedges	25.0	306.0
Derivatives not designated as hedges	177.3	621.4
Refund due from government authorities	4,307.9	3,256.9
Unbilled Revenue (Refer note 53)	182.8	188.6
Others	2,848.5	3,167.3
Less: Allowance for doubtful*	(500.0)	(500.0)
	7,645.1	7,377.3

* The Group is carrying an allowance of ₹ 500.0 Million (March 31, 2022: ₹ 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, 2023	As at March 31, 2022
Export incentives receivable	3.1	647.5
Prepaid expenses	3,717.7	2,862.2
Advances for supply of goods and services		
Considered good	4,552.7	3,140.3
Considered doubtful	718.9	722.4
Less: Allowance for doubtful	(718.9)	(722.4)
Balances with government authorities*	10,480.5	11,608.0
Others	862.5	540.9
	19,616.5	18,798.9

* Includes balances of goods and services tax.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 19 EQUITY SHARE CAPITAL

	As at March 31, 2023		As at March 31, 2022	
	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

NOTE: 20 OTHER EQUITY

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
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	436,102.5	376,456.5
B) Items of other comprehensive income (OCI)		
Debt instrument through other comprehensive income	(1,011.2)	(769.6)
Equity instrument through other comprehensive income	3,160.8	2,392.6
Foreign currency translation reserve	67,994.9	47,935.1
Effective portion of cash flow hedges	(206.1)	184.7
	557,554.5	477,712.9

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.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 to 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.

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, 2023	As at March 31, 2022
Term loans		
From banks (unsecured)	-	2,299.2
	-	2,299.2

Also refer note 66 for borrowings (non-current).

NOTE: 22 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Derivatives designated as hedges	37.9	160.0
Other financial liabilities	-	1.2
	37.9	161.2

NOTE: 23 PROVISIONS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Employee benefits	3,261.9	3,433.5
Others (Refer note 60)	167.2	257.2
	3,429.1	3,690.7

NOTE: 24 OTHER NON-CURRENT LIABILITIES

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Deferred revenue (Refer note 53)	5,698.7	6,187.5
Others	129.5	157.0
	5,828.2	6,344.5

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 25 BORROWINGS (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand		
From banks (unsecured)	2,231.2	4,685.2
Other loans		
From banks (unsecured)	57,351.4	-
Current maturities of long-term debt (Refer note 66)	2,396.2	2,322.5
	61,978.8	7,007.7

Also refer note 67 for borrowings (current).

NOTE: 26 OTHER FINANCIAL LIABILITIES (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Interest accrued	216.9	29.0
Unpaid dividends	104.3	100.9
Security deposits	111.4	141.6
Payables on purchase of property, plant and equipment and other intangible assets	3,045.0	6,000.3
Derivatives designated as hedges	544.2	272.0
Derivatives not designated as hedges	33.2	37.8
Payables to employee	10,207.7	10,530.4
Others*	1,668.2	1,720.7
	15,930.9	18,832.7

* Include claims, recall charges, milestone obligations, trade and other commitments.

NOTE: 27 OTHER LIABILITIES (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Statutory remittances	4,764.2	5,005.7
Advance from customers (Refer note 53)	410.2	285.8
Deferred revenue (Refer note 53)	1,157.0	1,644.3
Others	95.8	98.1
	6,427.2	7,033.9

NOTE: 28 PROVISIONS (CURRENT)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Employee benefits	4,702.7	4,273.3
Others (Refer note 60)	48,841.1	87,204.9
	53,543.8	91,478.2

NOTE: 29 CURRENT TAX LIABILITIES (NET)

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Provision for income tax (Net of advance income tax)	3,087.1	1,756.2
	3,087.1	1,756.2



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 30 REVENUE FROM OPERATIONS

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers (Refer note 53)	432,788.7	384,264.2
Other operating revenues	6,068.1	2,280.7
	438,856.8	386,544.9

NOTE: 31 OTHER INCOME

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on:		
Bank deposits at amortised cost	1,278.6	290.9
Loans at amortised cost	9.5	6.5
Investments in debt instruments at fair value through other comprehensive income	1,800.4	817.6
Other financial assets carried at amortised cost	1.4	79.2
Others [includes interest on income tax refund of ₹ 428.6 Million (March 31, 2022: ₹ 4,055.8 Million)]	755.5	4,339.5
	3,845.4	5,533.7
Dividend income on investments	1,464.5	2,153.3
Net gain on sale of financial assets measured at fair value through profit or loss	1,847.1	486.1
Net gain/(loss) on sale of financial assets measured at fair value through other comprehensive income	(240.3)	7.7
Net gain / (loss) arising on financial assets measured at fair value through profit or loss	(1,613.0)	(3,619.5)
Net gain on disposal of property, plant and equipment and other intangible assets	111.9	485.6
Sundry balances written back, net	150.7	59.8
Insurance claims	133.3	170.1
Lease rental and hire charges	123.2	69.0
Settlement Income	-	3,368.8
Miscellaneous income	522.4	500.5
	6,345.2	9,215.1

NOTE: 32 COST OF MATERIALS CONSUMED

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Raw materials and packing materials		
Inventories at the beginning of the year	29,135.4	33,441.7
Purchases during the year	82,841.9	65,898.9
Foreign currency translation difference	582.9	286.0
Inventories at the end of the year	(34,784.5)	(29,135.4)
	77,775.7	70,491.2

NOTE: 33 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	58,892.1	55,456.0
Inventories taken over on acquisition	-	1,386.3
Foreign currency translation difference	3,274.3	973.7
Inventories at the end of the year	(69,035.5)	(58,892.1)
	(6,869.1)	(1,076.1)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 34 EMPLOYEE BENEFITS EXPENSE

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	73,402.1	64,444.7
Contribution to provident and other funds*	5,775.1	5,206.0
Staff welfare expenses	3,783.1	3,357.6
	82,960.3	73,008.3

* Includes gratuity expense of ₹ 633.9 Million (March 31, 2022: ₹ 515.1 Million)

NOTE: 35 FINANCE COSTS

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense:		
- for financial liabilities carried at amortised cost	1,138.3	587.2
- others (includes interest on income tax and lease liability)	581.7	686.3
	1,720.0	1,273.5

NOTE: 36 OTHER EXPENSES

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of materials, stores and spare parts	7,189.4	7,983.0
Conversion and other manufacturing charges	5,613.2	5,578.1
Power and fuel	8,300.5	7,027.8
Rent	588.7	535.4
Rates and taxes	6,702.3	5,958.4
Insurance	2,994.9	2,617.0
Selling, promotion and distribution	40,853.4	31,076.0
Commission on sales	2,068.4	1,954.4
Repairs and maintenance	6,565.1	5,246.0
Printing and stationery	665.7	606.1
Travelling and conveyance	6,419.9	3,737.3
Freight outward and handling charges	9,340.6	7,932.9
Communication	1,742.7	945.8
Provision/write off/(reversal) for doubtful trade receivables/advances	426.2	175.7
Professional, legal and consultancy	23,123.0	18,031.3
Donations	1,023.7	600.5
Loss on sale/write off of property, plant and equipment and other intangible assets, net	36.5	138.1
Payment to auditors (net of input credit, wherever applicable)	324.0	274.2
Impairment of property, plant and equipment, goodwill, other intangible assets and Intangible asset under development	302.5	204.6
Miscellaneous expenses	7,265.3	6,961.0
	131,546.0	107,583.6



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 37 RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	7,497.4	6,551.5
Contribution to provident and other funds	616.8	578.1
Staff welfare expenses	251.6	226.0
Consumption of materials, stores and spare parts	3,086.7	4,449.4
Power and fuel	383.4	352.6
Rates and taxes	1,219.6	1,093.4
Rent	77.2	32.2
Insurance	92.8	84.1
Repairs and maintenance	625.0	539.0
Printing and stationery	38.9	25.0
Travelling and conveyance	161.4	56.6
Communication	33.3	32.9
Professional, legal and consultancy	8,495.0	6,882.2
Miscellaneous expenses	498.1	422.1
	23,077.2	21,325.1
Less:		
Miscellaneous income	16.4	41.7
Receipts from research activities	803.7	48.6
	820.1	90.3
	22,257.1	21,234.8

NOTE: 38 a) List of entities included in the Consolidated Financial Statements is as under:

	Country of Incorporation	Effective ownership as at	
		March 31, 2023	March 31, 2022
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)
5. Sun Pharma Japan Ltd.	Japan	100.00%	100.00%
6. OOO "Sun Pharmaceutical Industries" Limited	Russia	-	100.00%
		(Refer note h)	
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	India	100.00%	100.00%
15. Sun Pharma (Netherlands) B.V.	Netherlands	100.00%	100.00%
16. Foundation for Disease Elimination and Control of India	India	100.00%	100.00%
		(Refer note e)	(Refer note e)
17. Zenotech Laboratories Limited	India	68.84%	68.84%
		(Refer note f)	(Refer note f)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

	Country of Incorporation	Effective ownership as at	
		March 31, 2023	March 31, 2022
Indirect Subsidiaries			
18. Sun Farmaceutica do Brasil Ltda.	Brazil	99.99%	99.99%
19. Sun Pharma France	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	99.99%	99.99%
28. Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	99.99%	99.99%
29. Sun Pharmaceuticals Germany GmbH	Germany	99.99%	99.99%
30. Sun Pharma Global FZE	United Arab Emirates	- (Refer note i)	- (Refer note i)
31. Sun Pharmaceuticals SA (Pty) Ltd.	South Africa	100.00%	100.00%
32. Sun Pharma Philippines, Inc.	Philippines	100.00%	100.00%
33. Caraco Pharmaceuticals Private Limited	India	100.00%	100.00%
34. Sun Pharmaceutical Peru S.A.C.	Peru	100.00%	100.00%
35. Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%
36. Taro Pharmaceutical Industries Ltd. (Taro)	Israel (Refer note b)	78.48%	78.48%
37. Taro Pharmaceuticals Inc.	Canada	78.48%	78.48%
38. Taro Pharmaceuticals U.S.A., Inc.	United States of America	78.48%	78.48%
39. Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	78.48%	78.48%
40. Taro Pharmaceuticals Europe B.V.	Netherlands	78.48%	78.48%
41. Taro International Ltd.	Israel	78.48%	78.48%
42. 3 Skyline LLC	United States of America	78.48%	78.48%
43. One Commerce Drive LLC	United States of America	78.48%	78.48%
44. Taro Pharmaceutical Laboratories Inc.	United States of America	-	- (Refer note l)
45. Dusa Pharmaceuticals, Inc.	United States of America	100.00%	100.00%
46. 2 Independence Way LLC	United States of America	100.00%	100.00%
47. Universal Enterprises Private Limited	India	100.00%	100.00%
48. Sun Pharma Switzerland Ltd.	Switzerland	99.99%	99.99%
49. Sun Pharma East Africa Limited	Kenya	100.00%	100.00%
50. PI Real Estate Ventures, LLC	United States of America	100.00%	100.00%
51. Sun Pharma ANZ Pty Ltd.	Australia	100.00%	100.00%
52. Ranbaxy Farmaceutica Ltda.	Brazil	100.00%	100.00%
53. Sun Pharma Canada Inc.	Canada	100.00%	100.00%
54. Sun Pharma Egypt LLC	Egypt	100.00%	100.00%
55. Rexcel Egypt LLC	Egypt	100.00%	100.00%
56. Basics GmbH	Germany	100.00%	100.00%
57. Ranbaxy Ireland Limited	Ireland	-	- (Refer note j)
58. Sun Pharma Italia srl	Italy	100.00%	100.00%
59. Sun Pharmaceutical Industries S.A.C.	Peru	100.00%	100.00%
60. Ranbaxy (Poland) SP. Z O.O.	Poland	100.00%	100.00%
61. SC Terapia SA	Romania	96.81%	96.81%
62. AO Ranbaxy	Russia	100.00%	100.00%
63. Ranbaxy South Africa (Pty) Ltd.	South Africa	100.00%	100.00%
64. Ranbaxy Pharmaceuticals (Pty) Ltd.	South Africa	100.00%	100.00%



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

	Country of Incorporation	Effective ownership as at	
		March 31, 2023	March 31, 2022
65. Sonke Pharmaceuticals Proprietary Limited	South Africa	70.00%	70.00%
66. Sun Pharma Laboratorios, S.L.U.	Spain	100.00%	100.00%
67. Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	United Kingdom	100.00%	100.00%
68. Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	United Kingdom	100.00%	100.00%
69. Ranbaxy Inc.	United States of America	100.00%	100.00%
70. Ranbaxy (Thailand) Co., Ltd.	Thailand	100.00%	100.00%
71. Ohm Laboratories, Inc.	United States of America	100.00%	100.00%
72. Ranbaxy Signature LLC	United States of America	67.50%	67.50%
73. Sun Pharmaceuticals Morocco LLC	Morocco	100.00%	100.00%
74. "Ranbaxy Pharmaceuticals Ukraine" LLC	Ukraine	100.00%	100.00%
75. Sun Pharmaceutical Medicare Limited	India	100.00%	100.00%
76. JSC Biosintez	Russia	100.00%	100.00%
77. Sun Pharmaceuticals Holdings USA, Inc.	United States of America	100.00%	100.00%
78. Zenotech Inc	United States of America	68.84%	68.84%
		(Refer note f)	(Refer note f)
79. Zenotech Farmaceutica Do Brasil Ltda	Brazil	45.69%	45.69%
		(Refer note f)	(Refer note f)
80. Kayaku Co., Ltd.	Japan	-	-
			(Refer note k)
81. Sun Pharma Distributors Limited	India	100.00%	100.00%
82. Realstone Infra Limited	India	100.00%	100.00%
83. Sun Pharmaceuticals (EZ) Limited	Bangladesh	72.49%	72.49%
84. Sun Pharma (Shanghai) Co., Ltd.	China	100.00%	100.00%
85. Sun Pharma Japan Technical Operations Limited	Japan	100.00%	100.00%
86. Alchemee, LLC	United States of America	78.48%	78.48%
87. The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.)	United States of America	78.48%	78.48%
88. Proactiv YK	Japan	78.48%	78.48%
89. The Proactiv Company KK	Japan	78.48%	78.48%
90. Alchemee Skincare Corporation (Formerly known as The Proactiv Company Corporation)	Canada	78.48%	78.48%
91. Foliage Merger Sub, Inc.	United States of America	-	-
		(Refer note m)	
92. Concert Pharmaceuticals, Inc.	United States of America	-	-
		(Refer note n)	
93. Concert Pharmaceuticals Securities Corp.	United States of America	100.00%	-
94. Concert Pharma U.K. Ltd.	United Kingdom	100.00%	-
95. Concert Pharma Ireland Limited	Ireland	100.00%	-
96. Sun Pharma New Milford Parent LLC	United States of America	100.00%	-
97. Sun Pharma Housatonic LLC	United States of America	100.00%	-
98. Sun Pharma Housatonic II LLC	United States of America	100.00%	-
99. Sun Pharma Housatonic III LLC	United States of America	100.00%	-
Name of Joint Venture Entity			
100. Artes Biotechnology GmbH	Germany	45.00%	45.00%
Name of Associates			
101. Medinstill LLC	United States of America	19.99%	19.99%
102. Generic Solar Power LLP	India	28.76%	28.76%
103. Trumpcard Advisors and Finvest LLP	India	40.61%	40.61%
104. Tarsier Pharma Ltd.	Israel	20.98%	20.96%
105. WRS Bioproducts Pty Ltd.	Australia	12.50%	12.50%
106. Remidio Innovative Solutions Private Limited	India	27.39%	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Name of Subsidiary of Associates	Country of Incorporation	Effective ownership as at	
		March 31, 2023	March 31, 2022
107. Composite Power Generation LLP	India	36.90%	36.90%
108. Vintage Power Generation LLP	India	39.41%	39.41%
109. Vento Power Generation LLP	India	40.55%	40.55%
110. HRE LLC	United States of America	19.22%	19.22%
111. HRE II LLC	United States of America	19.99%	19.99%
112. HRE III LLC	United States of America	19.99%	19.99%
113. Dr. Py Institute LLC	United States of America	19.22%	19.22%
114. Medinstill Development LLC	United States of America	19.22%	19.22%
115. ALPS LLC	United States of America	19.22%	19.22%
116. Intact Pharmaceuticals LLC	United States of America	19.22%	19.22%
117. Intact Media LLC	United States of America	19.22%	19.22%
118. Intact Solutions LLC	United States of America	19.22%	19.22%
119. Intact Closed Transfer Connectors LLC	United States of America	19.22%	19.22%
120. Intact PUR-Needle LLC	United States of America	19.22%	19.22%
121. Medios Technologies Pte. Ltd.	Singapore	27.39%	-
122. Remidio Innovative Solutions Inc.	United States of America	27.39%	-
b Following are the details of the Group's holding in Taro:			
Voting power		85.66%	85.66%
Beneficial ownership		78.48%	78.48%

- c. In respect of entities at Sr. Nos. 3, 34, 62, 74, 76, 84, 100, 101, 104, 105 and from 110 to 120 the reporting date is different from the reporting date of the Parent Company.
- d. In respect of entities at Sr. No. 91 to 99, 106, 121 and 122 has been incorporated/ acquired during the year ended March 31, 2023.
- 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 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. With effect from May 23, 2022, OOO "Sun Pharmaceutical Industries" Limited has been dissolved.
- i. Sun Pharma Global FZE is under dissolution.
- j. With effect from September 04, 2021 Ranbaxy Ireland Limited has been dissolved.
- k. With effect from September 01, 2021 Kayaku Co. Ltd. has ceased to be a subsidiary of the company.
- l. With effect from January 25, 2022 Taro Pharmaceutical Laboratories Inc. was merged into Taro Pharmaceuticals U.S.A., Inc.
- m. With effect from March 06, 2023 Foliage merger Sub, Inc. merged with Concert Pharmaceuticals, Inc.
- n. With effect from March 31, 2023 Concert Pharmaceuticals, Inc. merged with Sun Pharmaceutical Industries, Inc.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- o. 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)

	As at March 31, 2023	As at March 31, 2022
₹ in Million		
A) Contingent liabilities		
I) Claims against the Group not acknowledged as debts	574.9	569.5
II) Liabilities disputed - appeals filed with respect to:		
Income tax on account of disallowances / additions (Company appeals) *	32,180.2	28,717.0
Sales tax on account of rebate / classification	138.1	119.9
Goods and Service tax / Excise duty / service tax on account of valuation / cenvat credit	2,362.7	1,789.6
ESIC contribution on account of applicability	124.5	130.5
III) Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit enjoyed by the Group	3,474.2	3,474.2
IV) Other matters - state electricity board, Punjab Land Preservation Act related matters etc.	91.0	90.6

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 but not limited to product liability claims, contract disputes, employment claims, antitrust matters, compliance matters, and other legal and regulatory matters relating to the conduct of its business. Some of the key matters are discussed below. Most of the legal proceedings involve complex issues, which are specific to the case and do not have precedents, and, hence, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the proceedings. This is due to a number of factors, including: the stage of the proceedings and the overall length of 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 outcomes 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 consolidated financial statements.

Antitrust - Gx Drug Price Fixing Litigation (read along with Note 61(d))

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, Sun Pharmaceutical Industries, Inc. ("SPIINC"), Taro Pharmaceuticals U.S.A., Inc. ("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 directed to certain complaints which the court has designated as "bellwethers", including one Attorneys General complaint and four complaints filed by two putative classes. In October 2022, the court issued an order revising prior deadlines and settling certain bellwether schedules across 2023 and 2024, including related to discovery and motions practice.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

On April 08, 2022, our U.S. subsidiaries, Taro U.S.A. and SPIINC, each entered into settlement agreements that resolve the above-referenced civil antitrust 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 U.S.A. paid USD 59.7 Million (provided for in earlier period) as a result of the percentage of class members that opted out of the settlement, and SPIINC paid USD 15.3 Million (equivalent to ₹ 1,151.8 Million) as a result of the percentage of class members that opted out of the settlement (with both Taro U.S.A.'s and SPIINC's payment provided for in earlier period). Both Taro's and SPIINC's settlements with the DPPs has been approved by the Court on March 10, 2023, and both payments have already been made.

Speakes v. Taro Pharmaceutical Industries Ltd.:

Taro Industries 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. The Proceedings against Taro Industries and Taro U.S.A. have been stayed by the Haifa District Court on a hearing-to-hearing basis, pending the parties providing required status updates regarding the related U.S. litigation to the Haifa District Court at upcoming scheduled status hearings.

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



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 the court held a preliminary hearing on October 31, 2022. During the hearing, the applicant withdrew its application for class action approval, and the court officially dismissed the case on December 20, 2022.

Antitrust – Lipitor:

The parent company and certain of its subsidiaries were named as defendants in a number of putative class action lawsuits and individual actions brought by purchasers and payors in the U.S. alleging that the subsidiaries violated antitrust laws in connection with a 2008 patent litigation settlement agreement with Pfizer concerning generic Lipitor (Atorvastatin). The cases have been transferred to the U.S. District Court for the District of New Jersey for coordinated pre-trial proceedings. Discovery commenced in January 2020 but was stayed in March 2020 pending mediation. Pursuant to the mediator's order of June 03, 2021, mediation briefing and oral argument on certain issues were completed in March 2022. Limited discovery as to certain issues resumed in July 2022. Under the current schedule, briefing for class certification and summary judgment motions are expected to be completed in 2023.

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. On July 08, 2021, the court granted the generic Defendants' motion to dismiss, the effect of which was to dismiss the parent company and its subsidiaries with prejudice. That decision is on appeal. In addition to the federal court proceedings, the parent company and two of its subsidiaries also are 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 various putative class actions pending in three Canadian provinces.

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 fine against Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited (together “Ranbaxy”) in full and ruled that the European Commission's (“EC”) decision dated June 19, 2013 that a settlement agreement between Ranbaxy and Lundbeck had been anti-competitive.

The Company may now be subject to “follow-on” claims in national courts of some countries in Europe. The Company has recently been served with a claim in the United Kingdom, however the claim does not currently detail how the quantum of any purported damages is carved out between the various defendants. 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 the relevant claim and any potential future damages claim.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Incyte litigation:

On January 19, 2023, the Company signed a definitive agreement to acquire Concert Pharmaceuticals, Inc. ("Concert") and completed the transaction on March 06, 2023, Concert later merged into Sun Pharmaceutical Industries, Inc. ("SPIINC") on March 31, 2023. Prior to the acquisition, Concert was involved in patent-related litigation with Incyte Corporation ("Incyte"), both in the U.S. and Europe, in which Incyte challenged certain of Concert's patents before the U.S. Patent Trial and Appeal Board ("PTAB") and the European Patent Office, respectively (the "Concert Patent Litigation"). The Concert Patent Litigation remains ongoing and, depending on the proceeding, is currently in different stages of litigation.

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 ₹ 34,445.0 Million (March 31, 2022: ₹ 40,969.4 Million). These matters are sub-judice in various forums and pertains to various financial years.

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
B) Guarantees given by the bankers on behalf of the Group	1,667.5	1,579.8

NOTE: 40 COMMITMENTS

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
I) Estimated amount of contracts remaining to be executed on capital account (net of advances) *	35,413.0	29,833.6
II) Investment related commitments	1,472.7	758.9
III) Letters of credit for imports	1,531.9	501.9

* The Group is committed to pay milestone payments on certain contracts, however, obligation to pay is contingent upon fulfilment of contractual obligation by parties to the contract.

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	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, 2022: 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.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

iv. Equity shares held by each shareholder holding more than 5 percent equity shares in the Parent Company are as follows:

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	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	78,698,556	3.3	139,828,706	5.8

Equity shares held by promoters / members of promoter group / person acting in concert	As at March 31, 2023			As at March 31, 2022		
	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	-
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	-

NOTE: 42 RESEARCH AND DEVELOPMENT EXPENDITURE

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue, net (excluding depreciation) (Refer note 37)	22,257.1	21,234.8
Capital	599.1	868.9

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 43 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Million

	As at March 31, 2023		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	1,313.7	8,227.8	-
Equity instruments - unquoted	325.8	406.2	-
Bonds/debentures - quoted	-	60,285.8	-
Mutual funds - unquoted	44,377.4	-	-
Others - quoted	-	24,390.5	-
Venture funds - unquoted	5,079.8	-	-
Loans to related party	-	-	246.4
Loans to employees/others	-	-	172.9
Trade receivables	-	-	114,385.1
Security deposits	-	-	1,041.9
Cash and cash equivalents	-	-	46,237.3
Bank balances other than cash and cash equivalents	-	-	11,465.6
Interest accrued on investments / balances with banks	-	-	325.0
Refund due from government authorities	-	-	4,307.9
Derivatives designated as hedges	-	25.1	-
Unbilled revenue	-	-	291.1
Other financial assets	-	-	3,129.7
Derivatives not designated as hedges	177.3	-	-
Total	51,274.0	93,335.4	181,602.9
Financial liabilities			
Borrowings	-	-	61,978.8
Lease liabilities	-	-	6,879.9
Trade payables	-	-	56,815.2
Interest accrued	-	-	216.9
Unpaid dividends	-	-	104.3
Security deposits	-	-	111.4
Payable on purchase of property, plant and equipment and Other Intangible assets	-	-	3,045.0
Derivatives designated as hedges	-	582.1	-
Payables to employee	-	-	10,207.7
Other financial liabilities	-	-	1,668.2
Derivatives not designated as hedges	33.2	-	-
Total	33.2	582.1	141,027.4



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

₹ 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 party	-	-	1,477.0
Loans to employees / others	-	-	229.8
Trade receivables	-	-	104,845.9
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	-	-	3,101.3
Derivatives not designated as hedges	626.9	-	-
Total	44,791.8	81,966.2	164,589.6
Financial liabilities			
Borrowings	-	-	9,306.9
Lease liabilities	-	-	3,596.1
Trade payables	-	-	44,897.6
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	76,324.7

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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, 2023		
	Level 1	Level 2	Level 3
Financial assets			
Investments			
Equity instruments - quoted #	8,227.8	-	-
Equity instruments - quoted	1,313.7	-	-
Equity instruments - unquoted	-	-	325.8
Equity instruments - unquoted #	-	-	406.2
Bonds/debentures - quoted	60,285.8	-	-
Mutual funds - unquoted	44,377.4	-	-
Others - quoted	24,390.5	-	-
Venture funds - unquoted	-	5,079.8	-
Derivatives designated as hedges	-	25.1	-
Derivatives not designated as hedges	-	177.3	-
Total	138,595.2	5,282.2	732.0
Financial liabilities			
Derivatives designated as hedges	-	582.1	-
Derivatives not designated as hedges	-	33.2	-
Total	-	615.3	-

	₹ 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	-

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 assets or liabilities, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liabilities.

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, 2023

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, 2023	Year ended March 31, 2022
Unlisted shares valued at fair value		
Balance at the beginning of the year	614.5	604.9
Purchases	96.1	-
Others including fair value changes and foreign exchange fluctuations	21.4	9.6
Balance at the end of the year	732.0	614.5

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, 2023	As at March 31, 2022
Debt (includes borrowings and lease liabilities)	68,858.7	12,903.0
Total equity, including reserves	559,953.8	480,112.2
Debt to total equity ratio	0.12	0.03

b) Dividend on equity shares paid during the year

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Dividend on equity shares		
Final dividend for the year ended March 31, 2022 of ₹ 3.0 (year ended March 31, 2021: ₹ 2.0) per fully paid share	7,198.0	4,798.6
Interim dividend for the year ended March 31, 2023 of ₹ 7.5 (year ended March 31, 2022: ₹ 7.0) per fully paid share	17,995.0	16,790.5

Dividends not recognised at the end of the reporting period

The Board of Directors at its meeting held on May 26, 2023 have recommended payment of final dividend of ₹ 4.0 per share of face value of ₹ 1 each for the year ended March 31, 2023. The same amounts to ₹ 9,597.3 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

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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						
Trade receivables ageing	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
(i) Undisputed trade receivables - considered good	99,687.4	12,341.5	1,179.2	890.1	132.2	154.7	114,385.1
(ii) Undisputed trade receivables - credit impaired	132.0	768.3	642.3	1,324.4	131.2	845.6	3,843.8
(iii) Disputed trade receivables - credit impaired	-	0.1	*0.0	23.8	4.1	277.5	305.5
	99,819.4	13,109.9	1,821.5	2,238.3	267.5	1,277.8	118,534.4

* ₹ 43,657/-

	₹ in Million						
Trade receivables ageing	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
(i) Undisputed trade receivables - considered good	93,783.9	9,380.2	1,137.9	323.6	154.6	62.0	104,842.2
(ii) Undisputed trade receivables - credit impaired	79.5	1,673.7	633.2	469.7	97.3	1,506.2	4,459.6
(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
	93,863.4	11,053.9	1,771.1	795.0	289.0	1,839.7	109,612.1

* ₹ 8,015/-

Unbilled revenue as at March 31, 2023 is ₹ 291.1 Million (March 31, 2022: ₹ 382.3 Million).

Trade receivables from parties are non-interest bearing and are generally on terms of 7 to 120 days.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	4,766.2	2,410.4
Addition	574.1	473.0
Taken over on acquisition	-	2,192.4
Recoveries / reversals / write-offs / foreign exchange fluctuation	(1,191.0)	(309.6)
Balance at the end of the year	4,149.3	4,766.2

Other than Trade receivables, the Group has recognised an allowance of ₹ 1,466.1 Million (March 31, 2022: ₹ 15.3 Million) against past due loans including interest and ₹ 500.0 Million (March 31, 2022: ₹ 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 has unutilised working capital lines from banks of ₹ 70,770.9 Million as on March 31, 2023 (March 31, 2022: ₹ 74,815.8 Million).

The table below provides details regarding the contractual maturities of significant financial liabilities:

	₹ in Million			
	As at March 31, 2023			
	Less than 1 year	1 - 3 years	More than 3 years	Total
Non derivatives				
Borrowings	61,978.8	-	-	61,978.8
Lease liabilities	1,280.8	1,506.3	4,092.8	6,879.9
Trade payables	56,815.2	-	-	56,815.2
Other financial liabilities	15,353.5	-	-	15,353.5
	135,428.3	1,506.3	4,092.8	141,027.4
Derivatives	577.4	37.9	-	615.3

	₹ in Million			
	As at March 31, 2022			
	Less than 1 year	1 - 3 years	More than 3 years	Total
Non derivatives				
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	44,897.6	-	-	44,897.6
Other financial liabilities	18,522.9	1.2	-	18,524.1
	71,506.4	3,735.3	1,083.0	76,324.7
Derivatives	309.8	160.0	-	469.8

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 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, 2023

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, Russian Rouble and Brazilian Real) 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

	As at March 31, 2023							₹ in Million
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	Brazilian Real	Total	
Financial assets								
Receivables	76,527.5	5,231.0	4,710.6	3,147.9	2,877.4	9,336.1	101,830.5	
Cash and cash equivalents	2,719.6	1,116.2	296.8	-	384.2	-	4,516.8	
	79,247.1	6,347.2	5,007.4	3,147.9	3,261.6	9,336.1	106,347.3	
Financial liabilities								
Borrowings	9,166.5	-	-	-	1,026.6	-	10,193.1	
Payables	57,458.4	2,657.6	148.3	154.1	1,086.3	6.4	61,511.1	
	66,624.9	2,657.6	148.3	154.1	2,112.9	6.4	71,704.2	

	As at March 31, 2022							₹ in Million
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	Brazilian Real	Total	
Financial assets								
Receivables	59,288.7	4,209.0	4,076.3	1,625.1	1,186.7	3,138.0	73,523.8	
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	3,138.0	78,137.4	
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	6.3	71,746.0	
	78,275.9	3,461.7	41.6	174.3	2,584.1	6.3	84,543.9	

b) Sensitivity

For the years ended March 31, 2023 and March 31, 2022 every 5% strengthening of the Indian rupee against foreign currencies for the above mentioned financial assets/liabilities would decrease Group's profit and Group's equity by approximately ₹ 1,732.2 Million and increase Group's profit and Group's equity by approximately ₹ 320.3 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, 2023

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, Russian Rouble and Brazilian Real 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 ₹ 529.6 Million for the year ended March 31, 2023 and net loss of ₹ 515.3 Million for the year ended March 31, 2022 in other comprehensive income. The Group also recorded hedges as a component of revenue, net loss of ₹ 1,076.9 Million for year ended March 31, 2023 and net gain of ₹ 1,128.3 Million for year ended March 31, 2022 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:

Hedge Type	Currency / Pair	Sold / Bought	Amount in Million	
			As at March 31, 2023	As at March 31, 2022
Derivatives designated as hedges				
Forward contracts	ZAR/INR	Sold ZAR	-	ZAR 360.0
Forward contracts	USD/INR	Sold USD	USD 486.0	USD 501.2
Forward contracts	USD/CAD	Sold USD	-	USD 20.8
Forward contracts	USD/NIS	Sold USD	USD 52.3	USD 55.3
Forward contracts	AUD/USD	Bought USD	USD 8.2	USD 11.2
Forward contracts	USD/AUD	Bought AUD	AUD 18.9	AUD 1.4
Currency swaps	USD/JPY	Bought JPY	JPY 1,666.7	JPY 3,333.3
Derivatives not designated as hedges				
Forward contracts	AUD/USD	Sold AUD	-	AUD 64.4
Forward contracts	GBP/USD	Sold GBP	GBP 5.0	GBP 8.3
Forward contracts	EUR/USD	Sold EUR	EUR 9.0	EUR 17.5
Forward contracts	USD/INR	Sold USD	USD 75.0	USD 75.0
Forward contracts	USD/RUB	Bought RUB	-	USD 6.0
Currency swaps	USD/INR	Sold USD	USD 400.0	USD 400.0
Interest rate swaps (Floating to fixed)	USD	-	USD 16.7	USD 33.3

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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, 2023 and March 31, 2022, 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 ₹ 297.9 Million and ₹ 23.4 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, 2023, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE: 47 Goodwill (Net):

- i) 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, 2023	As at March 31, 2022
Goodwill in respect of:		
Sun Pharmaceutical Industries, Inc.	30,206.5	28,077.2
Sun Pharmaceutical Industries, Inc.- Concert	16,090.5	-
Sun Farmaceutica do Brasil Ltda.	352.9	347.5
Sun Pharma Japan Ltd.	126.6	127.7
Taro Pharmaceutical Industries Ltd.	16,395.8	15,139.4
SC Terapia SA	21,885.8	20,196.2
Ranbaxy Farmaceutica Ltda.	454.7	419.4
Basics GmbH	410.9	386.8
Zenotech Laboratories Limited	595.4	595.4
Sun Pharmaceutical Industries Limited	1,677.4	1,677.4
Ranbaxy South Africa (Pty) Ltd.	3.2	3.6
JSC Biosintez	233.3	204.4
Sun Pharmaceutical Medicare Limited	1.0	1.0
Total (A)	88,434.0	67,176.0
Less:		
Capital reserve in respect of:		
Alkaloida Chemical Company Zrt.	1,206.6	1,168.5
Ranbaxy Nigeria Limited	1.8	1.7
Sun Pharmaceutical Industries Limited	27.5	27.5
Ranbaxy (Malaysia) SDN. BHD.	71.0	65.5
Total (B)	1,306.9	1,263.2
Total (A-B)	87,127.1	65,912.8



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

ii) Below is the reconciliation of the carrying amount of goodwill:

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	65,912.8	62,876.4
Add/ (less): Acquisition during the year (Refer note 78)	16,041.5	756.1
Add/ (less): Impairment	(209.8)	-
Add/ (less): Foreign currency translation difference	5,382.6	2,280.3
Closing balance	87,127.1	65,912.8

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, 2023. 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 5.5 % to 13.2% for the year ended March 31, 2023. The discount rate considered for the Company's operation in the United States ranges from 5.5% and 8.3% and for SC Terapia SA has been considered at 9.3%. 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: 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, 2023	Year ended March 31, 2022
Reconciliation of tax expense		
Profit before tax	94,084.3	44,813.2
Income tax rate in India (%)	34.944%	34.944%
Income tax expense calculated at corporate tax rate	32,876.8	15,659.5
Effect of deduction claimed under chapter VI A of Income Tax Act, 1961	(14,389.9)	(14,385.8)
Effect of income that is exempt from tax	(116.1)	(8.7)
Effect of expenses that are not deductible	2,985.8	2,173.4
Effect of incremental deduction allowed on account of research and development costs and other allowances	(109.8)	(153.8)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets (net)	(21,268.2)	(3,830.0)
Effect of difference between Indian and foreign tax rates and non taxable subsidiaries	1,681.3	2,242.4
Tax payable under Minimum Alternate Tax (MAT) on which deferred tax assets was not created	7,359.9	6,070.0
Effect of reversal of MAT credit entitlement, restructuring of an acquired entity and DOJ settlement	-	4,406.0
Others	(543.9)	(1,418.0)
Income tax expense recognised in consolidated statement of profit and loss	8,475.9	10,755.0

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 was given in the standalone financial statements for the year ended March 31, 2022. The Company had 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, 2023

NOTE: 50 DEFERRED TAX

i) Deferred tax assets (Net)

	Opening balance April 01, 2022	Profit/(loss) movement during the year *	Other comprehensive income movement during the year *	Taken over on acquisition	Closing balance March 31, 2023
₹ in Million					
Deferred tax assets					
Expenses that are allowed on payment basis	12,006.6	(4,832.3)	(40.2)	-	7,134.1
Unabsorbed depreciation / carried forward losses	9,980.8	2,273.2	-	-	12,254.0
Inventory and other related items	7,375.1	4,219.8	-	-	11,594.9
Intangible assets	2,070.1	(143.6)	-	-	1,926.5
Others	7,483.0	925.9	(99.3)	-	8,309.6
	38,915.6	2,443.0	(139.5)	-	41,219.1
MAT credit entitlement	3,240.4	7,083.5	-	-	10,323.9
	42,156.0	9,526.5	(139.5)	-	51,543.0
Less: Deferred tax liabilities					
Difference between written down value of property, plant and equipment, capital work-in-progress and intangible assets under development as per books of accounts and income tax	12,111.5	(1,309.7)	-	8,564.7	19,366.5
Others	1,548.7	(916.8)	(97.8)	-	534.1
	13,660.2	(2,226.5)	(97.8)	8,564.7	19,900.6
	28,495.8	11,753.0	(41.7)	(8,564.7)	31,642.4

	Opening balance April 01, 2021	Profit/(loss) movement during the year *	Other comprehensive income movement during the year *	Taken over on acquisition	Closing balance March 31, 2022
₹ in Million					
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	2,856.4	(583.4)	(8.8)	7,483.0
	31,821.6	7,606.6	(503.8)	(8.8)	38,915.6
MAT credit entitlement	13,374.5	(10,134.1)	-	-	3,240.4
	45,196.1	(2,527.5)	(503.8)	(8.8)	42,156.0
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	(6,706.7)	(353.1)	(8.8)	28,495.8



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

ii) Deferred tax liabilities (Net)

	₹ in Million			
	Opening balance April 01, 2022	Profit/(loss) movement during the year *	Other comprehensive income movement during the year *	Closing balance March 31, 2023
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	2,474.3	393.2	-	2,867.5
	2,474.3	393.2	-	2,867.5
Less: Deferred tax assets				
Expenses that are allowed on payment basis	429.9	35.9	(14.0)	451.8
Others	159.2	61.2	-	220.4
	589.1	97.1	(14.0)	672.2
MAT credit entitlement	1,566.6	311.8	-	1,878.4
	2,155.7	408.9	(14.0)	2,550.6
	318.6	(15.7)	14.0	316.9

	₹ 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 ₹ 1,552.4 Million (March 31, 2022: ₹ 602.8 Million)

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, 2023	As at March 31, 2022
Tax losses (includes capital in nature)	98,644.1	122,169.7
Unabsorbed depreciation	35,346.2	36,103.9
Unused tax credits (MAT credit entitlement)	6,547.4	7,209.7
Deductible temporary differences	12,040.9	19,549.5

The unused tax credits will expire from financial year 2023-24 to financial year 2037-38 and unused tax losses will expire from financial year 2023-24 to 2040-41. However in case of certain overseas subsidiaries there is no expiry period for tax losses and unused tax credits.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 51 EARNINGS PER SHARE

	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year (₹ in Million) - used as numerator for calculating earnings per share	84,735.8	32,727.3
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 ₹)	1.0	1.0
Basic earnings per share (in ₹)	35.3	13.6
Diluted earnings per share (in ₹)	35.3	13.6

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, 2023	Year ended March 31, 2022
India	141,624.1	134,438.6
United States of America	139,704.3	117,343.6
Emerging markets	85,633.3	72,756.5
Rest of the world	65,827.0	59,725.5
	432,788.7	384,264.2

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	
	As at March 31, 2023	As at March 31, 2022
India	123,521.9	129,898.5
United States of America	55,633.3	15,090.2
Emerging markets	13,584.5	10,620.8
Rest of the world	17,789.7	20,885.7
	210,529.4	176,495.2

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, 2023 and March 31, 2022.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE: 53 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recorded an additional amount of ₹ 641.2 Million (March 31, 2022: ₹ 667.4 Million) as deferred revenue pursuant to the requirements of Ind AS 115 and an amount of ₹ 622.2 Million has been taken over acquisition during March 31, 2023. Revenue of ₹ 2,241.3 Million (March 31, 2022: ₹ 1,661.5 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, 2023	Year ended March 31, 2022
Revenue as per contracted price, net of returns	736,409.9	669,633.4
Less:		
Provision for sales return	(9,392.1)	(10,294.0)
Chargebacks, Rebates, discounts and others	(294,229.1)	(275,075.2)
	(303,621.2)	(285,369.2)
Revenue from contracts with customers	432,788.7	384,264.2

Disaggregation of Revenue from contract with customers:

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	427,846.3	381,738.9
Sale of service/others	4,942.4	2,525.3
	432,788.7	384,264.2

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Contract balances		
Trade receivables	114,385.1	104,845.9
Contract assets	291.1	382.3
Contract liabilities	7,265.9	8,117.6

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, 2023

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, 2023 is ₹ 263.5 Million (March 31, 2022: ₹ 237.7 Million).

(b) The following is the movement of lease liabilities

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance as at beginning of the year	3,596.1	3,450.9
Additions	3,495.6	1,168.7
Deletions	(453.2)	(227.3)
Taken over on acquisition	1,121.3	280.2
Interest expense on lease liability	332.4	158.7
Payment towards lease liabilities	(1,346.2)	(1,286.5)
Reclassified to held for sale	(6.2)	-
Foreign currency translation difference	140.1	51.4
Balance at end of the year	6,879.9	3,596.1

(c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Less than one year	1,674.1	1,225.7
Later than one year and not later than five years	3,958.1	2,220.2
Later than five years	5,393.5	1,446.3

(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 3 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 Indian subsidiaries. While the employees and the parent company and 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 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 ₹ 1,393.4 Million (March 31, 2022: ₹ 1,239.0 Million).

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Provident Fund and Family Pension Fund	1,280.7	1,124.3
Contribution to Superannuation Fund	71.3	69.8
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	40.1	43.7
Contribution to Labour Welfare Fund	1.3	1.2



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 Indian subsidiaries review the level of funding in gratuity fund. The parent company and Indian subsidiaries decides its contribution based on the results of its annual review. The parent company and 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 have undertaken an obligation to provide financial support towards education expenses of the children of those employees who have 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 Indian subsidiaries rules with corresponding charge to the consolidated statement of profit and loss amounting to ₹ 347.6 Million (March 31, 2022: ₹ 848.8 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, 2023

₹ in Million

	Year ended March 31, 2023			Year ended March 31, 2022		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
Expense recognised in the consolidated statement of profit and loss (Refer note 34)						
Current service cost	-	-	571.6	92.5	-	483.3
Interest cost	6.3	73.9	373.6	-	70.1	287.8
Expected return on plan assets	-	-	(311.3)	-	-	(256.0)
Expense charged to the consolidated statement of profit and loss	6.3	73.9	633.9	92.5	70.1	515.1
Remeasurement of defined benefit obligation recognised in other comprehensive income						
Actuarial loss / (gain) on defined benefit obligation	(13.4)	(66.4)	24.4	-	(23.4)	399.4
Actuarial loss/ (gain) on plan assets	-	-	(102.0)	-	-	(45.3)
Expense/(income) charged to other comprehensive income	(13.4)	(66.4)	(77.6)	-	(23.4)	354.1
Reconciliation of defined benefit obligations						
Obligations as at the beginning of the year	92.5	1,072.2	5,537.3	-	1,087.6	4,607.1
Current service cost	-	-	571.6	92.5	-	483.3
Interest cost	6.3	73.9	373.6	-	70.1	287.8
Benefits paid	(2.0)	(61.9)	(282.0)	-	(62.1)	(240.3)
Actuarial (gains)/losses on obligations						
- due to change in demographic assumptions	-	-	26.8	-	-	-
- due to change in financial assumptions	(3.4)	(44.5)	(151.3)	-	(40.4)	155.1
- due to experience	(10.0)	(21.9)	148.9	-	17.0	244.3
Obligation as at the year end	83.4	1,017.8	6,224.9	92.5	1,072.2	5,537.3

₹ in Million

	As at March 31, 2023	As at March 31, 2022
	Gratuity (Funded)	Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the consolidated balance sheet		
Present value of commitments (as per actuarial valuation)	6,224.9	5,537.3
Fair value of plan assets	(5,164.8)	(4,616.1)
Net liability recognised in the consolidated financial statement	1,060.1	921.2

₹ in Million

	Year ended March 31, 2023	Year ended March 31, 2022
	Gratuity (Funded)	Gratuity (Funded)
Reconciliation of plan assets		
Plan assets as at the beginning of the year	4,616.1	4,097.4
Expected return	311.3	256.0
Actuarial gain/ (loss)	102.0	45.3
Employer's contribution during the year	417.4	457.7
Benefits paid	(282.0)	(240.3)
Plan assets as at the year end	5,164.8	4,616.1



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

₹ in Million

	As at March 31, 2023			As at March 31, 2022		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
Assumptions:						
Discount rate	7.45%	7.45%	7.45%	6.85%	6.90%	In range of 6.75% to 7.05%
Expected return on plan assets	N.A.	N.A.	7.45%	N.A.	N.A.	In range of 6.75% to 7.05%
Expected rate of salary increase	N.A.	N.A.	In range of 7.00% to 10.50%	N.A.	N.A.	In range of 7% to 10%
Interest rate guarantee	N.A.	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)	Indian Assured Lives Mortality (2012-14)
Employee turnover	N.A.	N.A.	In range of 11.78% to 14.00%	N.A.	N.A.	In range of 12.40% to 13.45%
Retirement age (years)	N.A.	N.A.	58 to 60	N.A.	N.A.	58 to 60

₹ in Million

	As at March 31, 2023			As at March 31, 2022		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	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	(5.2)	(62.9)	(353.9)	(6.4)	(70.7)	(323.2)
Delta effect of -1% change in discount rate	5.7	67.2	396.4	7.1	76.4	362.9
Delta effect of +1% change in salary escalation rate	-	-	381.9	-	-	348.5
Delta effect of -1% change in salary escalation rate	-	-	(348.2)	-	-	(317.0)
Delta effect of +1% change in rate of employee turnover	-	-	(56.4)	-	-	(56.9)
Delta effect of -1% change in rate of employee turnover	-	-	62.3	-	-	63.0
Maturity analysis of projected benefit obligation for next						
1 st year	5.8	155.7	1,081.1	5.2	154.2	955.4
2 nd year	5.6	95.7	853.4	6.5	96.2	709.4
3 rd year	6.8	94.0	765.8	5.5	94.8	718.3
4 th year	8.2	92.1	732.5	6.7	93.1	634.3
5 th year	7.6	90.1	683.4	8.4	91.3	600.2
Thereafter	102.7	1,686.0	6,749.3	122.1	1,760.0	5,549.6
The major categories of plan assets are as under:						
Central government securities	-	-	13.40	-	-	12.3
Bonds and securities	-	-	91.2	-	-	83.8
Insurer managed funds (Funded with LIC, break-up not available)	-	-	3,771.6	-	-	3,336.3
Surplus fund lying uninvested	-	-	1,288.6	-	-	1,183.7

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

The contribution expected to be made by the parent company and its Indian subsidiaries for gratuity, during financial year ending March 31, 2024 is ₹ 1,611.0 Million (March 31, 2023 ₹ 1,410.3 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.

The Group also has certain other defined benefits plans in various geographies. However, since they are not material, individual disclosures have not been made.

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 previous year ended March 31, 2022, in accordance with Rule 10b5-1 program, Taro repurchased 341,413 shares at an average price of USD 73.03 per share, 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: ₹ 853.6 Million (March 31, 2022: ₹ 458.3 Million).

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, 2022: ₹ Nil) in respect of such associates and joint venture. The unrecognised share of loss is ₹ Nil (March 31, 2022: ₹ 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, 2023*	Year ended March 31, 2022*
Opening balance	87,462.1	41,622.8
Add: Provision for the year	52,432.4	87,713.0
Less: Utilisation/settlement/reversal	(95,399.3)	(43,124.5)
Add/(less): Foreign currency translation difference	4,513.1	1,250.8
Closing balance (Also Refer note 61)	49,008.3	87,462.1

* Includes provision for trade commitments, discounts, rebates, price reductions, product returns, chargeback, medicais, contingency provision and clawback.

NOTE: 61 EXCEPTIONAL ITEMS INCLUDE:

- a) Impairment charge for the year ended March 31, 2023 include a charge on account of impairment of loans and advances given to an associate amounting to ₹ 1,644.3 Million pursuant to assessment of recoverability.
- b) Concert acquisition related expenses of ₹ 643.9 Million incurred during the year ended March 31, 2023.
- c) Income of ₹ 573.7 Million relating to a claim pertaining to the acquisition of a subsidiary in an earlier year settled during the year ended March 31, 2023.
- d) On July 23, 2020, Taro U.S.A. 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 U.S.A. adheres to the terms of the agreement, including the 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. also reached an agreement with the DOJ Civil Division on September 30, 2021, pursuant to which Taro agreed to pay USD 213.3 Million



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(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 USD 200 Million (equivalent to ₹ 14,809.4 Million). Of the USD 200 Million (equivalent to ₹ 14,809.4 Million), amounts of USD 60 Million and USD 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 USD 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 U.S.A. and SPIINC each entered into settlement agreements that resolve the above-referenced civil antitrust matter with the 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 paid USD 59.7 Million (provided for in earlier period) as a result of the percentage of class members that opted out of the settlement, and SPIINC paid USD 15.3 Million (equivalent to ₹ 1,151.8 Million) as a result of the percentage of class members that opted out of the settlement (with both Taro U.S.A.'s and SPIINC's payments provided for in earlier period). Both Taro's and SPIINC's settlements with the DPPs has been approved by court on March 10, 2023, and both payments have already been made.

During the year ended March 31, 2022, 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, is on account of recognition of deferred tax asset amounting to ₹ 272.7 Million arising out of the above settlements.

- e) During the year ended March 31, 2022, 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.
- f) 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.
- g) The parent company and certain of its subsidiaries were 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 court granted final approval to the settlement and dismissed all of the cases in September 2022. 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.
- h) Consequent to the settlement of lawsuit mentioned in 61 (g) 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 US FDA import alert at Karkhadi facility in March 2014, the Company has remained fully committed to implement all corrective measures to address the observations made by the US FDA with the help of third-party consultants. The Company had completed all the action items to address the US FDA warning letter observations issued in May 2014. The Company does not intend to use the Karkhadi facility for drug product manufacturing for the U.S. market. The contribution of this facility to Company's revenues was negligible.
- b) The US FDA, 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 United States Attorney's Office for the District of New Jersey (US DOJ) had also issued an administrative subpoena, dated March 13, 2014, seeking information. The Company has fully cooperated and provided the requisite information to the USDOJ. All the Drug Master Files (DMF) from Toansa Facility for the U.S. market have been withdrawn, and the Company does not intend to use the facility for the U.S. market.

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for the year ended March 31, 2023

- c) The Halol facility was placed under import alert in December 2022. US FDA has exempted 14 products from import alert, subject to certain conditions. Previously, the facility was inspected by US FDA in May 2022 and the inspection was classified as Official Action Indicated (OAI) in August 2022. The Company is in communication with the US FDA to resolve the outstanding issues underlying OAI status and import alert.
- d) In September 2013, the US FDA 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 US FDA 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 completed the five-year, post-certification provisions as required by the consent decree. The August 2022 USFDA inspection of Mohali facility was classified as Official Action Indicated (OAI) and subsequently, in April 2023, the US FDA issued a Non-Compliance letter to the Mohali facility. As a result, US FDA has directed the Company to take certain corrective actions at the Mohali facility before releasing further final product batches into the US. These actions include, among others, retaining an independent cGMP expert to conduct batch certifications of drugs manufactured at the Mohali facility and for shipment to the U.S. market.

NOTE: 63

On March 01, 2023, the parent company disclosed an information security incident that impacted some of the Group's IT assets. The Group promptly took steps to contain and remediate the impact of the information security incident, including employing appropriate containment protocols to mitigate the threat, employing enhanced security measures and utilizing global cyber security experts to ensure the integrity of the Group's IT systems' infrastructure and data. As part of the containment measures, the Group proactively isolated its network and initiated recovery procedures. As a result of these measures, certain business operations were also impacted.

Based on the Group's investigation, the Group currently believes that the incident's effects on its IT system include a breach of certain file systems and the theft of Group data and personal data. A ransomware group has claimed responsibility for this incident.

The Group has since strengthened its cybersecurity infrastructure and is in the process of implementing improvements to its cyber and data security systems to safeguard against such risks in the future. The Group is also implementing certain long-term measures to augment its security controls systems across the organization. The Group worked with legal counsel across relevant jurisdictions to notify applicable regulatory and data protection authorities, where considered required, and the Group believes there is no material legal non-compliance by the Group on account of the information security incident. The Group believes that all known impacts on its consolidated financial statements for the year ended March 31, 2023 on account of this incident have been considered.

NOTE: 64

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: 65

- 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, either severally or jointly with any other person. No trade or other receivable are due from directors either severally or jointly with any other person.



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for the year ended March 31, 2023

- 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.

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 Industrial development fund, Russia of RUB Nil (March 31, 2022: RUB 25 Million) equivalent to ₹ Nil (March 31, 2022: ₹ 23.3 Million) has been secured by bank guarantee. The loan was repaid during current year.

B Term loan from banks:

Unsecured

- (i) The Company has Unsecured External Commercial Borrowings (ECBs) of USD 16.7 Million (March 31, 2022: USD 33.3 Million) equivalent to ₹ 1,369.5 Million (March 31, 2022: ₹ 2,526.6 Million) and one loan of JPY 1,666.7 Million (March 31, 2022: JPY 3,333.3 Million) equivalent to ₹ 1,026.7 Million (March 31, 2022: ₹ 2,071.8 Million). For the ECB loans outstanding as at March 31, 2023, the terms of repayment for borrowings are as follows:
 - a) USD 16.7 Million (March 31, 2022: USD 33.3 Million) equivalent to ₹ 1,369.5 Million (March 31, 2022: ₹ 2,526.6 Million). The loan was taken on August 29, 2019 and is repayable in 3 equal instalments of USD 16.67 Million each. The first instalment of USD 16.67 Million has been repaid during the year 2021-22. Second instalment of USD 16.67 Million has been repaid on August 29, 2022 and last instalment of USD 16.67 Million is due on August 29, 2023.
 - b) JPY 1,666.7 Million (March 31, 2022: JPY 3,333.3 Million) equivalent to ₹ 1,026.7 Million (March 31, 2022: ₹ 2,071.8 Million). The loan was taken on August 29, 2019 and is repayable in 3 equal instalments of JPY 1,667 Million each. The first instalment of JPY 1,667 Million has been repaid during the year 2021-22. Second instalment of JPY 1,667 Million has been repaid on August 29, 2022 and last instalment of JPY 1,667 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 is availed from bank in different currencies. USD ECB loan is at floating rate linked to applicable LIBOR (5.49% p.a. as at March 31, 2023) and the JPY ECB loan is at fixed rate (0.47% p.a. as at March 31, 2023)

NOTE: 67 DETAILS OF SECURITIES FOR CURRENT BORROWINGS ARE AS UNDER:

Borrowings / debt availed by subsidiaries are usually supported by the letter of awareness issued by the parent company.

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NOTE: 68 LOANS/ADVANCES DUE FROM AN ASSOCIATE

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Interest bearing with specified repayment schedule:		
Medinstill LLC (Refer note 57)		
Considered good	246.4	1,477.0
Credit impaired	1,354.9	-
Less: Allowance for credit impaired	(1,354.9)	-
	246.4	1,477.0

Loans have been granted to the above entity for the purpose of its business.

NOTE: 69

- a) Sun Pharma Netherlands B.V., a subsidiary of the parent company held 21.53% in the capital of Enceladus Pharmaceutical B.V. Enceladus Pharmaceutical B.V has been dissolved during the year. As Sun Pharma Netherlands B.V. did 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. had 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, 2023	As at March 31, 2022
Taro Pharmaceutical Industries Ltd. and its subsidiaries (TARO Group)	United States of America	Israel	Beneficial ownership	21.52%	21.52%
			Voting power	14.34%	14.34%

Name of Subsidiary	Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
	TARO Group	207.5	845.3	30,770.8
Individually immaterial subsidiaries with non-controlling interests	186.1	320.2	2,430.1	2,265.1
Total	393.6	1,165.5	33,200.9	30,548.9

₹ in Million



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The summarised consolidated financial information of TARO Group before inter-company eliminations:

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Consolidated balance sheet of TARO Group		
Non-current assets	67,164.0	67,085.0
Current assets	108,211.9	97,862.6
Non-current liabilities	(700.7)	(679.7)
Current liabilities	(31,688.3)	(32,679.5)

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Consolidated statement of profit and loss of TARO Group		
Total income	48,807.5	43,893.9
Total expenses excluding exceptional item	45,853.0	33,749.0
Profit after tax	964.3	3,944.9
Total comprehensive income for the year	11,556.4	7,208.3

	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Consolidated cash flows information of TARO Group		
Net cash generated from / (used in) operating activities	2,324.0	(12,261.2)
Net cash generated from / (used in) investing activities	(10,090.6)	(12,707.4)
Net cash used in financing activities	-	(1,857.5)

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 ended March 31, 2022, the Company had 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 previous year. Post this acquisition, the Company's shareholding in Zenotech had 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, 2023
Outstanding dues	46,029.2	9,738.4	175.7	76.2	431.1	56,450.6
Disputed dues	-	314.0	27.3	16.6	6.7	364.6
	46,029.2	10,052.4	203.0	92.8	437.8	56,815.2

	₹ 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	36,172.2	7,812.9	231.6	163.2	390.2	44,770.1
Disputed dues	-	109.0	7.5	2.4	8.6	127.5
	36,172.2	7,921.9	239.1	165.6	398.8	44,897.6

Notes to the Consolidated Financial Statements

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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, 2023
Projects in progress	4,308.4	911.7	3,989.3	240.3	9,449.7
Projects temporarily suspended	-	-	-	183.8	183.8
	4,308.4	911.7	3,989.3	424.1	9,633.5

	₹ 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

Overdue Capital work-in-progress

	₹ in Million				
	To be completed in				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Formulation	1,221.1	-	-	-	1,221.1
Active Pharmaceutical Ingredient	221.7	-	-	-	221.7
Others	106.7	-	-	-	106.7
Projects temporarily suspended	183.8	-	-	-	183.8
	1,733.3	-	-	-	1,733.3

	₹ in Million				
	To be completed in				As at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Formulation	971.4	0.2	-	-	971.6
Active Pharmaceutical Ingredient	144.9	-	-	-	144.9
Others	1.5	-	-	-	1.5
Projects temporarily suspended	-	165.9	-	-	165.9
	1,117.8	166.1	-	-	1,283.9



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Ageing of intangible assets under development

	₹ in Million				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Projects in progress	35,714.5	275.9	1,522.9	2,490.7	40,004.0
Projects temporarily suspended	-	-	-	94.1	94.1
	35,714.5	275.9	1,522.9	2,584.8	40,098.1

	₹ 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

Overdue intangible assets under development

	₹ in Million				
	To be completed in				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Others	189.8	0.9	-	-	190.7
	189.8	0.9	-	-	190.7

	₹ in Million				
	To be completed in				As at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Others	32.8	-	-	-	32.8
	32.8	-	-	-	32.8

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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 Group have following transactions and balances with companies which are struck off apart from shares held by 10 shareholders holding 11,889 shares (March 31, 2022 - 8 shareholders holding 7,653 shares) having face value of ₹ 1 per share.

₹ in Million				
Name of the struck off company	Nature of transaction with Struck off Company	As at March 31, 2023	As at March 31, 2022	Relationship with struck off company, if any to be disclosed
WSRM Hospitality Private Limited	Payables	1.2	-	N.A.

NOTE: 78 BUSINESS COMBINATIONS

- a. On March 06, 2023, the Group acquired Concert Pharmaceuticals Inc ("Concert") along with its subsidiaries. As of March 31, 2023 Concert has been merged with SPIINC.

The business acquisition was completed through a tender offer for an upfront payment of USD 8.00 per share of common stock, in cash, or USD 576 Million equivalent to ₹ 47,185.9 Million in equity value, plus one non-tradeable contingent value right (CVR) per share of common stock, which represents their right to receive contingent payments of up to USD 3.50 per share of common stock, in cash, upon the achievement of certain milestones prior to December 31, 2029.

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.



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for the year ended March 31, 2023

	₹ in Million
Assets	
Cash	5,666.9
Trade receivable	48.2
Other current assets	389.0
Investment	1,394.4
Other financial assets	14.3
Intangible asset under development	34,258.6
Property, Plant and equipment including intangible assets	1,007.2
Total Assets	42,778.6
Liabilities	
Trade payable	28.3
Other current liability	1,919.9
Lease liability	1,121.3
Deferred tax	8,564.7
Total liabilities	11,634.2
Net worth	31,144.4
Total identifiable assets at fair value	
Goodwill	16,041.5
Total purchase price	47,185.9
- Paid	46,858.2
- Payable	327.7

From the date of acquisition, it has contributed revenue of ₹ Nil and loss before tax of ₹ 664.5 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 ₹ 438,856.8 Million and ₹ 86,449.3 Million respectively. Hence the figures for the year ended March 31, 2023 are not comparable to the previous year presented.

- b. During the year ended March 31, 2022 our subsidiary company, Taro Pharmaceutical Industries Ltd., had 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 ; Alchemee Skincare Corporation (formerly known as The Proactiv Company Corporation) ; and other assets of The Proactiv Company Sarl. The business acquisition was completed by entering into a share purchase agreement for a cash consideration of ₹ 7,395.7 Million. Accordingly, the financial statement for the year ended March 31, 2023 are not comparable to the previous year as presented.

The acquisition was accounted for as a business combination using the acquisition method of accounting in accordance with Ind AS 103 'Business Combinations'. The purchase price has been provisionally allocated to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired has been allocated to goodwill. The Group has completed the purchase price allocation during the current year. Adjustments have been made on the finalisation of purchase price allocation and previous year's number have been restated accordingly.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Details of amounts paid and payable, including allocation based on Purchase Price Accounting in accordance with Ind AS 103 are summarised below:

	₹ in Million	
	As at March 31, 2023	As at March 31, 2022 *
Purchase consideration as per Ind AS 103	7,049.7	7,395.7
Fair value of net identifiable assets acquired:		
Assets	8,561.0	9,240.6
Less: Liabilities	2,267.4	2,189.7
	6,293.6	7,050.9
Goodwill	756.1	344.8

* represents provisional value

Fair Value of Net Identifiable Assets acquired has been finalised at ₹ 6,293.6 Million (Provisional Fair Value as on March 31, 2022 was ₹ 7,050.9 Million) after measurement period adjustment due to revisions in valuation of intangible assets to reflect new information obtained about facts and circumstances that existed as on the acquisition date. As a result, allocation of Purchase Price towards Goodwill has gone up to ₹ 756.1 Million.

- c. As on March 24, 2023, the Parent company's subsidiary has entered into an agreement to acquire 60% shareholding in Vivaldis Health and Foods Private Limited (Vivaldis) for a consideration of ₹ 1,433.0 Mn from its existing shareholders with remaining 40% to be acquired in future as per certain terms and conditions. The closing condition to acquire 60% shareholding were completed on May 11, 2023, and hence Vivaldis has not been consolidated in these financial statements. As per Ind AS 103 on Business Combination, allocation of purchase consideration is in process and impact shall be given on its completion.

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 26, 2023

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 & Compliance Officer

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 26, 2023



Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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)	
		2022-23		2022-23		2022-23		2022-23	
		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	40.0	237,483.6	20.0	16,907.2	(0.5)	(110.1)	16.0	16,797.1
	Subsidiaries								
	Indian								
1	Green Eco Development Centre Limited	0.0	1.3	0.0	0.7	-	-	0.0	0.7
2	Sun Pharma Laboratories Limited	40.3	238,890.8	(15.9)	(13,510.0)	0.1	28.5	(12.8)	(13,481.5)
3	Faststone Mercantile Company Private Limited	0.0	3.3	0.0	0.1	-	-	0.0	0.1
4	Neetnav Real Estate Private Limited	0.9	5,215.1	(0.0)	(20.1)	-	-	(0.0)	(20.1)
5	Realstone Multitrade Private Limited	0.0	2.3	0.0	0.0	-	-	0.0	0.0
6	Skisen Labs Private Limited	(0.0)	(0.5)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
7	Softdeal Pharmaceutical Private Limited	0.2	890.8	0.5	423.8	0.0	0.2	0.4	424.0
8	Universal Enterprises Private Limited	0.0	5.0	(0.0)	(0.1)	-	-	(0.0)	(0.1)
9	Realstone Infra Limited	(0.0)	(205.7)	(0.1)	(84.8)	-	-	(0.1)	(84.8)
10	Sun Pharmaceutical Medicare Limited	(0.6)	(3,382.0)	(0.5)	(441.8)	0.0	0.7	(0.4)	(441.1)
11	Zenotech Laboratories Limited	0.2	1,323.6	0.1	79.5	0.0	0.4	0.1	79.9
12	Sun Pharma Distributors Limited	0.9	5,502.1	2.2	1,866.3	0.0	2.6	1.8	1,868.9
13	Caraco Pharmaceuticals Private Limited	(0.0)	(0.3)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
	Foreign								
1	Sun Pharmaceutical (Bangladesh) Limited	0.4	2,339.6	0.3	227.3	-	-	0.2	227.3
2	Sun Farmaceutica Do Brasil Ltda.	(0.5)	(2,819.2)	(0.4)	(302.4)	-	-	(0.3)	(302.4)
3	Sun Pharma De Mexico S.A. DE C.V.	0.2	1,122.4	0.0	17.2	-	-	0.0	17.2
4	Sun Pharmaceutical Peru S.A.C.	(0.0)	(190.0)	(0.0)	(2.5)	-	-	(0.0)	(2.5)
5	OOO "Sun Pharmaceutical Industries" Limited	-	-	(0.0)	(0.1)	-	-	(0.0)	(0.1)
6	Sun Pharma De Venezuela, C.A.	-	-	0.0	0.7	-	-	0.0	0.7
7	Sun Pharma France	(0.6)	(3,382.3)	0.1	65.1	-	-	0.1	65.1
8	Ranbaxy (Malaysia) SDN. BHD.	0.4	2,305.2	0.5	430.5	-	-	0.4	430.5
9	Ranbaxy Nigeria Limited	(0.3)	(1,496.4)	(0.6)	(546.1)	-	-	(0.5)	(546.1)
10	Sun Pharma (Netherlands) B.V	15.0	88,942.2	(5.9)	(4,990.2)	5.5	1,111.1	(3.7)	(3,879.1)
11	Alkaloida Chemical Company Zrt.	9.8	58,260.2	0.6	541.8	-	-	0.5	541.8
12	Sun Pharmaceutical Industries (Australia) Pty Limited	0.4	2,086.9	(0.7)	(585.3)	-	-	(0.6)	(585.3)
13	Aditya Acquisition Company Ltd.	(0.0)	(0.9)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
14	Sun Pharmaceutical Industries (Europe) B.V.	0.0	271.9	0.1	96.9	-	-	0.1	96.9
15	Sun Pharmaceuticals Germany GmbH	0.0	2.5	0.1	66.4	-	-	0.1	66.4
16	Sun Pharmaceuticals SA (Pty) Ltd.	0.0	4.1	-	-	-	-	-	-
17	Sun Pharma Philippines, Inc.	(0.1)	(519.9)	0.0	2.4	-	-	0.0	2.4
18	Sun Pharma Japan Ltd. (Consolidated with its Subsidiary)	0.4	2,430.7	(0.2)	(139.5)	-	-	(0.1)	(139.5)
19	Sun Laboratories FZE	(0.5)	(2,895.3)	0.2	151.7	(4.1)	(839.2)	(0.7)	(687.5)
20	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	24.1	142,986.9	1.1	964.3	(1.9)	(384.4)	0.6	579.9
21	Sun Pharma Switzerland Ltd.	0.0	9.0	0.0	1.9	-	-	0.0	1.9
22	Sun Pharma Holdings	18.9	112,135.7	(123.6)	(104,758.0)	-	-	(99.7)	(104,758.0)
23	Sun Pharma East Africa Limited	(0.0)	(179.5)	(0.1)	(125.9)	-	-	(0.1)	(125.9)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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)	
		2022-23		2022-23		2022-23		2022-23	
		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
24	Sun Pharma ANZ Pty Ltd.	0.1	534.0	0.1	124.8	-	-	0.1	124.8
25	Ranbaxy Farmaceutica Ltda.	(0.3)	(1,578.9)	(0.2)	(153.0)	-	-	(0.1)	(153.0)
26	Sun Pharma Canada Inc.	0.1	392.6	0.0	26.4	-	-	0.0	26.4
27	Sun Pharma Egypt Ltd. LLC	0.0	204.4	(0.2)	(155.6)	-	-	(0.1)	(155.6)
28	Rexcel Egypt LLC	(0.0)	(18.5)	(0.0)	(5.8)	-	-	(0.0)	(5.8)
29	Basics GmbH	0.2	1,481.6	0.2	149.2	-	-	0.1	149.2
30	Sun Pharma Italia srl	0.0	95.3	0.1	69.7	-	-	0.1	69.7
31	Sun Pharmaceutical Industries S.A.C.	0.0	114.1	0.3	288.8	-	-	0.3	288.8
32	Ranbaxy (Poland) SP. Z O.O.	0.1	305.6	0.0	23.2	-	-	0.0	23.2
33	SC Terapia SA	2.3	13,795.4	5.2	4,371.6	-	-	4.2	4,371.6
34	AO Ranbaxy	0.4	2,275.5	1.2	1,055.2	-	-	1.0	1,055.2
35	JSC Biosintez	0.5	3,047.9	2.9	2,419.6	-	-	2.3	2,419.6
36	Ranbaxy South Africa (Pty) Ltd. (Consolidated with its Subsidiary)	0.2	1,046.6	0.1	107.8	-	-	0.1	107.8
37	Ranbaxy Pharmaceuticals (Pty) Ltd.	0.4	2,507.5	0.4	337.0	-	-	0.3	337.0
38	Sun Pharma Laboratorios, S.L.U.	0.1	667.6	0.1	61.4	-	-	0.1	61.4
39	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	0.3	1,904.3	0.0	32.6	-	-	0.0	32.6
40	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	0.5	3,134.0	(0.0)	(0.7)	-	-	(0.0)	(0.7)
41	Sun Pharmaceutical Holding USA Inc (Consolidated with its Subsidiaries and its Associate)	9.9	58,526.6	(5.0)	(4,211.8) [#]	1.7	346.6	(3.7)	(3,865.2) [#]
42	Ranbaxy (Thailand) Co., Ltd.	0.0	250.3	(0.0)	(11.8)	-	-	(0.0)	(11.8)
43	Sun Pharmaceuticals Morocco LLC	(0.0)	(236.3)	(0.5)	(387.5)	-	-	(0.4)	(387.5)
44	"Ranbaxy Pharmaceuticals Ukraine" LLC	0.1	431.3	0.0	33.3	-	-	0.0	33.3
45	Sun Pharma (Shanghai) Co., Ltd.	(0.0)	(3.4)	(0.0)	(8.8)	-	-	(0.0)	(8.8)
46	Sun Pharmaceuticals (EZ) Limited	(0.0)	(44.8)	(0.1)	(52.1)	-	-	(0.0)	(52.1)
	Non controlling interest in all subsidiaries	5.6	33,200.9	(0.5)	(393.6)	(11.2)	(2,266.9)	(2.5)	(2,660.5)
	Intercompany Elimination and Consolidation Adjustments	(70.1)	(416,022.1)	217.9	184,679.2	110.4	22,409.3	197.2	207,088.5
	Total	100.0	593,154.7	100.0	84,735.8	100.0	20,298.8	100.0	105,034.6

[#] Includes share of loss and share of TCI, from its associate of ₹ 204.9 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, 2023

(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	SPIIL 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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
20	Sun Laboratories FZE	(0.4)	(2,016.9)	(3.9)	(1,264.6)	(6.5)	(310.9)	(4.2)	(1,575.5)
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	SC 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	190.4	9,130.3	59.7	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, 2023

(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) (upto August 29, 2022)
Kalyanasundaram Iyer Natesan Subramanian	Wholetime Director (upto February 13, 2023)
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 (upto August 29, 2022)	
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	
Pharmarack Technologies Private Limited (upto February 13, 2023)	
Pharmasofttech Awacs Private Limited	
d Joint Venture	
Artes Biotechnology GmbH	
e Associates	
Medinstill LLC	
Medinstill Development LLC	
Tarsier 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, 2023

(Annexure 'B')

IND AS- 24 - "RELATED PARTY DISCLOSURES"

Details of related party transaction:

	₹ In Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of goods	191.1	245.4
Others	191.1	245.4
Purchase of property, plant and equipment and other intangible assets	1,817.1	385.2
Others	1,647.1	385.2
Associates	170.0	-
Revenue from contracts with customers, net of returns	233.2	223.9
Others	233.2	223.9
Sale of property, plant and equipment	4.0	22.6
Others	4.0	5.1
Associates	-	17.5
Other operating revenue /Other Income	14.6	14.4
Others	14.6	14.4
Receiving of service	1,283.9	1,878.9
Others	1,283.5	1,878.9
Associates	0.4	-
Impairment in value of loans/advance	1,644.3	-
Associates	1,644.3	-
Reimbursement of expenses (Paid)	55.3	53.6
Others	55.3	52.3
Joint venture (March 31, 2022: ₹ 20,077)	-	0.0
Associates	-	1.3
Rendering of service	795.1	276.8
Others	795.1	276.8
Reimbursement of expenses (Received)	66.2	44.9
Others	66.2	44.9
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)	44.4	31.2
Others	44.4	31.2
Rent expense / payment towards lease liabilities	9.6	9.6
Others	9.6	9.6
Investment in Associates	56.6	151.9
Associates	56.6	151.9
Remuneration/ compensation	306.1	319.0
Key management personnel	229.7	257.2
Relatives of Key management personnel	76.4	61.8
CSR	621.0	254.2
Others	620.0	250.0
Unconsolidated subsidiary	1.0	4.2

* 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, 2023

(Annexure 'B')

IND AS- 24 - "RELATED PARTY DISCLOSURES"

Balance outstanding as at end of the year:

	₹ In Million	
	As at March 31, 2023	As at March 31, 2022
Receivables	438.3	196.7
Others	438.3	196.7
Associates (March 31, 2022: ₹ 5,623/-)	-	0.0
Payables	381.1	949.1
Others	307.6	838.4
Key management personnel	73.4	110.7
Associates	0.1	-
Security deposit given	0.5	0.5
Others	0.5	0.5
Security deposit received	0.9	0.9
Others	0.9	0.9
Loan given	246.4	1,477.0
Associates	246.4	1,477.0
Lease liability	84.1	86.4
Others	84.1	86.4
Advance (Includes capital and supply of goods/services)	-	211.2
Associates	-	211.2

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 transactions with related parties are made on an arms 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 ventures

PART 'A': Subsidiaries

Sr. No.	Name of the Subsidiary Company	Date of acquisition/ incorporation 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 Share-holding
1	Green Eco Development Centre Limited	12.11.2010	INR	1.00	7.0	(5.7)	1.3	0.0	-	-	(0.0)	(0.7)	0.7	-	100.00%
2	Sun Pharmaceutical (Bangladesh) Limited	29.03.2001	BDT	0.77	46.0	2,293.6	3,331.5	991.9	-	1,955.1	326.1	115.7	210.4	-	72.50%
3	Sun Pharmaceutical Industries, Inc.	04.02.2004	USD	82.17	-	73,899.4	227,391.1	153,491.7	7,693.6	95,462.6	2,263.3	(4,511.1)	6,774.4	-	100.00%
4	Sun Farmaceutica do Brasil Ltda.	22.05.2009	BRL	16.13	89.9	(2,901.1)	4,217.7	7,028.9	77.8	3,430.3	(81.2)	219.8	(301.0)	-	99.99%
5	Sun Pharma De Mexico S.A. DE C.V.	03.12.2002	MXN	4.55	4.6	1,218.5	1,654.5	431.4	-	1,772.7	89.3	28.0	61.3	-	75.00%
6	Sun Pharmaceutical Peru S.A.C.	27.06.2006	PEN	21.83	0.0	(192.8)	1.9	194.7	-	-	8.6	1.0	7.6	-	100.00%
7	Sun Pharma De Venezuela, C.A.	06.11.2011	VES	3.36	0.0	(0.0)	0.0	0.0	-	-	0.0	-	0.0	-	100.00%
8	Chattem Chemicals Inc.	24.11.2008	USD	82.17	2,829.4	2,525.1	4,896.9	(457.6)	-	4,661.6	500.7	(16.6)	517.3	-	100.00%
9	The Taro Development Corporation	20.09.2010	USD	82.17	-	4,235.5	4,328.1	92.6	-	-	(3,632.0)	(875.7)	(2,756.3)	-	100.00%
10	Alkaloida Chemical Company Zrt.	05.08.2005	USD	82.17	7,334.5	51,097.4	59,536.9	1,105.0	916.2	3,808.3	637.6	34.9	602.7	-	99.99%
11	Sun Pharmaceutical Industries (Australia) Pty Limited	11.03.2008	AUD	55.04	7,382.0	(5,345.1)	5,404.1	3,367.2	-	2,762.9	(634.0)	-	(634.0)	-	100.00%
12	Aditya Acquisition Company Ltd.	22.04.2007	ILS	22.73	0.0	(0.9)	6.1	7.0	-	-	(0.1)	-	(0.1)	-	99.99%
13	Sun Pharmaceutical Industries (Europe) BV.	29.06.2007	EUR	89.46	1.6	274.6	1,976.7	1,700.5	-	3,837.5	88.9	20.1	68.8	-	99.99%
14	Sun Pharmaceuticals Germany GmbH	11.08.2008	EUR	89.46	2.2	9.1	1,317.5	1,306.2	-	3,714.4	82.7	11.4	71.3	-	99.99%
15	Sun Pharmaceuticals SA (Pty) Ltd	22.10.2008	ZAR	4.62	0.0	3.8	4.1	0.3	-	-	(0.0)	-	(0.0)	-	100.00%
16	Sun Laboratories FZE	13.03.2011	USD	82.17	1,006.7	(3,310.7)	11,927.9	14,231.9	3,692.4	14,652.4	283.2	-	283.2	-	100.00%
17	Sun Pharma Japan Ltd.	01.06.2012	JPY	0.62	97.3	1,672.5	8,266.2	6,496.4	-	9,849.0	(266.2)	(5.6)	(260.6)	-	100.00%
18	Sun Pharma Japan Technical Operations Limited	01.06.2021	JPY	0.62	30.8	1,096.3	1,926.8	799.7	-	1,731.1	133.4	47.9	85.5	-	100.00%
19	Sun Pharma Philippines, Inc.	08.12.2011	PHP	1.51	13.1	(594.0)	831.4	1,352.3	-	818.9	2.7	4.2	(1.5)	-	100.00%
20	Caraco Pharmaceuticals Private Limited	12.01.2012	INR	1.00	0.1	(0.4)	0.0	0.3	-	-	(0.1)	-	(0.1)	-	100.00%
21	Sun Pharma Laboratories Limited	09.03.2012	INR	1.00	400.5	238,490.3	256,913.7	18,022.9	43,075.9	99,686.9	(6,164.0)	7,346.0	(13,510.0)	-	100.00%
22	Taro Pharmaceutical Industries Ltd. (Taro)	20.09.2010	USD	82.17	55.9	142,168.7	147,950.5	5,725.9	11,170.4	11,844.3	(2,891.6)	106.9	(2,998.5)	-	78.48%
23	Taro Pharmaceuticals Inc.	20.09.2010	USD	82.17	30,617.1	127,828.5	165,461.2	7,015.6	68,970.0	22,330.6	6,251.7	738.7	5,513.0	-	78.48%
24	Taro Pharmaceuticals U.S.A., Inc.	20.09.2010	USD	82.17	11.9	(9,249.4)	36,903.0	46,140.5	615.2	22,896.6	(2,693.4)	(527.8)	(2,165.6)	-	78.48%
25	Taro Pharmaceuticals North America, Inc.	20.09.2010	USD	82.17	0.0	30,621.1	30,621.1	-	-	-	(0.5)	-	(0.5)	-	78.48%
26	Taro Pharmaceuticals Europe BV.	20.09.2010	EUR	89.46	1.6	0.8	10.1	7.7	-	3.1	0.3	0.0	0.3	-	78.48%
27	Taro International Ltd.	20.09.2010	USD	82.17	0.0	2,742.4	3,168.8	426.4	-	2,368.2	381.3	163.6	217.7	-	78.48%
28	Dusa Pharmaceuticals, Inc.	19.12.2012	USD	82.17	0.8	23,401.5	23,644.9	242.6	-	6,689.7	3,526.3	(319.2)	3,845.5	-	100.00%
29	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%
30	Neetnav Real Estate Private Limited	01.04.2012	INR	1.00	0.1	5,215.1	5,773.1	557.9	-	1.6	(20.1)	-	(20.1)	-	100.00%
31	Realstone Multitrade Private Limited	01.04.2012	INR	1.00	0.1	2.2	2.4	0.1	-	-	0.0	0.0	(0.0)	-	100.00%
32	Skisen Labs Private Limited	01.04.2012	INR	1.00	163.6	(164.1)	0.0	0.5	0.0	-	(0.1)	-	(0.1)	-	100.00%
33	Softdeal Pharmaceutical Private Limited	01.04.2012	INR	1.00	0.1	890.7	1,423.8	533.0	476.1	2,208.5	568.3	144.5	423.8	-	100.00%
34	Universal Enterprises Private Limited	03.09.2012	INR	1.00	4.5	0.6	8.2	3.1	-	-	(0.1)	-	(0.1)	-	100.00%
35	Sun Pharma Switzerland Ltd.	10.06.2013	CHF	89.61	9.0	(3.2)	9.1	3.3	-	52.1	(1.3)	0.0	(1.3)	-	99.99%
36	Sun Pharma Holdings	29.10.2013	USD	82.17	281,090.7	(169,288.4)	112,898.6	1,096.3	-	-	(104,629.4)	-	(104,629.4)	-	100.00%
37	PI Real Estate Ventures, LLC	15.07.2014	USD	82.17	-	2,998.3	2,998.3	-	-	246.5	99.3	-	99.3	-	100.00%
38	Sun Pharma East Africa Limited	13.06.2014	KES	0.62	0.1	(146.9)	671.2	818.0	-	624.3	(118.9)	(83.9)	(85.0)	-	100.00%

₹ in Million

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

Sr. No.	Name of the Subsidiary Company	Date of incorporation 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 Share-holding
39	Basics GmbH	24.03.2015	EUR	89.46	436.1	730.4	5,936.1	4,769.6	-	5,399.5	113.9	8.7	105.2	-	100.00%
40	"Ranbaxy Pharmaceuticals Ukraine" LLC	24.03.2015	UAH	2.24	89.3	345.3	563.5	128.9	-	775.8	60.5	13.2	47.3	-	100.00%
41	Sun Pharmaceuticals Morocco LLC	24.03.2015	MAD	8.05	98.4	(452.0)	2,239.1	2,592.7	-	1,946.7	(436.4)	73.5	(509.9)	-	100.00%
42	Sun Pharmaceutical Industries S.A.C.	24.03.2015	PEN	21.83	94.8	(27.3)	910.0	842.5	-	905.2	294.6	40.3	254.3	-	100.00%
43	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	24.03.2015	GBP	101.72	3,108.2	153.6	3,264.7	2.9	-	-	(0.8)	-	(0.8)	-	100.00%
44	Sun Pharma France	24.03.2015	EUR	89.46	2,231.9	(5,610.1)	1,028.6	4,406.8	-	2,716.6	67.2	-	67.2	-	100.00%
45	Sun Pharma Italia srl	24.03.2015	EUR	89.46	4.5	89.9	2,271.2	2,176.8	-	3,531.2	62.4	(28.9)	91.3	-	100.00%
46	Ranbaxy Pharmaceuticals (Pty) Ltd	24.03.2015	ZAR	4.62	3,232.0	(725.8)	6,257.5	3,751.3	-	8,063.4	303.7	14.1	289.6	-	100.00%
47	Ranbaxy South Africa (Pty) Ltd	24.03.2015	ZAR	4.62	80.9	1,237.4	2,601.9	1,283.6	-	578.9	4.1	1.7	2.4	-	100.00%
48	Sonke Pharmaceuticals Proprietary Limited	24.03.2015	ZAR	4.62	9.2	827.1	1,685.0	848.7	-	2,270.7	107.1	25.0	82.1	-	70%
49	Sun Pharma Egypt LLC	24.03.2015	EGP	2.67	626.9	(419.3)	401.1	193.5	-	295.9	(125.9)	-	(125.9)	-	100.00%
50	Rexcel Egypt LLC	24.03.2015	EGP	2.67	5.6	(24.1)	12.8	31.3	-	8.4	(4.9)	-	(4.9)	-	100.00%
51	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	24.03.2015	GBP	101.72	2,212.4	(307.1)	2,109.4	204.1	-	4,467.5	61.4	11.8	49.6	-	100.00%
52	Ranbaxy (Poland) SP. Z O.O.	24.03.2015	PLN	19.13	82.1	223.4	445.1	139.6	-	704.3	35.1	10.1	25.0	-	100.00%
53	Ranbaxy Nigeria Limited	24.03.2015	NGN	0.18	7.1	(1,502.5)	2,370.3	3,865.7	-	1,569.5	(483.8)	53.4	(537.2)	-	86.16%
54	Ranbaxy (Thailand) Co., Ltd.	24.03.2015	THB	2.40	276.4	(26.1)	1,408.2	1,157.9	-	1,822.1	(4.5)	8.5	(13.0)	-	100.00%
55	Ohm Laboratories, Inc.	24.03.2015	USD	82.17	19.6	(28,895.2)	10,590.0	39,465.6	-	8,679.8	(4,474.7)	4,842.8	(9,317.5)	-	100.00%
56	Ranbaxy Signature LLC	24.03.2015	USD	82.17	-	1,042.5	3.9	(1,038.6)	-	-	(7.4)	-	(7.4)	-	67.50%
57	Ranbaxy Inc.	24.03.2015	USD	82.17	1,068.2	(29,519.6)	(27,317.5)	1,133.9	-	-	(9,516.8)	30.7	(9,547.5)	-	100.00%
58	AO Ranbaxy	24.03.2015	RUB	1.06	173.6	1,933.2	8,596.5	6,489.7	-	8,792.9	839.3	224.8	614.5	-	100.00%
59	Sun Pharma Laboratorios, S.L.U.	24.03.2015	EUR	89.46	89.5	585.6	884.9	209.8	-	1,733.4	53.8	(13.1)	66.9	-	100.00%
60	Ranbaxy (Malaysia) SDN. BHD.	24.03.2015	MYR	18.62	154.6	2,150.6	2,975.7	670.5	-	3,363.1	585.4	137.9	447.5	-	95.67%
61	Ranbaxy Farmaceutica Ltda.	24.03.2015	BRL	1.613	280.1	(1,856.4)	6,296.8	7,873.1	-	556.1	4,900.2	95.3	262.2	(166.9)	100.00%
62	Sun Pharma ANZ Pty Ltd	24.03.2015	AUD	55.04	937.7	(423.7)	3,463.7	2,929.7	-	3,897.9	185.9	57.3	128.6	-	100.00%
63	Sun Pharma Canada Inc.	24.03.2015	CAD	60.69	136.6	256.0	2,772.1	2,379.5	-	2,510.4	26.4	-	26.4	-	100.00%
64	SC Terapia SA	24.03.2015	RON	18.07	451.7	14,852.1	19,860.6	4,556.8	-	20,154.4	5,292.6	636.9	4,655.7	-	96.81%
65	Sun Pharma (Netherlands) B.V.	24.03.2015	USD	82.17	64,224.0	24,481.8	95,139.4	6,433.6	-	6,711.7	(3,168.8)	199.3	(3,318.2)	-	100.00%
66	JSC Biosintez	19.12.2016	RUB	1.06	0.3	2,995.9	5,081.3	2,083.1	-	3,058.1	156.0	36.6	119.4	-	100.00%
67	Sun Pharmaceuticals Holdings USA, Inc.	18.11.2016	USD	82.17	-	24,928.2	46,522.7	21,594.5	-	-	21.8	68.8	(47.0)	-	100.00%
68	Foundation for Disease Elimination and Control of India	21.09.2016	INR	1.00	0.1	(0.4)	0.8	1.1	-	1.0	(0.8)	-	(0.8)	-	100.00%
69	Zenotech Laboratories Limited	27.07.2017	INR	1.00	610.3	212.4	1,008.7	186.0	-	424.2	145.0	29.2	115.8	-	68.84%
70	Sun Pharmaceutical Medicare Limited	16.01.2017	INR	1.00	2.5	(3,384.5)	7,511.4	10,893.4	-	2,826.2	(442.0)	(0.2)	(441.8)	-	100.00%
71	Sun Pharma Distributors Limited	19.03.2019	INR	1.00	1.5	5,500.6	35,220.7	29,718.6	-	406.2	138,191.5	639.2	1,866.3	-	100.00%
72	Realstone Infra Limited	31.01.2020	INR	1.00	2.5	(208.1)	3,577.0	3,782.6	-	-	(84.8)	-	(84.8)	-	100.00%
73	Sun Pharmaceuticals (EZ) Limited	25.10.2020	BDT	0.77	46.0	(90.8)	1,122.4	1,167.2	-	-	(54.1)	-	(54.1)	-	72.49%
74	Sun Pharma (Shanghai) Co., Ltd	21.12.2020	RMB	11.95	12.0	(8.9)	9.6	6.5	-	61.8	(3.2)	-	(3.2)	-	100.00%
75	Alchemee, LLC	28.02.2022	USD	82.17	-	321.3	2,326.6	2,005.3	-	6,059.6	(197.4)	(28.3)	(169.1)	-	78.48%
76	Proactiv YK	28.02.2022	USD	82.17	-	573.7	706.0	132.3	-	1,686.8	90.3	0.5	89.8	-	78.48%

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

Sr. No.	Name of the Subsidiary Company	Date of acquisition/ incorporation 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 Share-holding
77	The Proactiv Company KK	28.02.2022	USD	82.17	-	8.6	336.4	327.8	-	-	113.2	42.3	70.9	-	78.48%
78	The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.)	28.02.2022	USD	82.17	-	(80.8)	(92.0)	(11.2)	-	-	-	-	-	-	78.48%
79	Alchemee Skincare Corporation (Formerly known as The Proactiv Company Corporation)	28.02.2022	USD	82.17	-	655.1	734.5	79.4	-	372.8	70.5	-	70.5	-	78.48%
80	Concert Pharmaceuticals Securities Corp.	06.03.2023	USD	82.17	-	5,484.5	5,484.7	0.2	1,634.2	-	21.1	-	21.1	-	100.00%
81	Concert Pharma U.K. Ltd	06.03.2023	GBP	101.72	0.0	-	0.0	-	-	-	-	-	-	-	100.00%
82	Concert Pharma Ireland Limited	06.03.2023	EUR	89.46	0.0	-	0.0	-	-	-	-	-	-	-	100.00%

Note:

- 0.0' represents amount less than 0.05 Million and rounded off.
- In respect of entities at Sr. Nos. 5, 6, 40, 58, 66 and 74 the reporting date is as of December 31, 2022 and different from the reporting date of the parent company.
- In respect of entities at Sr. No. 80 to 82 has been incorporated/ acquired during the year ended March 31, 2023.
- 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 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.
- 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.
- 3 Skyline LLC and One Commerce drive LLC are being consolidated with Taro Pharmaceuticals U.S.A., Inc.
- The above does not include 2 Independence Way LLC as this have no operation and do not have any Assets, Liabilities or Equity as on the close of their financial year.
- Sun Pharma New Milford Parent LLC, Sun Pharma Housatonic LLC, Sun Pharma Housatonic II LLC and Sun Pharma Housatonic III LLC are being consolidated with Sun Pharmaceutical Industries, Inc.
- With effect from September 04, 2021 Ranbaxy Ireland Limited has been dissolved.
- With effect from September 01, 2021 Kayaku Co. Ltd. has ceased to be a subsidiary of the company.
- With effect from January 25, 2022 Taro Pharmaceutical Laboratories Inc. was merged into Taro Pharmaceuticals U.S.A., Inc.
- Sun Pharma Global FZE is under dissolution.
- With effect from June 07, 2021 SPIL De Mexico S.A. DE C.V. has been dissolved.
- With effect from May 23, 2022, OOO "Sun Pharmaceutical Industries" Limited has been dissolved.

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 ventures

Part "B": Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	Joint Venture		Associate						₹ in Million
		Artes Biotechnology GmbH	Generic Solar Power LLP	Trumpcard Advisors and Finvest LLP (Consolidated)	Medinstill LLC (Consolidated)	Tarsier Pharma Ltd	Bioproducts Pty Ltd	WRS Innovative Solutions Pvt Ltd	Remidio	
1.	Latest Balance Sheet Date	December 31, 2022	March 31, 2023	March 31, 2023	December 31, 2022	December 31, 2022	December 31, 2022	December 31, 2022	March 31, 2023	
	Date of investment	February 13, 2014	October 09, 2015	March 31, 2017	March 13, 2014	October 09, 2018	October 03, 2021	February 03, 2023		
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	475,036		
	Amount of Investment in Associates/Joint Venture	361.6	-	642.1	816.3	459.2	117.4	1,497.3		
	Extend of Holding %	45.00%	28.76%	40.61%	19.99%	20.98%	12.50%	27.39%		
3.	Description of how there is significant influence	NA	NA	NA	NA	NA	NA	NA		
4.	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA		
5.	Networth attributable to Shareholding as per latest Balance Sheet (adjusted till March 31, 2023)	115.7	-	311.2	(1,617.1)	21.7	(0.6)	465.1		
6.	Profit / (loss) for the year									
	i. Considered in Consolidation	(2.3)	-	(177.3)	(204.9)	(88.4)	(4.7)	(1.4)		
	ii. Not Considered in Consolidation	(2.8)	0.0	(259.3)	(820.1)	(333.0)	(32.9)	(3.7)		

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director
(DIN: 00005588)

SAILESH T. DESAI
Wholesale Director
(DIN: 00005443)

C. S. MURALIDHARAN
Chief Financial Officer
Mumbai, May 30, 2022

ANOOP DESHPANDE
Company Secretary & Compliance Officer

Notice of Annual General Meeting

NOTICE is hereby given that the **Thirty-first (31st) Annual General Meeting** of Sun Pharmaceutical Industries Limited will be held on **Monday, August 28, 2023 at 3:00 p.m. IST (Indian Standard Time) through Video Conferencing/Other Audio-Visual Means** to transact the following business:

Ordinary Business:

1. Adoption of Standalone Financial Statements

To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon.

2. Adoption of Consolidated Financial Statements

To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 and the report of the Auditors thereon.

3. Declaration of Dividend

To declare Final Dividend of ₹ 4/- (Rupees Four only) per Equity Share of ₹ 1/- each (Rupee One only) for the financial year 2022-23.

4. Appointment of Mr. Sudhir Valia as a Director, liable to retire by rotation

To appoint Mr. Sudhir Valia (DIN: 00005561), who retires by rotation and being eligible, has offered himself for re-appointment.

Special Business:

5. Ratification of the remuneration of the Cost Auditors for financial year 2023-24.

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 reenactment(s) thereof, for the time being in force, the remuneration as approved by the Board of Directors and 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 2023-24, be and is hereby ratified.”

Please click [here](#) for Explanatory Statement.

6. Appointment of Mr. Rolf Hoffmann as an Independent Director of the Company.

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 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Mr. Rolf Hoffmann (DIN: 10200311), who has been appointed as an Additional Independent Director with effect from June 15, 2023, by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) years commencing from June 15, 2023 to June 14, 2028, who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Director of the Company and/ or Chief Financial Officer and/or Company Secretary & Compliance Officer be and are hereby severally authorised to do all such acts, deeds, matters and things as are necessary to give effect to this resolution.”

Please click [here](#) for Explanatory Statement.

7. Appointment of Mr. Aalok Shanghvi as the Whole-time Director of the Company and approval of the remuneration payable to him.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force (“Listing Regulations”), Mr. Aalok Shanghvi (DIN: 01951829), who has been appointed as an Additional Director with effect from June 1, 2023, by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as a Director of the Company, effective from June 1, 2023, who shall be liable to retire by rotation.



RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, and other applicable provisions, if any, of the Act and rules made thereunder, Regulation 17(6)(e) of the Listing Regulations and other applicable provisions, if any, pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, Mr. Aalok Shanghvi (DIN: 01951829) be and is hereby appointed as the Whole-time Director of the Company for a term of 5 (five) years effective from June 1, 2023 to May 31, 2028 on the terms and conditions as set out below, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid term.

RESOLVED FURTHER THAT the terms and conditions of appointment and remuneration are as follows:

1. Period of Appointment:

Mr. Aalok Dilip Shanghvi shall hold office as the Whole-time Director of the Company for a period of five years effective from June 1, 2023.

2. Remuneration:

The remuneration payable shall be determined by the Board of Directors, from time to time, within the maximum limits as set forth below:

- a) **Salary** (including bonus, perquisites and variable pay subject to individual and company performance) up to ₹ 95 Million (Rupees Ninety-five Million 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) 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.
- c) **Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year, Mr. Aalok Shanghvi shall be entitled to receive a total remuneration including perquisites etc. not exceeding the maximum limits as approved by the Members herein above, as minimum remuneration.

3. Other Terms and Conditions:

- a) Mr. Aalok Shanghvi shall continue in his roles and responsibilities as per the terms and conditions in the employment of the Company and to do all such acts and things as may be directed by the Board of Directors, from time to time.
- b) The appointment of Mr. Aalok Shanghvi as the Whole time Director of the Company would be subject to the provisions of Section 152 (6) of the Companies Act, 2013, i.e., Mr. Aalok Shanghvi would be liable to retire by rotation.
- c) 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. Aalok Shanghvi's ceasing to be a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors shall have the discretion and authority to modify the foregoing terms of remuneration within the limits as approved by the members and that the Board of Directors of the Company be and is hereby authorised to take such steps as they may deem fit, expedient or desirable to give effect to this resolution."

Please click [here](#) for Explanatory Statement.

8. Approval for material related party transactions between Taro Pharmaceuticals USA, Inc and Taro Pharmaceuticals Inc, Canada for FY2023-24.

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 SEBI (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 and Audit Committee, the approval of the members of the Company be and is hereby accorded to related party transaction(s)/ arrangement(s) to be entered into individually or taken together with previous transactions during FY2023-24, between two non-wholly-owned subsidiaries of 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 transaction(s)/ arrangement(s) exceeding a value equivalent to ₹ 10,000 Million (i.e., ₹ 1,000 Crore, being the materiality threshold), but not exceeding an aggregate value equivalent to ₹ 20,000 Million, 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.”

Please click [here](#) for Explanatory Statement.

By order of the Board of Directors
For Sun Pharmaceutical Industries Limited,

Anoop Deshpande
Company Secretary
and Compliance Officer
(ICSI Membership No.: A23983)

Place: Mumbai
Date: July 7, 2023

Registered Office:
SPARC, Tandalja,
Vadodara - 390 012.
Gujarat, India

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 Special Business as set out at Item Nos. 5 to 8 of the Notice.

Item No. 5: Ratification of the remuneration of the Cost Auditors for financial year 2023-24.

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, 2024 at a remuneration of ₹ 29,77,500/- (Rupees Twenty-Nine Lakhs Seventy-Seven Thousand and Five Hundred only) per annum plus reimbursement of out-of-pocket expenses and applicable taxes.

For the financial year ending March 31, 2023, members had approved the remuneration of ₹ 27,82,500/- (Rupees Twenty-Seven Lakhs Eighty-Two Thousand and Five Hundred only) per annum plus reimbursement of out-of-pocket expenses and applicable taxes, to be paid to M/s K D & Co., Cost Accountants.

In terms of provisions of Section 148(3) of the Act, read with Companies (Audit and Auditors) Rules, 2014, members' approval 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, 2024.

The Board recommends the resolution as set out at Item No. 5 of this 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 at Item No. 5 of this Notice.

Please click [here](#) for the resolution.

Item No. 6: Appointment of Mr. Rolf Hoffmann as an Independent Director of the Company

In a dynamic global business environment, diversity of the Board is key to achieve sustainable growth that can generate value for stakeholders. Accordingly, as part of Company's intent to have adequate mix on the Board of Directors commensurate with the size and operations of the Company, individuals having diverse expertise, the Nomination and Remuneration Committee (“NRC”) considered the candidature of Mr. Rolf Hoffmann (DIN: 10200311) and appointed him as an Additional Independent Director. Based on the approval and the recommendation of the NRC, the Board of Directors, at its meeting held on May 26, 2023, approved the appointment of Mr. Rolf Hoffmann as an Additional Independent Director for a period of five years, commencing from June 15, 2023, subject to approval of the shareholders.

In the opinion of the Board, Mr. Rolf Hoffman fulfils the conditions specified in the said Act and the rules made thereunder for appointment as Independent Director and that he is independent of the management. He is not debarred by virtue of any order of Securities and Exchange Board of India or any other such authority from holding office as a Director.

The letter of appointment of Mr. Rolf Hoffmann setting out the terms and conditions of appointment is being made available for inspection of the members as detailed in the Notes to this Notice.

Brief profile and other particulars required as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, are provided under the head “**Profile of Directors**” forming part of this Notice.

In terms of Section 161(1) of the Act, Mr. Rolf Hoffmann has been appointed as an Additional Independent Director, holding office upto this Annual General Meeting. Also, appointment of a director is required to be approved by the members within a time period of three months from the appointment or at the next general meeting, whichever is earlier, pursuant to Regulation 17(1C) of Listing Regulations.



Accordingly, the approval of members is being sought for appointment of Mr. Rolf Hoffmann as an Independent Director, for a term commencing from June 15, 2023 to June 14, 2028, and during his tenure, he shall not be liable to retire by rotation. The Board of Directors recommend the resolution as set out in Item No. 6 for approval of the members as Special Resolution, pursuant to Regulation 25 of Listing Regulations.

The Company has a consulting services agreement with NavBio AG, an entity in which Mr. Rolf Hoffmann is a Promoter and CEO. The annual agreement value does not exceed an amount of SFR 0.1 Million (equivalent of ₹ 9.3 Million approx.). As per the applicable provisions defining independence, the said agreement value does not affect independence of Mr. Rolf Hoffmann.

Mr. Rolf Hoffmann is not related to any Director of the Company. None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Rolf Hoffmann and his relatives, are in any way concerned or interested in the resolution as set out at Item No. 6 of this Notice.

Please [click here](#) for the resolution.

Item No. 7: Appointment of Mr. Aalok Shanghvi as the Whole-time Director of the Company and approval of the remuneration payable to him.

In a dynamic global business environment, diversity of the Board is key to achieve sustainable growth that can generate value for stakeholders. Adequate mix of Executive and Non-executive Director, age of the Board members are key diversity attributes.

In view of the above, the Nomination and Remuneration Committee ("NRC"), considered the candidature of Mr. Aalok Shanghvi who is also working as Executive Vice-president and also a member of the Core Management Team of the Company, leading and heading Emerging Markets, Global Generic R&D, Global Generic Business Development & API businesses and approved the appointment and remuneration of Mr. Aalok Shanghvi as an Additional Director and the Whole-time Director. Based on the approval and recommendation of the NRC, the Board of Directors, at its meeting held on May 26, 2023, has approved appointment and remuneration of Mr. Aalok Shanghvi, as an Additional Director and Whole-time Director for a period of five years commencing from June 1, 2023, subject to approval of the shareholders.

Mr. Aalok Shanghvi fulfils all the conditions given under Section 196 and Schedule V of the Act for being eligible for his appointment. He is neither disqualified under Section 164 of the Act, nor debarred by virtue of any order of Securities and Exchange Board of India or any other such authority from holding office as a Director.

The terms and conditions of his appointment and remuneration are detailed in the resolution at Item No. 7.

Brief profile of Mr. Aalok Shanghvi and other particulars, as required pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, are provided under the head "**Profile of Directors**" forming part of this Notice.

Remuneration payable to Mr. Aalok Shanghvi shall be subject to the requirements under Section 197 of the Act. Mr. Aalok Shanghvi, being a Senior Management Personnel (as defined under the Listing Regulations) his remuneration for FY2023-24 has been approved by the Board of Directors on the recommendation of the NRC as follows,

Particulars	Amount in ₹
Fixed Pay	59,909,481
Variable Pay	8,986,424
Total	68,895,905

There is no change proposed in the remuneration as mentioned above as a result of appointment of Mr. Aalok Shanghvi on the Board of Directors of the Company for the financial year 2023-24. However, the approval of the members is sought for the maximum and minimum remuneration during the term of the appointment as detailed in the resolution at Item No. 7.

The revision in remuneration payable to Mr. Aalok Shanghvi for subsequent years during his term of appointment shall be determined by the Board of Directors, on recommendation of the NRC, within the limits approved by the shareholders under this resolution.

The remuneration payable includes variable pay which is determined on the basis of achievement of targets which is a combination of individual performance on financial and operational goals and overall company performance in terms of both revenues and profits before tax.

In terms of Section 161(1) of the Act, Mr. Aalok Shanghvi has been appointed as an Additional Director, holding office up to this Annual General Meeting. Also, appointment of a director is required to be approved by the members within a time period of three months from the appointment or at the next general meeting, whichever is earlier, pursuant to Regulation 17(1C) of Listing Regulations.

Pursuant to Regulation 17(6)(e) of Listing Regulations, members approval is being sought by way of Special Resolution for his remuneration, as Mr. Aalok Shanghvi is a member of the promoter group of the Company. Accordingly, the Board of Directors recommends the resolution as set out in Item No. 7, for approval of the members as Special Resolution.

Mr. Aalok Shanghvi is son of Mr. Dilip Shanghvi, Promoter and Managing Director and nephew of Mr. Sudhir Valia, Non-Executive Director of the Company.

None of the Directors or Key Managerial Personnel of the Company, other than Mr. Dilip Shanghvi, Mr. Sudhir Valia and their relatives and Mr. Aalok Shanghvi and his relatives, to whom this resolution pertains, are in any way concerned or interested in the resolution as set out at Item No. 7 of this Notice.

Please click [here](#) for the resolution.

Item No. 8: Approval for material related party transactions between Taro Pharmaceuticals USA, Inc and Taro Pharmaceuticals Inc, Canada for FY 2023-24.

Pursuant to Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") every Material Related Party Transaction ('Material RPT') requires prior approval of the shareholders.

Related parties transactions includes the transactions of a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand. Further, Material RPT means transaction(s) entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 10,000 Million, i.e., ₹ 1,000 crores or ten per cent of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

Accordingly, the transaction between Taro Pharmaceuticals Inc., Canada ("Taro Canada") and Taro Pharmaceuticals USA, Inc. ("Taro USA"), indirect non wholly-owned subsidiaries of the Company, was identified as Material RPT, requiring approval of the shareholders. Taro USA acts as a distributor

for Taro Canada in the US markets and the transaction is in the interest of the Company as it brings about greater efficiency and manages the supply chain effectively.

Approval of the shareholders was obtained at the 30th Annual General Meeting ('AGM') held on August 29, 2022 for transactions between Taro Canada and Taro USA for an amount upto ₹ 20,000 Million each year, for two financial years i.e. FY2022-23 and FY2023-24. Considering this approval, the Corporate Governance and Ethics Committee and the Audit Committee have approved omnibus limits for this transaction for FY2023-24 within the approval of the shareholders.

While providing clarifications with respect to requirement of shareholders' approval, SEBI has made a reference to 'omnibus' approval (i.e. approval for one year) in its circular dated April 8, 2022. Omnibus approval is referred to in Regulation 23(3) of Listing Regulations and is understood to be an approval valid for a period of one year. What is envisaged in Regulation 23(3) of Listing Regulations can be construed to be relevant for approval of the Audit Committee and not for the approval of the shareholders. However, on a conservative basis, it is proposed that the approval of the shareholders should also be obtained necessarily for a period of one year and hence we are again seeking approval for FY2023-24 from the shareholders though the same was approved at the previous AGM.

Considering the above, the Corporate Governance and Ethics Committee and the Audit Committee has approved the transaction. Accordingly, approval of the shareholders is sought for the Material RPT exceeding a value equivalent to ₹ 10,000 Million, being the materiality threshold, but not exceeding an aggregate value equivalent to ₹ 20,000 Million, as set out in the resolution at Item No. 8 as an Ordinary Resolution.



The information pursuant to SEBI Circular No. SEBI/HO/CFD/CM1/CIR/P/2021/662 dated November 22, 2021 and the Act, required to be disclosed is as follows:

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 SPIL 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)	FY 2023-24 (April 1, 2023 to March 31, 2024)
d.	Value of the proposed transaction	Equivalent to ₹ 20,000 Million
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 – 4.6% For Taro USA – 87.3% For Taro Canada – 89.6%
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:	Not Applicable
	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, <ul style="list-style-type: none"> • 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	
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	-

None of the Directors and Key Managerial Personnel of the Company and their respective relatives except Mr. Sudhir Valia and Mr. Gautam Doshi and their respective relatives, by virtue of their directorships in the aforementioned subsidiary companies, are concerned or interested in the resolution set out at Item No. 8.

Please click [here](#) for the resolution.

Profile of Directors

As required under Regulation 36 of the SEBI (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 appointed/reappointed at this AGM, are given below:

The details of Board and Committee Meetings attended by the Director(s), as applicable, during the FY2022-23 are stated in the Corporate Governance Report which forms part of the Annual Report.

The details of remuneration, wherever applicable, are provided in the respective resolution(s).

Particulars	Mr. Sudhir Valia
Age	67
Brief resume of the Director:	<p>Mr. Sudhir Valia holds a Bachelor's degree in Commerce from University of Mumbai and is also a qualified Chartered Accountant with more than four decades of taxation and finance experience. He has been a director of Sun Pharmaceutical Industries Limited since 1994, and is also on the board of Taro Pharmaceuticals Ltd. Prior to 2019 Mr. Sudhir Valia was Whole-time Director of the Company, and he is now a Non-Independent and Non-Executive Director of the Company.</p> <p>Mr. Valia has won CNBC TV18's CFO of the Year award in the Pharmaceutical and Healthcare Sectors for two consecutive years (2011 and 2012, as well as in the year 2009). He is actively involved in the field of social activities and he was awarded the Adivasi Sevak Puraskar (2008-2009) by the Government of Maharashtra for his contribution towards the welfare of tribals, particularly in the field of education in his capacity as visionary and Director of Shantilal Shanghvi Foundation.</p>
Nature of expertise in specific functional areas	Finance and Accounts, Legal, Governance, Pharma Industry Knowledge, Risk Management and General Management
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	<p>Strategic Thinking, Planning, Problem Solving, Decision Making, Leadership, Analytical Approach</p> <p>Mr. Valia has vast experience in pharma industry and fulfils the above-mentioned skills required for his role in the Company.</p>
Date of First appointment on the Board:	January 31, 1994
Directorship held in other companies (excluding foreign companies and section 8 companies):	<p>Alfa Infraprop Private Limited</p> <p>Aditya Thermal Energy Private Limited</p> <p>Aditya Clean Power Ventures Private Limited</p> <p>ITI Mutual Fund Trustee Private Limited</p> <p>Sun Petrochemicals Private Limited</p> <p>Sun Pharma Advanced Research Company Limited</p> <p>Suraksha Asset Reconstruction Limited</p> <p>Lakshdeep Infrastructure and Holding Private Limited</p> <p>Sun Pharma Laboratories Limited</p> <p>Fasttrack Housing Finance Limited</p> <p>Venerate Properties Private Limited</p>
Membership / Chairmanships of Committees of other public Companies:	<p>Sun Pharma Laboratories Limited</p> <ul style="list-style-type: none"> • Audit Committee – Member • Corporate Social Responsibility Committee – Chairman <p>Sun Pharma Advanced Research Company Limited</p> <ul style="list-style-type: none"> • Audit Committee – Member • Stakeholders' Relationship Committee – Member • Corporate Social Responsibility Committee – Chairman • Fund Management Committee – Chairman • Securities Allotment Committee – Member • Risk Management Committee – Member <p>Fasttrack Housing Finance Limited</p> <ul style="list-style-type: none"> • Audit Committee – Chairman • Asset Liability Management Committee – Chairman • Nomination & Remuneration Committee – Member
Listed entities from which the person has resigned in the past three years	None
Inter-se Relationship between Directors:	He is the brother-in-law of Mr. Dilip Shanghvi, Managing Director of the Company
No. of Shares held in the Company (singly or jointly as first holder) as on date of this Notice:	14,345,019 Equity Shares



Particulars	Mr. Rolf Hoffmann
Age	64
Brief resume of the Director:	<p>Mr. Rolf Hoffmann is a strategic and results-orientated Executive who is highly respected for expertise in creating and optimizing commercial opportunities in all global markets. He has over 29 years of experience managing top 50 worldwide markets with full P&L and cross-functional accountability.</p> <p>Mr. Hoffmann has worked with Eli Lilly and Company for over a 17-year period with a balance of incountry management, international regional management and headquarters global executive positions. In his various responsibilities, he established a regulatory and governmental affairs network around the world, developed in-depth commercial capabilities for all geographies including alliances, joint venture, and organic growth strategy. Mr. Hoffmann was a highly respected operational leader and presenter with continued upward momentum when recruited by Amgen, where he spent about 12-years at various leadership roles and responsibilities, including P&L accountabilities for all countries around the world including the USA.</p> <p>Mr. Hoffmann has served on various board viz., Ferring Holding Inc., New Jersey, USA, Trizell Holding S.A., Lausanne, Switzerland, Shield Therapeutics PLC, Gateshead Quays, UK, EUSA Pharma, Hemel Hempstead, UK, Biotest AG, Dreieich, Germany, Trigemina, Inc., San Francisco, USA and STADA AG, Bad Vilbel, Germany. He currently serves the board of Genmab A/S, Copenhagen, Denmark, Paratek Pharmaceuticals, Inc., Boston, USA, Semdor Pharma Group GmbH, Cologne, Germany and IDT Biologika GmbH, Dessau-Rosslau, Germany.</p> <p>Mr. Hoffmann has received an MBA, Kenan-Flagler Business School, UNC Chapel Hill, North Carolina, 1987, MA - English, The University of Koeln, Koeln, Germany, 1985 and MA - Kinesiology, Deutsche Sporthochschule Koeln, Koeln, Germany, 1985.</p>
Nature of expertise in specific functional areas	Finance and Accounts, Legal, Governance, Pharma Industry Knowledge, Risk Management and General Management
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Strategic Thinking, Planning, Problem Solving, Decision Making, Leadership, Analytical Approach Mr. Rolf Hoffman with his vast experience of serving as an Independent Director globally, fulfils the above-mentioned skills required for his role in the Company.
Date of First appointment on the Board:	June 15, 2023
Directorship held in other companies (excluding foreign companies & section 8 companies):	None
Membership / Chairmanships of Committees of other public Companies:	None
Listed entities from which the person has resigned in the past three years	None
Inter-se Relationship between Directors:	None
No. of Shares held in the Company (singly or jointly as first holder) as on date of this Notice:	None

Particulars	Mr. Aalok Shanghvi
Age	39
Brief resume of the Director:	Aalok joined Sun in 2006 and has handled various roles in Marketing, R&D, Project Management, Purchase and Communications. In 2010, he headed Bangladesh and by 2014, he took over the Emerging Markets business, which is spread across 80 countries covering Africa, Middle East, APAC, Eastern Europe, CIS, and Latam. Subsequently, he also took charge of Global Generic R&D, Global Generic Business Development and API. He has done his undergraduate majoring in Cellular and Molecular Biology from the University of Michigan – Ann Arbor.
Nature of expertise in specific functional areas	Pharma Industry Knowledge, Finance and Accounts, Risk Management and General Management
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Strategic Thinking, Planning, Problem Solving, Decision Making, Leadership, Analytical Approach Mr. Aalok Shanghvi has been with the Company since 2006 and has handled various portfolio/ areas of business and hence fulfils the above-mentioned skills required for his role in the Company.
Date of First appointment on the Board:	June 1, 2023
Directorship held in other companies (excluding foreign companies and section 8 companies):	None
Membership/ Chairmanships of Committees of other public Companies:	None
Listed entities from which the person has resigned in the past three years	None
Inter-se Relationship between Directors:	He is the son of Mr. Dilip Shanghvi, Managing Director and Promoter of the Company. He is also the nephew of Mr. Sudhir Valia, Non-Executive Director of the Company.
No. of Shares held in the Company (singly or jointly as first holder) as on date of this Notice:	2,877,280 Equity Shares



Notes

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E-voting dates at a glance

Start of remote e-voting period:	August 24, 2023 at 9:00 am
End of remote e-voting period:	August 27, 2023 at 5:00 pm

Statutory Notes

- Pursuant to the General Circulars 10/2022 and 11/2022, other circulars issued by the Ministry of Corporate Affairs ("MCA") and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 issued by SEBI (hereinafter collectively referred to as "Circulars"), and other applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with various circulars issued from time to time (together referred to as "applicable provisions"), the 31st Annual General Meeting ("AGM"/ "Meeting") of the Company is being held through video conferencing ("VC") or other audio-visual means ("OAVM").
- Members will be able to attend the AGM through VC/ OAVM or view the live webcast** by following instructions detailed in "Attendance and E-voting" section.
- Pursuant to the applicable provisions, Central Depository Services (India) Limited ("CDSL") has been appointed as the authorised e-voting agency to provide the facility of casting votes by a member using remote e-voting as well as the e-voting system during the AGM,
- Since this AGM is being held by VC/ OAVM, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.** However, pursuant to 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 AGM through VC/ OAVM and cast their votes through e-voting.
- The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- The Board of Directors have appointed Mr. Chintan Goswami, and failing him, Mr. Alpesh Panchal, Partners of KJB & Co. LLP, Practising Company Secretaries, as the Scrutinizer.
- The Scrutinizer shall submit his report to the Chairman of the Meeting or any person authorised by him in writing. The result declared along with the Scrutinizer's Report will be submitted to BSE Limited and National Stock Exchange of India Limited, and 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 the prescribed time.
- Relevant registers as required under the Companies Act, 2013 and the relevant documents referred to in the Notice and the Explanatory Statement will be available for inspection electronically upto the date of the AGM, and during the meeting hours. Those shareholders who wish to inspect the aforesaid 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 relevant registers/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 the AGM.

Attendance and E-voting

10. 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 21, 2023. 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 attend/ vote at the AGM, in the manner as detailed under 'Procedure for Login'.
11. **The remote e-voting period begins on Thursday, August 24, 2023 at 09:00 a.m. and ends on Sunday, August 27, 2023 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, will be eligible to cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
12. General instructions
 - The shareholders who wish to complete e-voting and attend the AGM shall login as per the '**Procedure for Login.**'
 - The members can join the AGM in the VC/ OAVM mode 30 minutes before the scheduled time of the commencement of the meeting. The facility of participation at the AGM through VC/ OAVM will be made available to at least 1,000 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.
 - Those shareholders who have joined the AGM 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 AGM. Those 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 AGM.

13. Procedure for Login

Individual Shareholders holding securities in Demat mode with CDSL	Individual Shareholders holding securities in demat mode with NSDL
<ol style="list-style-type: none"> 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 users to login to Easi / Easiest are requested to visit www.cdslindia.com and click on Login icon and select New System Myeasi Tab. 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 www.cdslindia.com and click on Login icon and select New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-voting link available on www.cdslindia.com home page. 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 able to directly access the system of the respective e-voting Service Provider, i.e. CDSL. 	<ol style="list-style-type: none"> 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 - <i>Sun Pharmaceutical Industries Limited</i> 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 hold 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 - <i>Sun Pharmaceutical Industries Limited</i> 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

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.

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.



Physical shareholders and shareholders other than individual holding in demat form

- 1) Log on to the e-voting website - www.evotingindia.com
- 2) Click on "Shareholders" module.
- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login

If a demat account holder 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 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.

If you are a **first time user** follow the steps given below:

Option 1 - 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.
Option 2 - 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 Step 3 above.

After entering these details appropriately, click on "SUBMIT" tab.

Shareholders holding shares in physical form will then directly reach the Company selection screen. These login details can be used only for e-voting on the resolutions contained in this Notice. 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. These login details can be 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.

- 5) Click on the **EVSN 230705004 for Sun Pharmaceutical Industries Limited.**
- 6) 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.
- 7) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 8) 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. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

Additional instructions for non - individual shareholders and custodians applicable for **remote e-voting** only.

- 1) 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.
- 2) A scanned copy of the registration form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- 3) 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.
- 4) The list of accounts linked in the login will be mapped automatically and can be de-linked in case of any wrong mapping.
- 5) It is mandatory that, 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.
- 6) Alternatively, non-individual shareholders are required to mandatorily send the relevant board resolution/ authority letter etc., to the e-mail address; 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.

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.

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.

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.

Final Dividend

14. **The Board of Directors at its Meeting held on May 26, 2023, recommended a Final Dividend of ₹ 4/- (Rupees Four only) per equity share of ₹ 1/- (Rupee One only) each of the Company for the year ended March 31, 2023 and the same, if approved at the AGM, will be paid in accordance with the timelines under the Act. The final dividend shall be paid to such members whose names stand in the Register of Members as beneficial owners as on the Record Date.**
15. **The Record Date for the payment of final dividend is close of business hours on Friday, July 28, 2023 ("Record Date").**
16. Pursuant to the Clause 142 of the Articles of Association of the Company, any member can waive/ forgo the right to receive any dividend. A member, if so wishes, can waive/ forgo the right to receive dividend for any financial year, by submitting the duly filled prescribed form to Link Intime India Private Limited, Company's Registrar and Transfer Agent ("RTA") on or before the Record Date. The prescribed form is available at <https://sunpharma.com/wp-content/uploads/2023/06/Dividend-Waiver-Form.pdf>.
17. The Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. **The details of deduction of tax on dividend and procedure for submission of documents in that regard are available at <https://sunpharma.com/wp-content/uploads/2023/07/Dividend-Annexure-for-TAX.pdf>**

General Shareholder Information

Speaker Registration

18. Shareholders who would like to express their views/ ask questions during the AGM may register themselves as a speaker 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 25, 2023.
19. Only registered speakers will 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.
20. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time during the meeting.
21. 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.

Dispatch of Annual Report through Electronic Mode

22. The Notice of AGM along with the Annual Report for FY2022-23 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company's RTA/ Depositories. Hard copies of the Annual Report shall be sent to members upon request only.



23. Members may note that the Notice of the AGM along with the Annual Report for FY2022-23 is also available for download on the website of the Company at www.sunpharma.com, 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 www.evotingindia.com.
24. For receiving all communication (including Notice and Annual Report) from the Company electronically, the shareholders are requested to update their e-mail addresses with the Depository/RTA.
28. The information regarding the unclaimed dividends and shares already transferred, and due to be transferred, to IEPF Authority, is available on the website of the Company, along with the procedure to claim the same from IEPF Authority and can be accessed at www.sunpharma.com under head "Investor" sub-head "Shareholder Information".

Exchange of Old Share Certificates

29. 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 respective 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 former entities are no longer tradable/ valid.
30. The members may be aware that the equity shares of the Company had been subdivided from 1 (One) equity share of ₹ 5/- each to 5 (Five) equity shares of ₹ 1/- each on November 29, 2010. The members who have yet not sent their share certificates of ₹ 5/- each of the Company for exchange with new equity shares of ₹ 1/- each are requested to do so at the earliest, provided their shares are not already transferred to IEPF, since the old share certificates of ₹ 5/- each are no longer tradable.

Updating KYC (Physical Shareholders)

25. SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has mandated all the shareholders holding shares in physical form to update the PAN, KYC details, Nomination, Contact details, Bank A/c details and Specimen signature for the respective folios. The abovementioned details can be updated by submitting the forms, as may be applicable, to the Company's RTA. The prescribed form(s) are available at <https://sunpharma.com/isr-page/> and on RTA's website at <https://web.linkintime.co.in/KYC-downloads.html>.

Transfer to Investor Education and Protection Fund

26. Pursuant to Section 124 of the Act, the dividends that are unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which the dividend remains unclaimed for seven consecutive years shall also be transferred to IEPF.
27. The Company will be transferring the unclaimed dividends for the financial year 2015-16 on October 16, 2023. Hence, members are requested to claim their unpaid dividend within the stipulated timelines.

Dematerialisation of Physical Share Certificates

31. SEBI now mandates that only shares held in dematerialised form shall be permitted for transfer, and further, the securities shall be issued in dematerialised form while processing requests for transmission/ transposition/ duplicate certificates, etc. Hence, the members are requested to get their physical shares dematerialised as soon as possible.

Corporate Information

BOARD OF DIRECTORS

Dr. Pawan Goenka

Lead Independent Director

Dilip S. Shanghvi

Managing Director

Sailesh T. Desai

Whole-time Director

Aalok D. Shanghvi

Whole-time Director (appointed with effect from June 01, 2023)

Sudhir V. Valia

Non-Executive and Non-Independent Director

Gautam Doshi

Independent Director

Rama Bijapurkar

Independent Director

Sanjay Asher

Independent Director (appointed with effect from November 01, 2022)

Rolf Hoffmann

Independent Director (appointed with effect from June 15, 2023)

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. Pharmeducence Inc., Billerica, Massachusetts, US
39. Sun Pharma Japan Technical Operations Ltd., Saitama, Japan

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