

**Sun Pharma Holdings**

**Financial statements**

**31 March 2024**

## **Sun Pharma Holdings**

Financial statements  
for the year ended 31 March 2024

<i>Contents</i>	<i>Pages</i>
Corporate data	1
Director's report	2
Secretary's certificate	3
Auditors' report	4 - 6
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to and forming part of the financial statements	11 - 28

## Sun Pharma Holdings

### Corporate data

		<b>Date of appointment</b>	<b>Date of resignation</b>	
<b>DIRECTORS</b>	:			
		Shah Rajesh Khushalchand	27 March 2013	-
		Doshi Gautam Bhailal	13 June 2019	-
		Rattan Anuj	17 June 2021	08 April 2024
		Chummun Brizraj	17 June 2021	-
		Nabeebukus Shameer	17 June 2021	-
<b>ADMINISTRATOR &amp; SECRETARY</b>	:	Rogers Capital Corporate Services Limited No. 5 President John Kennedy Street 3 <sup>rd</sup> Floor, Rogers House Port Louis Republic of Mauritius		
<b>REGISTERED OFFICE</b>	:	C/o Rogers Capital Corporate Services Limited No. 5 President John Kennedy Street 3 <sup>rd</sup> Floor, Rogers House Port Louis Republic of Mauritius		
<b>AUDITOR</b>	:	Lancasters Chartered Accountants 14, Lancaster Court Lavoquer Street Port Louis Republic of Mauritius		
<b>BANKER</b>	:	Credit Agricole 13 <sup>th</sup> Floor Maze Tower Sh. Zayed Road Next To Emirates Tower Metro Station Dubai		
		Standard Chartered Mauritius 6 <sup>th</sup> Floor, Standard Chartered Tower Bank Street Ebene Republic of Mauritius		

## **Sun Pharma Holdings**

### **Directors' report**

*for the year ended 31 March 2024*

The directors are pleased to present their report together with the audited financial statements of Sun Pharma Holdings ("the Company") for the year ended 31 March 2024.

### **Principal activity**

The principal activity of the Company is that of investment holding.

### **Results and dividend**

The results for the year are shown on page 7.

The directors do not recommend the payment of a dividend for the year under review (2023: Nil).

### **Statement of directors' responsibilities in respect of financial statements**

Company law requires the directors to prepare financial statements for each financial year giving a true and fair view of the statement of financial position and of the statement of profit or loss and other comprehensive income of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements for the year ended 31 March 2024.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern on the year ahead.

### **Auditor**

The Auditor, Lancasters, were appointed during the year and a resolution concerning their re-appointment will be proposed at the next annual meeting of the shareholders.

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**By order of the Board**

**Director**

Date: 21 May 2024

# Rogers Capital

## Sun Pharma Holdings

### Secretary's certificate

*for the year ended 31 March 2024*

### Secretary's certificate under Section 166 (d) of the Mauritius Companies Act 2001

In accordance with section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, Sun Pharma Holdings has filed with the Registrar of Companies for the year ended 31 March 2024, all such returns as are required of the Company under the Mauritius Companies Act 2001.

.....  
*For and on behalf of* **ROGERS CAPITAL CORPORATE SERVICES LIMITED**  
**Company Secretary**

Date: 21 May 2024 .....



## **Auditor's report to member of Sun Pharma Holdings**

### ***Opinion***

We have audited the financial statements of Sun Pharma Holdings (the "Company") set out on pages 7 to 28 which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

### ***Basis for Opinion***

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

### ***Other Information***

The directors are responsible for the other information. The other information comprises the Directors' Report and the Company Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements or our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

## **Auditor's report to member of Sun Pharma Holdings (continued)**

### ***Responsibilities of the Directors for the Financial Statements***

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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.

**Auditor's report to member of Sun Pharma Holdings (continued)**

***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

***Other matter***

This report is made solely for the Company's member. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

***Report on Other Legal and Regulatory Requirements***

***Mauritius Companies Act 2001***

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

**Lancasters,**  
Chartered Accountants  
14, Lancaster Court  
Lavoquer Street  
Port Louis  
Mauritius

**Pasram Bissessur FCCA, ACA, MBA (UK)**  
*Licensed by FRC*

Date: 21.05.2024



## Sun Pharma Holdings

### Statement of profit or loss and other comprehensive income for the year ended 31 March 2024

	Note	2024 USD	2023 USD
<b>Revenue</b>	4		
Dividend income		42,759	-
		-----	-----
<b>Expenses</b>			
Audit fees		13,750	11,465
Accounting fees		9,050	9,010
Administration charges		7,980	4,110
Director sitting fees		4,500	1,500
Licence fees		2,325	2,325
Disbursement		2,250	5,625
Professional fees		1,030	9,435
Bank charges		890	3,270
Compliance fees		350	1,150
Penalty fees		-	142
		-----	-----
<b>Total operating expenses</b>		42,125	48,032
		-----	-----
<b>Profit/ (loss) from operating activities</b>		634	(48,032)
Finance costs	5	(804,692)	(480,142)
Impairment of investment		(100)	(1,272,800,000)
		-----	-----
<b>Loss before taxation</b>		(804,158)	(1,273,328,174)
Taxation	6	(2,037)	-
		-----	-----
<b>Loss for the year</b>		(806,195)	(1,273,328,174)
Other comprehensive income/(loss)		1,054,170	(1,107,990)
		-----	-----
<b>Total comprehensive income/(loss) for the year</b>		247,975	(1,274,436,164)
		=====	=====

The notes on pages 11 to 28 form part of these financial statements

## Sun Pharma Holdings

### Statement of financial position

As at 31 March 2024

	Note	2024 USD	2023 USD
<b>Assets</b>			
<b>Non-current assets</b>			
Available-for-sale financial assets	7	4,557,541	3,503,365
Investment in subsidiaries	8	1,370,415,511	1,370,415,611
Loan receivable	9	1	1
<b>Total non-current assets</b>		<b>1,374,973,053</b>	<b>1,373,918,977</b>
<b>Current assets</b>			
Other receivables	10	6,251	5,802
Cash and cash equivalents		91,550	39,533
<b>Total current assets</b>		<b>97,801</b>	<b>45,335</b>
<b>Total assets</b>		<b>1,375,070,854</b>	<b>1,373,964,312</b>
<b>Equity and liabilities</b>			
Stated capital	11	855,249,716	855,249,716
Preference share capital	12	2,565,593,148	2,565,593,148
Reserves	13	(2,059,972,406)	(2,060,220,381)
<b>Total equity</b>		<b>1,360,870,458</b>	<b>1,360,622,483</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loan from related party	14	12,738,150	12,688,150
<b>Current liabilities</b>			
Other payables	15	1,462,246	653,679
<b>Total current liabilities</b>		<b>1,462,246</b>	<b>653,679</b>
<b>Total liabilities</b>		<b>14,200,396</b>	<b>13,341,829</b>
<b>Total equity and liabilities</b>		<b>1,375,070,854</b>	<b>1,373,964,312</b>

Approved by the Board of Directors on .....21.May.2024..... and signed on its behalf by:

Director

The notes on pages 11 to 28 form part of these financial statements

## Sun Pharma Holdings

### Statement of changes in equity for the year ended 31 March 2024

	Stated capital USD	Preference share capital USD	Reserves USD	Total USD
At 01 April 2022	855,249,716	2,565,593,148	(785,784,217)	2,635,058,647
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(1,273,328,174)	(1,273,328,174)
Other comprehensive loss	-	-	(1,107,990)	(1,107,990)
Balance at 31 March 2023	855,249,716	2,565,593,148	(2,060,220,381)	1,360,622,483
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(806,195)	(806,195)
Other comprehensive income	-	-	1,054,170	1,054,170
<b>Balance at 31 March 2024</b>	<b>855,249,716</b>	<b>2,565,593,148</b>	<b>(2,059,972,406)</b>	<b>1,360,870,458</b>

The notes on pages 11 to 28 form part of these financial statements

## Sun Pharma Holdings

### Statement of cash flows

for the year ended 31 March 2024

	2024 USD	2023 USD
<b>Cash flows from operating activities</b>		
Loss before taxation	(804,158)	(1,273,328,174)
<i>Adjustment made:</i>		
Dividend income	(42,759)	-
Interest on loan	804,692	480,110
Impairment of investment	100	1,272,800,000
	-----	-----
	(42,125)	(48,064)
Change in other receivables	(449)	(5,033)
Change in other payables	3,875	(11,478)
Tax paid	(2,037)	-
	-----	-----
<b>Net cash used in operating activities</b>	<b>(40,736)</b>	<b>(64,575)</b>
	-----	-----
<b>Cash flows from investing activities</b>		
Dividend received	42,759	-
Additional investment in subsidiary	(6)	(960)
	-----	-----
<b>Net cash from/(used in) investing activities</b>	<b>42,753</b>	<b>(960)</b>
	-----	-----
<b>Cash flows from financing activities</b>		
Loan received from related party	50,000	88,150
	-----	-----
<b>Net cash from financing activities</b>	<b>50,000</b>	<b>88,150</b>
	-----	-----
Net increase in cash and cash equivalents	52,017	22,615
Cash and cash equivalents at 01 April	39,533	16,918
	-----	-----
<b>Cash and cash equivalents at 31 March</b>	<b>91,550</b>	<b>39,533</b>
	=====	=====

The notes on pages 11 to 28 form part of these financial statements



## Sun Pharma Holdings

### Notes to and forming part of the financial statements

for the year ended 31 March 2024

#### 1. General information

The Company was incorporated on 29 January 2013 and was granted a Category 2 Global Business Licence on 30 January 2013. On 17 June 2021, the Category 2 Global Business Licence was converted in a Global Business Licence.

The principal activity of the Company is that of investment holding.

#### 2. Basis of preparation

##### (a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") and comply with Companies Act 2001.

##### (b) Basis of measurement

The financial statements have been prepared under the historical cost basis except where stated otherwise.

##### (c) Functional and presentation currency

The financial statements are presented in United States Dollar (USD) which is the Company's functional currency and presentation currency.

##### (d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

##### Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties (if any) that have a significant risk of resulting in a material adjustment in the year ended 31 March 2024 is included in the relevant notes as follows:

- Impairment test: key assumptions underlying recoverable amounts;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 2. Basis of preparation (continued)

##### (d) Use of judgements and estimates (continued)

###### Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

##### (e) Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on the going concern basis.



## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise stated.

##### (a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated in the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income (OCI):

- available-for-sale equity investments (except for impairment, where the foreign currency differences will be reclassified to profit or loss, (if any));
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

##### (b) Revenue recognition

Revenue is recognised in the statement of profit or loss and other comprehensive income as follows:

- Dividend income - when the shareholder's right to receive payment is established.
- Interest on loan - recognised in the year in which it is receivable.

##### (c) Expenses

All expenses are recognised in statement of profit or loss and other comprehensive income on an accrual basis.

##### (d) Finance income and finance costs

The Company's finance income/costs include interest on loan and foreign exchange gain or losses. Interest income is recognised using the effective interest method.

##### (e) Stated Capital

###### Ordinary shares

Ordinary shares are classified in equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.



## Sun Pharma Holdings

### Notes to and forming part of the financial statements

for the year ended 31 March 2024

#### 3. Significant accounting policies (continued)

##### (f) Investment in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investment in subsidiaries are shown at cost and provision for impairment is only made where, in opinion of the directors, there is a diminution in value which is other than temporary. Where there has been such a diminution in value of an investment, it is recognised as an expense in the year in which the diminution is identified.

##### (g) Taxation

Taxation comprises current withholding and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income ("OCI").

##### (i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

##### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and
- Temporary differences related to investment in subsidiary to the extent the Company is able to control the timing of the reversal of the temporary differences and it is probable that it will not reverse in the foreseeable future; and

Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. 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; such reductions are reversed when the probability of future taxable profits improves.



## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 3. Significant accounting policies (continued)

##### (g) *Taxation (continued)*

###### (ii) *Deferred tax (continued)*

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

##### (h) *Impairment of non-financial assets*

The carrying amounts of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU 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 CGU. For the purpose of impairment testing, assets that cannot be tested individually 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 CGU.

Impairment losses are recognised in the statement of profit or loss. Impairment losses recognised in prior periods are assessed at each balance sheet 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.



## Sun Pharma Holdings

### Notes to and forming part of the financial statements

for the year ended 31 March 2024

#### 3. Significant accounting policies (continued)

##### (i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

##### (j) Financial instruments

###### Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

###### Classification and subsequent measurement

###### **Financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost include cash and cash equivalents and other receivables (excluding prepayments).



## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 3. Significant accounting policies (continued)

##### (j) *Financial instruments (continued)*

###### Classification and subsequent measurement (continued)

###### *Financial assets - Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintain a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed;
- how managers of the business are compensated – e.g whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The Company had no financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

###### *Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (example: periodic reset of interest rates).



## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 3. Significant accounting policies (continued)

##### (j) *Financial instruments (continued)*

###### Classification and subsequent measurement (continued)

*Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest (continued)*

The Company has determined that it has the following business model:

- Held-to-collect business model: this includes cash and cash equivalents and other receivables (excluding prepayments). These financial assets are held to collect contractual cash flows.

###### *Financial assets - Subsequent measurement and gains and losses*

###### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

###### **Financial liabilities**

###### *Financial liabilities measured at amortised cost*

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category other payables and redeemable ordinary shares.

###### Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability at initial recognition. When calculating the effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instruments but not the future credit losses.



## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 3. Significant accounting policies (continued)

##### (j) *Financial instruments (continued)*

###### *Impairment*

The Company recognises loss allowances for Expected Credit Losses ("ECLs") on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Credit risk on a financial asset is assumed to have been increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default:

- when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising assets (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

###### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

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ECLs are discounted at the effective interest rate of the financial asset.

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## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 3. Significant accounting policies (continued)

##### (j) *Financial instruments (continued)*

###### *Impairment (continued)*

###### *Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- it is probable that the borrower will enter bankruptcy or other financial reorganisation
- the underlying project is put on hold
- breach of contract such as a default or being more than 90 days past due.

###### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

###### Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

###### Derecognition

###### *Financial assets*

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred;
  - or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

###### *Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.



## Sun Pharma Holdings

### Notes to and forming part of the financial statements

for the year ended 31 March 2024

#### 3. Significant accounting policies (continued)

##### (j) Financial instruments (continued)

###### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the net asset and settle the liability simultaneously.

#### 4. Revenue

The Company received dividend income of USD 40,722 during the year (2023: USD Nil).

#### 5. Finance cost

	2024 USD	2023 USD
Interest expense	804,692 =====	480,142 =====

#### 6. Taxation

##### Income tax

The company held a Category 2 Global Business Licence and was not subject to income tax in Mauritius. As from 17 June 2021, the Company was granted a Global Business License and is subject to income tax in Mauritius on its net income at 15%.

The Company may apply a partial exemption on its foreign dividend income, interest income and profits from foreign permanent establishments: the partial exemption is computed at 80% of the relevant foreign sourced income. The partial exemption is not mandatory. The Company may apply the credit system if it so wishes.

Capital gains are exempt from tax in Mauritius.

The Company is a Global Business Licence company for the purpose of the Financial Services Act 2007. Gains or profits derived from the sale of units or of securities by a company holding a Global Business Licence are exempt in Mauritius.

##### Deferred tax

A deferred tax asset amounting to **USD 35,658** (2023: USD 35,787) has not been recognised in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised. Tax losses can be carried forward up to a maximum of five years. The Company's tax losses available for set-off against future taxable income are as follows:

## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 6. Taxation (continued)

##### *Deferred tax (continued)*

Year ended	Tax loss USD	Available for set-off up to year ending
31 March 2024	35,658	31 March 2029

##### *Recognised in the statement of profit or loss and other comprehensive income*

	2024 USD	2023 USD
Current year tax charge	-	-
Withholding tax	2,037	-
Current year tax expense	2,037	-

##### *Reconciliation of effective taxation*

	2024 USD	2023 USD
Loss before taxation	(804,158)	(1,273,328,174)
Income tax at 15%	(120,624)	(190,999,226)
Non-allowable expenses	120,719	190,992,042
Tax losses (utilised)/unutilised	(95)	7,184
Tax expense for the year	-	-



## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 7. Available-for-sale financial assets

Investments consist of quoted shares and unquoted shares. Quoted shares are listed on the New York Stock Exchange.

	Quoted USD	Unquoted USD	Total USD
At 01 April 2023	5,479,748	2,080,645	7,560,393
Additions/disposal during the year	-	6	6
	-----	-----	-----
At 31 March 2024	<b>5,479,748</b>	<b>2,080,651</b>	<b>7,560,399</b>
	-----	-----	-----
<i>Fair value reserves</i>			
At 01 April 2023	(4,057,028)	-	(4,057,028)
Movement during the year	1,054,170	-	1,054,170
	-----	-----	-----
At 31 March 2024	<b>(3,002,858)</b>	-	<b>(3,002,858)</b>
	-----	-----	-----
Valuation			
<b>At 31 March 2024</b>	<b>2,476,890</b>	<b>2,080,651</b>	<b>4,557,541</b>
	=====	=====	=====
At 31 March 2023	1,422,720	2,080,645	3,503,365
	=====	=====	=====

#### Quoted investment

<i>Name of company</i>	<i>Number of units</i>	<i>Stock exchange</i>
-----	-----	-----
Taro Pharmaceutical Industries Ltd	58,500	New York Stock Exchange

#### Unquoted investment

<i>Name of companies</i>	<i>Number and types of shares</i>	<i>% held</i>	<i>Country of incorporation</i>
-----	-----	-----	-----
Sun Pharmaceutical (Bangladesh) Ltd	531 equity shares	0.09	Bangladesh
TKS Farmaceutica Ltda	19,463 equity shares	0.35	Brazil
Libra Merger Ltd	21 ordinary shares	0.21	Israel

## Sun Pharma Holdings

### Notes to and forming part of the financial statements

for the year ended 31 March 2024

#### 8. Investment in subsidiaries

Investments consist of unquoted shares

	2024 USD	2023 USD
<i>Cost</i>		
At 01 April	1,370,415,611	2,643,214,651
Addition during the year	-	960
Impairment of investment	(100)	(1,272,800,000)
At 31 March	<u>1,370,415,511</u>	<u>1,370,415,611</u>

<i>Name of companies</i>	<i>Number and types of shares</i>	<i>% held</i>		<i>Country of incorporation</i>
		<i>2024</i>	<i>2023</i>	
Alkaloida Chemical Company Zrt	7,034,397 ordinary shares at USD 0.006 per share 14,489,167 ordinary shares at USD 6 per share 344,000 Preference shares & 36,500 Preference dividend at USD 6 per share	99.99	99.99	Hungary
Sun Laboratories FZE	300 equity shares	100	100	UAE
Sun Pharmaceutical Industries (Australia) Pty Ltd	100 equity shares	100	100	Australia
Sun Pharmaceutical (SA) (Pty) Ltd	1,000 equity shares	100	100	South Africa
Sun Pharma Global FZE	101 equity shares	-	100	UAE

During the year ended March 31, 2024, an impairment loss of USD 100 with respect to investments made in Sun Pharmaceutical (SA) Pty Ltd, a subsidiary, was recognized by the Company.

The investment was impaired as the investee company has been liquidated and is deregistered at the South Africa's Company and Intellectual Property Commission.

During the year ended March 31, 2023, an impairment loss of USD 1,272,800,000 with respect to investments made in Alkaloida Chemical Company Zrt, a subsidiary, was recognized by the Company.

This investment impairment was based on management's assessment its fair value. Fair value was determined using discounting cash flow projections and the excess of carrying value over the fair value had been impaired.



## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 9. Loan receivable

	2024 USD	2023 USD
<i>Cost</i>		
At 1 April/31 March	2,998,154	2,998,154
	-----	-----
<i>Impairment of loan</i>		
At 01 April/31 March	(2,998,153)	(2,998,153)
	-----	-----
<b>Cost less impairment at 31 March</b>	<b>1</b>	<b>1</b>
	=====	=====

Loan receivable from Sun Pharma De Venezuela was fully impaired on 2 January 2020.

#### 10. Other receivables

	2024 USD	2023 USD
Prepayments	6,251	5,802
	=====	=====

#### 11. Stated capital

	2024 USD	2023 USD
855,249,716 Ordinary shares	855,249,716	855,249,716
	=====	=====

All shares rank equally with regard to the Company's residual assets. The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company.

#### 12. Preference share capital

	2024 USD	2023 USD
2,565,593,148 5% optionally convertible preference shares of USD 1 each	2,565,593,148	2,565,593,148
	=====	=====

The term of the 5% OCPS is for a period of 10 years from the date of its allotment and the term may be further extended to a period of 10 years with the prior approval of the OCPS Holder. The OCPS Holder also has the option to convert the 5% OCPS into equity shares after 2 years from the date of allotment as per the agreed terms.

## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 13. Reserves

	Fair Value reserve USD	Other reserves USD	Retained earnings USD	Total USD
At 01 April 2022	(2,949,038)	(783,858,700)	1,023,521	(785,784,217)
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(1,273,328,174)	(1,273,328,174)
Other comprehensive loss	(1,107,990)	-	-	(1,107,990)
Balance at 31 March 2023	(4,057,028)	(783,858,700)	(1,272,304,653)	(2,060,220,381)
<b>Total comprehensive Income for the year</b>				
Loss for the year	-	-	(806,195)	(806,195)
Other comprehensive income	1,054,170	-	-	1,054,170
<b>Balance at 31 March 2024</b>	<b>(3,002,858)</b>	<b>(783,858,700)</b>	<b>(1,273,110,848)</b>	<b>(2,059,972,406)</b>

Other reserves include:

- (i) The Company has transferred certain group company Equity Investments (USD 270 million) along with cash (USD 11 million) to another group company without any consideration. Since this transaction is considered as Business Combinations Under Common Control without any change in ownership at the ultimate parent level, it is treated as a transaction that has taken place with the equity shareholders / ultimate parent company and hence same is accounted under other reserves.
- (ii) Sun Pharmaceutical Industries Limited is one of the shareholders of the Company and has merged with Sun Pharma Global FZE. The Company was holding equity shares of Sun Pharma Global FZE amounting to USD 500,000,000. As per Clause 10 of Merger Scheme, Sun Pharmaceutical Industries Limited is not supposed to issue any shares to the Company in lieu of its holding in Sun Pharma Global FZE, hence the cancellation of share investment.



## Sun Pharma Holdings

### Notes to and forming part of the financial statements for the year ended 31 March 2024

#### 14. Loan from related party

	2024 USD	2023 USD
<i>Cost</i>		
At 01 April	12,688,150	12,600,000
Addition during the year	50,000	88,150
	-----	-----
At 31 March	12,738,150	12,688,150
	=====	=====

The loan from related party is unsecured, bears interest of USD 3 Month Libor + 1% per annum and provided for a period of 36 months.

#### 15. Other payables

	2024 USD	2023 USD
Accrued expenses	21,750	17,875
Interest on loan	1,440,496	635,804
	-----	-----
	1,462,246	653,679
	=====	=====

#### 16. Related party transactions

During the year under review, the Company entered into the following related party transactions:

		2024 USD	2023 USD
<i>Transaction during the year:</i>			
Loan from sister company	Amount received	50,000	88,150
Interest on loan from sister company	Interest accrued	804,692	480,110
		=====	=====
 <i>Balance outstanding at 31 March</i>			
Loan to sister company	Amount receivable	2,998,154	2,998,154
Loan from sister company	Amount payable	12,738,150	12,688,150
Interest on loan from sister company	Interest payable	1,440,496	635,804
		=====	=====

#### Compensation to key management personnel

The Company has accrued for a director sitting fee of USD 4,500 during the year under review. However, there were no payment of director sitting fees during the year (2023: accrued and paid USD 1,500).

## **Sun Pharma Holdings**

### **Notes to and forming part of the financial statements** *for the year ended 31 March 2024*

#### **17. Exemption from preparing consolidated financial statements**

The Company is a wholly owned subsidiary of Sun Pharmaceutical Industries Limited and has taken exemption from producing Consolidated Financial Statements and its holding company prepares Consolidated Financial Statements under IFRS. The registered office of Sun Pharmaceutical Industries Limited where the consolidated financial statements are available at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (East), Mumbai, Maharashtra (India) – 400 063.

#### **18. Holding and ultimate holding company**

The Company is owned by Sun Pharmaceutical Industries Limited and Sun Pharma Laboratories Limited. The ultimate holding Company is Sun Pharmaceutical Industries Limited, a company incorporated in India and listed on the Bombay Stock Exchange and National Stock Exchange.

#### **19. Going concern**

As at 31 March 2024, the Company's current liabilities exceeded its current assets by USD 1,364,445 (2023: USD 608,344) causing the Company to be illiquid.

The Company has made an assessment of the ability on the Company to continue as going concern and is satisfied that the Company have the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the ability of the Company to continue as going concern as the Company has a positive net worth and is capable of drawing loans from its related parties to service its liabilities.

Therefore, the financial statements are prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

#### **20. Events after the reporting date**

There has been no significant event after the reporting date which requires disclosure or amendment to these financial statements.