

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, 2024, 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 material 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, 2024, 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 judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2024. 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 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>Note 9 and 39 of the standalone Ind AS financial statements)</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 venture and other related parties and lending, investment and borrowing to/from its subsidiaries, associates and joint venture.</p> <p>Identification and disclosure of related parties was a significant area of focus and hence is considered a Key Audit Matter.</p>	<p>50 of the standalone Ind AS financial statements)</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>Other intangible assets (as described in Note 4(a) 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.</p> <p>Significant judgements are used to estimate the recoverable amount of these intangible assets and hence is considered as a Key Audit Matter.</p>	<p>Ind AS financial statements)</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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2024 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.

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, to the extent applicable, 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 except for, the matters stated in the paragraph i(vi) below on reporting under Rule 11(g);
 - (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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g);
 - (g) 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;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 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;
 - (i) 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 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(20) 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(20) 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 performed that have been 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. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights, as described in note 55(11) to the standalone Ind AS financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software where audit trail has been enabled.

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

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares

Partner

Membership Number: 105754

UDIN: 24105754BKBZNY4598

Place of Signature: Mumbai

Date: May 22, 2024

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 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 55(21) 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:

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		9	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	48.2		9	
Leasehold land	Ranbaxy Laboratories Limited	2.9		9	
Freehold Land including building located thereon	Solrex Pharmaceuticals Company	95.9		7	
Freehold Land including building located thereon	Tamilnadu Dadha Pharmaceuticals Limited	3.6	No	27	
Building	Various	4.1		7	
Building	Sun Pharma Global FZE	89.9		3	

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.
 - (e) There are no proceedings initiated or are 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.
- 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.

- iii. (a) During the year the Company has provided loan to subsidiaries and employees as follows:

Particulars	Amount in ₹ Million
Aggregate amount provided during the year to -	
- Subsidiaries	15.3
- Employees	251.6
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	174.5
- Employees	129.3

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.	8,303.5	17-01-2024	NA	NA	The loan was further extended.
Sun Pharmaceutical Industries Inc.	24,894.4	09-02-2024	NA	NA	The loan was further extended.
Realstone Infra Limited	605.6	24-03-2024	NA	NA	The loan and interest were further extended.

The Company has not granted any advances in nature of loan and hence not commented upon by us.

- (d) There are no loans granted which are overdue for more than ninety days as at March 31, 2024. Accordingly, we have not commented on the steps taken by the Company for recovery of the principal and interest.
- (e) During the year, the Company had renewed loan to wholly owned subsidiaries to settle the loan granted to the party which had fallen due during the year. The aggregate amount of such dues renewed / extended / settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year are as follows:

Name of Party	Aggregate amount of loans or advances in the nature of loans granted during the year (in ₹ million)*	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (in ₹ million)	Percentage of the aggregate to the total loans granted during the year
Sun Pharmaceutical Industries Inc.	34,070.4	33,197.9	97.4%
Realstone Infra Limited	34,070.4	605.6	1.8%

*Includes loans and interest extended during the year.

There were no advance 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.

- 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.
- 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.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of applicable pharmaceutical products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities, where applicable, though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Forum where the dispute is pending	Year to which it pertains	Amount (₹ million)*
Income Tax Act, 1961	Income taxes, interest, and penalty	Commissioner of Income Tax (Appeals)	Various assessments for AY 2014-15 and 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	791.5
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Commissioner (Appeals)	Various years from 2003-04 to 2018-19	4.2
Finance Act, 1994	Service Tax	Commissioner (Appeals)	Various years from 2015-16 to 2017-18	4.8
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	458.5
The Goods and Service Tax Act	GST	Assistant Commissioner	2017-18	0.4
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Assistant / Additional / Senior Joint Commissioner	Various years from 1999-00 to 2017-18	13.7
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Appellate Authority	Various years from 1998-99 to 2017-18	1.8
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 2018-19 to 2022-23	382.2
Custom Act, 1962	Customs Duty, Penalty and Interest	CESTAT	Various years from 2010-11 to 2014-15 and 2019	1,156.8

*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.
- 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.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (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. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) No fraud by the Company or no material fraud on 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 taken into consideration the whistle blower complaints received by the Company during the year while 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. Accordingly, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the 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. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- 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 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (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.
- (d) Based on information and explanation provided by the management of the Company, the group does not have more than one 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. 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.
- 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.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 55(13) to the standalone Ind AS payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Act, in compliance with second proviso to sub-section 5 of section 135 of the Act. This matter has been disclosed in note 55(8) 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(8) 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: 24105754BKBZNY4598

Place of Signature: Mumbai

Date: May 22, 2024

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, 2024 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, 2024, 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: 24105754BKBZNY4598

Place of Signature: Mumbai

Date: May 22, 2024

Standalone Balance Sheet

As at March 31, 2024

Particulars	Notes	₹ in Million	
		As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3 (a) & 3 (b)	45,391.4	47,332.5
(b) Capital work-in-progress	3 (d)	3,882.4	3,288.7
(c) Goodwill	4 (a)	1,208.0	1,208.0
(d) Other intangible assets	4 (a)	30,768.0	38,576.2
(e) Intangible assets under development	4 (b)	3,778.7	5,240.4
(f) Investments in the nature of equity in subsidiaries	5 (a)	123,985.8	123,985.8
(g) Investments in the nature of equity in associates	5 (b)	245.1	-
(h) Financial assets			
(i) Investments	6	68.8	144.0
(ii) Loans	7	33,869.0	6,327.0
(iii) Other financial assets	8	520.4	570.5
(i) Deferred tax assets (Net)	9	9,945.2	10,323.9
(j) Income tax assets (Net)	10	5,033.8	5,861.3
(k) Other non-current assets	11	2,407.2	2,365.1
Total non-current assets		261,103.8	245,223.4
(2) Current assets			
(a) Inventories	12	34,236.2	39,891.9
(b) Financial assets			
(i) Investments	13	-	2,002.6
(ii) Trade receivables	14	88,341.6	71,250.2
(iii) Cash and cash equivalents	15	3,264.6	4,102.8
(iv) Bank balances other than (iii) above	16	119.3	110.0
(v) Loans	17	6,555.1	33,470.3
(vi) Other financial assets	18	7,695.5	5,824.0
(c) Other current assets	19	8,913.1	7,785.7
Total current assets		149,125.4	164,437.5
Assets classified as held for sale	3 (c)	418.7	214.0
TOTAL ASSETS		410,647.9	409,874.9

Standalone Balance Sheet

As at March 31, 2024

Particulars	Notes	₹ in Million	
		As at March 31, 2024	As at March 31, 2023
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	2,399.3	2,399.3
(b) Other equity	21	234,544.7	235,084.3
Total equity		236,944.0	237,483.6
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	110,360.1	75,867.3
(ii) Lease liabilities	48	1,669.1	1,815.1
(iii) Other financial liabilities	23	10,772.0	3,912.2
(b) Other non-current liabilities	24	4,254.0	5,074.5
(c) Provisions	25	2,197.3	2,061.6
Total non-current liabilities		129,252.5	88,730.7
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	106.0	59.4
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	45	704.6	1,194.2
(b) total outstanding dues of creditors other than micro and small enterprises	45	25,491.2	30,061.6
(iii) Lease liabilities	48	133.9	166.4
(iv) Other financial liabilities	27	7,188.1	40,640.1
(b) Other current liabilities	28	4,730.5	3,437.7
(c) Provisions	29	6,090.8	8,095.0
Total current liabilities		44,445.1	83,654.4
Liabilities directly associated with assets classified as held for sale	3 (c)	6.3	6.2
Total liabilities		173,703.9	172,391.3
TOTAL EQUITY AND LIABILITIES		410,647.9	409,874.9

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003

 per **PAUL ALVARES**

Partner

Membership No.: 105754

Mumbai, May 22, 2024

For and on behalf of the Board of Directors of

SUN PHARMACEUTICAL INDUSTRIES LIMITED
DILIP S. SHANGHVI

Chairman and Managing Director

(DIN: 00005588)

AALOK D. SHANGHVI

Whole-time Director

(DIN: 01951829)

C. S. MURALIDHARAN

Chief Financial Officer

Mumbai, May 22, 2024

ANOOP DESHPANDE

Company Secretary and Compliance Officer

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

Particulars	Notes	₹ in Million	
		Year ended March 31, 2024	Year ended March 31, 2023
(I) Revenue from operations	30	202,751.7	208,121.4
(II) Other income	31	4,657.6	2,790.3
(III) Total income (I + II)		207,409.3	210,911.7
(IV) Expenses			
Cost of materials consumed	32	44,293.8	51,656.3
Purchases of stock-in-trade		9,944.1	11,264.6
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	1,803.2	(2,379.3)
Employee benefits expense	34	23,739.5	21,569.5
Finance costs	35	7,840.8	4,721.8
Depreciation and amortisation expense	3 (a) , 3 (b) & 4 (a)	16,006.2	16,008.7
Other expenses	36	67,972.2	61,784.3
Net (gain) / loss on foreign currency transactions		(877.2)	(502.6)
Total expenses (IV)		170,722.6	164,123.3
(V) Profit / (loss) before exceptional item and tax (III - IV)		36,686.7	46,788.4
(VI) Exceptional items	55 (2)	2,190.2	29,377.9
(VII) Profit / (loss) before tax (V - VI)		34,496.5	17,410.5
(VIII) Tax expense / (credit)			
Current tax	38	5,461.0	7,527.7
Deferred tax	9 & 38	453.7	(7,024.4)
Total tax expense (VIII)		5,914.7	503.3
(IX) Profit / (loss) for the year (VII - VIII)		28,581.8	16,907.2
(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		(305.1)	113.4
Income tax on above		106.5	(39.6)
b. Gain / (loss) on equity instrument measured at fair value through other comprehensive income		4.8	(90.2)
Income tax on above		(1.7)	31.5
Total - (A)		(195.5)	15.1

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

Particulars	Notes	₹ in Million	
		Year ended March 31, 2024	Year ended March 31, 2023
(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		85.5	(192.4)
Income tax on above		(29.8)	67.2
Total - (B)		55.7	(125.2)
(X) Total other comprehensive income (A+B)		(139.8)	(110.1)
(XI) Total comprehensive income for the year (IX+X)		28,442.0	16,797.1
Earnings per equity share (face value per equity share - ₹ 1)	46		
Basic (in ₹)		11.9	7.0
Diluted (in ₹)		11.9	7.0

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 22, 2024

For and on behalf of the Board of Directors of

SUN PHARMACEUTICAL INDUSTRIES LIMITED

DILIP S. SHANGHVI

Chairman and Managing Director

(DIN: 00005588)

AALOK D. SHANGHVI

Whole-time Director

(DIN: 01951829)

ANOOP DESHPANDE

Company Secretary and Compliance Officer

C. S. MURALIDHARAN

Chief Financial Officer

Mumbai, May 22, 2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

Particulars	₹ in Million											
	Equity share capital	Reserves and surplus					Other Equity			Other comprehensive income (OCI)		Total
		Capital reserve	Securities premium	Amalgamation reserve	Capital redemption reserve	General reserve	Retained earnings	Equity instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges		
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	
Profit for the year	-	-	-	-	-	-	28,581.8	-	-	-	28,581.8	
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	^ (198.6)	3.1	-	55.7	(139.8)	
Total comprehensive income for the year	-	-	-	-	-	-	28,383.2	3.1	-	55.7	28,442.0	
Payment of dividend	-	-	-	-	-	-	(28,981.6)	-	-	-	(28,981.6)	
Balance as at March 31, 2024	2,399.3	22,258.5	11,874.1	43.8	7.5	51,435.0	127,310.4	(10.2)	21,543.5	82.1	236,944.0	

^ 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/E300003

per **PAUL ALVARES**

Partner

Membership No.: 105754

Mumbai, May 22, 2024

For and on behalf of the Board of Directors of
SUN PHARMACEUTICAL INDUSTRIES LIMITED

DILIP S. SHANGHVI

Chairman and Managing Director
(DIN: 00005588)

AALOK D. SHANGHVI

Whole-time Director
(DIN: 01951829)

C. S. MURALIDHARAN

Chief Financial Officer
Mumbai, May 22, 2024

ANOOP DESHPANDE

Company Secretary and Compliance Officer

Standalone Statement of Cash Flow

for the year ended March 31, 2024

Particulars	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flow from operating activities		
Profit / (loss) before tax	34,496.5	17,410.5
Adjustments for:		
Depreciation and amortisation expense	16,006.2	16,008.7
Net (gain) / loss on sale / write off / impairment of property, plant and equipment, other intangible assets and intangible assets under development	1,707.1	40.4
(Gain) / loss on derecognition of Right-of-use assets	(1.3)	(0.4)
Finance costs	7,840.8	4,721.8
Interest income	(3,964.3)	(2,202.0)
Net (gain) / loss arising on financial assets measured at fair value through profit or loss	-	(2.2)
Net (gain) / loss on sale of financial assets measured at fair value through profit or loss	(220.3)	(173.0)
Provision / write off / (reversal) for doubtful trade receivables / advances	119.5	242.5
Sundry balances written back, net	(215.6)	(128.5)
Write off of investment due to dissolution of subsidiary	-	8.8
Impairment in value of investment	-	29,377.9
Effect of exchange rate changes	(3,583.0)	340.0
Operating profit / (loss) before working capital changes	52,185.6	65,644.5
Movements in working capital:		
(Increase) / decrease in inventories	5,655.7	(5,854.5)
(Increase) / decrease in trade receivables	(14,771.4)	(29,320.1)
(Increase) / decrease in other assets	(2,764.5)	(825.3)
Increase / (decrease) in trade payables	(4,136.3)	4,063.6
Increase / (decrease) in other liabilities	(33,503.1)	(4,985.7)
Increase / (decrease) in provisions	(2,171.5)	(19,331.8)
Cash generated from / (used in) operations	494.5	9,390.7
Net Income tax (paid) / refund received (including interest on refunds)	(3,418.7)	(4,319.9)
Net cash generated from / (used in) operating activities (A)	(2,924.2)	5,070.8
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)	(7,492.4)	(9,624.3)
Proceeds from disposal of property, plant and equipment and other intangible assets	147.2	83.0
Loans / Inter corporate deposits		
Given to / placed		
Subsidiary companies	(15.3)	(159.2)
Received back / matured from		
Subsidiary companies	-	60.0
Purchase of investments		
Associate	(165.1)	-
Others	(28,169.6)	(36,929.5)
Proceeds from sale of investments		
Others	30,392.5	36,952.5
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	(12.0)	-
Fixed deposits / margin money matured	12.0	1,043.5
Interest received	2,673.6	1,522.3
Net cash flow from / (used in) investing activities (B)	(2,629.1)	(7,051.7)

Standalone Statement of Cash Flow

for the year ended March 31, 2024

Particulars	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
C. Cash flow from financing activities		
Proceeds from borrowings		
Subsidiary company	145,618.4	82,140.5
Repayment of borrowings		
Subsidiary company	(111,125.6)	(54,929.6)
Net increase / (decrease) in working capital demand loans	46.6	28.7
Repayment towards lease liabilities		
Subsidiary companies	(106.6)	(104.6)
Others	(58.1)	(70.6)
Interest paid on lease liabilities		
Subsidiary companies	(141.3)	(150.0)
Others	(18.9)	(22.9)
Interest paid	(493.3)	(9.6)
Dividend paid	(28,981.7)	(25,188.8)
Net cash flow from / (used in) financing activities (C)	4,739.5	1,693.1
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(813.8)	(287.8)
Cash and cash equivalents at the beginning of the year	4,102.8	4,195.3
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(24.4)	195.3
Cash and cash equivalents at the end of the year	3,264.6	4,102.8

Notes:

1. Cash and cash equivalents comprises of

Particulars	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	3,252.7	4,086.6
Cash on hand	11.9	16.2
Cash and cash equivalents in statement of cash flow (Refer Note 15)	3,264.6	4,102.8

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

Particulars	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
	Borrowings	Borrowings
Opening balance	75,926.7	48,687.1
Changes from financing cash flows	34,539.4	27,239.6
Closing balance	110,466.1	75,926.7

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 22, 2024

For and on behalf of the Board of Directors of

SUN PHARMACEUTICAL INDUSTRIES LIMITED

DILIP S. SHANGHVI

Chairman and Managing Director

(DIN: 00005588)

AALOK D. SHANGHVI

Whole-time Director

(DIN: 01951829)

C. S. MURALIDHARAN

Chief Financial Officer

Mumbai, May 22, 2024

ANOOP DESHPANDE

Company Secretary and Compliance Officer

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

1. General information

Sun Pharmaceutical Industries Limited (SPIL or the "Company") (CIN L24230GJ1993PLC019050), is a public limited company incorporated and domiciled in India, having its registered office at SPARC, Tandlaja, Vadodara, Gujarat 390012, India. SPIL is listed on the BSE Limited and National Stock Exchange of India Limited. The Company is incorporated under the provisions of Companies Act, as applicable in India. The Company is engaged in the business of manufacturing, developing and marketing a wide range of branded and generic formulation 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 market.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 22, 2024.

2. Material 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 its standalone financial statements for the year ended March 31, 2024 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, 2023 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

2.2 Basis of preparation and presentation

The standalone 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 associates are accounted for at cost (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 standalone 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 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

Based on 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 for determining current and non-current classification of assets and liabilities in the balance sheet.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

b. Business combinations

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulated 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 the statement of profit and loss. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

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 the statement of profit and loss, 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.

c. Foreign currency

Foreign currency transactions

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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.
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- 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 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.

d. 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.

e. 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.

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
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	3-10

* 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.

f. 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.

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for the year ended March 31, 2024

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.

Development expenditure is capitalised when the criteria for recognising an asset are met, usually when a regulatory filing has been made in a major market and approval is considered highly probable.

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use.

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 the statement of profit and 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.

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 range from 3 to 14 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 the statement of profit and 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.

g. 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 of Investments in the nature of equity in subsidiaries and associates

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

h. Impairment of non-financial assets other than goodwill

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 higher 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 statement of profit and 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.

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 Company 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

Notes to the Standalone Financial Statements

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included in Other Income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and 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 and reversals and foreign exchange gain or loss in the statement of profit and 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.

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 statement of profit and 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 statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On 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.

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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.

In respect of other financial assets (e.g.: debt securities, deposits, bank balances etc.), the Company generally invests in instruments with high credit rating and consequently low credit risk. In the unlikely event that the credit risk increases significantly from inception of investment, lifetime ECL is used for recognising impairment loss on such assets.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a 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 a 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 the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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 statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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 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 statement of profit and 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 statement of profit and loss.

De-recognition

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 the statement of profit and loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is

a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, full currency swap, principal only swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation.

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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 the statement of profit and 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.

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.

Company as a lessee

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.

l. Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade, stores and spares and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials and packing materials, stock-in-trade, stores and spares includes cost of purchases and other costs incurred in bringing the inventories to its present location and condition. Cost of work-in-progress and finished goods comprises direct material, direct labour, amortisation and depreciation of intangible / tangible assets and an appropriate proportion of other 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.

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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. 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, non-cash 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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.

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. Contract assets are subject to impairment assessment.

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 statement of profit and 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

o. Dividend and interest income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

p. Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised 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.

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 statement of profit and 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 the statement of profit and 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 the statement of profit and 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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.

r. Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in the 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 not recognised for the temporary differences that arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and taxable temporary differences arising upon the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

The Company recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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 judgements 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.

s. 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.

t. 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. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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, 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
Additions	71.0	162.6	3,676.0	29.7	139.2	600.9	4,679.4
Disposals	-	(9.2)	(444.8)	(6.9)	(78.0)	(421.3)	(960.2)
Reclassified to assets held for Sale	(1.3)	(88.7)	(582.7)	(12.7)	(5.2)	(0.2)	(690.8)
As at March 31, 2024	1,489.3	16,279.0	63,786.5	1,166.5	518.7	2,067.8	85,307.8
Accumulated depreciation and impairment							
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
Depreciation expense	-	696.0	4,837.4	73.8	74.1	241.4	5,922.7
Disposals	-	(0.1)	(407.5)	(4.5)	(65.8)	(167.3)	(645.2)
Reclassified to assets held for Sale	-	(38.2)	(437.4)	(9.6)	(5.0)	(0.2)	(490.4)
As at March 31, 2024	-	4,496.6	34,965.9	895.4	259.8	1,347.8	41,965.5
Carrying amount							
As at March 31, 2023	1,419.6	12,375.4	30,164.6	320.7	206.2	614.5	45,101.0
As at March 31, 2024	1,489.3	11,782.4	28,820.6	271.1	258.9	720.0	43,342.3

* ₹ (9,687)

₹ (38)

Footnotes

- (i) Buildings include ₹ 8,620.0 (As at March 31, 2023: ₹ 8,620.0) towards cost of shares in a co-operative housing society and also includes ₹ 1.1 Million (As at March 31, 2023: ₹ 1.1 Million) and ₹ 1,133.0 Million (As at March 31, 2023: ₹ 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, 2023: ₹ 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, 2024

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

	₹ in Million			
	Leasehold Land	Building	Plant and equipment	Total
At cost				
As at March 31, 2022	430.5	372.4	1,959.4	2,762.3
Addition	2.7	113.8	-	116.5
Deletion	-	(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
Addition	-	2.9	-	2.9
Deletion	-	(21.0)	-	(21.0)
Reclassified to assets held for Sale	(2.7)	-	-	(2.7)
As at March 31, 2024	421.6	453.4	1,959.4	2,834.4
Accumulated depreciation				
As at March 31, 2022	17.0	204.2	230.5	451.7
Depreciation expense	7.0	87.7	88.7	183.4
Deletion	-	(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
Depreciation expense	6.9	72.2	88.7	167.8
Deletion	-	(5.7)	-	(5.7)
Reclassified to assets held for Sale	(0.5)	-	-	(0.5)
As at March 31, 2024	29.8	347.6	407.9	785.3
Carrying amount				
As at March 31, 2023	400.9	190.4	1,640.2	2,231.5
As at March 31, 2024	391.8	105.8	1,551.5	2,049.1

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, 2024	As at March 31, 2023
Freehold land	1.3	-
Buildings	149.4	98.9
Computer Software	6.2	4.1
Furniture and fixtures	3.5	0.4
Leasehold land	10.5	8.3
Office equipment	0.4	0.4
Plant and equipment	246.0	100.7
Vehicles	1.4	1.2
	418.7	214.0

Net of accumulated depreciation and amortisation.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

	As at March 31, 2024	As at March 31, 2023
Lease liabilities	6.3	6.2
	6.3	6.2

₹ in Million

Footnote

The Company as a part of its ongoing initiative of network strategy and optimisation of manufacturing facilities has identified divestment of its Goa and Silvasa facility. The plan involves transferring above assets and liabilities to a prospective buyer. The transfer is expected to be completed during the year 2024-25 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: 3 (d) CAPITAL WORK-IN-PROGRESS

	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	3,288.7	3,589.4
Additions	5,350.8	3,028.0
Capitalised	(4,679.4)	(3,286.0)
Disposals	(77.7)	(42.7)
Closing balance	3,882.4	3,288.7

₹ in Million

NOTE: 4 (a) GOODWILL / OTHER INTANGIBLE ASSETS

Other than internally generated

	Computer Software	Product related intangibles	Goodwill	Total
At cost or deemed cost				
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
Additions	635.9	1,503.9	-	2,139.8
Disposals	(1.3)	(70.0)	-	(71.3)
Reclassified to assets held for Sale	(5.5)	-	-	(5.5)
As at March 31, 2024	4,583.5	88,583.7	1,208.0	94,375.2
Accumulated amortisation and impairment				
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
Amortisation expense	580.3	9,335.4	-	9,915.7
Disposals	(0.3)	(40.8)	-	(41.1)
Reclassified to assets held for Sale	(3.4)	-	-	(3.4)
As at March 31, 2024	2,580.1	59,819.1	-	62,399.2
Carrying amount				
As at March 31, 2023	1,950.9	36,625.3	1,208.0	39,784.2
As at March 31, 2024	2,003.4	28,764.6	1,208.0	31,976.0

₹ in Million

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 has 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, 2024 and 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 9.1% for the year ended March 31, 2024 and 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 4 (b) INTANGIBLE ASSETS UNDER DEVELOPMENT

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	5,240.4	4,697.0
Additions	695.4	3,454.0
Capitalised	(596.0)	(2,792.0)
Disposals	-	(35.9)
Impairment [Refer Note 55 (2) and 36]	(1,561.1)	(82.7)
Closing Balance	3,778.7	5,240.4

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

	As at March 31, 2024		As at March 31, 2023	
	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
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)]		(44,022.7)		(44,022.7)
		10,008.8		10,008.8

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	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
		52,481.8		52,481.8
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)		(16,945.2)
		56,697.0		56,697.0
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		71,504.0
		123,985.8		123,985.8
Aggregate amount of unquoted investments before impairment		183,483.4		183,483.4
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		62,869.3
Aggregate amount of quoted investments at market value		2,483.5		1,977.2

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

	As at March 31, 2024		As at March 31, 2023	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments				
Unquoted (At cost less impairment in value of investments, if any)				
Agatsa Software Private Limited	8,538	245.1	-	-
Shares of ₹ 10 each fully paid				
		245.1		-
		245.1		-

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 6 INVESTMENTS (NON-CURRENT)

	As at March 31, 2024		As at March 31, 2023	
	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	63.3	1,036,943	58.5
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
		68.8		144.0
Aggregate book value (carrying value) of quoted investments		63.3		58.5
Aggregate amount of quoted investments at market value		63.3		58.5
Aggregate amount of unquoted investments before impairment		940.0		1,020.0
Aggregate amount of impairment in value of investments		934.5		934.5

NOTE: 7 LOANS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Loans to employees		
Secured, considered good	0.1	1.4
Unsecured, considered good	8.2	4.0
Loans to related parties (Refer Note 50 & 51) *		
Unsecured, considered good	33,860.7	6,321.6
	33,869.0	6,327.0

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Interest accrued (unsecured, considered good)	101.4	4.6
Security deposits (unsecured, considered good)	387.4	426.0
Unbilled revenue (Refer Note 54)	-	108.3
Share application money pending allotment*	31.6	31.6
	520.4	570.5

* Sun Pharmaceutical (Bangladesh) Limited

NOTE: 9 DEFERRED TAX ASSETS (NET)

	₹ in Million			
	Opening balance April 01, 2023	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance March 31, 2024
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	(9,496.0)	1,214.0	-	(8,282.0)
Difference in carrying value and tax base of financial assets of investments	66.0	1.2	(1.7)	65.5
Derivatives designated as hedges	(8.5)	(0.1)	(29.8)	(38.4)
Deferred revenue	2,177.5	(400.3)	-	1,777.2
Unbilled revenue	4.9	(4.9)	-	-
Allowance for doubtful debts and advances	706.9	(19.5)	-	687.4
Expenses claimed for tax purpose on payment basis	1,479.8	(113.1)	106.5	1,473.2
Unabsorbed depreciation / carried forward losses	5,068.6	(752.0)	-	4,316.6
Other assets	0.8	(0.3)	-	0.5
	-	(75.0)	75.0	-
MAT credit entitlement	10,323.9	(378.7)	-	9,945.2
	10,323.9	(453.7)	75.0	9,945.2

	₹ 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
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
Tax losses (Capital in nature)	19,554.8	19,546.0
Unabsorbed depreciation	29,252.6	32,745.3
Unused tax credits (MAT credit entitlement)	3,744.4	6,514.4
Deductible temporary differences	1,016.1	3,352.7

The unused tax credits will expire in financial year 2024-25 and unused tax capital losses will expire from financial year 2027-28 to financial year 2030-31.

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

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Advance income tax *	5,033.8	5,861.3
Net of provisions ₹ 19,150.7 Million (March 31, 2023: ₹ 13,689.7 Million)		
	5,033.8	5,861.3

* includes amount paid under protest.

NOTE: 11 OTHER ASSETS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Capital advances	330.0	311.9
Prepaid expenses	100.6	146.0
Balances with government authorities *	1,976.6	1,907.2
	2,407.2	2,365.1

* includes amount paid under protest.

NOTE: 12 INVENTORIES

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Lower of cost and net realisable value		
Raw materials and packing materials	13,485.8	17,101.1
Goods in transit	205.4	411.9
	13,691.2	17,513.0
Work-in-progress	11,575.5	14,897.2
Finished goods	7,808.4	6,121.6
Stock-in-trade	670.8	839.1
Stores and spares	490.3	521.0
	34,236.2	39,891.9

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 ₹ 9,820.3 Million (March 31, 2023: ₹ 8,345.9 Million). The impact of 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 13 INVESTMENTS (CURRENT)

	As at March 31, 2024		As at March 31, 2023	
	Quantity	₹ in Million	Quantity	₹ in Million
Mutual funds				
Unquoted (Fair value through profit or loss)*				
Mirae Asset Cash Management Fund – Direct – Growth	-	-	842,638	2,002.6
		-		2,002.6

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

NOTE: 14 TRADE RECEIVABLES

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Unsecured		
Considered good	88,341.6	71,250.2
Credit impaired	681.7	788.8
	89,023.3	72,039.0
Less: Allowance for credit impaired	(681.7)	(788.8)
	88,341.6	71,250.2

NOTE: 15 CASH AND CASH EQUIVALENTS

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	3,252.7	4,086.6
Cash on hand	11.9	16.2
	3,264.6	4,102.8

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

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks		
Unpaid dividend accounts	112.7	103.4
Balances held as margin money or security against guarantees and other commitments	6.6	6.6
	119.3	110.0

NOTE: 17 LOANS (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Loans to employees / others *		
Secured, considered good	0.7	0.3
Unsecured, considered good	125.0	103.3
Credit impaired	15.3	15.3
Less: Allowance for doubtful loans (expected credit loss allowance)	(15.3)	(15.3)
	125.7	103.6
Loans to related parties (Refer Note 50 and 51) *		
Unsecured, considered good	6,429.4	33,366.7
	6,555.1	33,470.3

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 18 OTHER FINANCIAL ASSETS (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Interest accrued (unsecured, considered good)	231.6	261.0
Security deposits (unsecured, considered good)	68.8	93.8
Insurance claim receivable	173.2	-
Other receivables	1,890.9	1,800.3
Less: Allowance for doubtful balance*	(500.0)	(500.0)
	1,390.9	1,300.3
Refund due from government authorities	5,486.5	3,844.0
Unbilled revenue (Refer Note 54)	-	123.2
Derivatives not designated as hedges	234.6	177.3
Derivatives designated as hedges	109.9	24.4
	7,695.5	5,824.0

* The Company is carrying an allowance of ₹ 500.0 Million (March 31, 2023: ₹ 500.0 Million) against Other receivables based on assessment regarding its future recoverability.

NOTE: 19 OTHER ASSETS (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Export incentives receivable	115.1	3.1
Prepaid expenses	1,683.6	1,402.4
Advances for supply of goods and services		
Considered good	3,775.8	3,126.2
Considered doubtful	770.3	718.9
Less: Allowance for doubtful	(770.3)	(718.9)
	3,775.8	3,126.2
Balances with government authorities *	3,074.5	2,742.8
Others	264.1	511.2
	8,913.1	7,785.7

* Includes balances of goods and service tax.

NOTE: 20 EQUITY SHARE CAPITAL

	As at March 31, 2024		As at March 31, 2023	
	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

	Year ended March 31, 2024		Year ended March 31, 2023	
	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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	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	230,385,155	9.6	230,285,690	9.6

	As at March 31, 2024			As at March 31, 2023		
	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	230,385,155	9.6	0.0	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	100,000	0.0	(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) 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.
- (ii) Change in shareholding during the year represents the transfer of 99,465 shares from Mrs. Kumud S. Shanghvi to Dilip Shantilal Shanghvi

NOTE: 21 OTHER EQUITY

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
(A) Reserves and surplus		
Capital reserve	22,258.5	22,258.5
Securities premium	11,874.1	11,874.1
Amalgamation reserve	43.8	43.8
Capital redemption reserve	7.5	7.5
General reserve	51,435.0	51,435.0
Retained earnings	127,310.4	127,908.8
	212,929.3	213,527.7
(B) Items of other comprehensive income (OCI)		
Equity instrument through OCI	(10.2)	(13.3)
Foreign currency translation reserve	21,543.5	21,543.5
Effective portion of cash flow hedges	82.1	26.4
	21,615.4	21,556.6
	234,544.7	235,084.3

Refer statement of changes in equity for detailed movement in above balances.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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.

Retained earnings – The reserve is the profit/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

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.

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.

NOTE: 22 BORROWINGS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Loans from related party (Unsecured) (Refer Note 49 and 50)	110,360.1	75,867.3
	110,360.1	75,867.3

NOTE: 23 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Interest accrued (Refer Note 50)	10,772.0	3,912.2
	10,772.0	3,912.2

NOTE: 24 OTHER LIABILITIES (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Deferred revenue (Refer Note 54)	4,254.0	5,074.5
	4,254.0	5,074.5

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 25 PROVISIONS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Employee benefits	2,197.3	2,061.6
	2,197.3	2,061.6

NOTE: 26 BORROWINGS (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand		
From Banks		
Unsecured	106.0	59.4
	106.0	59.4

NOTE: 27 OTHER FINANCIAL LIABILITIES (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Unpaid dividends	113.5	104.3
Security deposits	36.7	41.2
Payables on purchase of property, plant and equipment and other intangible assets	339.1	218.6
Product settlement, claims and trade commitments	4,545.3	37,685.9
Payables to employee	2,153.5	2,556.9
Derivatives not designated as hedge	-	33.2
	7,188.1	40,640.1

NOTE: 28 OTHER LIABILITIES (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Statutory remittances	3,644.6	1,566.7
Advance from customers (Refer Note 54)	191.0	703.2
Deferred revenue (Refer Note 54)	831.9	1,157.0
Other advance received	63.0	10.8
	4,730.5	3,437.7

NOTE: 29 PROVISIONS (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Employee benefits	1,955.0	1,457.3
Others [Refer Note 52]	4,135.8	6,637.7
	6,090.8	8,095.0

NOTE: 30 REVENUE FROM OPERATIONS

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers (Refer Note 54)	198,435.3	203,946.3
Other operating revenues*	4,316.4	4,175.1
	202,751.7	208,121.4

* Includes government grants of ₹ 4,025.4 Million (March 31, 2023: ₹ 3,950.6 Million).

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 31 OTHER INCOME

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on:		
Bank deposits at amortised cost	26.1	5.0
Loans at amortised cost	2,692.3	1,640.1
Others [includes interest on income tax refund of ₹ 1,214.9 Million (March 31, 2023: ₹ 425.3 Million)]	1,245.9	556.9
	3,964.3	2,202.0
Net gain arising on financial assets measured at fair value through profit or loss	-	2.2
Net gain on sale of financial assets measured at fair value through profit or loss	220.3	173.0
Profit on sale / write off of property, plant and equipment and intangible assets, net	-	42.3
Sundry balances written back, net	215.6	128.5
Gain on derecognition of Right-of-use assets	1.3	0.4
Insurance claims	42.1	1.5
Lease rental and hire charges	78.3	61.4
Miscellaneous income	135.7	179.0
	4,657.6	2,790.3

NOTE: 32 COST OF MATERIALS CONSUMED

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Raw materials and packing materials		
Inventories at the beginning of the year	17,513.0	14,138.7
Purchases during the year	40,472.0	55,030.6
Inventories at the end of the year	(13,691.2)	(17,513.0)
	44,293.8	51,656.3

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

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the beginning of the year		
Finished goods	6,121.6	7,261.5
Stock-in-trade	839.1	970.8
Work-in-progress	14,897.2	11,246.3
	21,857.9	19,478.6
Less:		
Inventories at the end of the year		
Finished goods	7,808.4	6,121.6
Stock-in-trade	670.8	839.1
Work-in-progress	11,575.5	14,897.2
	20,054.7	21,857.9
Changes in inventories:		
Finished goods	(1,686.8)	1,139.9
Stock-in-trade	168.3	131.7
Work-in-progress	3,321.7	(3,650.9)
	1,803.2	(2,379.3)

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 34 EMPLOYEE BENEFITS EXPENSE

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	21,703.3	19,801.3
Contribution to provident and other funds *	1,543.9	1,373.4
Staff welfare expenses	492.3	394.8
	23,739.5	21,569.5

* Includes gratuity expense of ₹ 467.4 Million (March 31, 2023: ₹ 412.4 Million)

NOTE: 35 FINANCE COSTS

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense for financial liabilities carried at amortised cost	7,622.5	4,346.6
Interest expense others (includes interest on income tax and lease liability)	218.3	375.2
	7,840.8	4,721.8

NOTE: 36 OTHER EXPENSES

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of materials, stores and spare parts	4,792.4	4,220.1
Conversion and other manufacturing charges	3,444.5	3,137.5
Power and fuel	4,504.2	4,952.1
Rent	52.8	43.2
Rates and taxes	3,250.9	2,360.1
Insurance	852.0	875.8
Selling, promotion and distribution	22,681.4	20,939.2
Commission on sales	237.3	259.5
Repairs and maintenance	3,716.1	3,015.6
Printing and stationery	652.8	208.0
Travelling and conveyance	2,519.1	1,994.2
Freight outward and handling charges	2,759.8	3,788.4
Communication	332.4	297.2
Provision / write off / (reversal) for doubtful trade receivables / advances	119.5	242.5
Professional, legal and consultancy	14,126.3	12,415.0
Loss on dissolution of subsidiary	-	8.8
Donations	426.3	272.6
Loss on sale / write off of property, plant and equipment and intangible assets, net	146.0	-
Sitting fees to Directors	11.2	9.9
Commission to Directors	15.6	12.0
Payments to auditor (net of input credit, wherever applicable)		
For audit	38.5	34.8
For other services	12.0	22.9
Reimbursement of expenses	6.5	4.0
Impairment of property, plant and equipment, other intangible assets and intangible assets under development	69.0	82.7
Miscellaneous expenses	3,205.6	2,588.2
	67,972.2	61,784.3

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	4,260.0	4,063.6
Contribution to provident and other funds	314.6	248.3
Staff welfare expenses	43.7	26.0
Consumption of materials, stores and spare parts	4,070.6	2,786.7
Power and fuel	292.4	345.6
Rent	41.4	37.9
Rates and taxes	1,541.1	809.3
Insurance	79.1	70.8
Repairs and maintenance	564.0	484.2
Printing and stationery	23.0	14.4
Travelling and conveyance	120.8	101.5
Communication	24.0	27.1
Professional, legal and consultancy	7,395.0	7,121.3
Miscellaneous expenses	301.1	423.4
	19,070.8	16,560.1
Less:		
Receipts from research activities	905.1	563.6
Miscellaneous income	17.8	16.4
	18,147.9	15,980.1

NOTE: 38 TAX RECONCILIATION

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Reconciliation of tax expense		
Profit before tax	34,496.5	17,410.5
Income tax rate (%) applicable to the Company #	34.944%	34.944%
Income tax calculated at income tax rate	12,054.4	6,083.9
Effect of expenses that are not deductible	135.2	10,667.0
Withholding tax in respect of income earned outside India	685.0	444.2
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(11,298.1)	(15,494.9)
Effect of reversal of Minimum Alternate Tax (MAT) credit entitlement*	5,154.7	-
Others	(816.5)	(1,196.9)
Income tax expense recognised in statement of profit and loss	5,914.7	503.3

The tax rate used for reconciliation above is the corporate tax rate of 34.944% (March 31, 2023: 34.944%) at which the Company is liable to pay tax on taxable income under the Indian Tax Law.

* During the year, the Company has reassessed the utilisation of Minimum Alternate Tax ("MAT") credit, on the basis of this reassessment the Company has reversed MAT credit amounting to ₹ 5,154.7 Million.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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

		₹ in Million	
		As at March 31, 2024	As at March 31, 2023
i	Contingent liabilities		
a	Claims against the Company not acknowledged as debts	415.7	573.1
b	Liabilities disputed - appeals filed with respect to:		
	Income tax on account of disallowances / additions (Company appeals) *	2,934.4	2,831.6
	Sales tax on account of rebate / classification	84.5	138.1
	Goods and service tax / Excise duty / service tax on account of valuation / cenvat credit / custom duty	453.6	947.3
	ESIC contribution on account of applicability	132.8	124.5
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. Note: includes interest till the date of demand, wherever applicable	91.4	91.0
e	<p>Legal proceedings</p> <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 standalone financial statements.</p> <p>Antitrust - Lipitor:</p> <p>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. Briefing for class certification and summary judgement motions were completed in 2023. In late-November 2023, the court held argument on defendants' summary judgement motion and plaintiffs' class certification motions. Currently, the court has yet to issue a decision on either motion. There also was an antitrust case pending in West Virginia state court that mirrored the allegations in the federal case. In that case, by agreement of the parties Sun settled all claims against it, without any admissions, in the amount of USD 8.25 Million. The parties are in the process of finalising the written settlement agreement documentation.</p>		

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

	₹ in Million	
	As at March 31, 2024	As at March 31, 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 with prejudice. That decision is on appeal. In addition to the federal court proceedings, the Company and two of its affiliates were also named as defendants in state court actions pending in Pennsylvania, and California (actions previously pending in New York state court were voluntarily dismissed, and actions previously pending in Illinois state court were dismissed on the pleadings). Finally, certain of the Company’s subsidiaries were named in various putative class actions pending in three Canadian provinces. The action pending in British Columbia is taking the lead and, in May 2023, the court in that action granted defendants’ motion to strike and denied plaintiffs’ motion for class certification.		
Citalopram follow damages claim in the UK:		
By judgement dated 25 March 2021, the CJEU (highest European court) upheld the fine against Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited in full and ruled that a settlement agreement between Ranbaxy and Lundbeck (and the other agreements between Lundbeck and the other defendants in the case) had been anticompetitive.		
The Company may now be subject to “follow-on” claims in national courts of some countries in Europe. The Company has been served with a claim in the England & Wales, with the National Health Service (“NHS”) as the Claimant, relating to the delayed entry of generic citalopram. The NHS’s damages case is based upon the premise that, but for the anticompetitive behavior, the NHS would have been able to buy cheaper generic alternatives of citalopram, rather than paying Lundbeck (another co-defendant) the full innovator price. The Company is currently seeking for the claim to be struck out on the basis that the Claimants brought the claim out of time, and a preliminary issues hearing took place on April 24, 2024, to determine the issue. The parties are awaiting the outcome of that hearing. At this stage it is also unclear how many claims will actually be made in practice in other countries. Accordingly, at this early stage, the Company is 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 favorable legal arguments in terms of defending the relevant claim and any other potential future damages claims.		
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 ₹ 22,194.4 Million (March 31, 2023: ₹ 22,284.7 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] *	10,720.1	32,222.0
b Uncalled liability on partly paid investments	0.5	0.5
c Letters of credit for imports	527.9	1,496.3
* 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	1,302.3	1,197.4

NOTE: 40 RESEARCH AND DEVELOPMENT EXPENDITURE

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue, net (excluding depreciation) (Refer Note 37)	18,147.9	15,980.1
Capital	436.7	507.0

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 41 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Million

	As at March 31, 2024		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	-	63.3	-
Equity instruments - unquoted	5.5	-	-
Loans to related parties	-	-	40,290.1
Loans to employees / others	-	-	134.0
Security deposits	-	-	456.2
Share application money pending allotment	-	-	31.6
Trade receivables	-	-	88,341.6
Cash and cash equivalents	-	-	3,264.6
Bank balances other than cash and cash equivalents	-	-	119.3
Interest accrued	-	-	333.0
Insurance claim receivables	-	-	173.2
Refund due from government authorities	-	-	5,486.5
Other receivables	-	-	1,390.9
Derivatives designated as hedges	-	109.9	-
Derivatives not designated as hedges	234.6	-	-
	240.1	173.2	140,021.0
Financial liabilities			
Borrowings	-	-	110,466.1
Interest accrued	-	-	10,772.0
Trade payables	-	-	26,195.8
Payables to employee	-	-	2,153.5
Unpaid dividends	-	-	113.5
Security deposits	-	-	36.7
Payables on purchase of property, plant and equipment and other intangible assets	-	-	339.1
Product settlement, claims, recall charges and trade commitments	-	-	4,545.3
Lease liabilities	-	-	1,803.0
	-	-	156,425.0

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

₹ 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	-	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
Share application money pending allotment	-	-	31.6
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	121,453.1
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, 2024

NOTE: 42 FAIR VALUE HIERARCHY

₹ in Million

	As at March 31, 2024		
	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 #	63.3	-	-
Investments in equity - unquoted	-	-	5.5
Derivatives not designated as hedges	-	234.6	-
Derivatives designated as hedges	-	109.9	-
	63.3	344.5	5.5

₹ 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	-

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximates the fair value because there is wide range of possible fair value measurements and the costs represents estimate of fair value within that range.

These investments in equity instruments are not held for trading. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at fair value through other comprehensive income.

There were no transfers between Level 1 and 2 in the periods.

The management considers that the carrying amount of financial assets and financial liabilities carried at amortised cost approximates their fair value.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Reconciliation of Level 3 fair value measurements

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Unlisted shares valued at fair value		
Balance at the beginning of the year	85.5	5.5
Purchases during the year	-	80.0
Reclassified as an investments in the nature of equity in associates due to increased ownership	(80.0)	-
Balance at the end of the year	5.5	85.5

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. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holder's.

(i) Debt equity ratio

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Debt (includes borrowings and lease liabilities)	112,269.1	77,908.2
Total equity, including reserves	236,944.0	237,483.6
Debt to total equity ratio	0.47	0.33

(ii) Dividend on equity shares paid during the year

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Dividend on equity shares		
Final dividend for the year ended March 31, 2023 of ₹ 4.0 (year ended March 31, 2022: ₹ 3.0) per fully paid share	9,597.3	7,198.0
Interim dividend for the year ended March 31, 2024 of ₹ 8.5 (year ended March 31, 2023: ₹ 7.5) per fully paid share	19,384.3	17,995.0

Dividends are net of waiver, wherever applicable.

(iii) Dividends not recognised at the end of the reporting period

1. The Board of Directors at its meeting held on May 22, 2024 has recommended payment of final dividend of ₹ 5.0 per share of face value of ₹ 1 each for the year ended March 31, 2024. The same amounts to ₹ 11,996.7 Million.
2. 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 Standalone Financial Statements

for the year ended March 31, 2024

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 analyse 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 counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Financial assets for which loss allowances is measured using the expected credit loss 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, 2024
Undisputed Trade receivables – considered good	50,966.8	19,757.0	13,444.2	1,876.9	1,425.3	871.4	88,341.6
Undisputed Trade Receivables – credit impaired	23.4	25.6	16.3	57.3	34.4	475.5	632.5
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	22.4	26.8	49.2
	50,990.2	19,782.6	13,460.5	1,934.2	1,482.1	1,373.7	89,023.3

							₹ 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 – considered good	-	-	-	-	-	-	-
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

Footnotes

Unbilled revenue as at March 31, 2024 is Nil (March 31, 2023: ₹ 231.5 Million).

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	788.8	1,341.7
Addition	36.1	253.7
Recoveries / write-offs	(143.2)	(806.6)
Balance at the end of the year	681.7	788.8

Other than trade receivables, the Company has recognised an allowance of ₹ 15.3 Million (March 31, 2023: ₹ 15.3 Million) against past due loans/advance including interest and ₹ 500.0 Million (March 31, 2023: ₹ 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, 2024 (March 31, 2023: ₹ 35,780.0 Million).

The table below provides details regarding the contractual maturities of significant financial liabilities:

	₹ in Million			
	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2024
Non derivatives				
Borrowings	106.0	110,360.1	-	110,466.1
Trade payables	26,195.8	-	-	26,195.8
Lease liabilities	133.9	245.5	1,423.6	1,803.0
Other financial liabilities	7,188.1	10,772.0	-	17,960.1
	33,623.8	121,377.6	1,423.6	156,425.0

	₹ 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

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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 Ruble). 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.

- (a) Significant foreign currency risk exposure relating to trade receivables, other receivables, cash and cash equivalents and trade payables

₹ in Million

	As at March 31, 2024						
	US Dollar	Euro	Russian Ruble	South African Rand	Brazilian Real	Others	Total
Financial assets							
Trade receivables	47,283.8	6,225.8	3,819.5	5,764.8	8,550.0	6,608.8	78,252.7
Cash and cash equivalents	1,631.7	819.3	94.1	-	-	451.9	2,997.0
Loans to subsidiaries	39,615.0	-	-	-	-	-	39,615.0
Interest accrued	214.0	-	-	-	-	-	214.0
	88,744.5	7,045.1	3,913.6	5,764.8	8,550.0	7,060.7	121,078.7
Financial liabilities							
Trade payables	8,417.8	1,266.3	148.6	-	5.4	579.5	10,417.6
Payables on purchase of property, plant and equipment and other intangible assets	0.4	137.4	-	-	-	6.1	143.9
Product settlement, claims, recall charges and trade commitments	4,545.3	-	-	-	-	-	4,545.3
	12,963.5	1,403.7	148.6	-	5.4	585.6	15,106.8

₹ in Million

	As at March 31, 2023						
	US Dollar	Euro	Russian Ruble	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

- (b) Sensitivity

For the years ended March 31, 2024 and March 31, 2023, 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 ₹ (5,298.6) Million and ₹ (2,685.5) 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, 2024

(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 Ruble. 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 gain of ₹ 85.5 Million for the year ended March 31, 2024 and net loss of ₹ 192.4 Million for the year ended March 31, 2023 in other comprehensive income. The Company also recorded hedges as a component of revenue, gain of ₹ 223.6 Million for the year ended March 31, 2024 and loss of ₹ 1,076.9 Million for the year ended March 31, 2023 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, 2024	As at March 31, 2023
Derivatives designated as hedges				
Forward contracts	USD/INR	Sold USD	USD 485.0	USD 486.0
Derivatives not designated as hedges				
Forward contracts	USD/INR	Sold USD	USD 75.0	USD 75.0
Forward contracts	GBP/USD	Sold GBP	GBP 7.5	GBP 5.0
Forward contracts	EUR/USD	Sold EUR	EUR 9.0	EUR 9.0
Currency swaps	USD/INR	Sold USD	USD 400.0	USD 400.0

Interest rate risk

As at March 31, 2024 and March 31, 2023, the Company has loan facilities on fixed interest rates. 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, 2024, 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, 2024

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.

	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year	704.6	1,194.2

₹ in Million

Interest of ₹ 0.4 Million paid during the year towards principal paid amounting to ₹ 10.8 Million to supplier registered under MSMED Act, beyond the appointed day during the year. There is no amount of interest accrued and remaining unpaid at the end of current accounting year / previous accounting year.

(b) Trade payables ageing

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
Outstanding dues of micro and small enterprises	656.8	-	-	-	-	656.8
Outstanding dues of other than micro and small enterprises	21,196.6	2,790.3	122.8	86.9	1,294.6	25,491.2
Disputed dues of micro and small enterprises	-	35.9	6.1	4.0	1.8	47.8
Disputed dues of other than micro and small enterprises	-	-	-	-	-	-
	21,853.4	2,826.2	128.9	90.9	1,296.4	26,195.8

₹ 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
Disputed dues of other than micro and small enterprises	-	-	-	-	-	-
	22,699.7	3,514.6	424.3	226.5	4,390.7	31,255.8

₹ in Million

NOTE: 46 EARNINGS PER SHARE

	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (loss) for the year (₹ in Million) - used as numerator for calculating earnings per share	28,581.8	16,907.2
Weighted average number of shares used in computing basic and diluted earnings per share	2,399,334,970	2,399,334,970
Face value per share (in ₹)	1	1
Basic earnings per share (in ₹)	11.9	7.0
Diluted earnings per share (in ₹)	11.9	7.0

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 47 EMPLOYEE BENEFITS

Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other Statutory Funds are made only by the Company. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 1,064.0 Million (March 31, 2023: ₹ 951.9 Million).

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Provident Fund and Family Pension Fund	942.5	843.6
Contribution to Superannuation Fund	76.5	71.1
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	43.5	36.0
Contribution to Labour Welfare Fund	1.5	1.2

Defined benefit plan

(a) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

(b) Pension fund

The Company has an obligation towards pension, a defined benefit retirement plan, with respect to certain employees, who had already retired before March 01, 2013 and will continue to receive the pension as per the pension plan.

(c) COVID-19 Employee children education support

The Company has undertaken an obligation to provide financial support towards education expenses of the children of those employees who have 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, 2024

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 ₹ 507.3 Million [March 31, 2023: ₹ 234.8 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 statement of profit and loss.

₹ in Million

	Year ended March 31, 2024			Year ended March 31, 2023		
	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	-	-	412.4	-	-	373.5
Interest cost	4.9	76.0	328.0	5.0	73.9	265.4
Expected return on plan assets	-	-	(273.0)	-	-	(226.5)
Expense charged to the statement of profit and loss	4.9	76.0	467.4	5.0	73.9	412.4
Remeasurement of defined benefit obligation recognised in other comprehensive income						
Actuarial loss / (gain) on defined benefit obligation	(5.4)	(4.1)	215.0	(10.6)	(66.4)	43.8
Actuarial loss / (gain) on plan assets	-	-	99.6	-	-	(80.2)
Expense / (income) charged to other comprehensive income	(5.4)	(4.1)	314.6	(10.6)	(66.4)	(36.4)
Reconciliation of defined benefit obligations						
Obligation as at the beginning of the year	65.8	1,017.8	4,393.7	72.7	1,072.2	3,935.3
Current service cost	-	-	412.4	-	-	373.5
Interest cost	4.9	76.0	328.0	5.0	73.9	265.4
Obligations transferred	-	-	-	-	-	-
Benefits paid	(2.8)	(61.2)	(327.4)	(1.3)	(61.9)	(224.3)
Actuarial (gains) / losses on obligations						
- due to change in demographic assumptions	-	-	(57.4)	-	-	41.0
- due to change in financial assumptions	0.9	23.1	161.6	(2.7)	(44.5)	(76.7)
- due to experience	(6.3)	(27.2)	110.8	(7.9)	(21.9)	79.5
Obligation as at the year end	62.5	1,028.5	5,021.7	65.8	1,017.8	4,393.7

₹ in Million

	As at March 31, 2024 Gratuity (Funded)	As at March 31, 2023 Gratuity (Funded)
Reconciliation of liability recognised in the financial statement		
Present value of commitments (as per Actuarial Valuation)	5,021.7	4,393.7
Fair value of plan assets	(3,873.0)	(3,656.2)
Net liability recognised in the financial statement	1,148.7	737.5

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

₹ in Million

	Year ended March 31, 2024 Gratuity (Funded)	Year ended March 31, 2023 Gratuity (Funded)
Reconciliation of plan assets		
Plan assets as at the beginning of the year	3,656.2	3,358.6
Expected return	273.0	226.5
Actuarial gain / (loss)	(99.6)	80.2
Employer's contribution during the year	370.8	215.2
Benefits paid	(327.4)	(224.3)
Plan assets as at the year end	3,873.0	3,656.2

	As at March 31, 2024			As at March 31, 2023		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
Assumptions:						
Discount rate	7.15%	7.15%	7.15%	7.45%	7.45%	7.45%
Expected return on plan assets	N.A.	N.A.	7.15%	N.A.	N.A.	7.45%
Expected rate of salary increase	N.A.	N.A.	10.54%-11.25%	N.A.	N.A.	10.00% - 10.50%
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.	12.26% - 14.00%	N.A.	N.A.	11.78% - 14.00%
Retirement Age (years)	N.A.	N.A.	60	N.A.	N.A.	60

₹ in Million

	As at March 31, 2024			As at March 31, 2023		
	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	(3.6)	(62.4)	(264.7)	(4.1)	(62.9)	(243.8)
Delta effect of -1% change in discount rate	4.0	66.3	295.4	4.5	67.2	272.6
Delta effect of +1% change in salary escalation rate	-	-	282.6	-	-	262.3
Delta effect of -1% change in salary escalation rate	-	-	(258.9)	-	-	(239.7)
Delta effect of +1% change in rate of employee turnover	-	-	(48.8)	-	-	(38.7)
Delta effect of -1% change in rate of employee turnover	-	-	53.9	-	-	42.6
Maturity analysis of projected benefit obligation for next						
1 st year	4.1	156.6	1,068.0	4.6	155.7	823.8
2 nd year	5.0	96.3	671.2	4.4	95.7	589.5
3 rd year	6.1	94.4	624.3	5.4	94.0	537.7
4 th year	5.6	92.3	595.6	6.5	92.1	505.0
5 th year	6.4	90.0	551.3	6.0	90.1	488.3
Thereafter	69.8	1,620.5	4,686.7	81.2	1,686.0	4,599.4
The major categories of plan assets are as under						
Insurer managed funds (Funded with LIC, break-up not available)	-	-	3,873.0	-	-	3,656.2
The contribution expected to be made by the Company for gratuity, during financial year ending March 31, 2025 is ₹ 1,556.4 Million (March 31, 2024: ₹ 1,104.1 Million)						

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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, 2024 is ₹ 48.1 Million (March 31, 2023: ₹ 41.2 Million).

	As at March 31, 2024	As at March 31, 2023
₹ in Million		
Lease liabilities – Maturity analysis – contractual undiscounted cashflows		
Not later than one year	281.9	327.6
Later than one year and not later than five years	906.1	1,028.8
Later than five years	2,482.4	2,694.4
	3,670.4	4,050.8

	Year ended March 31, 2024	Year ended March 31, 2023
₹ in Million		
Movement of lease liabilities		
Opening balance	1,981.5	2,053.3
Additions	2.9	113.8
Interest on lease liabilities	160.2	172.8
Deletions	(16.7)	(10.5)
Effect of changes in foreign exchange rates	* (0.0)	0.2
Payment towards lease liabilities	(324.9)	(348.1)
Closing balance	1,803.0	1,981.5

* ₹ (7,345)

- 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 5 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: 49 BORROWINGS

Details of long term borrowings:

- (i) Unsecured loan from related party of ₹ 110,360.1 Million (March 31, 2023: ₹ 75,867.3 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"

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 51 LOANS / ADVANCES GIVEN TO SUBSIDIARIES

	As at March 31, 2024			Maximum balance 2023-24 (₹ in Million)	As at March 31, 2023 (₹ in Million)	Maximum balance 2022-23 (₹ in Million)
	Maturity date	Rate of interest	Closing balance (₹ in Million)			
Loans / advances outstanding from subsidiaries						
Zenotech Laboratories Limited, India	-	-	-	-	-	60.0
Realstone Infra Limited, India	March 24, 2027	7.5%	500.7	500.7	500.7	500.7
Sun Pharmaceutical Inc. USA	January 17, 2026	SOFR 3 months + 135 bps	8,340.0	8,340.0	8,216.5	8,216.5
Sun Pharmaceutical Inc. USA	February 09, 2029	SOFR 3 months + 135 bps	25,020.0	25,020.0	24,649.5	24,649.5
Neetnav Realestate Private Limited, India	March 14, 2025	1 year G Sec + 50 bps	174.4	174.4	159.2	159.2
Sun Pharma (Netherlands) B.V., Netherlands	November 21, 2024	SOFR 3 months + 125 bps	6,255.0	6,255.0	6,162.4	6,162.4

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 have 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, 2024*	Year ended March 31, 2023*
At the commencement of the year	6,637.7	26,118.2
Add: Provision for the year	1,435.7	1,754.0
Less: Utilisation / settlement / reversal / actualised	(3,937.6)	(21,234.5)
At the end of the year	4,135.8	6,637.7

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

NOTE: 53 USE OF ESTIMATES, JUDGEMENTS 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 judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statement 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) (f)]
- Impairment of Investment in subsidiaries [Refer Note 2(2.2) (g)]
- Income tax [Refer Note 2(2.2) (r)]

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 54 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recorded an additional amount of ₹ 237.5 Million (March 31, 2023: ₹ 641.2 Million) as deferred revenue pursuant to the requirements of Ind AS 115. Revenue of ₹ 1,383.2 Million (March 31, 2023: ₹ 2,241.3 Million) has been recognised as Revenue from contracts with customers 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, 2024	Year ended March 31, 2023
Revenue as per contracted price, net of returns	194,768.1	194,346.4
Add / (Less):		
Provision for sales return	111.6	22.9
Rebates, discounts, price reduction and others	3,555.6	9,577.0
	3,667.2	9,599.9
Revenue from contract with customers	198,435.3	203,946.3

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Disaggregation of revenue from contract with customers		
Sale of products	191,775.5	198,930.6
Sale of service / others	6,659.8	5,015.7
	198,435.3	203,946.3

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Contract balances		
Trade receivables	88,341.6	71,250.2
Contract assets	-	231.5
Contract liabilities	5,276.9	6,934.7

Contract balances of Trade receivables, Contract assets and Contract liabilities as at April 01, 2022 were ₹ 42,451.6 Million, ₹ 345.3 Million and ₹ 11,312.4 Million respectively.

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 ₹ 535.2 Million (March 31, 2023: ₹ 3,239.1 Million) from the amounts included under advance received from customers at the beginning of the year.

NOTE: 55

- Product related intangibles consisting of trademarks, designs, technical knowhow 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
 - Standalone financial statements for the year ended March 31, 2024 include charge of ₹ 1,492.1 Million towards impairment of an acquired intangible asset under development.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

- (b) The Company's subsidiary Ranbaxy, Inc., and its former subsidiaries Ranbaxy Pharmaceuticals, Inc. and Ranbaxy Laboratories Limited (collectively, "Ranbaxy"), were named as defendants in a lawsuit brought by the State of West Virginia alleging that Ranbaxy violated West Virginia antitrust and consumer protection laws in connection with a 2008 patent litigation settlement agreement with Pfizer concerning generic Lipitor (Atorvastatin). The case was pending in the Circuit Court of Mason County, West Virginia. The parties conducted limited fact discovery and served expert disclosures, and the case was scheduled to begin trial on December 11, 2023. With a view to resolve this dispute and avoid uncertainty, Ranbaxy and the State of West Virginia executed a binding term sheet embodying a comprehensive settlement for an amount of USD 8.39 Million (equivalent to ₹ 698.1 Million) including legal costs during the year ended March 31, 2024. The definitive settlement agreement will make clear that Ranbaxy denies each and every one of the allegations against it and has not conceded or admitted any liability.
- (c) Standalone financial statements for the year ended on March 31, 2023 includes charge on account of impairment of investments in a wholly owned subsidiary amounting to ₹ 29,377.9 Million pursuant to assessment of recoverability due to changes in certain internal and external economic indicators.
3. In May 2022, FDA inspected Sun Pharma's Halol facility, and the inspection was classified as Official Action Indicated ("OAI") in August 2022. Subsequently, in December 2022, FDA placed the Halol facility on Import Alert 66-40; however, subject to certain conditions, certain Halol-manufactured finished drug products were exempted from the Import Alert. The Company is taking all corrective measures necessary to address the observations and is in communication with the FDA regarding the same.
 4. In September 2013, FDA placed Sun Pharma's Mohali facility on Import Alert; the site was also subjected to certain provisions of the Consent Decree of Permanent Injunction entered against Ranbaxy Laboratories Ltd. in January 2012 (Ranbaxy Laboratories Ltd. was merged with Sun Pharma in March 2015). In March 2017, FDA removed the Import Alert on Mohali facility and indicated that the site was in substantial compliance with the current Good Manufacturing Practice ("cGMP") provisions mentioned in the Consent Decree. In August 2022, FDA inspected the Mohali facility, and the inspection was classified as OAI. Subsequently, in April 2023, FDA issued a Consent Decree Correspondence/ Non-Compliance letter to the Mohali facility in which FDA directed the Company to take certain corrective actions at the Mohali facility, and certain actions before releasing finished drug product batches into the United States. These actions include, but are not limited to, retaining an independent cGMP expert to conduct batch certifications of drug products manufactured at the Mohali facility for shipment to the U.S. market.
 5. In December 2023, FDA inspected Sun Pharma's Dadra facility and has subsequently determined the inspection classification status of this facility as Official Action Indicated (OAI). The Company is in communication with FDA to resolve the inspectional observations that resulted in OAI status.
 6. The Company has only one reportable segment namely 'Pharmaceuticals'. 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.
 7. 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

8. 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 2023-24 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, 2024	As at March 31, 2023
(a) Amount required to be spent by the Company during the year	481.3	292.6
(b) Amount of expenditure incurred	460.3	293.6
(c) Set-off of excess spent of previous years, if any	21.0	-
(d) Shortfall / (surplus) at the end of the year	-	(1.0)
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	N.A.	N.A.
(g) Details of related party transactions (as per Ind AS 24) #	200.0	150.0
(h) Where a provision 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.

As at March 31, 2024, amount available for set off in subsequent year is ₹ 0.9 Million pertaining to year 2022-23.

9. The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.
10. 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.
- The Company has since strengthened its cybersecurity infrastructure and implemented 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 on account of this incident have been considered.
11. The Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to all the accounting software and/or the underlying SQL database. Further no instance of audit trail feature being tampered with was noted in respect of accounting software.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

12. 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.

13. Ratios

Ratios and Formulae	Remarks	As at March 31, 2024	As at March 31, 2023	Variance (in %)
(a) Current ratio = Current assets / Current liabilities	Change is primarily due to payment towards product settlement liabilities during the year.	3.36	1.97	70.7%
(b) Debt equity ratio = (Long-term borrowings + Short-term borrowings and lease liabilities) / Total equity	Change due to increase in borrowings.	0.47	0.33	44.4%
(c) Debt service coverage ratio = (Profit/(loss) after tax but before finance costs, depreciation and amortisation and exceptional items) / (Finance costs + Short-term borrowings + Short term Lease liabilities)	Change due to increase in borrowings and consequent finance costs.	6.76	13.55	(50.1%)
(d) Return on equity ratio (%) = Net profit/(loss) after tax / Equity share capital	Change due to lower profit in previous year on account of impairment charge on investment.	1191.26%	704.67%	69.1%
(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		1.53	1.66	(7.6%)
(f) Trade receivables turnover ratio in no. of days = (Average trade receivables * no. of days) / Revenue from contracts with customers	Change due to increase in the average receivables during the year.	147	102	44.7%
(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.	209	161	29.8%
(h) Net capital turnover ratio = Revenue from contracts with customers / (Current assets - Current liabilities)		1.90	2.52	(24.9%)
(i) Net profit ratio (%) = Net profit/(loss) after tax / Total revenue from operations	Change due to lower profit in previous year on account of impairment charge on investment.	14.10%	8.12%	73.5%
(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 lower profit in previous year on account of impairment charge on investment.	9.12%	6.25%	45.8%
(k) Return on investment (%) = Income generated from FVTPL Investment / Weighted average FVTPL investment		6.97%	6.34%	9.9%

Footnote

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

14. 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.
15. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
16. 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.
17. 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).

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

18. 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.
19. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
20. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. However, the Company, as a part of its treasury operations, invests/advances loans to fund the operations of its subsidiaries/associates/ joint venture which have further utilised these funds for their general corporate purposes / working capital, etc. within the consolidated group of the Company and in the ordinary course of business. These transactions are done on an arms length basis following a due approval process.

Further, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

21. Details of property not in the name of the Company as at March 31, 2024

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	48.2	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 Pharmaceuticals Limited	No	01-Aug-97	
Building	4.1	Various	No	08-Sep-17	
Building	89.9	Sun Pharma Global FZE	No	01-Oct-21	

22. Details of Capital work-in-progress and Intangible assets under development:

	₹ in Million				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Ageing of Capital work-in-progress					
Projects in progress	2,089.0	344.8	996.1	278.8	3,708.7
Projects temporarily suspended	5.4	2.2	0.2	165.9	173.7
	2,094.4	347.0	996.3	444.7	3,882.4

	₹ in Million				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

₹ in Million

	To be completed in				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Overdue Capital work-in-progress					
Projects in progress					
Domestic formulation	817.7	-	-	-	817.7
Active Pharmaceutical Ingredient	274.5	-	-	-	274.5
Others	45.4	-	-	-	45.4
Projects temporarily suspended	173.7	-	-	-	173.7
	1,311.3	-	-	-	1,311.3

₹ 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 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

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
	Ageing of Intangible assets under development				
Projects in progress	387.0	804.9	41.6	2,545.2	3,778.7
Projects temporarily suspended	-	-	-	-	-
	387.0	804.9	41.6	2,545.2	3,778.7

₹ 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, 2024

₹ in Million

	To be completed in				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Overdue Intangible assets under development					
Projects in progress					
Others	154.7	-	-	-	154.7
	154.7	-	-	-	154.7

₹ 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

23. Relationship with Struck off Companies

The Company does not have any transactions and balances with companies which are struck off except shares held by 38 shareholders holding 30,659 shares (March 31, 2023: 10 shareholders holding 11,889 shares) having face value of ₹ 1 per share.

24. 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 22, 2024

For and on behalf of the Board of Directors of

SUN PHARMACEUTICAL INDUSTRIES LIMITED

DILIP S. SHANGHVI

Chairman and Managing Director

(DIN: 00005588)

AALOK D. SHANGHVI

Whole-time Director

(DIN: 01951829)

ANOOP DESHPANDE

Company Secretary and Compliance Officer

C. S. MURALIDHARAN

Chief Financial Officer

Mumbai, May 22, 2024

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

(I) Names of related parties and description of relationships

a. Subsidiaries

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

Names of related parties where there are transactions and description of relationships

b Associate	
	Dy Py Institute LLC
c Key Management Personnel (KMP)	
	Dilip Shantilal Shanghvi Managing Director (Chairman and Managing Director w.e.f May 22, 2024)
	Sudhir Vrundavandas Valia Non-Executive Director and Non-Independent Director
	Sailesh Trambaklal Desai Whole-time Director (upto March 31, 2024)
	Israel Makov Chairman and Non-Executive Director (Non-Independent) (upto August 29, 2022)
	Aalok D. Shanghvi Whole-time Director (w.e.f. June 01, 2023)
	Kalyanasundaram Iyer Natesan Subramanian Whole-time Director (upto February 13, 2023)
d Relatives of Key Management Personnel	
	Vidhi Shanghvi
	Aalok D. Shanghvi (appointed as Whole-time Director w.e.f. June 01, 2023)
e Independent Directors	
	Gautam Doshi
	Pawan Kumar Goenka
	Rama Bijapurkar
	Rolf Karl Heinz Hoffmann (w.e.f. June 15, 2023)
	Sanjay Khatau Asher (w.e.f. November 01, 2022)
f Others (Entities in which the KMP, Independent Directors and relatives of KMP, Independent Directors 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 (upto March 31, 2024)
	Alfa Infraprop Private Limited
	Shantilal Shanghvi Foundation
	Anshul Speciality Molecules Pvt Ltd
	Pharmarack Technologies Pvt Ltd (upto February 13, 2023)
	Aditya Medisales Limited
	Navbio Ag (w.e.f. June 15, 2023)
	Sanghvi Properties Pvt Ltd

Footnotes

- Incorporated / Acquired during the year
- Incorporated / Acquired during the previous year
- Dissolved / Liquidated during the year
- Dissolved / Liquidated during the previous year
- Holds voting power of 85.66% (beneficial ownership 78.48%) [March 31, 2023 85.66% (beneficial ownership 78.48%)]
- With effect from December 21, 2023 Sun Pharmaceuticals SA (Pty) Ltd has been dissolved
- With effect from March 06, 2023 Foliage Merger Sub, Inc. merged with Concert Pharmaceuticals, Inc.
- With effect from March 31, 2023 Concert Pharmaceuticals, Inc. merged with Sun Pharmaceutical Industries, Inc.
- With effect from March 31, 2024 Dusa Pharmaceuticals, Inc. was merged into Sun Pharmaceutical Industries, Inc.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

(II) Detail of related party transaction during the year ended March 31, 2024:

Type of Transaction	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Purchase of goods	7,471.1	6,929.4
Subsidiaries	7,456.3	6,899.2
Others	14.8	30.2
Purchase of property, plant and equipment and other intangible assets	26.3	21.4
Subsidiaries	1.7	18.9
Others	24.6	2.5
Revenue from contracts with customers, net of returns	162,960.9	170,416.4
Subsidiaries	162,680.4	170,364.4
Others	280.5	52.0
Sale of property, plant and equipment	55.3	70.9
Subsidiaries	55.1	66.9
Others	0.2	4.0
Other operative income /Other Income	15.3	14.6
Others	15.3	14.6
Receiving of service	3,157.6	3,027.9
Subsidiaries	2,672.2	2,403.2
Associates	-	0.4
Others	485.4	624.3
Reimbursement of expenses (paid)	17,474.4	30,959.0
Subsidiaries	17,447.8	30,932.2
Others	26.6	26.8
Rendering of service	1,067.4	955.2
Subsidiaries	1,049.6	947.0
Others	17.8	8.2
Reimbursement of expenses (received)	1,183.6	1,320.3
Subsidiaries	1,143.7	1,293.1
Others	39.9	27.2
Loans given	15.3	159.2
Subsidiaries	15.3	159.2
Loans received back / Assigned	-	60.0
Subsidiaries	-	60.0
Loss on Liquidation of a Subsidiary	-	8.8
Subsidiaries	-	8.8
Assignment of Capital Advance	-	266.0
Subsidiaries	-	266.0

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

(II) Detail of related party transaction during the year ended March 31, 2024:

₹ in Million		
Type of Transaction	Year ended March 31, 2024	Year ended March 31, 2023
Loan taken	145,618.4	82,140.5
Subsidiaries	145,618.4	82,140.5
Loan repaid	111,125.6	54,929.6
Subsidiaries	111,125.6	54,929.6
Interest income	2,685.0	1,720.3
Subsidiaries	2,685.0	1,720.3
Interest expense	7,622.0	4,346.9
Subsidiaries	7,622.0	4,346.9
Lease rental and hire charges (Income)	55.7	46.3
Subsidiaries	16.6	14.4
Others	39.1	31.9
Rent expense / Payment towards Lease Liabilities	248.9	255.6
Subsidiaries	248.9	255.6
CSR	200.0	150.0
Others	200.0	150.0
Remuneration	166.9	218.4
Key management personnel ^(#)	* 152.1	142.0
Relatives of Key management personnel	14.8	76.4
Sitting Fees and Commission paid to Independent Directors	24.6	19.5

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.

* Includes remuneration paid to Aalok D. Shanghvi till the date of appointment as Whole-time Director of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

Balance outstanding as at the end of the year

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Receivables	80,800.4	64,156.4
Subsidiaries	80,795.6	64,155.3
Others	4.8	1.1
Payable	3,976.4	7,076.4
Subsidiaries	3,869.0	6,969.3
Associates	0.1	-
Independent Directors	0.9	-
Others	106.4	107.1
Loan taken	110,360.1	75,867.3
Subsidiaries	110,360.1	75,867.3
Loan given	40,290.1	39,688.3
Subsidiaries	40,290.1	39,688.3
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	4,548.8	37,685.9
Subsidiaries	4,548.8	37,685.9
Advance from customers	50.8	544.2
Subsidiaries	50.8	544.2
Advance (includes capital and supply of goods/services)	1,114.8	467.7
Subsidiaries	1,114.8	467.7
Accrued Interest income on loans and advances	331.5	264.4
Subsidiaries	331.5	264.4
Accrued Interest from borrowings	10,772.0	3,912.2
Subsidiaries	10,772.0	3,912.2
Provisions	1,016.1	3,352.7
Subsidiaries	1,016.1	3,352.7
Lease liabilities	1,606.8	1,713.5
Subsidiaries	1,606.8	1,713.5

- (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, 2024, the Company has credit impairment of receivables relating to amounts owed by related parties (wholly owned subsidiaries) amounting to ₹ 54.9 Million (March 31, 2023: ₹ 54.9 Million).
- (b) Provision includes obligation arising from a supply contract to Sun Laboratories FZE, a wholly owned subsidiary of the Company amounting to ₹ 1,016.1 Million (March 31, 2023: ₹ 3,352.7 Million).



Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

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

Type of Transaction	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers, net of returns		
Sun Laboratories FZE	10,445.2	13,004.5
Sun Pharma Distributors Limited	44,469.7	39,676.9
Sun Pharmaceutical Industries, Inc.	49,672.3	56,150.4
Reimbursement of expenses - paid		
Sun Pharmaceutical Industries, Inc.	12,138.4	27,807.1
Loan taken		
Sun Pharma Laboratories Limited	145,618.4	82,140.5
Loan repaid		
Sun Pharma Laboratories Limited	111,125.6	54,929.6