SUN PHARMA LABORATORIES LIMITED

24TH ANNUAL REPORT

2019-20

CONTENTS **PAGE NO.**

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Sailesh T. Desai	Non-Executive Director
Mr. Sudhir V. Valia	Non-Executive Director
Mr. Kalyanasundaram Subramanian	Non-Executive Director
Mr. Naresh Chand Singhal	Independent Director
Ms. Rekha Sethi	Independent Director

CHIEF EXECUTIVE OFFICER
Mr. Kirti Ganorkar (w.e.f. July 4, 2019)

CHIEF FINANCIALOFFICER
Mr. C. S. Muralidharan

COMPANY SECRETARY
Ms. Rachana Kokal

AUDITORS
S R B C & Co LLP
Chartered Accountants

REGISTERED OFFICE
Sun House, Plot No. 201 B/1,
Western Express Highway, Goregaon (E),
Mumbai – 400063, India
CIN: U25200MH1997PLC240268
Website: www.spll.co
Contact no: 022-43244324

REGISTRAR & TRANSFER AGENT
Link Intime (India) Private Limited,
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083
Tel No: +91 22 49186000

NOTICE OF 24th ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Sun Pharma Laboratories Limited will be held on Wednesday, September 30, 2020 at 11:30 a.m. IST (Indian Standard Time) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business at shorter notice:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon.

2. To confirm the payment made of interim dividend* of Rs. 110/- (Rupees One Hundred and Ten Only) per equity share of Rs. 10/- (Rupees Ten Only) for the financial year ended March 31, 2020, as final dividend.

3. To appoint a Director in place of Mr. Sailesh T. Desai (DIN: 00005443), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass, the following resolution as an ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration as set out in the Explanatory Statement annexed to this Notice payable to M/s. B. M. Sharma & Associates, Cost Accountants, Firm's Registration No. 100537, appointed as the Cost Auditors of the Company to conduct the audit of cost records maintained by the Company for the financial year 2020-21, be and is hereby ratified.

   RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof, be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

By Order of the Board of Directors,
For **Sun Pharma Laboratories Limited,**

Place: Mumbai

Date: September 9, 2020

Rachana Kokal
Company Secretary

Registered Office:
Sun House, Plot No. 201 B/1,
Western Express Highway, Goregaon (E),
Mumbai - 400063.
CIN: U25200MH1997PLC240268

* The Interim Dividend at Rs. 110/- per equity share of Rs.10/- on 4,00,50,000 shares amounting to Rs.4,40,55,00,000/-, has been paid in the month of February, 2020

NOTES:

1) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the 24th Annual General Meeting of the Company (the "Meeting" or "AGM") under Item No. 4 is annexed to this Notice. The relevant details as required under Clause1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment / re-appointment as Director is given under the heading "Profile of Directors" forming part of this Notice.

2) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020 (hereinafter referred to as "MCA Circulars"). The forthcoming 24th AGM of the Company scheduled on Wednesday, September 30, 2020 will thus be held through video conferencing ("VC") or other audio visual means ("OAVM").

3) Members can attend and participate in the ensuing AGM through VC/ OAVM by clicking on https://global.gotomeeting.com/join/292078381 from their computer, tablet or smartphone.

4) Pursuant to MCA General Circular No. 14/2020 dated April 08, 2020, read with MCA General Circular No. 20/2020 dated May 5, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this 24th AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members can attend the 24th AGM through VC/ OAVM

5) In case the poll is required to taken or a demand for poll is made by any member in accordance with Section 109 of the Act, the members are requested to convey their votes by poll on the designated email id only at rachana.kokal@sunpharma.com.

6) Corporate members intending to appoint authorized representative(s) to attend and vote on their behalf at the 28th AGM are requested to submit to the Company a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising their representative(s) to attend and vote along with specimen signature of authorised representative(s) by e-mail to rachana.kokal@sunphama.com before the commencement of the 24th AGM.

7) In accordance with MCA Circulars dated April 08, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020 due to COVID-19 pandemic, the Notice of 24th AGM along with the Annual Report for 2019-20 is being sent only through electronic mode. Members may note that the Notice of the 24th AGM along with the Annual Report 2019-20 is also available for download on the website of the Company at www.spll.co

8) The Statutory Registers and documents, as may be required, will be available electronically for inspection by the members during the meeting hours. Those members who wish to inspect the same, are requested send an e-mail to rachana.kokal@sunpharma.com

9) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the Special business as set out at Item No. 4 of the accompanying Notice dated September 9, 2020:

Item No. 4

M/s. B. M. Sharma & Associates, Cost Accountants, (Firm's Registration No. 100537) have been appointed as the Cost Auditors of the Company, by the Board of Directors of the Company on recommendation of the Audit Committee for conducting audit of cost records of the Company for the financial year ending March 31, 2021 at a remuneration of Rs. 8,03,000/- (Rupees Eight Lakh Three Thousand Only) excluding reimbursement of out of pocket expenses and applicable taxes.

In terms of provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, members' ratification is required for remuneration payable to the Cost Auditor.

Therefore, consent of the members of the Company is sought for passing of an Ordinary Resolution as set out at Item No. 4 for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

The Board recommends the Resolution as set out at item no. 4 of the Notice for approval of the Members as Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution.

Place: Mumbai
Date: September 9, 2020

By Order of the Board of Directors,
For **Sun Pharma Laboratories Limited,**

Registered Office:
Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai – 400063
CIN: U25200MH1997PLC240268

Rachana Kokal
Company Secretary

PROFILE OF DIRECTORS

As required under Secretarial Standard - 2, the particulars of Mr. Sailesh T. Desai who is proposed to be re-appointed at this 24th Annual General Meeting, is given below:

The details of Board and Committee Meetings attended by him during the year 2019-20 are stated in the Board's Report which forms part of the Annual Report.

The details of remuneration, wherever applicable, are given in the Board's Report which forms part of the Annual Report.

Particulars	Mr. Sailesh T. Desai
Age	66 years
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Sailesh T. Desai is a science graduate from Kolkata University and is a successful entrepreneur with more than three decades of wide industrial experience including more than two decades in the pharmaceutical industry. He is a Whole-time Director of Sun Pharmaceutical Industries Limited.
Date of First appointment on the Board	October 30, 2012
Directorship held in other companies (excluding foreign companies & section 8 companies)	Sun Pharmaceutical Industries Limited Sun Pharmaceutical Medicare Limited Sun Pharma Distributors Limited Universal Enterprises Private Limited
Membership / Chairmanships of Committees of other public Companies	Sun Pharmaceutical Industries Limited : Audit Committee – Member Sun Pharma Distributors Limited: Corporate Social Responsibility Committee - Member
Inter-se Relationship between Directors	NIL
No. of Shares held in the Company (singly or jointly as first holder) as on 31st March, 2020	801 shares held jointly with and for and on behalf and as nominee of Sun Pharmaceutical Industries Limited

BOARD'S REPORT

To,
The Members of,
SUN PHARMA LABORATORIES LIMITED,

Your Directors present the Twenty-Fourth Annual Report and the Company's Audited Financial Statements for the financial year ended March 31, 2020.

FINANCIAL RESULTS

Rs. in Million

Particulars	**Standalone**	
	2019-20	**2018-19**
Total – Revenue	68,541	45,094
Profit Before Tax	19,013	4,172
Tax Expense:		
-Current Tax	3,310	911
-Deferred Tax Charge / Credit	(514)	(19)
Profit after tax	16,217	3,281
Profit after Tax before Share in profit / (loss) of associates	0	0
Share of Profit of Associates	0	0
Total Other Comprehensive Income	(85)	36
Total Comprehensive Income	16,133	3,317
Total Comprehensive Income for the period attributable to:	0	0
-Owners of the Company	0	0
Opening balance in Retained Earnings	8,354	9,784
Add: Amount available for appropriation	16,133	3,323
Less: Appropriations	0	0
Dividend on Equity Shares	(4,406)	(4,750)
Dividend on Preference Shares	0	(15)
Corporate Dividend tax	(906)	(979)
Transfer to various Reserves:	0	0
Capital redemption reserve	0	(400)
Transfer from various Reserves:		
Debenture redemption reserve	0	1,250
Equity component of compound financial instrument	0	141
Closing balance in Retained Earnings	**19,175**	**8,354**

STATE OF COMPANY'S AFFAIRS

During the current year of operation, the Company has registered an increase in the revenue from Rs. 45,094 million to Rs. 68,541 million on account of growth in domestic market, enhanced sales and marketing efforts and due to previous year's impact on account of transitioning its distribution from Aditya Medisales Limited to Sun Pharma Distributors Limited, the wholly owned subsidiary of Company. The profit before tax has accordingly increased from Rs.4,172 million to 19,013 Million. The Company has registered profit after tax of Rs. 16,217 million

DIVIDEND

During the financial year 2019-20, the Board of Directors at their meeting held on February 5, 2020 declared interim dividend of Rs. 110/- (Rupees Ten Only) per annum per equity share on 4,00,50,000 (Four Crore Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten Only) each for the financial year 2019-20, aggregating to Rs. 4,40,55,00,000.00/- (Rupees Four Hundred and Forty Crore and Fifty Five Lakh Only)

The Board recommends that the interim dividend paid as aforesaid on equity shares be treated as the final dividend for the financial year ended March 31, 2020.

ISSUE OF BONUS SHARES

During the year under review, 4,00,00,000 (Four Crore) Equity Shares of Re.10/- (Rupees Ten only) were allotted as fully paid-up Bonus Equity Shares, to the Members of the Company holding equity shares of Rs.10/- (Rupees Ten only) each in the proportion of 800 (Eight Hundred) fully paid Equity Share of Rs.10/- (Rupees Ten only) for every 1 (One) Equity Share of Rs.10/- (Rupees Ten only) held on the Record Date. Thereafter the paid-up capital of the Company increased to Rs. 40,05,00,000.00/- (Rupees Forty Crore Five Lakh Only) divided into 4,00,50,000 (Four Crore Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten Only) each.

DIRECTORS & KEY MANAGIAL PERSONNEL

Mr. Sailesh T. Desai, Director of the Company retires by rotation and being eligible has offered himself for re-appointment at the ensuing 24th Annual General Meeting of the Company. Appropriate resolution for the re-appointment of the Mr. Sailesh T. Desai is being placed for your approval at the ensuing 24th Annual General Meeting. Your Directors recommend the re-appointment of the aforesaid Director by the Members at the ensuing Annual General Meeting.

During the year, Mr. Kalyanasundaram Subramanian ceased to be the CEO & Whole-time Director of the Company with effect from July 4, 2019, however he continues to act as a Non-Executive and Non Independent Director of the Company. Mr. Kirti Ganorkar was appointed as Chief Executive Officer of the Company with effect from July 4, 2019.

Profile and other particulars of Mr. Sailesh T. Desai as required under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided under heading "PROFILE OF DIRECTORS" forming part of the Notice of 24th Annual General Meeting of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 ("the Act").

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified under the Act and are independent of the management.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;

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

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

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

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

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met 5 (five) times during the year under review on May 27, 2019, July 4, 2019, August 12, 2019, November 6, 2019 and February 5, 2020.

The intervening gap between the Meetings was within the period prescribed under the Act.

Attendance of each Director at the Board meetings is given below:

Name of the Director	Number of Board meetings held during the tenure of respective Director	Number of Board meetings attended
Mr. Kalyanasundaram Subramanian*	5	3
Mr. Sudhir Valia	5	3
Mr. Sailesh Desai	5	5

Ms. Rekha Sethi	5	5
Mr. Naresh Chand Singhal	5	5

*Mr. Kalyanasundaram Subramanian ceased to be the CEO & Whole-time Director of the Company and continues to act as a Non-Executive and Non Independent Director of the Company with effect from July 4, 2019.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Company comprises of three Directors viz., Ms. Rekha Sethi, Chairperson of the Committee, Mr. Sailesh Desai and Mr. Naresh Chand Singhal. Ms. Rachana Kokal, Company Secretary of the Company is the Secretary of theCommittee.

The Nomination & Remuneration Committee met five times (5) during the previous financial year on May 27, 2019, July 4, 2019, August 12, 2019, November 6, 2019 and February 5, 2020. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member	Number of meetings held during the tenure of the respective members	Number of Committee meetings attended
Ms. Rekha Sethi	Chairperson	5	5
Mr. Sailesh Desai	Member	5	5
Mr. Naresh Chand Singhal	Member	5	5

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

For the purpose of selection of any Director, the Nomination & Remuneration Committee (NRC) identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such criteria with regard qualifications, positive attributes, independence, age and other criteria as laid down under the Act or other applicable laws.

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for remuneration of Directors & Senior Management which is available on the website of the Sun Pharmaceutical Industries Limited and may be accessed through the web link: http://www.sunpharma.com/spll/policies.

The Key highlights of the Remuneration Policy of the Company are as follows:

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

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

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

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

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

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

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

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

C. Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation/Class	**To be determined by**
Director	Members on recommendation of NRC and the Board.
Key Managerial Personnel other than Directors	Human Resources Head
Other employees	Human Resources Head

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

During the year, the evaluation of the annual performance of individual Directors and Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act, relevant Rules, and based on the circular issued by SEBI dated January 5, 2017 with respect to Guidance Note on Board Evaluation. The Nomination and Remuneration Committee had approved the criteria for the performance evaluation of the Board, its Committees and individual Directors as per the SEBI Guidance Note on Board Evaluation.

Mr, Sailesh Desai interacted with each Director individually, for evaluation of performance of the individual Directors. The evaluation for the performance of the Board as a whole and of the Committees were conducted by way of questionnaires.

In a separate meeting of Independent Directors, performance of Non Independent Directors and performance of the Board as a whole was evaluated.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as structure and diversity of the Board, competency of Directors, experience of Director, strategy and performance evaluation, secretarial support, evaluation of risk, evaluation of performance of the management and feedback, independence of the management from the Board etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as mandate and composition, effectiveness of the committee, structure of the committee and meetings, independence of the committee from the Board and contribution to decisions of the Board.

The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as qualification, experience, knowledge and competency, fulfilment of functions, availability and attendance, initiative, integrity, contribution and commitment etc., and the Independent Directors were additionally evaluated on the basis of independence, independent views and judgement etc.

The Board discussed upon the performance evaluation of every Director of the Company and concluded that they were satisfied with the overall performance of the Directors individually and that the Directors generally met their expectations of performance.

The summary of the feedback from the members were thereafter discussed in detail by the members. The respective Director, who was being evaluated, did not participate in the discussion on his/her performance evaluation and had exited the meeting for the said discussion. They were satisfied with the overall performance of the Directors individually and that the Directors generally met their expectations of performance.

Mr. Sailesh Desai, additionally interacted with each Director individually, for evaluation of performance of all Individual Directors and Mr. Sudhir Valia, along with other Directors had evaluated the performance of Mr. Sailesh Desai as an Individual Director.

HUMAN RESOURCES

We have more than 8000 talented employee base in various sales offices, manufacturing locations, regional offices and Corporate office. We believe our employees are pivotal to all the initiatives that drive us to realise our future plans.

Human Resource agenda encourages high performance culture with focus on Employee health, safety & welfare, Employee engagement, development & productivity. Your Directors would also like to take this opportunity to express their appreciation for the dedication and commitment of the employees of the Company and look forward to their continued contribution.

The information pertaining to 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, pertaining to the names and other particulars of employees is available for inspection at the Registered office of the Company during business hours and pursuant to the proviso to Section 136 (1) of the Act, the report and the accounts are being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has made the Whistle Blower Policy of Sun Pharmaceutical Industries Limited (SPIL) applicable to the Company, since it is a wholly owned subsidiary of SPIL. This Whistleblower Policy aspires to encourage all employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviours or practices) that affect Company's interest / image. The same can be accessed through the web link: http://www.sunpharma.com/spll/policies.This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company.

Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. An Ombudsperson/s has been appointedfor Sun Pharma Group to receive the complaints through a portal or email or letters who would investigate the complaints with an investigating committee. The final decision would be taken by the Ombudsperson in consultation with the Management and the Audit Committee. The Policy is expected to help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions. No personnel have been denied access to the Audit Committee.

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

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

During the financial year ended March 31, 2020, no complaint pertaining to sexual harassment was received and no complaints pending as at the end of the financial year.

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

AUDIT COMMITTEE COMPOSITION

The Audit Committee of the Company comprises of three Directors viz. Mr. Naresh Chand Singhal, Chairman of the Committee, Mr. Sudhir V. Valia and Ms. Rekha Sethi. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Act. Ms. Rachana Kokal, Company Secretary of the Company is the Secretary of Audit Committee.

The Audit Committee met four (4) times during the previous financial year on May 27, 2019, August 12, 2019, November 6, 2019 and February 5, 2020. The attendance of each Member of the Committee is given below:

Name of the Director	**Chairman / Member**	**Number of meetings held during the tenure of the respective members**	**Number of Committee meetings attended**
Mr. Naresh Chand Singhal	Chairman	4	4
Mr. Sudhir V. Valia	Member	4	3
Ms. Rekha Sethi	Member	4	4

Extract of Annual Return

The extract of Annual Return as required under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in form MGT-9 is provided as "Annexure – A" to this Report and is also made available at the weblink: www.spll.co.

AUDITORS

STATUTORY AUDITORS

S R B C & Co LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003), were appointed as the Statutory Auditors of the Company for a period of 5(Five) years at the 21st Annual General Meeting of the Company to hold office till 26th Annual General Meeting of the Company.

The Auditor's Report for the financial year ended March 31, 2020, has been issued with an unmodified opinion, by the Statutory Auditors.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs KJB & CO LLP, Practicing Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2020. The Secretarial Audit Report in the Form no. MR-3 for the year is annexed herewith as **"Annexure B"** to this report**.** The Secretarial Audit Report for the year does not contain any qualification, reservation or adverse remark.

COST AUDITORS

The Company has appointed Messers. B. M. Sharma & Associates, Cost Accountants, Firm's Registration No. 100537, as Cost Auditors of the Company for conducting Cost Audit in respect of Pharmaceutical Formulations business of your Company for the Year 2020-21.

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

SECRETARIAL STANDARDS

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

LOANS, GUARANTEES & INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the year under review with the related parties were in the ordinary course of business and on an arm's length basis.

As required under Section 134(3)(h) of the Act, details of transactions entered with Related Parties under the Act exceeding ten percent of the annual consolidated turnover as per the last audited financial statements are given in Form AOC-2 provided as **"Annexure C"** to this report.

INTERNAL FINANCIAL CONTROLS

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

Global Internal Audit

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

GIA's functioning is governed by the Audit Charter, duly approved by the Audit Committee of the Board of the Holding Company, which stipulates matters contributing to the proper and effective conduct of the audit. The audit processes are fully automated on a 'SunScience' tool which integrates Internal Audits, Automated follow-ups for closure of observations, Internal Financial Controls (IFC) and Enterprise Risk Management (ERM) modules.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted the Corporate Social Responsibility (CSR) Committee of the Company. The Corporate Social Responsibility Committee comprises of three Directors viz. Mr. Sudhir V. Valia, Mr. Kalyanasundaram Subramanian and Ms. Rekha Sethi. Ms. Rachana Kokal, Company Secretary of the Company is the Secretary of the said Committee.

The Corporate Social Responsibility Committee met two (2) times during the previous financial year on May 27, 2019 and November 6, 2019. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member	Number of meetings held during the tenure of the respective members	Number of Committee meetings attended
Mr. Sudhir V. Valia	Chairman	2	2
Ms. Rekha Sethi	Member	2	2
Mr. Kalyanasundaram Subramanian	Member	2	1

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the Corporate Social Responsibility Committee is available on the website of the Parent Company, Sun Pharmaceutical Industries Limited and can be accessed through the weblink: http://www.sunpharma.com/spll/policies.

The Company has increased their spending on CSR as compared to last year and has exceeded the amount required to be spent on CSR for the financial year 2019-20. During the year, the Company has spent Rs. 170.48 Million as against Rs. 168.28 Million which the Company was required to spend as per the prescribed CSR expenditure of 2% of the average net profit for the last three financial years as per the Act.

The annual report on Corporate Social Responsibility activities containing details of activities undertaken and expenditure incurred thereon by the Company and brief details on the CSR activities are provided in **"Annexure D"** to this report**.**

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

There are no significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status of the Company's operations in future.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the Public during the year under review, under the provisions of the Act and the rules framed thereunder.

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

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

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

The statement containing the salient features of the Financial Statements of the Company's subsidiaries/ joint ventures/ associate companies of the Company is given in Form AOC – 1, is annexed herewith as **"Annexure F"** to this report

During the year under review, the Company incorporated a wholly-owned subsidiary Company "Realstone Infra Limited".

CREDIT RATING

ICRA Ltd. has reaffirmed the highest credit rating of '[ICRA] A1+' for the bank facilities and commercial paper programs of the Company.

Further, CRISIL Ltd. has also reaffirmed the highest credit rating of 'CRISIL A1+' for commercial paper programs of the Company

RISK MANAGEMENT

The Holding Company has developed & implemented an integrated Enterprise Risk Management Framework for itself and Subsidiaries through which it identifies monitors, mitigates & reports key risks that impacts its ability to meet the strategic objectives. The Holding Company's ERM framework is based on the recommendations by the Committee of Sponsoring Organisations (COSO) to further the organisation's endeavor to strengthen ERM framework and processes using best practices. The ERM team engages with all Function heads to identify internal and external events that may have an adverse impact on the achievement of Company's objectives and periodically monitors changes in both internal and external environment leading to emergence of a new threat/risk. These risks are captured in the form of a risk register with all the relevant information such as risk description, root cause and any existing mitigation plans. The risk register is refreshed annually. Risks are categorised into Strategic, Financial, Operational, Compliance & Repuational. ERM risk assessments covering Company's various businesses and functions are a key input for the annual internal audit program. During FY20, the ERM team focused on reviewing effectiveness of actions taken to mitigate certain business, cyber security and other operational risks.

ACKNOWLEDGMENTS

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

For and on behalf of the Board of Directors

Sailesh Desai	**Sudhir V. Valia**
Director (00005443)	**Director (00005561)**

Place: Mumbai
Date: May 26, 2020

ANNEXURE A

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2020

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration Rules), 2014

I	**REGISTRATION AND OTHER DETAILS:**	
i	CIN:	U25200MH1997PLC240268
ii	Registration date:	January 17, 1997
iii	Name of the Company:	Sun Pharma Laboratories Limited
iv	Category/ Sub-category of the Company	Company Limited By Shares
v	Address of the Registered Office and Contact details:	Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (East), Mumbai - 400063 Contact no: 022-43244324
vi	Whether listed company:	No
vii	Name , Address , and Contact details of Registrar and Transfer Agent:	Link Intime (India) Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000

II PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company:

Sr.no	Name and Description of main products/services	NIC code of the Product/ Service	% to total turnover of the Company
1	Pharmaceuticals	210	99.57

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr.No	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of equity shares held	Applicable Section
1	Sun Pharmaceutical Industries Limited	India	L24230GJ1993PLC019050	Holding	100	2(46)
2	Universal Enterprises Private Limited	India	N.A.	Subsidiary	100	2(87)(ii)
3	Sun Pharmaceutical Medicare Limited	India	U36900GJ2017PLC095132	Subsidiary	100	2(87)(ii)
4	Sun Pharma Distributors Limited	India	U51909MH2019PLC322778	Subsidiary	100	2(87)(ii)
5	Realstone Infra Limited	India	U70109MH2020PLC337007	Subsidiary	100	2(87)(ii)
6	Trumpcard Advisors and Finvest LLP	India	AAH-6275	Associate	40.61	2(6)
7	Generic Solar Power LLP	India	AAE-7937	Associate	28.76	2(6)
8	Sun Pharma Holdings*	Mauritius	N.A.	Associate	0.01*	2(6)

* Proportion of Ownership Interest does not include ownership interest held by the Company through Optionally Convertible Preference Shares issued by Sun Pharma Holdings

IV SHARE HOLDING PATTERN (Equity Share Breakup as percentage of Total Equity)

i) Category-wise shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Promoter***									
1)	Indian	0	0	0	0	0	0	0	0	
a)	Individual/ HUF	0	0	0	0	0	0	0	0	
b)	Central Government/ State Government	0	0	0	0	0	0	0	0	
c)	Bodies Corporate	0	50000*	50000*	100%	49994	40000006*	40050000*	100%	
d)	Financial Institutions/ Bank	0	0	0	0	0	0	0	0	
e)	Any other	0	0	0	0	0	0	0	0	
Sub total (A) (1)		0	50000*	50000*	100%	49994	40000006*	40050000*	100%	
2)	**Foreign**	0	0	0	0	0	0	0	0	NIL
a)	Individuals (NRIs)	0	0	0	0	0	0	0	0	
b)	Other Individuals	0	0	0	0	0	0	0	0	
c)	Bodies Corporate	0	0	0	0	0	0	0	0	

d)	Financial Institutions/ Bank	0	0	0	0	0	0	0	0	
e)	Any other	0	0	0	0	0	0	0	0	
Sub total (A)(2)		0	0	0	0	0	0	0	0	
Total shareholding of Promoter & Promoter group (A)=(A)(1)+(A)(2)		0	50000*	50000*	100%	49994	40000006*	40050000*	100 %	
(B)	**Public Shareholding**	0	0	0	0	0	0	0	0	
1)	**Institutions**	0	0	0	0	0	0	0	0	
a)	Mutual Funds	0	0	0	0	0	0	0	0	
b)	Financial Institutions/ Bank	0	0	0	0	0	0	0	0	
c)	Central Government/ State Government	0	0	0	0	0	0	0	0	
d)	Venture Capital Funds	0	0	0	0	0	0	0	0	
e)	Insurance Companies	0	0	0	0	0	0	0	0	
f)	FIIs	0	0	0	0	0	0	0	0	
g)	Foreign Venture Capital	0	0	0	0	0	0	0	0	
h)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	
i)	Any other (specify)	0	0	0	0	0	0	0	0	
Sub total (B)(1)		0	0	0	0	0	0	0	0	
2)	**Non- Institutions**	0	0	0	0	0	0	0	0	
a)	Bodies Corporate	0	0	0	0	0	0	0	0	
i)	Indian	0	0	0	0	0	0	0	0	
ii)	Overseas	0	0	0	0	0	0	0	0	
b)	Individuals	0	0	0	0	0	0	0	0	
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	
c)	Others (specify)	0	0	0	0	0	0	0	0	

i)	Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	
ii)	Non Resident Indians (Non-Repat)	0	0	0	0	0	0	0	0	
iii)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	
iv)	Clearing Member	0	0	0	0	0	0	0	0	
v)	Directors/ Relatives	0	0	0	0	0	0	0	0	
vi)	Trusts	0	0	0	0	0	0	0	0	
vii)	Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	
viii)	Overseas Corporate Bodies	0	0	0	0	0	0	0	0	
ix)	Foreign Nationals	0	0	0	0	0	0	0	0	
Sub total (B) (2)		0	0	0	0	0	0	0	0	
Total Public shareholding Public Group (B)= (B)(1)+(B)(2)		0	0	0	0	0	0	0	0	
(C) Shares held by Custodian for GDRs & ADRs		0	0	0	0	0	0	0	0	
GRAND TOTAL (A)+(B)+(C)		0	50000*	50000*	100%	49994	40000006*	40050000*	100 %	

* Including 4806 shares held by nominees for and on behalf of Sun Pharmaceutical Industries Limited (SPIL) jointly with SPIL

ii) Shareholding of Promoters

Sr N	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			**% change in share holding during the year**
		No. of Shares	**% of total Shares of the company**	**%of Shares Pledged / encumbered to total shares**	**No. of Shares**	**% of total Shares of the company**	**%of Shares Pledged / encumbered to total shares**	
1	Sun Pharmaceutical Industries Limited	50000*	100%	NIL	40050000*	100%	NIL	NIL

* Including 4806 shares held by nominees for and on behalf of SPIL, jointly with SPIL

iii) Change in Promoters' Shareholding

Sr. No	Name of the Promoter	Shareholding at the beginning of the		Cumulative Shareholding during the	
	Sun Pharmaceutical Industries Limited*	No. of shares	% of total Shares of the	No. of shares	% of total Shares of the Company
1	At the beginning of the year	50000	100%	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): Add: Issue of Bonus Shares on August 12, 2019	40000000	100%	40050000	100%
	At the end of the year	N.A	N.A	40050000	100%

* Including 4806 shares held by nominees for and on behalf of SPIL, jointly with SPIL

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	Ashok Bhuta*				
	At the beginning of the year	1	0.002%	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): Add: Issue of Bonus Shares on August 12, 2019	800	0.002%	801	0.002%
	At the end of the year	N.A	N.A	801	0.002%
2	Sunil Ajmera*				
	At the beginning of the year	1	0.002%	N.A	N.A

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): Add: Issue of Bonus Shares on August 12, 2019	800	0.002%	801	0.002%
	At the end of the year	N.A	N.A	801	0.002%
3	Dinesh Desai*				
	At the beginning of the year	1	0.002%	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): Add: Issue of Bonus Shares on August 12, 2019	800	0.002%	801	0.002%
	At the end of the year	N.A	N.A	801	0.002%
4	Dilip Shanghvi*				
	At the beginning of the year	1	0.002%	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): Add: Issue of Bonus Shares on August 12, 2019	800	0.002%	801	0.002%
	At the end of the year	N.A	N.A	801	0.002%

* Four Individual shareholders other than Directors are holding 801 equity shares each, jointly with SPIL, and for and on behalf of SPIL as a nominee of SPIL.

v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Sudhir V. Valia*	**No. of shares**	**% of total Shares of the Company**	**No. of shares**	**% of total Shares of the Company**
	At the beginning of the year	1	0.002%	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): Add: Issue of Bonus Shares on August 12, 2019	800	0.002%	801	0.002%
	At the end of the year	N.A	N.A	801	0.002%
2	Sailesh T. Desai*	**No. of shares**	**% of total Shares of the Company**	**No. of shares**	**% of total Shares of the Company**
	At the beginning of the year	1	0.002%	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): Add: Issue of Bonus Shares on August 12, 2019	800	0.002%	801	0.002%
	At the end of the year	N.A	N.A	801	0.002%

*The aforementioned persons hold equity shares in the Company jointly with SPIL for and on behalf of SPIL as a nominee of SPIL.

v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Millions)

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits [1]**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	2,989.9	16.4	3,006.3
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due [2]	-	-	-	-
Total (i+ii+iii)	**-**	**2,989.9**	**16.4**	**3,006.3**
Change in Indebtedness during the financial year				
Addition: Principal Amount [3] / [4]/ [5]	-	17,341.9	-	17,341.9
Reduction: Principal Amount	-	13,000.0	10.6	13,010.6
Change: Addition / (Reduction) in Interest accrued but not Due	-	-	-	-
Net Change	**-**	**4,341.9**	**(10.6)**	**4,331.3**
Indebtedness at the end of the financial year				
i) Principal Amount	-	7,331.8	5.8	7,337.6
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due [2]	-	-	-	-
Total (i+ii+iii)	**-**	**7,331.8**	**5.8**	**7,337.6**

Notes:
(1) Deposits are Security Deposits Received. The change during the year has been shown on net basis.
(2) Interest accrued but not due on borrowings.

(3) Includes effect of exchange rate changes during the year.
(4) Ind As adjustment during the year of External commercial borrowing & Commercial paper are shown as addition in principal amount.
(5) Change in the OD limit under Working Capital Facility forming part of Unsecured loans, have been shown on net basis.
(6) Above schedule does not include lease liability as per IND AS 116.

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager (As per Form 16, on actual payment basis)

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	*Mr. Kalyanasundaram Subramanian Whole-time Director and CEO (until July 3, 2019)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act,1961	16350140	**16350140**
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	**0**
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	**0**
2	Stock Option	0	**0**
3	Sweat Equity	0	**0**
4	Commission as a % of profit	0	**0**
5	Others, please specify	0	**0**
Total (A)		16350140	**16350140**
Ceiling limit as per the Act		**Rs. 1915.93 Million** (10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

*Mr. Kalyanasundaram Subramanian ceased to be the CEO & Whole-time Director of the Company and continues to act as a Non-Executive and Non Independent Director of the Company with effect from July 4, 2019.

B) Remuneration to other directors:

(The remuneration to Non-Executive Directors consists only of sitting fees)

(Amount in Rs.)

Sr. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Kalyanasundaram Subramanian	Ms. Rekha Sethi	Mr. Naresh Chand Singhal	Mr. Sudhir Valia	Mr. Sailesh Desai	
	Independent Directors						
1	Fee for attending board committee meetings	0	425000	375000	0	0	**800000**
	Commission	0	0	0	0	0	**0**
	Others, please specify	0	0	0	0	0	**0**
Total (1)		**0**	**425000**	**375000**	**0**	**0**	**800000**
2	Other Non-Executive Directors						

	Fee for attending board committee meetings	25000	0	0	200000	250000	**475000**
	Commission	0	0	0	0	0	**0**
	Others, please specify	0	0	0	0	0	**0**
Total (2)		**0**	**0**	**0**	**200000**	**250000**	**475000**
Total (B)=(1+2)		**25000**	**425000**	**375000**	**200000**	**2500000**	**12,75,000**
Overall Ceiling as per the Act		Not applicable since no commission was payable to Director during the year and Rs. 25000 per Director per Meeting of Board or Committee thereof for Sitting fees.					
Total Managerial Remuneration (A+B)		**1,76,25,140**					

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

Sr. no.	**Particulars of Remuneration**	**Key Managerial Personnel**			
		Mr. Kirti Wardhaman Ganorkar (CEO from July 4, 2019)	***Mr. C. S.Muralidharan (CFO)**	**Ms. Rachana Kokal (CS)**	**Total**
1	Gross salary		NIL		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37898348.00		1305899.00	**39204247.00**
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	52991.00		0	**52991.00**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			0	**0**
2	Stock Option	0		0	**0**
3	Sweat Equity	0		0	**0**
4	Commission as % of profit	0		0	**0**
5	Others, please specify	0		0	**0**
Total		37951338		1305899.00	**39257238.00**

*CFO draws salary from Sun Pharmaceutical Industries Limited, the parent Company.

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS			**NIL**		
Penalty					
Punishment					
Compounding					

C. OTHER OFFICERS IN DEFAULT	
Penalty	
Punishment	
Compounding	

For and on behalf of the Board of Directors

Sailesh Desai	**Sudhir V. Valia**
Director (00005443)	**Director (00005561)**

Place: Mumbai
Date: May 26, 2020

ANNEXURE B

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31st March 2020.
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not applicable to the Company for the year under review;**
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not applicable to the Company for the year under review;**
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable during the period under review of Overseas Direct Investment; External Commercial Borrowings (Regulations relating to Foreign Direct Investment not attracted to the Company for the year under review);
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **- Not applicable to the Company for the year under review**;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not applicable to the Company for the year under review**;
   c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **Not applicable to the Company for the year under review**;
   d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable to the Company for the year under review**;
   e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company for the year under review**;
   f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable to the Company for the year under review;**
   g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable to the Company for the year under review;**
   h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company for the year under review;**
   i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 – **Not applicable to the Company for the year under review;**

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.
During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.
We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in some cases where the meeting was held on a shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. On verification of minutes, we have not found any dissent/disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the respective plant heads of R&D centers, the Company has identified and complied with the following laws applicable to the Company:

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

We further report that, during the period under review,

1. The Company has allotted 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each allotted as a fully paid-up Bonus Equity shares in proportion of 800 (Eight Hundred) fully paid equity shares of Rs. 10/- (Rupees Ten Only) each for every 1(one) Equity Share.

2. The Company has purchased 100 miliion 5% Optionally Convertibel Preference Shares of face value USD 1 each of Sun Pharma Holdings, Mauritius from Sun Pharmaceutical Industries Limited (the Holding Company).

Note: We relied on the representation made to us by the management wherever required due to several restrictions imposed by the Central and State government on the travel, movement and transportation considering public health and safety measures due to Covid -19, which had impact on the audit assessment due to limited access to information / documents / data as required for audit assessment.

For KJB & Co LLP,
Practicing Company Secretaries

Alpeshkumar Panchal
Partner
Mem No. - 49008
C. P. No. – 20120
UDIN: A049008B000283605
Date: May 26, 2020.
Place: Mumbai.

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

ANNEXURE A

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

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

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

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

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

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

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

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

For KJB & Co LLP,
Practicing Company Secretaries

Alpeshkumar Panchal
Partner
Mem No. - 49008
C. P. No. – 20120
UDIN: A049008B000283605
Date: May 26, 2020.
Place: Mumbai.

ANNEXURE C

FORM NO. AOC-2

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

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

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

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

Sr. No.	**Name(s) of the related party and nature of relationship**	**Nature of contracts/ arrangements/ transactions**	**Duration of the contracts/ arrangements/ transactions**	**Salient terms of the contracts/ arrangements/ transactions including the value, if any**	**Date(s) of approval by the Board, if any:**	**Amount paid as advances, as on March 31, 2020, if any:**
1.	Sun Pharmaceutical Industries Limited ("SPIL", Holding Company)	Purchase of property and plant & equipment and investments, Revenue from contracts with customers Sale of goods, property, plant & equipment, Dividend paid, Receiving and Rendering of Service, Reimbursement of expenses paid and expenses received, Loan given and received back, Interest income and Receipts towards lease liabilities and Rent paid	On-going	The related party transactions (RPT's) entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the financial year 2019-20 was **Rs. 75351.4 Million**	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable.	Nil
2.	Sun Pharma Distributors Limited (Wholly owned Subsidiary)	Revenue from contracts with customers Reimbursement of Expenses paid and received, Loans given and received back	On-going	The related party transactions (RPT's) entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the financial year 2019-20 was **Rs. 56816.3 Million**	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable.	Nil

*the threshold limit for related party transactions (all types of transactions combined together) with related parties for the purpose of this disclosure is treated at 10% of the annual consolidated turnover of the Company, in line with the materiality policy of SPIL, Holding Company

For and on behalf of the Board of Directors

Sailesh Desai — **Director (00005443)**

Sudhir V. Valia — **Director (00005561)**

Place: Mumbai
Date: May 26, 2020

ANNEXURE D

Annual Report on CSR activities for the financial year 2019-20

Details	**Particulars**
A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken	The CSR policy of the Company encompasses its philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. Your Company has identified health, education & livelihood, sanitation, rural development, environment protection, water management and disaster relief as the areas where assistance is provided on a need-based and case-to-case basis. Your Company persisted with participation in such activities at the local, grass-root level during the year.
Reference to the web-link to the CSR policy and projects or programmes:	http://www.sunpharma.com/spll/policies
Composition of the CSR Committee:	Mr. Sudhir V. Valia (Chairman of the committee), Mr. Kalyanasundaram Subramanian and Ms. Rekha Sethi
Average net profit of the Company for last three financial years:	8414.03
Prescribed CSR Expenditure (two percent of the amount as in item above):	168.28
Details of CSR spend for the	
a)Total amount spent for the	170.48 Million
b)Amount unspent, if any:	Nil

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the State and District where projects or programs were undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the projects or programs		Cumulative expenditure upto to the reporting period	Amount spent Directly or through implementing agency	Beneficiaries
					Direct Expenditure on projects or programs	Overhead Expenditure			
1	Malaria Eradication Demonstration Project	Healthcare under Item No. (i)	Mandla (District- Mandala, State- Madhya Pradesh)	500.00	54.30	0	145.85	Implementing agency : FDEC - India	Patients found and tested for Malaria fever :141,461 patients Number of malaria cases diagnosed and treated :140
2	Swades Model Village Development Project	Rural Development Projects under Item No. (x)	Mahad, Mangaon,Mhasla, Tala,Poladpur,Shrivardhan (District - Raigadh, State - Maharashtra)	250.00	50.00	0	150.97	Implementing agency : Swades Foundation	New Orchards: 29159 beneficiaries Dairy: 146 beneficiaries Holistic School Transformation: 7 schools, 4542 students Sanitation blocks:441 IHHTs Mass scholarships: 254 students Excellence Scholarship: 35 students Skilling & placement: 131 individuals Drinking Water: 117 households Water for Irrigation : 49.5 Acres
3	Initiative for Dry Eye Amelioration (IDEA)	Healthcare under Item No. (i)	Hyderabad (District- Hyderabad, State- Telangana)	60.00	24.64	0	24.64	Implementing agency : Hyderabad Eye Institute	1429 Patients
4	Support in Setting-up of Radiation Centre with Chemotherapy Facility Project	Healthcare under Item No. (i)	Ankleshwar (District- Bharuch, State- Gujarat)	20.00*	20.00	0	20.00	Implementing agency : Ankleshwar Industrial Development Society	Community
5	Preventive Measures for Outbreak of Novel Coronavirus Covid-19	Preventive Healthcare under Item No. (i)	PAN India	8.09*	8.09	0	8.09	1) Implementing agency : Shantilal Shanghvi Foundation 2) CSR Department	Community
6	Mobile Healthcare Unit Programme	Healthcare under Item No. (i)	Ranipool (District - East Sikkim, State - Sikkim) and Guwahati (District - Kamrup, State - Assam)	6.31*	3.64	1.34	17.71	Implementing agency : Sun Pharma Community Healthcare	Clinical treatment: 24,298 Patients Preventive & Promotive healthcare: 4,423

								Society	patients Total : 28,721
7	Treatment of neo-natal, infants and general disadvantaged patients	Healthcare under Item No. (i)	Ahwa, (District- Dang, State- Gujarat)	3.66*	3.66	0	10.67	Implementing agency : Shrimad Rajchandra Sarvamangal Trust	207 Infants & General Disadvantegd Patients
8	Educational Programme	Education under Item No. (ii)	Ranipool (District- East Sikkim, State- Sikkim), Jammu (District-Jammu, State- Jammu & Kashmir) and Guwahati (District - Kamrup, State - Assam)	3.56*	3.56	0.02	19.50	CSR Department	2485 Students
9	Support towards Infrastructure Development for Animal Care	Animal Welfare under Item No. (iv)	New Delhi (Delhi)	0.50*	0.50	0	3.00	Implementing agency : People for Animals	Community
10	Single Teacher School Project	Education under Item No. (ii)	Ellapuram (District - Thiruvallur, State - Tamilnadu)	0.50*	0.50	0	1.50	Implementing agency : Single Teacher Schools	282 Students
11	Environment Conservation Programme	Environment under Item No.(iv)	Jammu (District-Jammu, State- Jammu & Kashmir)	0.20*	0.16	0	1.16	CSR Department	Community
12	Disaster Support Programme	Disaster Relief under Item No. (xii)	Guwahati (District - Kamrup, State - Assam) and Ranipool (District- East Sikkim, State- Sikkim)	0.07*	0.07	0	2.61	CSR Department	Community
				Total :	**169.11**	**1.36**			
				Grand Total:	**170.48**				

* project outlay which are budgeted on per annum basis

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

For and on behalf of the Board of Directors

Sailesh Desai **Sudhir V. Valia**
Director (00005443) **Director (00005561)**

Place: Mumbai
Date: May 26, 2020

ANNEXURE E

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

I. CONSERVATION OF ENERGY

1. Steps taken or impact on Conservation of Energy

- Installed electrical heater in place of steam load in AHUs
- Reduction in fixed energy charges by contract demand reduction
- Energy savings in chilled water system by confined control on chilled water operation.
- Improve steam to fuel ratio by condensate recovery ,flash recovery, boiler blow down heat recovery & steam trap uptime
- Hot water generation system for process is changed to plate heat exchangers from direct live steam heating
- Installed energy efficient pumps to reduce electricity consumption

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

- Biomass briquettes (Carbon Neutral) fuel used instead of Conventional fuel like furnace oil /high speed diesel for Steam generation Guwahati.

3. Capital investment on energy conservation equipments

Capital investment of 37.0 lac is done on energy conservation equipments.

II TECHNOLOGY ABSORPTION-

1. **Efforts** in **brief, made towards technology absorption, adaptation and innovation**
   Process robustness has been implemented for wide range of products with the objective to reduce cost and increase in-process capability.
   Novel compact dosage forms having differentiation with regards to improved stability and/or reduced pharmacokinetic variability have been developed for the Indian market. Stable liquid oral formulations of labile products are also being developed.

2. **Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution**
   Not dependent on imported technology, can make high-end products available at competitive prices by using indigenously developed manufacturing processes and formulation technologies.
   Offers technologically advanced differentiated products which are convenient and safe for administration to patients.

III FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Million)

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Earnings	0	0
Outgo	3940	1665.9

IV The expenditure incurred on Research and Development: Nil

For and on behalf of the Board of Directors

Sailesh Desai   **Sudhir V. Valia**
Director (00005443)   **Director (00005561)**
Place: Mumbai
Date: May 26, 2020

ANNEXURE F

FORM AOC - 1

PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013 WITH THE RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES

PART "A": SUBSIDIARIES

` In Million

Sr No	Name of the Subsidiary Company	Date since when subsidiary was acquired	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
1	Universal Enterprises Private Limited	31.08.2012	INR	1.00	4.5	0.7	8.3	3.1	-	-	(0.1)	-	(0.1)	-	100.00%
2	Sun Pharmaceutical Medicare Limited	16.01.2017	INR	1.00	2.5	(1,883.9)	3,834.1	5,715.5	-	799.2	(1,396.2)	0.1	(1,396.3)	-	100.00%
3	Sun Pharma Distributors Limited	19.03.2018	INR	1.00	1.5	673.3	22,930.4	22,255.6	-	81,369.9	903.6	229.2	674.4	-	100.00%
4	Realstone Infra Limited	31.01.2020	INR	1.00	2.5	(0.3)	2.5	0.3	-	-	(0.3)	-	(0.3)	-	100.00%

Note:

1 0.0' represents amount less than 0.05 million and rounded off.

For and on behalf of the Board of Directors

Sailesh Desai
Director (00005443)

Sudhir V. Valia
Director (00005561)

Place:Mumbai
Date: May 26, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Sun Pharma Laboratories Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Sun Pharma Laboratories Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2020, 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 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 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 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 Board Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 38 to the 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 23 to the Ind AS financial statements;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 20105754AAAACO5665
Place of Signature: Pune
Date: May 26, 2020

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Sun Pharma Laboratories Limited ('the Company')

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets 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) According to the information and explanations given by management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company, except for the following immovable properties for which registration of title deeds is in process:

Type of Asset	No of Cases	Gross Block as on March 31, 2020 (INR Millions)	Net Block as on March 31, 2020 (INR Millions)	Remarks
Freehold land	2	38.2	38.2	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 Court of respective states.
Leasehold land	2	113.8	105.6	

In respect of building where the Company is entitled to the right of occupancy and use is disclosed as property, plant and equipment in the Ind AS financial statements, we report that the instrument entitling the right of occupancy and use of the building, are in name of the Company as at the balance sheet date.

(ii) The inventory has been physically verified by management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause (iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans, making investments and providing guarantees and securities as applicable. During the year, the Company has not granted any loans to parties covered under section 185 of the Act.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of 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 provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues, where applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax and cess, where applicable and which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount* (INR in Million)	Period to which it pertains	Forum where the dispute is pending
Income Tax Act, 1961	Income taxes, interest, and penalty	576.5	2012-13 and 2013-14	Income Tax Appellate Tribunal
		4,438.9	2015-16	Commissioner of Income Tax (Appeals)
		96.8	Various years from 2003-04 to 2012-13	High Court
The Central Excise Act, 1944	Excise Duty, Interest, and Penalty	258.2	Various years from 2004-05 to 2015-16	CESTAT
		20.4	Various years from 2005-06 to 2013-14	Commissioner (Appeals)
Finance Act, 1994	Service Tax	110.7	Various years from 2010-11 to 2014-15	CESTAT

* Amount includes interest till the date and are net of advances paid/adjusted under protest.

(viii) In our opinion and according to the information and explanations given by management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company did not have any outstanding dues to the debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company did not raise any money by way of initial public offer / further public offer / debt instruments

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by management, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The provisions of section 177 is not applicable to the Company.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 20105754AAAAC05665
Place of Signature: Pune
Date: May 26, 2020

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Sun Pharma Laboratories Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sun Pharma Laboratories Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Paul Alvares
Partner
Membership Number: 107515
UDIN: 20105754AAAAC05665
Place of Signature: Pune
Date: May 26, 2020

BALANCE SHEET AS AT MARCH 31, 2020

₹ in Million

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3 (a) & 3 (b)	12,847.6	11,920.5
(b) Capital work-in-progress		312.5	1,639.0
(c) Other intangible assets	4	63,418.3	76,452.9
(d) Intangible assets under development		55.0	55.0
(e) Investments in the nature of equity in subsidiaries	5	19.0	16.5
(f) Investments in associates	6	91,464.5	83,010.0
(g) Financial assets			
(i) Investments	7	383.4	383.6
(ii) Loans	8	0.5	1.2
(iii) Other financial assets	9	172.1	187.0
(h) Income tax assets (Net)	10	11,116.9	9,320.0
(i) Other non-current assets	11	2,138.5	1,142.4
Total non-current assets		181,928.3	184,128.1
(2) Current assets			
(a) Inventories	12	5,047.9	6,258.4
(b) Financial assets			
(i) Investments	13	-	2,462.6
(ii) Trade receivables	14	16,256.7	3,922.0
(iii) Cash and cash equivalents	15	17.2	0.8
(iv) Bank balances other than (iii) above	16	7.1	775.8
(v) Loans	17	13,999.8	3,794.3
(vi) Other financial assets	18	2,557.6	2,526.7
(c) Other current assets	19	1,657.9	2,150.0
Total current assets		39,544.2	21,890.6
TOTAL ASSETS		221,472.5	206,018.7
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	400.5	0.5
(b) Other equity	21	204,817.8	194,396.4
Total equity		205,218.3	194,396.9
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	7,405.8	-
(ii) Other financial liabilities	23	193.3	-
(b) Provisions	24	654.7	410.9
(c) Deferred tax liabilities (Net)	50	-	559.3
Total non current liabilities		8,253.8	970.2
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	81.4	2,989.9
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises (refer note 42)		89.9	98.1
(b) total outstanding dues of creditors other than micro and small enterprises		4,411.9	4,757.3
(iii) Other financial liabilities	26	815.8	301.6
(b) Other current liabilities	27	227.0	505.9
(c) Provisions	28	2,374.4	1,998.8
Total current liabilities		8,000.4	10,651.6
Total liabilities		16,254.2	11,621.8
TOTAL EQUITY AND LIABILITIES		221,472.5	206,018.7

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per PAUL ALVARES
Partner
Membership No. 105754
Pune, May 26, 2020

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director
DIN No. : 00005561

KIRTI GANORKAR
Chief Executive Officer

SAILESH T. DESAI
Director
DIN No. : 00005443

RACHANA N. KOKAL
Company Secretary

Mumbai, May 26, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

Particulars	Notes	For Year ended March 31, 2020	For Year ended March 31, 2019
(I) Revenue from operations	29	68,541.1	45,094.0
(II) Other income	30	1,301.3	2,149.5
(III) Total income (I + II)		69,842.4	47,243.5
(IV) Expenses			
Cost of materials consumed	31	9,762.4	9,129.6
Purchase of stock-in-trade		4,949.4	3,346.7
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	1,317.6	(1,407.8)
Employee benefits expense	33	7,342.5	6,458.4
Finance costs	34	346.1	1,079.9
Depreciation and amortisation expense	3 (a) , 3 (b) & 4	16,238.5	16,172.3
Other expenses	35	9,829.6	8,292.0
Total expenses (IV)		49,786.1	43,071.1
(V) Profit before exceptional item and tax (III-IV)		20,056.3	4,172.4
(VI) Exceptional item	57	1,042.8	-
(VII) Profit before tax (V-VI)		19,013.5	4,172.4
(VIII) Tax expense / (credit) :	36		
Current tax		3,310.0	911.0
Deferred tax		(513.8)	(19.5)
Total tax expense (VIII)		2,796.2	891.5
(IX) Profit for the year (VII-VIII)		16,217.3	3,280.9
(X) Other comprehensive income			
a) Items that will not be reclassified to the statement of profit or loss			
(i) Gain / (loss) on remeasurements of defined benefit plans		(130.1)	64.2
(ii) Income tax on above		45.5	(22.5)
b) Items that will be reclassified to the statement of profit or loss			
(i) Gain / (loss) on debt instruments through other comprehensive income		(0.2)	(8.6)
(ii) Income tax on above		0.1	3.0
Total other comprehensive income (X)		(84.7)	36.1
(XI) Total comprehensive income for the year (IX+X)		16,132.6	3,317.0
Earnings per equity share (face value per equity share - ₹ 10)	44		
Basic (in ₹)		404.9	81.5

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per **PAUL ALVARES**
Partner
Membership No. 105754
Pune, May 26, 2020

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director
DIN No. : 00005561

KIRTI GANORKAR
Chief Executive Officer

SAILESH T. DESAI
Director
DIN No. : 00005443

RACHANA N. KOKAL
Company Secretary

Mumbai, May 26, 2020

SUN PHARMA LABORATORIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	19,013.5	4,172.4
Adjustments for:		
Depreciation and amortisation expense	16,238.5	16,172.3
Loss on sale/write off of property, plant and equipment and intangible assets, net	55.4	6.0
Finance Costs	346.1	1,079.9
Interest Income	(970.7)	(1,973.8)
Net Gain on sale of financial assets measured at fair value through profit or loss	(124.3)	(67.3)
Net Gain arising on financial assets measured at fair value through profit or loss	-	(2.6)
Provision / write off / (reversal) for doubtful trade receivables / advances	48.1	(31.3)
Net unrealised foreign exchange (gain) / loss	307.9	(5.9)
Operating profit before working capital changes	34,914.5	19,349.7
Movements in working capital:		
(Increase) / Decrease in inventories	1,210.5	(1,662.1)
(Increase) / Decrease in trade receivables	(12,382.8)	5,149.1
(Increase) / Decrease in other assets	514.0	(44.3)
Increase / (Decrease) in trade payables	(358.2)	(2,055.4)
Increase / (Decrease) in provisions	489.3	(29.2)
Increase / (Decrease) in other liabilities	248.8	(751.3)
Cash generated from operations	24,636.1	19,956.5
Income tax paid (net of refund)	(5,029.8)	(5,910.7)
Net cash from operating activities (A)	19,606.3	14,045.8
B. Cash flow from investing activities		
Payment for purchase of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	(3,940.9)	(1,112.6)
Proceeds from disposal of property, plant and equipment and intangible assets	240.1	99.2
Purchase of investments		
Subsidiary	(2.5)	(1.5)
Holding company	(8,454.5)	-
Others	(98,257.5)	(98,089.5)
Proceeds from sale of investments		
Others	100,844.4	100,715.0
Inter corporate deposits		
Given to		
Holding company	(34,742.9)	(15,340.9)
Subsidiary	(718.9)	(164.0)
Others	(127.5)	-
Received back / matured from		
Holding company	22,551.2	21,390.6
Subsidiary	902.0	-
Others	1,875.4	405.2
Bank balance not considered as cash and cash equivalents		
Fixed deposits	-	(755.3)
Fixed deposits matured	768.7	-
Interest received	991.5	1,957.0
Net cash from / (used in) investing activities (B)	(18,071.4)	9,103.2

SUN PHARMA LABORATORIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flow from financing activities		
Proceeds from borrowings	9,974.1	45,989.3
Repayment of borrowings	(6,030.7)	(61,798.1)
Repayment of preference share	-	(400.0)
Finance costs	(150.7)	(1,203.8)
Dividend paid	(4,405.5)	(4,764.5)
Dividend distribution tax	(905.7)	(979.3)
Net cash used in financing activities (C)	(1,518.5)	(23,156.4)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	16.4	(7.4)
Cash and cash equivalents at the beginning of the year	0.8	8.2
Cash and cash equivalents at the end of the year	17.2	0.8

Notes:	As at March 31, 2020	As at March 31, 2019
A Cash and cash equivalents comprises of		
Balances with banks in current account	15.9	0.4
Cash on hand	1.3	0.4
Cash and cash equivalents (Refer note 15)	17.2	0.8
Cash and cash equivalents in cash flow statement	17.2	0.8

B For changes in liabilities arising from financing activities as required under IND AS 7, refer note 37

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per PAUL ALVARES
Partner
Membership No. 105754
Pune, May 26, 2020

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director
DIN No. : 00005561

KIRTI GANORKAR
Chief Executive Officer

SAILESH T. DESAI
Director
DIN No. : 00005443

RACHANA N. KOKAL
Company Secretary
Mumbai, May 26, 2020

SUN PHARMA LABORATORIES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

Particulars	Equity share capital	Other equity					Other Comprehensive Income (OCI)	Total
		Equity component of compound financial instrument	Reserve and surplus				Debt instrument through other comprehensive income	
			Capital reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings		
Balance as at March 31, 2018	0.5	141.2	185,654.3	# 0.0	1,250.0	9,783.9	(6.2)	196,823.7
Profit for the year	-	-	-	-	-	3,280.9	-	3,280.9
Other comprehensive income for the year	-	-	-	-	-	^ 41.7	(5.6)	36.1
Total comprehensive income for the year	-	-	-	-	-	3,322.6	(5.6)	3,317.0
Payment of dividend - equity shareholders	-	-	-	-	-	(4,750.0)	-	(4,750.0)
Payment of dividend - preference shareholders	-	-	-	-	-	(14.5)	-	(14.5)
Dividend distribution tax	-	-	-	-	-	(979.3)	-	(979.3)
Transfer to capital redemption reserve	-	-	-	400.0	-	(400.0)	-	-
Transfer to retained earnings	-	(141.2)	-	-	(1,250.0)	1,391.2	-	-
Balance as at March 31, 2019	0.5	-	185,654.3	400.0	-	8,353.9	(11.8)	194,396.9
Profit for the year	-	-	-	-	-	16,217.3	-	16,217.3
Other comprehensive income for the year	-	-	-	-	-	^ (84.6)	(0.1)	(84.7)
Total comprehensive income for the year	-	-	-	-	-	16,132.7	(0.1)	16,132.6
Payment of dividend - equity shareholders	-	-	-	-	-	(4,405.5)	-	(4,405.5)
Dividend distribution tax	-	-	-	-	-	(905.7)	-	(905.7)
Issue of bonus share	400.0	-	-	(400.0)	-	-	-	-
Balance as at March 31, 2020	400.5	-	185,654.3	# 0.0	-	19,175.4	(11.9)	205,218.3

(#) ₹ 10,000
^ Represents remeasurements of the defined benefit plans

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

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

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director
DIN No. : 00005561

per PAUL ALVARES
Partner
Membership No. 105754
Pune, May 26, 2020

KIRTI GANORKAR
Chief Executive Officer

SAILESH T. DESAI
Director
DIN No. : 00005443

RACHANA N. KOKAL
Company Secretary
Mumbai, May 26, 2020

1. General information

Sun Pharma Laboratories Limited ("the Company") is a public limited company incorporated and domiciled in India. The Registered office of the Company is located at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (East) Mumbai 400063. The Company is in the business of manufacturing, developing and marketing a wide range of branded and generic formulations. The Company has various manufacturing locations spread across the country with trading and other incidental and related activities.

The financial statement were authorised for issue in accordance with a resolution of the directors on May 26, 2020

2. Significant accounting policies

2.1 Statement of compliance

The Company has prepared financial statements for the year ended March 31, 2020 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, 2019.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for:

(i) certain financial instruments that are measured at fair values at the end of each reporting period;

(ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; and

(iii) derivative financial instrument and

(iv) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements are presented in ₹ and all values are rounded to the nearest Million (₹ 000,000) upto one decimal, except when otherwise indicated

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except for the policy described in (j) below which has been applied from the period beginning April 01, 2019.

a. Current vs Non-current

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currency

On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate on that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings (see note 2.2.q).

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 2.2.i below for hedging accounting policies).

Non-monetary items that are measured in terms of historical cost in foreign currency are measured using the exchange rates at the date of initial transaction.

c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

d. Property, plant and equipment

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the acquired asset is measured at the carrying amount of the asset given up.

Depreciation is recognised on the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as follows:

Asset Category	No. of years
Factory Buildings	10-30
Buildings other than Factory Buildings	60
Plant and equipment	3-25
Vehicles	5-10
Office equipment	2-5
Furniture and fixtures	10

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortised over the lower of the estimated useful life of the software and the remaining useful life of the tangible fixed asset.

e. Intangible assets

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.

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

Acquired research and development intangible assets which are under development, are recognised as In-Process Research and Development assets ("IPR&D"). IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such IPR&D assets is recognised in profit or loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

The consideration for acquisition of intangible asset which is based on reaching specific milestone that are dependent on the Company's future activity is recognised only when the activity requiring the payment is performed.

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognised in the statement of profit and loss as incurred.

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives for Product related intangibles and Other intangibles ranges from 5 to 12 years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

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

The Company has elected to recognise its investments in equity instruments in subsidiaries and associates at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Impairment policy applicable on such investments is explained in Note 2.2.g.

g. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

In respect of other asset, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the date the Company commits to purchase or sale the financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses &reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all the changes in the profit or loss.

Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition

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

- The contractual rights to receive cash flows from the asset have expired, or

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

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and lease liabilities, financial guarantee contracts and derivative financial instruments

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not -held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as cross currency swap, principal only swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks. 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.

Dividend distribution to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building 2-20 years
- Leasehold land 90-196 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k. Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade, stores and spares and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method.

Cost of raw materials and packing materials, stock-in-trade, stores and spares includes cost of purchases and other costs incurred in bringing the inventories to its present location and condition.

Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis

l. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

m. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring

A provision for restructuring is recognised when the Company has a detailed formal restructuring plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

n. Revenue

Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Rendering of services

Revenue from services rendered is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

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.

o. 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.

p. Employee benefits

Defined benefit plans

The Company operates a defined benefit gratuity plan which requires contribution to be made to a separately administered fund.

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

Termination benefits

Termination benefits are recognised as an expense in the statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term and Other long-term employee benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

Defined contribution plans

The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Company does not have any obligation other than the contribution made.

q. Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

r. 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.

s. Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

In Sikkim II & Guwahati where the Company is entitled to a tax holiday under Income Tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

t. Earnings per share

The Company presents earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.
The number of equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

u. Recent Accounting pronouncements

Standards issued but not yet effective and not early adopted by the Company

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTE : 3 (a)
PROPERTY, PLANT AND EQUIPMENT

₹ in Million

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipments	Total
At cost or deemed cost								
As at March 31, 2018	38.1	134.4	6,203.6	6,546.0	197.4	83.7	321.5	13,524.7
Additions	-	-	267.9	1,168.9	48.7	7.4	19.7	1,512.6
Disposals	-	-	(0.2)	(35.2)	(0.5)	(10.5)	(12.2)	(58.6)
As at March 31, 2019	38.1	134.4	6,471.3	7,679.7	245.6	80.6	329.0	14,978.7
Additions	-	-	35.9	1,787.9	9.0	21.1	31.3	1,885.2
Disposals	-	-	(0.4)	(254.2)	(0.4)	(13.2)	(5.4)	(273.6)
Reclassified to Right-of-use assets	-	(134.4)	-	-	-	-	-	(134.4)
As at March 31, 2020	38.1	-	6,506.8	9,213.4	254.2	88.5	354.9	16,455.9
Accumulated depreciation and impairment								
As at March 31, 2018	-	16.7	497.7	1,411.0	49.2	34.3	217.7	2,226.6
Depreciation expense	-	1.1	178.7	604.7	25.5	16.8	48.1	874.9
Eliminated on disposals of assets	-	-		(22.8)	(0.5)	(7.9)	(12.1)	(43.3)
As at March 31, 2019	-	17.8	676.4	1,992.9	74.2	43.2	253.7	3,058.2
Depreciation expense	-	-	182.4	614.2	26.4	15.3	34.9	873.2
Eliminated on disposals of assets	-	-	-	(11.4)	(0.3)	(11.8)	(4.6)	(28.1)
Reclassified to Right-of-use assets	-	(17.8)	-	-	-	-	-	(17.8)
As at March 31, 2020	-	-	858.8	2,595.7	100.3	46.7	284.0	3,885.5
Net book value								
As at March 31, 2019	38.1	116.6	5,794.9	5,686.8	171.4	37.4	75.3	11,920.5
As at March 31, 2020	38.1	-	5,648.0	6,617.7	153.9	41.8	70.9	12,570.4

Footnotes:

(i) Building includes ₹ 1.8 Million (March 31, 2019 ₹ 1.8 Million) and ₹ 1,772.0 Million (March 31, 2019 ₹ 1,772.0 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 respectively in a company entitling the right of occupancy and use of premises.

(ii) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

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

₹ in Million

Particulars	Leasehold land	Buildings	Total
As at March 31, 2019	-	-	-
Recalssified from property, plant and equipment	116.6	-	116.6
Addition on account of transition to Ind AS 116	8.4	169.2	177.6
Depreciation expense	1.2	15.8	17.0
As at March 31, 2020	123.8	153.4	277.2

(i) For details of Ind AS 116 disclosure refer Note 46.

SUN PHARMA LABORATORIES LIMITED
NOTES TO THE FINANCICAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2020

NOTE : 4
INTANGIBLE ASSETS

Other than internally generated

₹ in Million

Particulars	Computer Software	Product related intangibles	Total
At cost or deemed cost			
As at March 31, 2018	-	137,686.2	137,686.2
Additions	48.1	0.9	49.0
Disposals	-	(158.6)	(158.6)
As at March 31, 2019	48.1	137,528.5	137,576.6
Additions	6.1	2,307.6	2,313.7
Eliminated on disposals of assets	-	-	-
As at March 31, 2020	54.2	139,836.1	139,890.3
Accumulated amortisation and impairment			
As at March 31, 2018	-	45,895.0	45,895.0
Amortisation expense	* 0.0	15,297.4	15,297.4
Eliminated on disposals of assets	-	(68.7)	(68.7)
As at March 31, 2019	0.0	61,123.7	61,123.7
Amortisation expense	8.3	15,340.0	15,348.3
Eliminated on disposals of assets	-	-	-
As at March 31, 2020	8.3	76,463.7	76,472.0
Net book value			
As at March 31, 2019	48.1	76,404.8	76,452.9
As at March 31, 2020	45.9	63,372.4	63,418.3

* ₹ 21,982

Footnotes

(i) The aggregate amortisation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

(ii) Intangible assets consisting of trademarks, designs, technical knowhow, non compete fees and other intangible assets are available to the Company in perpetuity. The amortisable amount of intangible assets is arrived at based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Company.

NOTE : 5

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments				
Unquoted (At cost less impairment in value of investments, if any)				
Universal Enterprises Private Limited Shares of ₹ 10 each fully paid	450,000	12.5	450,000	12.5
Sun Pharmaceutical Medicare Limited Shares of ₹ 10 each fully paid	250,000	2.5	250,000	2.5
Sun Pharma Distributors Limited Shares of ₹ 10 each fully paid	150,000	1.5	150,000	1.5
RealStone Infra Limited Shares of ₹ 10 each fully paid	250,000	2.5	-	-
		19.0		16.5
Aggregate amount of investments before impairment		19.0		16.5
Aggregate amount of impairment in the value of investments		-		-

NOTE : 6

INVESTMENTS IN ASSOCIATES (NON-CURRENT)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	₹ in Million	Quantity	₹ in Million
Unquoted (At cost less impairment in value of investments, if any)				
Equity instruments Sun Pharma Holdings Ordinary Shares of USD 1 each fully paid	50,000	3.4	50,000	3.4
Preference shares Sun Pharma Holdings 5% Optionally Convertible Preference Shares of USD 1 each fully paid	1,300,000,000	91,148.6	1,200,000,000	82,694.1
Limited Liability Partnership Generic Solar Power LLP [₹ 28,760 (As at March 31, 2019 ₹ 28,760)]		0.0		0.0
Trumpcard Advisors and Finvest LLP		312.5		312.5
		312.5		312.5
		91,464.5		83,010.0
Aggregate amount of investments before impairment		91,464.5		83,010.0
Aggregate amount of impairment in the value of investments		-		-

NOTE : 7

INVESTMENTS (NON-CURRENT)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	₹ in Million	Quantity	₹ in Million
Quoted (Fair value through other comprehensive income) **Investments in Debentures / Bonds**				
National Highways Authority of India-8.2 Bonds of ₹ 1,000 each fully paid -January 25, 2022	61,809	64.3	61,809	64.6
Power Finance Corporation Ltd -SR-I 8.2 Bonds of ₹ 1,000 each fully paid - February 01, 2022	142,393	148.9	142,393	149.0
Indian Railway Finance Corporation Ltd -8/8.15 Bonds of ₹ 1,000 each fully paid - February 23, 2022	163,131	170.2	163,131	170.0
		383.4		383.6
Aggregate book value (carrying value) of quoted investments		383.4		383.6
Aggregate amount of quoted investments at market value		383.4		383.6

₹ in Million

	Particulars	As at March 31, 2020	As at March 31, 2019
8	**LOANS (NON-CURRENT)**		
	Loans to employees / others		
	Unsecured, considered good	0.5	1.2
		0.5	1.2
9	**OTHER FINANCIAL ASSETS (NON-CURRENT)**		
	Security deposits (unsecured, considered goods)	172.1	187.0
		172.1	187.0
10	**INCOME TAX ASSETS (NET) (NON-CURRENT)**		
	Advance income tax *	11,116.9	9,320.0
	[Net of provisions ₹ 17,381.5 Million (March 31, 2019 : ₹ 14,071.5 Million]		
		11,116.9	9,320.0
	*Includes amount paid under protest		
11	**OTHER ASSETS (NON-CURRENT)**		
	Capital advances	2,071.6	1,076.2
	Prepaid expenses	1.8	-
	Balances with government authorities*	65.1	66.2
		2,138.5	1,142.4
	*Includes amount paid under protest		
12	**INVENTORIES**		
	Lower of cost and net realisable value		
	Raw materials and packing materials	2,941.5	2,810.8
	Goods-in-transit	155.8	180.6
		3,097.3	2,991.4
	Work-in-progress	617.0	666.2
	Finished goods	1,030.3	1,697.1
	Goods-in-transit	-	241.1
		1,030.3	1,938.2
	Stock-in-trade	294.3	654.7
	Stores and Spares	9.0	7.9
		5,047.9	6,258.4

(i) Inventory write downs are accounted, considering the nature of inventory, estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products as well as provisioning policy of the company. Write downs of inventories amounted to ₹ 1233.4 Million (As at March 31, 2019: ₹ 1,151.2Million), The changes in write downs are recognised as an expense in the statement of profit and loss.

(ii) The cost of inventories recognised as an expense during the year is disclosed in Notes 31, 32 and 35 and as "Purchases of stock-in-trade" in the statement of profit and loss.

NOTE : 13

INVESTMENTS (CURRENT)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	₹ in Million	Quantity	₹ in Million
Unquoted - (Fair value through profit and loss) **Investment in mutual funds *** **Units of Face Value of ₹ 1,000 each fully paid**				
BNP Paribas Mutual Fund- BNP Paribas overnight Fund-Direct Plan Growth Option	-	-	348,468	1,001.0
Baroda Pioneer Mutual Fund Baroda Pioneer Liquid Fund - Plan B Growth	-	-	232,661	500.6
Reliance Mutual Fund Reliance Liquid Fund-Direct-Growth	-	-	210,659	961.0
		-		2,462.6

* Investments in Mutual funds have been valued at closing Net asset value (NAV)

₹ in Million

	Particulars	As at March 31, 2020	As at March 31, 2019
14	TRADE RECEIVABLES		
	Unsecured		
	Considered good	16,256.7	3,922.0
	Credit impaired	144.6	106.7
		16,401.3	4,028.7
	Less: Allowance for doubtful debts (expected credit loss allowance)	(144.6)	(106.7)
		16,256.7	3,922.0
15	CASH AND CASH EQUIVALENTS		
	Balances with banks		
	In current accounts	15.9	0.4
	Cash on hand	1.3	0.4
		17.2	0.8
16	BANK BALANCES OTHER THAN DISCLOSED IN NOTE 15 ABOVE		
	Deposit accounts	7.1	775.8
		7.1	775.8
17	LOANS (CURRENT)		
	Unsecured considered good unless otherwise stated		
	Loans to employees / other parties (*)	819.6	2,622.8
	Loans to related parties (refer note 48) (*)	13,180.2	1,171.5
		13,999.8	3,794.3
	(*) Loan given to various parties at prevailing market rates for the purpose of their business		
18	OTHER FINANCIAL ASSETS (CURRENT)		
	Security deposits (unsecured, considered goods)	8.3	-
	Interest accrued	16.1	36.9
	Refund due from Government Authorities (refer note 54)	2,533.2	2,489.8
		2,557.6	2,526.7
19	OTHER ASSETS (CURRENT)		
	Prepaid expenses	40.2	46.1
	Advances for supply of goods and services	278.3	187.2
	Balances with government authorities*	1,339.4	1,916.7
		1,657.9	2,150.0

* Includes balances of Goods and Services Tax

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
20 SHARE CAPITAL		
Authorised		
50,000,000 (March 31, 2019 50,000,000) equity shares of ₹ 10 each	500.0	500.0
Issued, subscribed and fully paid up		
40,050,000 (March 31, 2019 50,000) equity shares of ₹ 10 each (refer note 43)	400.5	0.5
	400.5	0.5
21 OTHER EQUITY		
Refer statement of changes in equity for detailed movement in other equity balance		
A. Reserves and surplus		
Capital reserve	185,654.3	185,654.3
Capital redemption reserve (March 31, 2020 : ₹ 10,000)	0.0	400.0
Retained earnings	19,175.4	8,353.9
	204,829.7	194,408.2
B. Items of other comprehensive Income (OCI)		
Debt instrument through OCI	(11.9)	(11.8)
Total of other equity	204,817.8	194,396.4

Nature and purpose of reserves

Capital reserve - Capital reserve was created pursuant to the scheme of arrangement in the nature of spin off and transfer of domestic formulation undertaking of the holding company to the Company as approved by the Hon'ble High Court of Gujarat and Hon'ble High Court of Bombay.

Capital redemption reserve - This reserve was created on redemption of preference shares and is a non distributable reserve.

Debt instruments through other comprehensive income - This represents the cumulative gain and loss arising on fair valuation of debt instruments measured through other comprehensive income. This will be reclassified to statement of profit or loss on derecongnition of debt instrument.

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
22 BORROWINGS (NON-CURRENT)		
Unsecured		
Long term Loans from Banks (refer note 47)	7,250.4	-
Lease liabilities (Refer Note 46)	155.4	-
	7,405.8	-
23 OTHER FINANCIAL LIABILITIES (NON-CURRENT)		
Derivatives not designated as hedge	193.3	-
	193.3	-
24 PROVISIONS (NON-CURRENT)		
Employee benefits	654.7	410.9
	654.7	410.9
25 BORROWINGS (CURRENT)		
Unsecured		
Commercial paper	-	2,989.9
Loans repayable on demand		
From Banks		
Unsecured	81.4	-
	81.4	2,989.9
26 OTHER FINANCIAL LIABILITIES (CURRENT)		
Interest accrued	0.2	-
Security deposits	5.8	16.4
Lease liabilities (Refer Note 46)	9.4	-
Payables on purchase of property, plant and equipment	138.1	161.2
Temporary overdrawn bank balance as per books	-	124.0
Others (refer note 57)	662.3	-
	815.8	301.6
27 OTHER LIABILITIES (CURRENT)		
Statutory remittances	222.1	501.0
Advances from customers	4.9	4.9
	227.0	505.9
28 PROVISIONS (CURRENT)		
Employee benefits	193.7	168.3
Product returns (refer note 49)	2,180.7	1,830.5
	2,374.4	1,998.8

₹ in Million

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
29 REVENUE FROM OPERATIONS		
Revenue from contracts with customers (refer note 55, note 56)	67,104.6	43,910.8
Other operating revenues (refer note 54)	1,436.5	1,183.2
	68,541.1	45,094.0
30 OTHER INCOME		
Interest Income on :		
Bank deposits at amortised cost	8.9	64.0
Loans at amortised cost	781.2	808.2
Other financial assets carried at amortised cost	147.6	1,028.3
Others (includes interest on income tax refund)	33.0	73.3
Net gain on sale of financial assets measured at fair value through profit or loss	124.3	67.3
Net gain arising on financial assets measured at fair value through profit or loss	-	2.6
Insurance claims	18.8	49.3
Lease rental and hire charges	183.4	51.8
Miscellaneous income	4.1	4.7
	1,301.3	2,149.5
31 COST OF MATERIALS CONSUMED		
Raw materials and packing materials		
Inventories at the beginning of the year	2,991.4	2,722.8
Purchases during the year	9,868.3	9,398.2
Inventories at the end of the year	(3,097.3)	(2,991.4)
	9,762.4	9,129.6
32 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Inventories at the beginning of the year	3,259.2	1,851.4
Inventories at the end of the year	(1,941.6)	(3,259.2)
	1,317.6	(1,407.8)
33 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	6,890.9	6,028.7
Contribution to provident and other funds *	368.8	344.1
Staff welfare expense	82.8	85.6
	7,342.5	6,458.4
* includes gratuity expense of ₹ 111.9 Million (March 31, 2019 : ₹ 114.9 Million)		
34 FINANCE COSTS		
Interest expense for financial liabilities carried at amortised cost	150.0	1,079.9
Exchange difference regarded as an adjustment to borrowing cost	182.5	-
Interest expense others (includes interest on income tax and lease liability)	13.6	-
	346.1	1,079.9

₹ in Million

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
35 OTHER EXPENSES		
Consumption of material, stores and spare parts	329.6	304.0
Conversion and other manufacturing charges	266.4	564.1
Power and fuel	430.1	417.3
Rent	12.5	39.9
Rates and taxes	175.2	43.6
Insurance	141.3	136.6
Selling, promotion and distribution	2,989.8	3,010.3
Commission on sales	163.9	9.8
Repairs and maintenance	232.4	243.4
Printing and stationery	103.1	97.3
Travelling and conveyance	2,239.1	2,250.5
Freight outward and handling charges	193.4	169.3
Communication	65.9	75.5
Provision / write off / (reversal) for doubtful trade receivables / advances	48.1	(31.3)
Professional, legal and consultancy	938.1	365.2
Donations	491.9	195.9
Loss on sale/write off of property, plant and equipment and intangible assets, net	55.4	6.0
Net (gain)/ loss on foreign currency transactions and translations	307.9	(2.9)
Payments to auditors (net of taxes, where applicable)		
For audit	6.6	5.4
For other services	-	0.9
Reimbursement of expenses	0.7	0.5
Miscellaneous expenses	638.2	390.7
	9,829.6	8,292.0

36 TAX RECONCILIATION

Reconciliation of Income tax expense

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Profit before tax	19,013.5	4,172.4
Enacted income tax rate (%) applicable to the Company #	34.944%	34.944%
Income tax expenses calculated at enacted income tax rate	6,644.0	1,458.0
Effect of expenses that are not deductible in determining taxable profit	5,496.2	5,401.3
Effect of deduction claimed under chapter VI A of Income Tax Act 1961	(10,218.1)	(6,841.0)
Effect of income that is exempt from tax	(31.8)	(13.4)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(43.4)	(24.4)
Others	(2,360.7)	-
Tax Payable under MAT	3,310.0	911.0
Income tax expense recognised in the statement of profit and loss	2,796.2	891.5

The tax rate used for reconciliation above is the corporate tax rate of 34.944% (March 31, 2019 34.944%) at which the Company is liable to pay tax on taxable income under the Income Tax Law.

Note : 37

Changes in financial Liabilities arising from financing activities

₹ in Million

Particulars	As at March 31, 2019	Cash Flows	Non-cash changes			As at March 31, 2020
			Acquisition / Foreign Exchange Movement	Fair Value Changes	Others	
Borrowings	2,989.9	3,968.7	255.8	-	117.4	7,331.6
Derivatives not designated as hedge	-	36.7	(36.7)	193.3	-	193.3

NOTE : 38

A CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
i Contingent liabilities		
Liabilities disputed - appeals filed with respect to		
Income tax on account of disallowances / additions (Company appeals)	14,457.3	9,565.0
Excise duty	828.4	915.6
Note includes, interest till the date of demand, wherever applicable		
The Company has made provision on prospective basis to give impact of Provident fund judgement by Hon'ble Supreme Court of India (SC) dated February 28, 2019 The Company will update its provision, on receiving further clarity		
Footnote:		
Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities		
Income tax matters where department has preferred an appeal against favourable order received by the Company amounted to ₹ 18,716.4 Million (31 March 2019 ₹ 8,626.0 Million). These matters are sub-judice in various forums and pertains to various financial years		
ii Commitments		
Estimated amount of contracts remaining to be executed on capital account [net of advances] *	367.9	396.2
Letters of credit for imports	4.5	0.4
For derivatives related commitments refer Note 40		
Lease related commitments refer Note 46		
* The Company is committed to pay milestone payments and royalty on certain contracts, however, obligation to pay is contingent upon fulfillment of contractual obligation by parties to the contract.		
B Guarantees given by the bankers on behalf of the Company	378.0	453.6

NOTE : 39

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 less cash and cash equivalents, bank balances(excluding earmarked balances with banks) and current investments as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

₹ in Million

(i) Debt equity ratio	As at March 31, 2020	As at March 31, 2019
Debt (includes non-current, current borrowings, current maturities of long term debt and temporary overdrawn bank balance as per books)	7,496.6	3,113.9
Less : cash and cash equivalents, bank balances (excluding earmarked balances with banks) and current investments	24.3	3,239.2
Net debt	7,472.3	(125.3)
Total equity (excluding capital reserve)	19,163.5	8,742.6
Net debt to equity ratio	39%	N.A.

₹ in Million

(ii) Dividend on equity shares paid during the year	Year ended March 31, 2020	Year ended March 31, 2019
Dividend on equity shares		
Interim dividend for the year ended March 31, 2020 ₹ 110 per fully paid equity share. (Final dividend for the year ended March 31, 2019 of ₹ NIL.)	4,405.5	4,750.0
Dividend distribution tax on above	905.7	976.3

₹ in Million

(iii) Dividend on preference shares paid during the year	Year ended March 31, 2020	Year ended March 31, 2019
Dividend on preference shares.		
The Company has made payment of preference dividend of ₹ 10 per preference share of ₹ 100 each during the previous year for year ended March 31, 2019, which is treated as final dividend	-	14.5
Dividend distribution tax on above	-	3.0

NOTE : 40

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 losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

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

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	16,200.4	3,877.1
180 - 365 days	64.5	3.8
beyond 365 days	136.4	147.8
Total	16,401.3	4,028.7

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	106.7	138.0
Addition	43.8	(29.0)
Recoveries	(5.9)	(2.3)
Balance at the end of the year	144.6	106.7

Other than Trade receivables, the Company has no Significant class of financial assets that are past due but not impaired.

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 had unutilised working capital lines from banks of ₹ 670 Million as on March 31, 2020, ₹ 2,300 Million as on March 31, 2019.

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

₹ in Million

Particulars	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2020
Non derivative				
Borrowings	81.4	4,850.3	2,555.5	7,487.2
Trade payables	4,501.8	-	-	4,501.8
Other financial liabilities	815.8	-	-	815.8
Derivative	-	128.9	64.4	193.3
	5,399.0	4,979.2	2,619.9	12,998.1

₹ in Million

Particulars	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2019
Non derivative				
Borrowings	3,000.0	-	-	3,000.0
Trade payables	4,855.4	-	-	4,855.4
Other financial liabilities	301.6	-	-	301.6
	8,157.0	-	-	8,157.0

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and operating activities in foreign currencies.

Foreign exchange risk

The Company's foreign exchange risk arises mainly from its foreign currency expenses, (primarily in US Dollars (USD), Euros (EUR), Israeli New Shekel (ILS)) and Japanese Yen (JPY). As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's expenses measured in Indian Rupees may decrease 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.

a) Significant foreign currency risk exposure relating to borrowings and trade payables

₹ in Million

Particulars	As at March 31, 2020					Total
	USD	EUR	ILS	JPY	Others	
Financial liabilities						
Trade payables	213.2	15.0	1.1	* 0.0	0.4	229.7
Borrowing	3,771.5	-	-	3,478.9	-	7,250.4
	3,984.7	15.0	1.1	3,478.9	0.4	7,480.1

* ₹ 5,119

₹ in Million

Particulars	As at March 31, 2019				Total
	USD	EUR	ILS	Others	
Financial liabilities					
Trade payables	147.9	19.3	1.8	3.9	172.9
	147.9	19.3	1.8	3.9	172.9

b) Sensitivity

For the years ended March 31, 2020 and March 31, 2019, every 5% Strengthening of the Indian Rupee on the above mentioned financial liabilities would decrease Company's profit and equity by approximately ₹ 374.0 million and ₹ 8.2 Million respectively. A 5% Strengthening of the Indian Rupee on the above mentioned financial liabilities 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.

c) Derivative contracts

The Company is exposed to exchange rate risk that arises from its foreign exchange expenses, primarily in US Dollars, Euros, Japanese Yen, Israeli New Shekel and foreign currency debt is primarily in US Dollars and Japanese Yen (JPY). The Company uses foreign currency swap contracts ("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.

Changes in the fair value of derivatives 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 derivatives, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the statement of profit and loss.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts -

Amount in Million

	Currency	Buy / Sell	Cross Currency	As at March 31, 2020	As at March 31, 2019
Derivatives not designated as hedges					
Currency swaps	JPY	Buy	USD	$ 47.3	-

Interest rate risk

The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The Company's Treasury Department monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swaps etc. based on the market / risk perception.

For the years ended March 31, 2020 every 50 basis point decrease in the floating interest rate component applicable on its closing balance of loans and borrowings would increase the Company's profit by approximately ₹ 36.3 Million. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the 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, 2020, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE :41
CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

₹ in Million

Particulars	As at March 31,2020		
	Fair value through profit and loss	**Fair value through other comprehensive income**	**Amortised cost**
Financial assets			
Investments			
In debentures/bonds	-	383.4	-
Trade receivables	-	-	16,256.7
Cash and cash equivalents	-	-	17.2
Bank balances other than above	-	-	7.1
Loans to employees / other parties	-	-	820.1
Loans to related parties	-	-	13,180.2
Other financial assets			
Interest accrued	-	-	16.1
Security deposits	-	-	180.4
Refund due from government authorities	-	-	2,533.2
	-	**383.4**	**33,011.0**
Financial liabilities			
Borrowings	-	-	7,487.2
Trade payables	-	-	4,501.8
Other financial liabilities	-	-	815.8
Derivatives not designated as hedge	193.3	-	-
	193.3	**-**	**12,804.8**

₹ in Million

Particulars	As at March 31,2019		
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
In mutual funds	2,462.6	-	-
In debentures/bonds	-	383.6	-
Trade receivables	-	-	3,922.0
Cash and cash equivalents	-	-	0.8
Bank balances other than above	-	-	775.8
Loans to employees / other parties	-	-	2,624.0
Loans to related parties	-	-	1,171.5
Other financial assets			
Interest accrued	-	-	36.9
Security deposits	-	-	187.0
Refund due from government authorities	-	-	2,079.4
	2,462.6	383.6	10,797.5
Financial liabilities			
Borrowings	-	-	2,989.9
Trade payables	-	-	4,855.4
Other financial liabilities	-	-	301.6
	-	-	8,146.9

₹ in Million

	As at March 31,2020		
Particulars	**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 debentures/bonds	383.4	-	-
	383.4	**-**	**-**
Financial liabilities			
Derivatives not designated as hedge	-	193.3	-
	-	**193.3**	**-**

	As at March 31,2019		
Particulars	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 mutual funds	2,462.6	-	-
In debentures/bonds	383.6	-	-
	2,846.2	-	-

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.

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

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

NOTE : 42
DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year	89.9	98.1
	89.9	98.1

There are no amounts of interest paid / due / payable during the year / previous year / succeeding year. Also, there is no amount of interest accrued and remaining unpaid at the end of current accounting year / previous accounting year.

NOTE : 43
DISCLOSURES RELATING TO SHARE CAPITAL

A **Rights, Preferences and Restrictions attached to shares and repayment terms of capital**

The Company has two classes of shares referred to as equity shares having a par value of ₹ 10 per share and 10% Redeemable Non cumulative Preference Shares having par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. Holder of Preference shares are not entitled to any voting rights but enjoy preferential rights in respect of payments of dividend, if any, and repayment of capital, if any. The Preference Shares were redeemed at par in the Previous year.

B EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹ in Million	No. of shares	₹ in Million
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period				
Opening balance carried over as closing balance	50,000	0.5	50,000	0.5
Add: bonus share during the year	4,00,00,000	400.0		
Closing Balance	4,00,50,000	400.5	50,000	0.5

Details of shareholders holding more than 5% in the Company

Name of equity shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Sun Pharmaceutical Industries Limited (holding and ultimate holding company)	4,00,50,000	100%	50,000	100%

4,00,00,000 equity shares have been issued as bonus during the year by capitalising capital redemption reserve. No equity shares bought back during the period of five years immediately preceding the reporting date.

C PREFERENCE SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹ in Million	No. of shares	₹ in Million
Authorised Share capital				
Redeemable Preference shares of ₹100 each	40,00,000	400.0	40,00,000	400.0
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period				
Opening balance	-	-	40,00,000	400.0
Less : Redeemed during the year	-	-	(40,00,000)	(400.0)
Closing Balance	-	-	-	-

Details of shareholders holding more than 5% in the Company	As at March 31, 2020		As at March 31, 2019	
Name of preference shareholders	No. of shares	% of holding	No. of shares	% of holding
Sun Pharmaceutical Industries Limited (Holding and Ultimate Holding Company)	-	-	40,00,000	100%

NOTE : 44
EARNINGS PER SHARE

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year (₹ in Million)	16,217.3	3,280.9
Less: Preference dividend and dividend tax (₹ in Million)	-	(17.5)
Profit for the year (₹ in Million) - used as numerator for calculating basic earnings per share	16,217.3	3,263.4
Weighted average number of shares used in computing basic earnings per share	4,00,50,000	4,00,50,000
Nominal value per share (in ₹)	10	10
Earnings per share (in ₹)	404.9	81.5

The company has issued 4,00,00,000 bonus shares of ₹ 10 each during the year. Previous year EPS is restated for giving effect of issue of bonus shares.

NOTE : 45

EMPLOYEE BENEFIT PLAN

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 ₹ 256.9 Million (March 31, 2019 : ₹ 229.2 Million).

₹ in Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to Provident Fund and Family Pension Fund	252.4	223.6
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	4.4	5.5
Contribution to Labour Welfare Fund	0.1	0.1

Defined benefit plan

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. The Company decides its contribution based on the results of its annual review. 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.

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.

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 ₹ 212.4Million (March 31, 2019 ₹ 163.3 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 Profit and Loss.

₹ in Million

Particulars	Year ended March 31, 2020 Gratuity (Funded)	Year ended March 31, 2019 Gratuity (Funded)
Expense recognised in the statement of profit and loss (Refer Note 33)		
Current service cost	101.6	94.8
Interest cost	57.6	57.4
Expected return on plan assets	(47.3)	(37.3)
Expense charged to the statement of profit and loss	111.9	114.9
Remeasurement of defined benefit obligation recognised in other comprehensive income		
Actuarial loss/(gain) on defined benefit obligation	134.2	(67.8)
Actuarial loss/(gain) on plan assets	(4.1)	3.6
Income charged to other comprehensive income	130.1	(64.2)
Reconciliation of defined-benefit obligations		
Obligation as at the beginning of the year	809.7	765.6
Current service cost	101.6	94.8
Interest cost	57.6	57.4
Benefits paid	(45.9)	(40.2)
Actuarial (gains)/losses on obligations		
- due to change in demographic assumptions	42.4	(6.5)
- due to change in financial assumptions	26.0	(60.6)
- due to experience	65.8	(0.7)
Obligation as at the year end	1,057.2	809.7

₹ in Million

Particulars	As at March 31, 2020 Gratuity (Funded)	As at March 31, 2019 Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the Balance sheet		
Present value of commitments (as per actuarial valuation)	1,057.2	809.7
Fair value of plan assets	(780.4)	(665.3)
Net liability recognised in the financial statement	276.8	144.4
Reconciliation of plan assets		
Plan assets as at the beginning of the year	665.3	498.0
Expected return	47.3	37.3
Actuarial gain	4.1	(3.6)
Employer's contribution during the year	109.6	173.8
Benefits paid	(45.9)	(40.2)
Plan assets as at the year end	780.4	665.3

Particulars	Year ended March 31, 2020 Gratuity (Funded)	Year ended March 31, 2019 Gratuity (Funded)
Assumption		
Discount rate	6.50%	7.10%
Expected return on plan assets	6.50%	7.10%
Expected rate of salary increase	9.38% to 10.00%	10.00%
Interest rate guarantee	N.A.	N.A.
Mortality	Indian Assured Lives Morality (2012-14)	Indian Assured Lives Morality (2006-08)
Employee turnover	12.40% - 13.45%	15.80%
Retirement Age (years)	60	60

₹ in Million

Particulars	Year ended March 31, 2020 Gratuity (Funded)	Year ended March 31, 2019 Gratuity (Funded)
Sensitivity analysis*:		
The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occuring at the end of the reporting period		
Impact on defined benefit obligation		
Delta effect of +1% change in discount rate	(71.1)	(44.9)
Delta effect of -1% change in discount rate	80.9	50.1
Delta effect of +1% change in salary escalation rate	77.8	48.4
Delta effect of -1% change in salary escalation rate	(69.8)	(44.3)
Delta effect of +1% change in rate of employee turnover	(14.7)	(7.4)
Delta effect of -1% change in rate of employee turnover	16.5	8.2
Maturity analysis of projected benefit obligation		
1st year	137.8	129.8
2nd year	120.8	118.5
3rd year	112.0	111.2
4th year	110.7	96.6
5th year	127.5	91.3
Thereafter	1,266.5	798.4
The major categories of plan assets are as under :		
Insurer managed funds (Funded with LIC)	780.4	665.3
The contribution expected to be made by the Company for gratuity, for financial year ending on March 31, 2021 is ₹ 392.6 Million (Previous Year ₹ 228.9 Million)		

*The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumption occurs at the end of the reporting period.

NOTE : 46
LEASES

a) Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", and applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, 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 excercised judgement in determining whether extension and termination options are reasonably certain to be excercised. Expenses relating to short-term leases and low-value assets for the year ended March 31, 2020 is ₹ 11.6 Million.

₹ in Million

	As at March 31, 2020
The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:	
Not later than one year	23.2
Later than one year and not later than five years	80.7
Later than five years	236.0

₹ in Million

	As at March 31, 2020
Movement of lease liabilities	
Opening balance	-
Addition on account of transition to Ind AS 116	177.6
Interest on lease liabilities	12.6
Payment towards lease liabilities	(25.4)
Closing balance	164.8

b) The Company has obtained certain premises for its business operations (including furniture and fittings therein, as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and license or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits where applicable in accordance with the agreed terms. These refundable security deposits have been valued at amortised cost under relevant Ind AS. The company dose not have any minimum lease payment commitment in respect of assets taken on non cancellable operating lease.

NOTE : 47
BORROWINGS

Details of long term borrowings

Unsecured External Commercial Borrowings (ECBs) has 1 loan of USD 50 Million (March 31, 2019 : USD Nil) equivalent to ₹ 3,771.5 Million (March 31, 2019 : ₹ Nil) and 1 loan of JPY 5000.0 Million (March 31, 2019 : JPY Nil) equivalent to ₹ 3,478.9 Million (March 31, 2019 : ₹ Nil). For the ECB loans outstanding as at March 31, 2020, the terms of repayment for borrowings are as follows:

(a) USD 50 Million (March 31, 2019 : USD Nil) equivalent to ₹ 3,771.5 Million (March 31, 2019 : ₹ Nil). The loan was taken on August 29, 2019 and is repayable in 3 equal installments of USD 16.67 Million each. The first installment of USD 16.67 Million is due on August 30, 2021, second installment of USD 16.67 Million is due on August 29, 2022 and last installment of USD 16.67 Million is due on August 29, 2023.

(b) JPY 5000.0 Million (March 31, 2019 : JPY Nil) equivalent to ₹ 3,478.9 Million (March 31, 2019 : ₹ Nil). The loan was taken on August 29, 2019 and is repayable in 3 equal installments of JPY 1667 Million each. The first installment of JPY 1667 Million is due on August 30, 2021, second installment of JPY 1667 Million is due on August 29, 2022 and last installment of JPY 1667 Million is due on August 29, 2023.

The Company has not defaulted on repayment of loan and interest payment thereon during the year. The aforementioned unsecured ECBs are availed from various banks in different currencies at floating rate linked to applicable Libor (1.79% as at March 31, 2020).

NOTE : 48

a RELATED PARTY DISCLOSURES AS PER ANNEXURE "A"

b LOANS GIVEN TO RELATED PARTY

₹ in Million

Particulars	As at March 31, 2020	Maximum balance March 31, 2020	As at March 31, 2019	Maximum balance March 31, 2019
Loans outstanding from a subsidiary *				
Sun Pharmaceutical Medicare Limited	978.0	1,171.5	1,171.5	1,171.5
Sun Pharma Distributors Limited	10.4	629.7		
Loans outstanding from holding company*				
Sun Pharmaceutical Industries Limited	12,191.8	12,726.9	-	10,248.7

* Includes interest accrued on loan amounting to ₹ 588.3 Million in March 31, 2020 and ₹ 82.2 Million in March 31, 2019.
These loans have been granted to the above entities for the purpose of their business.

NOTE : 49

In respect of any present obligation as a result of past event that could lead to a probable outflow of resources, provisions has been made, which would be required to settle the obligation. The said provisions are made as per the best estimate of the management and disclosure as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets" has been given below :

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
	Product and Sales related *	Product and Sales related *
At the commencement of the year	1,830.5	1,877.3
Add: Provision for the year	1,299.9	880.8
Less: Utilisation / Settlement / reversal	(949.7)	(927.6)
At the end of the year	2,180.7	1,830.5

(*) includes provision for product returns

NOTE : 50

DEFERRED TAX LIABILITIES (NET)

₹ in Million

Particulars	Opening Balance as at April 01, 2019	Recognised in profit and loss	Recognised in other comprehensive Income	Closing Balance as at March 31, 2020
Deferred tax liabilities 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	(1,084.9)	(460.3)		(1,545.2)
Total deferred tax liabilities	(1,084.9)	(460.3)	-	(1,545.2)
Deferred tax assets in relation to:				
Allowance for doubtful debts	37.3	13.2	-	50.5
Expenses claimed for tax purpose on payment basis	182.1	48.6	45.5	276.2
Others	14.0	(14.0)	-	-
MAT credit entitlement	292.2	926.3	-	1,218.5
Total deferred tax assets	525.6	974.1	45.5	1,545.2
Deferred tax liabilities (Net)	(559.3)	513.8	45.5	-

Unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the follow:	As at March 31, 2020	As at March 31, 2019
Tax losses (Capital in nature)	948.2	1,081.6
Unused tax credits (MAT credit entitlement)	5,933.9	5,160.4
	6,882.1	6,242.0
The unused tax credit will expire from financial year 2031-32 to 2034-35 and unused tax losses will expire from financial year 2021-22 to 2025-27		

NOTE : 51

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof ₹ 170.5 Million (March 31, 2019 ₹ 202.1 Million), included in other expenses.

Details of CSR expenditure

- Gross amount required to be spent by the Company during the year 2019-20 ₹ 166.0 million (March 31, 2019 ₹ 198.5 million)

₹ in Million

Particulars	In cash	Yet to be paid in cash	Total
Amount spent during the year ended on March 31, 2020:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	170.5	-	170.5
Amount spent during the year ended on March 31, 2019:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	201.7	0.4	202.1

NOTE : 52

The Company holds intangible assets of the Domestic Formulation undertaking transferred to the Company on and with effect from the close of business hours on March 31, 2012, pursuant to the scheme of arrangement approved by the Hon'ble High Courts, in the nature of spin off and transfer of the said undertaking without consideration by Sun Pharmaceutical Industries Limited, the Holding Company. These were accounted at fair value on the basis of an Independent Professional Valuer's report. The carrying value and remaining amortisation period of such assets is ₹ 60,930.8 Million (March 31, 2019 ₹ 76,163.5Million) and 4 years (March 31, 2019 5 years) respectively. The amortisation of intangible assets over 12 years 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.

NOTE : 53

The Company has only one reportable segment namely 'Pharmaceuticals'.

NOTE : 54

In Compliance with Ind AS 20 on Government Grants, the amount of budgetary support under Goods and Service Tax, GST Refunds, to be received from the Government of India amounting to ₹ 1713.5 Million (March 31, 2019 ₹ 1,289.6 Million) in relation to the existing eligible units under the different Industrial Promotion Scheme have been recognised as "Other Operating Income"
The Company received capital subsidy or Rs. 231.0 million which has been adjusted from carrying value of assets

NOTE : 55

The Company vide its press release dated January 22, 2019, had announced the transition of India domestic formulations distribution business from Aditya Medisales Limited (AML) to Sun Pharma Distributors Limited (SPDL), a wholly owned subsidiary of the Company . During the transition phase AML acted as an agent of Company.

NOTE : 56

REVENUE FROM CONTRACTS WITH CUSTOMERS

Ind AS 115 "Revenue from Contracts with Customers" was issued on March 28, 2018 and supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue" and it applies, with limited exceptions, to all revenue arising from contracts with its customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018 which does not require restatement of comparative period. The Company elected to apply the standard to all contracts as at April 01, 2018. There is no impact to be recognised at the date of initial application as an adjustment to the opening balance of retained earnings.

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, 2020	Year ended March 31, 2019
Revenue as per contracted price (net of return)	69,062.1	45,767.4
Less :		
Provision for sales return	(350.2)	46.8
Rebates, discounts and price reduction	(1,607.3)	(1,903.3)
	(1,957.5)	(1,856.5)
Revenue from contract with customers	67,104.6	43,910.9

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Contract balances		
Trade receivables	16,256.7	3,922.0
Contract liabilities	(4.9)	(4.9)

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of upfront revenue received from customer for which performance obligation has not yet been completed. The performance obligation is satisfied when control of goods and services are transferred to customer based on the contractual term. Payment term with customer vary depending upon the contractual terms of each contract.

NOTE : 57

The Hon'ble Supreme Court of India while disposing various Special leave petitions filed by the Central Government with respect to central excise refund claims of various eligible industries under the Industrial Policies and Central Excise notification in relation thereto, had held that the amendments to original notification restricting the central excise refund are clarificatory in nature. Based on judgement by the Hon'ble Supreme Court of India, an amount of ₹ 1042.8 million including interest has been charged in the statement of profit and loss and has been disclosed as an Exceptional item.
Exceptional items [Refer Note 2(2.2)(r)]

NOTE : 58

The Company continues to monitor the impact of the Covid-19 on its business, including its impact on customers, supply-chain, employees and logistics. Due care has been exercised, in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment for impairment of intangibles, investments and inventory, based on the information available to date, while preparing the Company's financial statement as of and for the year ended 31st March, 2020.

NOTE : 59

USE OF ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:
Revenue [Refer Note 2(2.2)(n)]
Property, plant and equipment [Refer Note 2(2.2)(d)]
Intangible assets [Refer Note 2(2.2)(e)]

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
Pune, May 26, 2020

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director
DIN No.: 00005561

KIRTI GANORKAR
Chief Executive Officer

SAILESH T. DESAI
Director
DIN No.: 00005443

RACHANA N. KOKAL
Company Secretary
Mumbai, May 26, 2020

Ind AS- 24 - " RELATED PARTY DISCLOSURES " ANNEXURE "A"

(I) Names of related parties and description of their relationships

1 Holding Company

Sun Pharmaceutical Industries Limited

2 Wholly Owned Subsidiary

Universal Enterprises Private Limited
Sun Pharmaceutical Medicare Limited
Sun Pharma Distributors Limited (Refer Footnote 1)
Realstone Infra Limited (Refer Footnote 2)

3 Fellow Subsidiaries

Sun Pharmaceutical Industries, Inc.
Aditya Acquisition Company Limited
Neetnav Real Estate Private Limited
Sun Pharmaceutical Industries (Europe) B.V.
Foundation for Disease Elimination and Control of India
Zenotech Laboratories Limited
Sun Pharma ANZ Pty Ltd
Sun Pharma Japan Limited.
Taro Pharmaceutical Industries Ltd

4 Key Management Personnel (KMP)

Sudhir Vrundavandas Valia	Non-Executive Director (DIN No. : 00005561)
Sailesh Trambaklal Desai	Non-Executive Director (DIN No. : 00005443)
Kalyanasundaram Iyer Natesan Subramanian (Refer Footnote 4)	Non-Executive Director (DIN No. : 00179072)
Kirti Wardhaman Ganorkar (w.e.f. July 04, 2019)	Chief Executive Officer

5 Others (Entities in which the KMP and relatives of KMP have control or Significant influence)

Makov Associates Ltd.
Shantilal Shanghvi Foundation
Alfa Infraprop Pvt. Ltd.
Sidmak Laboratories (India) Private Limited
Aditya Medisales Limited
Ramdev Chemicals Private Limited (upto April 25, 2019)
Sun Pharma Advanced Research Company Limited
United Medisales Private Limited
Sun Petrochemical Private Limited
Dhendai Tea and Industries Private Limited
PV Power Technologies Pvt Ltd
Shanghvi Finance Private Limited (Refer Footnote 3)

Footnote

1 Incorporated on March 19, 2019

2 Incorporated on February 01, 2020

3 Solares Therapeutic Private Limited and Virtuous Finance Private Limited have been amalgamated with Shanghvi Finance Private Limited w.e.f. October 23, 2018

4 Designation change from Whole-time Director & CEO to Non- Executive Director of Sun Pharma Laboratories Limited with effect from July 4, 2019

(II) Detail of related party transaction during the year ended March 31, 2020

₹ in Million

Type of Transaction	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of goods	**2,618.4**	**1,603.5**
Holding Company	2,540.9	1,433.6
Subsidiaries	3.6	20.6
Fellow Subsidiaries	-	0.1
Others	73.9	149.2
Purchase of property, plant and equipment	**47.9**	**21.9**
Holding Company	6.8	20.2
Subsidiaries	0.7	1.7
Fellow Subsidiaries	6.9	-
Others	33.5	-
Purchase of intangible assets	-	**55.9**
Others	-	55.9
Revenue from contracts with customers, net of returns	**57,345.4**	**44,087.8**
Holding Company	1,843.6	1,308.1
Subsidiaries	55,391.3	12.1
Others	110.5	42,767.6
Sale of property, plant and equipment	**11.1**	**105.2**
Holding Company	11.1	105.2
Receiving of service	**1,017.7**	**829.4**
Holding Company	362.3	410.2
Fellow Subsidiaries	6.3	8.9
Others	649.1	410.3
Reimbursement of expenses paid	**241.6**	**40.1**
Holding Company	22.0	4.6
Subsidiaries	0.1	-
Fellow Subsidiaries	41.3	35.3
Others	178.2	0.2
Rendering of service	**279.1**	**135.9**
Holding Company	279.1	135.9
Reimbursement of expenses received	**41.7**	**1.2**
Holding Company	-	1.1
Subsidiaries	41.7	0.1
Investment and equity contributions	2.5	1.5
Subsidiaries	2.5	1.5
Redemption of preference share	-	400.0
Holding Company	-	400.0
Loans given	**34,808.1**	**15,430.9**
Holding Company	34,178.4	15,340.9
Subsidiaries	629.7	90.0
Loans received back	**23,387.8**	**21,774.3**
Holding Company	22,494.7	21,774.3
Subsidiaries	893.1	-
Purchase of investment in Sun Pharma Holding	**8,454.5**	-
Holding Company	8,454.5	-
Interest income	**801.1**	**1,535.3**
Holding Company	564.5	426.4
Subsidiaries	209.1	82.2
Others	27.5	1,026.7
Rent income	**175.5**	**21.0**
Holding Company	175.5	-
Others	-	21.0
Rent expense / Payment towards Lease Liabilities	**21.3**	**25.9**
Holding Company	12.4	17.0
Subsidiaries	0.3	0.3
Fellow Subsidiaries	0.8	0.8
Others	7.8	7.8
Donation	**61.4**	**123.8**
Fellow Subsidiaries	54.3	48.8
Others	7.1	75.0
Remuneration	**56.8**	**55.4**
Key management personnel	56.8	55.4

Key Management Personnel 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.

Balance Outstanding as at the end of the year

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables	**16,105.9**	**3,845.5**
Holding Company	27.5	-
Subsidiaries	16,044.7	2.8
Fellow Subsidiaries	1.5	1.5
Others	32.2	3,841.2
Payable	**215.7**	**616.3**
Holding Company	-	464.2
Subsidiaries	4.9	4.9
Fellow Subsidiaries	35.9	21.1
Key management personnel	-	2.7
Others	174.9	125.4
Loan given	**13,180.2**	**1,171.5**
Holding Company	12,191.8	-
Subsidiaries	988.4	1,171.5
Lease Liabilities	**149.9**	-
Holding Company	73.0	-
Subsidiaries	3.5	-
Others	73.4	-
Security Deposit given	**88.0**	**88.0**
Fellow Subsidiaries	87.5	87.5
Others	0.5	0.5

The sales to and purchases from related parties are made on an arm's length basis. Outstanding trade balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.