

CONTINUOUS

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ACCESS

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RESILIENCE

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EMPATHY

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ANNUAL REPORT 2020-21

Reaching People. Touching Lives.



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Disclaimer

Our Annual Report cover is a creative representation. Sun Pharma strictly follows all Covid-19 protocols and strongly recommends that everyone wears a mask during the pandemic.





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At Sun Pharma, CARE has always been integral to our purpose of providing high-quality medicines to help improve health and save lives. For us, in the times of a global pandemic, CARE assumed an altogether different and wider connotation – **C**ontinuous, **A**ccess, **R**esilience and **E**mpathy. It became our compass north as we mobilised all the resources at our disposal to ensure un-interrupted supply of medicines to those who needed the most – patients, healthcare partners and the society at large.

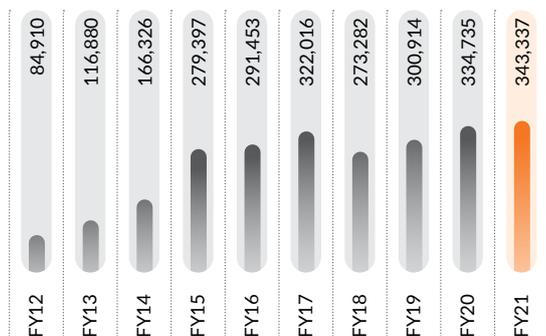
We did so by ensuring that all our manufacturing plants operated continuously while providing a safe and secure workplace to our employees, by deploying the best-available technologies. With severe restrictions on mobility and global supply chains in doldrums, our teams worked round-the-clock to ensure access to medicines, often facing multiple challenges. Further, we extended a helping hand in whatever way we could – from donating COVID-19 specific medicines, PPEs, hand sanitisers to providing food items to the vulnerable sections.

With the pandemic further reinforcing the importance of generics in healthcare management, our global positioning and continued investments enabled us to demonstrate a resilient performance while staying true to our commitments as a responsible business. For now, we are focused on overcoming the pandemic in collaboration with governments and build a safer and healthier world with CARE at the core.

Key Performance Indicators (Consolidated)

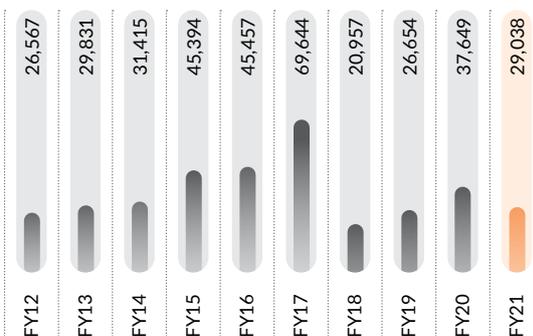
Total income

(₹ Million)



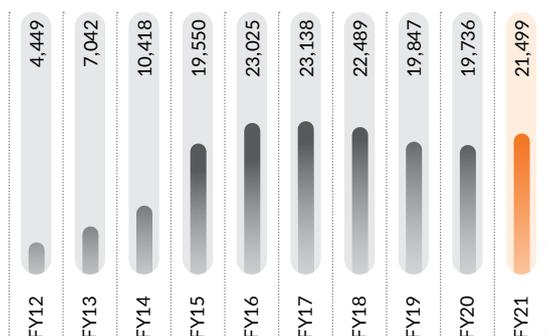
Net profit after minority interest

(₹ Million)



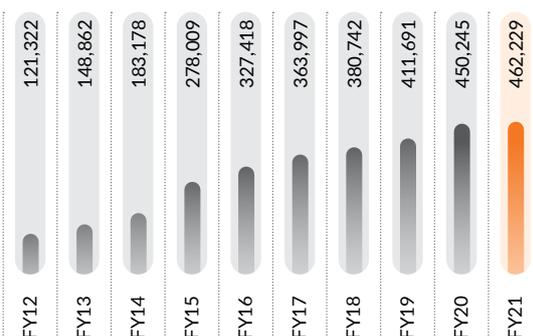
R&D investment

(₹ Million)



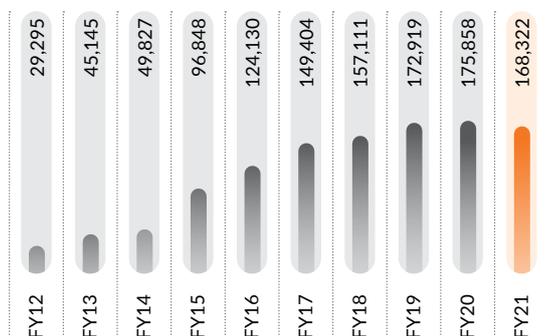
Reserve & surplus

(₹ Million)



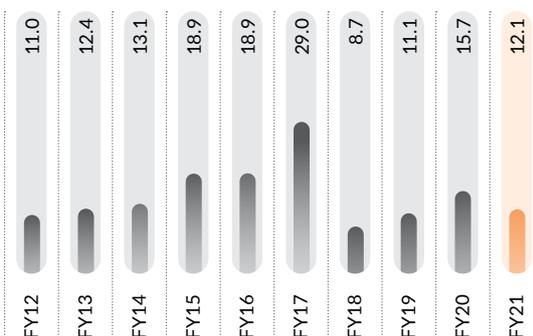
Carrying value of property, plant & equipment and other intangible assets*

(₹ Million)



Earning per share (adjusted for bonus/split)*

(₹ per share)



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

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

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

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

Ten Year Financial Highlights (Consolidated)

Particular	(₹ Million)									
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Operating performance										
Revenue from operations	80,195	112,999	160,804	273,920	284,870	315,784	264,895	290,659	328,375	334,981
Total income	84,910	116,880	166,326	279,397	291,453	322,016	273,282	300,914	334,735	343,337
Net profit for the year (after minority interest)	26,567	29,831	31,415	45,394	45,457	69,644	20,957	26,654	37,649	29,038
R&D expenditure	4,449	7,042	10,418	19,550	23,025	23,138	22,489	19,847	19,736	21,499
a) Capital	362	427	556	1,178	783	1,679	1,819	718	484	471
b) Revenue (excluding depreciation)	4,088	6,616	9,862	18,373	22,242	21,459	20,669	19,129	19,252	21,028
c) % of sales	5.6	6.3	6.5	7.2	8.3	7.6	8.6	6.9	6.1	6.5
Financial position										
Equity share capital	1,036	1,036	2,071	2,071	2,407	2,399	2,399	2,399	2,399	2,399
Reserve and surplus	121,322	148,862	183,178	278,009	327,418	363,997	380,742	411,691	450,245	462,229
Property, plant & equipment and other intangible assets (at cost)**	54,269	75,763	86,505	143,616	187,212	217,315	238,073	271,424	298,549	308,582
Carrying value of property, plant & equipment and other intangible assets**	29,295	45,145	49,827	96,848	124,130	149,404	157,111	172,919	175,858	168,322
Investments	22,129	24,116	27,860	35,028	18,299	11,919	71,429	79,025	101,431	96,125
Net current assets	76,749	86,618	126,969	135,488	167,973	150,666	117,716	137,296	159,477	142,965
Stock information										
Number of shares (in Million)	1,036	1,036	2,071	2,071	2,407	2,399	2,399	2,399	2,399	2,399
Earnings per share (adjusted for bonus/split) (in ₹)*	11.0	12.4	13.1	18.9	18.9	29.0	8.7	11.1	15.7	12.1
Earnings per share-Basic (in ₹)*	25.7	28.8	15.2	18.9	18.9	29.0	8.7	11.1	15.7	12.1
Earning per share-Diluted (In ₹)*	25.7	28.8	15.2	18.9	18.9	29.0	8.7	11.1	15.7	12.1

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

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

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

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

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

Managing Director's Message



Most of our businesses have recorded growth for FY21 despite the challenges related to the global COVID-19 pandemic. Our India business outperformed the average industry growth. We are also enthused by the growth in our global specialty business. We believe that all our businesses are well positioned and our endeavour will be to grow the overall business. We also expect the momentum for our global specialty business to continue.

Dilip S. Shanghvi
Managing Director

Dear Shareholders,

The COVID-19 pandemic has disrupted economies across the world and the pharmaceutical industry is at the forefront in the fight against the global pandemic. The industry has quickly adapted itself to the changed dynamics and has ensured continuity of supply so that patients continue to get access to their medications. The industry has also stepped in to supply medicines for the treatment of COVID-19 symptoms and other associated ailments. Some of the pharmaceutical companies have developed COVID-19 vaccines in record time. The pandemic is accelerating a significant change across the healthcare ecosystem in various countries and forcing public and private health systems to adapt and innovate at a pace like never before.

Governments across the world have increased spending on healthcare to counter the pandemic. There is also an increasing realisation in middle and low income economies that healthcare related investments need to be increased, which will lead to better/earlier diagnosis and appropriate treatment for patients.

Another area of focus is making the supply chain resilient. This will require striking a pragmatic balance between outsourcing and self-sufficiency. Recognising the important role of the pharmaceutical industry and to strengthen its competitiveness, the Government of India has floated Production-Linked Incentive (PLI) Schemes. The objective of these schemes is to enhance India's manufacturing capabilities to meet global scale apart from encouraging higher investment in R&D for the development of innovative and complex products that will enable the Indian pharmaceutical industry to meet the global demand of pharmaceutical products.

COVID-19 RISK RESPONSE

Sun Pharma has focused on a multi-pronged approach to overcome the challenges of the COVID-19 pandemic. The Company has focused on:

1. Ensuring continuous supply of medicines and maintaining continuity of the supply chain
2. Increased focus on use of technology tools to facilitate business
3. Focus on the safety and well-being of employees
4. Enhancing supply of multiple therapeutics used in the treatment of COVID-19 and associated ailments, such as Remdesivir, Favipiravir, Itolizumab, Liposomal Amphotericin B, Hydroxychloroquine, etc.
5. Donation of COVID-19 medicines and other items like PPE kits, masks, sanitisers, gloves, food items, etc.

FY21 HIGHLIGHTS

FY21 was a unique year. It witnessed the full brunt of the COVID-19 pandemic across the global economy and various sectors. Governments globally were forced to resort to stringent lockdowns/restrictions to prevent the spread of the pandemic, which were gradually relaxed in the second half of FY21.

Being a supplier of essential products, the pharmaceutical industry continued to manufacture and supply pharmaceutical products. However, the lockdowns across the countries resulted in temporary closure of doctor clinics, restrictions on travel of the medical representatives, and a significant reduction in patient visits to the doctor's clinic. Non-critical treatments

and elective surgeries were postponed in many cases. Online medical consultation could only partly compensate for face-to-face interactions. This led to lower demand for pharmaceutical products in the first half of the year and a gradual recovery was witnessed only in the second half, as governments lifted the lockdown restrictions.

It is against this backdrop that we reported a 2.5% growth in our overall revenues which stood at ₹331 Billion for FY21. Last year's sales included a one-time special business in the US and hence, while the US business showed a decline, all our other businesses have recorded growth for the full year despite the challenges related to the global COVID-19 pandemic.

Our EBITDA for the year grew by 25.5% driven by better product mix, efficiency initiatives and reduced marketing, selling and distribution and travelling expenses across markets. Some of these cost savings can be termed as temporary in nature and are mainly related to the pandemic restrictions and may reverse over a period of time as the COVID-19 situation normalises.

OPERATIONAL PERFORMANCE

For FY21, India formulation sales stood at ₹103 Billion, up 6.5% and accounted for about 31% of overall revenues. Our India business has outperformed the average industry growth, driven by our leading presence in chronic segments coupled with our strong brand equity with doctors. As per AIOCD AWACS March 2021 data, we have witnessed an increase in our market share to 8.2% on MAT basis compared to 8.1% in the previous year.

As per SMSRC data for February 2021, Sun Pharma is ranked No. 1 by prescriptions with 10 different classes of doctors. Despite the COVID-19 pandemic, we continued our new launches momentum with 96 new introductions in India.

The field force expansion undertaken in Q4 of last year, was completed during the year and the new medical representatives have commenced their field work. Our field force strength now stands at 10,900+.

Revenues in the US declined by about 4% to ₹101 Billion and accounted for approximately 30% of our consolidated revenues for FY21. Despite the challenges of the pandemic, we witnessed a ramp-up in sales of our specialty products for the year. The generics business continued to face price erosion, driven by the competitive intensity amongst manufacturers, buying consortium pressures and a higher pace of generic approvals from the USFDA. Our subsidiary, Taro, recorded about 15% decline in overall revenues to US\$549 Million for the year.

We grew by 5% in Emerging Markets (EM) for the year. The Y-o-Y depreciation of some EM currencies has reduced our reported growth. The constant currency growth for EM revenues was about 6.4% for the year.

Our sales in the rest of world (RoW) markets grew by 6.6% for the year, driven by some key Western European markets, Canada and Australia.

RESEARCH & DEVELOPMENT (R&D)

Our R&D investments for the year were approximately ₹21 Billion at 6.5% of overall sales. During the year, we continued our R&D efforts to develop complex generics and innovative

specialty products. Some of the clinical trials for our specialty products witnessed a delay of a few months during the year due to the pandemic, and have gained momentum after the lockdowns were lifted gradually. Investments for developing the long-term specialty pipeline are expected to continue.

We continue to invest in R&D related to our global generic business, for developing and filing products across markets. At Sun Pharma, we have multiple R&D centres and a strong R&D team to cater to these requirements. We continue to be disciplined in identifying future R&D projects for the US generics market, with the focus being on developing complex products, which may attract less competition.

SPECIALTY BUSINESS PERFORMANCE

We are enthused by the momentum of our global specialty business which grew by 11% to US\$475 Million during the year despite the various challenges resulting from the global pandemic. Global Ilumya sales grew by 51% over last year to touch US\$143 Million in FY21.

The first half of FY21 witnessed temporary closure of doctor clinics in the US because of the lockdown restrictions (to counter the pandemic), resulting in reduction in patient footfalls and postponement of certain treatments. This impacted our specialty sales in the first half, including sales of Ilumya, Cequa and Levulan. It also impacted the ramp-up of Absorica LD, which we had launched in February 2020. The lockdown restrictions were gradually lifted in the second half, resulting in a recovery in our specialty sales. Post the close of the year, a generic for Absorica entered the market in April 2021.

PROGRESS ON SPECIALTY INITIATIVES

Key initiatives during the year for the specialty business include:

1. Presented positive results from the ILUMYA® five-year study, which demonstrated that patients with moderate-to-severe plaque psoriasis who continued to receive ILUMYA® through five years of continuous treatment, maintained consistent and extensive skin clearance with no new safety issues, regardless of baseline level of skin disease, age or background illnesses.
2. Launched ILUMYA® in Japan
3. Expanding market presence for ILUMYA – During the year, Sun Pharma entered into an exclusive licensing and distribution agreement for ILUMYA™ with Hikma for the Middle East & North Africa (MENA) region.
4. Presented clinical data analysis for ODOMZO and LEVULAN KERASTICK – Long-term analyses of the ODOMZO clinical study confirmed that treatment with ODOMZO provided clinically meaningful outcomes to patients with locally advanced basal cell carcinoma (laBCC) who were taking common concomitant medicines, such as medicines for cardiovascular, inflammatory and auto-immune diseases. For LEVULAN KERASTICK + BLU-U, a post hoc analysis of the Phase 3 trial showed significantly greater clearance of lesions and a significantly larger percent of cumulative disease area cleared with no clinically significant adverse events.

5. **Update on specialty R&D pipeline** – During the year, we initiated multiple clinical trials for our specialty portfolio:
- Ilumya** – Commenced Phase-3 clinical trials for psoriatic arthritis; the Phase-2 clinical trial interim results released last year demonstrated that the trial met its primary endpoint with over 71% of patients on Ilumya achieving ACR20 response (20% improvement in symptoms) with no evident safety concerns. A successful Phase-3 trial, subject to regulatory approval, is likely to expand the addressable market for Ilumya.
 - SCD-044** – Initiated Phase-2 clinical trials for a potential oral treatment for atopic dermatitis and moderate to severe plaque psoriasis. SCD-044 is a selective S1PR1 modulator resulting in better cardiac safety profile. The molecule met therapeutically relevant levels of lymphocytopenia at safe doses in Phase-1 study.
 - MM-II** - Commenced Phase-2 trials for a potential treatment for knee pain in patients with symptomatic knee osteoarthritis. MM-II is a product with empty multi-lamellar liposomes (first of its kind) for treatment of pain in osteoarthritis.
 - GLP-1R** (Glucagon-Like Peptide-1 Receptor) agonist – Initiated Phase-1 clinical trials for treating diabetes. The pre-clinical data had demonstrated significant outcomes on various diabetic parameters, viz. glucose reduction, decrease in HbA1c, augmented insulin secretion, lowering of glucagon level, meaningful reduction in triglyceride levels and larger body weight reduction. We look forward to validating this data in human clinical trials.

cGMP COMPLIANCE

Adherence to global cGMP standards is a key priority for us. Pharmaceutical manufacturing units need to be constantly upgraded to ensure compliance with global cGMP norms. We have an unwavering focus on 24x7 compliance to ensure continuity of supplies to our customers and patients worldwide.

During the year, due to the travel restrictions related to the pandemic, we did not undergo any USFDA audit. For our Halol facility, which was classified as an “Official Action Indicated (OAI)” in March-2020, we have already completed all the corrective actions required to get the facility back into compliance and are awaiting a re-inspection from the USFDA. However, due to the ongoing COVID-19 pandemic and associated travel restrictions, the re-inspection is delayed.

FOCUS ON IMPROVING EFFICIENCIES

During the year, we continued our efforts to improve efficiencies across the organisation. Enhancing manufacturing efficiencies, optimising manufacturing footprint, rationalising generics R&D investments and reducing fixed costs are some of the areas targeted for efficiency improvement.

DEBT REDUCTION

During FY21, the Company has repaid debt of about US\$580 Million, the benefit of which is visible in the reduction in finance cost.

OVERALL OUTLOOK

Given the uncertainties of the pandemic in the near term, we have refrained from giving a guidance for FY22. However, we believe that all our businesses are well positioned and our endeavour will be to grow the business, notwithstanding the near-term uncertainties related to the COVID-19 pandemic. We also expect the momentum for our global specialty business to continue, if there are no more pandemic-related lockdowns in the regulated markets.

We will continue our R&D investments in developing a differentiated generic pipeline as well as in building our specialty pipeline in the coming years.

Generic pharmaceutical products have been an important component of the overall global healthcare system. The COVID-19 pandemic and the resulting increase in healthcare awareness further reinforces the role of generics in global healthcare management. Sun Pharma’s strong positioning in the global generics industry and continued investments for the future will ensure that it remains a prominent player in this space.

Top priorities for FY22 will be:

1. Business growth
2. Safety and well-being of employees including facilitation of COVID vaccination for employees and their immediate family
3. Supply chain continuity and inventory optimisation
4. Continued focus on cost and operational efficiency
5. Increased investments in IT to facilitate business and digital transformation
6. Focus on improving return ratios

Our employees have put in extraordinary efforts during the past year to ensure business continuity despite the multiple disruptions resulting from the COVID-19 pandemic and lockdowns. We have been able to maintain adequate supply of our products in various markets while simultaneously ensuring overall productivity without compromising on safety protocols.

We are grateful to our Board of Directors for their guidance and support in these uncertain times.

We are also thankful for your support as a shareholder and we hope that you will continue to repose your confidence in us in the future as well.

Warm regards,

Dilip Shanghvi
Managing Director
Sun Pharmaceutical Industries Limited

Board of Directors



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



Dilip S. Shanghvi
Managing Director



Sailesh T. Desai
Whole-time Director



**Kalyanasundaram
Subramanian**
Whole-time Director



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



Rekha Sethi
Non-executive and
Independent Director



Vivek Chaand Sehgal
Non-executive and
Independent Director



Gautam Doshi
Non-executive and
Independent Director



Dr. Pawan Goenka
Additional Independent
Director (appointed with
effect from May 21,
2021)



Rama Bijapurkar
Additional Independent
Director (appointed with
effect from May 21,
2021)

Leadership Team



Abhay Gandhi
CEO - North
America



Dr. Pradeep Sanghvi
Executive Vice-President,
Head - US R&D



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



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



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



C. S. Muralidharan
Chief Financial Officer



Anilkumar Jain
CEO - API Business



Davinder Singh
Executive Vice-President,
Sun Global Operations



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



Kirti Ganorkar
CEO - India Business



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



Jila Breeze
Executive Vice-President,
Global Head - Quality



Uday Baldota
CEO - Taro Pharmaceutical
Industries Ltd.



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

Management Discussion and Analysis

GLOBAL PHARMACEUTICAL INDUSTRY¹

The pharmaceutical industry is at the centre of the fight against the global COVID-19 pandemic and has contributed significantly in terms of supply of critical medications for treatment as well as in developing and manufacturing COVID-19 vaccines. The industry has ensured continuity of supplies of all other medicines to meet the needs of patients across the world.

The global pharmaceutical market size in 2020 was estimated at US\$1.27 Trillion and is expected to expand at a compounded annual growth rate (CAGR) of 3-6% to US\$1.6 Trillion by 2025 (this estimate excludes the additional spending on COVID-19 vaccines).

The factors driving global medicine spending will be sustained growth in the pharmerging markets and the consistent launch of high-end specialty innovative products in developed markets. However, slower growth across developed markets due to losses of patent exclusivity for original brands will be an offsetting factor.

Chart 1 Global Pharmaceutical Industry Growth: 2016-25

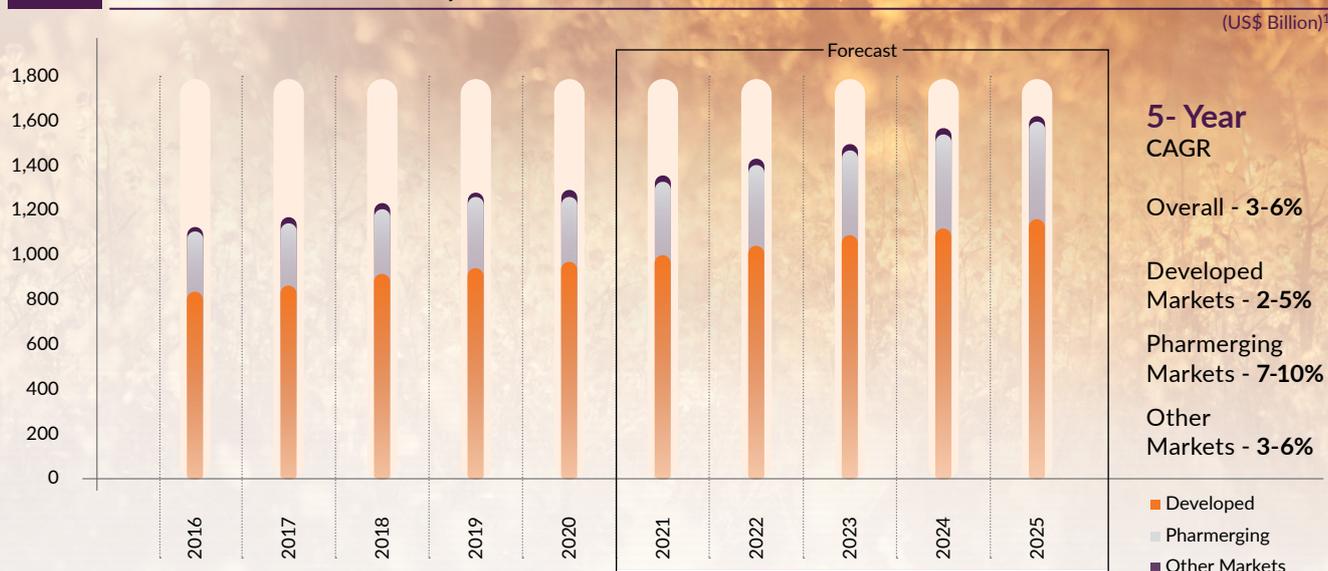


Table 1 Global Pharmaceutical Market (US\$ Billion)¹

Regions	2020	2016-2020 CAGR	2025	2021-2025 CAGR
Developed Markets	959.5	3.8%	1130-1160	2-5%
Pharmerging Markets	290.8	7.4%	415-445	7-10%
Other Markets	15.0	3.9%	18-22	3-6%
Global Market	1,265.3	4.7%	1580-1610	3-6%

Table 2 Global Pharmaceutical Market – Share by Product Type¹

Region Year	Original brands (%)		Non-original brands (%)		Unbranded generics (%)		OTC, vaccines and other products (%)		Total (US\$ Billion)	
	2020	2025	2020	2025	2020	2025	2020	2025	2020	2025
Developed Markets	74	70-71	11	15-17	5	4-5	10	8-9	959	1130-1160
Pharmerging Markets	29	30-35	37	34-38	22	18-21	12	10-16	291	415-445
Other Markets	35	28-41	42	33-45	17	11-18	6	6-9	15	18-22
Global Market	63	59-60	17	21-22	9	8-9	11	9-11	1,265	1,580-1,610

The outcome of COVID-19 on pharmaceutical spending across countries was diverse depending on the extent of viral infections and the responses by various governments to counter the infections



Emerging Trends and the Way Forward¹

<p>Expansion of access to healthcare, increase in per capita income and increasing insurance coverage in pharmerging markets have driven the overall growth in pharmaceutical consumption over the past decade, but slowing growth in these markets will bring down global growth over the next 5 years.</p>	<p>Use of medicines in developed countries is typically higher than in pharmerging countries owing to higher income levels. This trend is expected to continue in future as well.</p>	<p>Chronic medications to treat diseases like cardiovascular, diabetes, respiratory, and mental health conditions will continue to witness increasing demand globally driven by higher incidence of such diseases and changing lifestyles and food consumption.</p>	<p>The global COVID-19 pandemic has been a wake-up call to governments across the world. It may prompt them to increase healthcare budgets and encourage higher investments in pharmaceutical R&D and manufacturing.</p>
<p>Over the next five years, an average of 54-63 new active substances (NAS) are expected to be launched globally per year.</p>	<p>In the next five years, the impact of patent expiries is estimated to be about US\$166 Billion; while it will be partly offset by spending on associated generics and biosimilars.</p>	<p>Oncology and immunology are the two leading global therapy areas that are forecast to grow at CAGR of 9-12% through 2025. Oncology attracts the largest spending with consistent launch of new treatments but the impact of biosimilars will slow down growth for some widely used therapies.</p>	<p>Gene and cell therapy is another area, which is generating significant interest as far as future R&D efforts are concerned.</p>

Growth Enablers¹



Demographics

Rising per capita income and changing lifestyles and food preferences, among other demographic and epidemiological trends, are leading to a rapid rise in the incidence of Non-Communicable Diseases (NCDs) in pharmerging markets. Pharmaceutical spending in these markets will be focused on overall growth through control and prevention of NCDs, especially cardiovascular diseases, cancer and diabetes



Innovation

The launch of new and innovative products will be a key driver of growth in the developed pharmaceutical markets. Immunology drugs, biologics, oncology products, orphan drugs and cell and gene therapies will account for an increasing proportion of new launches in developed markets



Macro-economics

Sustained economic growth in the long term will remain a key catalyst for global pharmaceutical growth. There may be some near-term uncertainties due to the COVID-19 global pandemic. However, this may also be an opportunity for the pharmaceutical industry to increase its focus on R&D and thereby develop/launch COVID-19 medicines and vaccines to reduce hospitalisations and mortality rates linked to COVID-19 infection



Access

To cope with rising demand, governments of most emerging economies will continue to seek expansion of their national health budgets, boosting further spending on healthcare

While these growth drivers remain intact from a long-term perspective, the multiple waves of COVID-19 infections across economies and the resulting restrictions/lockdowns imposed by various governments may have implications, although it is difficult to estimate the actual impact of such restrictions.

DEVELOPED MARKETS¹

The developed pharmaceutical markets grew at ~4% CAGR between 2016-20 and are estimated to grow at about 1.5-4.5% CAGR to reach US\$1,130-1,160 Billion by 2025. These markets accounted for ~76% of global pharmaceutical spending in 2020, and are estimated to account for ~71-72% of spending by 2025.

New and specialty drug launches, offset by patent expiries and competition from generics and biosimilars, are expected to continue to be the main factors influencing medicine spending and growth in developed markets.

Table 3 Developed Markets – Pharmaceutical Spending and Growth (US\$ Billion)¹

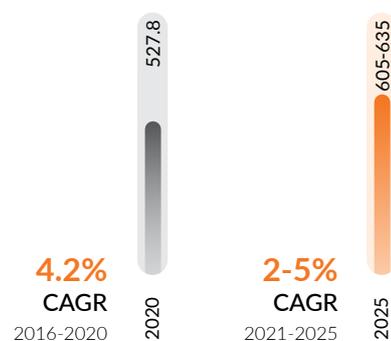
Region/Country	2020	2016-2020 CAGR	2025	2021-2025 CAGR
USA	527.8	4.2%	605-635	2-5%
Top 5 Western European Markets (WE5)	180.4	4.4%	215-245	2-5%
Germany	54.9	5.3%	65-85	3.5-6.5%
France	36.3	2.4%	43-47	1-4%
Italy	33.3	4.2%	38-42	2-5%
UK	30.2	5.3%	38-42	2.5-4.5%
Spain	25.7	4.6%	28-32	1.5-4.5%
Japan	88.2	(0.2)%	75-95	(2)-1%
Canada	22.8	4.8%	28-32	2-5%
South Korea	16.2	6.8%	18-22	4.5-7.5%
Australia	11.8	3.3%	13-17	1-4%
Other Developed Markets	112.3	4.2%	125-155	2.5-5.5%
Total Developed Markets	959.5	3.8%	1130-1160	1.5-4.5%

US¹

The US continues to be the largest pharmaceutical market in the world. It recorded ~4% CAGR growth between 2016-20 and the market is expected to grow at 2-5% CAGR to US\$605-645 Billion by 2025. Rising discounts and rebates are expected to slow spending growth over time. In addition, ongoing market dynamics around new launches, impact of patent expiries, new generics and biosimilar competition will continue to act as balancing factors over the next five years.

Chart 2 US Pharmaceutical Spending and Growth¹

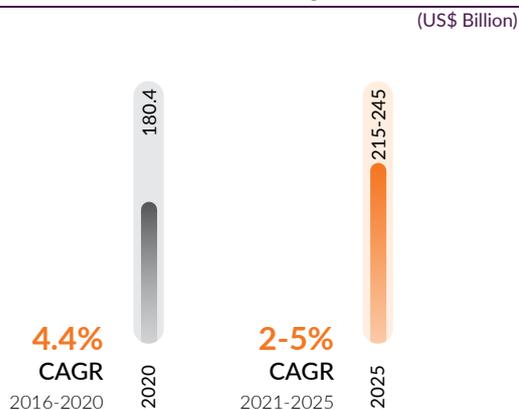
(US\$ Billion)



Top 5 Western European Markets (WE5)¹

Pharmaceutical spending in the top five Western European Markets (WE5) markets is projected to grow at about 2-5% CAGR to US\$215-245 Billion by 2025. Increasing consumption of generics and a maturing biosimilars market, coupled with future patent expiries will lead to muted overall growth.

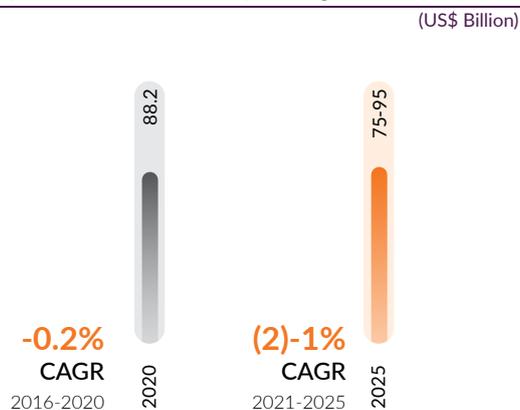
Chart 3 WE5 Pharmaceutical Spending and Growth¹



Japan¹

Japan, the third largest global market, is projected to grow at about (2)-1% CAGR to US\$75-95 Billion by 2025. Periodic government mandated price-cuts and increasing shift to generics will lead to a tepid growth. Going forward, rising spending on patent-protected original brands coupled with regulatory policies will be the key dynamics impacting overall pharmaceutical spending.

Chart 4 Japan Pharmaceutical Spending and Growth¹



PHARMERGING MARKETS¹

Pharmerging markets reported 7.4% CAGR in pharmaceutical spending between 2016-20 to reach US\$290.8 Billion in 2020. These markets contributed to ~23% of the overall global spending in 2020 and are expected to account for ~26-27% of spending by 2025. Spending across major pharmerging markets is expected to grow at a CAGR of 7-10% through 2025, driven by the largest countries – China, Brazil, India and Russia – but

outperformed by the smaller pharmerging markets, which are expected to grow at the rate of 8.5-11.5% during the same period.

Relatively high rates of growth in pharmaceutical spending in these markets belie the relatively low levels of per capita medicine use. However, pharmaceutical consumption continues to increase in these countries driven by growing incidence of chronic ailments, increased healthcare awareness and rising medical insurance coverage.

Table 4 Pharmerging Markets – Pharmaceutical Spending and Growth (US\$ Billion)¹

Region/Country	2020	2016-2020 CAGR	2025	2021-2025 CAGR
China	134.4	4.9%	170-200	4.5-7.5%
Brazil	28.7	10.7%	43-47	7.5-10.5%
India	22.0	9.5%	28-32	7.5-10.5%
Russia	17.5	10.8%	33-37	11-14%
Other pharmerging markets	89.1	9.6%	120-150	8.5-11.5%
Total Pharmerging markets	290.8	7.4%	415-445	7-10%

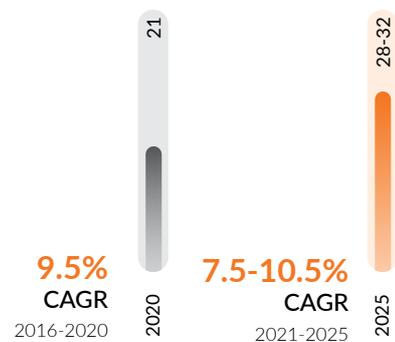
India¹

The Indian pharmaceutical industry is the world's third largest in terms of volume and ranks 11th in terms of value. It is among the faster-growing markets and the largest exporter of generic drugs by volume. Outside of the US, India has the largest number of USFDA-approved pharmaceutical manufacturing facilities. Over the last year, India played a crucial role in supplying therapeutic drugs for COVID-19 treatment across the world and is also one of the key manufacturers of some of the COVID-19 vaccines. Going forward, India is likely to maintain a leadership position in the manufacture and supply of high-quality generic medicines as well as a major manufacturer of COVID-19 vaccines.

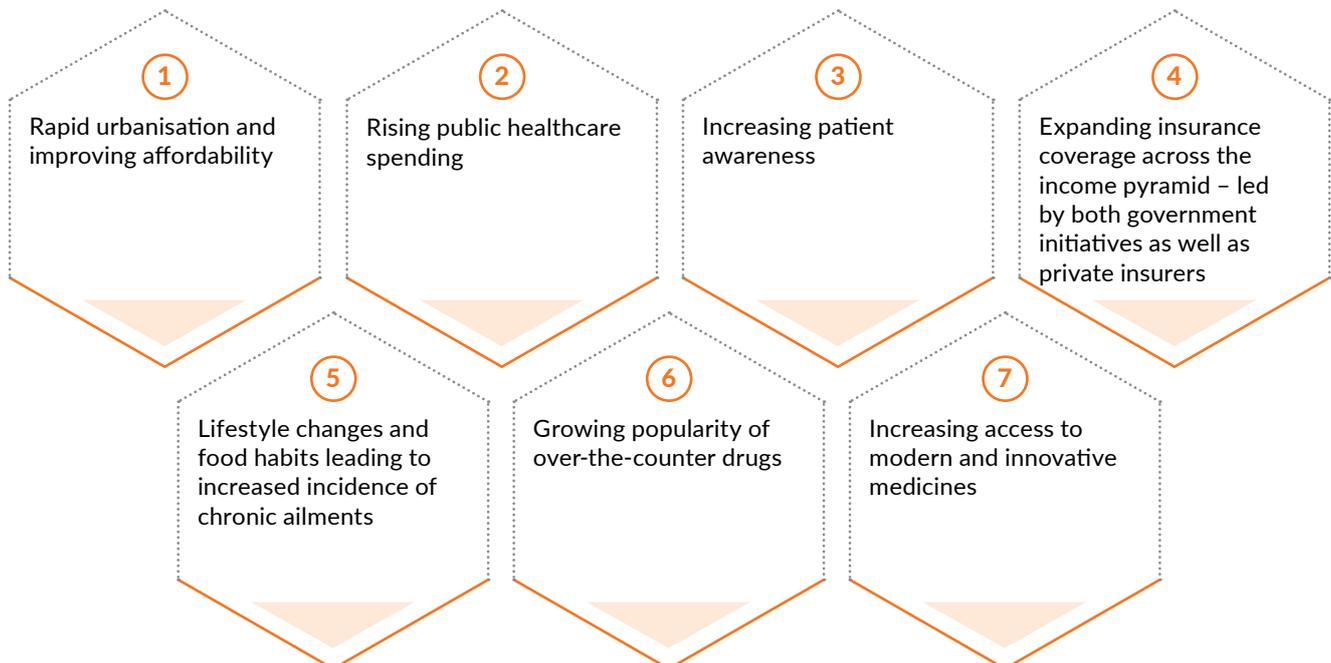
The Indian pharmaceutical market recorded ~9.5% CAGR between 2016-20 to reach US\$21 Billion. It is expected to grow at 7.5-10.5% CAGR to US\$28-32 Billion by 2025.

Chart 5 Indian Pharmaceutical Spending and Growth¹

(US\$ Billion)



Growth Enablers



SPECIALTY MEDICINES¹

Global pharmaceutical spending on specialty innovative products has consistently increased over the last ten years. Specialty medicines treat chronic, complex or rare diseases. These include biologic drugs for various chronic ailments, immunology drugs, medicines developed for orphan diseases and the latest generation gene and cell therapies. These highly innovative specialty products made

a significant difference in medical outcomes for patients over the last ten years.

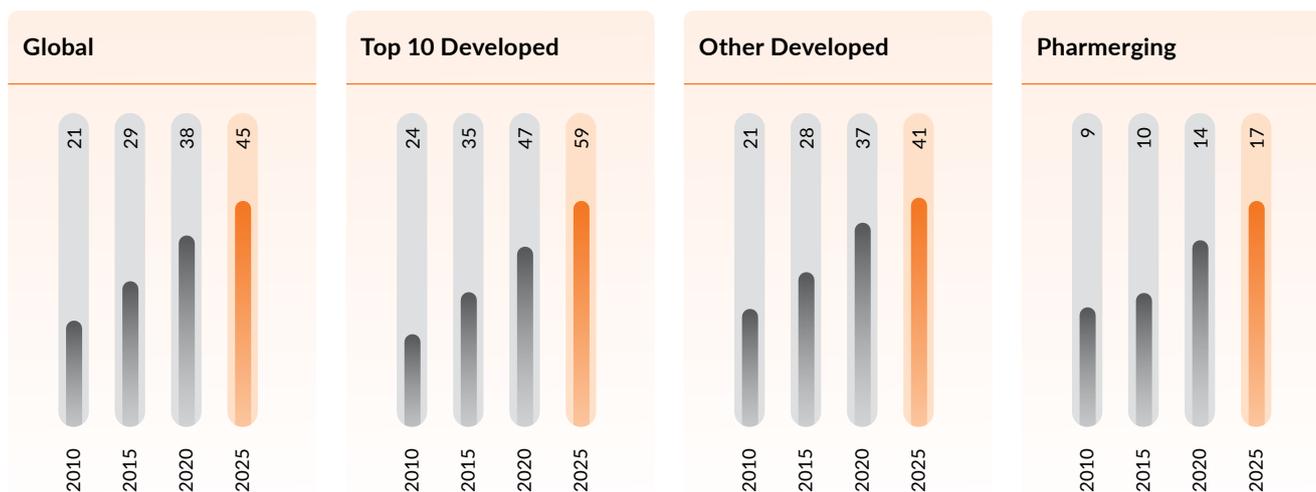
The share of specialty products in overall global pharmaceutical spending increased from 21% in 2010 to ~38% by 2020. It is expected to further rise to 45% by 2025. This growth has been driven mainly by developed markets in the past and this trend is expected to continue

in the future as well. Spending on specialty products rose within pharmerging markets also, but has been constrained by higher pricing and limited purchasing power. The ten largest developed countries and other high and upper middle-income countries are witnessing consistent increase

in the share of spending on specialty medicines. These products are expected to contribute to nearly half of global spending in 2025 and almost 60% of the total spending in developed markets.

Chart 6 Share of Specialty Medicines in Overall Pharmaceutical Spending - By Market¹

(%)



ACTIVE PHARMACEUTICAL INGREDIENTS (API)²

The market size of global active pharmaceutical ingredients was valued at US\$187.7 Billion in 2020 and is expected to grow at a CAGR of 6.6% between 2021-28. Growth drivers include advancements in API manufacturing and the rising prevalence of chronic diseases. Favourable government policies for API production, along with changes in geopolitical dynamics, are expected to further drive market growth.

The global API market is undergoing immense changes due to supply chain disruptions caused by COVID-19 in early 2020. There is an increasing trend around diversification of the supply chain, with India being viewed as one of the critical suppliers of API for the future.

Traditionally, the API market has been dominated by drugs in categories such as, anti-infectives, diabetes, cardiovascular, analgesics, and pain management. However, driven by emerging R&D trends, the demand is shifting toward the development of complex APIs used in novel formulations, targeting niche therapeutic areas.

CONSUMER HEALTHCARE³

The needs of health-conscious consumers are fast evolving in keeping with their lifestyles and behavioural patterns, leading to growing consumption of consumer healthcare products. The global over-the-counter (OTC) market was valued at US\$190 Billion in 2020, recording 5% Y-o-Y growth. Cold & Flu segment witnessed a decline while the Vitamins, Minerals & Supplements (VMS) category grew substantially, driven primarily by increased consumption of such products during the COVID-19 outbreak.

COVID-19 accelerated three key trends (1) superior self-care, (2) focus on mental health and (3) consumer convenience. Global consumer healthcare companies are educating consumers, reviewing product portfolios, increasing focus on digital channels and improving marketing capabilities to enhance their competitive advantage.

WORLD OF SUN PHARMA

Sun Pharmaceutical Industries Limited, and its subsidiaries together constitute the universe of Sun Pharma. It is a leading specialty generics pharmaceutical company with a strong presence in India and the US markets. It is also amongst one of the leading Indian pharma companies in emerging markets. The Company, along with its subsidiaries and associates, continues to service its customers across geographies, on the strength of its innovative R&D efforts, efficient and low-cost operations and culturally diverse skilled human resources.

The Company has manufacturing capabilities for a variety of dosage forms, such as injectables, sprays, ointments, creams, liquids, hormones, drug delivery systems, tablets and capsules. It aims to deliver quality products at affordable prices, and over the years, has earned the trust of patients and medical professionals across its key markets.

Sun Pharma is growing its portfolio of specialty products, branded generics and pure generics across 100+ countries globally. In-depth Research & Development (R&D) and use of high-end technology are integral to the Company's progress. The Company has always focused on both organic and inorganic growth, with proactive acquisition of businesses and in-licensing of specialty molecules.

Prominence in Key Markets

4th

Largest specialty generic pharma company globally⁴

No. 1

Pharma company in India⁵

10th

Largest generic pharma company in the US¹

Among the
Largest

Indian pharma companies in emerging markets

100+

Countries in terms of market reach

44

Global manufacturing sites across 6 continents

37,000+

Global employee strength

50+

Employee nationalities

Table 5 Key Milestones

Year	Event	Rationale
2020	Exclusive licencing agreement with Hikma for Ilumya	Commercialisation of Ilumya in the Middle East & North Africa (MENA) markets.
2020	Licencing agreement with SPARC for SCD-044	Potential treatment for atopic dermatitis, psoriasis and other auto-immune disorders across the globe
2020	In-licenced Triferic brand from Rockwell Medical Inc. (USA)	Expands nephrology portfolio in India to treat anaemia in hemodialysis patients
2019	Licencing agreement with AstraZeneca UK for ready-to-use infusion oncology products	Access to oncology market in Mainland China
2019	Licencing agreement with CMS for Tildrakizumab, Cequa and 8 generic products	Access to Greater China market
2019	Acquired Pola Pharma in Japan	Foray into the Japanese dermatology market

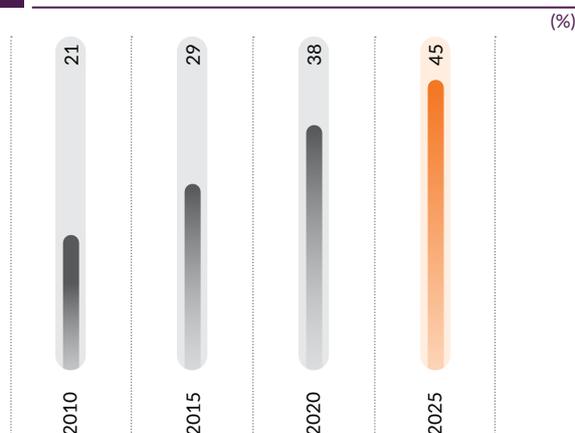
Year	Event	Rationale
2016	Acquired global rights for Cequa and Odomzo	Enhance specialty pipeline across the globe
2016	Acquired Biosintez	Local manufacturing capability to enhance presence in Russian market
2016	Licencing agreement with Almirall for Tildrakizumab for psoriasis	Access to European market for Tildrakizumab
2016	Acquired 14 brands from Novartis	Entry into Japan
2016	Distribution agreement with AstraZeneca	Distribution services agreement in India for brand 'Oxra' and 'Oxramet' [®] (brands of dapagliflozin, used for diabetes treatment)
2015	Acquired InSite Vision Inc.	Strengthens branded ophthalmic portfolio in the US
2015	Distribution agreement with AstraZeneca	Distribution services agreement in India for brand 'Axcer' [®] (brand of ticagrelor, used for the treatment of acute coronary syndrome)
2015	Sun Pharma – Ranbaxy Merger	<ul style="list-style-type: none"> •Strengthen position in the global generic pharma industry •Top Pharma Company in India •Strong positioning in the emerging markets
2014	In-licencing agreement with Merck for Tildrakizumab, a biologic for psoriasis	Strengthening the specialty product pipeline across the globe
2014	Acquired Pharmedica	Access to sterile injectable capacity in the US
2012	Acquired DUSA Pharma, Inc.	Access to specialty drug-device combination in dermatology segment in the US
2010	Acquired Taro Pharmaceutical Industries Ltd.	Access to dermatology generic portfolio as well as manufacturing facilities in Israel and Canada
1997	Acquired Caraco	Entry into the US Market

Our global specialty initiatives¹

Specialty medicines are latest generation products, which are targeted at treating chronic, complex and rare diseases. They accounted for about 38% of the global pharmaceutical spending in 2020 (up from 29% in 2015) and are estimated to account for approximately 45% of global pharmaceutical spending in 2025.

Sun Pharma commenced investing in building a global specialty business 2014 onwards. Significant resources were deployed in gaining access to specialty products, their clinical development, commercialisation and in developing a future R&D pipeline of specialty products. Upfront investments were made in establishing the front-end sales force, reimbursement (market access) teams and in branding and promotion of specialty products.

Chart 7 Global Specialty Medicines Share of Total Pharmaceutical Spending¹



The Company has, till date, commercialised 12 specialty products across different markets, which contributed ~11% to the Company's consolidated revenues for FY21. Sun Pharma also has a pipeline of 4 molecules undergoing clinical trials.

The key molecules are:

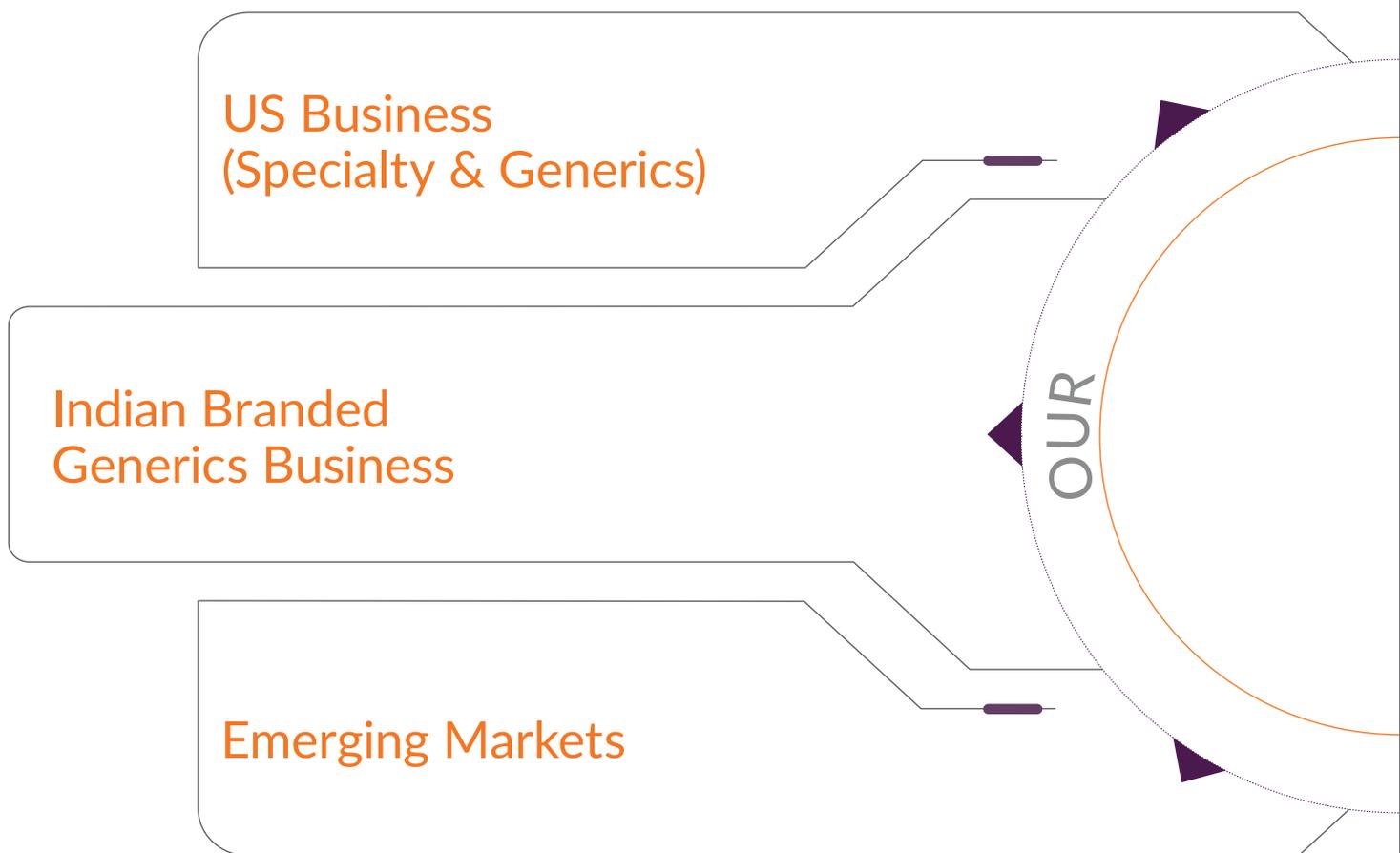
1. Ilumya is undergoing Phase-3 trials for psoriatic arthritis indication.
2. SCD-044 is undergoing Phase-2 trials for atopic dermatitis and moderate to severe plaque psoriasis.
3. MM-II is also undergoing Phase-2 trials for treatment for knee pain in patients with symptomatic knee osteoarthritis.
4. GLP-1R agonist is in Phase-1 trials for diabetes.

Table 6 Commercialised Global Specialty Portfolio

Product	Indication	Introduction in key geographies
Ilumya/Ilumetri	Plaque psoriasis	<ul style="list-style-type: none"> • Launched in the US and Australia in 2018 • Phased launch in Europe by Almirall, starting December 2018 • Out-licenced to CMS for Greater China in 2019 • Launched in Japan in 2020
Cequa	Dry eye disease	<ul style="list-style-type: none"> • Launched in the US in 2019 • Out-licenced to CMS for Greater China in 2019
Absorica/Absorica LD	Severe recalcitrant nodular acne	<ul style="list-style-type: none"> • Launched Absorica LD capsules in the US in 2020
Levulan Kerastick	In combination with BLU-U (Blue Light Photodynamic Therapy Illuminator) for treatment of minimally to moderately thick actinic keratoses of the face, scalp, or upper extremities	<ul style="list-style-type: none"> • Currently marketed in the US
Odomzo	Locally Advanced Basal Cell Carcinoma (LABCC)	<ul style="list-style-type: none"> • Currently marketed in the US, Germany, France, Denmark, Switzerland, Australia and Israel
Yonsa	Metastatic castration-resistant prostate cancer in combination with methylprednisolone	<ul style="list-style-type: none"> • Launched in the US in 2018
Bromsite	Prevention of ocular pain and treatment of inflammation following cataract surgery	<ul style="list-style-type: none"> • Launched in the US in 2019
Xelpros	Reduction of elevated IOP in patients with open-angle glaucoma or ocular hypertension	<ul style="list-style-type: none"> • Launched in the US in 2019
Infugem/InfuSMART	Gemcitabine (chemotherapy product) in pre-mixed, ready-to-use bags	<ul style="list-style-type: none"> • Launched in Europe in 2016 • Introduced in the US in 2019
Sprinkle Portfolio		
1. Drizalma Sprinkle (duloxetine delayed-release capsules)	Various neuro-psychiatric and pain disorders in patients who have difficulty Swallowing	<ul style="list-style-type: none"> • Launched in the US in 2019
2. Ezallor Sprinkle (rosuvastatin capsules)	Elevated lipid disorders in people who have difficulty swallowing	<ul style="list-style-type: none"> • Launched in the US in 2019
3. Kaspargo Sprinkle (metoprolol succinate extended release capsules)	Hypertension, angina pectoris and heart failure in people who have difficulty swallowing	<ul style="list-style-type: none"> • Launched in the US in 2018

BUSINESS MODEL

Our strategy is to create sustainable long-term shareholder value inspired by our Vision of - Reaching People And Touching Lives Globally As A Leading Provider Of Valued Medicines.



GROWTH STRATEGIES

Create Sustainable Revenue Streams

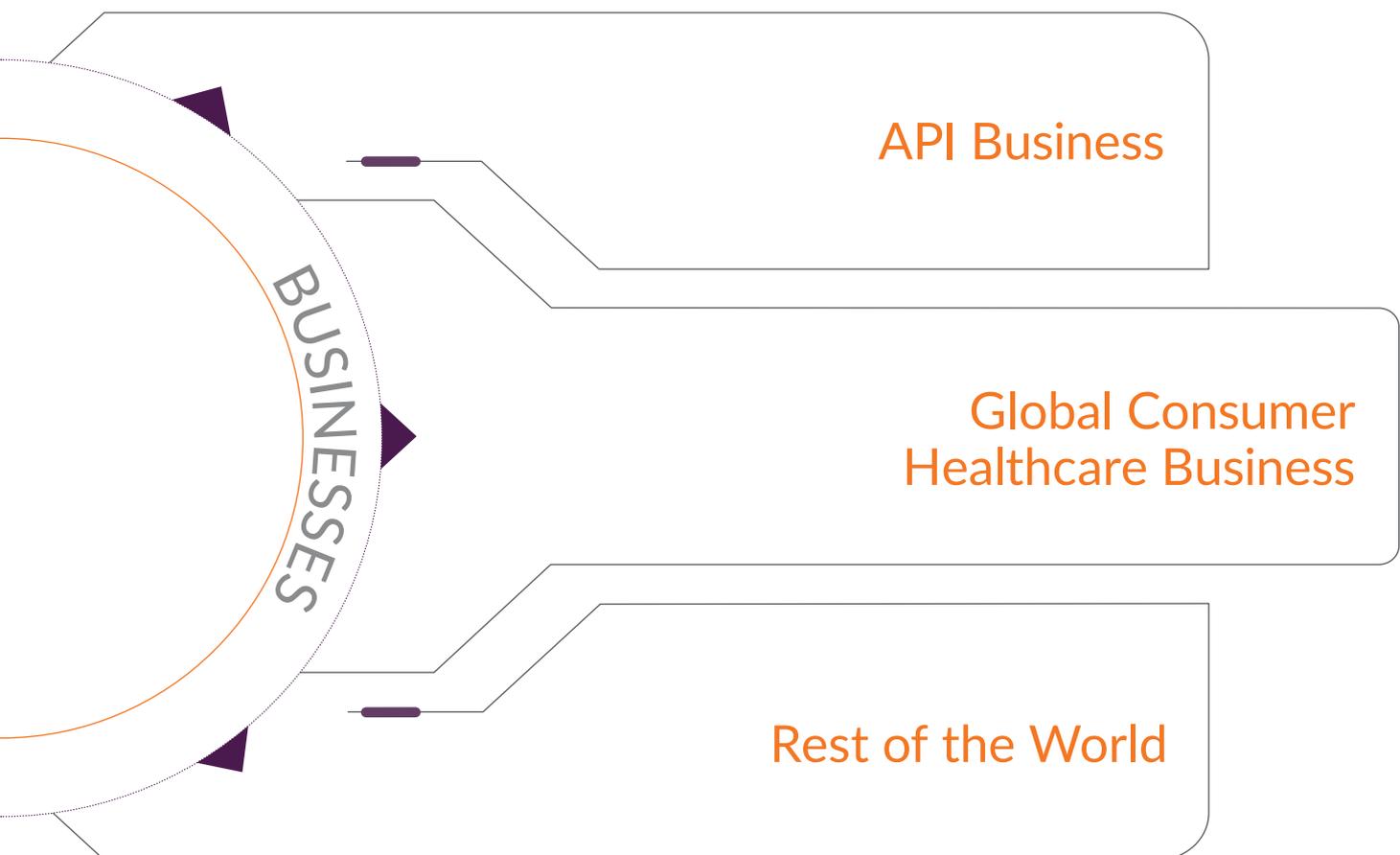
- Ramp-up specialty business globally
- Focus on developing technically complex generic products
- Achieve critical mass across key geographies
- Speed to market - in terms of launching new products
- Ensure sustained compliance with global regulatory cGMP standards

Cost Leadership

- Continuous focus on optimising operational costs
- Leverage benefits of vertical integration

Business Development

- Use acquisitions to bridge critical product and capability gaps
- Focus on access to products, technology, market presence
- Ensure acquisitions yield high return on investment
- Effective capital deployment with focus on reasonable payback



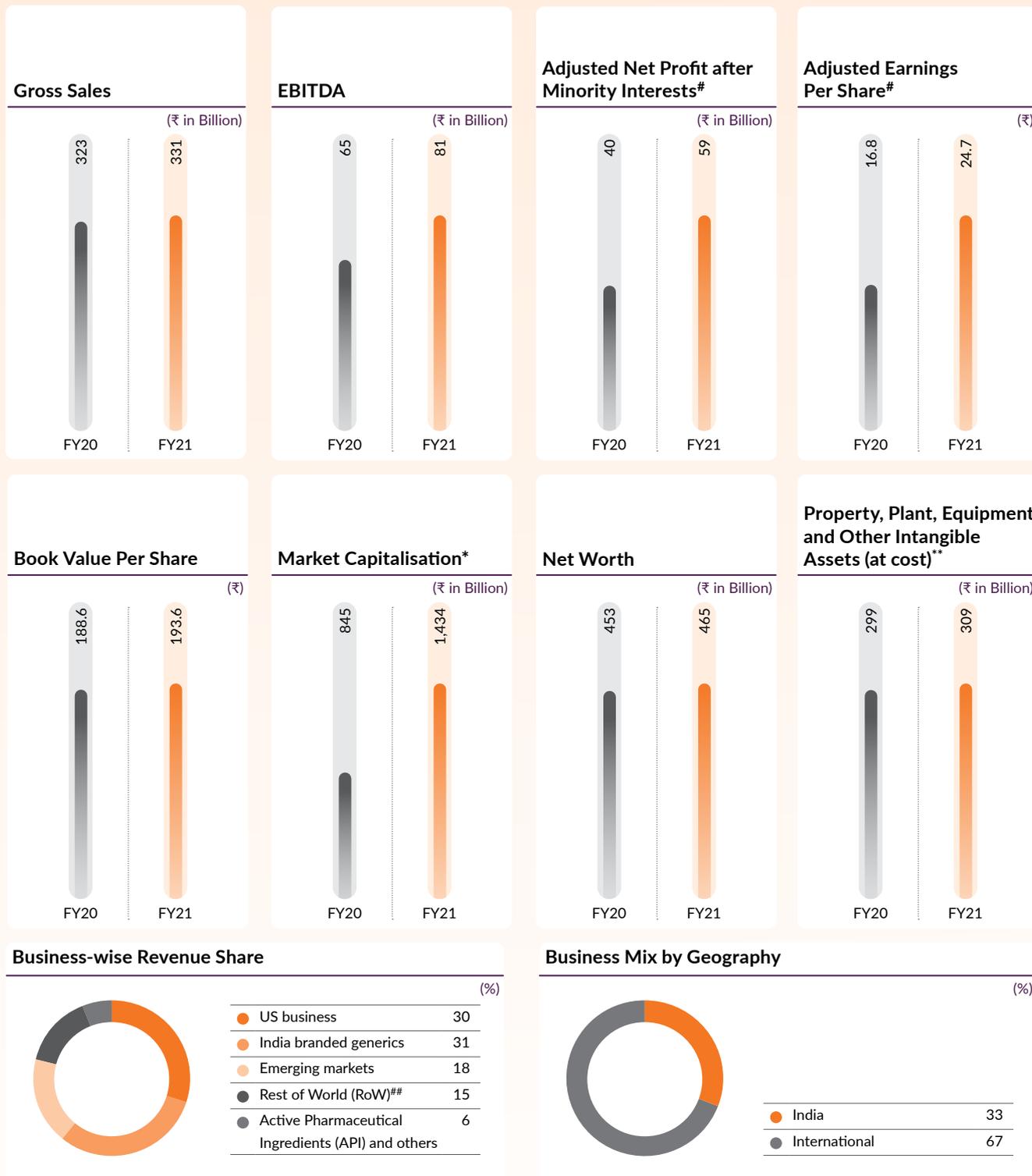
Balance Profitability and Investments for the Future

- Increase contribution of specialty and complex products
- Sustain investments directed towards developing specialty products and complex generics

Focus Areas

- Prioritise sustainable and profitable growth
- Enhance share of specialty products in overall business
- Develop and commercialise complex generics
- Maintain market leadership and high brand equity in India
- Gain critical mass across key international markets
- Focus on improving return ratios

KEY PERFORMANCE INDICATORS



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

* As on March 31

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

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

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

FINANCIAL RATIOS

Table 7 Consolidated

Ratios	Unit	FY21	FY20	Variance	Reasons if Variance is More than 25%
Return on Net Worth (%)	%	6.2%	8.3%	-25%	Return on Net Worth is lower for the year ended March 31, 2021, due to lower net profit. Reduction in net profit is mainly on account of exceptional item
Debtors Turnover	times	3.7	3.4	7%	-
Inventory Turnover (on cost of goods sold)	times	1.0	1.2	-18%	-
Interest Coverage Ratio	times	51.2	18.4	178%	Interest coverage ratio is higher for the year ended March 31, 2021 due to higher profit before interest, tax and exceptional items and also due to reduction in interest cost compared to last year, driven by debt repayment
Current Ratio	times	1.9	2.0	-6%	-
Debt Equity Ratio	times	0.08	0.18	-56%	Reduction in debt and increase in net worth
Operating Profit Margin (%)	%	24.5%	20.0%	22%	-
Net Profit Margin (%)	%	8.8%	11.6%	-25%	Due to lower profits on account of exceptional item

Table 8 Standalone

Ratios	Unit	FY21	FY20	Variance	Reasons if variance is more than 25%
Return on Net Worth (%)*	%	8.5%	13.2%	-35%	Return on Net Worth is lower for the year ended March 31, 2021, due to lower net profit. Reduction in net profit is mainly due to lower other income compared to last year, and exceptional items
Debtors Turnover*	times	2.0	1.9	2%	-
Inventory Turnover (on cost of goods sold)	times	1.5	1.7	-13%	-
Interest Coverage Ratio	times	9.7	9.0	8%	-
Current Ratio	times	1.4	1.1	36%	Reduction in short-term borrowings has helped improve current ratio
Debt Equity Ratio	times	0.27	0.26	2%	-
Operating Profit Margin (%)	%	21.5%	17.5%	23%	-
Net Profit Margin (%)	%	17.0%	27.0%	-37%	Due to lower net profit on account of lower other income and exceptional item

FY21 Business Highlights

• **COVID-19 Response**

Sun Pharma has a multi-pronged approach to overcoming the challenges of the global pandemic. The Company has focused on the following:

1. Maintaining manufacturing continuity to ensure regular supply of medicines to customers/patients across the world
2. Focus on safety and well-being of employees across all our offices, R&D centres and manufacturing units
3. Increased focus on automation, digitalisation and leveraging IT technology tools to ensure business continuity as well as to facilitate work from home (WFH) for many functions in the organisation
4. Supply of multiple therapeutics used in treatment of COVID-19 like Remdesivir, Favipiravir, Itolizumab, Hydroxychloroquine, among others
5. Donated medicines and other items like PPE kits, masks, sanitisers, gloves, and so on

- **Strengthening the Specialty Pipeline**

In May 2020, Sun Pharma concluded a worldwide in-licencing agreement with Sun Pharma Advanced Research Company Ltd. (SPARC) for SCD-044, a potential oral treatment for atopic dermatitis, psoriasis and other auto-immune disorders. The in-licencing of SCD-044 strengthens Sun Pharma's specialty pipeline of innovative dermatology products and demonstrates its commitment to this important segment with significant unmet medical needs.

- **Presented Clinical Data Analysis on Treatment of Skin Cancer**

In June 2020, at the American Academy of Dermatology (AAD) Virtual Meeting Experience, Sun Pharma presented data analyses for ODOMZO® and LEVULAN® KERASTICK® + BLU-U®, offering clinical insights to treat people with or at risk of skin cancer. Long-term analyses of the ODOMZO clinical study confirmed that treatment with ODOMZO provided clinically meaningful outcomes to patients with locally advanced basal cell carcinoma (laBCC) who were taking common concomitant medicines, such as medicines for cardiovascular, inflammatory and auto-immune diseases. For LEVULAN KERASTICK + BLU-U, a post hoc analysis of the Phase 3 trial supports the efficacy and safety benefits of the product, with photodynamic therapy (PDT) in treating minimally to moderately thick actinic keratoses on the upper extremities. It showed significantly greater clearance of lesions and larger percentage of cumulative disease area was cleared with no clinically significant adverse events.

- **Expanding Market Presence for ILUMYA™**

In June 2020, Sun Pharma entered into an exclusive licencing and distribution agreement for ILUMYA™ with Hikma Pharmaceuticals PLC (Hikma) for the Middle East & North Africa (MENA) region. Under this agreement, Hikma will be responsible for the registration and commercialisation of ILUMYA across the MENA markets and Sun Pharma will be responsible for supply.

- **Introduced Cost-Effective Formulation of Favipiravir for COVID-19 in India**

In August 2020, the Company launched FluGuard® (Favipiravir 200 mg) in India at ₹35 per tablet, for the treatment of mild to moderate cases of COVID-19 in India. Favipiravir is the only oral, anti-viral drug approved in India for the potential treatment of patients with mild to moderate COVID-19.

- **Launched ILUMYA® in Japan**

In September 2020, Sun Pharma introduced ILUMYA® Subcutaneous Injection 100 mg Syringe in Japan for the treatment of plaque psoriasis in adults, who have an inadequate response to conventional therapies. ILUMYA® is Sun Pharma's first innovative drug in the

Japanese market and offers a new, safe and effective treatment option for plaque psoriasis to doctors and patients in the country. Japan has ~430,000 people suffering from psoriasis.

- **Presented Positive Results from the ILUMYA® Five-Year Study**

In October 2020, Sun Pharma presented positive, five-year Phase 3 data for ILUMYA® (tildrakizumab-asmn) from the combined reSURFACE 1 and reSURFACE 2 extension studies at the 29th European Academy of Dermatology and Venereology (EADV) Virtual Congress. The study found that patients with moderate-to-severe plaque psoriasis, who continued to receive ILUMYA® through five years of continuous treatment, maintained consistent and extensive skin clearance with no new safety issues reported. In patients treated with ILUMYA 100 mg, clear or almost clear skin (PASI 90) was achieved by 65.9% of patients and 32.8% of patients achieved completely clear skin (PASI 100) at week 244. The standard goal of treatment, a PASI 75 response, was achieved by 88.7% of patients at week 244. The long-term analyses also showed absolute PASI <1/<3/<5 scores at week 28 (50.8%, 85.1% and 96.4%, respectively) were sustained through week 244 (47.7%, 78.8% and 88.7%, respectively). Absolute PASI scores can indicate the extent of residual disease after treatment. Achievement of an absolute PASI score of <3 has been proposed as comparable to a PASI 90 response, which is equivalent to clear or almost clear skin. These results demonstrate that ILUMYA remains effective year on year, maintaining a high level of skin clearance and a durable safety profile, regardless of baseline level of skin disease, age or background illnesses.

- **Initiated Phase 2 Clinical Trial of SCD-044**

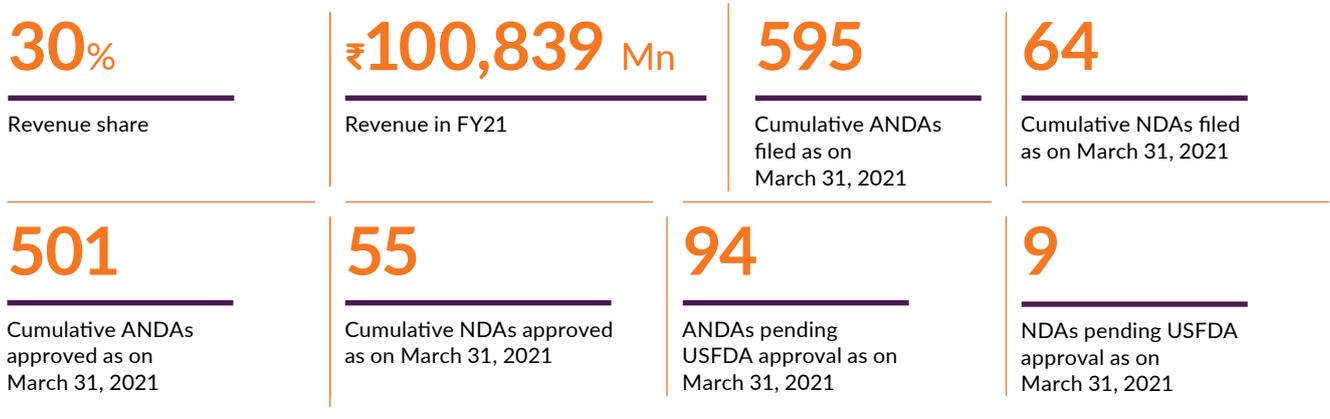
In January 2021, the Company announced the initiation of Phase 2 clinical trial for SCD-044 (a novel, orally bioavailable sphingosine-1-phosphate (S1P) receptor 1 agonist) in patients with moderate-to-severe plaque psoriasis. SCD-044 is also being evaluated in other indications like atopic dermatitis.

- **Introduced Affordable Epilepsy Treatment in India**

In February 2021, Sun Pharma pledged to introduce the complete range of Brivaracetam at an affordable price for epilepsy treatment in India. The Company's brand, Brevipil (Brivaracetam) tablet 25 mg/50 mg/75 mg/100 mg was launched on Day-1, following the patent expiry of innovator product. Brevipil oral solution (10 mg/ml) and injectable (10 mg/ml) were made available subsequently over the next few weeks. Brivaracetam is approved by the Drug Controller General of India (DCGI), as an adjunctive therapy in treatment of partial-onset seizures among patients 16 years of age and older, suffering from epilepsy.

BUSINESS GEOGRAPHIES

US Business



Sun Pharma entered the US pharma market—the world’s largest pharmaceutical market—in 1997 and has, since then, established its prominence in the generics market. It subsequently expanded its portfolio to include specialty branded products and over-the-counter (OTC) products. As per IQVIA data, It is the tenth largest pharmaceutical company in the US generics market with the US business accounting for ~30% of annual consolidated sales.

The Company manufactures and markets various dosage forms, including liquids, creams, ointments, gels, sprays, injectable, tablets, capsules and drug-device combination for the US market. It focuses on the Central Nervous System (CNS), dermatology, cardiology, oncology, ophthalmic segments, among others in the US.

Over the last two decades, Sun Pharma has grown in the US as a valued supplier to some of the largest wholesalers, distributors, and chain drugstores. The Company has fostered long-standing relationships with care providers and payors in the country. A vertically integrated organisation with a global presence, Sun Pharma has on-shore and off-shore manufacturing capabilities, coupled with a strong distribution network to service customers in the US.

2nd
In the US dermatology market (by prescriptions)¹

Table 9 Milestones in the US Business

Year	Major Initiatives
FY21	<ul style="list-style-type: none"> Presented long-term insights into the clinical use of Ilumya at the American Academy of Dermatology (AAD) Virtual Meeting Presented clinical insights for Odomzo and Levulan at AAD Virtual Meeting Pre-clinical data for GL0034 (GLP-1R agonist) presented at the American Diabetes Association (ADA) Virtual 80th scientific sessions
FY20	<ul style="list-style-type: none"> Launched Cequa and Absorica LD
FY19	<ul style="list-style-type: none"> Launched Ilumya and Yonsa Received USFDA approval for Cequa Launched Xelpros Launched Ready-to-Infuse INFUGEM™
FY18	<ul style="list-style-type: none"> Launched Odomzo Received USFDA approval for Ilumya

Year	Major Initiatives
FY17	<ul style="list-style-type: none"> Filed Tildrakizumab Acquired Ocular Technologies to receive access to Cequa – treatment for dry eyes Launched BromSite Acquired Odomzo – branded oncology product from Novartis
FY16	<ul style="list-style-type: none"> Acquired InSite Vision to strengthen the ophthalmology portfolio
FY13	<ul style="list-style-type: none"> Acquired DUSA to enter the branded specialty market
FY10	<ul style="list-style-type: none"> Acquired Taro Pharma to enter the dermatology market
FY98	<ul style="list-style-type: none"> Entered the US market through Caraco acquisition

FY21 Highlights

- Revenues from US de-grew by 4.4% Y-o-Y to ₹100,839 Million
- Despite the significant challenges posed by the COVID-19 pandemic, the specialty branded business in the US witnessed positive growth, with Ilumya, Cequa, Yonsa and Odomzo being key contributors
- Following the end of FY21, the first generic for Absorica entered the market In April 2021
- The US generics market continues to witness Y-o-Y price erosion, driven by faster pace of generic approvals and customer consolidation, resulting in a competitive market

Chart 9 Cumulative ANDAs Filed and Approved

(Numbers)

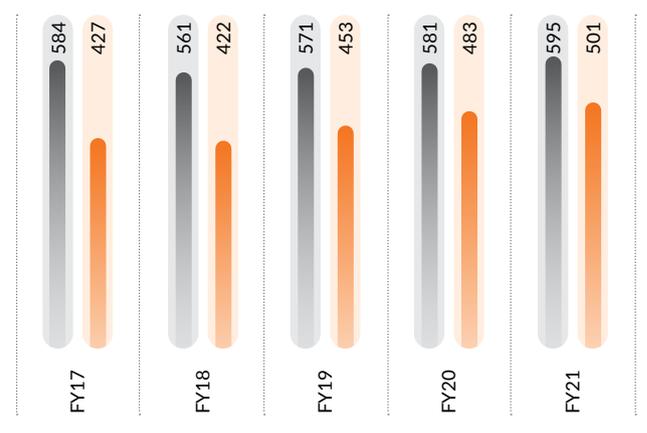


Chart 8 US Sales

(₹ in Billion)

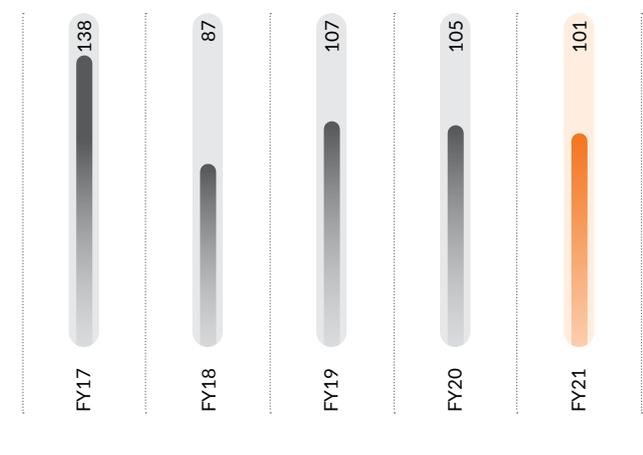
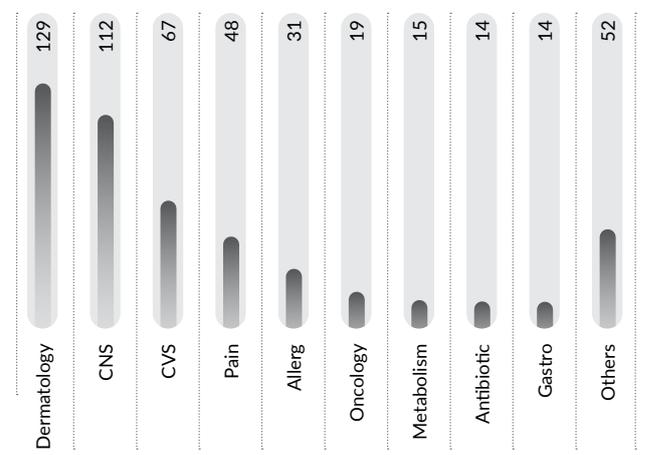


Chart 10 Cumulative ANDA Approvals by Therapeutic Segments as of March 2021

(Numbers)



Roadmap

- Ramp-up prescriptions for specialty products
- Continue to focus on complex generics and high-entry-barrier products
- Focus on product robustness and supply-chain efficiencies to ensure high service standards for customers

India Branded Generics Business: Largest Pharma Company in India^{5,6}



Sun Pharma is the largest pharmaceutical company in the domestic market with 8.17% market share and strong positioning in the high-growth chronic segments. It offers a complete therapy basket, with products in neuro-psychiatry, cardiology, diabetology, gastroenterology, pain/analgesics, gynaecology, ophthalmology, urology, dermatology, respiratory, anti-infectives, and other segments.

Over the years, the Company has built a strong sales force, which enables it to reach a large number of doctors in the country.

Chart 12 India Sales - Consistent Growth Trajectory

(₹ in Billion)

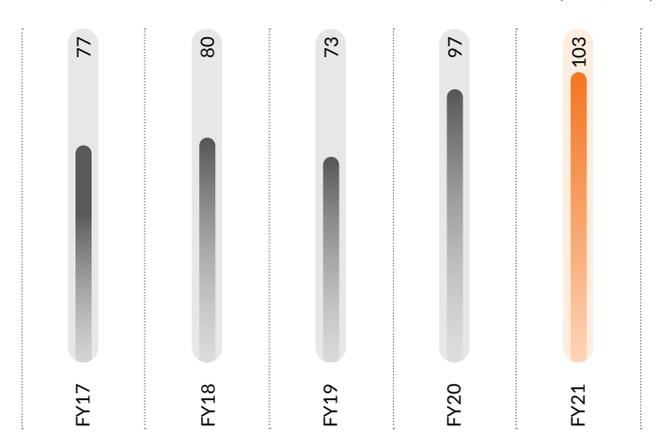


Chart 11 India Business Therapeutic Revenue Break-Up⁵

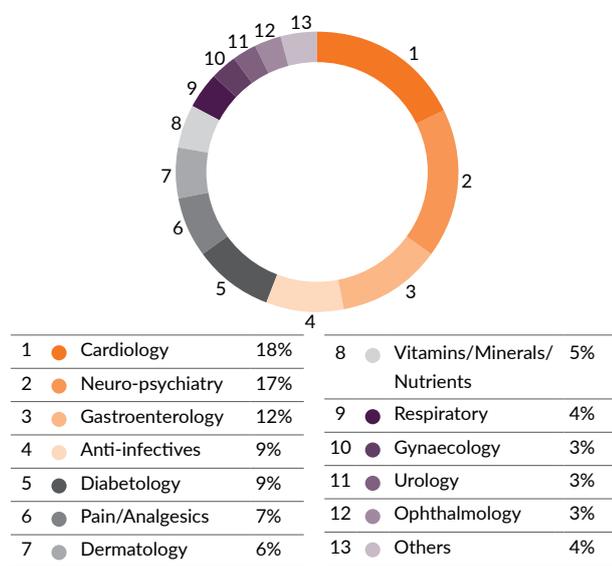


Table 10 India Prescription Ranking - Leadership in Key Therapeutic Areas⁶

Specialist	February 2020	February 2021
Psychiatrists	1	1
Neurologists	1	1
Cardiologists	1	1
Orthopaedic specialists	1	1
Diabetologists	1	1
Gastroenterologists	1	1
Consultant physicians	1	1
Urologists	1	1
Dermatology	1	1
Chest physicians	2	1
ENT specialists	1	2
Nephrologists	1	2
Ophthalmologists	2	2
General surgeons	2	2
Gynaecologists	2	2

FY21 Highlights

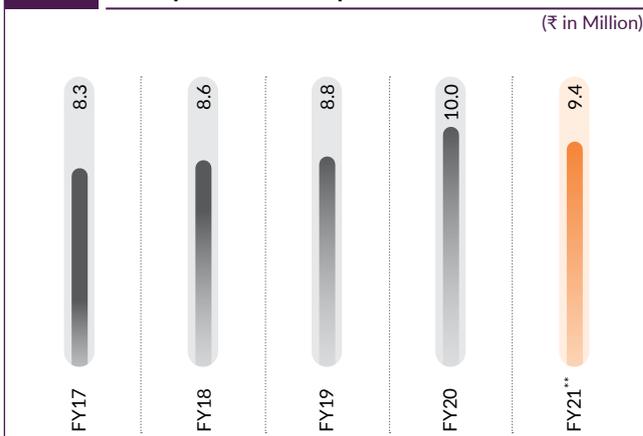
- Revenue from the India Formulations business grew by 6.5% to ₹103,432 Million, driven mainly by chronic segments
- To contain the COVID-19 outbreak, the government announced a lockdown in the country in the first half of the year. This resulted in temporary closure of doctor clinics, reduction in patient consultations, postponement of non-critical treatments including elective surgeries and restrictions in the movement of the medical representatives. As per AIOCD AWACS data for the 12 months ended March-2021, average industry growth was 2.1% with acute and semi-chronic segments getting impacted due to lockdown restrictions
- Growth was driven by a combination of volume and price progressions
- The field force expansion project undertaken in Q4 of FY20, was completed during the year and the new medical representatives commenced their field work
- During the year, we launched 96 products in the domestic market, including the anti-epileptic Brevipil (Brivaracetam) and FluGuard (Favipiravir)
- The Company supplied drugs like Remdesivir, Itolizumab, Hydroxychloroquine (HCQS), Favipiravir and Liposomal Amphotericin B in the Indian market for treatment of COVID-19 and associated ailments
- In May 2021, Sun Pharma entered into a licencing agreement with Eli Lilly to expand access to Baricitinib, in helping alleviate the burden of COVID-19 in India

Best-in-Class Field Force Productivity

Sun Pharma has among the highest Sales per Medical Representative (MR) ratio in India's pharmaceutical market.

During the year, the Company completed the expansion of its sales force to enhance brand focus and improve geographic and doctor reach.

Chart 13 Sales per Medical Representative



**Impact of field force expansion

Roadmap

- Focus on productivity enhancement
- Maintain leadership position in a fiercely competitive market
- Innovate continuously to ensure high brand equity with doctors
- Continue to evaluate in-licencing opportunities for latest generation patented products, given the Company's strong brand equity and extensive distribution network

Emerging Markets

18%

Revenue share

₹57,834 Mn

Revenue in FY21

Leading

Indian company in Emerging Markets

~80

Markets sales reach

7

Markets have local manufacturing footprint

~2,200

Sales representatives

Sun Pharma is one of the leading Indian pharmaceutical companies in the emerging markets. The Company sells its products in ~80 global markets, with a focus on Romania, Russia, South Africa, Brazil, Mexico and other complementary and affiliated markets. It has local manufacturing units across Bangladesh, South Africa, Malaysia, Romania, Egypt, Nigeria and Russia, which provides increased flexibility in servicing these markets.

FY21 Highlights

- Revenues from emerging markets grew by 5.1% to ₹57,834 Million
- Many emerging market currencies showed higher volatility, given the global impact of the pandemic in these markets. While the reported growth for Sun

Pharma's emerging markets revenues was 5.1%, the constant currency growth was higher, at 6.4%

- Sun Pharma entered into an exclusive licencing and distribution agreement for ILUMYA™ with Hikma Pharmaceuticals PLC (Hikma) for the Middle East & North Africa (MENA) region. Under this agreement, Hikma will be responsible for the registration and commercialisation of ILUMYA in these markets.

Roadmap

- Gain critical mass across key markets
- Enhance product basket in emerging markets
- Focus on profitable growth

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



Sun Pharma is among the leading Indian pharmaceutical companies operating in Western Europe, Canada, Japan, as well as Australia & New Zealand (ANZ). These markets are characterised by an ageing population and an increasing incidence in chronic ailments and lifestyle diseases, alongside government efforts to tighten the healthcare budget.

In RoW markets, Sun Pharma offers an expanding products suite, including injectables and hospital products as well as products for the retail market. It has established local manufacturing footprint in Canada, Japan, Australia, Israel and Hungary and follows a distribution-led growth model focused on development and commercialisation of complex generics and differentiated products to drive sustainable and profitable progress.

FY21 Highlights

- Revenue from RoW markets increased by 6.6% to ₹48,191 Million
- Growth driven mainly by Western Europe, Canada and Australia markets
- Sun Pharma launched ILUMYA in Japan for the treatment of plaque psoriasis in adult patients who have an inadequate response to conventional therapies. This is Sun Pharma's first innovative drug to be launched in the Japanese market

Roadmap

- Ramp-up ILUMYA prescriptions in Japan and Australia
- Evaluate newer markets in RoW for commercialising the specialty portfolio
- Launch differentiated generics in key markets

Global Consumer Healthcare Business ^{1,7,8}



Sun Pharma is present in countries like Romania, Russia, South Africa, Nigeria, Myanmar, Ukraine, Poland, Thailand, Belarus, Kazakhstan, Morocco, UAE and Oman. The Company enjoys strong brand equity in India, Romania,

Nigeria and Myanmar, with a portfolio, including over-the-counter (OTC) brands in the Vitamins, Mineral & Supplements (VMS), Cold & Flu, Analgesics, Digestive and Dermatology categories.

As per IQVIA, Sun Pharma's key consumer healthcare brands – Volini and Revital H – are ranked 23rd and 63rd, respectively in the Indian pharmaceutical market. The Indian distribution network spans 1,000+ cities and towns, supported by ~400,000 retail outlets. Globally, the Company has strong pharmacy reach in Russia, Romania, Nigeria and Myanmar for its OTC brands.

FY21 Highlights

- In India, the consumer business revenue recorded double-digit growth, driven mainly by higher sales of Revital-H, which was a result of increased consumption of vitamins, given the COVID-19 pandemic

- We expanded the launch of Volini Joint Xpert Gel to more locations in the country and introduced the Abzorb T Cream, which further expands the dermatology portfolio

Roadmap

- Sustained focus on key brands
- Maintain leadership in existing markets through focus on innovative solutions and brand extensions
- Enhance presence in high growth markets
- Increase retail connect programmes to ensure better availability of our products for end consumers

Active Pharmaceutical Ingredient (API) Business: Strategic Integration

6%

Revenue share

₹19,504 Mn

Revenue in FY21

~300 APIs

Product portfolio

~20-30

APIs scaled up annually

365

DMF/CEP approvals to date

479

DMF/CEP filings to date

14

Manufacturing units

The API business is strategically important for Sun Pharma, as it provides opportunities for strong backward integration and speed to market. These linkages, in turn, provide cost competitiveness and a reliable supply chain, thereby reducing dependence of third-party suppliers. With ~300 offerings in the product portfolio, it caters to large generic manufacturers and innovator companies, after meeting captive consumption requirements. The Company has 14 API manufacturing units across multiple countries and develops ~20-30 APIs annually.

FY21 Highlights

- Revenue from the API business increased by 1.8% to ₹19,504 Million
- Growth was muted mainly due to lower sales of opiates products

Roadmap

- Focus on development and commercialisation of strategic APIs for captive consumption
- Ensure consistent supplies and high service standards for customers

Research and Development (R&D): Creating Future Growth Engines

6.5%

R&D spend as percentage of sales in FY21

₹193+ Bn

Cumulative R&D expenditure till date

At Sun Pharma, R&D is a key determinant of future success. The R&D team focuses on delivering innovative and affordable therapies to cater to the needs of patients. A critical catalyst to the business, R&D investments help build a strong pipeline of branded generics, pure generics and specialty products for India and international markets.

Sun Pharma's R&D capabilities include expertise in the development of products across dosage forms, such as injectables, orals, liquids, ointments, gels, sprays, hormones and oral products. The R&D team is actively supported by strong intellectual property capability.

The Company operates in a highly competitive industry and thus continues to fortify its R&D capabilities with focused investments to develop its long-term specialty and complex generics pipeline in the long run.

Chart 14 R&D Investments

(₹ in Billion)

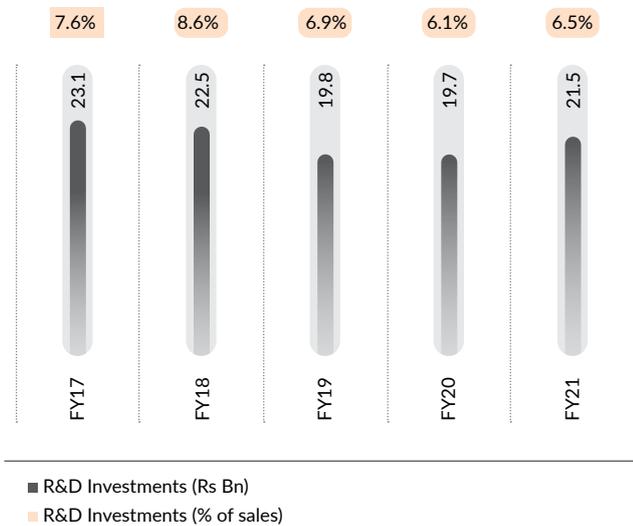
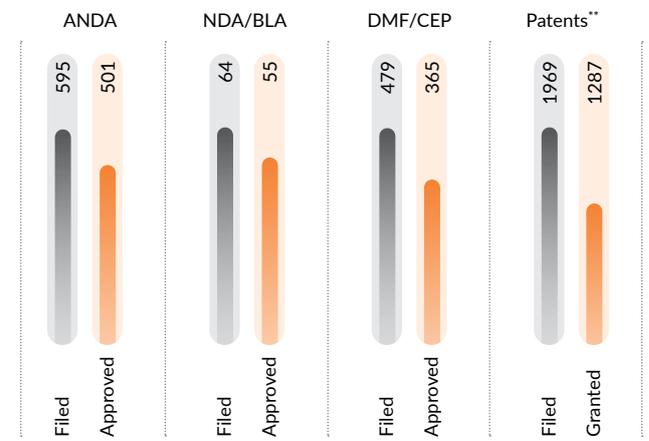


Chart 15 Filings and Approvals

(Numbers)



**Excludes Expired/Abandoned Patents
(All data as of March 31, 2021)

FY21 Highlights

- Commenced phase 3 trials for Ilumya (Tildrakizumab) for psoriatic arthritis indication
- Commenced phase 2 trials for:
 - SCD044 – A S1P1 agonist for plaque psoriasis and atopic dermatitis
 - MMII – Treatment of knee pain in patients with symptomatic knee osteoarthritis
- Commenced phase 1 trials for GL0034, a GLP-1R (Glucagon-Like Peptide-1 Receptor) agonist for treating diabetes

Roadmap

- Invest to build the specialty R&D pipeline
- Develop complex products for global markets
- Target products specifically for emerging markets and India
- Continue to work on developing APIs of strategic importance

Global Manufacturing Base: World-class Manufacturing Infrastructure

The Company has 44 state-of-the-art production units spanning India, the Americas, Asia, Africa, Australia and Europe. This enables Sun Pharma to produce high-quality affordable products. With a vertically-integrated manufacturing network, the Company can produce diverse dosage forms, including hormones, peptides, controlled substances, orals, creams, ointments, injectables, sprays and liquids.

Many of Sun Pharma's manufacturing facilities are certified by global regulatory agencies like the United States

Food and Drug Administration (USFDA), the European Medicines Evaluation Agency (EMA); the UK Medicines and Healthcare Products Regulatory Agency (MHRA); Australia's Therapeutic Goods Administration (TGA); South Africa's Medicines Control Council (MCC); Germany's Federal Institute for Drugs and Medical Devices (BfArM); Brazilian Health Regulatory Agency (ANVISA); the World Health Organisation (WHO), South Korea's Ministry of Food and Drug Safety and Japan's Pharmaceuticals and Medical Devices Agency.

Sun Pharma has 30 finished dosage manufacturing facilities, while its 14 API facilities provide captive support.

Table 11 Finished Dosage Manufacturing Units

Country	Number of Finished Dosage Facility
India	15
US	3
Japan	2
Canada	1
Hungary	1
Israel	1
Bangladesh	1
South Africa	1
Malaysia	1
Romania	1
Egypt	1
Nigeria	1
Russia	1
Total	30

Table 12 API Manufacturing Units

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

People: Share One Purpose

Sun Pharma’s global team has 37,000+ people from over 50 nationalities, collaborating across cultures and locations to develop, manufacture and distribute pharmaceutical products to patients/customers across over 100 geographical markets. The Company offers a congenial work environment that provides equal opportunities for growth, recognising and rewarding the merits of its people. Sun Pharma offers inclusive growth and knowledge-sharing to make its teams future-ready.

Quality: Commitment to Excellence

Sun Pharma has a robust quality management system. Its research centres, manufacturing units, testing labs and distribution facilities follow the highest global quality

standards. The Company has a global Quality Management team that oversees regulatory conformity of every product and manufacturing facility. It has cGMP certifications from global regulatory authorities like USFDA, EMEA, WHO and TGA, among others. The Company has a Corporate Quality Unit that supervises the implementation of latest cGMP updates and guidelines.

In December 2019, the USFDA inspected the Company’s Halol facility and issued Form 483 with 8 observations. Following submission of the Company’s response in January 2020, the USFDA classified the inspection status as Official Action Indicated (OAI). The Company was in continuous communication with the USFDA to resolve outstanding issues and is awaiting a re-inspection by USFDA to resolve the OAI status. However, due to the pandemic and travel restrictions, the re-inspection has been delayed. The Company continues to manufacture and distribute products to the US from this facility. However, the OAI status normally implies that the USFDA may put all new approvals from the Halol facility on hold till the OAI status is changed.

Roadmap

- Ensure 24x7 compliance to cGMP, which is imperative for a global pharmaceutical business
- Enhance systems, processes, human capabilities continuously to ensure compliance with global regulatory standards

Table 13 SWOT Analysis^{1,4,5,6}

Strengths	Opportunities	Threats and Weaknesses
<ul style="list-style-type: none"> • Strong global prominence - 4th largest global specialty generics company - 10th largest generics Company in the US - 2nd largest by prescriptions in the US dermatology segment - Largest pharma company in India by market share - No. 1 ranking with 10 different classes of doctors in India - Among the largest Indian pharmaceutical companies in the emerging markets - Largest Indian pharmaceutical company in Japan 	<ul style="list-style-type: none"> • The pandemic has resulted in increased healthcare awareness globally. This augurs well for companies like Sun Pharma, which can supply high-quality pharmaceutical products at affordable prices 	<ul style="list-style-type: none"> • Fresh outbreaks of the pandemic across the world and subsequent disruption in economic activities may impact economic growth across countries and indirectly also impact pharmaceutical consumption
<ul style="list-style-type: none"> • Robust R&D infrastructure and capabilities to develop technologically complex products in the generic and specialty segments 	<ul style="list-style-type: none"> • The pandemic has also brought forward the need for therapeutic medicines for treating COVID-19 symptoms, extending an opportunity for pharmaceutical companies to service the urgent and vital needs of patients. However, the demand for such products keeps fluctuating depending on the number of viral infections 	<ul style="list-style-type: none"> • Challenging US generics pricing environment, driven by customer consolidation and higher competitive intensity, on account of faster pace of generic drug approvals by the USFDA
<ul style="list-style-type: none"> • Focus on driving growth and profitability through a pragmatic mix of organic and inorganic initiatives 	<ul style="list-style-type: none"> • Favourable macro-economic parameters for India and emerging markets are likely to ensure reasonable volume growth for pharmaceutical products across these markets in the long term 	<ul style="list-style-type: none"> • Significant volatility in the forex market, especially for emerging market currencies, may adversely impact reported growth of these markets, even though they may be recording growth in local currency terms

Strengths	Opportunities	Threats and Weaknesses
<ul style="list-style-type: none"> Strong balance sheet imparts ability to undertake inorganic initiatives without any significant leverage, allowing future growth headroom 	<ul style="list-style-type: none"> For many years, developed markets witnessed a consistent increase in contribution of specialty products in their overall pharmaceutical spending and this trend is expected to continue in future as well. Sun Pharma has already commercialised many of its specialty products in developed markets, and hence will be able to reap the benefits of this expanding opportunity 	<ul style="list-style-type: none"> Given the additional spending on battling the pandemic, governments across the world may try to control pricing of certain products, which may lead to government-mandated price controls on pharmaceutical products
<ul style="list-style-type: none"> Ability to supply affordable, high-quality products consistently across the world 	<ul style="list-style-type: none"> Growing penetration of generics in Japan and opening of the China market, present good long-term opportunities for Indian companies, including Sun Pharma 	<ul style="list-style-type: none"> Developing a specialty pipeline entails high upfront investments for long-term benefits, and may impact short-term profitability

Internal Control

Sun Pharma believes that internal control is a prerequisite for governance and that 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 (GIA)

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

The GIA's functioning is governed by the Audit Charter, duly approved by the Audit Committee of the Board, which stipulates matters contributing to the proper and effective conduct of the audit. The audit processes are fully automated on a 'SunScience' tool, which integrates internal audits,

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Disclaimer

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

Board's Report

Your Directors take pleasure in presenting the Twenty-Ninth Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2021.

FINANCIAL RESULTS

(₹ in Million)

	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	128,032.1	125,319.3	334,981.4	328,375.0
Profit before exceptional item and tax	22,424.3	32,530.0	71,055.1	52,702.3
Exceptional Item	895.6	-	43,061.4	2,606.4
Profit before tax but after exceptional item	21,528.7	32,530.0	27,993.7	50,095.9
Tax expense:				
- Current Tax	2,449.1	3,864.6	9,573.0	13,201.4
- Deferred Tax Charge / (Credit)	(2,317.4)	(3,446.0)	(331.0)	(4,973.4)
- Deferred Tax - Exceptional	-	-	(4,095.1)	-
Profit after tax	21,397.0	32,111.4	22,846.8	41,867.9
Profit after Tax but before Share in profit / (loss) of associates and joint venture	-	-	22,846.8	41,867.9
Share of profit/(loss) of associates and joint venture [Net]	-	-	(123.3)	(148.3)
Profit for the year before non-controlling interests	-	-	22,723.5	41,719.6
Non-controlling interests	-	-	(6,314.7)	4,070.3
Profit for the year attributable to owners of the Company	-	-	29,038.2	37,649.3
Total other Comprehensive Income	633.0	(808.0)	(1,460.3)	21,208.3
Total Comprehensive Income for the year attributable to:	22,030.0	31,303.4	21,263.2	62,927.9
- Owners of the Company	22,030.0	31,303.4	28,133.4	56,068.4
- Non-Controlling Interest	-	-	(6,870.2)	6,859.5
Opening balance in Retained Earnings	140,052.7	123,846.1	353,200.5	333,301.9
Additions:				
Amount available for appropriation	21,324.4	31,925.1	28,985.5	37,377.3
Less:				
Dividend on Equity Shares	15,590.6	13,789.6	15,590.6	13,789.6
Dividend Distribution Tax	-	1,928.9	-	2,834.5
Buy-back of equity shares by overseas subsidiaries	-	-	559.5	831.6
Transfer to/from various Reserves:				
- Legal reserve	-	-	55.0	23.0
- General reserve	-	-	-	-
Closing balance in Retained Earnings	145,786.5	140,052.7	365,980.9	353,200.5

DIVIDEND

During the year under review, your Directors at their meeting held on January 29, 2021 had declared an interim dividend of ₹5.50 (Rupees Five and paise fifty only) per equity share of ₹1/- each [previous year ₹3.00 per equity share of ₹1/- each] for the year ended March 31, 2021. The interim dividend was paid on February 17, 2021 to those shareholders who held shares as on February 10, 2021, being the record date for payment.

In addition to above, your Directors have recommended a final dividend of ₹2/- (Rupees Two only) per equity share

of ₹1/- each [previous year ₹1/- per equity share of ₹1/- each] for the year ended March 31, 2021, subject to the approval of the equity shareholders at the ensuing 29th Annual General Meeting of the Company. Pursuant to the provisions of the Finance Act, 2020, the said final dividend will be liable for deduction of income tax at source.

Therefore, the total dividend payout for the FY21 is ₹7.50/- (Rupees Seven and paise fifty only) per equity share of ₹1/- each [previous year ₹4.00/- per equity share of ₹1/- each].

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

BUY-BACK OF SHARES

The Board of Directors of the Company at its meeting held on March 17, 2020, had approved the buy-back of Company's equity shares of face value of ₹1/- each ("Equity Shares") from the Open Market through stock exchange mechanism as prescribed under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, at a maximum price of ₹425/- (Rupees Four Hundred Twenty Five Only), per Equity Share payable in cash, for an aggregate maximum amount of up to ₹1700,00,00,000/- (Rupees One Thousand Seven Hundred Crores Only) ("Maximum Buy-back Size").

The Buy-back period had opened on and from March 26, 2020 and had closed, during the year under review, effective from closure of trading hours on September 25, 2020 i.e., within 6 months from the date of the opening of Buy-back.

No Equity Shares have been bought back under the Buy-back as the volume weighted average market price of Equity Shares of the Company during the Buy-Back period was higher than the Maximum Buy-back Price.

CHANGES IN CAPITAL STRUCTURE

During the year under review there was no change in the paid-up share capital of the Company.

SCHEME OF ARRANGEMENT

During the year, the Board of Directors of the Company at its meeting held on July 31, 2020 had approved the Scheme of Amalgamation and Merger of Sun Pharma Global FZE ("Transferor Company"), an indirect wholly owned subsidiary of the Company with Sun Pharmaceutical Industries Limited ("Company") and their respective members and creditors ("Scheme") pursuant to Section 234 read with Sections 230 to 232 of the Companies Act, 2013 and the relevant rules and regulations made thereunder for amalgamation of Transferor Company into the Company.

The Hon'ble National Company Law Tribunal of Gujarat, at Ahmedabad ("NCLT") vide its Order dated January 07, 2021 had dispensed with convening of meeting of secured creditor(s) of the Company and had ordered to convene the meeting of equity shareholders and unsecured creditors of the Company and accordingly separate meetings of the equity shareholders and unsecured creditors were convened on March 16, 2021 by way of Video Conferencing / Other Audio Visual Means to approve the Scheme with appointed date as January 01, 2020 or such subsequent date as may be decided by the Board of Directors as applicable, of the Transferor Company and the Board of

Directors of the Company or such date as may be approved by the Hon'ble NCLT or such other appropriate date as the Appropriate Authority may decide.

At both the meetings namely the meeting of equity shareholders and the meeting of unsecured creditors, the resolution for approval of proposed merger was passed with requisite majority. The approval of NCLT is awaited.

The merger will result synergies of operations, reduction in overheads including administrative, managerial and other expenditure, operational rationalisation, organisational efficiency, competitive advantage and optimal utilisation of resources eventually enhancing the growth and reputation of the group. Pursuant to the Scheme, no consideration shall be paid nor any shares of the Company shall be issued and allotted to the shareholders of the Transferor Company.

ANNUAL RETURN

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

SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

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

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

Details pertaining to entities that became subsidiaries/ joint ventures/associates and those that ceased to be the subsidiaries / joint ventures/associates of the Company during the year under review are provided in Note: 38 of the notes to the Consolidated Financial Statements, forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Dilip S. Shanghvi, Managing Director and Mr. Kalyanasundaram Subramanian, Whole-time Director of the Company retire by rotation at the ensuing 29th Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Further, Mr. Kalyanasundaram Subramanian's term as Whole-time Director as approved by the members at the 26th Annual General Meeting of the Company held on September 26, 2018, was upto February 13, 2021.

The Board of Directors of the Company at its meeting held on January 29, 2021, on the recommendation of the Nomination and Remuneration Committee, had approved re-appointment and remuneration of Mr. Kalyanasundaram Subramanian as Whole-time Director for a further period of two years with effect from February 14, 2021 till February 13, 2023, subject to the approval of the shareholders of the Company at the 29th Annual General Meeting. The Board of Directors recommend his re-appointment and remuneration for further period of two years with effect from February 14, 2021, for approval of the members at the ensuing 29th Annual General Meeting of the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors by passing a resolution by circulation have appointed Dr. Pawan Goenka (DIN: 00254502) and Ms. Rama Bijapurkar (DIN: 00001835) as Additional Independent Directors of the Company effective from May 21, 2021 in accordance with the provisions of Section 149 of the Act and in terms of Section 161(1) of the Act, they both hold office upto the date of ensuing 29th Annual General Meeting. In the opinion of the Board, Dr. Pawan Goenka and Ms. Rama Bijapurkar hold highest standards of integrity and possess requisite expertise and experience required to fulfil their duties as Independent Directors and further they are exempted from the requirement to undertake online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Board recommends appointment of Dr. Pawan Goenka and Ms. Rama Bijapurkar as Independent Directors of the Company for a term of 5 (Five) years effective from May 21, 2021 upto May 20, 2026 for approval of the members at the ensuing 29th Annual General Meeting of the Company.

Mr. Sailesh T. Desai was re-appointed as the Whole-time Director at the 26th Annual General Meeting of the Company held on September 26, 2018 for a period of 5 (five) years effective from April 1, 2019 upto March 31, 2024. However, due to inadequacy of profits at that time, the approval for maximum remuneration to be paid to Mr. Sailesh T. Desai was sought from the members for a period of 3 years with effect from April 1, 2019 to March 31, 2022, including the minimum remuneration to be paid to him in event of loss or inadequacy of profits in any financial year during the aforesaid period of 3 years. The Board of Directors, at its meeting held on May 27, 2021, have considered, approved and recommends to the members, the maximum remuneration to be paid to Mr. Sailesh T. Desai, as recommended by the Nomination and Remuneration Committee, for further period of two years i.e. for the remaining term of his present appointment, from April 1, 2022 till March 31, 2024.

Appropriate resolutions for the appointment, re-appointment and remuneration of the Directors are being

placed for your approval at the ensuing 29th Annual General Meeting.

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 Section 149(6) of the Act and under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

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

- A. Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge & skill required including complexity of his job, work duration and risks associated with the work, and attitude of the employee like positive outlook, team work, loyalty etc.
- B. Components of Remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.
 - a) Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
 - b) Variable compensation: The personnel of the Company may be paid remuneration by way of

variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.

- c) Share based payments: The Board may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
- d) Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance / credit facility, rent free accommodation, Company cars with or without chauffer, share and share price related incentive, reimbursement of electricity and telephone bills etc.
- e) Gratuity/group insurance: Personnel may also be awarded to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel.
- f) Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.
- 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	Board of Directors on the recommendation of the Nomination and Remuneration Committee within the limits approved by the shareholders
Key Managerial Personnel and Senior Management	Board of Directors on recommendation of the Nomination and Remuneration Committee
Other employees	Human Resources Head

Note: For the purpose of this Policy, the term 'Senior Management' shall have the same meaning as defined under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

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

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

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

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met 4 (Four) times during the year under review on May 27, 2020; July 31, 2020; November 03, 2020; and January 29, 2021. The particulars of attendance of the Directors at the said meetings are provided in detail in the Corporate Governance Report, which forms a part of this Report. The intervening gap between the meetings was within the period prescribed under the Act and Listing Regulations.

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

During the year, the evaluation of the annual performance of individual Directors including the Chairman of the Company and Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act, relevant Rules, and the Corporate Governance requirements as prescribed under Regulation 17 of Listing Regulations 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.

The Chairman of the Company 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. Further, they also evaluated the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors.

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. Further the evaluation of Chairman of the Board, in addition to the above criteria for individual Directors, also included evaluation based on effectiveness of leadership and ability to steer the meetings, impartiality, etc.

The Chairman and other members of 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.

The Chairman additionally interacted with each Director individually, for evaluation of performance of all Individual Directors and Mr. Dilip Shanghvi, along with other Directors had evaluated the performance of Mr. Israel Makov as the Chairman and as an Individual Director. They were satisfied with the overall performance of the Directors individually and that the Directors generally met their expectations of performance.

The Board also assessed the fulfillment of the independence criteria as specified in Listing Regulations, by the Independent Directors of the Company and their independence from the management.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as diversity in the Board, competency of Directors, strategy and performance evaluation, 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, independence of the committee from the Board, contribution to decisions of the Board, etc.

HUMAN RESOURCES

2020 was a very challenging year for everyone. Our 37000+ strong global workforce worked relentlessly to ensure medicines continue to reach patients who rely on us. As lockdowns hit across the world, our teams being part of essential services, ensured our 44 manufacturing sites, distribution centres, R&D centres and sales offices worldwide continue to operate. We are grateful to our employees who made this happen with a safety-first mind set. The top priority for the Human Resource function was providing a safe work environment to employees globally.

Your Directors would like to take this opportunity to express their gratitude and appreciation for the passion,

dedication and commitment of the employees and look forward to their continued contribution.

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

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

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

During the financial year ended March 31, 2021, no complaint pertaining to sexual harassment was received by the Company. There are no complaints pending as at the end of the financial year.

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

AUDITORS

Statutory Auditors

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

The Auditor's Report for the financial year ended March 31, 2021, has been issued with an unmodified opinion, by the Statutory Auditors.

Secretarial Auditor

The Board had appointed KJB & Co. LLP, Practicing Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2021. The Secretarial Audit Report in the Form No. MR - 3 for the year is provided as 'Annexure - B1' to this Report.

The remarks stated in the Secretarial Audit Report are self explanatory and do not require any further explanation. The Secretarial Audit Report for the year does not contain any other qualification, reservation or adverse remark.

In accordance with the provisions of Regulation 24A of the Listing Regulations, Secretarial Audit of two material unlisted Indian subsidiaries of the Company namely, Sun Pharma Laboratories Limited (SPLL) and Sun Pharma Distributors Limited (SPDL), was undertaken by KJB & Co. LLP, Practicing Company Secretaries, Mumbai and the Secretarial Audit Reports issued by them to the respective Boards of SPLL and SPDL are provided as 'Annexure - B2' and 'Annexure - B3' respectively to this Report. The Secretarial Audit Reports for these material unlisted Indian subsidiaries do not contain any qualification, reservation or adverse remark.

Cost Auditor

The Board has appointed Messrs B. M. Sharma & Associates, Cost Accountants, Pune (Firm's Registration No. 100537) as Cost Auditor of the Company for conducting Cost Audit in respect of Bulk Drugs & Formulations of your Company for the financial year 2021-22.

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

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

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

AUDIT COMMITTEE COMPOSITION

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

RISK MANAGEMENT

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

The Company has developed and implemented an integrated Enterprise Risk Management (ERM) Framework through which it identifies monitors, mitigates & reports key risks that impact the Company's ability to meet its strategic objectives. The Company's ERM framework is based on the recommendations by the Committee of Sponsoring Organisations (COSO) to further the organisation's endeavour 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 a risk register with all the relevant information such as risk description, root cause and any existing mitigation plans. The risk register is refreshed semi-annually. Risks are categorised into Strategic, Financial, Operational, Compliance & Reputational. ERM risk assessments covering Company's various businesses and functions are a key input for the annual internal audit program. During FY21, the focus was on reviewing effectiveness of actions taken to mitigate business, cyber security and other operational & Compliance risks.

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) at the corporate level with support from a Big 4 / equally reputed audit firm, wherever required, carries out risk-focused audits. GIA audits 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 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, which stipulates matters contributing to the proper and effective conduct of the audit. The audit processes are fully automated on 'SunScience' tool which integrates Internal Audits, Automated follow-ups for closure of observations, Internal Financial Controls (IFC) and Enterprise Risk Management (ERM) modules. ERM Risk assessments are a key input for the annual audit program.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee and the meetings held are detailed in the Corporate Governance Report, forming part of this Report. On the recommendation of the Corporate Social Responsibility Committee, the Board of Directors at its meeting held on May 27, 2021 has approved and adopted the revised CSR Policy in line with the requirements of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The CSR Policy of the Company is available on the website of the Company and can be accessed through the web link: <https://sunpharma.com/policies/>

During the year, the Company has spent ₹269.504 Million which exceeds 2% of the average net profits of the Company in the three preceding financial years. The annual report on CSR activities containing details of expenditure incurred by the Company and brief details on the CSR activities are provided in 'Annexure - D' to this Report.

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

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2021, 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, 2021 and of the profit of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSOLIDATED ACCOUNTS

The consolidated financial statements for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

CREDIT RATING

ICRA Ltd. has reaffirmed the highest credit rating of '[ICRA] A1+'/'[ICRA] AAA(Stable)' for the bank facilities, long term/

short term borrowings and commercial paper programs of the Company.

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

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Report of the Company for the year ended March 31, 2021, forms part of the Annual Report and is also made available on the website of the Company at <https://sunpharma.com/investors-annual-reports-presentations/>

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Place: Israel
Date: May 27, 2021

Israel Makov
Chairman
(DIN: 05299764)

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

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY21 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY21:

Name of Director and Key Managerial Personnel	Designation	Ratio of remuneration ^(a) of each Director to median remuneration of employees	Increase/ (decrease) in Remuneration ^(a) in the FY21 (in percentage)
Directors:			
Mr. Israel Makov	Non-executive Chairman	1.53	-20.00
Mr. Dilip S. Shanghvi	Managing Director	85.31	Refer Note 1
Mr. Sailesh T. Desai	Whole-time Director	30.12	Refer Note 2
Mr. Kalyanasundaram Subramanian	Whole-time Director	122.69	Refer Note 3
Mr. Sudhir V. Valia	Non-executive and Non-Independent Director	2.48	Refer Note 4
Ms. Rekha Sethi	Non-executive Independent Director	4.20	15.79
Mr. Vivek Chaand Sehgal	Non-executive Independent Director	1.14	0.00
Mr. Gautam Doshi	Non-executive Independent Director	4.39	9.52
Dr. Pawan Goenka ^(b)	Non-executive Independent Director	Not Applicable	Not Applicable
Ms. Rama Bijapurkar ^(b)	Non-executive Independent Director	Not Applicable	Not Applicable
Key Managerial Personnel:			
Mr. C.S. Muralidharan	Chief Financial Officer	Not Applicable	6.51 Refer Note 5
Mr. Sunil Ajmera	Company Secretary	Not Applicable	5.97 Refer Note 5

(a) Remuneration to Non-Executive Directors consists only of sitting fees and is based on the number of meetings attended during the year. No commission was paid to Non-Executive Directors for the FY 21.

(b) Dr. Pawan Goenka and Ms. Rama Bijapurkar have been appointed as an Additional Independent Directors effective from May 21, 2021 i.e. after the end of FY21.

Note 1: The Bonus of previous year was paid in the current year and the same was reflected in his current year's Form 16. However, no such component was there in the Form 16 for FY 20 as in the year previous to FY 20 (i.e. FY 19), Mr. Dilip Shanghvi was paid only ₹1/- towards remuneration. Accordingly, on comparison of remuneration as per Form 16 of FY 20 and FY 21, the increase comes to 37.20%, however the actual increase in Mr. Dilip Shanghvi's total remuneration (basis CTC) for FY 21 was 7%.

Note 2: The Bonus of previous year was paid in the current year and the same was reflected in his current year's Form 16. Hence, on comparison of remuneration as per Form 16 of FY 20 and FY 21, the increase comes to 12.59%, however the actual increase in Mr. Sailesh T. Desai's total remuneration (basis CTC) for the FY 21 was 7%.

Note 3: In the FY 20, the remuneration of Mr. Kalyanasundaram Subramanian was for part of the year w.e.f. July 04, 2019 and in FY 21, he has received remuneration for the full year. Further, Bonus and Leave Encashment of previous year paid in the current year and the same was reflected in his current year's Form 16. Hence, on comparison of remuneration as per Form 16 of FY 20 and FY 21, the increase comes to 46.30%, however the actual increase in Mr. Kalyanasundaram Subramanian's total remuneration (basis CTC) for the FY 21 was 4.48%.

Note 4: Mr. Sudhir Valia had stepped down from the position of Whole-time Director of the Company with effect from May 29, 2019 and he became a Non-Executive Non-Independent Director of the Company thereafter. The amounts paid to him in the FY20 and FY21 are not comparable as in FY 20, he was paid a remuneration for part of the year including an amount towards full and final settlement and sitting fees for the meetings he attended during the FY 20, as Non-Executive Director as against in FY 21, he was paid only the sitting fees.

Note 5: The percentage increase as mentioned above in the remuneration of Mr. C.S. Muralidharan and Mr. Sunil Ajmera are calculated on the basis of their respective Form 16 for FY 20 as compared to FY 21 and is due to Bonus of the previous year paid in the current year, however the actual increase in their total remuneration (basis CTC) for the FY 21 was 5.20% and 5.80% respectively.

- ii) The percentage increase in the median remuneration of employees in the FY21 (Median -2021/Median 2020): **3.98%**
- (iii) The number of permanent employees on the rolls of the Company (on standalone basis) as on March 31, 2021: **18193**
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year ending March 31, 2021 was approximately 8.21% and the average increase in the managerial personnel remuneration (basis CTC) was 6.16%.

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

(All the details of remuneration given above are as per Form 16 as per Income Tax Act, and the ratios are calculated on that basis.)

For and on behalf of the Board of Directors

Place: Israel
Date: May 27, 2021

Israel Makov
Chairman
(DIN: 05299764)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2021.

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

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021, according to the provisions of:

- i. The Companies Act, 2013 ("**the Act**") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India ("**SEBI**") Act, 1992:

- a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not applicable to the Company for the year under review;**
- f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company for the year under review;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable to the Company for the year under review;**
- h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company;**
- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable to the Company for the year under review.**

We have also examined compliance with the applicable clauses of the

- a. Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
- b. SEBI circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22nd October 2019 read

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

The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above however *in respect of compliances relating to listed commercial papers in pursuance of SEBI CP Circulars namely (a) while the Company has fulfilled the payment obligations as per the redemption schedule, there are instances of delay in filing of certificates as required under para 2.4 of Annexure II of SEBI CP Circulars which was inadvertent delay as informed to us and (b) the Company has annually submitted the quarterly certificates required under para 4 of Annexure II of SEBI CP Circulars presuming that these compliances can be done annually.*

We further report that:

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

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the respective

plant heads, the Company has identified and complied with the following laws applicable to the Company:

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

We further report that, during the period under review, the Company and the then KMPs and an officer had filed settlement applications under SEBI (Settlement Proceedings) Regulations, 2018 on July 18, 2020 to expeditiously close the matter, without admitting or denying the finding of fact and conclusion of law in respect of alleged violations of certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant for timely compliances of disclosures and approvals pertaining to related parties and have paid the settlement charges recommended by SEBI. Subsequently, the adjudication proceedings initiated vide show-cause notices dated May 19, 2020 were disposed of in terms of section 15JB of the SEBI Act, 1992 and section 23JA of the SCRA read with regulation 23(1) of SEBI (Settlement Proceedings) Regulations, 2018.

Note: We relied on the representation made to us by the management wherever required due to several restrictions imposed by the various state governments 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
Firm Unique Identification No. – L2020MH006600
Peer Review Certificate No. – 934/2020

Alpeshkumar Panchal
Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008C000380515

Date: May 27, 2021
Place: Vadodara

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

Annexure – 1

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Alpeshkumar Panchal
Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008C000380515

Date: May 27, 2021
Place: Vadodara

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2021.

[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 2021, 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 2021, 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, Standards etc. mentioned above to the extent applicable.

We further report that:

1. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees 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.

Note: We relied on the representation made to us by the management wherever required due to several restrictions imposed by various State government on the travel, movement and transportation considering public health and safety measures due to Covid -19 pandemic, 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
Firm Unique Identification No.-L2020MH006600
Peer Review Certificate No.-934/2020

Alpeshkumar Panchal
Partner
ACS No. - 49008
C. P. No. - 20120
UDIN: A049008C000374841

Date: May 26, 2021
Place: Vadodara.

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

Annexure - 1

To,
The Members,
Sun Pharma 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 Secretary
Firm Unique Identification No. - L2020MH006600
Peer Review Certificate No. - 934/2020

Alpeshkumar Panchal
Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008C000374841

Date: May 26, 2021
Place: Vadodara

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2021.

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

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

and dealing with client - **Not applicable to the Company for the year under review;**

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

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

We further report that:

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

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

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

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

Note: We relied on the representation made to us by the management wherever required due to several restrictions imposed by the various state government on the travel, movement and transportation considering public health and safety measures due to Covid-19 pandemic, 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
Firm Unique Identification No.-L2020MH006600
Peer Review Certificate No.-934/2020

Alpeshkumar Panchal
Partner
ACS No. - 49008
C. P. No. - 20120
UDIN: A049008C000374993

Date: May 26, 2021
Place: Vadodara.

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

Annexure - 1

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Alpeshkumar Panchal
Partner
ACS No.: 49008
C P No.: 20120
UDIN: A049008C000374993

Date: May 26, 2021
Place: Vadodara

Annexure - C

AOC - 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
2. Details of material contracts or arrangement or transactions (i.e. exceeding ten percent of the annual consolidated turnover as per the last audited financial statements) at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, as on March 31, 2021 if any
1.	Sun Pharma Laboratories Limited (Wholly owned subsidiary)	Purchase of goods, property, plant & equipment, Revenue from contracts with customers (net of returns), Sale of property, plant & equipment, Receiving and Rendering of Service, Reimbursement of expenses paid and expenses received, Loan taken and repaid, Interest expense, Payment towards Lease liabilities, Rent income and other operative income / other income	On-going	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY21 was ₹1,66,466 Million	Since these transactions were in the ordinary course of business and were on arm's length basis, approval of the Board was not applicable.	Nil
2.	Sun Pharma Distributors Limited (Wholly owned subsidiary)	Revenue from contracts with customers (net of returns), Reimbursement of expenses received, Loan Given and Received back, Interest Income, and Rent income.	On-going	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY21 was ₹32,535.9 Million	Since these transactions were in the ordinary course of business and were on arm's length basis, approval of the Board was not applicable.	Nil

For and on behalf of the Board of Directors

Place: Israel
Date: May 27, 2021

Israel Makov
Chairman
(DIN: 05299764)

Annual Report on Corporate Social Responsibility (CSR) Activities for the FY21

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

Sun Pharmaceutical Industries Limited (“Sun Pharma”) has been implementing its CSR activities on different thematic areas as per needs identified in local communities. The Company has defined CSR policy for driving its CSR programme for mass benefits for people. These projects are focused towards downtrodden, unprivileged and lower strata of society. All activities are aligned with the item-areas mentioned in the Schedule VII to the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Sun Pharma’s Corporate Social Responsibility initiatives focus on following thematic areas:

- Healthcare Programme
- Education Programme
- Environment Conservation Programme
- Drinking Water Project and
- Covid-19 Relief Work and
- Rural Development Programme

In FY21, the Company has spent ₹269.504 Million for the implementation of CSR projects.

2. COMPOSITION OF CSR COMMITTEE:

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

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

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

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

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

Not Applicable for the projects undertaken during FY21

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set off for the financial year, if any
1	2017-18	--	--
2	2018-19	--	--
3	2019-20	--	--
TOTAL		--	--

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5). – ₹6490.63 Million

7.	(a) Two percent of average net profit of the company as per section 135(5).	₹129.810 Million
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(c) Amount required to be set off for the financial year, if any.	Nil
	(d) Total CSR obligation for the financial year (7a+7b-7c).	₹129.810 Million

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
₹269.504 Million	--	--	--	--	--

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No. of Project	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	State.	Location of the project District.	Amount spent for the project (₹ in Million.)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency Name. CSR registration number
1.	Support towards setting-up of Cancer Sanatorium Institute, Wadala, Mumbai	Healthcare under Item No. (i)	Yes	Maharashtra	Mumbai	100.00	No	Shantilal Shanghvi Foundation CSR000002593
2.	Initiatives on Prevention of Covid-19 in Communities	Disaster relief under Item No. (xii)	No	PAN India	-	104.296	Yes	-
3.	Infrastructural Development for Pharma Research Laboratory	Education under Item No. (ii)	No	Maharashtra	Pune	25.000	No	Agricultural Development Trust CSR00001043
4.	Mobile Healthcare Unit	Healthcare under Item No. (i)	Yes	Maharashtra, Gujarat, Punjab, Himachal Pradesh, Madhya Pradesh, and Tamilnadu	Ahmednagar, Panchmahal, SAS Nagar, SBS Nagar, Paonta Sahib, Dewas, Bharuch, Vadodara, Bhind, and Chengalpattu	22.708	No	Sun Pharma Community Healthcare Society CSR000003635
5.	School Infrastructure Development Project	Education under Item No. (ii)	Yes	Gujarat, Tamilnadu, UT of Dadra & Nagar Haveli, Himachal Pradesh, Punjab	Pachmahal (Gujarat), Chengalpattu (Tamilnadu), Dadra and Nagar Haveli, Sirmour (H.P.), Solan (H.P.) and Nawanshahr (Punjab)	2.213	Yes	-
6.	School Toilet Construction Project	Education under Item No. (ii)	Yes	Gujarat, Tamilnadu, UT of Dadra and Nagar Haveli	Pachmahal (Gujarat), Chengalpattu (Tamilnadu), Dadra and Nagar Haveli	1.999	Yes	-
7.	Anganbari Development Project	Malnutrition under Item No. (i)	Yes	Gujarat, Tamilnadu,	Vadodara, Maduranthakam	1.241	Yes	-
8.	Setting-up of Digital Classroom Project	Education under Item No. (ii)	Yes	Gujarat	Panchmahal (Gujarat), Vadodara (Gujarat)	1.167	Yes	-
9.	Promotion of Quality of Education	Education under Item No. (ii)	Yes	Gujarat, Tamilnadu,	Chengalpattu (Tamilnadu), Vadodara (Gujarat)	1.050	Yes	-
10.	Provision of medicines to combat Covid-19 Infection	Healthcare under Item No. (i)	Yes	UT of Dadra and Nagar Haveli	Dadra and Nagar Haveli	0.617	No	Rogi Kalyan Samiti CSR000004127

(4)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No. Project	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project		Amount spent for the project (₹ in Million.)	Mode of implementation (Yes/No).	Mode of implementation - Through implementing agency
				State.	District.			Name. CSR registration number
11.	Rural Infrastructure Development Projects	Rural Development under Item No. (x)	Yes	Maharashtra and Gujarat	Ahmednagar, Panchmahal and Bharuch	0.488	Yes	-
12.	Roadside Plantation Initiatives	Environment under Item No.(iv)	Yes	Maharashtra, Gujarat and Punjab	Ahmednagar, Bharuch, Vadodara and Nawanshahr	0.450	Yes	-
13.	Construction of Mini Water Works in Rural Communities	Drinking Water under Item No. (i)	Yes	Gujarat	Panchmahal	0.311	No	Society For Village Development in Petrochemicals Area (SVADES)
14.	Donate a Plate Campaign	Eradicating Hunger under Item No.(i)	No	Uttar Pradesh and Delhi	Ghaziabad and East Delhi	0.298	No	Love Care Foundation
15.	Drinking Water Supply in Toansa	Drinking Water under Item No. (i)	Yes	Punjab	Nawanshahr	0.289	Yes	-
16.	Skill Development Training	Vocational Skills under Item No. (ii)	Yes	Madhya Pradesh	Bhind	0.264	Yes	-
17.	Renovation of Community Centre	Rural Development under Item No. (x)	Yes	Gujarat	Vadodara	0.211	No	Society For Village Development in Petrochemicals Area (SVADES)
18.	Rain Water Harvesting Projects	Environment under Item No.(iv)	Yes	Gujarat	Panchmahal	0.207	Yes	-
19.	Healthcare Programme	Healthcare under Item No. (i)	Yes	Gujarat, Punjab and Tamilnadu	Panchmahal, Vadodara, Chengalpattu and Nawanshahr	0.155	Yes	-
TOTAL						262.965		

- (d) Amount spent in Administrative Overheads - ₹6.539 Million
 (e) Amount spent on Impact Assessment, if applicable - Not Applicable
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹269.504 Million
 (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Million)
(i)	Two percent of average net profit of the company as per section 135(5)	129.810
(ii)	Total amount spent for the Financial Year	269.504
(iii)	Excess amount spent for the financial year [(ii)-(i)]	139.694
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	139.694

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year (₹ In Million).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years.
				Name of the Fund	Amount.	Date of transfer	
1.	2017-18	NA	26.965	NA	NA	NA	NA
2.	2018-19	NA	39.362	NA	NA	NA	NA
3.	2019-20	NA	43.708	NA	NA	NA	NA
TOTAL			110.035	NA	NA	NA	NA

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

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

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR.

(a)	Date of creation or acquisition of the capital asset(s).	
(b)	Amount of CSR spent for creation or acquisition of capital asset	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Nil
(d)	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

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

Not Applicable

Date: May 26, 2021

Dilip S. Shanghvi
Chairman - CSR Committee and Managing Director
(DIN: 00005588)

Sudhir V. Valia
Member - CSR Committee and Director
(DIN: 00005561)

CSR Activities of the Company

Sun Pharmaceutical Industries Limited ("Sun Pharma") has been implementing its CSR activities on different thematic areas as per needs identified in local communities. The Company has defined CSR policy for driving its CSR programme for mass benefits for people. The CSR projects of the Company are focused towards downtrodden, unprivileged and lower strata of society. All activities are aligned with the item-areas mentioned in the Schedule VII to the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Sun Pharma's Corporate Social Responsibility initiatives focus on following thematic areas:

- a) Healthcare Programme
- b) Education Programme
- c) Sanitation Programme
- d) Environment Conservation Programme
- e) Drinking Water Project
- f) Covid-19 Relief Work and
- g) Rural Development Programme

In FY21, the Company has spent ₹269.504 Million for the implementation of CSR projects.

1. SUPPORT TOWARDS SETTING-UP OF CANCER SANATORIUM INSTITUTE, WADALA, MUMBAI:

The project aims to provide comprehensive cancer cure facility for delivering high-quality treatment and care for patients, embracing all socio-economic backgrounds by setting up a clean and aesthetically designed sanatorium for housing of cancer patients for chemotherapy and radiation treatment at Wadala, Mumbai.

The company has contributed ₹100 Million during the financial year 2020-21 and the project has been implemented by Shantilal Shanghvi Foundation.

2. INITIATIVES ON PREVENTION OF COVID-19 IN COMMUNITIES:

The COVID-19 pandemic has led to a dramatic loss of human life worldwide and presented an unprecedented challenge to public health, food systems and the world of work. Countering the unprecedented challenges, the Company has wholeheartedly supported the fight against Covid-19 by providing comprehensive support to ongoing covid relief work. Providing free facemasks, sanitisers, medicines and food packets to the rural community has been at the core of Company's relief work.

The project has benefitted diverse communities across India with the total expenses of ₹104.296 Million during the FY21.

3. INFRASTRUCTURAL DEVELOPMENT FOR PHARMA RESEARCH LABORATORY:

The project has been undertaken to set-up laboratory at Scientific Research Institute for carrying-out scientific, dairy and agricultural research at Baramati, Maharashtra.

The Company has contributed ₹25 Million during the financial year 2020-21 and the project has been implemented by Agriculture Development Trust, Baramati.

4. MOBILE HEALTHCARE UNIT:

Mobile Healthcare Unit aims to serve the underprivileged section of the society by initiating measures for Health Promotion, Preventive Healthcare Education and providing treatment. It operates in the rural areas of Ahmednagar, Halol, Mohali, Toansa, Paonta Sahib, Dewas, Panoli, Ankleshwar, Karkhadi, Malanpur, and Maduranthakam.

The Project has provided Curative Treatment to 1,26,234 patients and Preventive & Promotive Healthcare to 29,449 people during the course of a year. The Company has contributed ₹22.708 Million during the financial year 2020-21 and project was implemented by Sun Pharma Community Healthcare Society.

5. SCHOOL INFRASTRUCTURE DEVELOPMENT PROJECT:

The Programme envisions comprehensive improvement of school education while transforming the lives of the community by creating a lot of educated, self-reliant and confident students. It aims to develop quality infrastructure such as classrooms, water and sanitation facilities, sports equipment facilities and availability of chairs and benches in Halol, Panoli, Maduranthakam, Paonta, Silvassa, Baddi and Toansa.

With an objective to upgrade the infrastructure facilities in schools, Company has contributed ₹2.213 Million during financial year 2020-21. The programme has been implemented by CSR department and it has benefitted 2934 Students.

6. SCHOOL TOILET CONSTRUCTION PROJECT:

Lack of access to proper sanitation facilities poses a huge barrier to education as children frequently miss school due to hygiene-related diseases. Proper sanitation facilities play a key role in creating safe and healthy school environments where children can focus on learning. Working on the same agenda, this project aims to provide safe sanitation facilities in Government Schools located at Dadra, Halol, Panoli and Maduranthakam.

The Company has contributed ₹1.999 Million during the financial year 2020-21, with benefit being extended to 1421 Students.

7. ANGANBARI DEVELOPMENT PROJECT:

The project envisions to provide a caring environment that addresses the educative, health and nutritive requirements of rural children by refurbishing of existing centres in child friendly environment including learning environment through provision of good infrastructure and learning materials in Anganbari Centres located at Maduranthakam and Vadodara.

The Company has contributed ₹1.241 Million during the financial year 2020-21, with benefit being extended to 325 toddlers.

8. SETTING-UP OF DIGITAL CLASSROOM PROJECT:

The project caters to the increasing need of integrating ICT in current education system. It aims to enhance the quality of education in schools through digital mode of education in Government schools of Halol and Karkhadi in Gujarat. This has also helped in augmenting the interest of students in studies leading to increase in school attendance and better performances.

The Company has contributed ₹1.167 Million during the financial year 2020-21, with benefit being extended to 1501 Students.

9. PROMOTION OF QUALITY OF EDUCATION:

Promotion of quality of education envisions enhancing the quality of education in educational institutions and addressing the unmet needs for them to empower the students. It focuses on providing remedial education for the students, laboratory set-up with the ultimate objective to enhance the quality of education in educational institutions located at Chennai and Vadodara. The Company has contributed ₹1.050 Million during the financial year 2020-21. With benefit being extended to 525 students, the project has been implemented by CSR Department of the Company.

10. PROVISION OF MEDICINES TO COMBAT COVID-19 INFECTION:

In continuation of commitment to counter the unprecedented challenges during Covid-19, the Company furthered its spirited efforts by providing free Tocilizumab Injection for seriously ill patients addressing public health emergency at Silvassa.

The Company has contributed ₹0.617 Million in the project during the financial year 2020-21, with benefit being extended to 20 patients suffering from Covid-19.

11. RURAL INFRASTRUCTURE DEVELOPMENT PROJECTS:

Rural Infrastructure plays a very important role in supporting nation's economic growth, it is crucial for agriculture, agro-industries and poverty alleviation in the rural areas and has the potential to provide basic amenities to people that can improve their quality of life, working on the same motive, the project aims to uplift rural communities by upgrading much needed rural infrastructure facilities at Ahmednagar, Halol and Panoli.

The Company has contributed ₹0.488 Million in the project during the financial year 2020-21, with benefit being extended to communities.

12. ROADSIDE PLANTATION INITIATIVES:

The project aims to provide impetus on fostering environment conservation and increase greenery in roadside areas of Ahmednagar, Panoli, Toansa and Vadodara.

With an objective to maintain the ecological balance, attenuate the noise generated and improve the aesthetics, the Company has contributed ₹0.450 Million in the project during the financial year 2020-21.

13. CONSTRUCTION OF MINI WATER WORKS IN RURAL COMMUNITIES:

The project aims to provide access to safe and equitable water connectivity in Abhetwa Village of Halol Taluka, fostering better health & time saved while fetching water, reduced incidence of diseases, increased productivity and greater time availability for income generating activities.

The project has benefitted 252 Households, with the Company's contribution of ₹0.311 Million during the financial year 2020-21.

14. DONATE A PLATE CAMPAIGN:

Donating food to the needy people helps counter poverty, hunger and at the same time, it boosts health, happiness, cooperation, goodwill, and foster strong communities. Working on the same cause, the project has undertaken to donate food plate to needy and underprivileged communities during the festive season in Ghaziabad and East Delhi Districts.

It's a public campaign, in which matching grant was provided by the Company. The Company has contributed ₹0.298 Million during the financial year 2020-21. The benefit was extended to poor and deprived communities and it was implemented by Love Care Foundation.

15. DRINKING WATER SUPPLY IN TOANSA:

The project envisions providing safe and potable drinking water supply by constructing and maintaining Tube well for water connectivity pipelines and water storage tanks at Toansa, Punjab.

The project has benefitted 470 Villagers, with the Company contributing ₹0.289 Million during the financial year 2020-21.

16. SKILL DEVELOPMENT TRAINING:

It is important to engage the rural youth in a productive way in tandem with their aspirations by providing them credible opportunities for growth and well-being and working on the similar lines, the project has been undertaken to impart skill development training to rural youth in Malanpur area. Training was organised in the areas of Computer Literacy, Embroidery and Stitching.

The Company has contributed ₹0.264 Million in the project during the financial year 2020-21, with benefit being extended to 42 Youths.

17. RENOVATION OF COMMUNITY CENTRE:

In order to upgrade the infrastructural facilities in the village, the project was undertaken and community centre has been renovated for public use in the Karkhadi village.

The Company has contributed ₹0.211 Million in the project during the financial year 2020-21, with benefit being extended to communities.

18. RAIN WATER HARVESTING PROJECTS:

Rainwater harvesting systems for schools is required for educating children about the benefits of conservation of our natural resources. They save money by water conservation and help to encourage an environmentally responsible attitude in the next generation. Working on the same motive, the project was undertaken to construct Roof-top Rain water Harvesting Structure in the Government School at Tarkhanda, Halol.

The Company has contributed ₹0.207 Million in the project during the financial year 2020-21, benefitting school communities.

19. HEALTHCARE PROGRAMME:

The programme aims to serve the underprivileged section of society by initiating measures for health promotion and during the course of a year various initiatives have been undertaken including financial support to blood banks, free medical benefits in rural focal point and organising various Specialised Medical Camps for Public benefits. It was organised at Panchmahal, Vadodara, Chengalpattu and Nawanshahr.

The programme has benefitted diverse underprivileged communities, with the Company contributing ₹0.155 Million during the financial year 2020-21.

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

A. CONSERVATION OF ENERGY

1. Steps taken or impact on Conservation of Energy

- New green fuel boiler installed instead of fossil fuel boiler.
- Electric heat pump is installed instead of steam based hot water generation.
- Installed closed loop energy efficient pumping system instead of open loop hot well cold well system.
- Installed energy efficient chillers instead of old inefficient chillers.
- Replaced reciprocating air compressor by energy efficient screw compressor.
- Installed energy efficient pump in placed of inefficient pumps.
- Improve chiller system efficiency by installing automatic condenser cleaning system, side stream filtration systems.
- Hot water generation system for process is changed to plate heat exchangers from direct live steam heating.
- Steam ejectors are replaced with dry vacuum pumps to reduce steam load and to reduce the impact on environmental load.
- Old inefficient continuously operated motors are replaced with energy efficient IE3 motors.
- Improve steam to fuel ratio by condensate recovery, flash recovery & by replacing steam traps.

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

- Conventional fuel like furnace oil /high speed diesel are replaced with biomass briquettes (carbon neutral) fuel for Steam generation at various locations.
- In MKM plant – Power is partly sourced from wind mills.
- In Gurgaon plant – Power is partly sourced from rooftop solar.
- In Silvassa plant – Power is partly sourced from rooftop solar
- In Dadra plant – Power is partly sourced from rooftop solar
- In Dewas plant – Power is partly sourced from solar energy

3. Capital investment on energy conservation equipments

Capital investment of ₹196.2 Million has been made on energy conservation equipments.

B. TECHNOLOGY ABSORPTION

(A) Research and Development

Expenditure on R&D –

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Capital	383.8	305.4
Revenue	9,990.3	9,897.5
Total	10,374.1	10,202.9
Total R&D expenditure as % of Total Turnover	8.3%	8.6%

(B) Technology Absorption, Adaptation and Innovation

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

The Company continues to invest on R&D, both as revenue expenses as well as capital investments. This spending is directed at developing complex products, specialty products, generic products, and API technologies. Some of these products may require dedicated manufacturing blocks. Investments have been made in employing scientifically skilled and experienced manpower, adding technologically advanced and latest equipment, sponsored research and in accessing world class consultants to continuously upgrade the research understanding of the scientific team in the technologies and therapy areas of our interest.

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

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

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

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

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

(b) For FY21, 75 formulations were developed and filed from our R&D locations for the Indian and regulated markets and 177 dossiers were submitted for filing in various emerging markets. The Company has also filed 100+ drug master files across various markets during the year.

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

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

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

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

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

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

C) Foreign Exchange Earnings and Outgo -

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Earnings	84,492.8	74,218.7
Outgo	30,333.7	27,963.9

For and on behalf of the Board of Directors

Israel Makov

Chairman

(DIN: 05299764)

Place: Israel
Date: May 27, 2021

Corporate Governance

CORPORATE GOVERNANCE INITIATIVES AT SUN PHARMA

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

Highlights of the Corporate Governance Initiatives at Sun Pharma:

- The Company constituted a Corporate Governance and Ethics Committee, with the objective to monitor Company's compliance with the Corporate Governance guidelines and applicable laws and regulations, make recommendations to the Audit Committee and thereby to the Board on all such matters and on corrective actions, if any, to be undertaken, review and ensure implementation of ethical standards and practices in respect of Corporate Governance by the Company in spirit, substance and intent perspective.
- Extended the Whistle Blower mechanism to external stakeholders which enables anonymous complaints.
- Our Global Code of Conduct policy which sets forth legal and ethical standards of conduct for us, to ensure compliance with legal requirements and serves as a guide for our daily business interactions, reflecting our standard for appropriate behavior and our corporate values, is made applicable to all the employees (whether permanent or temporary) as well as employees of our subsidiaries, affiliates and business units within and outside India (except any publicly held companies and its subsidiaries).
- Sharing of general guide for investors - FAQs and Guide book is made available on the website of the Company at the link <https://sunpharma.com/investors-faqs/> for the convenience of shareholders.

- The Company has separate positions of Chairman and of Managing Director since 2012.
- The Company sends on quarterly basis, the quarterly results along with summary of significant events to the shareholders whose e-mail IDs are available with the Company/Registrar.
- The Company has been spending on CSR activities in some of the previous years on voluntary basis even when the average net profits of the Company were negative, and requirement for mandatory spend by the Company was not applicable to the Company for those years, as per the Companies Act, 2013.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time the Company submits the Corporate Governance Report for the year ended March 31, 2021.

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

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

2. BOARD OF DIRECTORS

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

Composition and category of Directors is as follows:

Category of Directors	Name of the Directors	Inter-se Relationship between Directors
Non-Promoter Non-Executive and Non Independent Directors	Mr. Israel Makov (Chairman)	-
Promoter Executive Director	Mr. Dilip S. Shanghvi (Managing Director)	Brother-in-law of Mr. Sudhir V. Valia
Non-Promoter (however part of Promoter Group) Non-Executive and Non Independent Directors	Mr. Sudhir V. Valia	Brother-in-law of Mr. Dilip S. Shanghvi
Non-Promoter Executive Directors	Mr. Sailesh T. Desai (Whole-time Director)	-
	Mr. Kalyanasundaram Subramanian (Whole-time Director)	-

Category of Directors	Name of the Directors	Inter-se Relationship between Directors
Non-Executive Independent Directors	Ms. Rekha Sethi	-
	Mr. Vivek Chaand Sehgal	-
	Mr. Gautam Doshi	-
	Dr. Pawan Goenka (Appointed with effect from May 21, 2021)	-
	Ms. Rama Bijapurkar (Appointed with effect from May 21, 2021)	-

Number of Board meetings held during the year ended March 31, 2021 and the dates on which held:

Four Board meetings were held during the year. The dates on which the meetings were held during the year ended March 31, 2021 are as follows:

May 27, 2020; July 31, 2020; November 3, 2020; and January 29, 2021.

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

Name of the Director	Attendance particulars for the year ended March 31, 2021			No. of other Directorships and Committee Memberships / Chairmanships as of March 31, 2021 ¹		
	Number of Board Meetings Entitled to attend	Number of Board Meetings attended	Last AGM held on August 27, 2020	Other Directorships	Committee Memberships ²	Committee Chairmanships ²
Mr. Israel Makov	4	4	Yes	-	-	-
Mr. Dilip S. Shanghvi	4	4	Yes	1	-	-
Mr. Sudhir V. Valia	4	4	Yes	4	3	1
Mr. Sailesh T. Desai	4	4	Yes	3	-	-
Mr. Kalyanasundaram Subramanian	4	4	Yes	2	-	-
Ms. Rekha Sethi	4	4	Yes	5	3	-
Mr. Vivek Chaand Sehgal	4	4	Yes	6	1	-
Mr. Gautam Doshi	4	4	Yes	3	1	1

Notes:

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

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

Names of the Indian listed entities where the Directors of the Company hold Directorship and the category of directorship as on March 31, 2021:

Name of the Director	Other Indian Listed entities in which they hold Directorship	Category of Directorship
Mr. Dilip S. Shanghvi	Sun Pharma Advanced Research Company Ltd	Chairman and Managing Director
Mr. Sudhir V. Valia	Sun Pharma Advanced Research Company Ltd	Non Executive & Non Independent Director
Ms. Rekha Sethi	CESC Ltd	Independent Director
	Spencer's Retail Limited	Independent Director
Mr. Vivek Chaand Sehgal	Motherson Sumi Systems Ltd	Non-Executive & Non-Independent Chairman
Mr. Gautam Doshi	Suzlon Energy Limited	Non-Executive and Independent

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

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

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

Skill set / Area of Expertise	Whether the skill is possessed by the Director of the Company									
	Israel Makov	Dilip Shanghvi	Sailesh Desai	Kalyanasundaram Subramanian	Sudhir Valia	Gautam Doshi	Rekha Sethi	Vivek Chaand Sehgal	Pawan Goenka	Rama Bijapurkar
KNOWLEDGE										
Specialisation / Expertise in one or more fields	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
• In the field of:										
Finance & Accounts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Legal	Yes				Yes	Yes			Yes	
Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Knowledge (Pharma Industry)	Yes	Yes	Yes	Yes	Yes					
Risk Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
General Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

As far as Skills namely Strategic Thinking/ Planning Skills, Problem Solving Skills, Analytical Skills, Decision Making Skills and Leadership Skills; and Behavioural Traits namely Integrity, Genuine interest, Interpersonal skills / communication and Active Participation are concerned, all the Directors of the Company possess them.

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

3. CODE OF CONDUCT

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

All the Directors and senior management have affirmed compliance with the Global Code of Conduct as approved and adopted by the Board of Directors and

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

4. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of four Directors which include three Independent Non-executive Directors viz. Ms. Rekha Sethi, Mr. Gautam Doshi, Dr. Pawan Goenka and one Whole-time Director viz. Mr. Sailesh T. Desai. Mr. Gautam Doshi is the Chairman of the Audit Committee. Dr. Pawan Goenka has been appointed as the member of the Committee with effect from May 27, 2021. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Companies Act, 2013 and also of Regulation 18 of the Listing Regulations. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Audit Committee.

The terms of reference of the Audit Committee inter alia include: overseeing the Company's financial reporting process, reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, recommendation for appointment, remuneration and terms of appointment of auditors of the company, reviewing the adequacy of internal audit function, discussion with internal auditors of any significant findings and follow up there on, evaluation of internal financial controls and risk management systems, review functioning of Whistle Blower/ Vigil Mechanism, approval of appointment of Chief Financial Officer, review and monitor the auditor's independence and performance, effectiveness of audit process, approval of transactions with related parties and reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments etc.

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

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

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

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

Six Audit Committee Meetings were held during the year ended March 31, 2021. The dates on which the Meetings were held are as follows:

April 24, 2020, May 26, 2020¹; July 30, 2020²; August 31, 2020; November 2, 2020³; and January 28, 2021⁴.

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

Name of the Director	Number of Audit Committee Meetings entitled to attend	Number of Audit Committee Meetings attended
Mr. Gautam Doshi	6	6
Ms. Rekha Sethi	6	6
Mr. Saailesh T. Desai	6	6

¹ The Audit Committee meeting held on May 26, 2020 was adjourned for consideration of few agenda items and the adjourned meeting was held on May 27, 2020, and the adjourned meeting was attended by all members.

² The Audit Committee meeting held on July 30, 2020 was adjourned for consideration of few agenda items and the adjourned meeting was held on July 31, 2020, and the adjourned meeting was attended by all members.

³ The Audit Committee meeting held on November 2, 2020 was adjourned for consideration of few agenda items and the adjourned meeting was held on November 3, 2020, and the adjourned meeting was attended by all members.

⁴ The Audit Committee meeting held on January 28, 2021 was adjourned for consideration of few agenda items and the adjourned meeting was held on January 29, 2021, and the adjourned meeting was attended by all members.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises of four Non-executive Directors viz. Ms. Rekha Sethi, Mr. Israel Makov, Mr. Gautam Doshi and Dr. Pawan Goenka. Ms. Rekha Sethi is the Chairperson of the Committee. Dr. Pawan Goenka has been appointed as the member of the Committee with effect from May 27, 2021. The constitution of the Nomination and Remuneration Committee meets with the requirements of Section 178 of the Companies Act, 2013 as also the requirements laid down in Regulation 19 of the Listing Regulations. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee.

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

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

Four meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2021. The dates on which the meetings were held are as follows:

May 27, 2020; July 31, 2020; November 3, 2020 and January 27, 2021.

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

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

6. REMUNERATION OF DIRECTORS

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

The Non-Executive Directors of the Company are entitled to sitting fees of ₹100,000/- for attending each meeting of the Board and/or of Committee thereof except the Corporate Governance and Ethics Committee for which they are entitled to ₹50,000/- for each meeting of the Committee.

The details of Remuneration paid/payable to the Directors of the Company for the year ended March 31, 2021 are given below:-

Directors	(Amount in ₹)				
	For the year ended March 31, 2021				
	Salary ¹	Bonus	Perquisites / Benefits ²	Sitting Fees	Total
Mr. Dilip S. Shanghvi	34,623,060	6,924,612	4,505,167	-	46,052,839
Mr. Sudhir V. Valia	-	-	-	1,300,000	1,300,000
Mr. Sailesh T. Desai	12,150,924	2,430,185	2,239,213	-	16,820,322
Mr. Kalyanasundaram Subramanian ¹	58,686,206	4,083,161	2,609,499	-	65,378,866
Mr. Israel Makov	-	-	-	800,000	800,000
Ms. Rekha Sethi	-	-	-	2,200,000	2,200,000
Mr. Vivek Chaand Sehgal	-	-	-	600,000	600,000
Mr. Gautam Doshi	-	-	-	2,300,000	2,300,000

Note:

¹ Salary includes Special Allowance. Salary of Mr. Kalyanasundaram Subramanian also includes variable pay of ₹7,637,106/-.

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

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

Notes:-

- The Agreement with Mr. Dilip S. Shanghvi, Managing Director for his present term of appointment is for a period of 5 years from April 1, 2018 to March 31, 2023 and remuneration for period of three years from April 1, 2018 to March 31, 2021, and thereafter renewed for further period of two years from April 1, 2021 to March 31, 2023. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days' notice in writing.
- The Agreement with Mr. Sailesh T. Desai, Whole-time Director for his present term of appointment

is for a period of 5 years from April 1, 2019 to March 31, 2024 and remuneration for period of 3 years from April 1, 2019 to March 31, 2022. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days' notice in writing.

- The agreement for appointment of Mr. Kalyanasundaram Subramanian, Whole-time Director, was for a period of 2 years with effect from February 14, 2019 to February 13, 2021, including for payment of remuneration. The Nomination and Remuneration Committee and the Board of Directors have approved the re-appointment and remuneration of Mr. Kalyanasundaram Subramanian for a further period of 2 years with effect from February 14, 2021 to February 13, 2023, subject to approval of members at the ensuing 29th Annual General Meeting. Either party to the agreement is entitled

to terminate the Agreement by giving to the other party 3 months' notice in writing.

- d) There is no separate provision for payment of severance fees to Whole-time Director(s).
- e) The remuneration of Whole-time Directors consists only of fixed components except for Mr. Kalyanasundaram Subramanian.

The details of Equity Shares held by Non-Executive Directors as on March 31, 2021 are as follows:

Director	No. of Equity Shares held (held singly or jointly as first holder)
Mr. Israel Makov	Nil
Ms. Rekha Sethi	Nil
Mr. Vivek Chaand Sehgal	Nil
Mr. Gautam Doshi	8000
Mr. Sudhir Valia	14345019

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee presently comprises of three Directors viz. Mr. Gautam Doshi, Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia. Mr. Gautam Doshi is the Chairman of the Committee. The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Companies Act, 2013 and also of Regulation 20 of the Listing Regulations.

Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. Mr. Sunil R. Ajmera and Mr. Ashok Bhuta are Compliance Officers of the Company.

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

The Board has designated severally, Mr. Sunil R. Ajmera, Company Secretary and Mr. Ashok I. Bhuta, Sr. G.M - Secretarial as Compliance Officers for the purposes of/under rules, regulations etc. issued by the Securities Exchange Board of India, Stock Exchanges, and Companies Act, 2013.

Four meetings of the Stakeholders' Relationship Committee were held during the year ended March 31, 2021. The dates on which Meetings were held are as follows:

May 27, 2020; July 30, 2020; November 3, 2020 and January 28, 2021.

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

Name of the Director	Number of Stakeholders' Relationship Committee Meetings entitled to attend	Number of Stakeholders' Relationship Committee Meetings attended
Mr. Gautam Doshi	4	4
Mr. Sudhir V. Valia	4	3
Mr. Dilip S. Shanghvi	4	4

Investor Complaints:

The total numbers of complaints received and resolved to the satisfaction of shareholders, during the year under review were 2. There were no complaints pending at the beginning or at the end of the year.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee presently comprises of four Directors viz. Mr. Sudhir V. Valia, Ms. Rekha Sethi, Ms. Rama Bijapurkar and Mr. Dilip S. Shanghvi. The Chairman of the Committee is Mr. Dilip S. Shanghvi. The constitution of the Corporate Social Responsibility Committee meets the requirements of section 135 of the Companies Act, 2013. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. Ms. Rama Bijapurkar has been appointed as the member of the Committee with effect from May 27, 2021. Pursuant to the amendments to the Listing Regulations on May 5, 2021, the terms of reference of the CSR Committee were revised with effect from May 27, 2021. The revised terms of reference are: To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities/ projects to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013; to monitor the Corporate Social Responsibility Policy of the company from time to time and recommend revision / amendments thereof, wherever required; to recommend the amount of expenditure to be incurred in the above referred

activities/projects; to formulate and recommend to the Board, an Annual Action Plan in pursuance of the Corporate Social Responsibility Policy of the Company and the provisions of the Companies Act, 2013, which shall include the list of CSR projects or programs, the manner of execution of such projects or programs, the modalities of utilisation of funds and implementation schedules for the projects or programs; to monitor and review the utilisation of the funds on the CSR activities/projects, as approved by the Board; to advise board on surplus funds generated out of CSR projects undertaken, and recommend their utilisation on the CSR activities/projects of the Company; to monitor/ review the amount incurred towards administrative overheads and to recommend the Board its treatment, to review and monitor the applicability of the Impact Assessment of the CSR Projects undertaken by the Company and if applicable; to review unspent amounts, if any, and recommend to Board, the transfer of such amounts in accordance with provisions of the Companies Act, 2013 etc. The CSR Policy of the Company can be accessed through the web link: <https://www.sunpharma.com/policies>.

During the year ended March 31, 2021, three meetings of Corporate Social Responsibility Committee were held on May 26, 2020 and November 2, 2020 and January 28, 2021. The attendance of each member of Committee is as follows:

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

9. RISK MANAGEMENT COMMITTEE

The Risk Management Committee presently comprises of Mr. Dilip S. Shanghvi, Managing Director of the Company, Mr. Gautam Doshi, Mr. Sudhir V. Valia, Directors of the Company and Mr. C. S. Muralidharan, Chief Financial Officer of the Company. The Chairman of the Committee is Mr. Dilip S. Shanghvi. Mr. Gautam Doshi, Independent Director, has been appointed as the member of the Risk Management Committee with effect from May 20, 2021. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. The constitution of the Committee meets the requirements of Regulation 21 of the Listing Regulations. Pursuant to the amendments to the Listing Regulations on May 5, 2021, the terms of reference of the Risk Management Committee were revised with effect from May 27, 2021. The revised

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

During the year ended March 31, 2021, two meetings of Risk Management Committee were held on May 26, 2020 and October 30, 2020.

The attendance of each member of committee is as follows:

Name of the member	Number of Risk Management Committee meetings entitled to attend	Number of Risk Management Committee meetings attended
Mr. Dilip S. Shanghvi	2	2
Mr. Sudhir V. Valia	2	2
Mr. C S Muralidharan	2	2

10. CORPORATE GOVERNANCE AND ETHICS COMMITTEE

The Corporate Governance and Ethics Committee comprises of Mr. Gautam Doshi, Director, Ms. Rekha Sethi, Director, Dr. Pawan Goenka, Mr. C. S. Muralidharan, Chief Financial Officer and Mr. Ashok Bhuta Senior GM - Secretarial & Compliance Officer as the members of the Committee. Mr. Gautam Doshi is the Chairman of the Committee. Dr. Pawan Goenka has been appointed as the member of the Committee with effect from May 27, 2021. The terms of reference of committee inter alia include: to review the ethical standards and best practices in respect of Corporate Governance by the Company

in spirit, substance and intent perspective apart from benchmarking wherever possible with the best practices that are comparable across the industry; to monitor Company's compliance with the Corporate Governance Guidelines and applicable laws and regulations and make recommendations to the Board on all such matters and on any corrective action to be undertaken, as the Committee may deem appropriate; to set forth policies in respect of furtherance of its objectives and recommend changes and monitor and review compliance of such policies by the Company's directors, officers and employees; to review, recommend changes and monitor the implementation of the Related Party Transactions Policy of the Company and ensure that the Company is in compliance with the applicable regulations in respect of Related Party transactions from time to time etc. The Corporate Governance and Ethics Committee reports to the Audit Committee.

Six meetings of the Corporate Governance and Ethics Committee were held during the year ended March 31, 2021. The dates on which the Meetings were held are as follows:

April 24, 2020; May 26, 2020; July 30, 2020; August 31, 2020; November 2, 2020; and January 27, 2021.

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

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

11. SUBSIDIARY COMPANIES

In accordance with Regulation 16 of the Listing Regulations during the year ended March 31, 2021, Sun Pharmaceutical Industries, Inc and Taro Pharma USA & Canada were material unlisted foreign subsidiary companies whose turnover or net worth as per Companies Act, 2013 exceeded 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year and Sun Pharma Laboratories Limited, Sun Pharma Distributors Limited and Sun Pharma Holdings, Mauritius were material unlisted subsidiary companies whose turnover or net worth as per Companies Act, 2013 exceeded 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Ms. Rekha Sethi, Independent Director of the Company is also Director on the Board of Sun Pharma Laboratories Limited and Sun Pharma Distributors Limited. Mr. Gautam Doshi, Independent Director of the Company is also Director on the Board of Sun Pharma Global FZE and Sun Pharma Holdings.

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

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

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

12. GENERAL BODY MEETINGS

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

Year	Meeting	Location	Date	Time
2017 -2018	Twenty- Sixth AGM	Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390 020	September 26, 2018	2:45 p.m.
2018-2019	Twenty- Seventh AGM	Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390 020	August 28, 2019	3:15 p.m.
2019-2020	Twenty- Eighth AGM	Held through Video Conferencing and deemed to be held at the registered office of the Company at SPARC, Tandalja, Vadodara - 390012, as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020	August 27, 2020	3:30 p.m.

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

a) **At the Twenty-Sixth Annual General Meeting.**

- (1) Approval for re-appointment of Mr. Sudhir V. Valia (DIN: 00005561) as Whole-time Director of the Company upon the expiry of his present term of office on March 31, 2019, for a further period of 5 (Five) years commencing from April 01, 2019 to March 31, 2024 and remuneration for a period of 3(three) years commencing from April 01, 2019 to March 31, 2022.
- (2) Approval for re-appointment of Mr. Sailesh T. Desai (DIN: 00005443) as Whole-time Director of the Company upon the expiry of his present term of office on March 31, 2019, for a further period of 5 (Five) years commencing from April 01, 2019 to March 31, 2024 and remuneration for a period of 3(three) years commencing from April 01, 2019 to March 31, 2022.
- (3) Approval for continuation of Directorship of Mr. Israel Makov (DIN:05299764), Non-executive Director and Chairman of the Company, having attained the age beyond the age of 75 years as required under Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from April 01, 2019.

b) **At the Twenty-Seventh Annual General Meeting**

- (1) Approval for consent/ratification of excess commission paid to Non-executive Directors for the year 2013-14 pursuant to the letter received from MCA in respect of abatement of the pending applications for approval of remuneration
- (2) Approval of remuneration to be paid to Mr. Kalyanasundaram Subramanian, Whole-time Director, with effect from July 04, 2019 till remaining term of his appointment upto February 13, 2021.

c) **At the Twenty-Eighth Annual General Meeting**

- (1) Approval of maximum remuneration of Mr. Dilip Shanghvi, Managing Director, for further period of two years i.e. from April 01, 2021 to March 31, 2023.

Resolution Passed Through Postal Ballot:

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

Resolution passed at Tribunal Convened Meetings:

Pursuant to the order dated January 07, 2021, passed by the Hon'ble NCLT, Ahmedabad Bench, separate meetings of unsecured creditors and equity shareholders of the Company were held through Video

Conferencing on Tuesday, March 16, 2021 wherein resolution for approving the Scheme of Amalgamation and Merger of Sun Pharma Global FZE ('Transferor Company') with Sun Pharmaceutical Industries Limited ('Transferee Company'), and their respective members and creditors was passed with requisite majority.

13. DISCLOSURES

- No transaction of a material nature has been entered into by the Company with its related parties that may have a potential conflict with the interests of the Company. Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transactions with the related parties as per Ind AS-24, are disclosed in Note 50 of the Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021.
- There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years. However, during the period under review, the Company and the then KMPs and an officer had filed settlement applications under SEBI (Settlement Proceedings) Regulations, 2018 on July 18, 2020 to expeditiously close the matter pertaining to adjudication proceedings initiated vide show-cause notices dated May 19, 2020, without admitting or denying the finding of fact and conclusion of law in respect of alleged violations of certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant for timely compliances of disclosures and approvals pertaining to related parties and have paid the settlement charges recommended by SEBI. Subsequently, the adjudication proceedings initiated vide show-cause notices dated May 19, 2020 were disposed of in terms of section 15JB of the SEBI Act, 1992 and Section 23JA of the SCRA read with regulation 23(1) of SEBI (Settlement Proceedings) Regulations, 2018. The aggregate settlement charges were ₹2,92,10,250/- (Two crores, ninety two lakhs, ten thousand, two hundred and fifty). The settlement amounts for individuals, have subsequently been received by the Company.
- The Company has laid down procedures to inform Board members about the risk assessment and its minimisation, which is periodically reviewed to ensure that risk control is exercised by the management effectively.
- The Board of Directors of the Company has approved a Whistle Blower Policy/Vigil Mechanism to monitor the actions taken on complaints received under the said policy. This policy also outlines the reporting procedure and investigation mechanism to

be followed in case an employee blows the whistle for any wrong-doing in the Company. Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. An Ombudsperson/s has been appointed to receive the complaints through a portal or email or letters who would investigate the complaints with an investigating committee. The Policy is expected to help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions. The details of establishment of vigil mechanism are available on the website of the Company. No personnel have been denied access to the Audit Committee. The Whistle Blower Policy of the Company also enables external parties to report any matter.

- Details of the familiarisation programme of the independent directors are available on the website of the Company at: <https://www.sunpharma.com/policies>
- During the year, two separate meetings of the independent directors were held on October 1, 2020 and January 29, 2021. At a meeting of independent directors the performance of non-independent directors and the board as a whole was evaluated.
- The policy on dealing with the related party transactions is available on the website of the Company and can be accessed at: <https://www.sunpharma.com/policies>.
- During the year, there were pecuniary transactions with the Companies in which Non-Executive Directors are interested as follows: a) Transactions of receiving of services from Makov Associates Limited of ₹187,243,223/- (Previous Year (PY): ₹143,930,686/-) in which Mr. Israel Makov, Non-Executive and Non-Independent Chairman is interested; b) Transactions with MotherSumi Infotech & Designs Limited for receiving of services: ₹76,841,912/- (PY: ₹4,773,342/-) for purchase of property, plant and equipment: ₹3,497,717/- (PY: Nil) and with Anest Iwata MotherSumi Private Limited for receiving of services: ₹197,189/- (PY: ₹8,204/-) in which entities Mr. Vivek Chaand Sehgal, Non-Executive and Independent Director is interested; c) Transactions with Fortune Integrated Assets Finance Limited for revenue from contract with customers: ₹59,748/- (PY: Purchase of Goods: ₹34,740/-), with Sun Petrochemicals Private Limited for lease rent received: ₹2,400,000/- (PY: ₹2,400,000/-), with Kism Textiles Private Limited for purchase of goods/services: ₹206,700/- (PY: Nil), transactions with Sun Pharma Advanced Research Company Limited for Revenue from contracts with customers, net of returns, purchase and sale of property, plant and equipment, royalty expenses, receiving of service expenses, reimbursement of expenses paid, rendering of service income, reimbursement of expenses received and lease rent received: ₹2,166,860,424/- (PY: ₹507,603,286/-), transaction with Alfa Infraprop Private Limited for Other operative income/ other income: ₹22,693,009 (PY: Nil) and reimbursement of expenses paid: ₹31,917,752/- (PY: Nil), Donation to Shantilal Shanghvi Foundation: ₹100,000,000/- (PY: Nil) in which entities Mr. Sudhir Valia, Non-Executive and Non-Independent Director is interested except for the subsidiaries of the Company wherein it is deemed that he does not have any personal / pecuniary interest; d) Transactions with Anshul Speciality Molecules Private Limited for Purchase of Goods/services: ₹55,253,539/- (PY: ₹17,580,630/-) in which Mr. Gautam Doshi, Non-Executive and Independent Director is interested.
- All the transactions with entities in which the Independent Directors are/were interested constitute negligible percent of the revenue of the Company.
- Apart from the above and sitting fees paid to Non-Executive Directors, there are no pecuniary transactions with Non Executive directors of the Company or the companies in which they are interested which had potential conflict of interest with the Company.
- Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority has been annexed as Annexure 'B' to the Corporate Governance Report.
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part was ₹15,72,78,613/- (Rupees Fifteen Crore Seventy Two Lakhs Seventy Eight Thousand Six Hundred and Thirteen only), for the year under review
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. number of complaints filed during the financial year: 0

- b. number of complaints disposed of during the financial year: 0
- c. number of complaints pending as on end of the financial year: 0
- Details of compliance and Adoption/Non Adoption of the non-mandatory requirements for the year ended March 31, 2021:
 - A. The Company complies with all the mandatory requirements specified under Listing Regulations.
 - B. The Company sends quarterly results alongwith summary of significant events to the shareholders whose e-mail IDs are available with the Company/Registrar.
 - C. The auditors have issued an unmodified opinion to the financial statements of the Company.
 - D. The Head, Global Internal Audit Department of the Company reports to the Audit Committee on all the key matters including its findings.

14. MEANS OF COMMUNICATION

- **Website:** The Company's website www.sunpharma.com contains a separate dedicated section 'INVESTORS' where shareholders' information is available. The Annual Report for 2020-21 and Annual Report/ Abridged Annual Report for the past years are also available on the website in a user friendly and downloadable form. Apart from this, official news releases, detailed presentations made to media, analysts etc., and the transcript of the conference calls are also displayed on the Company's website.
- **Financial Results:** The annual, half-yearly and quarterly results are regularly posted by the Company on its website www.sunpharma.com and are also sent to the shareholders whose e-mail IDs are registered with the Company. These are also submitted to the Stock Exchanges on which the securities of the Company are listed in accordance with the requirements of the Listing Regulations and published in all English Editions of 'Financial Express' and Gujarati Edition of 'Financial Express' which is published in Ahmedabad. However, pursuant to exemption granted by Securities and Exchange Board of India (SEBI) vide its circular no.

SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 and vide subsequent circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, following were permitted not to be published in the newspapers: a) Notice for intimation of Board Meeting held on May 27, 2020. b) Extract of Financial Results for the quarter and year ended March 31, 2020. Therefore, the same were not published.

- **Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Board's Report, the Management Discussion and Analysis Report, Auditor's Report, and other important information is sent to the shareholders whose e-mail IDs are registered. However pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and MCA General Circular No. 20/2020 dated May 5, 2020 of Ministry of Corporate Affairs, due to COVID, no physical copies of the Annual Report for FY 2019-20 were sent. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and MCA General Circular 2/2021 dated January 13, 2021 in continuation of MCA General Circular No. 20/2020 dated May 5, 2020 no physical copies of the Annual Report for FY 2020-21 will be sent.
- **Chairman's Communique:** The Chairman's Speech is sent to the stock exchanges and placed on the website of the Company.
- **Reminder to Investors:** Reminders for unpaid dividend are sent to shareholders, regularly every year.
- **Corporate Filing:** Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with the Stock Exchanges and are available on the website of BSE Ltd. - www.bseindia.com and National Stock Exchange of India Ltd. - www.nseindia.com and also on the website of the Company - www.sunpharma.com.

15. GENERAL SHAREHOLDER INFORMATION

15.1 Annual General Meeting:

Day, Date and Time	Tuesday, August 31, 2021 at 3:00 p.m
Venue	Through Video Conferencing/Other Audio Visual means

15.2 Financial Calendar (tentative):

Results for quarter ending June 30, 2021	Last week of July 2021/First week of August 2021.
Results for quarter ending September 30, 2021	Last week of October 2021/First week of November 2021.
Results for quarter ending December 31, 2021	Last week of January 2022/First week of February 2022.
Audited Results for year ended March 31, 2022	Third or Fourth week of May 2022.

15.3 Details of Book-closure for Equity Shareholders:

From Wednesday, August 25, 2021 to Tuesday, August 31, 2021 (both days inclusive)

15.4 Dividend Payment Date:

On or before, Thursday, September 17, 2021

15.5 Listing Details

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

The Company has paid the Listing fees for the Financial Year 2020-21, to BSE Ltd National Stock Exchange of India Ltd.

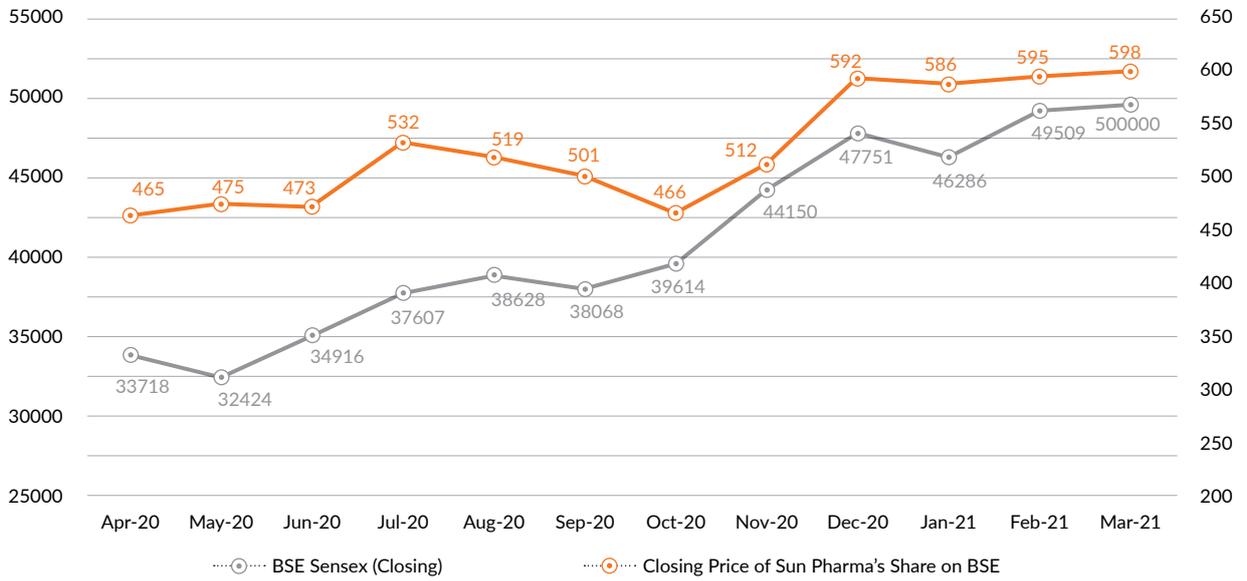
15.6 Stock Market Data - Equity Shares of ₹1/- paid-up value:

	BSE Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2020	504.85	338.60	504.80	338.40
May, 2020	481.45	434.25	481.60	434.25
June, 2020	512.55	457.00	512.70	455.00
July, 2020	540.75	466.15	541.00	466.15
August, 2020	564.90	514.50	564.75	514.05
September, 2020	535.00	483.00	535.00	483.00
October, 2020	529.40	452.60	529.30	452.25
November, 2020	526.00	459.30	526.00	459.05
December, 2020	599.50	514.75	599.45	512.65
January, 2021	627.95	550.70	628.00	550.40
February, 2021	653.70	561.65	654.40	579.60
March, 2021	636.45	562.40	636.75	562.10

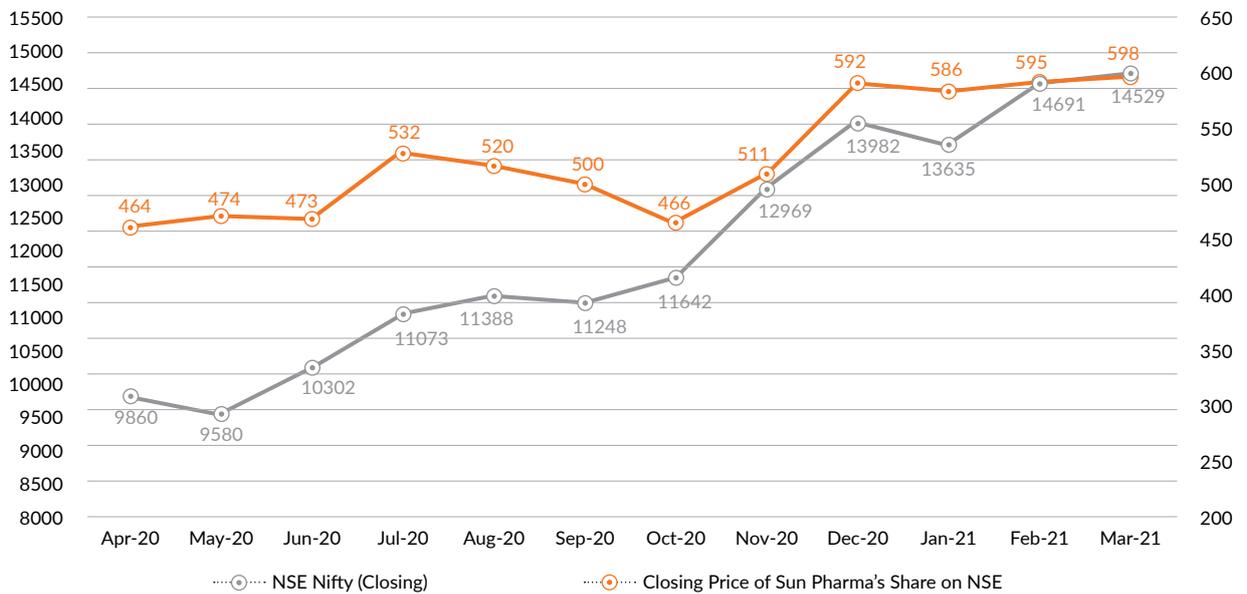
(Source: BSE and NSE website)

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

Sun Pharmaceutical Industries Limited & BSE Sensex closing price:



Sun Pharmaceutical Industries Limited & NSE Nifty closing price:



15.8 Share price performance relative to NIFTY and BSE Sensex based on share price on March 31, 2021

% change in				% change in			
Period	Sun Pharma Share Price	Nifty	Sun Pharma relative to Nifty	Period	Sun Pharma Share Price	BSE Sensex	Sun Pharma relative to Sensex
Year-on-Year	69.68%	70.87%	-1.18%	Year-on-Year	69.68%	68.01%	1.67%
2 Years	24.84%	26.38%	-1.54%	2 Years	24.69%	28.02%	-3.33%
3 Years	20.74%	45.26%	-24.51%	3 Years	20.63%	50.17%	-29.54%
5 Years	-27.10%	89.84%	-116.94%	5 Years	-27.07%	95.37%	-122.44%
10 Years	170.19%	151.82%	18.37%	10 Years	170.53%	154.61%	15.92%

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

15.9 Registrars & Transfer Agent

Registrars & Transfer Agent
(Share transfer and communication regarding share certificates, dividends and change of address)

Link Intime India Pvt. Ltd.
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083
E-Mail: rnt.helpdesk@linkintime.co.in
Tel: 022- 49186270
Fax : 022- 49186060

15.10 Share Transfer System

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

15.11 Distribution of Shareholding as on March 31, 2021

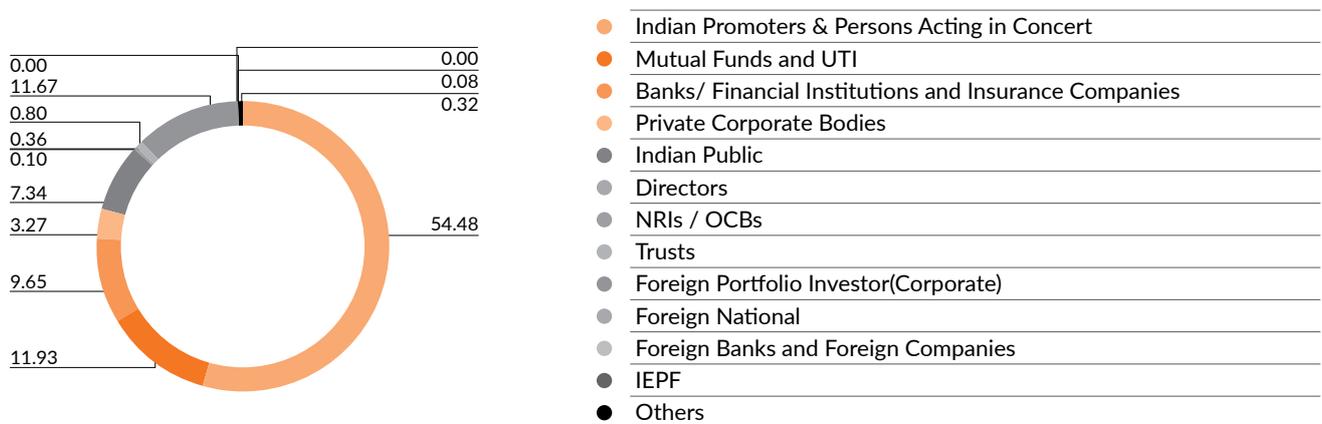
No. of Equity Shares held	No. of folios		Shares of face value ₹1/- each	
	Numbers	% to total folios	Numbers	% to total folios
Upto 5000	725695	99.17	101487883	4.23
5001 - 10000	2743	0.37	19510750	0.81
10001 - 20000	1836	0.25	23629995	0.98
20001 - 30000	343	0.05	8519710	0.36
30001 - 40000	149	0.02	5265421	0.22
40001 - 50000	117	0.02	5317201	0.22
50001 - 100000	245	0.03	17863080	0.75
100001 and above	640	0.09	2217740930	92.43
Total	731,768	100.00	2,399,334,970	100.00

15.12 Category-wise Shareholding as on March 31, 2021 of Equity Shares

Particulars	No. of Shares	Percentage
A. Indian Promoters and Persons acting in Concert	1307134535	54.48
B. Mutual Funds and UTI	286344897	11.93
C. Banks/ Financial Institutions and Insurance Companies	231552798	9.65
D. Private Corporate Bodies	78437932	3.27
E. Indian Public	176103917	7.34
F. Directors	2493747	0.10
G. NRIs /OCBs	8648013	0.36
H. Trusts	19137330	0.80
I. Foreign Portfolio Investor (Corporate)	279978304	11.67
J. Foreign National	23092	0.00
K. Foreign Bank and Foreign Companies	31549	0.00
L. IEPF	1900039	0.08
M. Others	7548817	0.32
Total	2399334970	100.00

Shareholding Pattern as on March 31, 2021:

(%)



15.13 Dematerialisation of Shares

About 99.70% of the outstanding Equity shares have been dematerialised up to March 31, 2021. Trading in Shares of the Company is permitted only in dematerialised form.

Liquidity:

Our Company's equity shares are fairly liquid and are actively traded on National Stock Exchange of India Ltd., (NSE) and The BSE Ltd. (BSE). Relevant data for the average daily turnover for the financial year FY 2020-21 is given below:

	BSE	NSE	BSE + NSE
In no. of shares (in Thousands)	388.72	10519.13	10907.86
In value terms (₹ Million)	206.06	5445.70	5651.76

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

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2021.

Outstanding Stock Options

There are no Stock Options outstanding as on March 31, 2021.

Outstanding Unclaimed Shares

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

Particulars	No. of Shareholders	No. of equity shares of ₹1/- each
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2020.	296	130716
Number of shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from April 1, 2020 up to March 31, 2021	0	0
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period from April 1, 2020 up to March 31, 2021.	0	0
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2021.	296	130716

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

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

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

15.16 Plant locations as on March 31, 2021:

- | | |
|---|--|
| <ol style="list-style-type: none"> 1) Survey No.214 and 20, Govt. Industrial Area, Phase-II, Piparia, Silvassa - 396 230, U.T. of D & NH. 2) Survey no. 259/15, Dadra - 396191, U.T. of D. & NH. 3) Plot No.24/2 and No.25, GIDC, Phase- IV, Panoli - 395 116, Dist. Bharuch, Gujarat. 4) Plot No. 4708, GIDC, Ankleshwar - 393 002, Gujarat. 5) Halol-Baroda Highway, Near Anand Kendra, Halol, Dist. Panchmahal- 389350 Gujarat. 6) Plot No. 817/A, Karkhadi - 391 450, Taluka: Padra, Dis5. Vadodara, Gujarat. | <ol style="list-style-type: none"> 7) Plot No. Z/15, Sez-1, Po. Dahej, Taluko vagra, Dist. Bharuch, Gujarat. 8) A-7 & A-8, MIDC Industrial Area, Ahmednagar - 414 111, Maharashtra. 9) Plot No. B-2 Madkaim Industrial Estate, Ponda, Goa 10) Village & PO Ganguwala, Tehsil Paonta Sahib-173025, Distt. Sirmour, Himachal Pradesh 11) Village Toansa, P.O. Railmajra Distt. Nawansahar-144533 (Punjab) 12) A-41, Industrial Area, Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160071 (Punjab) 13) Plot No. K - 5,6,7, Ghirongi Industrial Area, Malanpur, Dist. Bhind, Madhya Pradesh 14) Pharma Manufacturing Industrial Area 3 A.B. Road, Dewas-455001, Madhya Pradesh 15) Sathammai Village, Karunkuzhi Post, Maduranthakam T.K. Kanchipuram Dist. Tamil Nadu - 603 303. 16) Khasra No. - 1335-1340, Near Epip Phase-1, Hill Top Industrial Area, Vill.-Bhatolikalan, P.O.- Barotiwala, Distt-Solan, Himachal Pradesh, India - 174103 |
|---|--|

15.17 Investor Correspondence:

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

15.18 List of all credit ratings

Rating Agency	Instrument Type	Rating	Remarks
ICRA Limited	Bank Facility (Short-Term Scale)	[ICRA] A1+	No revisions in credit rating during the FY21
	Long-Term/Short-Term Borrowing	[ICRA] AAA (Stable)/ [ICRA] A1+	
	Commercial Paper	[ICRA] A1+	
CRISIL Limited	Bank Facility (Short-Term)	CRISIL A1+	No revisions in credit rating during the financial year FY21
	Bank Facility (Long-Term)	CRISIL AAA/ Stable	
	Commercial Paper	CRISIL A1+	

For and on behalf of the Board

DILIP S. SHANGHVI

Managing Director
(DIN: 00005588)

SAILESH T. DESAI

Whole-time Director
(DIN: 00005443)

Date : May 27, 2021

ANNEXURE 'A' TO CORPORATE GOVERNANCE REPORT

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT FOR THE YEAR ENDED MARCH 31, 2021

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

For Sun Pharmaceutical Industries Ltd.,

Date: May 27, 2021

Dilip S. Shanghvi
Managing Director
(DIN: 00005588)

ANNEXURE 'B' TO CORPORATE GOVERNANCE REPORT

CERTIFICATE

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of Directors of the Company as stated below for the Financial year ending on March 31 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange and Board of India, Ministry of Corporate affairs or any such other Statutory Authority.

Sr. No	Name of the Directors	Director Identification Number (DIN)	Date of Appointment in the Company
1	Israel Makov	05299764	29-05-2012
2	Dilip S. Shanghvi	00005588	01-03-1993
3	Sudhir V. Valia	00005561	31-01-1994
4	Sailesh T. Desai	00005443	25-03-1999
5	Kalyanasundaram Subramanian	00179072	14-02-2017
6	Rekha Sethi	06809515	13-02-2014
7	Vivek Chaand Sehgal	00291126	14-11-2017
8	Gautam Bhailal Doshi	00004612	25-05-2018

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

For, KJB & CO LLP,

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

Alpeshkumar Panchal

Partner
ACS No. : 49008
C P No. : 20120
UDIN: A049008C000380614
Date: May 27, 2021
Place: Vadodara

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

The Members of
Sun Pharmaceutical Industries Limited

1. The Corporate Governance Report prepared by Sun Pharmaceutical Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2020 to March 31, 2021:
 - (a) Board of Directors meetings;
 - (b) Audit Committee meetings;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee meeting;
 - (e) Stakeholders Relationship Committee meeting;
 - (f) Risk Management Committee meetings;
 - (g) Corporate Social Responsibility Committee meetings;
 - (h) Corporate Governance and Ethics Committee meetings; and
 - (i) Independent Directors meeting
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

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

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

OPINION

8. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

OTHER MATTERS AND RESTRICTION ON USE

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

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

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares

Partner
Membership Number: 105754
UDIN: 21105754AAAACW5257

Place of Signature: Pune

Date: May 27, 2021

Business Responsibility Report – FY21

Message from the Director's Desk

We are living in times where unpredictability is the new normal. From disruptive virus strains to political uncertainties, extreme climate conditions to fast technological changes, the future seems unforeseeable.

What we can see very clearly though is the importance of health - human, economic as well as environmental health. Sustainability of every resource will be the key to survive and thrive in the midst of volatility.

While in the middle of the second wave of the Covid-19 pandemic, the healthcare industry including the pharmaceutical companies and the medical fraternity are trying their best to flatten the curve of rising infection cases, accelerate vaccination and test more innovative drugs and solutions to counter the newer Covid-19 variants.

KEY HIGHLIGHTS

Sun Pharma has focussed on a multi-pronged approach to overcome the challenges of the COVID-19 pandemic which includes (i) Maintaining manufacturing continuity to ensure regular supply of medicines to customers/patients across the world, (ii) Supporting the Government of India in its fight against the pandemic by donating COVID-19 specific medicines, hand sanitisers, masks and PPE Kits, (iii) Focus on safety and well-being of our employees across all our offices, R&D centres and manufacturing units. In addition, our products like Remdesivir, Itolizumab, Favipiravir, Liposomal Amphotericin B, etc. are used in treating COVID-19 and associated ailments.

We also thank all the frontline warriors for their invaluable contribution in the fight against pandemic, our employees for their selfless and tireless efforts to serve the community and ensuring continued production of all medicines during this challenging period.

With healthcare going to remain the lynchpin, pharmaceutical companies would continue to play a key role. As the world's 4th largest speciality generic pharmaceutical company, the onus is to make more and more high-quality medicines affordable and accessible.

Making these twin purposes possible will be innovation and expanding our footprint, coupled with increasing our community outreach and reducing our environment footprint. This holistic outlook would surely lead us to a more sustainable future.

This extends to a triple bottom line approach where we extend the philosophy of enhancing the quality of life by focussing on Employee Wellness, Community Wellness and Environment Wellness.

EMPLOYEE WELLNESS

Our multi-cultural team is our most valuable asset. Diverse cultural perspectives inspire creativity and drive innovation. With a total strength of 37,000+ employees at consolidated level, we invest our energy in engaging, nurturing and motivating them to grow. Our comprehensive Human Resources (HR) Policy covers the whole gamut of employee management, from recruitment to retention.

We continue to invest in their professional growth and to inculcate the value of responsible growth in them. So, they understand that their progress is linked with providing innovative solutions to address patient's needs, community's upliftment and environment's protection. FY21 saw the safety and skill up-gradation training of approximately 92% of our total employees, including 31% of permanent women employees.

COMMUNITY WELLNESS

While making medicines more accessible and affordable is our purpose, we push the envelope further by enhancing our efforts to mainstream the socially marginalised. Healthcare, education, infrastructure & rural development, safe drinking water & sanitation, environment conservation and disaster relief are some of our key priorities enunciated in our comprehensive Corporate Social Responsibility (CSR) Policy.

We continue to undertake various local level community programmes based on the needs of the society, while also contributing to national interests. During the Covid-19 outbreak, we committed monetary, medical and material support to contribute in India's pandemic response. In FY21, we invested ₹269.5 Million for the implementation of CSR projects.

ENVIRONMENT WELLNESS

At Sun Pharma, we are fully committed to achieve excellence in Environment, Health & Safety (EHS) and conduct our activities in the most responsible manner. The importance of EHS is continually stressed and extensively promoted as a part of our corporate culture. A robust EHS policy enunciates our commitment to create a safe and healthy workplace, and a clean environment for employees and the community at large.

The key tenets of our policy include waste management, conservation measures, increasing efficiency, green energy and implementing Clean Development Mechanism (CDM) projects at our facilities thus reducing impact on the environment. As of now, we have 14 facilities equipped with the biomass fuelled boilers, with a total steam generation capacity of 129 TPH. In FY21, we also generated around 36.5 million kWh of clean energy (solar and wind energy).

This Business Responsibility Report (BRR) is a testament of our responsibility towards all our stakeholders. We welcome your valuable insights and feedback to enrich our understanding and enhance our sustainability performance.

Regards,

Kalyanasundaram Subramanian
Whole-time Director

OVERVIEW

Sun Pharmaceutical Industries Limited, including its subsidiaries and associate companies is the fourth largest specialty generic pharmaceutical company in the world with global revenues of about US\$ 4.5 Billion at consolidated

level. Supported by 44 manufacturing facilities globally, we provide high-quality, affordable medicines, trusted by healthcare professionals and patients, to more than 100 countries across the globe.

Being a global pharma leader, we at Sun Pharma strongly believe that business and responsibility are the two sides of the same coin. The real growth is at the intersection of the three bottom lines - economic, environmental and social.

This responsible approach has been the hallmark of our Company since many years, but eight years ago we integrated all these components into one interconnected model based on the National Voluntary Guidelines (NVG). It helped us in focussing our efforts towards all our stakeholders.

This Business Responsibility Report is our demonstration of the triple bottom line approach to business. In accordance with SEBI's proposed index and the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', the report enunciates our plans and actions to build our business responsibly.

Section A

General Information About the Company

1	Corporate Identity Number (CIN) of the Company	L24230GJ1993PLC019050
2	Name of the Company	Sun Pharmaceutical Industries Limited
3	Registered address	SPARC, Tandalja, Vadodara - 390 020, Gujarat
4	Website	http://www.sunpharma.com/
5	E-mail id	secretarial@sunpharma.com
6	Financial year reported	01-April-2020 to 31-March-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	'Pharmaceuticals' is the primary reportable segment.
8	List three key products/services that the Company manufactures / provides (as in balance sheet)	Tildrakizumab, Levulan Kerastick, Cip-Isotretinoin
9	Total number of locations where business activity is undertaken by the Company	As below
	1. Number of international locations (Provide details of major 5)	US, Romania, Japan, Canada, Russia
	2. Number of national locations	Facilities: Halol, Baska, Panoli, Karkhadi, Ankleshwar and Dahej (all in Gujarat), Baddi, Batamandi and Paonta Sahib (all in Himachal Pradesh), Mohali and Toansa (both in Punjab), Malanpur and Dewas (both in Madhya Pradesh), Samba and Jammu (both in J&K), Ahmednagar (Maharashtra), Maduranthakam (Tamil Nadu), Guwahati (Assam), Sikkim, Dadra, Silvassa, Telangana, and Goa R&D Centres: Vadodara (Gujarat), Mumbai (Maharashtra) and Gurugram (Haryana) Registered and Corporate offices: Vadodara (Gujarat) and Mumbai (Maharashtra) respectively Pan-India Distribution Network
10	Markets served by the Company - local / state / national / international	Over 100 markets served across 6 continents - Asia, North America, Europe, Africa, South America and Australia

Section B		Financial Details of the Company
1	Paid-up Capital (₹)	2,399.3 Million
2	Total Turnover (₹)	125,709.3 Million (standalone)
3	Total Profit after Taxes (₹)	21,397.0 Million (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	As per regulatory requirements, the Company was required to spend ₹129.81 Million towards CSR for FY21 on standalone basis. However, we spent ₹269.50 Million on CSR activities for the year on standalone basis
5	List of activities in which the above expenditure has been incurred	Refer Principle 8 - 'Equitable Development'

Section C		Other Details
1	Does the Company have any Subsidiary Company / Companies?	Yes
2	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	There is no direct participation.
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	The Company has not instituted any process to monitor / verify whether any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company.

Section D		BR Information								
1.	a. Details of the Director / Directors responsible for implementation of the BR (Business Responsibility) policy / policies:									
1	# DIN number	00179072								
2	# Name	Kalyanasundaram Subramanian								
3	# Designation	Whole-time Director								
	b. Details of the BR head:									
1	# DIN number (if applicable)	Mr. Kalyanasundaram Subramanian, Whole-time Director of Sun Pharma, oversees the BR implementation. The Company does not have a BR head, as of now.								
2	# Name									
3	# Designation									
4	# Telephone number									
5	# e-mail id									
2.	Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N)									
		P1 P2 P3 P4 P5 P6 P7 P8 P9								
1	Do you have a policy or policies for...	Yes Yes Yes Yes Yes Yes Yes Yes Yes								
2	Has the policy been formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and are approved by the Board.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the policies are compliant with the respective principles of NVG guidelines.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?								
All the policies have been approved by the Board and have been signed by the Managing Director.									
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?								
The Board has appointed Mr. Kalyanasundaram Subramanian, Whole-time Director - Sun Pharma, to oversee the policy implementation.									
6	Indicate the link for the policy to be viewed online?								
Copies will be made available on receipt of written request from shareholders.									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?								
The policies have been formally communicated to internal stakeholders. The external stakeholders will be communicated in due course.									
8	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?								
It will be done in due course.									

3. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	Annual
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The BR report for FY21 is a part of the annual report and can also be accessed through the link: https://sunpharma.com/investors-annual-reports-presentations/ It is published annually.

Principle 1

Ethics, Transparency and Accountability

At Sun Pharma, our values of quality, reliability, consistency, innovation and trust are deeply embedded in our corporate culture and governance systems. We have a comprehensive governance framework that builds transparency, accountability, compliance focus and risk management into all our business endeavours. Our Global Code of Conduct (CoC) encapsulates our corporate spirit and standards for business ethics. Our Board of Directors and employees are expected to adhere to the standards set forth in the CoC in letter and spirit. Our Global CoC is accessible at <https://sunpharma.com/policies/>. We have developed numerous corporate policies that anchor ethical, transparent and fair business practices. These policies can be accessed at <https://sunpharma.com/policies/>. The CoC and other corporate policies are periodically updated based on the emerging requirements and stakeholder feedback. In the reporting year, we received two stakeholder complaints, which were resolved satisfactorily.

Our corporate governance philosophy values the following principles:

- High levels of transparency
- Accountability
- Consistent value systems
- Delegation of responsibility across all facets of operations

The below enablers ensure that these principles translate into consistent practice.

Leadership

At Sun Pharma, the leadership, including the Board of Directors, bring to the table, a wealth of experience, international exposure and the spirit of entrepreneurship to strategically develop and implement policies with ethics, accountability and transparency that leads to sustainable growth. Our Directors are at the forefront of driving our commitment to business ethics and sustainable business practices. The Board collectively spearheads compliance and drives action on our strategic objectives. We have a well-defined Delegation of Authority (DoA) that embeds

accountability, transparency and agility across our business activities. We have established a matrix that details the roles and responsibilities for key personnel to drive environmental, social and economic impact. This approach allows for a consultative and participatory approach to decision making. The DoA matrix also supports periodic Board oversight across focus areas such as financial performance, procurement, employee well-being, and community development, among others.

Board Committees

Core areas of governance are overseen by dedicated board committees to streamline the governance process. These committees are:

- a. Audit Committee
- b. Corporate Governance & Ethics Committee
- c. Corporate Social Responsibility (CSR) Committee
- d. Nomination & Remuneration Committee
- e. Risk Management Committee
- f. Stakeholders Relationship Committee

Principle 2

Product Life Cycle Sustainability

We produce a comprehensive, diverse and highly complementary portfolio of generic and specialty medicines, targeting a wide spectrum of chronic and acute treatments. Our product portfolio includes generics, branded generics, speciality products, over the counter (OTC) products, Active Pharmaceutical Ingredients (APIs) and intermediates.

Our vision of 'Reaching People and Touching Lives Globally as A Leading Provider of Valued Medicines' means that we work towards improving the quality of life - which includes affordable access of our products, empowering communities and enriching the environment.

Affordable Access

Good health is impossible without access to pharmaceutical products. Universal health coverage depends on the availability of quality-assured affordable health products. As one of the leading global generic companies, we provide high quality, affordable medicines to patients and doctors in more than 100 countries worldwide.

We offer a wide range of World Health Organisation prequalified (WHO PQ) anti-viral products that are supplied at very affordable cost in multiple countries in Africa, Latin America, CIS, and Asia to fight HIV / AIDS.

Moreover, we also reach out to those in acute necessity by distributing some of our critical life-saving products at no cost. Below are some of our products that have broken the affordability and accessibility barrier:

- Rilutor (Riluzole): Used for treating Amyotrophic Lateral Sclerosis (a life-threatening disease), is distributed free of cost to all patients
- Decitabine: An enabler to oncology therapy, it is sold at a significantly lower price compared to innovator's product

Covid-19 Response

We made donations of COVID-19 specific medicines, hand sanitisers and PPEs in countries across the globe. In India, we donated ₹250 Million of Hydroxychloroquine Sulfate (HCQS), Azithromycin, other related drugs and hand sanitisers. We also donated 2.5 million HCQS tablets in the U.S. for COVID-19 treatment.

In addition, we have launched in India, products like Remdesivir, Itolizumab and Favipiravir, which are used in COVID-19 treatment.

We also significantly increased supplies of Liposomal Amphotericin B which is used in treating COVID-19 related complications.

Empowering Communities

We are united, with one common purpose: to make good health accessible and affordable to local communities and society at large. While we continue working to make our products reach far and wide, we also work more to uplift our nearby communities. By sourcing local labour and material, we empower the people surrounding our plants. This not only boosts the local economy, but also helps us reduce the carbon footprint.

We also invest in upskilling local talent and upgrading local suppliers. Quality of our products is not compromised as we raise the local capabilities to our benchmark standards. Credits are also advanced where necessary to enhance the capacity of the suppliers. Many of our facilities have identified and encouraged various such local vendors.

For more details regarding our community initiatives, please refer Principle 8 of this report.

Our Commitment to Local Sourcing

In our endeavour to enable impact across our business activities, we continue to augment responsible procurement initiatives across our supply chain. At Sun Pharma, we encourage local sourcing to strengthen our supply chain, increase flexibility of operations and reduce costs, among others. We also aim to reduce our environmental footprint associated with the global transportation of requisite materials. Additionally, we aim to encourage local sourcing to strengthen national skill sets through the transfer of knowledge and expertise, creating opportunities for suppliers to implement value-generating initiatives. In FY21, proportion of spending on local suppliers on indirect procurement stood at 95% while the direct procurement and services spending stood at 67% each.

Enriching the Environment

Environment is vital to our sustainability as we are dependent on nature for our resources. Our EHS (Environment, Health and Safety) Policy, provides for the creation of a safe and healthy workplace and a clean environment for employees and the community. The policy is a commitment that we shall manufacture products safely and in an environmentally responsible manner.

Our EHS policy is periodically updated and our performance is consistently reviewed, aiming for the highest international standards in plant design, equipment selection, maintenance and operations. The focus of our efforts is on minimising resource consumption and increasing process efficiency.

For more details regarding our environment initiatives, please refer Principle 6 of this report.

Calculating our environmental performance per product poses unique challenges, owing to a diverse product portfolio and complex production processes. We, therefore, monitor and manage our total annual water and energy performance vis-à-vis our total annual production.

Production:

APIs: 3,928 ton

Formulations: 25,116 million units

Water usage:

2,863,563 KL

Energy Usage:

Electricity (kWh)	490,477,900
Gas (in '000 nm ³)	11,935
Furnace Oil (MT)	3,057
HSD (L)	967,200
Briquette (MT)	133,166

Our focused approach to resource conservation

This reporting period, we recycled 628,089.75 KL of water across our manufacturing facilities. It is noteworthy that a large number of our facilities are Zero Liquid Discharge (ZLD). In terms of waste management focused initiatives, we recycled 2,993.61 MT and co-processed 1,693.78 MT of hazardous waste. We also recycled 8,117,975.3 MT and reused 50,099 MT of non-hazardous waste.

Antimicrobial resistance (AMR)

Antimicrobial resistance occurs when microorganisms, such as bacteria, viruses, fungi, and parasites, change in ways that render the medications used to cure the infections they cause, ineffective. As a manufacturer of anti-infectives, we lay a lot of emphasis on the prevention of antimicrobial resistance. It is achieved by means of a sound technical design, operating procedures, training to employees and regular monitoring.

The plant design and operating philosophy ensures that, neither the person in plant nor the environment around the facility is impacted due to the plant operations. We also run communication / awareness programmes for doctors in India which highlight the menace of AMR. The facilities manufacturing the antibiotics are qualified as Zero Liquid Discharge (ZLD) facilities implying that no liquid is discharged into the environment from these facilities.

For handling the product within the facility, we use latest technologies like integrated manufacturing systems / close loop transfer system / dust control system with scrubbers and HEPA terminal filters on the equipment exhausts / vents which prevent release of any dust either in the workplace or in the surrounding area.

The persons working in the plant make use of required personal protective equipment as a means of safeguarding against any accidental exposure. The process effluent from operations is treated by means of specialised chemicals and bacteria that disintegrate the residual antibiotic product, which is further passed through double Reverse Osmosis process thereby ensuring absence of product in the treated effluent water.

The treated water is reused & recycled within the plant as per Zero Liquid Discharge (ZLD) norm prescribed in the environmental license by local Government authority. Any antibacterial residue and/or hazardous wastes are sent to Government authorised incineration site for disposal.

Principle 3

Employee Well-being

Employees are the most valuable assets of an organisation. They determine its success or failure. Our 37,000+ strong multi-cultural global workforce has ensured that all our businesses do well. Culturally they come from diverse backgrounds, but they are united with our common purpose and values.

We nurture them by ensuring safe working conditions, providing advanced learning options and furthering career growth opportunities. Active engagement with employees across hierarchies enables camaraderie and feedback. Our evolving HR policies focus on 360° development of our employees and cover all requisites, right from recruitment to retention.

The key tenets of the policy are:

Employee Engagement

A more engaged employee is more motivated to reach higher targets, meet customers' demands, develop innovative products and perform better to achieve the company's objectives. We ensure continuous engagement by active communication to understand employees' concerns and consistent mechanisms to address them.

Several two-way communication platforms are in place for employees to express themselves, know more about the organisation as well as raise queries. Employee feedback is promptly solicited and utilised to form policies that increases retention and improves productivity.

Continuous Learning

The ever-evolving world, unpredictable disruptions and the type of industry we are in requires that our employees continuously upgrade themselves on futuristic research, latest technologies and contemporary know-how to retain the competitive edge. At Sun Pharma, our employees are provided with opportunities to enhance their management, technical and soft skills through continuous training and development programmes. This may include putting them through in-house competency development mechanism or external training. Our training and development activities span across six key thematic areas:

- Culture building
- Leadership development
- Digitisation
- Data and documentation management
- Technical skill development
- Soft skill development.

Equal Opportunity

At Sun Pharma, merit is the only prerequisite to growth. We celebrate diversity and discourage bias, discrimination and

harassment. We have a multi-cultural workforce, which is an advantage with varied skill set and experience. Diversity is nurtured by encouraging a fine amalgam of talent from different age groups, genders, cultural backgrounds etc. As of March 31, 2021, we had a total consolidated staff strength of over 37,000 people including permanent, temporary, and contractual employees. In India, we had 28,007 employees, of which 1,455 were permanent women employees and 17 were permanent employees with disabilities.

Freedom of Association

We have always encouraged employees to communicate, whether individually or by forming an association. A union of employees that pursue the interests of its members, keeping in mind the overall business environment, is given its due importance.

At present, there is a management-recognised employee association, which covers approximately 4% of our employee membership.

Health and Safety

Health and safety of our employees is of paramount importance. Wellness of our workforce is ensured by our robust Environment, Health and Safety (EHS) policy and operating guidelines. We conduct our operations in the most responsible manner and cultivate a safety culture across the organisation. EHS performance is periodically reviewed at facility, regional and corporate levels to monitor the progress against EHS improvement plans.

We have established ISO 14001:2015 compliant Environmental Management System and ISO 45001:2018 (OHSMS) compliant Occupational Health and Safety Management System at our key manufacturing facilities.

To counter the COVID-19 pandemic, we quickly adopted safe operating protocols in all our Plants, R&D centers and offices across the world.

We continue to devote our resources in imparting safety training, designed in such a way that each employee is aware of all the do's and don'ts of operational safety, right from prevention to emergency management. The reporting year saw the safety and skill up-gradation training of approximately 92% of our total employees, including 31% of permanent women employees.

We encourage reporting of incidents, including injuries and near misses, which enables us to be better prepared for the future. Safe work practices are endorsed and converted into SOPs/LEPs, while unsafe practices are identified and discontinued.

Key ingredients of our occupational health and safety approach:

- EHS Management System
- EHS Culture Building
- Safety Risk Management
- Emergency Preparedness
- Safety Inspections & Audits
- Use of Personal Protective Equipment (PPE)
- EHS Promotional initiatives

Recognition & Recreation

Recognition motivates employees to put in their best efforts and recreation recharges the employees. Both these activities increase productivity of the employees and the efficiency of the organisation. A merit-based module for rewarding talent has been designed and various means for recreation are planned.

Exceptional performance by employees is recognised promptly through various recognition schemes. Regional and functional awards enable the acknowledgement of employees' involvement and inputs towards the realisation of goals.

Some of the other mechanisms include:

- Special celebration to accord due recognition to the retiring employee
- Long-service award to recognise the loyalty and commitment of employees
- Family picnics to foster camaraderie

Covid-19 Response

Our resilient employees have done a remarkable job of ensuring business continuity despite the multiple disruptions resulting from the COVID-19 pandemic and lockdowns. All our teams, including Manufacturing, Supply Chain, HR, IT, Finance, etc. have worked tirelessly to ensure overall productivity and adequate supply of our products.

Principle 4

Stakeholder Engagement

Over the years, we have focused on building strong and meaningful relationships with a diverse range of stakeholders. We believe that stakeholder centric approach is at the heart of enabling a socially relevant and future-oriented approach to business. Engagement with stakeholders improves decision-making and accountability. We have a comprehensive engagement mechanism in place to have a consistent and transparent dialogue with all our stakeholders. This not only helps in finding solutions to important matters, but also builds trust and understanding. Our stakeholder engagement mechanisms aim to foster inclusivity, accountability and responsibility. We have built customised engagement channels tailored to the distinct needs of each stakeholder groups. While we periodically engage with our stakeholders, in FY21 we engaged with our stakeholder through a structured approach with the objective of incorporating their inputs into our materiality assessment.

The repository of responses from internal as well as external stakeholders helps us in streamlining our policies, processes and products, while our sharing gives them a fair idea of our future direction.

Our stakeholder engagement mechanism has three key pillars:

- Inclusivity
- Accountability
- Responsibility

Inclusivity

We prefer to include all stakeholders who are impacted by and who can influence our decisions and its implementation. Whether minor or major, internal or external, we have identified them and engage with them in a fair and transparent manner.

Some of the key stakeholders identified by us are:

- Employees
- Neighbouring Communities
- Patients
- Healthcare Professionals
- Investors & Shareholders
- Vendors, Suppliers & Distributors
- Government & Regulators

Accountability

We are answerable to our stakeholders and this accountability helps us maintain our integrity. Timely information is provided, and a considered response is sought, leading to meaningful communication and fruitful collaboration.

Some of the means we use to communicate include:

- Corporate Website
- Annual Reports
- Quarterly Reports
- Investor Presentations
- Official Press Releases
- Vendor Meets
- Customer Feedback Sessions
- Dedicated Portals for Employees, Vendors and Field staff
- Participation in Independent Exhibitions
- Social Media

Responsibility

We are thoughtful to the needs of all the stakeholders who are affected by our business, as those are the ones who support our operation. Each stakeholder is different, so is its need; and we are committed to responsibly balance the interests of all stakeholders.

We believe that those who are marginalised need more focus. So, we continuously and consistently plan and implement initiatives, which can alleviate their struggles and provide them well-being.

Stakeholder Engagement

Stakeholder group	How we engage	Key areas of interest of the stakeholder group	Our approach to managing expectations
Investor/ shareholder	<ul style="list-style-type: none"> • Annual/quarterly financial reports & earnings calls • Attending Investor Conferences • Issuing specific event-based press releases • Investor presentations 	<ul style="list-style-type: none"> • Corporate governance • EGS disclosures • Regulatory compliance • Responsible supply chain management • Product responsibility • Business Performance • Cost competitiveness 	<ul style="list-style-type: none"> • Governance mechanisms based on our core corporate values • Transparent disclosures are made periodically in the form of annual report, quarterly reports, press releases and investor presentation. • This year onwards annual sustainability report will also be published. • A dedicated supply chain team oversees effective and responsibility management of the supply chain • Dedicated teams such as quality management team and the pharmacovigilance unit collectively ensure product quality and safety aligned with stringent quality and safety management protocols. • Cost competitiveness enabled through operational excellence programs focused on manufacturing, workforce and supply chain optimisation.
Regulator	<ul style="list-style-type: none"> • In-person meetings • E-mail 	<ul style="list-style-type: none"> • Regulatory compliance • Community engagement • Rural market penetration • De-risk supply chain 	<ul style="list-style-type: none"> • Ensure compliance and roll out corrective measures in the event of a non-compliance • Tailored community development programs • Responsible supply chain strategy
Supplier/ vendor / third party manufacturer	<ul style="list-style-type: none"> • Vendor meets • Virtual modes such as E-mail, telephonically 	<ul style="list-style-type: none"> • Timely payments • Collaboration 	<ul style="list-style-type: none"> • Digital interventions and management systems to monitor and execute timely payments • Facilitate need-based engagement with vendors

Stakeholder group	How we engage	Key areas of interest of the stakeholder group	Our approach to managing expectations
NGO	<ul style="list-style-type: none"> In person meetings Virtual modes such as E-mail, telephonically 	<ul style="list-style-type: none"> Employee volunteering Agile management process 	<ul style="list-style-type: none"> Programs have been designed that facilitate and encourage employee volunteering CSR management system is periodically streamlined to enable enhanced responsiveness to community needs
Community	<ul style="list-style-type: none"> In person meetings Engagement through our NGO partners 	<ul style="list-style-type: none"> Community development programs with a focus on health, education, sanitation and infrastructural development 	<ul style="list-style-type: none"> Community development programs have been undertaken based on detailed need assessment studies. A systematic approach is employed to ensure positive development outcomes for the communities being served across the focus areas.
Customer - B2B	<ul style="list-style-type: none"> In-person meetings E-mail Customer feedback sessions 	<ul style="list-style-type: none"> Product quality, access and pricing 	<ul style="list-style-type: none"> Robust quality management system and pricing strategy based on enabling best outcomes for end-customers
Employee	<ul style="list-style-type: none"> Employee focused web-portal E-mail Employee engagement survey Town-halls 	<ul style="list-style-type: none"> Training, professional growth and development Well-being initiatives Employee recognition Fair remuneration Work-life balance 	<ul style="list-style-type: none"> Customised employee learning and development initiatives Curated employee welfare and recognition programs Annual appraisal and open feedback culture Active employee engagement
Senior Leadership	<ul style="list-style-type: none"> In person meetings Virtual modes such as E-mail, telephonically 	<ul style="list-style-type: none"> Sustainable and resilient business operations R&D and innovation 	<ul style="list-style-type: none"> Periodic business strategy review based on market dynamics and stakeholder inputs Capitalising on emerging technologies and continuously strengthening R&D capabilities

For more details regarding this, please refer Principle 8 of this report.

Principle 5 Human Rights

At Sun Pharma, we are dedicated to safeguard the fundamental human rights of all our employees, partners and other stakeholders. We believe in the universal and fundamental nature of human rights and ensure our workforce is aligned to this belief. Sun Pharma is hence a firm believer of the principle of human rights protection and adheres to it, in letter and spirit. Our commitment to human rights is substantiated by our Human Rights Policy which spans various principles ranging from freedom of association to freedom from harassment and applies across our operations. Our actions emanating from these policies speak louder than our intentions. Not only are we compliant with all the statutory laws and regulations, we

have grievance redressal mechanisms in place for violations, if any. We have zero tolerance to child labour, forced labour or discrimination based on gender, caste, creed, religion, marital status, sexual orientation, among other factors. In the reporting year, there were no human rights violation complaints, relating either to child, forced and involuntary labour or discriminatory employment against the Company, or any sexual harassment complaint.

We have robust procedures to mitigate violation of the fundamental human rights. Furthermore, we provide trainings to our employees to support awareness on our commitment to the protection of human right.

Principle 6

Environment

At Sun Pharma, we are dedicated to build capabilities and leverage our innovation-oriented approach to protect and rejuvenate our natural ecosystem. Being India's leading pharmaceutical company, we actively work towards minimising our environmental footprint and contributing to global climate action efforts. Mounting environmental and climate change linked concerns have further prompted us to step-up our efforts in this regard. Over the years, the ethos of natural resource conservation has been progressively built into every facet of our business operation. Beyond eco-efficient operational innovation, we have also been cultivating an environmentally conscious mind set among our employees. We ensure strict adherence to all applicable environmental laws and regulations in our geographies of operation. While we ensure compliance, it is our constant endeavour to embrace a beyond compliance and proactive approach to environmental management. We have embraced an all-encompassing Environment, Health & Safety (EHS) policy that imbues our commitment to environmental conservation in our operational endeavours. Our environmental management system based on the concept of continuous improvement anchors our environmental stewardship. The management system enables an innovation-centric, participatory and locally customisable approach to achieving environmental performance excellence. Around 93% of our Indian facilities are ISO 14001:2015 (EMS) certified.

Our commitment to climate action

We are one among the 24 signatories to the India CEO's Forum on Climate Change, which is driven by Government of India's Ministry of Environment, Forest and Climate Change. The forum enables corporates to make commitments to reduce GHG emissions and share best practices to develop resilience and help India meet its obligations towards the Paris Agreement. As part of this initiative, we have pledged to undertake measures spanning six thematic areas. Our upcoming sustainability report will give more details on our climate action plan.

Energy Conservation

Reduction in the consumption of energy is a win-win proposition. It positively impacts environment protection by lowering emissions and resource depletion as well as the financials by reducing operational costs and sourcing efforts. At Sun Pharma, interventions of different kind are executed to conserve as much energy as possible to reduce the environmental footprint. These interventions broadly focus on using energy more efficiently in the manufacturing processes and tapping technology to generate green energy. Our approach to energy management revolves around three thrust areas: monitor, decarbonise and minimise.

Greener Operations

We have taken a host of initiatives to reduce the consumption of energy in our processes at all our manufacturing plants. This was achieved through optimising the systems at various points, some of which are:

- Boiler economiser and air pre-heater installed for biomass fired boiler
- Heat pump installed for hot water generation
- Condensate recovery pump installed
- Energy efficient pumps installed
- Installation of air booster in compressed air line
- Removed primary and secondary system in chilling plant
- Installed closed loop system for chilled water circulation
- Motion sensor (electricity) installed to reduce energy consumption in close areas
- AHU centralised to reduce the power consumption
- Automated tube brushing usage to reduce scaling and reduce the energy
- Energy efficient motors provided to save energy consumption
- Replacement of HVLP lamps with LED lamps
- Using ETP RO water for makeup of Cooling Tower in Utility
- Reducing air compressor pressure on non-working days
- Replacement of existing conventional hot water system with Plate Heat Exchanger

Greener Investments

We are committed to generate more green energy to reduce our dependence on fossil fuels. Our renewable sources of energy encompass wind, solar and biomass. In FY21, we generated around 36.5 million kWh of clean energy (solar and wind energy).

Carbon emission management

We are committed to contribute to global climate mitigation efforts by reducing our carbon footprint. We periodically monitor our scope 1 (direct) and scope 2 (energy indirect) GHG emissions through a robust GHG inventorying process. We also monitor other air emissions such as Ozone Depleting Substances (ODS) and oxides of Nitrogen and Sulphur (NOx and Sox). With respect to ODS, we are gradually transitioning to gases with lower Ozone Depleting Potential (ODP) and Global Warming Potential (GWP) such as R 134-A and R 404 instead of R22

Clean Development Mechanism (CDM) projects have been implemented at our facilities by switching from 'conventional' furnace oil / light diesel oil boilers to 'eco-efficient' biomass briquette-based boilers. It not only restricts the emissions of our operations, but also achieves two more objectives:

- Social well-being: Generating additional earning opportunities for the local people
- Environmental well-being: Replacing fossil fuels by a carbon-neutral fuel

As of now, we have 14 facilities equipped with the biomass fuelled boilers, with a total steam generation capacity of 129 TPH.

Water management

We recognise water-stress as an imminent environmental risk with catastrophic implications. We monitor the water footprint of our manufacturing processes towards minimising our reliance on fresh water sources. We employ the 4 R principle of reduce, reuse, recycle and recharge in our water conservation endeavours. We have established stringent water consumption reduction KPIs across all our manufacturing facilities.

Waste Management

At Sun Pharma, we have well-documented SOPs/LEPs for effective waste management which are executed and

monitored on a continuous basis. Several initiatives are taken to reduce the production of waste by minimising waste at source; recycle waste materials including solvents, wastewater, glass, plastic liners, fibre drums, metal drum sheets, HDPE sheets and waste oil; and reuse the recovered solvents as and when possible.

Regular investments are made for process improvements as well as upgradation of effluent treatment plants. With the latest equipment installed for recycling of the treated effluent, we have achieved the status of zero liquid discharge at 21 of our facilities.

Some of the SOPs/LEPs include:

- Minimise the waste generation at the source itself
- Well-equipped solvent recovery systems enabling us to recycle recovered solvents
- Recycling of waste material is done through authorised recyclers and engaging scrap vendors for materials like paper, plastic and HDPE waste
- Ensure safe and responsible waste disposal as per Govt. norms and at Govt. approved sites

As of March 31, 2021, there were no pending notices from pollution control boards.

Principle 7

Policy Advocacy

We live in a dynamic world with unpredictable disruptions, technology changes and evolving research. As we are focussed on making affordable medicines more accessible, we share our experience and leverage our leadership position to provide incisive insights and detailed inputs to key decision makers in planning better policies for the patients. Along with that, we also learn from the best practices of others in the industry.

While we collaborate with various trade and industry associations, we are also members of:

- India CEO Forum on Climate Change
- Indian Drug Manufacturing Association (IDMA)
- Indian Pharmaceutical Alliance (IPA)
- Confederation of Indian Industry (CII)
- The Associated Chambers of Commerce of India (ASSOCHAM)
- The Federation of Indian Chambers of Commerce and Industry (FICCI)
- Federation of Gujarat Industries (FGI)
- Gujarat Employers Organisation (GEO)

Principle 8

Equitable Development

Equitable development is an approach for meeting the needs of underserved communities through policies and programmes that reduce disparities while fostering places that are healthy and vibrant.

At Sun Pharma, our community development programmes are intended to contribute towards a better quality of life for the people and uplift the marginalised sections of the society. We are guided by our comprehensive Corporate Social Responsibility (CSR) Policy which has also been posted on our website. We undertake periodic community need assessments to identify areas of impact and further strengthen the objectives of our CSR programmes. Furthermore, projects are monitored by our CSR team through site visits, reports from implementation partners and village-level project committees.

In FY21, we invested ₹269.50 Million (including administrative costs) for the implementation of CSR programmes and projects which focus on different thematic areas as per the needs identified in local communities and aligned with areas mentioned in the Schedule VII to the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The focus areas are:

- Healthcare Programmes
- Education Programmes
- Environment Conservation Programmes
- Drinking Water Projects
- Covid-19 Relief Works
- Rural Development Programmes

Healthcare Programmes

Cancer Sanatorium Institute, Wadala, Mumbai

We contributed towards setting-up of the cancer treatment and chemotherapy facility at Wadala, Mumbai keeping in view the needs of cancer patients.

The objective was to support the subsequent chemotherapy treatment of patients at the Hospital. The project will provide its services to the people from all sections of society. The project involved an investment of ₹100.00 Million during FY21.

Mobile Healthcare Unit (MHU)

Mobile healthcare services help in providing primary healthcare at the doorstep of neighbouring communities living in the vicinity of our manufacturing plant locations. These services are provided free of cost.

Focussed on underserved and marginalised communities, the mobile healthcare services provide care in different health areas, such as maternal health, adolescent health, neonatal and infant health, awareness and health services for communicable and non-communicable diseases, improving reproductive health, immunisation, etc.

Through MHU, we are ensuring preventive vaccination and encouraging regular medical check-ups among the rural population. It is operational in 11 different locations covering 6 states of India - Gujarat, Tamil Nadu, Punjab, Himachal Pradesh, Madhya Pradesh and Maharashtra. During FY21, we touched 155,683 beneficiaries including 126,234 curative treatments of patients through a total investment of ₹24.67 Million.

Pharma Research Laboratory

We provided support to set-up a research laboratory at Agricultural Development Trust's College of Agriculture, Baramati for carrying out research in the areas of science, agriculture and dairy for the benefit of the community. The infrastructural development of this project entailed an investment of ₹25.00 Million.

Community Healthcare

We financially supported the Citizen Blood Donation Society at Vadodara, Gujarat for promoting blood donation.

We are also running a Primary Health Centre at Toansa, Punjab enabling free medical benefits to the rural populace. In FY21, we invested ₹0.15 Million for such healthcare services in the community.

Education Programmes

Model School Development Project

Sun Pharma takes initiatives to enhance the educational standards in identified schools under this project by improving basic educational facilities. The following activities were carried out during FY21:

- Infrastructure upgradation
- Setting-up of digital classroom
- School toilet construction project
- Promoting quality education
- Development of Anganwadi centres
- Provision of drinking water for students
- Rainwater harvesting in schools
- Skill development training

The project helped 6,748 students and the community, with an investment of ₹10.75 Million.

Environment Conservation Programmes

Sun Pharma is committed towards environment conservation. In FY21, we executed many initiatives which included a green belt development project and a roadside plantation programme. Plantation and awareness generation activities were also carried out in schools and community for sensitising people towards the importance of conservation of environment.

The programmes were implemented in Ahmednagar, Panoli, Toansa and Vadodara with an investment of ₹0.45 Million during FY21.

Drinking Water Projects

The projects focus on provision of safe and potable drinking water for the community. One such project involves rejuvenation of small water bodies in Abhetwa rural communities in Halol (Gujarat). We are also maintaining deep borewell based drinking water supply system at Toansa throughout the year.

The projects are benefitting rural communities with a total investment of ₹0.60 Million during FY21.

Covid-19 Relief Works

Initiatives on prevention of Covid-19 in communities

The outbreak of Covid-19 was declared as a pandemic by WHO. Along with awareness programme, the company also distributed medicines, sanitisers, food items, grocery articles, masks and all other required things to the communities. We also supported the setting up of a Covid-19 testing centre. For this, we invested ₹106.25 Million during FY21.

Setting up of Covid-19 Testing Centre

We supported in setting up the Covid-19 Testing Centre at Ladakh. The Council of Scientific & Industrial Research (CSIR) and Institute of Integrative Medicine (IIM) from Jammu provided the training and logistics support for setting up the facility.

The Administration of Ladakh is now taking care of the facility which is in self-sustainable mode.

Donate a Plate Campaign

Sun Pharma participated in the noble cause of 'Donate a Plate' campaign for the less privileged children and families during festivals. The participation helped in arranging meals for the migrant workers in the lockdown during the festival. We spent ₹0.30 Million on this cause.

Provision of medicines to combat Covid-19 infection

Sun Pharma provided 'Tocilizumab' injection for seriously ill Covid patients under treatment at District Hospital, Silvassa, Dadra and Nagar Haveli. We spent ₹0.62 Million for the medicines.

Rural Infrastructure Development Projects

Under these projects, we help rural communities by development of basic infrastructure facilities. Various projects that benefitted the communities included installation of traffic signals, maintenance of playgrounds, renovation of community centres, etc. We invested ₹0.70 Million during FY21 for these development projects.

Principle 9 Customer Value

All our operations and efforts finally result in a brand trusted worldwide by our customers. State-of-the-art plants, cutting-edge technology, robust processes and comprehensive policies deliver products that alleviate the pain of the patients and heal them. Our customer-centricity approach hence encompasses a gamut of propositions:

- Delivering affordable medicines and increasing their accessibility
- Practising stringent quality standards to ensure safe, effective, and easy to use products
- Soliciting customers' feedback, insights and timely addressing their issues

Chronic Healthcare Products

We produce a comprehensive, diverse and highly complementary portfolio of generic and specialty medicines targeting a wide spectrum of chronic and acute treatments. New cures are of no use to the people if the cost is

prohibitive. We are trying to put our efforts in overcoming this affordability challenge.

Another space we are investing in is to make these affordable medicines accessible to a larger footprint. Our presence in more than 100 countries helps us in being responsive to local treatment needs while continually improving our global product offering in a range of therapeutic segments including central nervous system (CNS), cardiology, diabetology, gastroenterology, ophthalmology, etc.

Product Safety

The nature of our business makes it imperative for us to view quality not only as a differentiator, but also as an elementary feature of our products. We have thus, incorporated pharmaco-vigilance SOPs to methodically examine, detect and gauge any adverse effects which may arise in or due to our products. This system results in the elimination of misfortunes at the initial phase itself.

Being a customer-centric company as well as a global pharmaceutical leader, we keep pushing the envelope further in terms of product safety throughout our value-chain, with unrelenting vigilance of our R&D experts playing their part.

A comprehensive quality management system is in place to keep an all-inclusive and updated database of unfortunate events. Both healthcare and non-healthcare stakeholders can access the 'adverse impact reporting form' from our website. To encourage free and fair feedback, the reporter's identity is kept confidential and is diligently protected. After filtering the feedback received, the information is used for the systematic benefit-risk ratio assessment of the medicine.

Active Engagement

We engage with our customers who are spread globally, through a two-way interactive process:

Provide:

We disclose detailed information about all our products, complying with all applicable labelling codes and specifications. We also deal with customers in a transparent and ethical manner, eliminating any form of miscommunication or misunderstanding. Our employees' engagement with the customer is governed through our Global Code of Conduct.

Receive:

Our consistent engagement provides us with valuable feedback from customers and helps us identify and address issues, if any. In the reporting year, although no formal survey was carried out, our medical representatives continued to seek suggestions in person, from doctors and pharmacists. Our 'Customer Centricity Policy' also directs our employees to be receptive towards customer's needs and concerns.

In the last twelve years, no material case regarding dishonest trade practices or irresponsible advertising have been filed against Sun Pharma by any stakeholder

Independent Auditor's Report

To the Members of Sun Pharmaceutical Industries Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Sun Pharmaceutical Industries Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in

accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the standalone Ind AS financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Litigations (as described in Note 39 of the standalone Ind AS financial statements)</p> <p>The Company is involved in various legal proceedings including product liability, contracts, employment claims, Department of Justice (DOJ) investigations, anti-trust and other regulatory matters relating to conduct of its business.</p> <p>The Company assesses the need to make provision or to disclose a contingent liability on a case-to-case basis considering the underlying facts of each litigation.</p> <p>The eventual outcome of the litigations is uncertain and estimation at balance sheet date involves extensive judgement of management including input from legal counsel due to complexity of each litigation. Adverse outcomes could significantly impact the Company's reported profit and balance sheet position.</p> <p>Considering the judgement involved in determining the need to make a provision or disclose as contingent liability, the matter is considered a Key Audit Matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls in respect of the identification, evaluation of litigations, the recording / re-assessment of the related liabilities, provisions and disclosures. • Obtained a list of litigations from the Company's in-house legal counsel; identified material litigations from the aforementioned list and performed inquiries with the said counsel; obtained and read the underlying documents to assess the assumptions used by management in arriving at the conclusions. • Circulated, obtained and read legal confirmations from Company's external legal counsels in respect of material litigations and considered that in our assessment. • Verified the disclosures related to provisions and contingent liabilities in the standalone Ind AS financial statements to assess consistency with underlying documents.

Key audit matter	How our audit addressed the key audit matter
<p>Tax litigations and recognition of deferred tax assets (as described in Note 9 and 39 of the standalone Ind AS financial statements)</p> <p>The Company has significant tax litigations for which the Company assesses the outcome on a case-to-case basis considering the underlying facts of each tax litigation. Adverse outcomes could significantly impact the Company's reported profit and balance sheet position.</p> <p>The assessment of outcome of litigations involves significant judgement which is dependent on the facts of each case, supporting judicial precedents and legal opinions of external and internal legal counsels and hence the matter has been considered as a Key Audit Matter.</p> <p>Recognition of deferred tax assets involves the assessment of its recoverability within the allowed time frame requiring significant estimate of the financial projections, availability of sufficient taxable income in the future and also involving significant judgements in the interpretation of tax regulations and tax positions adopted by the Company. Considering the judgement involved in determining the recovery of deferred tax assets, the matter is considered a Key Audit Matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax litigations/deferred tax and the recording and re-assessment of the related liabilities/assets and provisions and disclosures. • Obtained list of ongoing tax litigations from management along with their assessment of the cases based on past precedents, judgements and matters in the jurisdiction, legal opinions sought by management, correspondences with tax department etc. • Engaged tax specialists, to evaluate management's assessment of the outcome of these litigations. Our specialists considered legal precedence and other rulings in evaluating management's position on these tax litigations. • Tested management's assumptions including forecasts and sensitivity analysis in respect of recoverability of deferred taxes on unabsorbed depreciation/carry forward losses/MAT credit. • Verified disclosures of the tax positions, tax loss carry forwards and tax litigations in the standalone Ind AS financial statements.
<p>Identification and disclosures of Related Parties (as described in Note 50 of the standalone Ind AS financial statements)</p> <p>The Company has related party transactions which include, amongst others, sale and purchase of goods/services to its subsidiaries, associates, joint ventures and other related parties and lending and borrowing to its subsidiaries, associates and joint ventures.</p> <p>Identification and disclosure of related parties was a significant area of focus and hence considered it as a Key Audit Matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. • Obtained a list of related parties from the Company's management and traced the related parties to declarations given by directors, where applicable, and to Note 50 of the standalone Ind AS financial statements. • Read minutes of the meetings of the Board of Directors and Audit Committee to trace related party transactions with limits approved by Audit Committee / Board. • Tested material creditors/debtors, loan given/loans taken to evaluate existence of any related party relationships; tested transactions based on declarations of related party transactions given to the Board of Directors and Audit Committee. • Verified the disclosures in the standalone Ind AS financial statements for compliance with Ind AS 24.

OTHER INFORMATION

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or

otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting

Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 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 standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 25 and 29 to the standalone Ind AS financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, except a sum of INR 1.13 million, which is held in abeyance due to pending legal cases.

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

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Paul Alvares**

Partner

Membership Number: 105754

UDIN: 21105754AAAACU7233

Place of Signature: Pune

Date: May 27, 2021

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 PHARMACEUTICAL INDUSTRIES 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	Total number of cases	Gross Block as on March 31, 2021 (₹ million)	Net Block as on March 31, 2021 (₹ million)	Remarks
Freehold Land including building located thereon	8	238.11	217.23	The title deeds are in the name of erstwhile companies that were merged with the Company under relevant provisions of the Companies Act, 1956/2013 in terms of approval of the Honorable High Courts of respective states.
Leasehold Land	3	108.54	74.66	

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

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.

- (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 3(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
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of applicable pharmaceutical products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including 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 service tax and cess, wherever applicable and which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Forum where the dispute is pending	Year to which it pertains	Amount (₹ million)*
Income Tax Act, 1961	Income Tax, Interest and Penalty	Income Tax Appellate Tribunal (ITAT)	Various years from 2006-07 to 2011-12	12,382.63
Income Tax Act, 1961	Income Tax, Interest and Penalty	Commissioner of Income Tax (Appeals)	Various years from 2009-10 to 2014-15	460.72
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Delhi	Various years from 2003-04 to 2015-16	792.82
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Commissioner (Appeals)	Various years from 2003-04 to 2017-18	11.88
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	High Court	Various years from 2003-04 to 2013-14	4.88
Finance Act, 1994	Service Tax	Assistant / Additional / Senior Joint Commissioner	Various years from 2004-05 to 2017-18	28.86
Finance Act, 1994	Service Tax	CESTAT	Various years from 2013-14 to 2015-16	3,456.53
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Assistant / Additional / Senior Joint Commissioner	Various years from 1999-00 to 2016-17	28.79
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Appellate Authority	Various years from 1998-99 to 2015-16	1.71
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Tribunal	Various years from 1998-99 to 2013-14	2.89
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	High Court	Various years from 1999-00 to 2010-11	53.51
Custom Act, 1962	Customs Duty, Penalty and Interest	Commissioner (Appeals)	Various years from 2008-09 to 2014-15	21.62
Custom Act, 1962	Customs Duty, Penalty and Interest	CESTAT	Various years from 2010-11 to 2012-13	115.97
The Goods and Service Tax Act	Goods and Service Tax	Commissioner (Appeals)	2017-18 to 2018-19	6.65

*Amount includes interest till the date of demand 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 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 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 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

- (xiv) 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/her 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: 21105754AAAACU7233

Place of Signature: Pune

Date: May 27, 2021

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Sun Pharmaceutical Industries Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Sun Pharmaceutical Industries Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override

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

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at

March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per **Paul Alvares**
Partner
Membership Number: 105754
UDIN: 21105754AAAACU7233

Place of Signature: Pune
Date: May 27, 2021

Standalone Balance Sheet

as at March 31, 2021

Particulars	Notes	₹ in Million	
		As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3 (a) & 3 (b)	48,739.8	49,103.1
(b) Capital work-in-progress		4,428.5	3,843.5
(c) Goodwill	4	1,208.0	1,208.0
(d) Other Intangible assets	4	2,495.8	1,976.3
(e) Intangible assets under development		3,199.4	2,122.6
(f) Investments in the nature of equity in subsidiaries	5	169,581.1	169,581.1
(g) Financial assets			
(i) Investments	6	95.7	85.4
(ii) Loans	7	713.9	7.4
(iii) Other financial assets	8	749.0	849.3
(h) Deferred tax assets (Net)	9	13,374.5	11,397.1
(i) Income tax assets (Net)	10	20,826.3	20,780.2
(j) Other non-current assets	11	3,912.9	3,738.1
Total non-current assets		269,324.9	264,692.1
(2) Current assets			
(a) Inventories	12	31,657.2	26,336.7
(b) Financial assets			
(i) Investments	13	310.0	3,950.7
(ii) Trade receivables	14	63,706.2	61,681.3
(iii) Cash and cash equivalents	15	2,223.4	2,205.0
(iv) Bank balances other than (iii) above	16	99.2	4,342.8
(v) Loans	17	7,385.7	4,485.9
(vi) Other financial assets	18	7,571.1	7,584.2
(c) Other current assets	19	7,710.6	8,824.6
Total current assets		120,663.4	119,411.2
TOTAL ASSETS		389,988.3	384,103.3

Standalone Balance Sheet

as at March 31, 2021

Particulars	Notes	₹ in Million	
		As at March 31, 2021	As at March 31, 2020
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	2,399.3	2,399.3
(b) Other equity	21	248,002.3	241,562.9
Total equity		250,401.6	243,962.2
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	48,335.6	12,566.9
(ii) Other financial liabilities	23	-	161.7
(b) Other non-current liabilities	24	1,607.2	1,455.5
(c) Provisions	25	6,208.4	13,919.6
Total non-current liabilities		56,151.2	28,103.7
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	16,519.8	44,882.7
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	45	852.0	461.8
(b) total outstanding dues of creditors other than micro and small enterprises		25,074.1	20,830.9
(iii) Other financial liabilities	27	24,184.7	28,445.4
(b) Other current liabilities	28	4,768.2	6,437.2
(c) Provisions	29	12,036.7	10,979.4
Total current liabilities		83,435.5	112,037.4
Total liabilities		139,586.7	140,141.1
TOTAL EQUITY AND LIABILITIES		389,988.3	384,103.3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

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

per **PAUL ALVARES**
Partner
Membership No. : 105754
Date: May 27, 2021

SUNIL R. AJMERA
Company Secretary

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

Particulars	Notes	₹ in Million	
		Year ended March 31, 2021	Year ended March 31, 2020
(I) Revenue from operations	30	128,032.1	125,319.3
(II) Other income	31	1,502.2	15,109.2
(III) Total income (I + II)		129,534.3	140,428.5
(IV) EXPENSES			
Cost of materials consumed	32	38,091.1	32,017.1
Purchases of stock-in-trade		11,996.3	12,274.1
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(2,148.4)	1,386.0
Employee benefits expense	34	17,984.5	17,027.7
Finance costs	35	2,569.8	4,080.1
Depreciation and amortisation expense	3 (a), 3 (b) & 4	5,868.1	5,615.6
Other expenses	36	32,599.8	35,140.8
Net loss on foreign currency transactions		148.8	357.1
Total expenses (IV)		107,110.0	107,898.5
(V) PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III - IV)		22,424.3	32,530.0
(VI) Exceptional item	55 (2)	895.6	-
(VII) PROFIT BEFORE TAX (V - VI)		21,528.7	32,530.0
(VIII) TAX EXPENSE / (CREDIT)			
Current tax	38	2,449.1	3,864.6
Deferred tax	9 & 38	(2,317.4)	(3,446.0)
Total tax expense / (credit) (VIII)		131.7	418.6
(IX) PROFIT FOR THE YEAR (VII - VIII)		21,397.0	32,111.4
(X) OTHER COMPREHENSIVE INCOME			
A) Items that will not be reclassified to the statement of profit or loss			
a. Gain / (loss) on remeasurement of the defined benefit plans		(111.6)	(286.4)
Income tax on above		39.0	100.1
b. Gain / (loss) on equity instrument measured at fair value through other comprehensive income		8.6	(38.6)
Income tax on above		(3.0)	13.5
Total - (A)		(67.0)	(211.4)
B) Items that may be reclassified to the statement of profit or loss			
a. Effective portion of gain / (loss) on designated portion of hedging instruments in a cash flow hedge		1,075.5	(929.2)
Income tax on above		(375.8)	324.7
b. Gain / (loss) on debt instrument measured at fair value through other comprehensive income		0.5	12.1
Income tax on above		(0.2)	(4.2)
Total - (B)		700.0	(596.6)
Total other comprehensive income (A+B) (X)		633.0	(808.0)
(XI) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)		22,030.0	31,303.4
Earnings per equity share (face value per equity share - ₹1)	46		
Basic (in ₹)		8.92	13.38
Diluted (in ₹)		8.92	13.38

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

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

per **PAUL ALVARES**
Partner
Membership No. : 105754
Date: May 27, 2021

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

SUNIL R. AJMERA
Company Secretary

Standalone Statement of Changes in Equity

for the year ended March 31, 2021

₹ in Million

Particulars	Reserve and surplus						Other equity				Other comprehensive income (OCI)				Total
	Equity share capital	Capital reserve	Securities premium	Amalgamation reserve	Capital redemption reserve	General reserve	Retained earnings	Equity instrument through OCI	Debt instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges	Equity instrument through OCI	Debt instrument through OCI	Foreign currency translation reserve	
Balance as at March 31, 2019	2,399.3	53,575.2	11,932.9	43.8	7.5	34,779.3	123,846.1	26.1	(8.2)	1,485.9	348.2	228,436.1			
Profit for the year	-	-	-	-	-	-	32,111.4	-	-	-	-	32,111.4			
Other comprehensive income for the year	-	-	-	-	-	-	^(186.3)	(25.1)	7.9	-	(604.5)	(808.0)			
Total comprehensive income for the year	-	-	-	-	-	-	31,925.1	(25.1)	7.9	-	(604.5)	31,303.4			
Payment of dividend	-	-	-	-	-	-	(13,789.6)	-	-	-	-	(13,789.6)			
Dividend distribution tax	-	-	-	-	-	-	(1,928.9)	-	-	-	-	(1,928.9)			
Expenditure on buy-back of shares [Refer Note 55 (8)]	-	-	(58.8)	-	-	-	-	-	-	-	-	(58.8)			
Balance as at March 31, 2020	2,399.3	53,575.2	11,874.1	43.8	7.5	34,779.3	140,052.7	1.0	(0.3)	1,485.9	(256.3)	243,962.2			
Profit for the year	-	-	-	-	-	-	21,397.0	-	-	-	-	21,397.0			
Other comprehensive income for the year	-	-	-	-	-	-	^(72.6)	5.6	0.3	-	699.7	633.0			
Total comprehensive income for the year	-	-	-	-	-	-	21,324.4	5.6	0.3	-	699.7	22,030.0			
Payment of dividend	-	-	-	-	-	-	(15,590.6)	-	-	-	-	(15,590.6)			
Balance as at March 31, 2021	2,399.3	53,575.2	11,874.1	43.8	7.5	34,779.3	145,786.5	6.6	-	1,485.9	443.4	250,401.6			

^ Represents remeasurements of the defined benefit plans

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E3000003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Date: May 27, 2021

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

SUNIL R. AJMERA
Company Secretary

Standalone Cash Flow Statement

for the year ended March 31, 2021

Particulars	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from operating activities		
Profit before tax	21,528.7	32,530.0
Adjustments for:		
Depreciation and amortisation expense	5,868.1	5,615.6
Loss on sale/write off of property, plant and equipment and intangible assets, net	19.2	51.0
Finance costs	2,569.8	4,080.1
Interest income	(592.3)	(700.6)
Dividend income on investments	(383.4)	(9,258.3)
Net loss/ (gain) arising on financial assets measured at fair value through profit or loss	9.7	(7.2)
Net gain on sale of financial assets measured at fair value through profit or loss	(107.3)	(121.4)
Net (gain) / loss on sale of financial assets measured at fair value through other comprehensive income	(0.4)	(0.4)
Gain on sale of investment in subsidiary	-	(2,244.3)
Provision / write off / (reversal) for doubtful trade receivables / advances	43.2	535.4
Sundry balances written back, net	(75.6)	(17.3)
Reversal of provision in respect of losses of a subsidiary	-	(2,502.9)
Effect of exchange rate changes	2,353.2	2,399.4
Operating profit before working capital changes	31,232.9	30,359.1
Movements in working capital:		
(Increase)/ decrease in inventories	(5,320.5)	1,589.5
(Increase)/ decrease in trade receivables	(4,621.7)	(9,217.2)
(Increase)/ decrease in other assets	1,557.7	2,975.3
Increase / (decrease) in trade payables	4,500.4	1,438.0
Increase / (decrease) in other liabilities	(834.1)	(10,720.1)
Increase / (decrease) in provisions	(6,765.5)	4.5
Cash generated from operations	19,749.2	16,429.1
Income tax paid (net of refund)	(2,376.7)	(3,370.6)
Net cash generated from operating activities (A)	17,372.5	13,058.5
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	(7,514.2)	(5,718.0)
Proceeds from disposal of property, plant and equipment and intangible assets	529.4	63.5
Loans / Inter corporate deposits		
Given to		
Subsidiary companies	(9,206.3)	(1,508.7)
Received back / matured from		
Subsidiary companies	5,623.4	128.2
Purchase of investments		
Others	(78,361.0)	(148,662.5)
Proceeds from sale of investments		
Subsidiary companies	-	8,570.9
Others	82,098.3	147,862.4
Bank balances not considered as cash and cash equivalents		
Fixed deposits/ margin money placed	(11.5)	(278.6)
Fixed deposits/ margin money matured	16.5	551.5
Interest received	424.0	283.5
Dividend received from		
Subsidiary companies	383.4	13,500.7
Net cash (used in) / from investing activities (B)	(6,018.0)	14,792.9
C. Cash flow from financing activities		
Proceeds from borrowings		
Subsidiary company	95,133.0	34,178.4
Others	46,000.0	71,362.2

Standalone Cash Flow Statement

for the year ended March 31, 2021

Particulars	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Repayment of borrowings		
Subsidiary companies @	(63,167.2)	(22,670.7)
Others @	(74,913.3)	(90,001.1)
Refund from / (Transfer to) escrow account for buy-back [Refer Note 55 (8)]	4,250.0	(4,250.0)
Payment for share buy-back expenses	-	(58.8)
Finance costs	(2,970.7)	(1,550.7)
Dividend paid	(15,594.7)	(13,791.9)
Dividend distribution tax	-	(1,928.9)
Net cash used in financing activities (C)	(11,262.9)	(28,711.5)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	91.6	(860.1)
Cash and cash equivalents at the beginning of the year	2,205.0	3,027.6
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(73.2)	37.5
Cash and cash equivalents at the end of the year	2,223.4	2,205.0

@ Includes payment of lease obligation.

Notes:

1 Cash and cash equivalents comprises of

Particulars	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current accounts	2,216.1	2,197.0
Cash on hand	7.3	8.0
Cash and cash equivalents in cash flow statement (Refer Note 15)	2,223.4	2,205.0

2 Change in financial liability / asset arising from financing activities

Particulars	₹ in Million			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Borrowings #	Derivatives, net [(Liabilities) / Asset]	Borrowings #	Derivatives, net [(Liabilities) / Asset]
Opening balance	61,847.0	(161.7)	64,366.4	214.7
Changes from financing cash flows	3,444.4	66.9	(6,833.0)	(228.7)
Effect of changes in foreign exchange rates	(457.7)	94.8	3,767.7	14.0
Changes in fair value	-	(42.9)	-	(161.7)
Other changes	(169.6)	-	545.9	-
Closing balance	64,664.1	(42.9)	61,847.0	(161.7)

For movement of lease liabilities, Refer Note 48

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

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

per **PAUL ALVARES**
Partner
Membership No. : 105754
Date: May 27, 2021

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholtime Director
(DIN : 00005443)

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

SUNIL R. AJMERA
Company Secretary

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE 1 : GENERAL INFORMATION

Sun Pharmaceutical Industries Limited (SPIL or the "Company") is a public limited company incorporated and domiciled in India, having its registered office at Vadodara, Gujarat, India. SPIL is listed on the BSE Limited and National Stock Exchange of India Limited. The Company is engaged in the business of manufacturing, developing and marketing a wide range of branded and generic formulations and Active Pharmaceutical Ingredients (APIs). The Company has various manufacturing locations spread across the country with trading and other incidental and related activities extending to the global markets.

The standalone financial statement were authorised for issue in accordance with a resolution of the directors on May 27, 2021.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared financial statements for the year ended March 31, 2021 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, 2020.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; (iii) derivative financial instrument and (iv) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

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

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

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

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

a. Current vs. Non-current

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b. Foreign currency

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings (see note 2.2.r).
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 2.2.i below for hedging accounting policies).
- exchange differences relating to the translation of the results and the net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency

translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to statement of profit or loss account on the disposal of the foreign operation.

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

c. Segment reporting

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

d. Property, plant and equipment

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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
Buildings given under operating lease	30
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. Goodwill and Other Intangible assets

Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Company's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Other Intangible assets

Other Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to and has sufficient resources/ability to complete development and to use or sell the asset.

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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 3 to 20 years.

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

De-recognition of intangible assets

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

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

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

g. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of

impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

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

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

Goodwill is tested for impairment annually. Goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

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

h. Non-current assets held for sale

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

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to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

i. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

Debt instrument at FVTPL

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

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

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

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Equity instruments

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

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

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

Derecognition

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

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

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

the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments

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for the year ended March 31, 2021

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/ losses are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities subsequently measured at amortised cost

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

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

Financial guarantee contracts

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the

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original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Embedded derivatives

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

Reclassification of financial assets

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

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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(ii) Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Treasury shares

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Dividend distribution to equity holders of the Company

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

j. Leases

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

Company as a lessee

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

i) Right-of-use assets

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

Building	2-10 years
Plant and Machinery	10-25 years
Leasehold land	60-99 years

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

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index

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

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

m. **Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company

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expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Restructuring

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

Onerous contracts

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

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

the asset and related income are recognised in the period in which the change occurs.

n. Revenue

Sale of goods

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

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

Profit Sharing Revenues

The Company from time to time enters into arrangements for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Out-licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically

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consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the period in which the Company has continuing performance obligations. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be received.

Sales returns

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

Contract balances

Contract assets

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only

the passage of time is required before payment of the consideration is due).

Contract liabilities

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

Rendering of services

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

Royalties

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

o. Dividend and interest income

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

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

p. Government grants

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

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item, it is recognised in the statement of profit and loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

q. Employee benefits

Defined benefit plans

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

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

Termination benefits

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

be accepted, and the number of acceptances can be estimated reliably.

Short-term and Other long-term employee benefits

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

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

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

Defined contribution plans

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

Share-based payment arrangements

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, on a straight line basis, over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

r. Borrowing costs

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

s. Income tax

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

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

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

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

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

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

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

t. Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

u. Business combination

The Company uses the acquisition method of accounting to account for business combinations that occurred on or after April 01, 2015. The acquisition date is generally the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as Capital Reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as Capital Reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Consideration transferred does not

include amounts related to settlement of pre-existing relationships.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method.

v. Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

w. Recent Accounting pronouncements

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

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE : 3 (a) PROPERTY, PLANT AND EQUIPMENT

	₹ in Million								
	Freehold land	Leasehold land	Buildings	Buildings - leased	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost									
As at March 31, 2019	1,147.5	929.6	14,648.3	16.9	46,048.7	1,001.2	460.1	958.0	65,210.3
Additions	0.1	-	380.5	-	4,008.9	71.3	54.5	182.6	4,697.9
Disposals	-	-	(1.6)	-	(148.3)	(1.8)	(83.8)	(11.8)	(247.3)
Reclassified to Right-of-use assets	-	(929.6)	-	-	-	-	-	-	(929.6)
As at March 31, 2020	1,147.6	-	15,027.2	16.9	49,909.3	1,070.7	430.8	1,128.8	68,731.3
Additions	229.4	-	435.6	-	4,306.1	38.0	65.3	378.4	5,452.8
Disposals	(2.5)	-	(69.6)	-	(209.0)	(8.2)	(59.0)	(9.8)	(358.1)
As at March 31, 2021	1,374.5	-	15,393.2	16.9	54,006.4	1,100.5	437.1	1,497.4	73,826.0
Accumulated depreciation and impairment									
As at March 31, 2019	-	31.6	1,964.4	2.0	14,799.5	516.0	263.2	541.5	18,118.2
Depreciation expense	-	-	455.3	-	4,000.3	92.8	76.4	168.2	4,793.0
Disposals	-	-	(0.2)	-	(94.8)	(1.2)	(60.9)	(10.0)	(167.1)
Reclassified to Right-of-use assets	-	(31.6)	-	-	-	-	-	-	(31.6)
As at March 31, 2020	-	-	2,419.5	2.0	18,705.0	607.6	278.7	699.7	22,712.5
Depreciation expense	-	-	511.9	-	4,118.2	90.7	60.9	181.6	4,963.3
Disposals	-	-	(7.0)	-	(157.0)	(4.5)	(51.4)	(8.6)	(228.5)
As at March 31, 2021	-	-	2,924.4	2.0	22,666.2	693.8	288.2	872.7	27,447.3
Net book value									
As at March 31, 2020	1,147.6	-	12,607.7	14.9	31,204.3	463.1	152.1	429.1	46,018.8
As at March 31, 2021	1,374.5	-	12,468.8	14.9	31,340.2	406.7	148.9	624.7	46,378.7

Footnotes

- (i) Buildings include ₹8,620 (As at March 31, 2020 : ₹8,620) towards cost of shares in a co-operative housing society and also includes ₹1.1 Million (As at March 31, 2020 : ₹1.1 Million) and ₹1,133.0 Million (As at March 31, 2020 : ₹1,133.0 Million) towards cost of non-convertible preference shares of face value of ₹10/- each and compulsorily convertible debentures of face value of ₹10,000/- each in a Company respectively entitling the right of occupancy and use of premises and also includes ₹4.5 Million (March 31, 2020 : ₹4.5 Million) towards cost of flats not registered in the name of the Company but is entitled to right of use and occupancy.
- (ii) For details of assets pledged as security refer Note 49.
- (iii) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

	₹ in Million			
	Leasehold Land	Building	Plant and equipment	Total
As at March 31, 2019	-	-	-	-
Reclassified from Property, plant and equipment	898.0	-	-	898.0
Addition on account of transition to Ind AS 116	200.1	282.0	3.6	485.7
Addition	-	9.5	1,857.3	1,866.8
As at March 31, 2020	1,098.1	291.5	1,860.9	3,250.5
Addition	-	163.3	98.5	261.8
Deletion	(774.5)	(8.3)	-	(782.8)
As at March 31, 2021	323.6	446.5	1,959.4	2,729.5
Accumulated depreciation				
As at March 31, 2019	-	-	-	-
Depreciation expense	14.5	95.6	56.1	166.2
As at March 31, 2020	14.5	95.6	56.1	166.2
Depreciation expense	10.8	122.3	85.7	218.8
Deletion	(14.5)	(2.1)	-	(16.6)
As at March 31, 2021	10.8	215.8	141.8	368.4
Net right-of-use assets				
As at March 31, 2020	1,083.6	195.9	1,804.8	3,084.3
As at March 31, 2021	312.8	230.7	1,817.6	2,361.1

Footnotes

For details of Ind AS 116 disclosure refer Note 48.

NOTE : 4 GOODWILL / INTANGIBLE ASSETS

Other than internally generated

	₹ in Million			
	Computer Software	Product related intangibles	Goodwill	Total
At cost or deemed cost				
As at March 31, 2019	1,753.6	6,441.5	1,208.0	9,403.1
Additions	433.7	749.2	-	1,182.9
Disposals	(17.8)	(102.9)	-	(120.7)
As at March 31, 2020	2,169.5	7,087.8	1,208.0	10,465.3
Additions	1,037.1	175.2	-	1,212.3
Disposals	(471.1)	-	-	(471.1)
As at March 31, 2021	2,735.5	7,263.0	1,208.0	11,206.5
Accumulated amortisation and impairment				
As at March 31, 2019	758.0	5,953.0	-	6,711.0
Amortisation expense	414.5	241.9	-	656.4
Disposals	(16.3)	(70.1)	-	(86.4)
As at March 31, 2020	1,156.2	6,124.8	-	7,281.0
Amortisation expense	408.2	277.8	-	686.0
Disposals	(464.3)	-	-	(464.3)
As at March 31, 2021	1,100.1	6,402.6	-	7,502.7
Net book value				
As at March 31, 2020	1,013.3	963.0	1,208.0	3,184.3
As at March 31, 2021	1,635.4	860.4	1,208.0	3,703.8

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

Footnotes

- (i) The aggregate amortisation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- (ii) Refer Note 55 (1)
- (iii) The recoverable amount of Goodwill have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate and appropriate discount rates that reflects current market assessments of time value of money. The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

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

	As at March 31, 2021		As at March 31, 2020	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments				
Unquoted (At cost less impairment in value of investments, if any)				
Sun Pharmaceutical Industries, Inc.				
Common shares of no par value	8,387,666	304.2	8,387,666	304.2
Sun Farmaceutica do Brasil Ltda				
Quota of Capital Stock of Real 1 each fully paid	4,019	18.3	4,019	18.3
Sun Pharma De Mexico, S.A. DE C.V.				
Common Shares of no Face Value	750	3.3	750	3.3
Sun Pharmaceutical (Bangladesh) Limited				
Ordinary Shares of 100 Takas each fully paid	434,469	36.5	434,469	36.5
Share application money		31.6		31.6
Sun Pharmaceutical Peru S.A.C.				
Ordinary Shares of Soles 10 each fully paid	149	0.0	149	0.0
[₹21,734 (March 31, 2020: ₹21,734)]				
SPI DE Mexico S.A. DE CV				
Nominative and free Shares of 500 Mexican Pesos each fully paid	100	0.2	100	0.2
OOO "Sun Pharmaceutical Industries" Limited				
Par value rouble stock fully paid	1	8.8	1	8.8
5,250,000 Rouble (March 31, 2020: 5,250,000 Rouble)				
Green Eco Development Centre Limited				
Shares of ₹10 each fully paid	700,000	7.0	700,000	7.0
Sun Pharma De Venezuela, C.A.				
Shares of Bolivars (Bs.F.) 100 each, Bolivars (Bs.F.) 50 per share paid	1,000	0.5	1,000	0.5
Sun Pharma Laboratories Limited				
Shares of ₹10 each fully paid	40,050,000	1.5	40,050,000	1.5
Faststone Mercantile Company Private Limited				
Shares of ₹10 each fully paid	10,000	0.1	10,000	0.1
Foundation for Disease Elimination and Control of India				
Shares of ₹10 each fully paid	10,000	0.1	10,000	0.1

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

	As at March 31, 2021		As at March 31, 2020	
	Quantity	₹ in Million	Quantity	₹ in Million
Neetnav Real Estate Private Limited				
Shares of ₹10 each fully paid	10,000	0.1	10,000	0.1
Realstone Multitrade Private Limited				
Shares of ₹10 each fully paid	10,000	0.1	10,000	0.1
Skisen Labs Private Limited				
Shares of ₹10 each fully paid	16,360,000	163.6	16,360,000	163.6
Less: Impairment in value of investment		(163.6)		(163.6)
Softdeal Pharmaceuticals Private Limited (formerly known as Softdeal Trading Company Private Limited)				
Shares of ₹10 each fully paid	10,000	0.1	10,000	0.1
Sun Pharma Holdings				
Shares of USD 1 each fully paid	855,199,716	54,031.5	855,199,716	54,031.5
Sun Pharma (Netherlands) B.V.				
Ordinary Shares of Euro 100 each fully paid	5,473,340	39,877.3	5,473,340	39,877.3
Ranbaxy Malaysia Sdn. Bhd.				
Ordinary Shares of RM 1 each fully paid	3,189,248	37.0	3,189,248	37.0
Quoted (At cost less impairment in value of investments, if any)				
Zenotech Laboratories Limited				
Shares of ₹10 each fully paid	35,128,078	3,318.5	35,128,078	3,318.5
Less: Impairment in value of investment		(1,737.8)		(1,737.8)
		1,580.7		1,580.7
		95,938.9		95,938.9
Preference shares - unquoted (At cost)				
Sun Pharma Holdings				
5% Optionally Convertible Preference Shares USD 1 each fully paid	1,165,593,148	73,642.2	1,165,593,148	73,642.2
		169,581.1		169,581.1
Aggregate amount of unquoted investments before impairment		168,164.0		168,164.0
Aggregate book value (carrying value) of quoted investments before impairment		3,318.5		3,318.5
Aggregate amount of impairment in value of investments		1,901.4		1,901.4
Aggregate amount of quoted investments at market value		1,229.5		516.4

NOTE : 6 INVESTMENTS (NON-CURRENT)

	As at March 31, 2021		As at March 31, 2020	
	Quantity	₹ in Million	Quantity	₹ in Million
Other investments				
Investments in equity instruments				
Quoted (Fair value through other comprehensive income)				
Krebs Biochemicals and Industries Limited				
Shares of ₹10 each fully paid	1,050,000	90.2	1,050,000	81.6
Unquoted (Fair value through profit and loss)				
Enviro Infrastructure Co. Limited				
Shares of ₹10 each fully paid	100,000	1.0	100,000	1.0

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

	As at March 31, 2021		As at March 31, 2020	
	Quantity	₹ in Million	Quantity	₹ in Million
Shimal Research Laboratories Limited				
Shares of ₹10 each fully paid	9,340,000	934.0	9,340,000	934.0
Less: Impairment in value of investment		(934.0)		(934.0)
		-		-
Shivalik Solid Waste Management Limited				
Shares of ₹10 each fully paid	20,000	0.2	20,000	0.2
Biotech Consortium India Limited				
Shares of ₹10 each fully paid	50,000	0.5	50,000	0.5
Less: Impairment in value of investment		(0.5)		(0.5)
		-		-
Nimbua Greenfield (Punjab) Limited				
Shares of ₹10 each fully paid	140,625	1.4	140,625	1.4
Watsun Infrabuild Private Limited				
Shares of ₹10 each fully paid	283,500	2.9	124,007	1.2
		95.7		85.4
Unquoted (Amortised cost)				
National savings certificates		-		0.0
(March 31, 2020: ₹10,000)		-		0.0
		95.7		85.4
Aggregate book value (carrying value) of quoted investments		90.2		81.6
Aggregate amount of quoted investments at market value		90.2		81.6
Aggregate amount of unquoted investments before impairment		940.0		938.3
Aggregate amount of impairment in value of investments		934.5		934.5

NOTE : 7 LOANS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Loans to employees / others		
Secured, considered good	2.9	3.4
Unsecured, considered good	3.8	4.0
Loans to related parties (Refer Note 50 & 51) *		
Unsecured, considered good	707.2	-
	713.9	7.4

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE : 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

	As at March 31, 2021	As at March 31, 2020
Deposits	0.9	0.9
Security deposits (unsecured, considered good)	442.6	414.3
Unbilled revenue (Refer Note 54)	305.5	434.1
	749.0	849.3

NOTE : 9 DEFERRED TAX ASSETS (NET)

	Opening balance April 01, 2020	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance March 31, 2021
Deferred tax (liabilities) / assets in relation to:				
Difference between written down value of property, plant and equipment, intangible assets and capital work-in-progress as per books of accounts and income tax	(5,772.7)	(308.7)	-	(6,081.4)
Difference in carrying value and tax base of financial assets of investments	(10.4)	4.4	(3.2)	(9.2)
Derivatives designated as hedges	138.0	(0.3)	(375.8)	(238.1)
Deferred revenue	532.5	55.3	-	587.8
Allowance for doubtful debts and advances	749.7	5.3	-	755.0
Unbilled revenue	-	19.7	-	19.7
Expenses that are allowed on payment basis	548.8	74.3	39.0	662.1
Unabsorbed depreciation / carried forward losses	3,811.8	490.1	-	4,301.9
Other assets	2.3	(0.1)	-	2.2
	-	340.0	(340.0)	-
MAT credit entitlement	11,397.1	1,977.4	-	13,374.5
	11,397.1	2,317.4	(340.0)	13,374.5

	As at March 31, 2021	As at March 31, 2020
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :		
Tax losses	63,153.8	76,652.8
Tax losses (Capital in nature) *	13,581.1	10,690.2
Unabsorbed depreciation	28,088.7	28,634.9
Unused tax credits (MAT credit entitlement)	2,410.7	2,874.3
Deductible temporary differences	12,027.9	19,779.3

The unused tax credits will expire from financial year 2022-23 to financial year 2031-32 and unused tax losses will expire from financial year 2021-22 to financial year 2028-29.

* Includes loss on sale of Investment in Sun Pharma France [formerly known as Ranbaxy Pharmacie Generiques SAS]. In the previous year, the Company sold its entire stake in Ranbaxy Nigeria Limited and Sun Pharma France, to Sun Pharma (Netherlands) B.V. as part of internal restructuring.

Further, as a result of the sale, provision amounting to ₹2,502.9 Million made on account of provision in respect of losses of a subsidiary have been reversed in the previous years financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

	As at March 31, 2021	As at March 31, 2020
Advance income tax *	20,826.3	20,780.2
Net of provisions ₹17,205.2 Million (March 31, 2020 : ₹14,765.9 Million)		
	20,826.3	20,780.2

* includes amount paid under protest

NOTE : 11 OTHER ASSETS (NON-CURRENT)

	As at March 31, 2021	As at March 31, 2020
Capital advances	2,227.5	2,146.2
Prepaid expenses	15.6	9.5
Balances with government authorities *	1,669.8	1,582.4
	3,912.9	3,738.1

* includes amount paid under protest

NOTE : 12 INVENTORIES

	As at March 31, 2021	As at March 31, 2020
Lower of cost and net realisable value		
Raw materials and packing materials	14,404.5	11,407.4
Goods in transit	196.9	124.9
	14,601.4	11,532.3
Work-in-progress	10,198.9	8,700.1
Finished goods	5,092.2	4,797.2
Stock-in-trade	1,378.8	1,024.2
Stores and spares	385.9	282.9
	31,657.2	26,336.7

- (i) Inventory write downs are accounted considering the nature of inventory, estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products as well as the provisioning policy. Write downs of inventories amounted to ₹8,433.6 Million (March 31, 2020: ₹9,860.2 Million). 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 is disclosed in Notes 32, 33 and 36 and as purchases of stock-in-trade in the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE : 13 INVESTMENTS (CURRENT)

	As at March 31, 2021		As at March 31, 2020	
	Quantity	₹ in Million	Quantity	₹ in Million
Investments in government securities				
Quoted (Fair value through other comprehensive income)				
8.01% Government of Rajasthan UDAY 2020				
Bond of ₹1 each fully paid maturing June 23, 2020	-	-	27,400,000	27.0
				27.0
Investments in mutual funds				
Unquoted (Fair value through profit and loss) *				
HSBC Global Asset Management-HSBC Cash Fund-Growth-Direct Plan	-	-	407,322	805.5
Baroda Mutual Fund-Baroda Liquid fund-Plan B Growth	-	-	179,523	411.0
BNP Paribas Mutual fund - BNP Paribas Liquid Fund - Direct Plan - Growth	97,894	310.0	295,287	902.9
PGIM India Mutual Fund-PGIM India Insta Cash Fund-Direct Plan-Growth	-	-	3,100,626	801.0
MIRAE Asset Mutual Fund-Mirae Asset Cash Management Fund-Direct Plan-growth	-	-	478,993	1,003.3
		310.0		3,923.7
		310.0		3,950.7

* Investments in mutual funds have been fair valued at closing net asset value (NAV).

NOTE : 14 TRADE RECEIVABLES

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered good	63,706.2	61,681.3
Credit impaired	1,251.5	1,300.1
	64,957.7	62,981.4
Less : Allowance for doubtful debts (expected credit loss allowance)	(1,251.5)	(1,300.1)
	63,706.2	61,681.3

NOTE : 15 CASH AND CASH EQUIVALENTS

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current accounts	2,216.1	2,197.0
Cash on hand	7.3	8.0
	2,223.4	2,205.0

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks		
Unpaid dividend accounts	86.7	76.3
Escrow account - Buy back [Refer Note 55 (8)]	-	4,250.0
Balances held as margin money or security against guarantees and other commitments	12.5	16.5
	99.2	4,342.8

NOTE : 17 LOANS (CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Loans to employees / others *		
Secured, considered good	0.7	0.8
Unsecured, considered good	71.2	81.1
Credit impaired	15.3	4.5
Less : Allowance for doubtful loans (expected credit loss allowance)	(15.3)	(4.5)
	71.9	81.9
Loans to related parties (Refer Note 50 and 51) *		
Unsecured, considered good	7,313.8	4,404.0
	7,385.7	4,485.9

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

NOTE : 18 OTHER FINANCIAL ASSETS (CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Interest accrued, considered good	20.0	2.1
Insurance claim receivables	-	1.2
Security deposits (unsecured, considered good)	47.1	48.3
Other receivables	1,646.9	1,700.3
Less : Allowance for doubtful *	(500.0)	(500.0)
	1,146.9	1,200.3
Other receivables - from related parties (Refer Note 50)	2,601.6	2,664.9
Refund due from government authorities	2,651.7	3,315.4
Unbilled revenue (Refer Note 54)	336.5	-
Derivatives not designated as hedges	71.1	82.7
Derivatives designated as hedges	696.2	269.3
	7,571.1	7,584.2

* The Company is carrying an allowance of ₹500.0 Million (March 31, 2020 : ₹500 Million) against Other receivables based on assessment regarding recoverability of the same.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE : 19 OTHER ASSETS (CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Export incentives receivable	1,645.1	3,440.5
Prepaid expenses	1,127.4	411.9
Advances for supply of goods and services		
Considered good	690.7	1,195.9
Considered doubtful	393.9	340.8
Less : Allowance for doubtful	(393.9)	(340.8)
	690.7	1,195.9
Balances with government authorities *	4,116.6	3,675.5
Other assets #	130.8	100.8
	7,710.6	8,824.6

* includes balances of goods and service tax

includes government grant from Biotechnology Industry Research Assistance Council (BIRAC).

NOTE : 20 EQUITY SHARE CAPITAL

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Authorised				
Equity shares of ₹1 each	5,990,000,000	5,990.0	5,990,000,000	5,990.0
Cumulative preference shares of ₹100 each	100,000	10.0	100,000	10.0
		6,000.0		6,000.0
Issued, subscribed and fully paid up				
Equity shares of ₹1 each	2,399,334,970	2,399.3	2,399,334,970	2,399.3
	2,399,334,970	2,399.3	2,399,334,970	2,399.3

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of reporting period				
Opening balance	2,399,334,970	2,399.3	2,399,334,970	2,399.3
Closing balance	2,399,334,970	2,399.3	2,399,334,970	2,399.3

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares held by each shareholder holding more than 5 percent equity shares in the Company are as follows:				
Shanghvi Finance Private Limited	967,051,732	40.3	967,051,732	40.3
Dilip Shantilal Shanghvi	230,285,690	9.6	230,285,690	9.6
Life Insurance Corporation Of India and its various funds	162,207,571	6.8	152,884,946	6.4

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

- (i) 334,956,764 (upto March 31, 2020: 334,956,764) equity shares of ₹1 each have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the date at which the Balance Sheet is prepared.
- (ii) 7,500,000 (upto March 31, 2020: 7,500,000), equity shares of ₹1 each have been bought back during the period of five years immediately preceding the date at which the Balance Sheet is prepared. The shares bought back were cancelled.
- (iii) Rights, Preference and Restrictions attached to equity shares: The equity shares of the Company, having par value of ₹1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

NOTE : 21 OTHER EQUITY

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
A) Surplus		
Capital reserve	53,575.2	53,575.2
Securities premium	11,874.1	11,874.1
Amalgamation reserve	43.8	43.8
Capital redemption reserve	7.5	7.5
General reserve	34,779.3	34,779.3
Retained earnings	145,786.5	140,052.7
	246,066.4	240,332.6
B) Items of other comprehensive income (OCI)		
Equity instrument through OCI	6.6	1.0
Debt instrument through OCI	-	(0.3)
Foreign currency translation reserve	1,485.9	1,485.9
Effective portion of cash flow hedges	443.4	(256.3)
	1,935.9	1,230.3
	248,002.3	241,562.9

Refer statement of changes in equity for detailed movement in other equity balance

Nature and purpose of each reserve

Capital reserve - During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

Amalgamation reserve - The reserve was created pursuant to scheme of amalgamation in earlier years.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

Capital redemption reserve - The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

General reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Equity instrument through OCI - The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

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

Foreign currency translation reserve - Exchange differences relating to the translation of the results and the net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to statement of profit or loss account on the disposal of the foreign operation.

Effective portion of cash flow hedges - The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

NOTE : 22 BORROWINGS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Term loan from department of biotechnology (Refer Note 49)		
Secured	54.1	61.8
Term loans from banks (Refer Note 49)		
Unsecured	1,825.8	10,463.9
Lease liabilities (Refer Note 48)	2,028.4	2,041.2
Loans from related party (Unsecured) (Refer Note 49 and 50)	44,427.3	-
	48,335.6	12,566.9

NOTE : 23 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Derivatives not designated as hedge	-	161.7
	-	161.7

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE : 24 OTHER LIABILITIES (NON-CURRENT)

	As at March 31, 2021	As at March 31, 2020
Deferred revenue (Refer Note 54)	1,607.2	1,455.5
	1,607.2	1,455.5

NOTE : 25 PROVISIONS (NON-CURRENT)

	As at March 31, 2021	As at March 31, 2020
Employee benefits	1,918.6	1,769.4
Others (Refer Note 52)	4,289.8	12,150.2
	6,208.4	13,919.6

NOTE : 26 BORROWINGS (CURRENT)

	As at March 31, 2021	As at March 31, 2020
Loans repayable on demand		
From Banks		
Unsecured	2,513.4	22,779.9
Loans from related party (Refer Note 50)		
Loans repayable on demand (Unsecured)	-	12,191.8
Other loans		
Commercial paper (Unsecured)	14,006.4	9,911.0
	16,519.8	44,882.7

NOTE : 27 OTHER FINANCIAL LIABILITIES (CURRENT)

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt (Refer Note 49)	1,844.7	6,438.6
Current maturities of lease liabilities (Refer Note 48)	188.1	170.6
Interest accrued	13.6	46.6
Unpaid dividends	83.5	77.2
Security deposits	85.1	84.4
Payables on purchase of property, plant and equipment	1,050.7	357.6
Product settlement, claims, recall charges and trade commitments	18,748.2	18,537.9
Payables to employee	2,134.0	2,056.2
Derivatives not designated as hedge	22.1	13.0
Derivatives designated as hedge	14.7	663.3
	24,184.7	28,445.4

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE : 28 OTHER LIABILITIES (CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Statutory remittances	2,617.2	2,003.7
Advance from customers	2,071.9	4,361.0
Deferred revenue (Refer Note 54)	75.0	68.4
Others	4.1	4.1
	4,768.2	6,437.2

NOTE : 29 PROVISIONS (CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Employee benefits	884.6	793.8
Others (Refer Note 52)	11,152.1	10,185.6
	12,036.7	10,979.4

NOTE : 30 REVENUE FROM OPERATIONS

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers (Refer Note 54)	125,709.3	119,067.4
Other operating revenues	2,322.8	6,251.9
	128,032.1	125,319.3

NOTE : 31 OTHER INCOME

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on :		
Bank deposits at amortised cost	1.0	11.7
Loans at amortised cost	423.0	301.2
Investments in debt instruments at fair value through other comprehensive income	0.5	22.2
Other financial assets carried at amortised cost	49.3	205.3
Others (includes interest on income tax refund)	118.5	160.2
	592.3	700.6
Dividend income on investments		
Subsidiary	383.4	9,258.3
Net gain / (loss) arising on financial assets measured at fair value through profit or loss	(9.7)	7.2
Net gain on sale of financial assets measured at fair value through profit or loss	107.3	121.4
Net gain/(loss) on sale of financial assets measured at fair value through other comprehensive income	0.4	0.4
Gain on sale of investment in subsidiary	-	2,244.3
Sundry balances written back, net	75.6	17.3
Reversal of provision in respect of losses of a subsidiary	-	2,502.9
Insurance claims	72.1	145.1
Lease rental and hire charges	39.7	41.9
Miscellaneous income	241.1	69.8
	1,502.2	15,109.2

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE : 32 COST OF MATERIALS CONSUMED

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Raw materials and packing materials		
Inventories at the beginning of the year	11,532.3	11,579.3
Purchases during the year	41,160.2	31,970.1
Inventories at the end of the year	(14,601.4)	(11,532.3)
	38,091.1	32,017.1

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

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	14,521.5	15,907.5
Inventories at the end of the year	(16,669.9)	(14,521.5)
	(2,148.4)	1,386.0

NOTE : 34 EMPLOYEE BENEFITS EXPENSE

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	16,511.6	15,660.5
Contribution to provident and other funds *	1,131.1	1,019.5
Staff welfare expenses	341.8	347.7
	17,984.5	17,027.7

* includes gratuity expense of ₹316.2 Million (March 31, 2020 : ₹244.3 Million)

NOTE : 35 FINANCE COSTS

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense for financial liabilities carried at amortised cost	2,760.8	2,087.6
Interest expense others (includes interest on income tax)	209.1	294.8
Exchange differences regarded as an adjustment to borrowing costs	(400.1)	1,697.7
	2,569.8	4,080.1

NOTE : 36 OTHER EXPENSES

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of materials, stores and spare parts	3,966.4	3,746.8
Conversion and other manufacturing charges	2,038.3	2,555.8
Power and fuel	3,841.3	3,947.4
Rent	37.6	58.5
Rates and taxes	1,621.8	2,177.9
Insurance	739.8	715.2
Selling, promotion and distribution	4,571.7	5,557.7
Commission on sales	466.0	351.3

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Repairs and maintenance	2,396.2	2,297.9
Printing and stationery	204.4	182.0
Travelling and conveyance	757.2	1,645.5
Freight outward and handling charges	2,929.2	2,505.3
Communication	262.1	309.2
Provision / write off / (reversal) for doubtful trade receivables / advances	43.2	535.4
Professional, legal and consultancy	6,089.9	5,650.3
Donations	152.6	33.6
Loss on sale / write off of property, plant and equipment and intangible assets, net	99.7	51.0
(Gain) / loss on derecognition of Right-of-use assets	(103.6)	-
Payments to auditor (net of input credit, wherever applicable)		
For audit	27.9	26.1
For other services	12.5	10.1
Reimbursement of expenses	0.8	3.4
Impairment of property, plant and equipment, goodwill and other intangible assets	23.1	-
Miscellaneous expenses	2,421.7	2,780.4
	32,599.8	35,140.8

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

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	3,392.3	3,145.2
Contribution to provident and other funds	240.9	155.8
Staff welfare expenses	11.7	23.2
Consumption of materials, stores and spare parts	2,531.5	2,181.4
Power and fuel	281.0	316.4
Rent	1.1	2.0
Rates and taxes	540.7	1,035.7
Insurance	52.6	44.5
Repairs and maintenance	423.4	359.6
Printing and stationery	8.3	12.3
Travelling and conveyance	30.5	89.2
Communication	22.5	36.8
Professional, legal and consultancy	2,700.7	2,741.0
Miscellaneous expenses	374.7	152.2
	10,611.9	10,295.3
Less :		
Receipts from research activities	607.8	384.7
Miscellaneous income	13.8	13.1
	9,990.3	9,897.5

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE : 38 TAX RECONCILIATION

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Reconciliation of tax expense		
Profit before tax	21,528.7	32,530.0
Income tax rate (%) applicable to the Company #	34.944%	34.944%
Income tax calculated at income tax rate	7,523.0	11,367.3
Effect of income that is exempt from tax	-	(2,323.7)
Effect of expenses that are not deductible	35.3	126.6
Effect of incremental deduction on account of research and development and other allowances	-	(1,907.2)
Withholding tax in respect of income earned outside India	99.9	(15.5)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(4,803.2)	(5,612.2)
Effect of reversal of MAT credit entitlement	371.8	-
Others	(3,095.1)	(1,216.7)
Income tax expense recognised in statement of profit and loss	131.7	418.6

The tax rate used for reconciliation above is the corporate tax rate of 34.944% (March 31, 2020 : 34.944%) at which the Company is liable to pay tax on taxable income under the Indian Tax Law.

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

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
i Contingent liabilities		
a Claims against the Company not acknowledged as debts	556.5	595.3
b Liabilities disputed - appeals filed with respect to :		
Income tax on account of disallowances / additions (Company appeals) *	24,277.6	26,569.2
Sales tax on account of rebate / classification	148.4	115.3
Excise duty / service tax on account of valuation / cenvat credit	391.4	177.3
ESIC contribution on account of applicability	130.5	130.5
c Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, enjoyed by the Company	3,488.2	3,488.2
d Fine imposed for anti-competitive settlement agreement by European Commission [Refer Note 55(2)]	-	856.1
e Octroi demand on account of rate difference	-	171.0
f Other matters - state electricity board, Punjab Land Preservation Act related matters etc.	90.2	89.8
Note : includes, interest till the date of demand, wherever applicable		

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

	As at March 31, 2021	₹ in Million As at March 31, 2020
<p>g Legal proceedings:</p> <p>The Company and / or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims, antitrust and other regulatory matters relating to conduct of its business. Some of the key matters are discussed below. Most of the legal proceedings involve complex issues, which are specific to the case and do not have precedents, and, hence, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the proceedings. This is due to a number of factors, including: the stage of the proceedings and the overall length and the discovery process; the entitlement of the parties to an action to appeal a decision; the extent of the claims, including the size of any potential class, particularly when damages are not specified or are indeterminate; the possible need for further legal proceedings to establish the appropriate amount of damages, if any; the settlement posture of the other parties to the litigation, and any other factors that may have a material effect on the litigation. The Company makes its assessment of likely outcome based on the views of internal legal counsel and in consultation with external legal counsel representing the Company. The Company also believes that disclosure of the amount sought by plaintiffs would not be meaningful because historical evidence indicates that the amounts settled (if any) are significantly different than those claimed by plaintiffs. Some of the legal claims against the Company, if decided against the Company or settled by the Company, may result in significant impact on its results of operations.</p> <p>Antitrust – Lipitor:</p> <p>The Company and its certain subsidiaries are defendants in a number of putative class action lawsuits and individual actions brought by purchasers and payors in the U.S. alleging that the Company and its certain subsidiaries violated antitrust laws in connection with a 2008 patent settlement agreement with Pfizer concerning Atorvastatin. The cases have been transferred to the U.S. District Court for the District of New Jersey for coordinated proceedings. Discovery commenced in January 2020, but was stayed and remains stayed at present.</p> <p>Antitrust – In re Ranbaxy Generic Drug Application Antitrust Litigation:</p> <p>The Company and its certain subsidiaries are defendants in a number of class action lawsuits and individual actions brought by purchasers and payors in the U.S. alleging that the Company and its certain subsidiaries violated antitrust laws and the RICO Act with respect to its ANDAs for Valganciclovir, Valsartan and Esomeprazole. The cases have been transferred to the U.S. District Court for the District of Massachusetts for coordinated proceedings. This lawsuit is currently scheduled for trial in January 2022.</p> <p>Fine imposed for anti-competitive settlement agreement by European Commission:</p> <p>On March 25, 2021, the Court of Justice of the European Union (“CJEU”) issued a final judgment and upheld the European Commission’s (“EC”) decision dated June 19, 2013 that a settlement agreement between Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited (together “Ranbaxy”) with Lundbeck was anti-competitive. Ranbaxy had made a provisional payment of the fine of Euro 10.3 Million on September 20, 2013. Since there are no further rights of appeal, this amount of ₹895.6 Million (inclusive of legal charges) was provided in the standalone financial statements for the year ended March 31, 2021.</p> <p>The Company may now be subject to “follow-on” claims in national courts of some countries. However, the Company has not yet been served with a claim detailing the alleged causation and quantum of any purported damages. Accordingly, the Company is currently unable to estimate the potential liability which may arise on account of follow-on claims. The Company also believes, based on its internal assessment and that of its independent legal counsel, that it has favourable legal arguments in terms of defending any potential damages claim.</p>		

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Note:		
Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
* Income tax matters where department has preferred an appeal against favourable order received by the Company amounted to ₹21,808.4 Million (March 31, 2020: ₹20,242.6 Million). These matters are sub-judice in various forums and pertains to various financial years.		
ii Commitments		
a Estimated amount of contracts remaining to be executed on capital account [net of advances] *	4,812.1	4,239.0
b Uncalled liability on partly paid investments	0.5	0.5
c Letters of credit for imports	513.3	536.7
* The Company is committed to pay milestone payments and royalty on certain contracts, however, obligation to pay is contingent upon fulfilment of contractual obligation by parties to the contract.		
iii Guarantees given by the bankers on behalf of the Company	1,233.8	1,667.3

NOTE : 40 RESEARCH AND DEVELOPMENT EXPENDITURE

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue, net (excluding depreciation) (Refer Note 37)	9,990.3	9,897.5
Capital	383.8	305.4
	10,374.1	10,202.9

NOTE : 41 CATEGORIES OF FINANCIAL INSTRUMENTS

	₹ in Million		
	As at March 31, 2021		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments	-	90.2	-
Equity instruments / mutual fund - unquoted	315.5	-	-
Loans to related parties	-	-	8,021.0
Loans to employees / others	-	-	78.6
Deposits	-	-	0.9
Security deposits	-	-	489.7
Unbilled revenue	-	-	642.0
Trade receivables	-	-	63,706.2
Cash and cash equivalents	-	-	2,223.4
Bank balances other than cash and cash equivalents	-	-	99.2
Interest accrued	-	-	20.0
Refund due from government authorities	-	-	2,651.7

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

₹ in Million

	As at March 31, 2021		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Other receivables	-	-	3,748.5
Derivatives designated as hedges	-	696.2	-
Derivatives not designated as hedges	71.1	-	-
	386.6	786.4	81,681.2
Financial liabilities			
Borrowings	-	-	66,888.2
Interest accrued	-	-	13.6
Trade payables	-	-	25,926.1
Payables to employee	-	-	2,134.0
Unpaid dividends	-	-	83.5
Security deposits	-	-	85.1
Payables on purchase of property, plant and equipment	-	-	1,050.7
Product settlement, claims, recall charges and trade commitments	-	-	18,748.2
Derivatives designated as hedges	-	14.7	-
Derivatives not designated as hedges	22.1	-	-
	22.1	14.7	114,929.4

₹ in Million

	As at March 31, 2020		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments / bonds - quoted	-	108.6	-
Equity instruments / mutual fund - unquoted	3,927.5	-	-
Government securities - unquoted (₹10,000)	-	-	0.0
Loans to related parties	-	-	4,404.0
Loans to employees / others	-	-	89.3
Deposits	-	-	0.9
Security deposits	-	-	462.6
Unbilled revenue	-	-	434.1
Trade receivables	-	-	61,681.3
Cash and cash equivalents	-	-	2,205.0
Bank balances other than cash and cash equivalents	-	-	4,342.8
Interest accrued	-	-	2.1
Insurance claim receivables	-	-	1.2
Refund due from government authorities	-	-	3,315.4
Other receivables	-	-	3,865.2
Derivatives designated as hedges	-	269.3	-
Derivatives not designated as hedges	82.7	-	-
	4,010.2	377.9	80,803.9

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

₹ in Million

	As at March 31, 2020		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial liabilities			
Borrowings	-	-	64,058.8
Interest accrued	-	-	46.6
Trade payables	-	-	21,292.7
Payables to employee	-	-	2,056.2
Unpaid dividends	-	-	77.2
Security deposits	-	-	84.4
Payables on purchase of property, plant and equipment	-	-	357.6
Product settlement, claims, recall charges and trade commitments	-	-	18,537.9
Derivative designated as hedge	-	663.3	-
Derivatives not designated as hedges	174.7	-	-
	174.7	663.3	106,511.4

NOTE : 42 FAIR VALUE HIERARCHY

₹ in Million

	As at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity - quoted #	90.2	-	-
Investments in equity - unquoted	-	-	5.5
Mutual funds	310.0	-	-
Derivatives not designated as hedges	-	71.1	-
Derivatives designated as hedges	-	696.2	-
	400.2	767.3	5.5
Financial liabilities			
Derivatives not designated as hedges	-	22.1	-
Derivatives designated as hedges	-	14.7	-
	-	36.8	-

₹ in Million

	As at March 31, 2020		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity - quoted #	81.6	-	-
Investments in equity - unquoted	-	-	3.8
Investments in government securities	27.0	-	-
Mutual funds	3,923.7	-	-
Derivatives not designated as hedges	-	82.7	-
Derivatives designated as hedges	-	269.3	-
	4,032.3	352.0	3.8
Financial liabilities			
Derivatives not designated as hedges	-	174.7	-
Derivatives designated as hedges	-	663.3	-
	-	838.0	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

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

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

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

These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at fair value through other comprehensive income as the management believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

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

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

Reconciliation of Level 3 fair value measurements

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Unlisted shares valued at fair value		
Balance at the beginning of the year	3.8	3.7
Purchases	1.7	0.1
Balance at the end of the year	5.5	3.8

NOTE : 43 CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

(i) Debt equity ratio

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Debt (includes non-current, current borrowings, current maturities of long-term debt and current maturities of lease liabilities)	66,888.2	64,058.8
Total equity, including reserves	250,401.6	243,962.2
Net debt to total equity ratio	0.27	0.26

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(ii) Dividend on equity shares paid during the year

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Dividend on equity shares		
Final dividend for the year ended March 31, 2020 of ₹1 (year ended March 31, 2019: ₹2.75) per fully paid share	2,399.3	6,595.7
Dividend distribution tax on above	-	1,355.8
Interim dividend for the year ended March 31, 2021 of ₹5.50 (year ended March 31, 2020 : ₹3) per fully paid share	13,191.3	7,193.9
Dividend distribution tax on above	-	573.1
Dividends not recognised at the end of the reporting period		
The Board of Directors at its meeting held on May 27, 2021 have recommended payment of final dividend of ₹2 per share of face value of ₹1 each for the year ended March 31, 2021. The same amounts to ₹4,798.6 Million.		
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.		

NOTE : 44 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any significant losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

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

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	40,241.3	34,744.0
180 - 365 days	8,096.2	2,036.0
beyond 365 days	16,620.2	26,201.4
Total	64,957.7	62,981.4

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

	Year ended March 31, 2021	Year ended March 31, 2020
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	1,300.1	1,361.6
Addition	136.7	24.4
Recoveries	(185.3)	(85.9)
Balance at the end of the year	1,251.5	1,300.1

Other than trade receivables, the Company has recognised an allowance of ₹15.3 Million (March 31, 2020 : ₹4.5 Million) against past due loans including interest and ₹500.0 Million (March 31, 2020 : ₹500.0 Million) of other receivables based on assessment regarding recoverability of the same.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has unutilised working capital lines from banks of ₹36,486.6 Million as on March 31, 2021 (March 31, 2020 : ₹48,498.0 Million).

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

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2021
Non derivative				
Borrowings	18,851.9	2,141.2	46,197.2	67,190.3
Trade payables	25,926.1	-	-	25,926.1
Other financial liabilities	22,115.1	-	-	22,115.1
	66,893.1	2,141.2	46,197.2	115,231.5
Derivative	36.8	-	-	36.8
	36.8	-	-	36.8

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2020
Non derivative				
Borrowings	51,600.2	9,529.4	3,061.9	64,191.5
Trade payables	21,292.7	-	-	21,292.7
Other financial liabilities	21,159.9	-	-	21,159.9
	94,052.8	9,529.4	3,061.9	106,644.1
Derivative	676.3	161.7	-	838.0
	676.3	161.7	-	838.0

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign exchange risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars, Euros, South African Rand and Russian Rouble) and foreign currency borrowings (primarily in US Dollars). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, option contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

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

₹ in Million

	As at March 31, 2021					
	US Dollar	Euro	Russian Rouble	South African Rand	Others	Total
Financial assets						
Trade receivables	43,443.3	2,149.8	3,627.3	2,894.6	4,891.7	57,006.7
Cash and cash equivalents	1,415.1	636.8	31.9	-	11.6	2,095.4
Loans to related parties	7,313.8	-	-	-	-	7,313.8
Other receivables - from related parties	2,601.6	-	-	-	-	2,601.6
	54,773.8	2,786.6	3,659.2	2,894.6	4,903.3	69,017.5
Financial liabilities						
Borrowings	3,657.4	-	-	-	-	3,657.4
Trade payables	11,670.3	1,170.4	1.6	164.9	646.1	13,653.3
Product settlement, claims, recall charges and trade commitments	17,861.2	887.0	-	-	-	18,748.2
	33,188.9	2,057.4	1.6	164.9	646.1	36,058.9

₹ in Million

	As at March 31, 2020					
	US Dollar	Euro	Russian Rouble	South African Rand	Others	Total
Financial assets						
Trade receivables	43,679.3	4,284.5	3,438.1	1,287.4	1,843.6	54,532.9
Cash and cash equivalents	1,103.7	562.3	47.7	-	10.7	1,724.4
Other receivables - from related parties	2,664.9	-	-	-	-	2,664.9
	47,447.9	4,846.8	3,485.8	1,287.4	1,854.3	58,922.2
Financial liabilities						
Borrowings	35,980.1	-	-	-	3,699.8	39,679.9
Trade payables	9,527.4	750.0	1.3	140.0	696.9	11,115.6
Product settlement, claims, recall charges and trade commitments	18,537.9	-	-	-	-	18,537.9
	64,045.4	750.0	1.3	140.0	4,396.7	69,333.4

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

b) Sensitivity

For the years ended March 31, 2021 and March 31, 2020, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would (decrease) / increase the Company's profit and (decrease) / increase the Company's equity by approximately ₹(1,647.9) Million and ₹520.6 Million respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

c) Derivative contracts

The Company is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollars, Euros, South African Rand and Russian Rouble, and foreign currency debt is in US Dollars. The Company uses foreign currency forward contracts, foreign currency option contracts and currency swap contracts (collectively, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank or a financial institution.

Hedges of highly probable forecasted transactions

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss.

In respect of the aforesaid hedges of highly probable forecasted transactions, the Company has recorded a net gain of ₹1,075.5 Million for the year ended March 31, 2021 and net loss of ₹929.2 Million for the year ended March 31, 2020 in other comprehensive income. The Company also recorded hedges as a component of revenue, gain of ₹121.8 Million for the year ended March 31, 2021 and gain of ₹462.4 Million for the year ended March 31, 2020 on occurrence of forecasted sale transaction.

Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the statement of profit and loss. The changes in fair value of the forward contracts and option contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the statement of profit and loss.

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

	Currency	Buy / Sell	Cross Currency	Amount in Million	
				As at March 31, 2021	As at March 31, 2020
Derivatives designated as hedges					
Forward contracts	ZAR	Sell	INR	ZAR 300.0	ZAR 450.0
Forward contracts	USD	Sell	INR	\$ 430.6	\$ 227.5
Derivatives not designated as hedges					
Forward contracts	AUD	Sell	USD	-	\$ 6.8
Forward contracts	GBP	Sell	USD	\$ 16.5	\$ 6.6
Forward contracts	EUR	Sell	USD	\$ 24.1	\$ 7.2
Currency swaps	USD	Sell	INR	\$ 96.2	-
Interest rate swaps (floating to fixed)	USD			\$ 50.0	-
Currency swaps	JPY	Buy	USD	-	\$ 50.0

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

Interest rate risk

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

As at March 31, 2021, the Company has loan facilities which are either on fixed interest rates or are managed by interest rate swaps, hence the Company is not exposed to interest rate risk. For the year 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 have increase the Company's profit by approximately ₹198.4 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, 2021, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE : 45 DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Principal amount remaining unpaid to any supplier as at the end of the accounting year	852.0	461.8

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

NOTE : 46 EARNINGS PER SHARE

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year (₹ in Million) - used as numerator for calculating earnings per share	21,397.0	32,111.4
Weighted average number of shares used in computing basic earnings per share	2,399,334,970	2,399,334,970
Nominal value per share (in ₹)	1	1
Basic earnings per share (in ₹)	8.92	13.38
Diluted earnings per share (in ₹)	8.92	13.38

NOTE : 47 EMPLOYEE BENEFIT PLANS

Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other Statutory Funds are made only by the Company. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹801.6 Million (March 31, 2020 : ₹762.2 Million).

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Provident Fund and Family Pension Fund	708.1	649.7
Contribution to Superannuation Fund	65.3	63.2
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	27.4	48.2
Contribution to Labour Welfare Fund	0.8	1.1

Defined benefit plan

a) Gratuity

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

b) Pension fund

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

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 ₹419.1 Million [March 31, 2020 : ₹368.5 Million] and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in profit or loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

	₹ in Million			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Expense recognised in the statement of profit and loss (Refer Note 34)				
Current service cost	-	296.9	-	253.9
Interest cost	65.6	191.6	67.5	182.3
Expected return on plan assets	-	(172.3)	-	(191.9)
Expense charged to the statement of profit and loss	65.6	316.2	67.5	244.3
Remeasurement of defined benefit obligation recognised in other comprehensive income				
Actuarial loss / (gain) on defined benefit obligation	74.2	19.8	80.8	199.2
Actuarial gain on plan assets	-	17.6	-	6.4
Expense/(income) charged to other comprehensive income	74.2	37.4	80.8	205.6
Reconciliation of defined benefit obligations				
Obligation as at the beginning of the year	1,009.7	2,949.6	949.3	2,562.4
Current service cost	-	296.9	-	253.9
Interest cost	65.6	191.6	67.5	182.3
Benefits paid	(61.9)	(127.1)	(87.9)	(248.2)
Actuarial (gains)/losses on obligations				
- due to change in demographic assumptions	-	-	-	64.6
- due to change in financial assumptions	5.4	(42.2)	58.2	17.3
- due to experience	68.8	62.0	22.6	117.3
Obligation as at the year end	1,087.6	3,330.8	1,009.7	2,949.6

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	3,330.8	2,949.6
Fair value of plan assets	(3,091.7)	(2,653.2)
Net (asset) / liability recognised in the financial statement	239.1	296.4

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
Reconciliation of plan assets		
Plan assets as at the beginning of the year	2,653.2	2,696.7
Expected return	172.3	191.9
Actuarial gain	(17.6)	(6.4)
Employer's contribution during the year	410.9	19.2
Benefits paid	(127.1)	(248.2)
Plan assets as at the year end	3,091.7	2,653.2

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

	As at March 31, 2021		As at March 31, 2020	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Assumptions :				
Discount rate	6.45%	6.25%	6.50%	6.50%
Expected return on plan assets	N.A.	6.25%	N.A.	6.50%
Expected rate of salary increase	N.A.	9.00%	N.A.	9.38% - 10.00%
Interest rate guarantee	N.A.	N.A.	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2012-14)			
Employee turnover	N.A.	12.40% - 13.45%	N.A.	12.40% - 13.45%
Retirement Age (years)	N.A.	60	N.A.	60

	As at March 31, 2021		As at March 31, 2020	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
₹ in Million				
Sensitivity analysis:				
The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occurring at the end of the reporting period				
Impact on defined benefit obligation				
Delta effect of +1% change in discount rate	(89.5)	(180.1)	(84.7)	(162.0)
Delta effect of -1% change in discount rate	100.7	200.9	95.6	180.9
Delta effect of +1% change in salary escalation rate	-	194.3	-	174.6
Delta effect of -1% change in salary escalation rate	-	(178.0)	-	(159.7)
Delta effect of +1% change in rate of employee turnover	-	(26.6)	-	(26.5)
Delta effect of -1% change in rate of employee turnover	-	29.2	-	29.1
Maturity analysis of projected benefit obligation for next				
1 st year	93.6	633.6	88.8	541.5
2 nd year	92.5	414.4	88.0	383.0
3 rd year	91.5	425.2	87.1	348.4
4 th year	90.4	407.5	86.1	354.6
5 th year	89.5	355.6	85.5	337.2
Thereafter	2,187.1	2,853.8	2,122.9	2,674.2
The major categories of plan assets are as under				
Central government securities	-	11.3	-	9.7
Bonds and securities	-	77.1	-	66.2
Insurer managed funds (Funded with LIC, break-up not available)	-	1,913.7	-	1,642.2
Surplus fund lying uninvested	-	1,089.6	-	935.1
The contribution expected to be made by the Company for gratuity, during financial year ending March 31, 2022 is ₹521.6 Million (Previous year : ₹556.2 Million)				

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE : 48 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 exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. Expenses relating to short-term leases and low-value assets for year ended March 31, 2021 is ₹20.1 Million (March 31, 2020 : ₹25.9 Million).

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Lease liabilities - Maturity analysis - contractual undiscounted cashflows		
Not later than one year	367.2	354.1
Later than one year and not later than five years	1,096.1	1,039.0
Later than five years	3,147.3	3,698.6
	4,610.6	5,091.7

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Movement of lease liabilities		
Opening balance	2,211.8	-
Addition on account of transition to Ind AS 116	-	485.7
Addition	261.8	1,866.8
Interest on lease liabilities	193.9	157.1
Deletion	(59.3)	-
Effect of changes in foreign exchange rates	0.2	0.4
Payment towards lease liabilities	(391.9)	(298.2)
Closing balance	2,216.5	2,211.8

- b) The Company has given certain premises and plant and machinery under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 5 years under leave and license/lease and are renewable by mutual consent on mutually agreeable terms. The Company has received refundable interest free security deposits where applicable in accordance with the agreed terms.

NOTE : 49 BORROWINGS

Details of long term borrowings and current maturities of long term debt (included under other current financial liabilities)

- (i) Unsecured External Commercial Borrowings (ECBs) has 1 loan aggregating of USD 50 Million (March 31, 2020 : USD 175 Million) equivalent to ₹3,657.4 Million (March 31, 2020 : ₹13,200.3 Million) and 1 loan of JPY Nil (March 31, 2020 : JPY 5,317.5 Million) equivalent to ₹Nil (March 31, 2020 : ₹3,699.9 Million). For the ECB loans outstanding as at March 31, 2021, the terms of repayment for borrowings are as follows:
- (a) USD Nil (March 31, 2020 : USD 100 Million) equivalent to ₹Nil (March 31, 2020 : ₹7,543.0 Million). The loan, originally taken on June 04, 2013 and was repayable in 3 installments viz. first installment of USD 30 Million is due on June 01, 2020, second installment of USD 30 Million is due on December 1, 2020 and last installment of USD 40 Million is due on December 1, 2021. Two installment of USD 30 Million and one installment of USD 40 Million has been repaid during the year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

- (b) USD Nil (March 31, 2020 : USD 25 Million) equivalent to ₹Nil (March 31, 2020 : ₹1,885.8 Million). The loan, originally taken on September 20, 2012 and was repayable in 2 equal installments of USD 25 Million each. The first installment of USD 25 Million had been repaid during year ended Mar 31, 2020, second installment of USD 25 Million is repaid during the year.
- (c) USD 50 Million (March 31, 2020 : USD 50 Million) equivalent to ₹3,657.4 Million (March 31, 2020 : ₹3,771.5 Million). The loan was taken on October 03, 2018 and is repayable in 2 equal installments of USD 25 Million each. The first installment of USD 25 Million is due on October 1, 2021 and last installment of USD 25 Million is due on October 3, 2022.
- (d) JPY Nil (March 31, 2020 : JPY 5317.5 Million) equivalent to ₹Nil (March 31, 2020 : ₹3,699.9 Million). The loan was taken on August 11, 2015 in USD. The currency of the loan was changed to JPY on August 8, 2019. The loan was due for repayment on February 08, 2022. The loan has been repaid during the year.
- (II) Secured term loan from department of biotechnology of ₹75.7 Million (March 31, 2020 : ₹108.2 Million) has been secured by hypothecation of movable assets of the Company. The loan is repayable in 10 equal half yearly installments commencing from December 14, 2020.
- (III) Unsecured loan from related party of ₹44,427.3 Million (March 31, 2020 : ₹Nil). The loan is repayable by Mar 31, 2026. The loan has been availed at 6.50%.

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 at floating rate linked to Libor (0.66% as at March 31, 2021) and secured loan from department of biotechnology have been availed at a range from 2% to 3%

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

NOTE : 51 LOANS / ADVANCES GIVEN TO SUBSIDIARIES AND ASSOCIATES

	₹ in Million			
	As at March 31, 2021	Maximum balance March 31, 2021	As at March 31, 2020	Maximum balance March 31, 2020
Loans / advances outstanding from subsidiaries				
Sun Pharmaceutical Medicare Limited, India	-	5,345.2	4,217.2	4,217.2
Zenotech Laboratories Limited, India	206.6	206.6	186.6	307.0
Skisen Labs Private Limited, India	-	0.2	0.2	0.2
Softdeal Trading Company Private Limited, India	-	-	-	10.1
Realstone Infra Limited, India	500.6	500.7	-	-
Sun Pharma Distributors Limited, India	-	178.0	-	-
Sun Pharmaceutical Inc. USA	7,313.8	7,313.8	-	-

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE : 52

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

	₹ in Million	
	Year ended March 31, 2021 *	Year ended March 31, 2020 *
At the commencement of the year	22,335.8	22,561.8
Add: Provision for the year	1,706.8	1,523.6
Less: Utilisation / settlement / reversal	(8,600.7)	(1,749.6)
At the end of the year	15,441.9	22,335.8

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

NOTE : 53 USE OF ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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

- a) Litigations [Refer Note 2 (2.2) (m) and Note 39]
- b) Revenue [Refer Note 2(2.2)(n)]
- c) Impairment of goodwill and intangible assets [Refer Note 2(2.2) (g)]

NOTE : 54 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recorded an additional amount of ₹310.3 Million (March 31, 2020 : ₹1,326.5 Million) as deferred revenue pursuant to the requirements of Ind AS 115. Revenue of ₹152.0 Million (March 31, 2020 : ₹26.3 Million) has been recognised as Revenue from contract with customer pursuant to completion of performance obligation in respect of the above contracts.

The reconciling items of revenue recognised in the statement of profit and loss with the contracted price are as follows

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price, net of returns	142,372.8	132,113.1
Less :		
Provision for sales return	(857.5)	(752.8)
Rebates, discounts and price reduction	(15,806.0)	(12,292.9)
	(16,663.5)	(13,045.7)
Revenue from contract with customers	125,709.3	119,067.4

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Contract balances		
Trade receivables	63,706.2	61,681.3
Contract assets	642.0	434.1
Contract liabilities	3,754.1	5,884.9

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

NOTE : 55

- Intangible assets consisting of trademarks, designs, technical knowhow, non compete fees and other intangible assets are available to the Company in perpetuity. The amortisable amount of intangible assets is arrived at based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Company.
- On March 25, 2021 the Court of Justice to the European Union (CJEU) issued a final judgment and upheld the European Commission's ("EC") decision dated June 19, 2013 that a settlement agreement between Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited (together "Ranbaxy") with Lundbeck was anti-competitive. Ranbaxy had made a provisional payment of the fine of Euros 10.3 Million on 20 September 2013. Since there are no further rights of appeal, this amount of ₹895.6 Million (inclusive of legal charges) was provided in the standalone financial statement for the year ended March 31, 2021.
- Since the USFDA import alert at Karkhadi facility in March 2014, the Company remained fully committed to implement all corrective measures to address the observations made by the USFDA with the help of third party consultant. The Company had completed all the action items to address the USFDA warning letter observations issued in May 2014. The company is awaiting a re-inspection of the facility by the USFDA to resolve the import alert. The contribution of this facility to Company's revenues was negligible.
- The USFDA, on January 23, 2014, had prohibited using API manufactured at Toansa facility for manufacture of finished drug products intended for distribution in the U.S. market. Consequentially, the Toansa manufacturing facility was subject to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In addition, the Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had also issued an administrative subpoena dated March 13, 2014 seeking information. The Company continues to fully co-operate and provide requisite information to the US DOJ.
- In December 2019, the USFDA inspected the Halol facility and issued Form 483 with 8 observations. Post the submission of the company's response in January 2020, the USFDA classified the inspection status as Official Action Indicated (OAI). The company was in continuous communication with the USFDA to resolve the outstanding issues and is awaiting a re-inspection by USFDA to resolve the OAI status. However, due to ongoing COVID-19 pandemic and travel restrictions, the re-inspection is delayed. The Company continues to manufacture and distribute products to the U.S from this facility. However, the OAI status normally implies that the USFDA may put all new approvals from the Halol facility on hold till the OAI status is changed.
- In September 2013, the USFDA had put the Mohali facility under import alert and was also subjected to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In March 2017, the USFDA lifted the import alert and indicated that the facility was in compliance with the requirements of cGMP provisions mentioned

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

in the consent decree. The Mohali facility continues to demonstrate sustainable cGMP compliance as required by the consent decree. The Company continues to receive approval of applications, manufacture and distribute products to the U.S from this facility.

- 7 In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated Ind AS financial statements, and therefore, no separate disclosure on segment information is given in these financial statements.
- 8 The Company had announced buy-back of equity shares from open market through stock market mechanism as prescribed by Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 at a maximum price of ₹425/- per equity share, for an aggregate maximum amount of up to ₹17,000 Million. The Buy-back period commenced on March 26, 2020 and ended on September 25, 2020. No equity shares were bought back under the Buy-back as the volume weighted average market price of equity shares of the Company during the Buy-Back period was higher than the maximum buy-back price.
- 9 The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the audited standalone financial statements when the Rules/Schemes thereunder are notified.
- 10 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹269.5 Million (March 31, 2020 : ₹43.7 Million).

Details of CSR expenditure:

- Gross amount required to be spent by the Company during the year 2020-21 is ₹129.8 Million (March 31, 2020 : ₹26.9 Million)

	₹ in Million		
	In cash	Yet to be paid in cash	Total
Amount spent during the year ended on March 31, 2021			
i) Construction / acquisition of any asset	-	-	-
ii) On purpose other than (i) above	269.5	-	269.5

	₹ in Million		
	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 purpose other than (i) above	42.7	1.0	43.7

- 11 The Company continues to monitor the impact of COVID-19 on its business, including its impact on customers, supply-chain, employees and logistics. Due care has been exercised, in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available to date, while preparing the Company's audited standalone financial statements as on year ended March 31, 2021.
- 12 The Board of Directors of the Company at its meeting held on July 31, 2020, approved the Scheme of Amalgamation and Merger of Sun Pharma Global FZE (wholly owned subsidiary of the Company) with Sun Pharmaceutical Industries Limited, and their respective members and creditors which inter-alia, envisages merger of Sun Pharma Global FZE into the Company with an appointed date of January 01, 2020. The approval of the only secured creditor, shareholders and unsecured creditors of the Company were received in the year ended March 31, 2021 at their respective meetings. The Company has filed the requisite petition with the National Company Law Tribunal seeking its approval. The

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

Scheme shall be effective post completion of all necessary formalities and procedures and accordingly, the standalone financial statements do not reflect the impact on account of the Scheme.

- 13 Government of India vide press release dated December 31, 2020 introduced the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from January 01, 2021. Considering that the rates of RoDTEP are yet to be notified, the Company has not accrued income relating to benefits of RoDTEP scheme for the period January 01, 2021 to March 31, 2021.
- 14 Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company has issued listed unsecured commercial paper during the year.

(a) Credit rating and change in credit rating, if any:

Name of Credit Rating Agency	Rating
CRISIL	CRISIL A1+
ICRA	ICRA A1+

(b) Ratios

Ratios and Formulae	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
(i) Debt equity ratio = (Long-term borrowings + Short-term borrowings + Current maturities of long-term borrowings and lease liabilities) / (Total equity)	0.27	0.26
(ii) Debt service coverage ratio = Profit after tax but before finance costs, depreciation and exceptional item / (Finance costs + Short-term borrowings + Current maturities of long-term borrowings and lease liabilities)	1.45	0.75
(iii) Interest service coverage ratio = Profit before finance costs, exceptional item and tax / Finance costs	9.73	8.97
(iv) Asset cover = (Total assets - Intangible assets - Current liabilities excluding Short-term borrowings and Current maturities of long-term borrowings and lease liabilities) / (Long-term borrowings + Short-term borrowings + Current maturities of long-term borrowings and lease liabilities)	4.76	4.97

(c) Details of issuance date, due dates and actual dates and amounts of repayment of listed unsecured commercial paper:

ISIN No	Issuance Date	Due Date of Payment	Actual Date of Repayment	Redemption Amount (₹ in Million)
INE044A14542	11-Feb-20	11-May-20	11-May-20	5,000.0
INE044A14567	18-Mar-20	17-Jun-20	17-Jun-20	5,000.0
INE044A14575	10-Jun-20	09-Sep-20	09-Sep-20	3,000.0
INE044A14583	26-Aug-20	15-Jun-21	N/A	4,000.0
INE044A14591	03-Sep-20	01-Dec-20	01-Dec-20	5,000.0
INE044A14609	01-Dec-20	29-Dec-20	29-Dec-20	2,500.0
INE044A14617	29-Jan-21	28-Jan-22	N/A	7,300.0
INE044A14625	02-Feb-21	26-Feb-21	26-Feb-21	5,000.0
INE044A14633	02-Feb-21	19-Mar-21	19-Mar-21	4,000.0
INE044A14641	26-Feb-21	28-May-21	N/A	3,000.0

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(d) Networth and Capital redemption reserve

Ratios and Formulae	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Capital Redemption Reserve	7.5	7.5
Net Worth	196,782.6	190,343.2

15 Figures for previous year have been regrouped / reclassified wherever considered necessary.

As per our report of even date

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

per **PAUL ALVARES**
Partner
Membership No. : 105754
Date: May 27, 2021

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

SUNIL R. AJMERA
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

IND AS- 24 - " RELATED PARTY DISCLOSURES"

"ANNEXURE "A"

Names of related parties and description of relationships	
a Subsidiaries	
Green Eco Development Centre Limited	Mutual Pharmaceutical Company Inc. (Refer Footnote 12)
Sun Pharmaceutical (Bangladesh) Limited	Dungan Mutual Associates, LLC (Refer Footnote 10)
Sun Pharmaceutical Industries, Inc.	URL PharmPro, LLC (Refer Footnote 11)
Sun Farmaceutica Do Brasil Ltda.	2 Independence Way LLC
Sun Pharma De Mexico S.A. DE C.V.	Universal Enterprises Private Limited
SPIL De Mexico S.A. DE C.V.	Sun Pharma Switzerland Limited
Sun Pharmaceutical Peru S.A.C.	Sun Pharma East Africa Limited
OOO "Sun Pharmaceutical Industries" Limited	Pharmalucence, Inc. (Refer Footnote 12)
Sun Pharma De Venezuela, C.A.	PI Real Estate Ventures, LLC
Sun Pharma Laboratories Limited	Sun Pharma ANZ Pty Ltd
Faststone Mercantile Company Private Limited	Ranbaxy Farmaceutica Ltda.
Neetnav Real Estate Private Limited	Sun Pharma Canada Inc.
Realstone Multitrade Private Limited	Sun Pharma Egypt Limited LLC
Skisen Labs Private Limited	Rexcel Egypt LLC
Sun Pharma Holdings	Office Pharmaceutique Industriel Et Hospitalier (Refer Footnote 7)
Softdeal Pharmaceuticals Private Limited (Formerly known as Softdeal Trading Company Private Limited)	Basics GmbH
Sun Pharma (Netherlands) B.V.	Ranbaxy Ireland Limited
Sun Pharma France (Formerly Known as Ranbaxy Pharmacie Generiques)	Sun Pharma Italia srl((Formerly known as Ranbaxy Italia S.P.A.)
Ranbaxy (Malaysia) Sdn. Bhd.	Sun Pharmaceutical Industries S.A.C.
Ranbaxy Nigeria Limited	Ranbaxy (Poland) Sp. Z o.o.
Foundation for Disease Elimination and Control of India	Terapia SA
Zenotech Laboratories Limited	AO Ranbaxy
Chattem Chemicals Inc.	Ranbaxy South Africa (Pty) Ltd
The Taro Development Corporation	Ranbaxy Pharmaceuticals (Pty) Ltd
Alkaloida Chemical Company Zrt.	Sonke Pharmaceuticals Proprietary Limited
Sun Pharmaceutical Industries (Australia) Pty Limited	Sun Pharma Laboratorios,S.L.U. (Formerly known as Laboratorios Ranbaxy, S.L.U.)
Aditya Acquisition Company Ltd.	Ranbaxy (U.K.) Limited
Sun Pharmaceutical Industries (Europe) B.V.	Ranbaxy Holdings (U.K.) Limited
Sun Pharmaceuticals Germany GmbH	Ranbaxy Inc.
Sun Pharmaceuticals France (Refer Footnote 3)	Ranbaxy (Thailand) Co., Ltd.
Sun Pharma Global FZE	Ohm Laboratories, Inc.
Sun Pharmaceuticals SA (Pty) Ltd	Ranbaxy Signature LLC
Aquinox Pharmaceuticals (Canada) Inc (Refer Footnote 1 & 8)	Sun Pharmaceuticals Morocco LLC
Sun Pharma Philippines, Inc.	"Ranbaxy Pharmaceuticals Ukraine" LLC
Sun Pharmaceuticals Korea Ltd.(Refer Footnote 3)	Insite Vision Incorporated (Refer Footnote 12)
Sun Global Development FZE (Refer Footnote 4)	Sun Pharmaceutical Medicare Limited
Caraco Pharmaceuticals Private Limited	JSC Biosintez
Sun Pharma Japan Ltd.	Sun Pharmaceuticals Holdings USA, Inc.
Pola Pharma Inc. (Refer Footnote 5)	Zenotech Laboratories Nigeria Limited (Refer Footnote 4)
Sun Pharma Healthcare FZE (Refer Footnote 4)	Zenotech Inc
Morley & Company, Inc. (Refer Footnote 9)	Zenotech Farmaceutica Do Brasil Ltda
Sun Laboratories FZE	Sun Pharma Distributors Limited
Taro Pharmaceutical Industries Ltd. (TARO) (Refer Footnote 6)	Kayaku Co., Ltd.
Taro Pharmaceuticals Inc.	Realstone Infra Limited (Refer Footnote 2)
Taro Pharmaceuticals U.S.A., Inc.	Sun Pharmaceuticals (EZ) Limited (Refer Footnote 1)
Taro Pharmaceuticals North America, Inc.	Sun Pharma (Shanghai) Limited (Refer Footnote 1)

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

IND AS- 24 - " RELATED PARTY DISCLOSURES"

"ANNEXURE "A"

Names of related parties and description of relationships	
Taro Pharmaceuticals Europe B.V.	WRS Bioproducts Pty Ltd. (Refer Footnote 1)
Taro International Ltd.	
3 Skyline LLC	
One Commerce Drive LLC	
Taro Pharmaceutical Laboratories Inc	
Dusa Pharmaceuticals, Inc.	
Names of related parties where there are transactions and description of relationships	
b Joint Ventures	
Artes Biotechnology GmbH	
c Associate	
Medinstill Development LLC	
d Key Management Personnel (KMP)	
Dilip Shantilal Shanghvi	Managing Director
Sudhir Vrundavandas Valia	Non-Executive Director (Designation changed from Whole-time Director to Non-Executive Director on May 29, 2019) and Non-Independent Director
Sailesh Trambaklal Desai	Wholetime Director
Israel Makov	Chairman and Non- Executive Director (Non- Independent)
Kalyanasundaram Iyer Natesan Subramanian	Wholetime Director
e Relatives of Key Management Personnel	
Aalok Shanghvi	
Vidhi Shanghvi	
f Others (Entities in which the KMP and relatives of KMP have control or Significant influence)	
Makov Associates Limited	
Sun Pharma Advanced Research Company Limited.	
Sun Petrochemicals Private Limited	
Ramdev Chemicals Private Limited (upto April 25, 2019)	
Sidmak Laboratories (India) Private Limited	
Aditya Medisales Limited	
United Medisales Private Limited	
PV Power Technologies Private Limited	
Fortune Integrated Assets Finance Ltd	
Suraksha Asset Reconstruction Private Limited	
Kism Textiles Private Limited	
Alfa Infraprop Private Limited	
Shantilal Shanghvi Foundation	

Footnote

- Incorporated / Acquired during the year
- Incorporated / Acquired during the previous year
- Dissolved / Liquidated during the year
- Dissolved / Liquidated during the previous year
- Pola Pharma Inc. has been merged with Sun Pharma Japan Ltd w.e.f. January 01, 2020.
- Holds voting power of 85.18% (beneficial ownership 77.78%) [March 31, 2020 84.73% (beneficial ownership 77.10%)]
- Office Pharmaceutique Industriel Et Hospitalier has been merged with Sun Pharma France (Formerly Known as Ranbaxy Pharmacie Genériques) w.e.f. April 01, 2020.
- Aquinox Pharmaceuticals (Canada) Inc) has been merged with Taro Pharmaceuticals Inc. w.e.f. July 31, 2020
- Morley & Company, Inc. has been merged with Taro Development Corporation w.e.f. March 27, 2020
- Dungan Mutual Associates, LLC has been merged with Mutual Pharmaceutical Company Inc w.e.f. March 16, 2020
- URL PharmPro, LLC has been merged with Mutual Pharmaceutical Company Inc w.e.f. March 16, 2020
- Insite Vision Incorporated, Mutual Pharmaceutical Company Inc and Pharamlucence, Inc. has been merged with Sun Pharmaceutical Industries, Inc. w.e.f. April 01, 2020

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

IND AS- 24 - " RELATED PARTY DISCLOSURES"

ANNEXURE "A"

Detail of related party transaction during the year ended March 31, 2021:

Type of Transaction	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of goods	4,879.2	3,355.8
Subsidiaries	4,874.5	3,344.2
Others	4.7	11.6
Purchase of property, plant and equipment	2,195.7	46.6
Subsidiaries	624.2	46.1
Others	1,571.5	0.5
Revenue from contracts with customers, net of returns	101,858.6	91,454.3
Subsidiaries	101,821.9	91,482.2
Others	36.7	(27.9)
Sale of property, plant and equipment	22.5	25.4
Subsidiaries	9.4	20.1
Others	13.1	5.3
Other operative revenue /Other Income	65.2	-
Subsidiaries	42.5	-
Others	22.7	-
Receiving of service	1,660.4	2,014.3
Subsidiaries	1,021.7	1,314.0
Joint ventures	8.0	45.5
Others	630.7	654.8
Reimbursement of expenses (paid)	4,674.4	5,435.8
Subsidiaries	4,638.6	5,136.9
Joint ventures	1.1	-
Others	34.7	298.9
Rendering of service	1,037.2	2,784.2
Subsidiaries(*)	967.7	2,723.6
Others	69.5	60.6
Reimbursement of expenses (received)	261.3	295.7
Subsidiaries	191.2	255.0
Key management personnel	17.4	-
Others	52.7	40.7
Loans given	9,206.3	1,508.7
Subsidiaries	9,206.3	1,508.7
Loans received back	5,623.4	128.2
Subsidiaries	5,623.4	128.2
Security Deposit received	-	0.1
Subsidiaries	-	0.1
Security Deposit given	10.9	-
Subsidiaries	10.9	-
Sales of investment	-	8,570.9
Subsidiaries	-	8,570.9
Loan taken	95,133.0	34,178.4
Subsidiaries	95,133.0	34,178.4
Loan repaid	62,904.8	22,494.7
Subsidiaries	62,904.8	22,494.7

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

IND AS- 24 - " RELATED PARTY DISCLOSURES"

ANNEXURE "A"

Detail of related party transaction during the year ended March 31, 2021:

Type of Transaction	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Dividend income on equity shares	383.4	9,258.3
Subsidiaries	383.4	9,258.3
Interest income	418.3	469.3
Subsidiaries	418.3	427.6
Others	-	41.7
Interest expense	2,156.6	564.5
Subsidiaries	2,156.6	564.5
Rent income	34.8	36.3
Subsidiaries	12.1	13.5
Others	22.7	22.8
Rent expense / Payment towards Lease Liabilities	263.4	177.1
Subsidiaries	263.4	177.1
Donation	100.0	-
Others	100.0	-
Provision / (reversal) in respect of losses of a subsidiary	-	(2,502.9)
Subsidiaries	-	(2,502.9)
Remuneration	165.4	200.5
Key management personnel (#)	130.4	171.4
Relatives of Key management personnel	35.0	29.1

(*) Includes income recognised from profit sharing supply arrangements.

(#) Mr. Sudhir Vrundavandas Valia stepped down from the position of Whole-time Director of the Company with effect from May 29, 2019. Accordingly, his remuneration for the FY 2019-20 included PL settlement of ₹15.1 Million and Gratuity of ₹38.9 Million. He continues to be a Non-Promoter, Non-Executive and Non-Independent Director of the Company.

Key Management Personnel (KMP) and Relatives of KMP who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above and there is no Share-based payments to Key Management Personnel of Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

IND AS- 24 - " RELATED PARTY DISCLOSURES"

ANNEXURE "A"

Balance outstanding as at the end of the year

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Receivables	58,959.4	57,125.1
Subsidiaries	58,929.1	57,123.6
Key management personnel	17.4	-
Others	12.9	1.5
Payable	11,055.6	8,390.8
Subsidiaries	10,898.3	8,266.3
Joint Venture	-	0.1
Key management personnel	2.2	0.1
Others	155.1	124.3
Loan taken	44,427.3	12,191.8
Subsidiaries	44,427.3	12,191.8
Loan given	8,021.0	4,404.0
Subsidiaries	8,021.0	4,404.0
Security Deposit given	73.4	62.5
Subsidiaries	73.4	62.5
Security Deposit Received	0.1	0.1
Subsidiaries	0.1	0.1
Other liabilities	18,748.2	18,537.9
Subsidiaries	18,748.2	18,537.9
Advance from customers	1,758.6	4,015.1
Subsidiaries	1,758.6	4,015.1
Advance (includes capital and supply of goods/services)	629.9	211.2
Subsidiaries	418.7	-
Associates	211.2	211.2
Accrued Interest income on loans and advances	18.4	-
Subsidiaries	18.4	-
Provisions	12,027.9	19,776.8
Subsidiaries	12,027.9	19,776.8
Lease liabilities	1,920.8	1,803.1
Subsidiaries	1,920.8	1,803.1

- a) The sales to and purchases from related parties are made on an arm's length basis. Outstanding trade balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. As on year ended March 31, 2021, the Company has recorded impairment of receivables relating to amounts owed by related parties (wholly owned subsidiaries) amounting to ₹59.9 Million (March 31, 2020: ₹59.9 Million).
- b) Provision includes obligation arising from a supply contract to Sun Laboratories FZE, a wholly owned subsidiary of the Company amounting to ₹12,027.9 Million (March 31, 2020: ₹19,776.8 Million).

Independent Auditor's Report

To the Members of Sun Pharmaceutical Industries Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of Sun Pharmaceutical Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint venture comprising of the consolidated Balance sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including Statement of other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associates

and joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated Ind AS financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Litigations (as described in note 39 of the consolidated Ind AS financial statements)</p> <p>The Group is involved in various legal proceedings including product liability, contracts, employment claims, Department of Justice (DOJ) investigations, anti-trust and other regulatory matters relating to conduct of its business.</p> <p>The Group assesses the need to make provision or to disclose a contingent liability on a case-to-case basis considering the underlying facts of each litigation.</p> <p>The eventual outcome of the litigations is uncertain and estimation at balance sheet date involves extensive judgement of management including input from legal counsel due to complexity of each litigation. Adverse outcomes could significantly impact the Group's reported profit and balance sheet position.</p> <p>Considering the judgement involved in determining the need to make a provision or disclose as contingent liability, the matter is considered a Key Audit Matter.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls in respect of the identification, evaluation of litigations, the recording / re-assessment of the related liabilities, provisions and disclosures. • Obtained a list of litigations from the Group's in-house legal counsel; identified material litigations from the aforementioned list and performed inquiries with the said counsel; obtained and read the underlying documents to assess the assumptions used by management in arriving at the conclusions. • Circulated, obtained and read legal confirmations from Group's external legal counsels in respect of material litigations and considered that in our assessment. • Verified the disclosures related to provisions and contingent liabilities in the consolidated Ind AS financial statements to assess consistency with underlying documents.
<p>Rebates, discounts, chargebacks, returns and other allowances (as described in note 53 of the consolidated Ind AS financial statements)</p> <p>The Group generates revenue across various geographies through commercial arrangements prevalent in those geographies. These commercial arrangements involve rebates, discounts, chargebacks, right to return and other allowances, which are deducted from the gross revenue to arrive at Revenue from Operations.</p> <p>These deductions involve significant judgement and estimation, in particular the accruals associated with the revenue transactions pertaining to the generics business of United States and is hence is considered as a Key Audit Matter.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> • Assessed and tested the design and operating effectiveness of the Group's controls over the completeness, recognition and measurement of accrual. • Obtained and evaluated management's computations for accruals under respective contractual arrangements. • Evaluated the key assumptions used by the Group by comparing it with prior years. • Analysed the historical pattern of chargebacks, the inventory information and performed retrospective reviews in order to validate management's assumption. • Compared the assumptions in respect of rebates, discounts, allowances and returns to current payment trends. • Evaluated adequacy of disclosures as required by Ind AS 115
<p>Goodwill and other intangible assets (as described in note 3B and 47 of the consolidated Ind AS financial statements)</p> <p>The Group has significant intangible assets, comprising acquired trademarks, product intangibles and goodwill. The Group conducts an annual impairment testing of goodwill and intangible assets using discounted cash flow method.</p> <p>Significant judgements are used to estimate the recoverable amount of these intangible assets and goodwill. The determination of recoverable amounts involves use of several key assumptions, including estimates of future sales volume, and prices, operating costs, terminal value growth rates and the weighted average cost of capital (discount rate) and is hence is considered as a Key Audit Matter.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of management's controls in assessing the carrying value of goodwill and intangible assets. • Obtained the Group's computation of recoverable amount and tested the mathematical accuracy and reasonableness of key assumptions, including profit and cash flow forecast, terminal values, potential product obsolescence and the discount rates. • Obtained and evaluated management's sensitivity analysis to ascertain the impact of changes in key assumptions and performed our own independent sensitivity calculations to quantify the downside impact to determination of recoverable amount.

Key audit matter	How our audit addressed the key audit matter
<p>Tax litigations and recognition of deferred tax assets (as described in note 39 and 50 of the consolidated Ind AS financial statements)</p> <p>The Group has significant tax litigations for which the Group assesses the outcome on a case-to-case basis considering the underlying facts of each tax litigation. Adverse outcomes could significantly impact the Group's reported profit and balance sheet position.</p> <p>The assessment of outcome of litigations involves significant judgement which is dependent on the facts of each case, supporting judicial precedents and legal opinions of external and internal legal counsels and hence the matter has been considered as a Key Audit Matter.</p> <p>Recognition of deferred tax assets involves the assessment of its recoverability within the allowed time frame requiring significant estimate of the financial projections, availability of sufficient taxable income in the future and also involving significant judgements in the interpretation of tax regulations and tax positions adopted by the Group. Considering the judgement involved in determining the recovery of deferred tax assets, the matter is considered a Key Audit Matter.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax litigations/deferred tax and the recording and re-assessment of the related liabilities/assets and provisions and disclosures. • Obtained list of ongoing tax litigations from management along with their assessment of the cases based on past precedents, judgements and matters in the jurisdiction, legal opinions sought by management, correspondences with tax department etc. • Engaged tax specialists, to evaluate management's assessment of the outcome of these litigations. Our specialists considered legal precedence and other rulings in evaluating management's position on these tax litigations. • Tested management's assumptions including forecasts and sensitivity analysis in respect of recoverability of deferred taxes on unabsorbed depreciation/carry forward losses/MAT credit. • Verified disclosures of the tax positions, tax loss carry forwards and tax litigations in the consolidated Ind AS financial statements.

Identification and disclosure of related parties (as described in note 57 of the consolidated Ind AS financial statements)

<p>The Group has related party transactions which include, amongst others, sale and purchase of goods/services to its associates and joint venture.</p> <p>Identification and disclosure of related parties was a significant area of focus and hence considered it as a Key Audit Matter.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. • Obtained a list of related parties from the Group's management and traced the related parties to declarations given by directors, where applicable, and to note 57 of the consolidated Ind AS financial statements. • Read minutes of the meetings of the Board of Directors and Audit Committee. • Tested material creditors/debtors, loan given/loans taken to evaluate existence of any related party relationships; tested transactions based on declarations of related party transactions given to the Board of Directors and Audit Committee. • Verified the disclosures in the consolidated Ind AS financial statements for compliance with Ind AS 24.
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OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether

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

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

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

underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

- (a) We did not audit the financial statements and other financial information, in respect of 25 subsidiaries, whose Ind AS financial statements, without giving effect to elimination of intra-group transactions, include total assets of ₹393,324.1 million as at March 31, 2021, total revenues of ₹149,035.3 million and net cash inflows of ₹6,217.6 million for the year ended on that date. These Ind AS financial statement

and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by management of the Holding Company and audited by us.

- (b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 24 subsidiaries, whose financial statements and other financial information, without giving effect to elimination of intra-group transactions, reflect total assets of ₹240,338.9 million as at March 31, 2021, and total revenues of ₹6,186.1 million and net cash outflows of ₹190.1 million for the year ended on that date. These financial have been prepared in accordance with accounting principles generally accepted in their respective countries for statutory purposes and have been audited by other auditors. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. In the opinion of the management these are not material to the group. We have not audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by management of the Holding Company.

- (c) The consolidated Ind AS financial statements also include the Group's share of net loss of ₹123.3 million for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of 5 associates and a joint venture, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint venture and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint venture, none of the directors of the Group's companies, its associates and joint venture, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint venture, as noted in the 'Other Matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint venture in its consolidated Ind AS financial statements – Refer Note 39 to the consolidated Ind AS financial statements;
- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 23 and 28 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and joint venture and (b) the Group’s share of net loss in respect of its associates;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint venture incorporated in India, except a sum of ₹1.13 million, which is held in abeyance due to pending legal cases.

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

per **Paul Alvares**
Partner
Membership Number: 105754
UDIN: 21105754AAAACV8743

Place of Signature: Pune
Date: May 27, 2021

Annexure 1 to the Independent Auditors Report of Even Date on the Consolidated Ind AS Financial Statements of Sun Pharmaceutical Industries Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of Sun Pharmaceutical Industries Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Sun Pharmaceutical Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with

reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

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

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and

such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to 1 subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

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

per **Paul Alvares**
Partner
Membership Number: 105754
UDIN: 21105754AAAACV8743

Place of Signature: Pune
Date: May 27, 2021

Consolidated Balance Sheet

as at March 31, 2021

Particulars	Notes	₹ in Million	
		As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3A(I) & (II)	102,349.9	105,674.3
(b) Capital work-in-progress		9,365.2	6,589.1
(c) Goodwill (Net)	47	62,876.4	64,814.6
(d) Other intangible assets	3B	50,303.5	57,980.2
(e) Intangible assets under development		6,303.1	5,614.3
(f) Investment in associates	4	2,327.3	2,153.9
(g) Investment in joint venture	5	278.3	275.7
(h) Financial assets			
(i) Investments	6	62,218.3	50,027.9
(ii) Loans	7	7.1	7.9
(iii) Other financial assets	8	957.8	1,048.8
(i) Deferred tax assets (Net)	50	35,564.4	31,752.9
(j) Income tax assets (Net)	9	34,327.8	33,842.5
(k) Other non-current assets	10	5,367.4	6,200.9
Total non-current assets		372,246.5	365,983.0
(2) Current assets			
(a) Inventories	11	89,970.2	78,749.9
(b) Financial assets			
(i) Investments	12	31,300.6	48,973.6
(ii) Trade receivables	13	90,614.0	94,212.4
(iii) Cash and cash equivalents	14	62,730.3	56,766.1
(iv) Bank balances other than (iii) above	15	1,724.8	8,109.4
(v) Loans	16	560.1	1,483.8
(vi) Other financial assets	17	8,759.3	9,293.4
(c) Other current assets	18	18,761.5	18,953.0
Total current assets		304,420.8	316,541.6
TOTAL ASSETS		676,667.3	682,524.6

Consolidated Balance Sheet

as at March 31, 2021

Particulars	Notes	₹ in Million	
		As at March 31, 2021	As at March 31, 2020
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	2,399.3	2,399.3
(b) Other equity	20	462,228.5	450,245.2
Equity attributable to the equity shareholders of the company		464,627.8	452,644.5
Non-controlling interests	71	30,170.5	38,602.4
Total equity		494,798.3	491,246.9
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8,981.3	20,289.2
(ii) Other financial liabilities	22	195.8	424.1
(b) Provisions	23	3,271.2	5,110.0
(c) Deferred tax liabilities (Net)	50	445.1	581.4
(d) Other non-current liabilities	24	7,519.3	7,808.7
Total non-current liabilities		20,412.7	34,213.4
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	24,449.0	55,493.8
(ii) Trade payables		39,736.6	35,836.4
(iii) Other financial liabilities	26	42,373.5	18,887.3
(b) Other current liabilities	27	7,279.9	6,462.9
(c) Provisions	28	45,826.5	38,363.6
(d) Current tax liabilities (Net)	29	1,790.8	2,020.3
Total current liabilities		161,456.3	157,064.3
Total liabilities		181,869.0	191,277.7
TOTAL EQUITY AND LIABILITIES		676,667.3	682,524.6

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per **PAUL ALVARES**
Partner
Membership No. : 105754
Date: May 27, 2021

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

SUNIL R. AJMERA
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

Particulars	Notes	₹ in Million	
		Year ended March 31, 2021	Year ended March 31, 2020
(I) Revenue from operations	30	334,981.4	328,375.0
(II) Other income	31	8,355.2	6,359.8
(III) Total income (I+II)		343,336.6	334,734.8
(IV) Expenses			
Cost of materials consumed	32	61,531.3	55,152.3
Purchases of stock-in-trade		31,751.7	34,143.7
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(6,382.2)	3,008.5
Employee benefits expense	34	68,622.3	63,623.5
Finance costs	35	1,414.3	3,027.3
Depreciation and amortisation expense	3 (A & B)	20,799.5	20,527.8
Other expenses	36	94,781.1	102,705.5
Net (gain) / loss on foreign currency transactions		(236.5)	(156.1)
Total expenses (IV)		272,281.5	282,032.5
(V) Profit before exceptional items and tax (III-IV)		71,055.1	52,702.3
(VI) Exceptional items	61	43,061.4	2,606.4
(VII) Profit before tax (V-VI)		27,993.7	50,095.9
(VIII) Tax expense/(credit)			
Current tax		9,573.0	13,201.4
Deferred tax		(331.0)	(4,973.4)
Deferred tax - exceptional	61	(4,095.1)	-
Total tax expense (VIII)	49	5,146.9	8,228.0
(IX) Profit for the year before share of profit/(loss) of associates and joint venture (VII-VIII)		22,846.8	41,867.9
(X) Share of profit/(loss) of associates (net of tax)		(135.5)	(138.3)
(XI) Share of profit/(loss) of joint venture (net of tax)		12.2	(10.0)
(XII) Profit for the year before non-controlling interests (IX+X+XI)		22,723.5	41,719.6
(XIII) Non-controlling interests	71	(6,314.7)	4,070.3
(XIV) Profit for the year attributable to owners of the company (XII-XIII)		29,038.2	37,649.3
(XV) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(a) Gain/(loss) on re-measurements of the defined benefit plans		(81.9)	(417.7)
Income tax on above		29.2	145.9
		(52.7)	(271.8)
(b) Gain/(loss) on equity instruments measured at fair value through other comprehensive income		3,315.8	(896.4)
Income tax on above		(174.6)	13.5
		3,141.2	(882.9)
Total (A)		3,088.5	(1,154.7)

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

Particulars	Notes	₹ in Million	
		Year ended March 31, 2021	Year ended March 31, 2020
(B) Items that may be reclassified to profit or loss			
(a) Gain/(loss) on debt instruments measured at fair value through other comprehensive income		1,172.5	(664.2)
Income tax on above		(80.3)	44.8
		1,092.2	(619.4)
(b) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		1,451.3	(1,184.4)
Income tax on above		(436.9)	376.3
		1,014.4	(808.1)
(c) Exchange differences in translating the financial statements of foreign operations		(8,013.1)	30,049.5
(d) Exchange differences on translation of net investment in foreign operations		1,357.7	(6,259.0)
Total (B)		(4,548.8)	22,363.0
(XV) Total other comprehensive income (A + B)		(1,460.3)	21,208.3
(XVI) Total comprehensive income for the year (XII+XV)		21,263.2	62,927.9
Other comprehensive income for the year attributable to:			
- Owners of the company		(904.8)	18,419.1
- Non-controlling interests		(555.5)	2,789.2
Total comprehensive income for the year attributable to:			
- Owners of the company		28,133.4	56,068.4
- Non-controlling interests		(6,870.2)	6,859.5
Earnings per equity share (face value per equity share - ₹1)	51		
Basic (in ₹)		12.1	15.7
Diluted (in ₹)		12.1	15.7

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per **PAUL ALVARES**
Partner
Membership No. : 105754
Date: May 27, 2021

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

SUNIL R. AJMERA
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

Particulars	Other equity											Non-controlling interests	Total		
	Equity share capital	Reserves and surplus					Other comprehensive income (OCI)							Attributable to owners of parent company	
		Capital reserve	Securities premium	Amalgamation reserve	Capital redemption reserve	Legal reserve	General reserve	Retained earnings	Debt instrument through OCI	Equity instrument through OCI	Foreign currency translation reserve				Effective portion of cash flow hedges
Balance as at March 31, 2019	2,399.3	3,681.7	11,932.9	43.8	7.5	207.5	35,621.0	333,301.9	(11.2)	1,632.9	24,936.7	336.6	414,090.6	33,135.4	447,226.0
Profit for the year	-	-	-	-	-	-	-	37,649.3	-	-	-	-	37,649.3	4,070.3	41,719.6
Exchange difference arising on translation of foreign operations/ net investment in foreign operations, net of tax	-	-	-	-	-	-	-	-	-	-	20,862.3	-	20,862.3	2,928.2	23,790.5
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	*(272.0)	(522.4)	(883.0)	-	(765.8)	(2,443.2)	(139.0)	(2,582.2)
Total comprehensive income for the year	-	-	-	-	-	-	-	37,377.3	(522.4)	(883.0)	20,862.3	(765.8)	56,068.4	6,859.5	62,927.9
Payment of dividend	-	-	-	-	-	-	-	(13,789.6)	-	-	-	-	(13,789.6)	44.5	(13,745.1)
Dividend distribution tax	-	-	-	-	-	-	-	(2,834.5)	-	-	-	-	(2,834.5)	-	(2,834.5)
Buy-back / purchase of equity shares by overseas subsidiaries company	-	-	-	-	-	-	-	(831.6)	-	-	-	-	(831.6)	(1,437.0)	(2,268.6)
Expenditure on buy-back of equity shares by parent company (Refer note 64)	-	-	(58.8)	-	-	-	-	-	-	-	-	-	(58.8)	-	(58.8)
Transfer from surplus in consolidated statement of profit and loss as per the local law of overseas subsidiaries	-	-	-	-	-	23.0	-	(23.0)	-	-	-	-	-	-	-
Balance as at March 31, 2020	2,399.3	3,681.7	11,874.1	43.8	7.5	230.5	35,621.0	353,200.5	(533.6)	749.9	45,799.0	(429.2)	452,644.5	38,602.4	491,246.9
Profit for the year	-	-	-	-	-	-	-	29,038.2	-	-	-	-	29,038.2	(6,314.7)	22,723.5
Exchange difference arising on translation of foreign operations/ net investment in foreign operations, net of tax	-	-	-	-	-	-	-	-	-	-	(5,874.5)	-	(5,874.5)	(780.9)	(6,655.4)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	*(52.7)	928.6	3,141.2	-	952.6	4,969.7	225.4	5,195.1
Total comprehensive income for the year	-	-	-	-	-	-	-	28,985.5	928.6	3,141.2	(5,874.5)	952.6	28,133.4	(6,870.2)	21,263.2

₹ in Million

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

Particulars	Other equity											Total		
	Equity share capital	Reserves and surplus					Other comprehensive income (OCI)				Attributable to owners of parent company		Non-controlling interests	
		Capital reserve	Securities premium	Amalgamation reserve	Capital redemption reserve	Legal reserve	General reserve	Retained earnings	Debt instrument through OCI	Equity instrument through OCI				Foreign currency translation reserve
Payment of dividend	-	-	-	-	-	-	(15,590.6)	-	-	-	-	(15,590.6)	(267.0)	(15,857.6)
Buy-back / purchase of equity shares by overseas subsidiaries company	-	-	-	-	-	-	(559.5)	-	-	-	-	(559.5)	(1,294.7)	(1,854.2)
Transfer from surplus in consolidated statement of profit and loss as per the local law of overseas subsidiaries	-	-	-	-	55.0	-	(55.0)	-	-	-	-	-	-	-
Balance as at March 31, 2021	2,399.3	3,681.7	11,874.1	43.8	7.5	285.5	35,621.0	365,980.9	395.0	3,891.1	39,924.5	523.4	464,627.8	30,170.5
														494,798.3

* Represents re-measurements of the defined benefit plans

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per **PAUL ALVARES**
Partner

Membership No. : 105754

Date: May 27, 2021

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAALES T. DESAI
Wholtime Director
(DIN : 00005443)

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

SUNIL R. AJMERA
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2021

Particulars	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from operating activities		
Profit before tax	27,993.7	50,095.9
Adjustments for:		
Depreciation and amortisation expense	20,799.5	20,527.8
Net (gain) / loss on sale / write off / impairment of property, plant and equipment and other intangible assets	16.7	53.7
Finance costs	1,414.3	3,027.3
Interest income	(2,111.3)	(3,546.2)
Dividend income on investments	(2,560.4)	(561.8)
Net gain arising on financial assets measured at fair value through profit or loss	(2,197.6)	(571.9)
Net gain on sale of financial assets measured at fair value through profit or loss	(138.2)	(246.7)
Net (gain)/ loss on sale of financial assets measured at fair value through other comprehensive income	(260.0)	(0.4)
Provision / write off /(reversal) for doubtful trade receivables / advances	43.1	1,068.1
Sundry balances written back, net	(122.8)	(52.2)
Effect of exchange rate changes	3,215.2	227.7
Operating profit before working capital changes	46,092.2	70,021.3
Movements in working capital:		
(Increase) / Decrease in inventories	(10,802.9)	2,567.7
(Increase) / Decrease in trade receivables	937.3	(3,740.5)
(Increase) / Decrease in other assets	1,166.2	(1,751.9)
Increase / (Decrease) in trade payables	3,814.6	(2,101.1)
Increase / (Decrease) in other liabilities	24,983.5	3,124.2
Increase / (Decrease) in provisions	5,542.2	10,887.1
Cash generated from operations	71,733.1	79,006.8
Income tax paid (net of refund)	(10,029.4)	(13,459.1)
Net cash generated from operating activities (A)	61,703.7	65,547.7
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital work-in-progress, other intangible assets and intangible assets under development)	(11,701.3)	(15,420.0)
Proceeds from disposal of property, plant and equipment and other intangible assets	971.0	920.3
Loans / inter corporate deposits given / placed	-	(191.3)
Loans / inter corporate deposits received back / matured	882.2	1,875.4
Purchase of investments (includes investment in associates)	(185,417.4)	(334,453.9)
Proceeds from sale of investments	197,088.0	318,936.3
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	(2,818.7)	(9,694.5)
Fixed deposits / margin money matured	4,880.8	8,192.9
Net cash outflow on acquisition of subsidiary	(616.0)	-
Interest received	717.7	3,384.6
Dividend received	1,375.9	561.8
Net cash from / (used in) investing activities (B)	5,362.2	(25,888.4)

Consolidated Cash Flow Statement

for the year ended March 31, 2021

Particulars	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash flow from financing activities		
Proceeds from borrowings	66,028.7	105,515.7
Repayment of borrowings @	(109,198.7)	(138,934.6)
Payment for buy-back of equity shares of parent company and buy-back of equity shares held by non-controlling interests of subsidiaries	(1,854.2)	(2,124.8)
Net increase / (decrease) in working capital demand loans	(1,726.4)	2,189.0
Refund from / (transfer to) escrow account for buy-back (Refer note 64)	4,250.0	(4,250.0)
Finance costs	(1,442.5)	(2,718.9)
Dividend payment to non-controlling interests	(267.0)	(201.4)
Dividend paid	(15,594.7)	(13,791.9)
Dividend distribution tax	-	(2,834.5)
Net cash used in financing activities (C)	(59,804.8)	(57,151.4)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	7,261.1	(17,492.1)
Cash and cash equivalents at the beginning of the year	56,766.1	70,623.0
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(1,296.9)	3,635.2
Cash and cash equivalents at the end of the year	62,730.3	56,766.1

@ includes payment of lease obligation.

Notes:

Cash and cash equivalents comprises of

Particulars	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current accounts	28,097.7	18,936.0
In deposit accounts with original maturity less than 3 months	34,327.7	37,662.8
Cheques, drafts on hand	290.8	152.7
Cash on hand	14.1	14.6
Cash and cash equivalents (Refer note 14)	62,730.3	56,766.1

Consolidated Cash Flow Statement

for the year ended March 31, 2021

Change in financial liability/ asset arising from financing activities

₹ in Million

Particulars	Year ended March 31, 2021	
	Borrowings #	Derivatives, net [(liabilities) / asset]
Opening balance	79,708.5	(355.0)
Changes from financing cash flows	(43,718.5)	120.6
The effect of changes in foreign exchange rates	(585.5)	41.1
Other changes	(169.6)	-
Changes in fair value	-	(106.2)
Closing balance	35,234.9	(299.5)

For movement of lease liabilities (Refer note 54)

Change in financial liability/ asset arising from financing activities

₹ in Million

Particulars	Year ended March 31, 2020	
	Borrowings	Derivatives, net [(liabilities) / asset]
Opening balance	105,143.6	94.8
Changes from financing cash flows	(29,790.0)	(265.4)
The effect of changes in foreign exchange rates	5,590.1	50.7
Other changes	(1,235.2)	-
Changes in fair value	-	(235.1)
Closing balance	79,708.5	(355.0)

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per **PAUL ALVARES**
Partner
Membership No. : 105754
Date: May 27, 2021

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

SUNIL R. AJMERA
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE: 1 GENERAL INFORMATION

Sun Pharmaceutical Industries Limited (SPIL or the "parent company"), is a public limited company incorporated and domiciled in India, having its registered office at Vadodara, Gujarat, India. SPIL is listed on the BSE Limited and National Stock Exchange of India Limited. The parent company and its subsidiaries (hereinafter referred to as the "Company " or the "Group") are engaged in the business of manufacturing, developing and marketing a wide range of branded and generic formulation and Active Pharmaceutical ingredients (APIs). The Group has various manufacturing locations spread across the world with trading and other incidental and related activities extending to the global market.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 27, 2021.

NOTE: 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2021 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, 2020.

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost convention and accrual basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; (iii) investment in associates and joint ventures are accounted for using the equity method (iv) derivative financial instruments and (v) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below :

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

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

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

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

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

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries as disclosed in Note 38. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

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Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances, transactions including unrealised gain / loss from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investment in Associates and Joint Ventures

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy

decisions of the entities but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the Group's share of losses of an associate or a joint venture exceeds its interest in that associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has obligations or has made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture and discontinues from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed off the related assets or liabilities.

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When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in the associate or joint venture that are not related to the Group.

b. Current vs. Non-current

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

c. Business combinations

The Group uses the acquisition method of accounting to account for business combinations that occurred on or after April 01, 2015. The acquisition date is generally the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is

transferred from one party to another. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as Capital reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as Capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as

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finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

d. Foreign currency

Foreign currency transactions

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings (see note 2.2.s).
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 2.2.j below for hedging accounting policies).
- exchange differences relating to the translation of the results and the net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency

translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to statement of profit or loss account on the disposal of the foreign operation.

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

Foreign operations

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised in other comprehensive income and presented within equity as part of Foreign Currency Translation Reserve (and attributed to non-controlling interests as appropriate). When a foreign operation is disposed off, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

e. Segment reporting

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

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f. Property, plant and equipment

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

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

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

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

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

The estimated useful lives are as follows:

Asset Category	No. of years
Buildings including factory buildings*	7-125
Plant and equipment*	1-30
Vehicles	2-15
Office equipment	2-17
Furniture and fixtures	3-30

* Includes assets given under operating lease

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

g. Goodwill and Other Intangible assets

Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Group's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a cash-generating unit to which goodwill is allocated, the goodwill associated with the disposed cash-generating unit is included in the carrying amount of the cash-generating unit when determining the gain or loss on disposal.

Other Intangible assets

Other Intangible assets that are acquired by the Group and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future

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economic benefits embodied in the specific asset to which they relate.

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Group intends to and has sufficient resources/ability to complete development and to use or sell the asset.

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

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

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

The consideration for acquisition of intangible asset which is based on reaching specific milestone that are

dependent on the Group's future activity is recognised only when the activity requiring the payment is performed.

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

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

The estimated useful lives for Product related intangibles and Other intangibles ranges from 3 to 20 years.

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

De-recognition of intangible assets

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

h. Impairment of non-financial assets other than goodwill

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

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

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independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

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

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

i. Non-current assets held for sale

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

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed off is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale.

Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

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

j. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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Debt instruments at amortised cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

Debt instrument at FVTPL

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

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

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

Equity instruments

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity

in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

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

Compound financial instruments

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

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

Financial liabilities subsequently measured at amortised cost

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

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

Financial guarantee contracts

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

Derecognition

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

Embedded derivatives

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

Reclassification of financial assets

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

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, full currency swap,

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

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

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

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(iii) Net Investment Hedge

The Group designates certain foreign currency liability as hedge against certain net investment in foreign subsidiaries. Hedges of net investments in foreign operations are accounted similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR')- a component of equity. The ineffective portion of the gain or loss on these hedges is immediately recognised in the consolidated statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

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for the year ended March 31, 2021

Treasury shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The Group treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Dividend distribution to equity holders of the parent

Final dividend on equity shares (including dividend tax on distribution of such dividends, if any) are recorded as a liability on the date of their approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. As per the corporate laws in India, a distribution of final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

k. Leases

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

Company as a lessee

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

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:

• Leasehold land	49 -196 years
• Building	1-99 years
• Plant and Machinery	1-5 years
• Furniture and Fixture	5 years
• Vehicles	1-5 years
• Office Equipment	5 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

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

Group as a lessor

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

i. Inventories

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

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

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

m. Cash and cash equivalents

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

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

n. Provisions, contingent liabilities and contingent assets

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

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

Restructuring

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

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the

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for the year ended March 31, 2021

economic benefit expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

o. Revenue

Sale of goods

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

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

Profit Sharing Revenues

The Company from time to time enters into arrangements for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Out-licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the period in which the Company has continuing performance obligations. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be received.

Sales returns

The Group accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Group's estimate of expected sales returns. With respect to established products, the Group considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product

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discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. With respect to new products introduced by the Group, such products have historically been either extensions of an existing line of product where the Group has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

Rendering of services

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

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Group and the amount

of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

p. Dividend and interest income

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

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

q. Government grants

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

r. Employee benefits

Defined benefit plans

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

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service

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costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

Termination benefits

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

Short-term and Other long-term employee benefits

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

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

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

Defined contribution plans

The Group's contributions to defined contribution plans are recognised as an expense as and when the

services are received from the employees entitling them to the contributions. The Group does not have any obligation other than the contribution made.

Share-based payment arrangements

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, on a straight line basis, over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

s. Borrowing costs

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

t. Income tax

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

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for the year ended March 31, 2021

basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for the temporary differences that arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and taxable temporary differences arising upon the initial recognition of goodwill.

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

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

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

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

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

u. Earnings per share

The parent company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the parent company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

v. Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

w. Recent Accounting pronouncements

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

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 3A(I) PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold land	Buildings	Buildings taken under finance lease*	Buildings given under operating lease*	Plant and equipment	Plant and equipment given under operating lease*	Plant and equipment Taken under Finance Lease*	Furniture and fixtures given under operating lease*	Furniture and fixtures taken under Finance Lease*	Vehicles	Vehicles taken under Finance Lease*	Furniture and fixtures given under operating lease*	Furniture and fixtures taken under Finance Lease*	Office equipment taken under Finance Lease*	Office equipment taken under Finance Lease*	Total
At cost or deemed cost																	
As at March 31, 2019	4,151.5	2,355.5	52,723.1	892.9	519.2	98,107.4	21.6	8.3	3,993.6	0.4	2.7	1,099.3	1,358.5	2,210.6	110.1	167,554.7	
Consolidation adjustments	121.5	-	2,103.0	-	45.8	2,772.9	1.7	-	161.5	-	-	(6.6)	-	48.8	-	5,248.6	
Additions	0.1	-	1,375.6	-	-	9,215.1	-	-	215.7	-	-	159.9	-	345.6	-	11,312.0	
Disposals	(22.6)	-	(387.6)	-	-	(348.9)	(23.3)	-	(111.5)	-	-	(192.4)	-	(315.6)	-	(1,401.9)	
Reclassified to Right-of-use assets	-	(2,355.5)	-	(892.9)	-	-	-	(8.3)	-	(2.7)	-	(1,358.5)	-	(110.1)	-	(4,728.0)	
As at March 31, 2020	4,250.5	-	55,814.1	-	565.0	109,746.5	-	-	4,259.3	0.4	-	1,060.2	-	2,289.4	-	177,985.4	
Consolidation adjustments	(56.8)	-	(324.5)	-	(11.9)	353.3	-	-	(51.7)	-	-	5.2	-	(98.6)	-	(185.0)	
Additions	234.3	-	1,205.6	-	-	7,372.2	-	-	131.8	-	-	125.8	-	564.9	-	9,634.6	
Transfer from Lease to Buildings	-	-	536.2	-	(536.2)	-	-	-	-	-	-	-	-	-	-	-	
Disposals	(2.5)	-	(157.1)	-	-	(1,183.0)	-	-	(130.7)	(0.4)	-	(110.4)	-	(53.5)	-	(1,637.6)	
As at March 31, 2021	4,425.5	-	57,074.3	-	16.9	116,289.0	-	-	4,208.7	-	-	1,080.8	-	2,702.2	-	185,797.4	
Accumulated depreciation and impairment																	
As at March 31, 2019	-	302.6	14,507.3	833.0	199.9	46,501.2	20.8	0.4	2,443.6	0.4	1.1	714.3	368.2	1,379.0	8.7	67,280.5	
Consolidation adjustments	-	-	865.5	-	25.8	2,034.7	2.2	-	105.1	-	-	(5.0)	-	25.9	-	3,054.2	
Depreciation expense	-	-	1,819.9	-	5.4	7,378.2	-	-	276.3	-	-	158.8	-	288.2	-	9,926.8	
Impairment losses recognised in profit or loss	-	-	-	-	-	1.4	-	-	-	-	-	-	-	-	-	1.4	
Eliminated on disposals of assets	-	-	(198.4)	-	-	(300.9)	(23.0)	-	(81.5)	-	-	(162.2)	-	(308.3)	-	(1,074.3)	
Reclassified to Right-of-use assets	-	(302.6)	-	(833.0)	-	-	-	(0.4)	-	(1.1)	-	(368.2)	-	-	(8.7)	(1,514.0)	
As at March 31, 2020	-	-	16,994.3	-	231.1	55,614.6	-	-	2,743.5	0.4	-	705.9	-	1,384.8	-	77,674.6	
Consolidation adjustments	-	-	98.4	-	(19.9)	339.0	-	-	(37.4)	-	-	10.1	-	(45.3)	-	344.9	
Depreciation expense	-	-	2,494.5	-	6.8	8,110.1	-	-	281.5	-	-	129.2	-	322.7	-	11,344.8	
Transfer from Lease to Buildings	-	-	215.6	-	(215.6)	-	-	-	-	-	-	-	-	-	-	-	
Eliminated on disposals of assets	-	-	(30.5)	-	(0.4)	(1,048.4)	-	-	(126.5)	(0.4)	-	(96.9)	-	(53.2)	-	(1,356.3)	
As at March 31, 2021	-	-	19,772.3	-	2.0	63,015.3	-	-	2,861.1	-	-	748.3	-	1,609.0	-	88,008.0	
Carrying amount																	
As at March 31, 2020	4,250.5	-	38,819.8	-	333.9	54,131.9	-	-	1,515.8	-	-	354.3	-	904.6	-	100,310.8	
As at March 31, 2021	4,425.5	-	37,302.0	-	14.9	53,273.7	-	-	1,347.6	-	-	332.5	-	1,093.2	-	97,789.4	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 3A(II) RIGHT OF USE ASSETS

	₹ in Million						
	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost							
As at March 31, 2019	-	-	-	-	-	-	-
Reclassified from Property, plant and equipment	2,355.5	892.9	8.3	2.7	1,358.5	110.1	4,728.0
Consolidation adjustments	35.1	84.5	0.8	0.5	183.6	8.6	313.1
Additions	218.5	2,020.8	-	3.4	1,037.7	-	3,280.4
Disposals	-	(933.3)	-	-	(450.9)	(80.5)	(1,464.7)
As at March 31, 2020	2,609.1	2,064.9	9.1	6.6	2,128.9	38.2	6,856.8
Consolidation adjustments	(41.6)	12.8	(0.3)	(6.6)	(45.2)	(6.3)	(87.2)
Additions	191.6	255.6	-	-	948.2	1.5	1,396.9
Disposals	(760.8)	(52.3)	(8.8)	-	(398.6)	(6.8)	(1,227.3)
As at March 31, 2021	1,998.3	2,281.0	-	-	2,633.3	26.6	6,939.2
Accumulated depreciation and impairment							
As at March 31, 2019	-	-	-	-	-	-	-
Reclassified from Property, plant and equipment	302.6	833.0	0.4	1.1	368.2	8.7	1,514.0
Consolidation adjustments	22.7	22.8	0.1	0.2	37.5	1.0	84.3
Depreciation expense	32.5	431.9	0.4	0.9	501.4	28.6	995.7
Eliminated on disposals of assets	-	(848.3)	-	-	(227.1)	(25.3)	(1,100.7)
As at March 31, 2020	357.8	439.4	0.9	2.2	680.0	13.0	1,493.3
Consolidation adjustments	(9.3)	10.2	-	(2.2)	(11.6)	(7.5)	(20.4)
Depreciation expense	36.8	473.4	-	-	602.2	8.3	1,120.7
Eliminated on disposals of assets	-	(10.2)	(0.9)	-	(197.1)	(6.7)	(214.9)
As at March 31, 2021	385.3	912.8	-	-	1,073.5	7.1	2,378.7
Carrying amount							
As at March 31, 2020	2,251.3	1,625.5	8.2	4.4	1,448.9	25.2	5,363.5
As at March 31, 2021	1,613.0	1,368.2	-	-	1,559.8	19.5	4,560.5

(i) For details of Ind AS 116 disclosure refer Note 54.

NOTE : 3B OTHER INTANGIBLE ASSETS

Other than internally generated

	₹ in Million		
	Computer Software	Trademarks and Designs	Total
At cost or deemed cost			
As at March 31, 2019	2,533.2	87,224.8	89,758.0
Consolidation adjustments	54.5	7,444.4	7,498.9
Additions	534.2	3,867.6	4,401.8
Disposals	(26.0)	(129.8)	(155.8)
As at March 31, 2020	3,095.9	98,407.0	101,502.9
Consolidation adjustments	(31.6)	(2,306.7)	(2,338.3)
Additions	1,130.4	1,034.3	2,164.7
Disposals	(486.3)	(666.1)	(1,152.4)
As at March 31, 2021	3,708.4	96,468.5	100,176.9

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

	₹ in Million		
	Computer Software	Trademarks and Designs	Total
Accumulated amortisation and impairment			
As at March 31, 2019	1,444.9	29,779.6	31,224.5
Consolidation adjustments	45.8	2,768.2	2,814.0
Amortisation expense	443.0	9,162.3	9,605.3
Impairment losses recognised in profit or loss	0.1	-	0.1
Eliminated on disposals of assets	(24.5)	(96.7)	(121.2)
As at March 31, 2020	1,909.3	41,613.4	43,522.7
Consolidation adjustments	65.7	(1,123.7)	(1,058.0)
Amortisation expense	503.9	7,830.1	8,334.0
Eliminated on disposals of assets	(478.5)	(446.8)	(925.3)
As at March 31, 2021	2,000.4	47,873.0	49,873.4
Carrying amount			
As at March 31, 2020	1,186.6	56,793.6	57,980.2
As at March 31, 2021	1,708.0	48,595.5	50,303.5

Footnotes :

- (a) Buildings include ₹8,620 (March 31, 2020: ₹8,620) towards cost of shares in a co-operative housing society and also includes ₹1.1 Million (March 31, 2020 : ₹1.1 Million) towards cost of flats not registered in the name of the parent company but is entitled to right of use and occupancy.
- (b) Other intangible assets consisting of trademarks, brands acquired, research and development, designs, technical know-how, licences, non-compete fees and other intangible assets are available to the Group in perpetuity. The amortisable amount of intangible assets is arrived at, based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Group.
- (c) For details of assets pledged as security Refer note 66.
- (d) The aggregate amortisation has been included under depreciation and amortisation expense in the consolidated statement of profit and loss.

* Refer note 54

NOTE : 4 INVESTMENT IN ASSOCIATES (NON-CURRENT)

	As at March 31, 2021		As at March 31, 2020	
	Quantity	₹ in Million	Quantity	₹ in Million
(Carrying amount determined using equity method of accounting)				
Unquoted, fully paid				
Investments in equity instruments				
Medinstill LLC	1,999	1,071.4	1,999	1,251.7
Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)	345,622	158.0	345,622	195.1
Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.) share application money		182.8		-
Intact Solution LLC	153	55.9	-	-
WRS Bioproducts Pty Ltd	428,571	113.1	-	-
Investments in limited liability partnership				
Trumpcard Advisors and Finvest LLP		746.1		707.1
Generic Solar Power LLP [₹4,389 (March 31, 2020: ₹7,777)]		0.0		0.0
		2,327.3		2,153.9
Aggregate carrying value of unquoted investments		2,327.3		2,153.9

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 5 INVESTMENT IN JOINT VENTURE (NON-CURRENT)

	As at March 31, 2021		As at March 31, 2020	
	Quantity	₹ in Million	Quantity	₹ in Million
(Carrying amount determined using equity method of accounting)				
Unquoted, fully paid				
Investments in equity instruments				
Artes Biotechnology GmbH	15,853	278.3	15,853	275.7
		278.3		275.7
Aggregate carrying value of unquoted investments		278.3		275.7

NOTE : 6 INVESTMENTS (NON-CURRENT)

	As at March 31, 2021		As at March 31, 2020	
	Quantity	₹ in Million	Quantity	₹ in Million
In equity instruments				
Quoted - At fair value through other comprehensive income				
Amneal Pharmaceuticals Inc. Shares of USD 0.01 each fully paid	2,868,623	1,412.2	2,868,623	753.0
Krebs Biochemicals and Industries Limited Shares of ₹10 each fully paid	1,050,000	90.2	1,050,000	81.6
Krystal Biotech, Inc. Shares of USD 0.00001 each fully paid	914,107	5,151.1	914,107	2,981.5
scPharmaceuticals Inc.	2,167,679	1,054.4	2,167,679	1,210.0
Crinetics Pharmaceuticals Inc. Shares of USD 0.001 each	48,265	53.9	48,265	53.5
Crispr Therapeutics AG Shares of CHF 0.03 each	30,755	274.1	60,755	194.4
Magneta Therapeutics Inc. Shares of USD 0.001 each	25,900	22.4	25,900	12.3
Replimune Group Inc. Shares of USD 0.001 each	22,498	50.2	22,498	16.9
Iovance Biotherapeutics Inc. Shares of USD 0.00004 each	8,352	19.3	8,352	18.9
Akero Therapeutics Inc. Shares of USD 0.001 each	10,905	23.1	10,905	17.4
AvroBio Inc. Shares of USD 0.0001 each	37,306	34.6	37,306	43.8
In limited liability partnership				
Unquoted - At fair value through other comprehensive income				
ABCD Technologies LLP		400.0		-
In equity instruments				
Unquoted - At fair value through Profit or Loss				
Shimal Research Laboratories Limited Shares of ₹10 each fully paid	9,340,000	934.0	9,340,000	934.0
Less: Impairment in value of investment		(934.0)		(934.0)
Biotech Consortium India Limited Shares of ₹10 each fully paid	50,000	0.5	50,000	0.5
Less: Impairment in value of investment		(0.5)		(0.5)
Reanal Finomvegyszergyár Zrt.	38,894	188.3	38,894	194.3
Less: Impairment in value of investment		(188.3)		(194.3)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

	As at March 31, 2021		As at March 31, 2020	
	Quantity	₹ in Million	Quantity	₹ in Million
Others		204.9		5.8
In equity instruments				
Quoted - At fair value through Profit or Loss				
Others		1,718.3		452.6
In government securities				
Unquoted - At amortised cost				
National savings certificates [₹Nil (March 31, 2020: ₹10,000)]	-	-	-	0.0
Quoted - At fair value through other comprehensive income				
Others *	-	4,704.3	-	7,409.1
In debentures/bonds				
Quoted - At fair value through other comprehensive income				
Investment in bonds (various small denomination investments)		35,282.2		26,808.9
National Highways Authority of India - 8.2% Bonds of ₹1,000 each fully paid of maturing on January 25, 2022	-	-	61,809	64.3
Power Finance Corporation Ltd (Series I) - 8.2% Bonds of ₹1,000 each fully paid maturing on February 01, 2022	-	-	142,393	148.9
Indian Railway Finance Corporation Ltd - 8/8.15% Bonds of ₹1,000 each fully paid maturing on February 23, 2022	-	-	163,131	170.2
ONGC Videsh 4.625% Regd. Notes maturing July 15, 2024	16,000,000	1,284.1	16,000,000	1,109.3
NTPC 4.375% Regd. Euro Medium Term Notes maturing November 26, 2024	10,000,000	800.9	10,000,000	735.8
State Bank of India 4.875% Notes maturing April 17, 2024	700,000	565.7	700,000	531.4
In venture funds				
Unquoted - At fair value through Profit or Loss		9,072.4		7,208.3
		62,218.3		50,027.9
Aggregate book value (carrying value) of quoted investments		52,541.0		42,813.8
Aggregate amount of quoted investments at market value		52,541.0		42,813.8
Aggregate amount of unquoted investments before impairment		10,800.1		8,342.9
Aggregate amount of impairment in value of investments		1,122.8		1,128.8

* Includes investment in various small denomination U.S Treasuries, certificate of deposits and commercial papers.

NOTE : 7 LOANS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Loans to employees/others		
Secured, considered good	2.9	3.4
Unsecured, considered good	4.2	4.5
	7.1	7.9

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Deposits	0.9	0.9
Margin money/ security against guarantees/ commitments	-	3.0
Security deposits - unsecured, considered good	649.4	610.8
Derivatives not designated as hedges	2.0	-
Unbilled revenue (Refer note 53)	305.5	434.1
	957.8	1,048.8

NOTE : 9 INCOME TAX ASSET (NET) [NON-CURRENT]

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Advance income tax (net of provisions)*	34,327.8	33,842.5
	34,327.8	33,842.5

* Includes amount paid under protest

NOTE : 10 OTHER NON-CURRENT ASSETS

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Capital advances	3,577.6	4,489.6
Prepaid expenses	44.7	53.6
Balances with government authorities*	1,745.1	1,656.0
Other assets	-	1.7
	5,367.4	6,200.9

* Includes amount paid under protest

NOTE : 11 INVENTORIES

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Lower of cost and net realisable value		
Raw materials and packing materials	32,862.7	28,608.8
Goods-in-transit	579.0	327.2
	33,441.7	28,936.0
Work-in-progress	18,292.9	15,890.8
Finished goods	29,756.3	27,248.5
Stock-in-trade	7,325.2	5,584.8
Goods-in-transit	81.6	140.3
	7,406.8	5,725.1
Stores and spares	1,072.5	949.5
	89,970.2	78,749.9

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

- (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 ₹20,106.6 Million (March 31, 2020: ₹20,762.3 Million). The changes in write downs are recognised as an expense in the consolidated statement of profit and loss.
- (ii) The cost of inventories recognised as an expense is disclosed in notes 32, 33 and 36 and as purchases of stock-in-trade in the consolidated statement of profit and loss.

NOTE : 12 INVESTMENTS (CURRENT)

	As at March 31, 2021		As at March 31, 2020	
	Quantity	₹ in Million	Quantity	₹ in Million
In government securities				
Quoted - At fair value through other comprehensive income				
8.01% Government of Rajasthan UDAY 2020 Bond of ₹1 each fully paid matured on June 23, 2020	-	-	27,400,000	27.0
Quoted - At fair value through other comprehensive income				
Investment in others @	-	15,850.3	-	20,421.6
In bonds/debentures				
Quoted - At fair value through other comprehensive income				
Investment in bonds (various small denomination investments)	-	14,760.5	-	24,488.2
National Highways Authority of India - 8.2% Bonds of ₹1,000 each fully paid of maturing on January 25, 2022	61,809	63.9	-	-
Power Finance Corporation Ltd (Series I) - 8.2% Bonds of ₹1,000 each fully paid maturing on February 01, 2022	142,393	147.2	-	-
Indian Railway Finance Corporation Ltd - 8/8.15% Bonds of ₹1,000 each fully paid maturing on February 23, 2022	163,131	168.7	-	-
In convertible promissory note				
Unquoted - At fair value through Profit or Loss	-	-	-	113.1
In mutual funds *				
Unquoted - At fair value through Profit or Loss	-	310.0	-	3,923.7
		31,300.6		48,973.6

* Investments in mutual funds have been fair valued at closing net asset value (NAV).

@ Includes investment in various small denomination U.S Treasuries, certificate of deposits and commercial papers.

Aggregate book value (carrying value) of quoted investments	30,990.6	44,936.8
Aggregate amount of quoted investments at market value	30,990.6	44,936.8
Aggregate amount of unquoted investments before impairment	310.0	4,036.8
Aggregate amount of impairment in value of investments	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 13 TRADE RECEIVABLES

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	90,614.0	94,212.4
Credit impaired	2,410.4	2,513.7
	93,024.4	96,726.1
Less : Allowance for credit impaired (expected credit loss allowance)	(2,410.4)	(2,513.7)
	90,614.0	94,212.4

NOTE : 14 CASH AND CASH EQUIVALENTS

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Balance with banks		
In current accounts	28,097.7	18,936.0
In deposit accounts with original maturity less than 3 months	34,327.7	37,662.8
Cheques, drafts on hand	290.8	152.7
Cash on hand	14.1	14.6
	62,730.3	56,766.1

NOTE : 15 BANK BALANCES OTHER THAN DISCLOSED IN NOTE 14 ABOVE

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Deposit accounts	1,600.9	3,658.3
Earmarked balances with banks		
Escrow account - Buy back (Refer note 64)	-	4,250.0
Unpaid dividend accounts	86.7	76.3
Balances held as margin money or security against guarantees and other commitments #	37.2	124.8
	1,724.8	8,109.4

Balances held as margin money amounting to ₹1.0 Million (March 31, 2020: ₹17.5 Million) which have an original maturity of more than 12 months.

NOTE : 16 LOANS (CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Loans to related party		
Secured, considered good (Refer note 68)	365.7	377.2
Loans to employees/others *		
Secured, considered good	0.7	0.8
Unsecured, considered good	193.7	1,105.8
Loans to employees/others - credit impaired	15.3	10.2
Less : Allowance for credit impaired	(15.3)	(10.2)
	194.4	1,106.6
	560.1	1,483.8

* Others: Loans given to various parties at prevailing market interest rate.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 17 OTHER FINANCIAL ASSETS (CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Interest accrued on investments/balances with banks	63.4	120.5
Security deposits (unsecured, considered good)	143.6	150.9
Derivatives designated as hedges	696.2	342.4
Derivatives not designated as hedges	146.6	121.5
Refund due from government authorities	5,657.7	5,848.6
Unbilled Revenue (Refer note 53)	364.9	-
Others	2,186.9	3,209.5
Less : Allowance for doubtful others *	(500.0)	(500.0)
	8,759.3	9,293.4

* The Group is carrying an allowance of ₹500.0 Million (March 31, 2020 : ₹500.0 Million) against other receivables (Others) based on assessment regarding recoverability of the same.

NOTE : 18 OTHER CURRENT ASSETS

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Export incentives receivable	1,645.1	3,440.5
Prepaid expenses	2,787.0	1,857.5
Advances for supply of goods and services		
Considered good	3,647.8	3,942.3
Considered doubtful	398.9	343.2
Less : Allowance for doubtful	(398.9)	(343.2)
Balances with government authorities*	10,173.4	8,738.4
Others	508.2	974.3
	18,761.5	18,953.0

* Includes balances of goods and services tax.

NOTE : 19 EQUITY SHARE CAPITAL

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Authorised				
Equity shares of ₹1 each	5,990,000,000	5,990.0	5,990,000,000	5,990.0
Cumulative preference shares of ₹100 each	100,000	10.0	100,000	10.0
		6,000.0		6,000.0
Issued, subscribed and fully paid up				
Equity shares of ₹1 each (Refer note 41)	2,399,334,970	2,399.3	2,399,334,970	2,399.3
	2,399,334,970	2,399.3	2,399,334,970	2,399.3

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 20 OTHER EQUITY

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
A) Reserves and surplus		
Capital reserve	3,681.7	3,681.7
Securities premium	11,874.1	11,874.1
Amalgamation reserve	43.8	43.8
Capital redemption reserve	7.5	7.5
Legal reserve	285.5	230.5
General reserve	35,621.0	35,621.0
Retained earnings	365,980.9	353,200.5
B) Items of other comprehensive income (OCI)		
Debt instrument through other comprehensive income	395.0	(533.6)
Equity instrument through other comprehensive income	3,891.1	749.9
Foreign currency translation reserve	39,924.5	45,799.0
Effective portion of cash flow hedges	523.4	(429.2)
	462,228.5	450,245.2

Refer consolidated statement of changes in equity for detailed movement in other equity balances.

Nature and purpose of each reserve

Capital reserve - During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

Amalgamation reserve - The reserve was created pursuant to scheme of amalgamation in earlier years.

Capital redemption reserve - The Group has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

Legal reserve - The reserve has been created by an overseas subsidiaries in compliance with requirements of local laws.

General reserve: The reserve arises on transfer of portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

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

Equity instrument through OCI - The Company has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

Foreign currency translation reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to consolidated statement of profit and loss on the disposal of the foreign operation.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Effective portion of cash flow hedges - The cash flow hedging reserve represents the cumulative effective portion of gain or loss arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedges reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

NOTE : 21 BORROWINGS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Term loans		
From banks (unsecured)	6,468.8	17,714.3
From department of biotechnology (secured)	54.1	61.8
From others (secured)	24.2	-
Lease liabilities (Refer note 54)	2,434.2	2,513.1
	8,981.3	20,289.2

Refer note 66 for borrowings (non-current)

NOTE : 22 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Derivatives not designated as hedges	14.2	6.4
Derivatives designated as hedges	178.2	413.2
Other financial liabilities	3.4	4.5
	195.8	424.1

NOTE : 23 PROVISIONS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Employee benefits	2,886.2	2,950.2
Others (Refer note 60)	385.0	2,159.8
	3,271.2	5,110.0

NOTE : 24 OTHER NON-CURRENT LIABILITIES

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Deferred revenue (Refer note 53)	7,185.5	7,592.7
Others	333.8	216.0
	7,519.3	7,808.7

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 25 BORROWINGS (CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Loans repayable on demand		
From banks (unsecured)	3,333.8	25,326.9
Other loans		
From banks (unsecured)	7,108.8	20,255.9
Commercial paper (unsecured)	14,006.4	9,911.0
	24,449.0	55,493.8

Refer note 67 for borrowings (current)

NOTE : 26 OTHER FINANCIAL LIABILITIES (CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt (Refer note 66)	4,238.8	6,438.6
Current maturities of lease liabilities (Refer note 54)	1,016.7	927.2
Interest accrued	47.1	93.9
Unpaid dividends	83.5	77.2
Security deposits	155.9	152.2
Payables on purchase of property, plant and equipment	3,385.5	808.5
Derivatives designated as hedges	115.0	971.5
Derivatives not designated as hedges	29.2	13.0
Payables to employee	7,336.1	6,439.1
Others*	25,965.7	2,966.1
	42,373.5	18,887.3

* Include claims, recall charges, contractual and expected milestone obligations, trade and other commitments (also refer note 61).

NOTE : 27 OTHER CURRENT LIABILITIES

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Statutory remittances	5,086.7	4,158.8
Advance from customers (Refer note 53)	471.9	526.8
Deferred revenue (Refer note 53)	1,671.0	1,717.2
Others	50.3	60.1
	7,279.9	6,462.9

NOTE : 28 PROVISIONS (CURRENT)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Employee benefits	4,588.7	3,703.5
Others (Refer note 60 and 61)	41,237.8	34,660.1
	45,826.5	38,363.6

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 29 CURRENT TAX LIABILITIES (NET)

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Provision for income tax [Net of advance income tax]	1,790.8	2,020.3
	1,790.8	2,020.3

NOTE : 30 REVENUE FROM OPERATIONS

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers (Refer note 53)	331,391.8	323,251.7
Other operating revenues	3,589.6	5,123.3
	334,981.4	328,375.0

NOTE : 31 OTHER INCOME

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on:		
Bank deposits at amortised cost	317.2	1,178.1
Loans at amortised cost	65.2	137.9
Investments in debt instruments at fair value through other comprehensive income	1,289.8	1,749.1
Other financial assets carried at amortised cost	49.3	205.3
Others (includes interest on income tax refund)	389.8	275.8
	2,111.3	3,546.2
Dividend income on investments	2,560.4	561.8
Net gain on sale of financial assets measured at fair value through profit or loss	138.2	246.7
Net gain on sale of financial assets measured at fair value through other comprehensive income	260.0	0.4
Net gain arising on financial assets measured at fair value through profit or loss	2,197.6	571.9
Net gain on disposal of property, plant and equipment and other intangible assets	161.2	34.7
Sundry balances written back, net	122.8	52.2
Insurance claims	146.9	213.6
Lease rental and hire charges	97.8	123.4
Miscellaneous income	559.0	1,008.9
	8,355.2	6,359.8

NOTE : 32 COST OF MATERIALS CONSUMED

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Raw materials and packing materials		
Inventories at the beginning of the year	28,936.0	27,837.8
Purchases during the year	65,829.0	55,662.7
Foreign currency translation difference	208.0	587.8
Inventories at the end of the year	(33,441.7)	(28,936.0)
	61,531.3	55,152.3

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	48,864.4	50,002.9
Foreign currency translation difference	209.4	1,870.0
Inventories at the end of the year	(55,456.0)	(48,864.4)
	(6,382.2)	3,008.5

NOTE : 34 EMPLOYEE BENEFITS EXPENSE

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	60,530.1	56,392.2
Contribution to provident and other funds*	4,792.9	4,377.8
Staff welfare expenses	3,299.3	2,853.5
	68,622.3	63,623.5

* Includes gratuity expense of ₹480.0 Million (March 31, 2020: ₹365.6 Million)

NOTE : 35 FINANCE COSTS

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense :		
-for financial liabilities carried at amortised cost	1,193.0	2,505.3
-others (includes interest on income tax and lease liability)	217.9	400.2
Exchange differences regarded as an adjustment to borrowing costs	3.4	121.8
	1,414.3	3,027.3

NOTE : 36 OTHER EXPENSES

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of materials, stores and spare parts	6,537.3	6,227.3
Conversion and other manufacturing charges	5,416.1	6,180.9
Power and fuel	6,270.9	6,218.9
Rent	419.8	362.4
Rates and taxes	4,587.6	4,704.6
Insurance	2,360.2	1,965.2
Selling, promotion and distribution	22,782.9	28,696.5
Commission on sales	2,033.0	2,125.9
Repairs and maintenance	5,284.4	4,491.8
Printing and stationery	532.6	480.0
Travelling and conveyance	2,401.9	5,579.8
Freight outward and handling charges	6,223.7	5,722.4
Communication	983.8	959.3
Provision/write off/(reversal) for doubtful trade receivables/advances	43.1	1,068.1

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Professional, legal and consultancy	20,235.4	19,083.8
Donations	515.6	635.4
Loss on sale/write off of property, plant and equipment and other intangible assets, net	22.4	86.9
Payment to auditors (net of input credit, wherever applicable)	273.2	273.8
Impairment of property, plant and equipment, goodwill and other intangible assets	155.5	1.5
Miscellaneous expenses	7,701.7	7,841.0
	94,781.1	102,705.5

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

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	6,535.3	5,941.2
Contribution to provident and other funds	569.9	405.3
Staff welfare expenses	255.3	241.3
Consumption of materials, stores and spare parts	2,848.9	2,269.9
Power and fuel	315.1	357.1
Rates and taxes	823.7	1,184.6
Rent	15.4	29.9
Insurance	62.7	48.7
Repairs and maintenance	550.9	465.4
Printing and stationery	24.3	24.8
Travelling and conveyance	33.8	150.5
Communication	32.6	47.9
Professional, legal and consultancy	8,554.4	7,611.5
Miscellaneous expenses	405.9	473.6
	21,028.2	19,251.7
Less:		
Miscellaneous income	13.8	13.1
Receipts from research activities	42.3	32.4
	56.1	45.5
	20,972.1	19,206.2

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 38 a) List of entities included in the Consolidated Financial Statements is as under:

	Country of Incorporation	Proportion of ownership interest for the year ended	
		March 31, 2021	March 31, 2020
Parent company			
Sun Pharmaceutical Industries Limited			
Direct Subsidiaries			
1 Green Eco Development Centre Limited	India	100.00%	100.00%
2 Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	72.50%	72.50%
3 Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%
4 SPIL De Mexico S.A. DE C.V.	Mexico	100.00%	100.00%
5 Sun Pharmaceutical Peru S.A.C.	Peru	99.33%	99.33%
6 OOO "Sun Pharmaceutical Industries" Limited	Russia	100.00%	100.00%
7 Sun Pharma De Venezuela, C.A.	Venezuela	100.00%	100.00%
8 Sun Pharma Laboratories Limited	India	100.00%	100.00%
9 Faststone Mercantile Company Private Limited	India	100.00%	100.00%
10 Neetnav Real Estate Private Limited	India	100.00%	100.00%
11 Realstone Multitrade Private Limited	India	100.00%	100.00%
12 Skisen Labs Private Limited	India	100.00%	100.00%
13 Sun Pharma Holdings	Mauritius	100.00%	100.00%
14 Softdeal Pharmaceuticals Private Limited (Formerly known as Softdeal Trading Company Private Limited)	India	100.00%	100.00%
15 Sun Pharma (Netherlands) B.V.	Netherlands	100.00%	100.00%
16 Foundation for Disease Elimination and Control of India	India	100.00% (Refer note e)	100.00% (Refer note e)
17 Zenotech Laboratories Limited	India	57.56% (Refer note f)	57.56% (Refer note f)
Indirect Subsidiaries			
18 Sun Farmaceutica do Brasil Ltda.	Brazil	100.00%	100.00%
19 Sun Pharma France (Formerly Known as Ranbaxy Pharmacie Generiques)	France	100.00%	100.00%
20 Sun Pharmaceutical Industries, Inc.	United States of America	100.00%	100.00%
21 Ranbaxy (Malaysia) SDN. BHD.	Malaysia	95.67%	95.67%
22 Ranbaxy Nigeria Limited	Nigeria	86.16%	86.16%
23 Chattem Chemicals Inc.	United States of America	100.00%	100.00%
24 The Taro Development Corporation	United States of America	100.00%	100.00%
25 Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%
26 Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	100.00%	100.00%
27 Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%
28 Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	100.00%	100.00%
29 Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%
30 Sun Pharmaceuticals France	France	- (Refer note q)	100.00%
31 Sun Pharma Global FZE	United Arab Emirates	100.00%	100.00%
32 Sun Pharmaceuticals SA (Pty) Ltd	South Africa	100.00%	100.00%
33 Sun Global Canada Pty. Ltd.	Canada	- (Refer note g)	- (Refer note g)
34 Sun Pharma Philippines, Inc.	Philippines	100.00%	100.00%
35 Sun Pharmaceuticals Korea Ltd.	South Korea	- (Refer note n)	100.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

	Country of Incorporation	Proportion of ownership interest for the year ended	
		March 31, 2021	March 31, 2020
36 Sun Global Development FZE	United Arab Emirates	-	- (Refer note k)
37 Caraco Pharmaceuticals Private Limited	India	100.00%	100.00%
38 Sun Pharma Japan Ltd.	Japan	100.00%	100.00%
39 Pola Pharma Inc.	Japan	-	- (Refer note i)
40 Sun Pharma Healthcare FZE	United Arab Emirates	-	- (Refer note j)
41 Morley & Company, Inc.	United States of America	-	- (Refer note m)
42 Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%
43 Taro Pharmaceutical Industries Ltd. (Taro)	Israel (Refer note b)	77.78%	77.10%
44 Taro Pharmaceuticals Inc.	Canada	77.78%	77.10%
45 Taro Pharmaceuticals U.S.A., Inc.	United States of America	77.78%	77.10%
46 Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	77.78%	77.10%
47 Taro Pharmaceuticals Europe B.V.	Netherlands	77.78%	77.10%
48 Taro International Ltd.	Israel	77.78%	77.10%
49 3 Skyline LLC	United States of America	77.78%	77.10%
50 One Commerce Drive LLC	United States of America	77.78%	77.10%
51 Taro Pharmaceutical Laboratories Inc.	United States of America	77.78%	77.10%
52 Dusa Pharmaceuticals, Inc.	United States of America	100.00%	100.00%
53 Mutual Pharmaceutical Company Inc.	United States of America	- (Refer note o)	100.00%
54 Dungan Mutual Associates, LLC	United States of America	-	- (Refer note l)
55 URL PharmPro, LLC	United States of America	-	- (Refer note l)
56 2 Independence Way LLC	United States of America	100.00%	100.00%
57 Universal Enterprises Private Limited	India	100.00%	100.00%
58 Sun Pharma Switzerland Ltd.	Switzerland	100.00%	100.00%
59 Sun Pharma East Africa Limited	Kenya	100.00%	100.00%
60 Pharmalucence, Inc.	United States of America	- (Refer note o)	100.00%
61 PI Real Estate Ventures, LLC	United States of America	100.00%	100.00%
62 Sun Pharma ANZ Pty Ltd	Australia	100.00%	100.00%
63 Ranbaxy Farmaceutica Ltda.	Brazil	100.00%	100.00%
64 Sun Pharma Canada Inc.	Canada	100.00%	100.00%
65 Sun Pharma Egypt Limited LLC	Egypt	100.00%	100.00%
66 Rexcel Egypt LLC	Egypt	100.00%	100.00%
67 Office Pharmaceutique Industriel Et Hospitalier	France	- (Refer note p)	100.00%
68 Basics GmbH	Germany	100.00%	100.00%
69 Ranbaxy Ireland Limited	Ireland	100.00% (Refer note s)	100.00%
70 Sun Pharma Italia srl (Formerly known as Ranbaxy Italia S.P.A.)	Italy	100.00%	100.00%
71 Sun Pharmaceutical Industries S.A.C.	Peru	100.00%	100.00%
72 Ranbaxy (Poland) SP. Z O.O.	Poland	100.00%	100.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

	Country of Incorporation	Proportion of ownership interest for the year ended	
		March 31, 2021	March 31, 2020
73 Terapia SA	Romania	96.81%	96.81%
74 AO Ranbaxy	Russia	100.00%	100.00%
75 Ranbaxy South Africa (Pty) Ltd	South Africa	100.00%	100.00%
76 Ranbaxy Pharmaceuticals (Pty) Ltd	South Africa	100.00%	100.00%
77 Sonke Pharmaceuticals Proprietary Limited	South Africa	70.00%	70.00%
78 Sun Pharma Laboratorios,S.L.U. (Formerly known as Laboratorios Ranbaxy, S.L.U.)	Spain	100.00%	100.00%
79 Ranbaxy (U.K.) Limited	United Kingdom	100.00%	100.00%
80 Ranbaxy Holdings (U.K.) Limited	United Kingdom	100.00%	100.00%
81 Ranbaxy Inc.	United States of America	100.00%	100.00%
82 Ranbaxy (Thailand) Co., Ltd.	Thailand	100.00%	100.00%
83 Ohm Laboratories, Inc.	United States of America	100.00%	100.00%
84 Ranbaxy Signature LLC	United States of America	67.50%	67.50%
85 Sun Pharmaceuticals Morocco LLC	Morocco	100.00%	100.00%
86 "Ranbaxy Pharmaceuticals Ukraine" LLC	Ukraine	100.00%	100.00%
87 Insite Vision Incorporated	United States of America	- (Refer note o)	100.00%
88 Sun Pharmaceutical Medicare Limited	India	100.00%	100.00%
89 JSC Biosintez	Russia	100.00%	100.00%
90 Sun Pharmaceuticals Holdings USA, Inc.	United States of America	100.00%	100.00%
91 Zenotech Laboratories Nigeria Limited	Nigeria	-	- (Refer note f & h)
92 Zenotech Inc	United States of America	57.56% (Refer note f)	57.56% (Refer note f)
93 Zenotech Farmaceutica Do Brasil Ltda	Brazil	38.21% (Refer note f)	38.21% (Refer note f)
94 Kayaku Co., Ltd.	Japan	100.00%	100.00%
95 Sun Pharma Distributors Limited	India	100.00%	100.00%
96 Realstone Infra Limited	India	100.00%	100.00%
97 Sun Pharmaceuticals (EZ) Limited	Bangladesh	99.99%	-
98 Sun Pharma (Shanghai) Limited	China	100.00%	-
99 Aquinox Pharmaceuticals (Canada) Inc	Canada	- (Refer note r)	-
Name of Joint Venture Entity			
100 Artes Biotechnology GmbH	Germany	45.00%	45.00%
Name of Associates			
101 Medinstill LLC	United States of America	19.99%	19.99%
102 Generic Solar Power LLP	India	28.76%	28.76%
103 Trumpcard Advisors and Finvest LLP	India	40.61%	40.61%
104 Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)	Israel	18.71%	17.78%
105 WRS Bioproducts Pty Ltd.	Australia	12.50%	-
Name of Subsidiary of Associates			
106 Composite Power Generation LLP	India	36.90%	36.90%
107 Vintage Power Generation LLP	India	39.41%	39.41%
108 Vento Power Generation LLP	India	40.55%	40.55%
109 HRE LLC	United States of America	19.88%	19.99%
110 HRE II LLC	United States of America	19.99%	19.99%
111 HRE III LLC	United States of America	19.99%	19.99%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

	Country of Incorporation	Proportion of ownership interest for the year ended	
		March 31, 2021	March 31, 2020
112 Dr. Py Institute LLC	United States of America	19.88%	19.99%
113 Medinstill Development LLC	United States of America	19.88%	19.99%
114 ALPS LLC	United States of America	19.88%	19.99%
115 Intact Pharmaceuticals LLC	United States of America	19.88%	19.99%
116 Intact Media LLC (Formerly known as Intact Skin Care LLC)	United States of America	19.88%	19.99%
117 Intact Solutions LLC	United States of America	19.88%	19.99%

b Following are the details of the Group's holding in Taro:

	March 31, 2021	March 31, 2020
Voting power	85.18%	84.73%
Beneficial ownership	77.78%	77.10%

- c** In respect of entities at Sr. Nos.3 to 6, 39, 74, 86, 87, 89, 100, 101, 104, 105 and from 109 to 117 the reporting date is different from the reporting date of the parent company.
- d** In respect of entity at Sr. No. 97, 98, 99 and 105 has been incorporated/ acquired during the year ended March 31, 2021.
- e** Foundation for Disease Elimination and Control of India (FDEC), a wholly owned subsidiary incorporated in India on September 21, 2016 by the parent company as part of its Corporate Social Responsibility (CSR) initiative. FDEC has entered into an MOU with Indian Council of Medical Research (ICMR) and Madhya Pradesh State Government to undertake the Mandla Malaria Elimination Demonstration Project with a goal to eliminate Malaria in the state. FDEC is a Section 8 company not considered for consolidation since it can apply its income for charitable purposes only and can raise funds/contribution independently.
- f** Books of accounts and other related records/ documents of the overseas subsidiaries of the Zenotech Laboratories Limited were missing and due to non-availability of those records/information, Zenotech Laboratories Limited is unable to prepare consolidated accounts.
- g** With effect from January 25, 2019 Sun Global Canada Pty. Ltd. has been dissolved.
- h** With effect from July 15, 2019 Zenotech Laboratories Nigeria Limited has been dissolved.
- i** With effect from January 01, 2020 Pola Pharma Inc. has been merged with Sun Pharma Japan Ltd.
- j** With effect from January 28, 2020 Sun Pharma Healthcare FZE has been dissolved.
- k** With effect from February 27, 2020 Sun Global Development FZE has been dissolved.
- l** With effect from March 16, 2020 Dungan Mutual Associates, LLC and URL PharmPro, LLC has been merged with Mutual Pharmaceutical Company Inc.
- m** With effect from March 27, 2020 Morley & Company, Inc has been merged with The Taro Development Corporation.
- n** With effect from January 05, 2021 Sun Pharmaceuticals Korea Ltd has been dissolved.
- o** With effect from April 01, 2020 Insite Vision Incorporated, Mutual Pharmaceutical Company Inc and Pharamlucence, Inc. has been merged with Sun Pharmaceutical Industries, Inc.
- p** With effect from April 01, 2020 Office Pharmaceutique Industriel Et Hospitalier has been merged with Sun Pharma France (Formerly Known as Ranbaxy Pharmacie Generiques).
- q** With effect from March 17, 2021 Sun Pharmaceuticals France has been dissolved.
- r** With effect from July 31, 2020 Aquinox Pharmaceuticals (Canada) Inc has been merged with Taro Pharmaceuticals Inc.
- s** Ranbaxy Ireland Limited is under liquidation.
- t** Significant Accounting Policies and other Notes to these Consolidated Financial Statements are intended

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

to serve as a means of informative disclosure and a guide for better understanding of the consolidated position of the Group. Recognising this purpose, the Group has disclosed only such policies and notes from the individual financial statements which

fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the individual financial statements.

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

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
A) Contingent liabilities		
I) Claims against the Group not acknowledged as debts	558.3	728.9
II) Liabilities disputed - appeals filed with respect to:		
Income tax on account of disallowances / additions (Company appeals) *	38,643.2	41,026.6
Sales tax on account of rebate / classification	148.4	115.3
Excise duty / service tax on account of valuation / cenvat credit	1,511.6	1,005.7
ESIC contribution on account of applicability	130.5	130.5
Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, enjoyed by the Group	3,488.2	3,488.2
Fine imposed for anti-competitive settlement agreement by European Commission (Refer note 61)	-	856.1
Octroi demand on account of rate difference	-	171.0
Other matters - state electricity board, Punjab Land Preservation Act related matters etc.	90.2	89.8

Note : Includes, interest till the date of demand, wherever applicable.

III) Legal proceedings :

The parent company and/or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims, antitrust and other regulatory matters relating to conduct of its business. Some of the key matters are discussed below. Most of the legal proceedings involve complex issues, which are specific to the case and do not have precedents, and, hence, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the proceedings. This is due to a number of factors, including: the stage of the proceedings and the overall length and the discovery process; the entitlement of the parties to an action to appeal a decision; the extent of the claims, including the size of any potential class, particularly when damages are not specified or are indeterminate; the possible need for further legal proceedings to establish the appropriate amount of damages, if any; the settlement posture of the other parties to the litigation, and any other factors that may have a material effect on the litigation. The Company makes its assessment of likely outcome based on the views of internal legal counsel and in consultation with external legal counsel representing the Company. The Company also believes that disclosure of the amount sought by

plaintiffs would not be meaningful because historical evidence indicates that the amounts settled (if any) are significantly different than those claimed by plaintiffs. Some of the legal claims against the Company, if decided against the Company or settled by the Company, may result in significant impact on its results of operations.

Antitrust - Gx Drug Price Fixing Litigation:

On April 01, 2016, Sun Pharmaceutical Industries, Inc. ("SPIINC"), a subsidiary of the parent company, received a grand jury subpoena from the U.S. Department of Justice ("DOJ"), Antitrust Division, seeking documents relating to certain generic pharmaceutical products and pricing, potential communications with competitors, and certain other related matters. On or before November 2017, SPIINC provided documents and information related to three pharmaceutical products. The Antitrust Division has not asked for any additional information from SPIINC, or communicated with SPIINC, about the subpoena since that time.

On April 30, 2018, SPIINC received a Civil Investigative Demand ("CID") from the DOJ, Civil Division, in connection with a False Claims Act investigation, seeking information relating to certain

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

generic pharmaceutical products and pricing, potential communications with competitors, and certain other related matters. In response to the CID, SPIINC provided certain materials to the Civil Division in 2018. The Civil Division has not asked for any additional information from SPIINC, or communicated with SPIINC, about the CID since that time.

On July 23, 2020, Taro Pharmaceuticals U.S.A., Inc. ("Taro U.S.A.") came to a global resolution with the DOJ, Antitrust Division and Civil Division in connection with DOJ's multi-year investigation into the U.S. generic pharmaceutical industry. Under a Deferred Prosecution Agreement ("Agreement") reached with DOJ Antitrust Division, the DOJ filed an Information relating to conduct that occurred between 2013 and 2015. If Taro U.S.A. adheres to the terms of the Agreement, including paying a penalty of USD 205.7 Million (equivalent to ₹15,601.8 Million), the DOJ will dismiss the Information at the end of a three-year period. Taro U.S.A. has also reached a framework understanding with DOJ Civil Division, subject to final agreement and agency authorisation, in which Taro U.S.A. has agreed to pay USD 213.3 Million (equivalent to ₹16,179.6 Million) to resolve all claims related to federal healthcare programs. Accordingly, an amount of USD 418.9 Million (equivalent to ₹31,781.4 Million) was provided in the year ended March 31, 2021.

SPIINC, Taro Pharmaceutical Industries Ltd. ("Taro Industries") and its subsidiaries, along with more than 70 other pharmaceutical companies and individuals, are named as defendants in lawsuits brought by several putative classes, state Attorneys Generals, municipalities, and individual company purchasers and payors, alleging violations of the antitrust and related laws in the U.S. and Canada. Each of the cases that were filed in U.S. federal court have been transferred to the U.S. District Court for the Eastern District of Pennsylvania for coordinated pre-trial proceedings, and are now in discovery. In May 2021, that Court designated certain complaints naming SPIINC and Taro U.S.A. as "bellwether" cases to begin the sequencing of proceedings.

Further, during the year ended March 31, 2021, Taro Industries made a provision of USD 140 Million (equivalent to ₹10,384.4 Million) for ongoing multi-jurisdiction civil antitrust matters; however, the ultimate outcome of these matters cannot be predicted with certainty. These provisions have been disclosed as exceptional items in the consolidated financial statements.

Speakes v. Taro Pharmaceutical Industries Ltd.:

Taro Pharmaceutical Industries Ltd. and two of its former officers are named as defendants in a putative shareholder class action litigation pending in the U.S. District Court for the Southern District of New York, which asserts claims under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") against all defendants and claims under Section 20(a) of the Exchange Act against the individual defendants. The lawsuit generally alleges that the defendants made material misstatements and omissions in connection with an alleged conspiracy to fix drug prices. On September 24, 2018, the Court granted in part and denied in part the Taro Industries' motion to dismiss. The case is proceeding with limited discovery.

Taro Industries Shareholders Litigation in Israel:

On June 22, 2020, a motion seeking documents before filing a shareholder derivative action was filed by a single shareholder against Taro Industries and Taro U.S.A. in the Haifa District Court related to alleged U.S. antitrust violations. On September 22, 2020, a subsequent motion seeking documents was filed by a single shareholder against Taro Industries related to alleged misreporting to U.S. Medicaid and three prior state settlements. Both motions were consolidated on February 16, 2021, and remain pending before the Haifa District Court. Taro Industries has filed a motion to stay proceedings pending resolution of the related U.S. litigation.

Opioids:

SPIINC is a defendant in the National Prescription Opiate Litigation that has been consolidated for pre-trial proceedings in the U.S. District Court for the Northern District of Ohio, as well as in state cases pending in Utah state court; separately, the parent company and Sun Pharma Canada Inc are defendants in putative class actions pending in Canada. The U.S. and Canadian matters involve similar allegations, and were brought against various manufacturers and distributors of opioid products seeking damages for alleged harms related to opioid use. Currently, all matters against SPIINC in the National Prescription Opiate Litigation are stayed; SPIINC obtained an order in the Utah matters dismissing all claims except public nuisance and negligence claims; and the Canadian matters are in the early stages of pleading.

Taro Industries has been named as a defendant in a putative opioids class action pending in Israel, in which the claimant alleges that Taro Industries did not provide sufficient disclosure regarding the risks

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associated with opioid use in violation of the Israeli Consumer Protection Act. Taro Industries filed its defense to the application for class action approval on May 02, 2021.

Antitrust – Lipitor:

The parent company and certain of its subsidiaries are defendants in a number of putative class action lawsuits and individual actions brought by purchasers and payors in the U.S. alleging that the parent company and certain of its subsidiaries violated antitrust laws in connection with a 2008 patent settlement agreement with Pfizer concerning Atorvastatin. The cases have been transferred to the U.S. District Court for the District of New Jersey for coordinated proceedings. Discovery commenced in January 2020, but was stayed and remains stayed at present.

Antitrust – In re Ranbaxy Generic Drug Application Antitrust Litigation:

The parent company and certain of its subsidiaries are defendants in a number of class action lawsuits and individual actions brought by purchasers and payors in the U.S. alleging that the parent company and certain of its subsidiaries violated antitrust laws and the RICO Act with respect to its ANDAs for Valganciclovir, Valsartan and Esomeprazole. The cases have been transferred to the U.S. District Court for the District of Massachusetts for coordinated proceedings. This lawsuit is currently scheduled for trial in January 2022.

Product Liability – Ranitidine/Zantac MDL:

In June 2020, the parent company and certain of its subsidiaries were named as defendants in a complaint filed in the Zantac/Ranitidine Multi-District Litigation (“MDL”) consolidated in the U.S. District Court for the Southern District of Florida. The lawsuits name

over 100 defendants, including brand manufacturers, generic manufacturers, repackagers, distributors, and retailers, involving allegations of injury caused by nitrosamine impurities. Discovery in the MDL is ongoing. On September 04, 2020 and October 03, 2020, the Court dismissed Taro Industries and Taro U.S.A, respectively, from the master complaints without prejudice, and both entities have now been dismissed from all individual complaints.

Fine imposed for anti-competitive settlement agreement by European Commission:

On March 25, 2021, the Court of Justice of the European Union (“CJEU”) issued a final judgment and upheld the European Commission’s (“EC”) decision dated June 19, 2013 that a settlement agreement between Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited (together “Ranbaxy”) with Lundbeck was anti-competitive. Ranbaxy had made a provisional payment of the fine of Euro 10.3 Million on September 20, 2013. Since there are no further rights of appeal, this amount of ₹895.6 Million (inclusive of legal charges) was provided in the consolidated financial statements for the year ended March 31, 2021.

The Company may now be subject to “follow-on” claims in national courts of some countries. However, the Company has not yet been served with a claim detailing the alleged causation and quantum of any purported damages. Accordingly, the Company is currently unable to estimate the potential liability which may arise on account of follow-on claims. The Company also believes, based on its internal assessment and that of its independent legal counsel, that it has favourable legal arguments in terms of defending any potential damages claim.

Note:

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

* Income tax matters where department has preferred an appeal against favourable order received by the Company amounted to ₹40,524.8 Million (March 31, 2020: ₹38,959.0 Million). These matters are sub-judice in various forums and pertains to various financial years.

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
B) Guarantees given by the bankers on behalf of the Group	1,817.6	2,211.5

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NOTE : 40 COMMITMENTS

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
I) Estimated amount of contracts remaining to be executed on capital account (net of advances) *	23,436.0	24,334.3
II) Investment related commitments	119.4	323.0
III) Letters of credit for imports	633.9	608.6

* The Group is committed to pay milestone payments and royalty on certain contracts, however, obligation to pay is contingent upon fulfilment of contractual obligation by parties to the contract.

NOTE : 41 DISCLOSURES RELATING TO SHARE CAPITAL

i Rights, preferences and restrictions attached to equity shares

The equity shares of the parent company, having par value of ₹1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

ii Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of reporting period

	Year ended March 31, 2021		Year ended March 31, 2020	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Opening balance	2,399,334,970	2,399.3	2,399,334,970	2,399.3
Closing balance	2,399,334,970	2,399.3	2,399,334,970	2,399.3

iii 334,956,764 (upto March 31, 2020: 334,956,764) equity shares of ₹1 each have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the date at which the balance sheet is prepared.

iv 7,500,000 (upto March 31, 2020: 7,500,000), equity shares of ₹1 each have been bought back during the period of five years immediately preceding the date at which the Balance Sheet is prepared. The shares bought back were cancelled.

v Equity shares held by each shareholder holding more than 5 percent equity shares in the parent company are as follows:

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of holding	Number of shares	% of holding
Shanghvi Finance Private Limited	967,051,732	40.3	967,051,732	40.3
Dilip Shantilal Shanghvi	230,285,690	9.6	230,285,690	9.6
Life Insurance Corporation of India and its various funds	162,207,571	6.8	152,884,946	6.4

NOTE : 42 RESEARCH AND DEVELOPMENT EXPENDITURE

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue, net (excluding depreciation) (Refer note 37)	20,972.1	19,206.2
Capital	471.2	484.1
	21,443.3	19,690.3

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for the year ended March 31, 2021

NOTE : 43 CATEGORIES OF FINANCIAL INSTRUMENTS

	₹ in Million		
	As at March 31, 2021		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	1,718.3	8,185.5	-
Equity instruments - unquoted	204.9	400.0	-
Bonds/debentures - quoted	-	53,073.2	-
Mutual funds - unquoted	310.0	-	-
Others - quoted	-	20,554.6	-
Venture funds - unquoted	9,072.4	-	-
Loans to related parties	-	-	365.7
Loans to employees/others	-	-	201.5
Trade receivables	-	-	90,614.0
Deposits	-	-	0.9
Security deposits	-	-	793.0
Cash and cash equivalents	-	-	62,730.3
Bank balances other than cash and cash equivalents	-	-	1,724.8
Interest accrued on investments / balances with banks	-	-	63.4
Refund due from government authorities	-	-	5,657.7
Derivatives designated as hedges	-	696.2	-
Unbilled revenue	-	-	670.4
Other financial assets	-	-	1,686.9
Derivatives not designated as hedges	148.6	-	-
Total	11,454.2	82,909.5	164,508.6
Financial liabilities			
Borrowings	-	-	33,430.3
Current maturities of long-term debt and lease liabilities	-	-	5,255.5
Trade payables	-	-	39,736.6
Interest accrued	-	-	47.1
Unpaid dividends	-	-	83.5
Security deposits	-	-	155.9
Payable on purchase of property, plant and equipment	-	-	3,385.5
Derivatives designated as hedges	-	293.2	-
Payables to employee	-	-	7,336.1
Other financial liabilities	-	-	25,969.1
Derivatives not designated as hedges	43.4	-	-
Total	43.4	293.2	115,399.6

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₹ in Million

	As at March 31, 2020		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	452.6	5,383.3	-
Equity instruments - unquoted	5.8	-	-
Bonds/debentures - quoted	-	54,057.0	-
Convertible promissory note - unquoted	113.1	-	-
Government securities - quoted	-	27.0	-
Government securities - unquoted (₹10,000)	-	-	0.0
Mutual funds - unquoted	3,923.7	-	-
Others - quoted	-	27,830.7	-
Venture funds - unquoted	7,208.3	-	-
Loans to related parties	-	-	377.2
Loans to employees/others	-	-	1,114.5
Trade receivables	-	-	94,212.4
Deposits	-	-	0.9
Margin money/ security against guarantees/ commitments	-	-	3.0
Security deposits	-	-	761.7
Cash and cash equivalents	-	-	56,766.1
Bank balances other than cash and cash equivalents	-	-	8,109.4
Interest accrued on investments / balances with banks	-	-	120.5
Refund due from government authorities	-	-	5,848.6
Derivatives designated as hedges	-	342.4	-
Unbilled revenue	-	-	434.1
Other financial assets	-	-	2,709.5
Derivatives not designated as hedges	121.5	-	-
Total	11,825.0	87,640.4	170,457.9
Financial liabilities			
Borrowings	-	-	75,783.0
Current maturities of long-term debt and finance lease liabilities	-	-	7,365.8
Trade payables	-	-	35,836.4
Interest accrued	-	-	93.9
Unpaid dividends	-	-	77.2
Security deposits	-	-	152.2
Payable on purchase of property, plant and equipment	-	-	808.5
Derivatives designated as hedges	-	1,384.7	-
Payables to employee	-	-	6,439.1
Other financial liabilities	-	-	2,970.6
Derivatives not designated as hedges	19.4	-	-
Total	19.4	1,384.7	129,526.7

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NOTE : 44 FAIR VALUE HIERARCHY

Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period

	₹ in Million		
	As at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets			
Investments			
Equity instruments - quoted #	8,185.5	-	-
Equity instruments - quoted	1,718.3	-	-
Equity instruments - unquoted	-	-	604.9
Bonds/debentures - quoted	53,073.2	-	-
Mutual funds - unquoted	310.0	-	-
Others - quoted	20,554.6	-	-
Venture funds - unquoted	-	9,072.4	-
Derivatives designated as hedges	-	696.2	-
Derivatives not designated as hedges	-	148.6	-
Total	83,841.6	9,917.2	604.9
Financial liabilities			
Derivatives designated as hedges	-	293.2	-
Derivatives not designated as hedges	-	43.4	-
Total	-	336.6	-

	₹ in Million		
	As at March 31, 2020		
	Level 1	Level 2	Level 3
Financial assets			
Investments			
Equity instruments - quoted #	5,383.3	-	-
Equity instruments - quoted	452.6	-	-
Equity instruments - unquoted	-	-	5.8
Bonds/debentures - quoted	54,057.0	-	-
Convertible promissory note - unquoted	-	-	113.1
Government securities - quoted	27.0	-	-
Mutual funds - unquoted	3,923.7	-	-
Others - quoted	27,830.7	-	-
Venture funds - unquoted	-	7,208.3	-
Derivatives designated as hedges	-	342.4	-
Derivatives not designated as hedges	-	121.5	-
Total	91,674.3	7,672.2	118.9
Financial liabilities			
Derivatives designated as hedges	-	1,384.7	-
Derivatives not designated as hedges	-	19.4	-
Total	-	1,404.1	-

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.

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

The investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at fair value through other comprehensive income as the management believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in consolidated statement of profit and loss.

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

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

Reconciliation of Level 3 fair value measurements

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Unlisted shares valued at fair value		
Balance at the beginning of the year	118.9	71.9
Purchases	401.6	113.2
Others including disposal, fair value changes and foreign exchange fluctuations	84.4	(66.2)
Balance at the end of the year	604.9	118.9

NOTE : 45 CAPITAL MANAGEMENT

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Group monitors capital on the basis of the carrying amount of debt as presented in the consolidated financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure.

a) Debt equity ratio

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Debt (includes non-current borrowings, current borrowings, current maturities of lease liabilities and current maturities of long-term debt)	38,685.8	83,148.8
Total equity, including reserves	464,627.8	452,644.5
Debt to total equity ratio	0.08	0.18

b) Dividend on equity shares paid during the year

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Dividend on equity shares		
Final dividend for the year ended March 31, 2020 of ₹1 (year ended March 31, 2019: ₹2.75) per fully paid share	2,399.3	6,595.7
Dividend distribution tax on above	-	1,355.8
Interim dividend for the year ended March 31, 2021 of ₹5.5 (year ended March 31, 2020: ₹3) per fully paid share	13,191.3	7,193.9
Dividend distribution tax on above	-	1,478.7

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Dividends not recognised at the end of the reporting period

The Board of Directors at its meeting held on May 27, 2021 have recommended payment of final dividend of ₹2 per share of face value of ₹1 each for the year ended March 31, 2021. The same amounts to ₹4,798.6 Million.

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.

NOTE : 46 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Group grants credit terms in the normal course of business.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any significant losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

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

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	89,801.7	93,375.8
180 - 365 days	669.3	1,112.6
beyond 365 days	2,553.4	2,237.7
Total	93,024.4	96,726.1

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	2,513.7	2,246.1
Addition	315.3	667.0
Recoveries / reversals	(418.6)	(399.4)
Balance at the end of the year	2,410.4	2,513.7

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Other than Trade receivables, the Group has recognised an allowance of ₹15.3 Million (March 31, 2020 : ₹10.2 Million) against past due loans including interest and ₹500.0 Million (March 31, 2020 : ₹500.0 Million) of other receivables based on assessment regarding recoverability of the same.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group had unutilised working capital lines from banks of ₹68,518.2 Million as on March 31, 2021 (March 31, 2020: ₹60,566.7 Million).

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

	₹ in Million			
	As at March 31, 2021			
	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2021
Non derivative				
Borrowings	29,704.5	7,822.5	1,158.8	38,685.8
Trade payables	39,736.6	-	-	39,736.6
Other financial liabilities	36,973.8	3.4	-	36,977.2
	106,414.9	7,825.9	1,158.8	115,399.6
Derivatives	144.2	192.4	-	336.6

	₹ in Million			
	As at March 31, 2020			
	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2020
Non derivative				
Borrowings	62,967.9	15,338.3	4,975.3	83,281.5
Trade payables	35,836.4	-	-	35,836.4
Other financial liabilities	10,537.0	4.5	-	10,541.5
	109,341.3	15,342.8	4,975.3	129,659.4
Derivatives	984.5	355.2	64.4	1,404.1

Market risk

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

Foreign exchange risk

The Group's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollar, Euro, South African Rand, Japanese Yen and Russian Rouble) and foreign currency borrowings (primarily in US Dollar). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Group's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate

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substantially in the future. Consequently, the Group uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, option contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

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

₹ in Million

	As at March 31, 2021					Total
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	
Financial assets						
Trade receivables	46,477.0	3,601.3	4,110.2	2,894.6	1,157.1	58,240.2
Cash and cash equivalents	1,481.0	1,389.5	246.6	-	425.8	3,542.9
	47,958.0	4,990.8	4,356.8	2,894.6	1,582.9	61,783.1
Financial liabilities						
Borrowings	13,766.3	1,484.2	-	-	3,307.5	18,558.0
Trade payables	36,087.5	2,930.8	11.2	164.9	1,208.7	40,403.1
	49,853.8	4,415.0	11.2	164.9	4,516.2	58,961.1

₹ in Million

	As at March 31, 2020					Total
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	
Financial assets						
Trade receivables	47,235.9	5,222.1	3,840.9	1,287.4	113.5	57,699.8
Cash and cash equivalents	1,181.2	1,291.0	189.2	-	64.7	2,726.1
	48,417.1	6,513.1	4,030.1	1,287.4	178.2	60,425.9
Financial liabilities						
Borrowings	52,978.0	1,433.3	-	-	7,178.7	61,590.0
Trade payables	35,335.4	2,494.4	121.7	140.0	552.1	38,643.6
	88,313.4	3,927.7	121.7	140.0	7,730.8	100,233.6

b) Sensitivity

For the years ended March 31, 2021 and March 31, 2020 every 5% strengthening in the exchange rate between the Indian rupee and the respective major currencies for the above mentioned financial assets/liabilities would decrease Group's profit and Group's equity by approximately ₹141.1 Million and increase Group's profit and Group's equity by approximately ₹1,990.4 Million respectively. A 5% weakening of the Indian rupee and the respective major currencies would lead to an equal but opposite effect.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

c) Derivative contracts

The Group is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollar, Euro, South African Rand, Japanese Yen and Russian Rouble and foreign currency debt is primarily in US Dollar. The Group uses foreign currency forward contracts, foreign currency option contracts, interest rate swap and currency swap contracts (collectively, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank or a financial institution.

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Hedges of highly probable forecasted transactions

The Group designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the consolidated statement of profit and loss.

In respect of the aforesaid hedges of highly probable forecasted transactions, the Group has recorded a net gain of ₹1,451.3 Million for the year ended March 31, 2021 and net loss of ₹1,184.4 Million for the year ended March 31, 2020 in other comprehensive income. The Group also recorded hedges as a component of revenue, net gain of ₹108.6 Million for year ended March 31, 2021 and net gain of ₹570.4 Million for year ended March 31, 2020 on occurrence of forecasted sale transaction.

Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the consolidated statement of profit and loss. The changes in fair value of the forward contracts and option contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the consolidated statement of profit and loss.

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

	Currency	Buy / Sell	Cross Currency	Amount in Million	
				As at March 31, 2021	As at March 31, 2020
Derivatives designated as hedges					
Forward contracts	ZAR	Sell	INR	ZAR 300.0	ZAR 450.0
Forward contracts	USD	Sell	INR	USD 430.6	USD 227.5
Forward contracts	USD	Buy	JPY	USD 7.6	USD 5.0
Forward contracts	USD	Sell	CAD	USD 10.2	USD 31.1
Forward contracts	USD	Sell	NIS	USD 51.5	USD 46.3
Currency swaps	JPY	Buy	USD	USD 47.3	USD 97.3
Derivatives not designated as hedges					
Forward contracts	AUD	Sell	USD	-	USD 6.8
Forward contracts	GBP	Sell	USD	USD 16.5	USD 6.6
Forward contracts	EUR	Sell	USD	USD 24.1	USD 7.2
Forward contracts	USD	Sell	NIS	USD 3.0	USD 2.8
Forward contracts	USD	Sell	CAD	-	USD 8.8
Forward contracts	USD	Sell	HUF	-	USD 2.6
Forward contracts	RUB	Sell	RON	-	RON 6.4
Currency swaps	USD	Sell	INR	USD 96.2	-
Interest rate swaps (Floating to fixed)	USD			USD 100.0	-

Interest rate risk

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

Notes to the Consolidated Financial Statements

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For the year ended March 31, 2021 and 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 Group's profit by approximately ₹262.8 Million and ₹339.6 Million respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2021, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE : 47 GOODWILL (NET):

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

		₹ in Million	
i)		As at March 31, 2021	As at March 31, 2020
Goodwill in respect of:			
	Sun Pharmaceutical Industries, Inc.	27,097.5	27,943.1
	Sun Farmaceutica do Brasil Ltda.	277.2	317.6
	Sun Pharma Japan Ltd.	135.9	142.9
	Taro Pharmaceutical Industries Ltd.	13,867.7	14,300.4
	Terapia SA	19,513.0	20,103.4
	Ranbaxy Farmaceutica Ltda.	404.8	417.4
	Basics GmbH	394.6	380.9
	Zenotech Laboratories Limited	595.4	595.4
	Sun Pharmaceutical Industries Limited	1,677.4	1,677.4
	Ranbaxy South Africa (Pty) Ltd	3.4	2.9
	JSC Biosintez	211.9	211.0
	Sun Pharmaceutical Medicare Limited	1.0	1.0
	Total (A)	64,179.8	66,093.4
Less:			
Capital reserve in respect of :			
	Alkaloida Chemical Company Zrt.	1,211.1	1,184.5
	Ranbaxy Nigeria Limited	1.6	1.6
	Sun Pharmaceutical Industries Limited	27.5	27.5
	Ranbaxy Malaysia SDN. BHD.	63.2	65.2
	Total (B)	1,303.4	1,278.8
	Total (A-B)	62,876.4	64,814.6

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

ii) Below is the reconciliation of the carrying amount of goodwill:

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	64,814.6	59,557.7
Add/ (less): Foreign currency translation difference	(1,938.2)	5,256.9
Closing balance	62,876.4	64,814.6

The carrying amount of goodwill is stated above. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The cash flow projections includes estimates for five years developed using internal forecasts and terminal growth rate thereafter. The planning horizon reflects the assumptions for short to mid-term market developments. The average growth rate used in extrapolating cash flows beyond the planning period ranged from (8.0%) to 5.5% for the year ended March 31, 2021. Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated on the weighted average cost of capital for respective CGU or group of CGUs. Discount rate used ranged from 2.8% to 8.7% for the year ended March 31, 2021. The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit. Based on the impairment assessment, the Management has determined no impairment loss in the value of goodwill.

NOTE : 48 DISCLOSURES MANDATED BY THE COMPANIES ACT, 2013 SCHEDULE III PART II BY WAY OF ADDITIONAL INFORMATION IS GIVEN IN ANNEXURE 'A'.

NOTE : 49 INCOME TAXES

Tax Reconciliation

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Reconciliation of tax expense		
Profit before tax	27,993.7	50,095.9
Income tax rate in India (%)	34.944%	34.944%
Income tax expense calculated at corporate tax rate	9,782.1	17,505.5
Effect of deduction claimed under chapter VI A of Income Tax Act, 1961	(10,625.3)	(10,218.1)
Effect of income that is exempt from tax	(89.0)	(90.6)
Effect of expenses that are not deductible in determining taxable profit	562.7	723.5
Effect of Incremental deduction allowed on account of research and development costs and other allowances	(148.9)	(2,054.1)
Effect of income which is taxed at special rates	(159.8)	(592.9)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(4,451.0)	(5,325.3)
Effect of difference between Indian and foreign tax rates and non taxable subsidiaries	6,786.1	12,555.2
Effect of deferred tax expense/ (credit) on unrealised profits	660.1	(3,061.6)
Tax payable under MAT on which DTA was not created	3,972.9	3,310.0
Effect of restructuring of an acquired entity and DOJ settlement	4,302.6	-
Others	(5,445.6)	(4,523.6)
Income tax expense recognised in consolidated statement of profit and loss	5,146.9	8,228.0

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

NOTE : 50 DEFERRED TAX

i) Deferred tax assets (Net)

	₹ in Million			
	Opening balance April 01, 2020	Profit/(loss) movement during the year *	Other comprehensive income movement during the year *	Closing balance March 31, 2021
Deferred tax assets				
Expenses that are allowed on payment basis	5,733.7	1,244.9	37.3	7,015.9
Unabsorbed depreciation / carried forward losses	5,310.3	3,321.8	-	8,632.1
Inventory and other related items	9,979.9	(1,417.1)	-	8,562.8
Intangible assets	2,854.5	(462.5)	-	2,392.0
Others	4,492.2	961.5	(234.9)	5,218.8
	28,370.6	3,648.6	(197.6)	31,821.6
MAT credit entitlement	11,397.1	1,977.4	-	13,374.5
	39,767.7	5,626.0	(197.6)	45,196.1
Less : Deferred tax liabilities				
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax	6,971.9	556.7	-	7,528.6
Others	1,042.9	633.7	426.5	2,103.1
	8,014.8	1,190.4	426.5	9,631.7
	31,752.9	4,435.6	(624.1)	35,564.4

ii) Deferred tax liabilities (Net)

	₹ in Million			
	Opening balance April 01, 2020	Profit/(loss) movement during the year *	Other comprehensive income movement during the year *	Closing balance March 31, 2021
Deferred tax liabilities				
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax and others	2,228.7	142.2	-	2,370.9
	2,228.7	142.2	-	2,370.9
Less : Deferred tax assets				
Expenses that are allowed on payment basis	300.5	39.1	(8.1)	331.5
Others	128.3	35.8	1.4	165.5
	428.8	74.9	(6.7)	497.0
MAT credit entitlement	1,218.5	210.3	-	1,428.8
	1,647.3	285.2	(6.7)	1,925.8
	581.4	(143.0)	6.7	445.1

* Movement during the year includes foreign currency translation difference amounting to ₹463.5 Million gain for the year ended March 31, 2021 and also includes on account of acquisition ₹616.0 Million.

Notes to the Consolidated Financial Statements

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iii) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :

	As at March 31, 2021	As at March 31, 2020
		₹ in Million
Tax losses (includes capital in nature)	97,221.0	96,960.2
Unabsorbed depreciation	30,014.5	30,608.0
Unused tax credits (including MAT credit entitlement)	9,293.2	8,819.0
Deductible temporary differences	15,379.4	20,237.5

The unused tax credits will expire from financial year 2022-23 to financial year 2035-36 and unused tax losses will expire from financial year 2021-22 to 2040-41. However in case of certain overseas subsidiaries there is no expiry period for tax losses and unused tax credits.

NOTE : 51 EARNINGS PER SHARE

	Year ended March 31, 2021	Year ended March 31, 2020
		₹ in Million
Profit for the year (₹ in Million) - used as numerator for calculating earnings per share	29,038.2	37,649.3
Weighted average number of shares used in computing basic and diluted earnings per share	2,399,334,970	2,399,334,970
Nominal value per share (in ₹)	1	1
Basic earnings per share (in ₹)	12.1	15.7
Diluted earnings per share (in ₹)	12.1	15.7

NOTE : 52 SEGMENT REPORTING

The Chief Operating Decision Maker ('CODM') evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are as follows:

1. India
2. United States of America
3. Emerging markets
4. Rest of the world

The reportable segments derives their revenues from the sale of pharmaceuticals products (generics, speciality, API, etc.). The CODM reviews revenue as the performance indicator. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

Revenue by Geography

	Year ended March 31, 2021	Year ended March 31, 2020
		₹ in Million
India	109,498.0	101,862.7
United States of America	103,564.3	109,387.0
Emerging markets	64,053.0	61,972.5
Rest of the world	54,276.5	50,029.5
	331,391.8	323,251.7

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

In view of the interwoven / intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

No customer contributed more than 10.0% of total revenues for the year ended March 31, 2021 and March 31, 2020.

NOTE : 53 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recorded an additional amount of ₹1,520.1 Million (March 31, 2020 : ₹3,175.8 Million) as deferred revenue pursuant to the requirements of Ind AS 115. Revenue of ₹1,740.5 Million (March 31, 2020 : ₹1,543.8 Million) has been recognised as Revenue from contract with customer pursuant to completion of performance obligation in respect of the above contracts.

The reconciling items of revenue recognised in the consolidated statement of profit and loss with the contracted price are as follows :

	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Million	
Revenue as per contracted price, net of returns	611,031.4	589,120.5
Less :		
Provision for sales return	(9,217.9)	(8,491.3)
Chargebacks, Rebates, discounts and others	(270,421.7)	(257,377.5)
	(279,639.6)	(265,868.8)
Revenue from contracts with customers	331,391.8	323,251.7

	As at March 31, 2021	As at March 31, 2020
	₹ in Million	
Contract balances		
Trade receivables	90,614.0	94,212.4
Contract assets	670.4	434.1
Contract liabilities	9,328.4	9,836.7

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

NOTE : 54 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 exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. Expenses related to short term leases and low-value assets for the year ended March 31, 2021 is ₹198.0 Million (March 31, 2020 : ₹193.7 Million).
- (b) The Group has given certain premises and plant and machinery under operating lease or leave and license agreements for a period ranging upto 10 years. These includes both cancellable and non-cancellable leases and agreements. The Group has received refundable interest free security deposits, where applicable, in accordance with agreed terms.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(c) Operating lease

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Group as lessor		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	-	149.5
later than one year and not later than five years	-	204.7

(d) The following is the movement of lease liabilities

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Balance as at beginning of the year	3,440.3	1,346.4
Additions	1,402.1	3,294.1
Deletions	(371.0)	(647.3)
Interest expense on lease liability	184.8	253.2
Payment towards lease liabilities	(1,177.9)	(959.7)
Translation difference	(27.4)	153.6
Balance at end of the year	3,450.9	3,440.3

(e) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Less than one year	1,134.2	1,078.4
Later than one year and not later than five years	2,099.8	2,076.7
Later than five years	1,593.4	1,839.3

NOTE : 55 EMPLOYEE BENEFITS PLANS

Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Corporation (ESIC) and other Funds which covers all regular employees of the parent company and Indian subsidiaries. While the employees and the parent company and Indian subsidiaries make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other statutory funds are made only by the parent company and Indian subsidiaries. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹1,120.9 Million (March 31, 2020 : ₹1,037.8 Million).

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Provident Fund and Family Pension Fund	1,022.7	920.2
Contribution to Superannuation Fund	65.3	63.2
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	32.0	53.2
Contribution to Labour Welfare Fund	0.9	1.2

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Defined benefit plan

a) Gratuity

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

b) Pension fund

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

Risks

These plans typically expose the parent company and Indian subsidiaries to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

- i) Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.
- ii) Interest rate risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
- iii) Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- iv) Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and the provision is made as per the parent company and Indian subsidiaries rules with corresponding charge to the consolidated statement of profit and loss amounting to ₹632.6 Million (March 31, 2020: ₹586.4 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in the consolidated statement of profit and loss.

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	₹ in Million			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Expense recognised in the consolidated statement of profit and loss (Refer note 34)				
Current service cost	-	441.2	-	363.4
Interest cost	65.6	264.2	67.5	243.1
Expected return on plan assets	-	(225.4)	-	(240.9)
Expense charged to the consolidated statement of profit and loss	65.6	480.0	67.5	365.6
Remeasurement of defined benefit obligation recognised in other comprehensive income				
Actuarial loss / (gain) on defined benefit obligation	74.2	(12.0)	80.8	334.6
Actuarial loss/ (gain) on plan assets	-	19.7	-	2.3
Expense/(income) charged to other comprehensive income	74.2	7.7	80.8	336.9
Reconciliation of defined benefit obligations				
Obligations as at the beginning of the year	1,009.7	4,065.1	949.3	3,415.3
Current service cost	-	441.2	-	363.4
Interest cost	65.6	264.2	67.5	243.1
Benefits paid	(61.9)	(151.4)	(87.9)	(294.1)
Actuarial (gains)/losses on obligations				
due to change in demographic assumptions	-	(4.6)	-	106.3
due to change in financial assumptions	5.4	(91.1)	58.2	44.6
due to experience	68.8	83.7	22.6	183.7
Acquisition Adjustment	-	-	-	2.8
Obligation as at the year end	1,087.6	4,607.1	1,009.7	4,065.1

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the consolidated balance sheet		
Present value of commitments (as per actuarial valuation)	4,607.1	4,065.1
Fair value of plan assets	(4,097.4)	(3,470.6)
Net liability recognised in the consolidated financial statement	509.7	594.5

	₹ in Million	
	Year ended March 31, 2021	Year ended March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
Reconciliation of plan assets		
Plan assets as at the beginning of the year	3,470.6	3,385.7
Expected return	225.4	240.9
Assets transferred in/ Acquisitions	2.0	0.3
Actuarial gain/ (loss)	(19.7)	(2.3)
Employer's contribution during the year	570.5	140.1
Benefits paid	(151.4)	(294.1)
Plan assets as at the year end	4,097.4	3,470.6

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for the year ended March 31, 2021

	As at March 31, 2021		As at March 31, 2020	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Assumptions :				
Discount rate	6.45%	6.25%	6.50%	In range of 6.10% to 6.50%
Expected return on plan assets	N.A.	6.25%	N.A.	6.50%
Expected rate of salary increase	N.A.	In range of 7.00% to 9.00%	N.A.	In range of 7.00% to 10.00%
Interest rate guarantee	N.A.	N.A.	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2012-14)			
Employee turnover	N.A.	In range of 12.40% to 13.45%	N.A.	In range of 8.00% to 13.45%
Retirement age (years)	N.A.	58 to 60	N.A.	58 to 60

₹ in Million

	As at March 31, 2021		As at March 31, 2020	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Sensitivity analysis:				
The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occurring at the end of the reporting period.				
Impact on defined benefit obligation				
Delta effect of +1% change in discount rate	(89.5)	(266.8)	(84.7)	(241.0)
Delta effect of -1% change in discount rate	100.7	299.0	95.6	271.1
Delta effect of +1% change in salary escalation rate	-	289.3	-	261.5
Delta effect of -1% change in salary escalation rate	-	(263.6)	-	(237.3)
Delta effect of +1% change in rate of employee turnover	-	(40.9)	-	(42.2)
Delta effect of -1% change in rate of employee turnover	-	45.1	-	46.8
Maturity analysis of projected benefit obligation for next				
1 st year	93.6	812.0	88.8	683.4
2 nd year	92.5	557.0	88.0	507.8
3 rd year	91.5	566.2	87.1	465.0
4 th year	90.4	567.0	86.1	470.3
5 th year	89.5	487.2	85.5	469.4
Thereafter	2,187.1	4,261.0	2,122.9	4,044.3
The major categories of plan assets are as under:				
Central government securities	-	11.3	-	9.7
Bonds and securities	-	77.1	-	66.2
Insurer managed funds (Funded with LIC, break-up not available)	-	2,919.4	-	2,459.6
Surplus fund lying uninvested	-	1,089.6	-	935.1

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The contribution expected to be made by the parent company and Indian subsidiaries for gratuity, during financial year ending March 31, 2022 is ₹923.2 Million (March 31, 2021 ₹976.1 Million).

In the United States, the Company sponsors a defined contribution 401(k) retirement savings plan for all eligible employees who meet minimum age and service requirements. The Company has no further obligations under the plan beyond its annual matching contributions.

NOTE : 56

On November 23, 2016, Taro announced that its Board of Directors approved a USD 250 Million repurchase of ordinary shares, which was completed on January 11, 2019. Under the program, Taro bought back 2,493,378 of its ordinary shares in open market transactions, in accordance with a Rule 10b5-1 program, at an average price of USD 100.28 per share. During the year ended March 31, 2019, Taro repurchased 888,719 shares through the November 2016 program at an average price of USD 95.05 per share.

On November 4, 2019, Taro announced that its Board of Directors approved a USD 300 Million share repurchase of ordinary shares. On November 15, 2019, Taro commenced a modified "Dutch auction" tender offer to repurchase up to USD 225 Million in value of its ordinary shares. In accordance with the terms and conditions of the tender offer, which expired on December 16, 2019, Taro accepted for payment 280,719 ordinary shares at the final purchase

price of USD 91.00 per share. During the year ended March 31, 2021, in accordance with a Rule 10b5-1 program, Taro repurchased 332,033 shares at an average price of USD 75.23 per share.

NOTE : 57 RELATED PARTY DISCLOSURES (IND AS-24) - AS PER ANNEXURE 'B'

NOTE : 58

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹575.6 Million (March 31, 2020: ₹214.2 Million).

NOTE : 59

The Group does not have any material associates or joint ventures warranting a disclosure in respect of individual associate or joint venture. The Group's share of other comprehensive income is ₹Nil (March 31, 2020: ₹Nil) in respect of such associates and joint ventures. The unrecognised share of loss of ₹Nil (March 31, 2020: ₹Nil) in respect of such associates and joint ventures.

NOTE : 60

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

	₹ in Million	
	Year ended March 31, 2021*	Year ended March 31, 2020*
Opening balance	36,819.9	26,989.0
Add: Provision for the year	51,653.9	45,371.5
Less: Utilisation/settlement/reversal	(46,298.7)	(37,948.4)
Add/(less): Foreign currency exchange fluctuation	(552.3)	2,407.8
Closing balance	41,622.8	36,819.9

* Includes provision for trade commitments, discounts, rebates, price reductions, product returns, chargeback, medic aids, contingency provision and clawback.

NOTE : 61 EXCEPTIONAL ITEMS INCLUDES THE FOLLOWING:

- a) On July 23, 2020, Taro Pharmaceuticals U.S.A., Inc. ("Taro U.S.A.") came to a global resolution with the DOJ, Antitrust Division and Civil Division in connection with DOJ's multi-year investigation into the U.S. generic pharmaceutical industry. Under a Deferred Prosecution Agreement ("Agreement") reached with DOJ Antitrust Division, the DOJ filed an Information relating to conduct that occurred between

2013 and 2015. If Taro U.S.A. adheres to the terms of the Agreement, including paying a penalty of USD 205.7 Million (equivalent to ₹15,601.8 Million), the DOJ will dismiss the Information at the end of a three-year period. Taro U.S.A. has also reached a framework understanding with DOJ Civil Division, subject to final agreement and agency authorisation, in which Taro U.S.A. has agreed to pay USD 213.3 Million (equivalent to ₹16,179.6 Million) to resolve all claims related to federal healthcare programs. Accordingly, an amount

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for the year ended March 31, 2021

of USD 418.9 Million (equivalent to ₹31,781.4 Million) was provided in the year ended March 31, 2021.

Further, in respect of ongoing multi-jurisdiction civil antitrust matters, currently in progress, Taro U.S.A, has made a provision of USD 140 Million (equivalent to ₹10,384.4 Million) for the year ended March 31, 2021. Exceptional tax for the year ended March 31, 2021, is on account of recognition of deferred tax asset amounting to ₹1,212.3 Million arising out above settlement.

- b) On March 25, 2021 the Court of Justice of the European Union (CJEU) issued a final judgment and upheld the European Commission's ("EC") decision dated June 19, 2013 that a settlement agreement between Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited (together "Ranbaxy") with Lundbeck was anti-competitive. Ranbaxy had made a provisional payment of the fine of Euros 10.3 Million on September 20, 2013. Since there are no further rights of appeal, this amount of ₹895.6 Million (inclusive of legal charges) was provided in the consolidated financial statements for the year ended March 31, 2021.
- c) 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 notifications in relation thereto, had held that the amendments to original notification restricting the central excise refund were clarificatory in nature. Based on the judgement by the Hon'ble Supreme Court of India, an amount of ₹1,042.8 Million including interest was provided in the consolidated financial statements for the year ended March 31, 2021.
- d) Dusa Pharmaceuticals, Inc reached an agreement with the U.S. Department of Justice and an individual to resolve allegations relating to the sales, marketing and promotion of two of its products - Levulan and Blu-u, as extension of a Civil Investigation Demand for the period January 2010 to September 2017. The Company had made a provision of ₹1,563.6 Million for this settlement during the year ended March 31, 2020.
- e) Tax gain (exceptional) for the year ended March 31, 2021 is on account of creation of deferred tax asset amounting to ₹2,882.8 Million arising out of subsequent measurement attributable to restructuring of an acquired entity.

NOTE : 62

- a) Since the USFDA import alert at Karkhadi facility in March 2014, the parent company remained fully committed to implement all corrective measures to address the observations made by the USFDA with the help of third party consultant. The parent company had completed all the action items to address the USFDA warning letter observations issued in May 2014. The parent company is awaiting a re-inspection of the facility by the USFDA to resolve the import alert. The contribution of this facility to Company's revenues was negligible.
- b) The USFDA, on January 23, 2014, had prohibited using API manufactured at Toansa facility for manufacture of finished drug products intended for distribution in the U.S. market. Consequentially, the Toansa manufacturing facility was subject to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In addition, the Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had also issued an administrative subpoena dated March 13, 2014 seeking information. The parent company continues to fully co-operate and provide requisite information to the US DOJ.
- c) In December 2019, the USFDA inspected the Halol facility and issued Form 483 with 8 observations. Post the submission of the parent company's response in January 2020, the USFDA classified the inspection status as Official Action Indicated (OAI). The parent company was in continuous communication with the USFDA to resolve the outstanding issues and is awaiting a re-inspection by USFDA to resolve the OAI status. However, due to ongoing COVID-19 pandemic and travel restrictions, the re-inspection is delayed. The parent company continues to manufacture and distribute products to the U.S from this facility. However, the OAI status normally implies that the USFDA may put all new approvals from the Halol facility on hold till the OAI status is changed.
- d) In September 2013, the USFDA had put the Mohali facility under import alert and was also subjected to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In March 2017, the USFDA lifted the import alert and indicated that the facility was in compliance with the requirements of cGMP provisions mentioned in the consent decree. The Mohali facility continues to

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for the year ended March 31, 2021

demonstrate sustainable cGMP compliance as required by the consent decree. The parent company continues to receive approval of applications, manufacture and distribute products to the U.S from this facility.

NOTE : 63

The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the consolidated financial statement when the Rules/Schemes thereunder are notified.

NOTE : 64

The parent company had announced buy-back of equity shares from open market through stock market mechanism as prescribed by Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 at a maximum price of ₹425/- per equity share, for an aggregate maximum amount of up to ₹17,000 Million. The Buy-back period commenced on March 26, 2020 and ended on September 25, 2020. No equity shares were bought back under the buy-back as the volume weighted average market price of equity shares of the parent company during the buy-back period was higher than the maximum buy-back price.

NOTE : 65

The Group continues to monitor the impact of COVID-19 on its business, including its impact on customers, supply-chain, employees and logistics. Due care has been exercised, in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available to date, while preparing the Group's consolidated financial statements as of and for the year ended March 31, 2021.

NOTE : 66 DETAILS OF LONG-TERM BORROWINGS AND CURRENT MATURITIES OF LONG-TERM DEBT [INCLUDED UNDER OTHER CURRENT FINANCIAL LIABILITIES]

A Secured term loan from other parties:

- (i) Secured term loan from Department of Biotechnology of ₹75.7 Million (March 31, 2020 : ₹108.2 Million) has been secured by hypothecation of movable assets of the parent company. The loan is repayable in 10 equal half yearly installments commencing from December 14, 2020.

- (ii) Secured term loan from Industrial development fund, Russia of RUB 100.1 Million equivalent to ₹96.7 Million (March 31, 2020: ₹NIL) has been secured by bank guarantee. The loan was taken on July 14, 2020 and is repayable in 4 equal quarterly installments of RUB 25 Million each commencing from September 30, 2021.

The Company has not defaulted on repayment of loan and interest payment thereon during the year. The above secured loans have been availed at an interest rate range of 1% to 3%.

B Term loan from banks:

Unsecured

- (i) Unsecured External Commercial Borrowings (ECBs) has 2 loan aggregating of USD 100 Million (March 31, 2020 : USD 225 Million) equivalent to ₹7,314.7 Million (March 31, 2020 : ₹16,971.8 Million) and 1 loan aggregating of JPY 5,000 Million (March 31, 2020 : JPY 10,317.5 Million) equivalent to ₹3,307.4 Million (March 31, 2020 : ₹7,178.8 Million). For the ECB loans outstanding as at March 31, 2021, the terms of repayment for borrowings are as follows:
 - a) USD Nil (March 31, 2020 : USD 100 Million) equivalent to ₹Nil (March 31, 2020 : ₹7,543.0 Million). The loan, originally taken on June 04, 2013 and was repayable in 3 installments viz. first installment of USD 30 Million was due on June 01, 2020, second installment of USD 30 Million was due on December 01, 2020 and last installment of USD 40 Million was due on December 01, 2021. Two installment of USD 30 Million and one installment of USD 40 Million has been repaid during the year.
 - b) USD Nil (March 31, 2020 : USD 25 Million) equivalent to ₹Nil (March 31, 2020 : ₹1,885.8 Million). The loan, originally taken on September 20, 2012 and was repayable in 2 equal installments of USD 25 Million each. The first installment of USD 25 Million had been repaid during year ended March 31, 2020, second installment of USD 25 Million is repaid during the year.
 - c) USD 50 Million (March 31, 2020 : USD 50 Million) equivalent to ₹3,657.4 Million (March 31, 2020 : ₹3,771.5 Million). The loan was taken on October 03, 2018 and is repayable in 2 equal installments of USD 25 Million each. The first installment

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for the year ended March 31, 2021

of USD 25 Million is due on October 01, 2021 and last installment of USD 25 Million is due on October 03, 2022.

- d) JPY Nil (March 31, 2020 : JPY 5,317.5 Million) equivalent to ₹Nil (March 31, 2020 : ₹3,699.9 Million). The loan was taken on August 11, 2015 in USD. The currency of the loan was changed to JPY on August 08, 2019. The loan was due for repayment on February 08, 2022. The loan has been repaid during the year.
- e) USD 50 Million (March 31, 2020 : USD 50 Million) equivalent to ₹3,657.3 Million (March 31, 2020 : ₹3,771.5 Million). The loan was taken on August 29, 2019 and is repayable in 3 equal installments of USD 16.67 Million each. The first installment of USD 16.67 Million 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.

- f) JPY 5,000.0 Million (March 31, 2020 : JPY 5,000.0 Million) equivalent to ₹3,307.4 Million (March 31, 2020 : ₹3,478.9 Million). The loan was taken on August 29, 2019 and is repayable in 3 equal installments of JPY 1,667 Million each. The first installment of JPY 1,667 Million is due on August 30, 2021, second installment of JPY 1,667 Million is due on August 29, 2022 and last installment of JPY 1,667 Million is due on August 29, 2023.

The Company has not defaulted on repayment of loan and interest payment thereon during the year. The aforementioned unsecured ECBs are availed from various banks at floating rate linked to Libor (ranging from 0.66% to 0.96% as at March 31, 2021).

NOTE : 67 DETAILS OF SECURITIES FOR CURRENT BORROWINGS ARE AS UNDER:

Borrowings taken by overseas subsidiaries are supported by the letters of awareness issued by the parent company.

NOTE : 68 LOANS/ADVANCES DUE FROM AN ASSOCIATE

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Interest bearing with specified repayment schedule:		
Medinstill LLC		
Considered good	365.7	377.2
	365.7	377.2

Loans have been granted to the above entity for the purpose of its business.

NOTE : 69

- a) Sun Pharma Global FZE, a subsidiary of the parent company holds 23.35% in the capital of Enceladus Pharmaceutical B.V. However, as Sun Pharma Global FZE does not have any 'Significant Influence' in Enceladus Pharmaceutical B.V., as is required under Ind AS 28 - "Investments in Associates and Joint Ventures", the said investment in Enceladus Pharmaceutical B.V. has not been consolidated as an "Associate Entity".
- b) The parent company holds 24.91% in the capital of Shimal Research Laboratories Limited. However, as the parent company does not have any 'Significant Influence' in Shimal Research Laboratories Limited, as is required under Ind AS 28 - "Investments in Associates and Joint Ventures", the said investment in Shimal Research Laboratories Limited has not been consolidated as an "Associate Entity".

NOTE : 70

Prior to April 01, 2019, the functional currency of the Taro Pharmaceuticals Inc (TPI) was the Canadian dollar ("CAD"). Effective April 01, 2019, TPI's functional currency was prospectively changed to USD. This change was based on a factual assessment of the changes in the primary economic and business environment, in which TPI operates, which have evolved over time.

As part of management's functional currency assessment, changes in economic facts and circumstances were considered. Over the years the subsidiary has centralised different functions, including treasury, which resulted in a stronger focus on the USD currency for TPI. Additionally, TPI has implemented budgeting in USD, whereas this was previously performed in CAD. Further, lately due to a shift in focus, TPI's cash inflows consist primarily of USD cash balances and less of CAD, as also reflected in the budget.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Management re-evaluated all indicators to determine the functional currency of TPI. Such indicators include i) cash flow, ii) sales price, iii) sales market, iv) expense, v) financing and vi) intercompany transactions and arrangements. Considering all relevant facts together, management concluded that USD best reflects the currency of the primary economic environment in which TPI currently operates.

NOTE : 71 DISCLOSURE OF A SUBSIDIARY THAT HAS NON-CONTROLLING INTEREST THAT IS MATERIAL TO THE GROUP

Name of Subsidiary	Principal place of business	Country of incorporation	Nature*	As at March 31, 2021	As at March 31, 2020
Taro Pharmaceutical Industries Ltd. and its subsidiaries (TARO Group)	United States of America	Israel	Beneficial ownership	22.22%	22.90%
			Voting power	14.82%	15.27%

* Held by non-controlling interest

₹ in Million

Name of Subsidiary	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
TARO Group	(6,542.8)	3,856.2	28,014.9	36,474.5
Individually immaterial subsidiaries with non-controlling interests	228.1	214.1	2,155.6	2,127.9
Total	(6,314.7)	4,070.3	30,170.5	38,602.4

The summarised consolidated financial information of TARO Group before inter-company eliminations:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Consolidated balance sheet of TARO Group		
Non-current assets	70,100.7	62,130.2
Current assets	105,791.2	114,436.4
Non-current liabilities	(342.2)	(488.6)
Current liabilities	(49,470.3)	(16,800.6)

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Consolidated statement of profit and loss of TARO Group		
Total income	43,474.1	49,279.0
Total expenses excluding exceptional item	31,205.9	29,137.2
Profit after tax	(28,626.6)	16,638.9
Total comprehensive income for the year	(31,343.7)	16,029.9

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Consolidated cash flows information of TARO Group		
Net cash generated from operating activities	3,822.8	22,081.4
Net cash generated from / (used in) investing activities	4,973.3	(21,131.2)
Net cash used in financing activities	(1,781.5)	(1,843.7)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Dividend paid by Taro during the year USD Nil (March 31, 2020 : USD Nil). For repurchase of ordinary shares done by Taro refer note 56.

NOTE : 72

The Board of Directors of the parent company at its meeting held on July 31, 2020, approved the Scheme of Amalgamation and Merger of Sun Pharma Global FZE (wholly owned subsidiary of the parent company) with Sun Pharmaceutical Industries Limited, and their respective members and creditors which inter-alia, envisages merger of Sun Pharma Global FZE into the parent company with an appointed date of January 01, 2020. The approval of the only secured creditor, shareholders and unsecured creditors of the Company were received in the year ended March 31, 2021 at their respective meetings. The parent company has filed the requisite petition with the National Company Law Tribunal seeking its approval. The Scheme shall be effective post completion of all necessary formalities and procedures and accordingly, the consolidated financial statements do not reflect the impact on account of the Scheme.

NOTE : 73

Government of India vide press release dated December 31, 2020 introduced the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from January 01, 2021. Considering that the rates of RoDTEP are yet to be notified, the Company has not accrued income relating to benefits of RoDTEP scheme for the period January 01, 2021 to March 31, 2021.

NOTE : 74 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- a) Litigations (Refer note 2 (n) and note 39)
- b) Revenue (Refer note 2 (o))
- c) Impairment of goodwill and intangible assets (Refer note 2 (g), (h) and 47)

NOTE : 75

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company has issued listed unsecured commercial paper during the year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(a) Credit Rating and change in credit rating, if any:

Name of Credit Rating Agency	Rating
CRISIL	CRISIL A1+
ICRA	ICRA A1+

(b) Ratios and Formulae

	As at March 31, 2021	As at March 31, 2020
(i) Debt equity ratio = (Long-term borrowings + Short-term borrowings + Current maturities of long-term borrowings and lease liabilities) / (Total equity)	0.08	0.18
(ii) Debt service coverage ratio = Profit / (loss) after tax but before finance costs, depreciation and exceptional items / (Finance costs + Short-term borrowings + Current maturities of long-term borrowings and lease liabilities)	2.70	1.03
(iii) Interest service coverage ratio = Profit / (loss) before finance costs, exceptional items and tax / Finance costs	51.24	18.41
(iv) Asset cover = (Total assets - Intangible assets - Current liabilities excluding short-term borrowings and Current maturities of long-term borrowings and lease liabilities) / (Long-term borrowings + Short-term borrowings + Current maturities of long-term borrowings and lease liabilities).	11.00	5.53

Note : The above borrowings and interest payments do not include payment related to leases.

(c) Details of due dates and actual dates and amounts of repayment of listed unsecured commercial paper:

ISIN No	Issuance Date	Due Date of Payment	Actual Date of Repayment	Redemption Amount (₹ in Million)
INE044A14542	11-Feb-20	11-May-20	11-May-20	5,000.0
INE044A14567	18-Mar-20	17-Jun-20	17-Jun-20	5,000.0
INE044A14575	10-Jun-20	09-Sep-20	09-Sep-20	3,000.0
INE044A14583	26-Aug-20	15-Jun-21	N/A	4,000.0
INE044A14591	03-Sep-20	01-Dec-20	01-Dec-20	5,000.0
INE044A14609	01-Dec-20	29-Dec-20	29-Dec-20	2,500.0
INE044A14617	29-Jan-21	28-Jan-22	N/A	7,300.0
INE044A14625	02-Feb-21	26-Feb-21	26-Feb-21	5,000.0
INE044A14633	02-Feb-21	19-Mar-21	19-Mar-21	4,000.0
INE044A14641	26-Feb-21	28-May-21	N/A	3,000.0

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(d) Capital Redemption Reserve and Net worth

	₹ in Million	
	As at March 31, 2021	As at March 31, 2020
Capital Redemption Reserve	7.5	7.5
Net worth	460,902.3	448,919.0

NOTE : 76

Figures for previous year have been regrouped / reclassified wherever considered necessary.

As per our report of even date

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

per **PAUL ALVARES**
Partner
Membership No. : 105754
Date: May 27, 2021

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholetime Director
(DIN : 00005443)

SUNIL R. AJMERA
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(Annexure 'A')

Disclosure of additional information pertaining to the parent company, subsidiaries, associates and joint venture as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2020-21		2020-21		2020-21		2020-21	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
	Parent company - Sun Pharmaceutical Industries Limited	50.6	250,401.6	73.7	21,397.0	(70.0)	633.0	78.3	22,030.0
	Subsidiaries								
	Indian								
1	Green Eco Development Centre Limited	(0.0)	(1.7)	(0.0)	(1.7)	-	-	(0.0)	(1.7)
2	Sun Pharma Laboratories Limited	45.2	223,846.3	64.1	18,615.3	(1.4)	12.7	66.2	18,628.0
3	Faststone Mercantile Company Private Limited	0.0	3.2	0.0	0.2	-	-	0.0	0.2
4	Neetnav Real Estate Private Limited	0.6	2,923.5	0.0	1.1	-	-	0.0	1.1
5	Realstone Multitrade Private Limited	0.0	2.3	0.0	0.2	-	-	0.0	0.2
6	Skisen Labs Private Limited	(0.0)	(0.3)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
7	Softdeal Pharmaceuticals Private Limited (Formerly known as Softdeal Trading Company Private Limited)	0.0	11.0	(0.0)	(0.1)	-	-	(0.0)	(0.1)
8	Universal Enterprises Private Limited	0.0	5.2	(0.0)	(0.1)	-	-	(0.0)	(0.1)
9	Realstone Infra Limited	(0.0)	(37.0)	(0.1)	(39.2)	-	-	(0.1)	(39.2)
10	Sun Pharmaceutical Medicare Limited	(0.6)	(2,748.8)	(3.0)	(872.0)	(0.5)	4.7	(3.1)	(867.3)
11	Zenotech Laboratories Limited	0.2	1,097.4	(0.6)	(180.9)	(0.0)	0.1	(0.6)	(180.8)
12	Sun Pharma Distributors Limited	0.4	2,000.1	4.6	1,325.1	(0.0)	0.2	4.7	1,325.3
13	Caraco Pharmaceuticals Private Limited	(0.0)	(0.2)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
	Foreign								
1	Sun Pharmaceutical (Bangladesh) Limited	0.4	2,075.1	1.1	325.7	-	-	1.2	325.7
2	Sun Farmaceutica Do Brasil Ltda.	(0.5)	(2,530.2)	(0.7)	(206.7)	-	-	(0.7)	(206.7)
3	Sun Pharma De Mexico S.A. DE C.V.	0.2	846.5	0.9	247.1	-	-	0.9	247.1
4	SPIL De Mexico S.A. DE C.V.	0.0	0.2	-	-	-	-	-	-
5	Sun Pharmaceutical Peru S.A.C.	(0.0)	(168.3)	(0.1)	(16.0)	-	-	(0.1)	(16.0)
6	OOO "Sun Pharmaceutical Industries" Limited	(0.0)	(220.8)	0.0	3.5	-	-	0.0	3.5
7	Sun Pharma De Venezuela, C.A.	0.0	0.0	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(Annexure 'A')

Disclosure of additional information pertaining to the parent company, subsidiaries, associates and joint venture as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2020-21		2020-21		2020-21		2020-21	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
8	Sun Pharma France (Formerly known as Ranbaxy Pharmacie Generiques)	(0.6)	(2,987.7)	0.0	5.5	-	-	0.0	5.5
9	Ranbaxy (Malaysia) SDN. BHD.	0.3	1,430.3	1.6	450.2	-	-	1.6	450.2
10	Ranbaxy Nigeria Limited	(0.1)	(573.6)	(0.8)	(222.2)	-	-	(0.8)	(222.2)
11	Sun Pharma (Netherlands) B.V.	13.4	66,243.3	1.4	416.7	(247.9)	2,243.1	9.5	2,659.8
12	Alkaloida Chemical Company Zrt.	10.3	50,930.2	0.8	235.0	-	-	0.8	235.0
13	Sun Pharmaceutical Industries (Australia) Pty Limited	0.1	498.1	(1.5)	(446.9)	-	-	(1.6)	(446.9)
14	Aditya Acquisition Company Ltd.	0.0	5.0	(0.0)	(6.0)	-	-	(0.0)	(6.0)
15	Sun Pharmaceutical Industries (Europe) B.V.	0.0	83.8	0.1	41.0	-	-	0.1	41.0
16	Sun Pharmaceuticals Germany GmbH	(0.0)	(105.2)	0.1	40.4	-	-	0.1	40.4
17	Sun Pharmaceuticals France	-	-	(0.0)	(2.4)	-	-	(0.0)	(2.4)
18	Sun Pharma Global FZE (Consolidated with a Joint venture)	10.6	52,451.4	(44.6)	(12,961.0)*	(119.8)	1,084.0	(42.2)	(11,877.0)*
19	Sun Pharmaceuticals SA (Pty) Ltd.	0.0	4.6	0.0	3.3	-	-	0.0	3.3
20	Sun Pharma Philippines, Inc.	(0.1)	(501.1)	0.2	55.2	-	-	0.2	55.2
21	Sun Pharmaceuticals Korea Ltd.	-	-	0.0	0.3	-	-	0.0	0.3
22	Sun Pharma Japan Ltd. (Consolidated with its Subsidiary)	0.5	2,614.6	0.1	24.9	-	-	0.1	24.9
23	Sun Laboratories FZE	(0.1)	(412.4)	1.0	282.7	-	-	1.0	282.7
24	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	25.5	126,079.4	(98.6)	(28,626.6)	(112.0)	1,013.4	(98.2)	(27,613.2)
25	Sun Pharma Switzerland Ltd.	0.0	8.6	(0.0)	(0.6)	-	-	(0.0)	(0.6)
26	Sun Pharma Holdings	46.4	229,551.6	(0.1)	(29.6)	-	-	(0.1)	(29.6)
27	Sun Pharma East Africa Limited	(0.0)	(110.9)	0.1	19.8	-	-	0.1	19.8
28	Sun Pharma ANZ Pty Ltd	0.1	283.8	1.5	432.3	-	-	1.5	432.3
29	Ranbaxy Farmaceutica Ltda.	(0.2)	(1,215.8)	0.0	0.6	-	-	0.0	0.6
30	Sun Pharma Canada Inc. (Formerly known as Ranbaxy Pharmaceuticals Canada Inc.)	0.1	325.2	0.4	103.5	-	-	0.4	103.5
31	Sun Pharma Egypt Ltd LLC	0.1	442.9	(0.3)	(72.8)	-	-	(0.3)	(72.8)
32	Rexcel Egypt LLC	(0.0)	(22.6)	(0.0)	(0.3)	-	-	(0.0)	(0.3)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(Annexure 'A')

Disclosure of additional information pertaining to the parent company, subsidiaries, associates and joint venture as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2020-21		2020-21		2020-21		2020-21	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
33	Basics GmbH	0.3	1,280.6	0.2	65.2	-	-	0.2	65.2
34	Ranbaxy Ireland Limited	0.1	596.6	(0.0)	(1.2)	-	-	(0.0)	(1.2)
35	Sun Pharma Italia srl (Formerly known as Ranbaxy Italia S.P.A.)	0.0	107.2	0.3	78.1	-	-	0.3	78.1
36	Sun Pharmaceutical Industries S.A.C.	(0.0)	(124.5)	0.1	30.7	-	-	0.1	30.7
37	Ranbaxy (Poland) SP. Z O.O.	0.0	245.4	0.1	22.0	-	-	0.1	22.0
38	Terapia SA	1.8	8,870.1	10.7	3,099.8	-	-	11.0	3,099.8
39	AO Ranbaxy	0.1	737.8	(1.4)	(396.5)	-	-	(1.4)	(396.5)
40	JSC Biosintez	0.2	824.6	1.1	314.3	-	-	1.1	314.3
41	Ranbaxy South Africa (Pty) Ltd. (Consolidated with its Subsidiary)	0.2	1,016.3	0.4	129.6	-	-	0.5	129.6
42	Ranbaxy Pharmaceuticals (Pty) Ltd.	0.4	2,105.4	0.5	133.7	-	-	0.5	133.7
43	Sun Pharma Laboratorios,S.L.U. (Formerly known as Laboratorios Ranbaxy, S.L.U.)	0.1	549.9	0.1	26.5	-	-	0.1	26.5
44	Ranbaxy (U.K.) Limited	0.4	1,740.7	0.3	81.9	-	-	0.3	81.9
45	Ranbaxy Holdings (U.K.) Limited	0.6	3,108.2	(0.0)	(0.7)	-	-	(0.0)	(0.7)
46	Sun Pharmaceutical Holding USA Inc (Consolidated with its Subsidiaries and its Associate)	14.4	71,330.1	5.6	1,623.9 #	(22.5)	203.9	6.5	1,827.8#
47	Ranbaxy (Thailand) Co., Ltd.	0.0	239.5	0.1	23.2	-	-	0.1	23.2
48	Sun Pharmaceuticals Morocco LLC	0.0	130.6	0.4	112.7	-	-	0.4	112.7
49	"Ranbaxy Pharmaceuticals Ukraine" LLC	0.1	352.7	0.2	71.3	-	-	0.3	71.3
50	Sun Pharma (Shanghai) Limited	0.0	0.0	0.0	0.0	-	-	0.0	0.0
51	Sun Pharmaceuticals (EZ) Limited	0.0	39.9	(0.0)	(11.8)	-	-	(0.0)	(11.8)
	Non controlling interest in all subsidiaries	6.1	30,170.5	21.7	6,314.7	(61.4)	555.5	24.4	6,870.2
	Intercompany Elimination and Consolidation Adjustments	(127.5)	(631,051.9)	58.5	16,979.5	735.6	(6,655.4)	36.7	10,324.1
	Total	100.0	494,798.3	100.0	29,038.2	100.0	(904.8)	100.0	28,133.4

Includes share of loss and share of TCI, from its associate of ₹144.2 Million

* Includes share of profit and share of TCI, from a joint venture of ₹12.2 Million

Note: The above amounts / percentage of net assets and net profit or (loss) in respect of the parent company, its subsidiaries, associates and joint ventures are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(Annexure 'A')

Disclosure of additional information pertaining to the parent company, subsidiaries, associates and joint venture as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2019-20		2019-20		2019-20		2019-20	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
	Parent company - Sun Pharmaceutical Industries Limited	49.7	243,962.2	85.3	32,111.4	(4.4)	(808.0)	55.8	31,303.4
	Subsidiaries								
	Indian								
1	Green Eco Development Centre Limited	(0.0)	(0.0)	(0.0)	(0.9)	-	-	(0.0)	(0.9)
2	Sun Pharma Laboratories Limited	41.8	205,218.3	43.1	16,217.3	(0.5)	(84.7)	28.8	16,132.6
3	Faststone Mercantile Company Private Limited	0.0	13.0	0.0	0.3	-	-	0.0	0.3
4	Neetnav Real Estate Private Limited	0.6	2,922.4	0.0	1.1	-	-	0.0	1.1
5	Realstone Multitrade Private Limited	0.0	12.1	0.0	0.3	-	-	0.0	0.3
6	Skisen Labs Private Limited	(0.0)	(0.2)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
7	Softdeal Trading Company Private Limited	0.0	11.1	(0.0)	(0.1)	-	-	(0.0)	(0.1)
8	Universal Enterprises Private Limited	0.0	5.2	(0.0)	(0.1)	-	-	(0.0)	(0.1)
9	Realstone Infra Limited	0.0	2.2	(0.0)	(0.3)	-	-	(0.0)	(0.3)
10	Sun Pharmaceutical Medicare Limited	(0.4)	(1,881.4)	(3.7)	(1,396.3)	(0.0)	(0.4)	(2.5)	(1,396.7)
11	Zenotech Laboratories Limited	0.3	1,278.3	(0.2)	(72.5)	0.0	0.5	(0.1)	(72.0)
12	Sun Pharma Distributors Limited	0.1	674.8	1.8	674.4	(0.0)	(1.0)	1.2	673.4
13	Caraco Pharmaceuticals Private Limited	(0.0)	(0.1)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
	Foreign								
1	Sun Pharmaceutical (Bangladesh) Limited	0.4	1,806.0	0.8	287.6	-	-	0.5	287.6
2	Sun Farmaceutica Do Brasil Ltda.	(0.5)	(2,670.2)	(1.9)	(698.0)	-	-	(1.2)	(698.0)
3	Sun Pharma De Mexico S.A. DE C.V.	0.2	961.9	0.3	130.3	-	-	0.2	130.3
4	SPIL De Mexico S.A. DE C.V.	0.0	0.2	-	-	-	-	-	-
5	Sun Pharmaceutical Peru S.A.C.	(0.0)	(173.6)	(0.0)	(5.8)	-	-	(0.0)	(5.8)
6	OOO "Sun Pharmaceutical Industries" Limited	(0.0)	(222.7)	(0.1)	(43.9)	-	-	(0.1)	(43.9)
7	Sun Pharma De Venezuela, C.A.	(0.0)	(0.0)	(0.0)	(0.0)	-	-	(0.0)	(0.0)
8	Sun Pharma France (Formerly known as Ranbaxy Pharmacie Genériques)	(0.6)	(2,906.5)	(0.6)	(235.3)	-	-	(0.4)	(235.3)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(Annexure 'A')

Disclosure of additional information pertaining to the parent company, subsidiaries, associates and joint venture as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2019-20		2019-20		2019-20		2019-20	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
9	Ranbaxy (Malaysia) SDN. BHD.	0.2	972.5	1.4	545.1	-	-	1.0	545.1
10	Ranbaxy Nigeria Limited	(0.1)	(385.5)	(1.3)	(504.4)	-	-	(0.9)	(504.4)
11	Sun Pharma (Netherlands) B.V	13.4	65,582.0	8.4	3,148.9	4.3	765.2	7.0	3,914.1
12	Alkaloida Chemical Company Zrt.	10.6	52,284.9	0.9	344.1	-	-	0.6	344.1
13	Sun Pharmaceutical Industries (Australia) Pty Limited	0.1	715.2	(1.1)	(396.0)	-	-	(0.7)	(396.0)
14	Aditya Acquisition Company Ltd.	0.0	10.7	(0.0)	(5.5)	-	-	(0.0)	(5.5)
15	Sun Pharmaceutical Industries (Europe) B.V.	0.0	38.7	0.1	28.6	-	-	0.1	28.6
16	Sun Pharmaceuticals Germany GmbH	(0.0)	(137.1)	0.1	51.0	-	-	0.1	51.0
17	Sun Pharmaceuticals France	(0.0)	(50.1)	(0.1)	(20.3)	-	-	(0.0)	(20.3)
18	Sun Pharma Global FZE (Consolidated with a Joint venture)	13.4	66,062.3	(88.3)	(33,239.4) *	(12.8)	(2,368.2)	(63.5)	(35,607.6)*
19	Sun Pharmaceuticals SA (Pty) Ltd.	0.0	1.0	0.0	1.2	-	-	0.0	1.2
20	Sun Pharma Philippines, Inc.	(0.1)	(545.2)	0.0	18.4	-	-	0.0	18.4
21	Sun Pharmaceuticals Korea Ltd.	0.0	3.9	(0.0)	(0.4)	-	-	(0.0)	(0.4)
22	Sun Global Development FZE	-	-	0.0	16.2	-	-	0.0	16.2
23	Sun Pharma Japan Ltd. (Consolidated with its Subsidiary)	0.6	2,730.6	0.7	261.8	-	-	0.5	261.8
24	Sun Pharma HealthCare FZE	-	-	0.0	2.2	-	-	0.0	2.2
25	Sun Laboratories FZE	(0.1)	(712.3)	(1.4)	(518.8)	-	-	(0.9)	(518.8)
26	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	32.4	159,277.4	44.2	16,638.9	(3.3)	(609.0)	28.6	16,029.9
27	Sun Pharma Switzerland Ltd.	0.0	9.3	(0.0)	(1.7)	-	-	(0.0)	(1.7)
28	Sun Pharma Holdings	48.2	236,744.7	(0.1)	(41.9)	-	-	(0.1)	(41.9)
29	Sun Pharma East Africa Limited	(0.0)	(140.4)	0.0	14.1	-	-	0.0	14.1
30	Sun Pharma ANZ Pty Ltd	(0.0)	(130.4)	0.3	124.4	-	-	0.2	124.4
31	Ranbaxy Farmaceutica Ltda.	(0.3)	(1,379.3)	(1.1)	(397.4)	-	-	(0.7)	(397.4)
32	Sun Pharma Canada Inc. (Formerly known as Ranbaxy Pharmaceuticals Canada Inc.)	0.0	209.0	(0.1)	(47.8)	-	-	(0.1)	(47.8)
33	Sun Pharma Egypt Ltd LLC	0.0	236.1	(0.1)	(51.5)	-	-	(0.1)	(51.5)
34	Rexcel Egypt LLC	(0.0)	(23.0)	(0.0)	(2.6)	-	-	(0.0)	(2.6)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(Annexure 'A')

Disclosure of additional information pertaining to the parent company, subsidiaries, associates and joint venture as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2019-20		2019-20		2019-20		2019-20	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
35	Office Pharmaceutique Industriel Et Hospitalier	0.0	103.9	0.0	1.0	-	-	0.0	1.0
36	Basics GmbH	0.2	1,173.2	0.1	55.3	-	-	0.1	55.3
37	Ranbaxy Ireland Limited	0.1	577.1	(0.0)	(3.8)	-	-	(0.0)	(3.8)
38	Ranbaxy Italia S.P.A.	0.0	29.3	0.0	16.4	-	-	0.0	16.4
39	Sun Pharmaceutical Industries S.A.C.	(0.0)	(167.0)	0.0	12.7	-	-	0.0	12.7
40	Ranbaxy (Poland) SP. Z O.O.	0.0	221.5	0.0	17.1	-	-	0.0	17.1
41	Terapia SA	1.2	5,727.0	6.7	2,523.2	0.0	1.3	4.5	2,524.5
42	AO Ranbaxy	0.2	1,117.3	0.1	38.9	-	-	0.1	38.9
43	JSC Biosintez	0.1	514.4	(0.6)	(221.8)	-	-	(0.4)	(221.8)
44	Ranbaxy South Africa (Pty) Ltd. (Consolidated with its Subsidiary)	0.2	761.9	0.0	4.4	-	-	0.0	4.4
45	Ranbaxy Pharmaceuticals (Pty) Ltd.	0.3	1,656.2	0.5	177.9	-	-	0.3	177.9
46	Sun Pharma Laboratorios,S.L.U. (Formerly known as Laboratorios Ranbaxy, S.L.U.)	0.1	504.6	0.2	57.1	-	-	0.1	57.1
47	Ranbaxy (U.K.) Limited	0.3	1,531.4	0.2	69.1	-	-	0.1	69.1
48	Ranbaxy Holdings (U.K.) Limited	0.6	2,868.0	(0.0)	(0.6)	-	-	(0.0)	(0.6)
49	Sun Pharmaceutical Holding USA Inc (Consolidated with its Subsidiaries and its Associate)	14.6	71,713.8	20.8	7,815.3 #	2.8	522.1	14.9	8,337.4#
50	Ranbaxy (Thailand) Co., Ltd.	0.0	213.3	(0.0)	(18.4)	-	-	(0.0)	(18.4)
51	Sun Pharmaceuticals Morocco LLC	0.0	14.3	0.2	60.8	-	-	0.1	60.8
52	"Ranbaxy Pharmaceuticals Ukraine" LLC	0.1	293.4	0.1	29.5	-	-	0.1	29.5
53	Pola Pharma Inc. (Consolidated with its Subsidiary)	-	-	2.0	737.5	-	-	1.3	737.5
	Non controlling interest in all subsidiaries	7.9	38,602.4	(10.8)	(4,070.3)	(15.1)	(2,789.2)	(12.2)	(6,859.5)
	Intercompany Elimination and Consolidation Adjustments	(135.7)	(666,597.1)	(6.7)	(2,588.5)	129.2	23,790.5	37.8	21,202.0
	Total	100.0	491,246.9	100.0	37,649.3	100.0	18,419.1	100.0	56,068.4

Includes share of loss and share of TCI, from its associate of ₹247.8 Million.

* Includes share of loss and share of TCI, from a joint venture of ₹10.0 Million.

Note: The above amounts / percentage of net assets and net profit or (loss) in respect of the parent company, its subsidiaries, associates and joint ventures are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(Annexure 'B')

IND AS- 24 - " RELATED PARTY DISCLOSURES "

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

a	Key Management Personnel (KMP)	
	Dilip Shantilal Shanghvi	Managing Director (DIN: 00005588)
	Israel Makov	Chairman and Non- Executive Director (Non- Independent) (DIN : 05299764)
	Kalyanasundaram Iyer Natesan Subramanian	Wholetime Director (DIN : 00179072)
	Sailesh Trambaklal Desai	Wholetime Director (DIN: 00005443)
	Sudhir Vrundavandas Valia	Non-Executive Director (Designation changed from Whole-time Director to Non-Executive Director on May 29, 2019) and Non-Independent Director (DIN : 00005561)
b	Relatives of Key Management Personnel	
	Aalok Shanghvi	
	Vidhi Shanghvi	
c	Others (Entities in which the KMP and relatives of KMP have control or significant influence)	
	Aditya Medisales Limited	
	Alfa Infraprop Private Limited	
	Fortune Integrated Assets Finance Limited	
	Makov Associates Limited	
	PV Power Technologies Private Limited	
	Ramdev Chemicals Private Limited (upto April 25, 2019)	
	Shanghvi Finance Private Limited	
	Shantilal Shanghvi Foundation	
	Sidmak Laboratories (India) Private Limited	
	Sun Petrochemicals Private Limited	
	Sun Pharma Advanced Research Company Limited	
	Suraksha Asset Reconstruction Private Limited	
	United Medisales Private Limited	
	Kism Textiles Private Limited	
d	Joint Venture	
	Artes Biotechnology GmbH	
e	Associates	
	Medinstill LLC	
	Medinstill Development LLC	
	Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)	
	Intact Solution LLC	
	Dr. Py Institute LLC	
f	Unconsolidated Subsidiary	
	Foundation for Disease Elimination and Control of India	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(Annexure 'B')

IND AS- 24 - " RELATED PARTY DISCLOSURES "

Details of related party transaction :

	₹ In Million	
	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of goods	383.7	202.0
Others	383.7	202.0
Purchase of property, plant and equipment and other intangible assets	1,572.0	34.0
Others	1,572.0	34.0
Acquired on slump sale basis	-	629.6
Others	-	629.6
Revenue from contracts with customers, net of returns	197.9	101.1
Others	197.9	101.1
Sale of property, plant and equipment and other intangible assets	13.2	5.3
Others	13.2	5.3
Other operating revenue /Other Income	22.7	-
Others	22.7	-
Receiving of service	1,439.0	1,433.8
Others	1,431.0	1,388.3
Joint venture	8.0	45.5
Reimbursement of expenses (Paid)	84.0	505.8
Others	74.1	478.8
Joint venture	1.1	-
Associates	8.8	27.0
Rendering of service	276.0	217.1
Others	276.0	217.1
Reimbursement of expenses (Received)	158.0	320.5
Others	140.6	320.5
Key management personnel	17.4	-
Unconsolidated subsidiary (March 31, 2021 : ₹4,793)	0.0	-
Loan given	-	63.8
Associate	-	63.8
Interest income	-	69.2
Others	-	69.2
Lease Rental and hire charges (Income)	22.7	22.8
Others	22.7	22.8
Rent expense / payment towards lease liabilities	8.9	7.8
Others	8.9	7.8
Investment in Associate	242.3	-
Associate	242.3	-
Remuneration/ compensation	290.6	453.3
Key management personnel	255.6	424.2
Relatives of Key management personnel	35.0	29.1
Donation	236.5	61.4
Others	200.0	7.1
Unconsolidated subsidiary	36.5	54.3

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(Annexure 'B')

IND AS- 24 - " RELATED PARTY DISCLOSURES "

Balance outstanding as at end of the year

	As at March 31, 2021	₹ In Million As at March 31, 2020
Receivables	430.4	589.8
Others	413.0	589.8
Key management personnel	17.4	-
Payables	538.7	447.9
Others	475.2	314.6
Joint venture (March 31, 2020 : ₹48,558)	-	0.1
Key management personnel	63.5	133.2
Security deposit given	0.5	0.5
Others	0.5	0.5
Loan given	365.7	377.2
Associate	365.7	377.2
Lease liability	88.4	73.4
Others	88.4	73.4
Advance (Includes capital and supply of goods/services)	1,202.9	1,233.8
Associates	1,202.9	1,233.8

Key Management Personnel (KMP) and Relatives of KMP who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits'. As these employee benefits are lump sum amount provided on the basis of actuarial valuation, the same is not included above and there is no Share-based payments to key management personnel and relatives of KMP.

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

FORM AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 with the Rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint venture

Sr No	Name of the Subsidiary Company	Date of acquisition of subsidiary	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
PART "A": Subsidiaries															
1	Green Eco Development Centre Limited	12.11.2010	INR	1.00	7.0	(8.7)	1.4	3.1	-	-	(1.7)	-	(1.7)	-	100.00%
2	Sun Pharmaceutical (Bangladesh) Limited	29.03.2001	BDT	0.86	51.8	2,023.3	3,038.1	963.0	-	1,826.9	505.5	184.9	320.6	-	72.50%
3	Sun Pharmaceutical Industries, Inc.	14.06.2011	USD	73.15	-	57,856.6	113,915.3	56,058.7	12,503.8	61,442.1	4,533.4	1,687.3	2,846.1	-	100.00%
4	Sun Farmaceutica do Brasil Ltda.	22.05.2009	BRL	12.67	70.6	(2,563.8)	1,303.7	3,796.9	-	1,618.4	(155.9)	5.3	(161.2)	-	100.00%
5	Sun Pharma De Mexico S.A. DE C.V.	03.12.2002	MXN	3.56	3.6	886.2	1,007.5	117.7	-	1,195.3	393.4	112.7	280.7	-	75.00%
6	SPIL De Mexico S.A. DE C.V.	13.02.2002	MXN	3.56	0.2	-	0.2	-	-	-	-	-	-	-	100.00%
7	Sun Pharmaceutical Peru S.A.C.	27.06.2006	PEN	19.38	-	(164.1)	0.3	164.4	-	-	(13.5)	-	(13.5)	-	99.33%
8	OOO "Sun Pharmaceutical Industries" Limited	12.11.2007	RUB	0.97	-	(180.4)	19.7	200.1	-	-	(24.2)	(4.0)	(20.2)	-	100.00%
9	Sun Pharma De Venezuela, C.A.	06.11.2011	VES	0.00	-	-	-	-	-	-	-	-	-	-	100.00%
10	Chattem Chemicals Inc.	24.11.2008	USD	73.15	2,518.7	1,402.4	4,339.9	418.8	-	2,194.9	199.5	36.0	163.5	-	100.00%
11	The Taro Development Corporation	20.09.2010	USD	73.15	-	9,121.7	11,498.6	2,376.9	-	-	478.9	(55.6)	534.5	-	100.00%
12	Alkaloida Chemical Company Zrt.	05.08.2005	USD	73.15	6,529.2	44,544.3	52,054.9	981.4	538.6	2,989.2	402.9	32.7	370.2	-	99.99%
13	Sun Pharmaceutical Industries (Australia) Pty Limited	11.03.2008	AUD	55.71	3,880.2	(3,382.2)	7,210.4	6,712.4	-	3,464.7	(359.1)	-	(359.1)	-	100.00%
14	Aditya Acquisition Company Ltd.	22.04.2007	ILS	21.91	-	5.0	11.5	6.5	-	-	(8.8)	(0.3)	(8.5)	-	100.00%
15	Sun Pharmaceutical Industries (Europe) B.V.	29.06.2007	EURO	85.89	1.5	122.0	1,470.8	1,347.3	-	2,709.2	119.3	29.9	89.4	-	100.00%
16	Sun Pharmaceuticals Germany GmbH	11.08.2008	EURO	85.89	2.1	(2.1)	1,616.6	1,616.6	-	2,528.3	39.5	12.8	26.7	-	100.00%
17	Sun Pharma Global FZE	25.11.2008	USD	73.15	301.7	52,149.7	83,524.3	31,072.9	4,341.2	13,603.0	(12,674.7)	-	(12,674.7)	-	100.00%
18	Sun Pharmaceuticals SA (Pty) Ltd	22.10.2008	ZAR	4.94	-	4.2	297.3	293.1	-	109.0	4.4	1.2	3.2	-	100.00%
19	Sun Laboratories FZE	13.03.2011	USD	73.15	896.2	(1,044.6)	16,631.4	16,779.8	-	23,364.7	512.8	-	512.8	-	100.00%
20	Sun Pharma Japan Ltd.	01.03.2012	JPY	0.66	104.5	1,724.7	7,618.3	5,789.1	-	7,523.1	69.4	(155.4)	224.8	-	100.00%
21	Sun Pharma Philippines, Inc.	08.12.2011	PHP	1.51	13.0	(511.2)	394.7	892.9	-	555.7	57.3	-	57.3	-	100.00%
22	Caraco Pharmaceuticals Private Limited	12.01.2012	INR	1.00	0.1	(0.3)	-	0.2	-	-	(0.1)	-	(0.1)	-	100.00%
23	Sun Pharma Laboratories Limited	09.03.2012	INR	1.00	400.5	223,445.8	241,846.7	18,000.4	692.3	68,802.3	22,581.4	3,966.1	18,615.3	-	100.00%
24	Taro Pharmaceutical Industries Ltd. (Taro)	20.09.2010	USD	73.15	49.8	124,567.7	129,158.9	4,541.4	9,566.0	15,737.7	(27,917.8)	365.0	(28,282.8)	-	77.78%
25	Taro Pharmaceuticals Inc.	20.09.2010	USD	73.15	27,255.3	105,619.5	140,335.1	7,460.3	61,111.7	18,991.7	(303.2)	(929.9)	626.7	-	77.78%
26	Taro Pharmaceuticals U.S.A., Inc.	20.09.2010	USD	73.15	10.6	(33,389.6)	38,060.4	71,439.4	691.5	27,575.9	(32,978.9)	(5.9)	(32,973.0)	-	77.78%
27	Taro Pharmaceuticals North America, Inc.	20.09.2010	USD	73.15	-	27,259.3	27,259.3	-	-	-	(0.9)	-	(0.9)	-	77.78%
28	Taro Pharmaceuticals Europe B.V.	20.09.2010	EURO	85.89	1.5	0.4	5.1	3.2	-	-	0.2	-	0.2	-	77.78%
29	Taro International Ltd.	20.09.2010	USD	73.15	-	1,718.7	2,283.6	564.9	-	2,157.8	571.2	115.1	456.1	-	77.78%
30	Dusa Pharmaceuticals, Inc.	19.12.2012	USD	73.15	0.7	13,139.8	13,708.7	568.2	-	4,527.0	296.5	(1,382.4)	1,678.9	-	100.00%
31	Faststone Mercantile Company Private Limited	01.04.2012	INR	1.00	0.1	3.1	3.2	-	-	-	0.3	0.1	0.2	-	100.00%

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Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 with the Rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint venture

Sr No	Name of the Subsidiary Company	Date of acquisition of subsidiary	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Total Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
PART "A": Subsidiaries															
32	Neetnav Real Estate Private Limited	01.04.2012	INR	1.00	0.1	2,923.4	3,078.0	154.5	-	1.6	1.4	0.4	1.0	-	100.00%
33	Realstone Multitrade Private Limited	01.04.2012	INR	1.00	0.1	2.2	2.3	-	-	-	0.2	0.1	0.1	-	100.00%
34	Skisen Labs Private Limited	01.04.2012	INR	1.00	163.6	(163.9)	-	0.3	0.0	-	(0.1)	-	(0.1)	-	100.00%
35	Softideal Pharmaceutical Private Limited (Formerly known as Softideal Trading Company Private Limited)	01.04.2012	INR	1.00	0.1	10.8	11.0	0.1	-	-	(0.1)	-	(0.1)	-	100.00%
36	Universal Enterprises Private Limited	31.08.2012	INR	1.00	4.5	0.7	8.3	3.1	-	-	(0.1)	-	(0.1)	-	100.00%
37	Sun Pharma Switzerland Ltd.	10.06.2013	CHF	77.61	7.8	0.8	10.2	1.6	-	44.6	(0.6)	-	(0.6)	-	100.00%
38	Sun Pharma Holdings	06.08.2015	USD	73.15	250,226.1	(20,759.8)	230,389.4	923.1	-	-	(29.2)	-	(29.2)	-	100.00%
39	PI Real Estate Ventures, LLC	15.07.2014	USD	73.15	-	2,467.9	2,467.9	-	-	219.4	123.3	-	123.3	-	100.00%
40	Sun Pharma East Africa Limited	13.06.2014	KES	0.67	0.1	(77.4)	426.4	503.7	-	532.5	22.7	7.7	15.0	-	100.00%
41	Basics GmbH	24.03.2015	EURO	85.89	418.7	565.9	6,565.3	5,580.7	-	3,942.9	65.1	21.2	43.9	-	100.00%
42	"Ranbaxy Pharmaceuticals Ukraine" LLC	24.03.2015	UAH	2.63	105.0	228.4	440.5	107.1	-	904.9	53.4	9.5	43.9	-	100.00%
43	Sun Pharmaceuticals Morocco LLC	24.03.2015	MAD	8.08	98.8	18.8	2,263.3	2,145.7	-	2,177.6	175.1	60.8	114.3	-	100.00%
44	Sun Pharmaceutical Industries S.A.C.	24.03.2015	PEN	19.38	84.1	(214.1)	428.1	558.1	-	623.1	18.9	5.6	13.3	-	100.00%
45	Ranbaxy Holdings (U.K.) Limited	24.03.2015	GBP	100.84	3,081.2	153.8	3,236.3	1.3	-	-	(0.7)	-	(0.7)	-	100.00%
46	Sun Pharma France (Formerly known as Ranbaxy Pharmacie Genériques)	24.03.2015	EURO	85.89	2,142.9	(5,124.8)	1,157.8	4,139.7	-	2,419.1	27.0	-	27.0	-	100.00%
47	Sun Pharma Italia SRL (Formerly known as Ranbaxy Italia S.P.A)	24.03.2015	EURO	85.89	4.3	104.8	1,960.9	1,851.8	-	2,913.7	76.2	-	76.2	-	100.00%
48	Ranbaxy Pharmaceuticals (Pty) Ltd	24.03.2015	ZAR	4.94	988.5	1,117.5	5,509.8	3,403.8	-	5,788.8	151.9	-	151.9	-	100.00%
49	Ranbaxy South Africa (Pty) Ltd	24.03.2015	ZAR	4.94	86.6	1,146.4	3,112.0	1,879.0	-	3,977.7	130.0	1.8	128.2	-	100.00%
50	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	24.03.2015	EGP	4.64	896.5	(447.8)	675.4	226.7	-	410.6	(89.3)	-	(89.3)	-	100.00%
51	Rexcel Egypt LLC	24.03.2015	EGP	4.64	9.7	(32.3)	5.8	28.4	-	(0.1)	(0.3)	-	(0.3)	-	100.00%
52	Ranbaxy (U.K.) Limited	24.03.2015	GBP	100.84	2,193.2	(452.2)	3,596.0	1,855.0	-	4,728.3	94.3	13.8	80.5	-	100.00%
53	Ranbaxy (Poland) SP. Z O.O.	24.03.2015	PLN	18.43	79.1	165.9	358.2	113.2	-	562.6	27.7	6.7	21.0	-	100.00%
54	Ranbaxy Nigeria Limited	24.03.2015	NGN	0.19	7.7	(571.9)	1,999.1	2,563.3	-	1,165.3	(182.2)	36.7	(218.9)	-	86.16%
55	Ranbaxy (Thailand) Co., Ltd.	24.03.2015	THB	2.34	269.0	(29.6)	1,153.6	914.2	-	1,512.2	22.4	-	22.4	-	100.00%
56	Ohm Laboratories, Inc.	24.03.2015	USD	73.15	17.5	755.0	1,602.4	829.9	-	6,780.4	(2,096.3)	(50.2)	(2,046.1)	-	100.00%
57	Ranbaxy Signature LLC	24.03.2015	USD	73.15	-	975.2	975.2	-	-	176.1	124.5	-	124.5	-	67.50%
58	Ranbaxy Inc.	24.03.2015	USD	73.15	950.9	559.6	1,587.4	76.9	-	-	(2,205.0)	44.5	(2,249.5)	-	100.00%
59	Ranbaxy Ireland Limited	24.03.2015	EURO	85.89	610.8	(14.2)	597.2	0.6	-	-	(104.4)	-	(104.4)	-	100.00%
60	AO Ranbaxy	24.03.2015	RUB	0.97	157.7	825.4	5,473.2	4,490.1	-	5,214.4	(200.5)	(33.0)	(167.5)	-	100.00%

FORM AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 with the Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint venture

Sr No	Name of the Subsidiary Company	Date of acquisition of subsidiary	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
PART "A": Subsidiaries															
61	Sun Pharma Laboratorios, S.L.U (formerly Laboratorios Ranbaxy, S.L.U)	24.03.2015	EURO	85.89	85.9	471.3	877.1	319.9	-	1,122.0	31.1	3.7	27.4	-	100.00%
62	Ranbaxy (Malaysia) SDN. BHD.	24.03.2015	MYR	17.63	146.4	1,283.9	2,013.2	582.9	-	2,772.5	566.1	116.6	449.5	-	95.67%
63	Ranbaxy Farmaceutica Ltda.	24.03.2015	BRL	12.67	220.0	(1,412.2)	2,107.5	3,299.7	-	2,073.2	14.8	1.8	13.0	-	100.00%
64	Sun Pharma ANZ Pty Ltd	24.03.2015	AUD	55.71	969.4	(685.7)	2,391.7	2,108.0	-	2,971.4	161.0	(279.1)	440.1	-	100.00%
65	Sun Pharma Canada Inc. (Formerly known as Ranbaxy Pharmaceuticals Canada Inc.)	24.03.2015	CAD	58.07	130.7	194.5	1,496.2	1,171.0	-	2,445.2	97.0	-	97.0	-	100.00%
66	Terapia SA	24.03.2015	RON	17.43	435.7	9,948.4	13,333.3	2,949.2	-	13,691.3	3,479.3	462.1	3,017.2	-	96.81%
67	Sun Pharma (Netherlands) B.V. (Formerly known as Ranbaxy (Netherlands) B.V.)	24.03.2015	USD	73.15	47,014.5	19,230.1	66,923.1	678.5	5,438.1	286.5	471.2	64.6	406.6	-	100.00%
68	JSC Biosintez	19.12.2016	RUB	0.97	0.3	437.6	4,344.6	3,906.7	1.9	3,105.4	329.7	78.6	251.1	-	100.00%
69	Sun Pharmaceutical Holdings USA, Inc	18.11.2016	USD	73.15	-	62,545.7	62,545.7	-	-	-	596.8	-	596.8	-	100.00%
70	Foundation for Disease Elimination and Control of India	21.09.2016	INR	1.00	0.1	1.2	3.6	2.3	-	36.5	(1.6)	-	(1.6)	-	100.00%
71	Zenotech Laboratories Limited	27.07.2017	INR	1.00	610.3	(126.3)	858.4	374.4	-	193.7	(12.2)	-	(12.2)	-	57.56%
72	Sun Pharmaceutical Medicare Limited	16.01.2017	INR	1.00	2.5	(2,751.2)	4,611.3	7,360.0	-	1,387.4	(873.6)	(1.6)	(872.0)	-	100.00%
73	Kayaku Co., Ltd.	01.01.2019	JPY	0.66	72.7	1,767.9	3,073.0	1,232.4	-	3,378.1	(454.9)	(100.9)	(354.0)	-	100.00%
74	Sun Pharma Distributors Limited	19.03.2019	INR	1.00	1.5	1,998.6	20,474.9	18,474.8	400.0	104,039.3	1,767.5	442.4	1,325.1	-	100.00%
75	Realstone Infra Limited	31.01.2020	INR	1.00	2.5	(39.6)	3,577.4	3,614.5	-	-	(39.2)	-	(39.2)	-	100.00%
76	Sun Pharmaceuticals (EZ) Limited	25.10.2020	BDT	0.86	51.8	(11.8)	216.2	176.2	-	-	(11.8)	-	(11.8)	-	99.99%
77	Sun Pharma (Shanghai) Co.,Ltd	21.12.2020	RMB	11.17	-	(0.0)	0.0	0.0	-	-	(0.0)	-	(0.0)	-	100.00%

Note:

- 0.0' represents amount less than 0.05 Million and rounded off
- In respect of entities at Sr. Nos. 5 to 8, 42, 60 and 68 the reporting date is as of December 31, 2020 and different from the reporting date of the parent company.
- Entities at Sr. No. 76 and 77 have been incorporated during the year ended March 31, 2021.
- Foundation for Disease Elimination and Control of India (FDEC), a wholly owned subsidiary incorporated in India on September 21, 2016 by the parent company as part of its Corporate Social Responsibility (CSR) initiative, has entered into an MOU with Indian Council of Medical Research (ICMR) and Madhya Pradesh State Government to undertake the Malaria Elimination Demonstration Project with a goal to eliminate Malaria in the state. FDEC is a Section 8 company not considered for consolidation since it can apply its income for charitable purposes only and can raise funds/contribution independently.
- Books of accounts and other related records/documents of the overseas subsidiaries of the Zenotech Laboratories Limited were missing and due to non-availability of those records/information, Zenotech Laboratories Limited is unable to prepare consolidated accounts.
- 3 Skyline LLC and One Commerce drive LLC are being consolidated with Taro Pharmaceuticals U.S.A., Inc.
- The above does not include Taro Pharmaceutical Laboratories Inc. and 2 Independence Way LLC as they have no operation and does not have any Assets, Liabilities or Equity as on the close of their financial year.
- With effect from January 01, 2020 Pola Pharma Inc. has been merged with Sun Pharma Japan Ltd.
- With effect from March 27, 2020 Morley & Company, Inc has been merged with The Taro Development Corporation.
- Sonke Pharmaceuticals Proprietary Limited have been consolidated with Ranbaxy South Africa (Pty) Ltd.
- With effect from March 16, 2020 Dungan Mutual Associates, LLC and URL PharmPro, LLC has been merged with Mutual Pharmaceutical Company Inc.
- With effect from January 05, 2021 Sun Pharmaceuticals Korea Ltd has been dissolved.
- With effect from April 01, 2020 Insite Vision Incorporated, Mutual Pharmaceutical Company Inc and Pharamlucence, Inc. has been merged with Sun Pharmaceutical Industries, Inc.
- With effect from April 01, 2020 Office Pharmaceutique Industriel Et Hospitalier has been merged with Sun Pharma France (Formerly known as Ranbaxy Pharmacie Genériques).
- With effect from March 17, 2021 Sun Pharmaceuticals France has been dissolved.
- Ranbaxy Ireland Limited is under liquidation.

FORM AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 with the Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint venture

₹ in Million

Part "B": Associate Companies and Joint venture							
Sr. No	Name of Associates/Joint Ventures	Joint Venture			Associate		
		Artes Biotechnology GmbH	Generic Solar Power LLP	Trumpcard Advisors and Finvest LLP	Medinstill LLC	Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)	WRS Bioproducts Pty Ltd
1	Latest Balance Sheet Date	31-Dec-20	31-Mar-21	31-Mar-21	31-Dec-20	31-Dec-20	30-Jun-20
	Date of acquisition	13.02.2014	09.10.2015	31.03.2017	13.03.2014	10.09.2018	10.03.2021
2	Shares of Associate/Joint Ventures held by the company on the year end						
	No.	15,853	NA	NA	1,999	345,622	428,571
	Amount of Investment in Associates/Joint Venture	278.3	0.0	746.1	1,127.3	340.8	113.1
	Extend of Holding %	45.00%	28.76%	40.61%	19.99%	18.71%	12.50%
3	Description of how there is significant influence	NA	NA	NA	NA	NA	NA
4	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA
5	Networth attributable to Shareholding as per latest Balance Sheet	70.7	0.0	415.2	(989.0)	52.4	NA
6	Profit / (loss) for the year						
	i. Considered in Consolidation	12.2	(0.0)	39.1	(144.1)	(30.5)	(0.0)
	ii. Not Considered in Consolidation	14.9	(0.0)	57.2	(576.8)	(132.5)	(0.0)

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

DILIP S. SHANGHVI
Managing Director
(DIN : 00005588)

SAILESH T. DESAI
Wholtime Director
(DIN : 00005443)

SUNIL R. AJMERA
Company Secretary

C. S. MURALIDHARAN
Chief Financial Officer
Date: May 27, 2021

Notice of Annual General Meeting

NOTICE is hereby given that the **Twenty-Ninth Annual General Meeting** of the members of **Sun Pharmaceutical Industries Limited** will be held on **Tuesday, August 31, 2021** at **3.00 p.m. IST (Indian Standard Time)** through **Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS:

1. a. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon.
- b. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and the report of the Auditors thereon.
2. To confirm payment of Interim Dividend* of ₹5.50/- (Rupees Five and Paise Fifty Only) per Equity Share of ₹1/- each and to declare Final Dividend** of ₹2/- (Rupees Two Only) per Equity Share for the financial year 2020-21.
3. To appoint Mr. Dilip Shanghvi (DIN: 00005588), who retires by rotation and being eligible, has offered himself for re-appointment as a Director.
4. To appoint Mr. Kalyanasundaram Subramanian (DIN: 00179072) who retires by rotation and being eligible, has offered himself for re-appointment as a Director.

SPECIAL BUSINESS:

5. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the remuneration as 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 2021-22, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof, be and is hereby authorised to do all such acts, deeds and

things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

6. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant provisions of the Articles of Association of the Company, and subject to such other permissions, sanction(s) as may be necessary under law, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Kalyanasundaram Subramanian ("Mr. Kal") (DIN: 00179072) be and is hereby re-appointed as the Whole-time Director of the Company for a further period of 2 (Two) years effective from February 14, 2021 upto February 13, 2023, at such remuneration and terms and conditions mentioned as per draft agreement proposed to be entered into between Mr. Kal and the Company, and his existing appointment letter which inter-alia forms part of the said agreement (hereinafter referred to as "Agreement"), which is hereby specifically sanctioned with the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Kal within and in accordance with the Act or any amendment thereto and agreed to between the Board of Directors and as may be acceptable to Mr. Kal:

- (1) Mr. Kal shall hold office as the Whole-time Director of the Company for a further period of two (2) years from with effect from February 14, 2021 upto February 13, 2023 on the terms and conditions hereinafter mentioned.
- (2) Mr. Kal shall act as the Whole-time Director of the Company and may devote such time in the performance of his duties as Whole-time Director of the Company as he considers necessary and expedient.
- (3) Subject to the supervision and control of the Board of Directors and subject to the provisions

of Companies Act, 2013, the Whole-time Director will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors and the Managing Director. He will report to Mr. Dilip Shanghvi, Managing Director of the Company. He is further authorised to do all such acts, deeds, things and matters as may be required to do, as the Whole-time Director. Mr. Kal shall perform such duties and exercise such powers as are additionally entrusted to him by the Board.

(4) **REMUNERATION**

The remuneration payable to Mr. Kalyanasundaram Subramanian, shall be determined by the Board of Directors, from time to time within, however, the maximum limits set forth below, for a period of two years from February 14, 2021 upto February 13, 2023:

a) **Salary (including Bonus, Perquisites and Variable pay subject to individual and company performance as per plan) up to ₹9,00,00,000 (Rupees Nine Crores) per annum**

Perquisites: He will be entitled to furnished/ non-furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rule, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to as aforesaid.

b) **Company's contribution to provident fund and superannuation fund or annuity fund and gratuity payment as per Company's rules and encashment of leave at the end of his tenure, though payable, shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.**

c) **Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year, Mr. Kal shall be entitled to receive a total remuneration including perquisites, etc. not exceeding the ceiling limits as approved by the Board of Directors and the Members, as minimum remuneration.

(5) **Other Terms and Conditions**

(i) The re-appointment of Mr. Kal as the Whole time Director of the Company would be subject to the provisions of Section 152 (6) of the Companies Act, 2013, i.e. Mr. Kal would be liable to retire by rotation.

(ii) The re-appointment will be for a period of 2 years from February 14, 2021 upto February 13, 2023.

(iii) The re-appointment as Whole-time Director will be terminable by either party giving to the other 3 months' notice in writing as per the terms of Agreement between the Company and Mr. Kal or upon Mr. Kal ceasing to be a Director of the Company.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Chapter XIII (Appointment and Remuneration of Managerial Personnel) and/or Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), i.e. the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid Agreement between the Company and Mr. Kal be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required under law.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as they may deem fit, expedient or desirable to give effect to this Resolution."

7. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT further to the resolutions passed at the 26th Annual General Meeting of the Company held on September 26, 2018 for remuneration payable to Mr. Sailesh T. Desai, Whole-time Director (DIN:00005443), and in partial modification to the agreement dated January 29, 2019 entered into between Mr. Sailesh T. Desai and the Company for his re-appointment as the Whole-time Director ("the Agreement") and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to such other permissions, sanction(s) as may be necessary under law, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company, be and is hereby accorded for maximum limit of remuneration to be paid to Mr. Sailesh T. Desai, Whole-time Director of the Company for a period of 2 (Two) years with effect from April 1, 2022 to March 31, 2024, that is, upto the expiry of his present term of office, including the remuneration to be paid to him as minimum remuneration in the event of loss or inadequacy of profits in any financial year during the aforesaid period,

as stated below, and the other terms and conditions of his appointment remaining the same as per the Agreement dated January 29, 2019 for the remaining period of his present term of appointment upto March 31, 2024, as per draft revised agreement proposed to be entered into between Mr. Sailesh T. Desai and the Company which is hereby specifically sanctioned with the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Sailesh T. Desai within and in accordance with the Act or any amendment thereto and agreed to between the Board of Directors and as may be acceptable to Mr. Sailesh T. Desai,

REMUNERATION:

The remuneration payable shall be determined by the Board of Directors, from time to time within, however, the maximum limits set forth below for a period of 2 (Two) years with effect from April 01, 2022 to March 31, 2024:

- a) **Salary (including bonus and perquisites)** upto ₹2,00,00,000/- (Rupees Two Crores Only) per annum.

Perquisites: He will be entitled to furnished/ non-furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962.
- b) **Company's contribution to provident fund** and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure, though payable, shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.
- c) **Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year, Mr. Sailesh T. Desai shall be entitled to receive a total remuneration including perquisites, etc. upto the limit as approved by the members herein above, as minimum remuneration, subject to receipt of such approvals as may be required, if any.
- d) **Other terms and conditions:** Subject to the control and supervision of the Board of Directors and subject to the provisions of the Act, Mr. Sailesh T. Desai shall have the powers of

general conduct and management of the affairs of the Company and he shall be entitled to exercise all such powers and to do all such acts and things the Company is authorised to exercise and all such powers, acts or things which are directed or required by the law or any other Act or by the Articles of Association of the Company except such powers/ acts/ things which are exercised or done by the Company in general meeting or by the Board of Directors at their meeting only. Mr. Sailesh T. Desai to perform such duties and exercise such powers as are additionally entrusted to him by the Board and/ or the Chairman and that he is further authorised to do all such acts, deeds, things and matters as he may be required to do, as a Whole-time Director.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Chapter XIII (Appointment and Remuneration of Managerial Personnel) and/or Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), i.e. the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid Agreement between the Company and Mr. Sailesh T. Desai be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required under law.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as they may deem fit, expedient or desirable to give effect to this Resolution."

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Dr. Pawan Goenka (DIN: 00254502), who was appointed as an Additional Independent Director with effect from May 21, 2021, by the Board of Directors of the Company and who holds office upto the date of this 29th Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, for a term of 5 (Five) years commencing from

May 21, 2021 to May 20, 2026 and he shall not be liable to retire by rotation.”

9. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Rama Bijapurkar (DIN: 00001835), who was appointed as an Additional Independent Director with effect from May 21, 2021, by the Board of Directors of the Company and who holds office upto the date of this 29th Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, for a term of 5 (Five) years commencing from May 21, 2021 to May 20, 2026 and she shall not be liable to retire by rotation.”

10. To consider and, if thought fit, to pass the following resolution as a Ordinary Resolution:

“RESOLVED THAT in conformity with the provisions of Article 115 of the Articles of Association of the Company and pursuant to the provisions of Section 197 of the Companies Act, 2013 (“the Act”), read with Schedule V, and Rules thereto, and Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors (Other than Managing Director and Whole-time Directors) of the Company, to be determined by the Board of Directors for each Non- Executive Director for each financial year for a period five years from the financial year ending on March 31, 2022 up to and including financial year ending on March 31, 2026 to be calculated in accordance with the provisions of Section 198 of the Act and distributed between such Non-Executive Directors in such a manner as the Board of Directors may from time to time determine, within the maximum limit of 1.00% (one per cent) of net profits of the Company or such other limit as may be specified in the Act from time to time, in addition to the sitting fees

being paid to them by the Company for attending the Board/Committee Meetings of the Company.”

By order of the Board of Directors
For Sun Pharmaceutical Industries Ltd.

Sunil R. Ajmera
Company Secretary

Place: Mumbai
Date: May 27, 2021

Registered Office:
SPARC, Tandalja,
Vadodara - 390 012.
Gujarat, India

* The Interim Dividend at ₹5.50/- per equity share of ₹1/- on 2,39,84,09,970 equity shares amounting to ₹13,19,12,54,835/-, has been paid on February 17, 2021, excluding interim dividend on 9,25,000 equity shares amounting to ₹50,87,500/- which had been waived to be received, by one of the shareholders.

** The actual Final Dividend for the financial year 2020-21 on equity shares to be declared/ approved by the members at the 29th Annual General Meeting will be for equity shares other than the equity shares in respect of which the equity shareholder(s) has/have waived/forgone his/her/their right to receive the dividend for the financial year ended March 31, 2021 in accordance with the rules framed by the Board as per Note no. 16 hereinafter appearing.

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) relating to the Special Business(es) to be transacted at the 29th Annual General Meeting of the Company (the “Meeting” or “AGM”) under Item Nos. 5 to 10, is annexed hereto. The relevant details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Clause 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment/ re-appointment as Directors and fixation of the terms of remuneration of Directors are 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 can 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, and General Circular No. 02/2021 dated January 13, 2021 (hereinafter referred to as "MCA Circulars"). The forthcoming 29th AGM of the Company scheduled on August 31, 2021 will thus be held through video conferencing ("VC") or other audio visual means ("OAVM"). Hence, Members can attend and participate in the ensuing 29th AGM through VC/OAVM.

3. In line with MCA Circulars read with circulars issued by Securities Exchange Board of India (SEBI) vide SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (hereinafter referred to as "SEBI Circulars"), the Notice of 29th AGM along with the Annual Report for 2020-21 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. ("RTA") / Depositories. Members may note that the Notice of the 29th AGM along with the Annual Report 2020-21 is also available for download on the website of the Company at www.sunpharma.com and on the websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
4. Pursuant to MCA Circulars read with SEBI Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this 29th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the 29th AGM through VC/OAVM and cast their votes through e-voting.
5. In compliance with the MCA General Circular No. 20/2020 dated May 5, 2020, the item nos. 5 to 10 forming part of Special Business of this Notice are considered unavoidable and form part of this Notice.
6. Corporate members intending to appoint authorised representative(s) to attend and vote on their behalf at the 29th AGM are requested to submit to the Company a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising their representative(s) to attend and vote by e-mail to secretarial@sunpharma.com or scrutinizer@sunpharma.com before the commencement of the 29th AGM.
7. In case of joint holders attending the 29th AGM, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote, provided the votes are not already cast by remote e-voting.
8. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, August 25, 2021 to the date of the 29th AGM of the Company to be held on Tuesday, August 31, 2021 (both days inclusive) for the purpose of the 29th AGM of the Company and for the payment of Final Dividend for the year 2020-21.
9. Shareholders who would like to express their views/ ask questions during the 29th AGM may register themselves as a speaker by sending their request, mentioning their name, demat account number/folio number, e-mail id and mobile number, at secretarial@sunpharma.com between August 20, 2021 to August 25, 2021. The shareholders who do not wish to speak during the AGM but have queries may send their queries, mentioning their name, demat account number/folio number, e-mail id and mobile number, to secretarial@sunpharma.com. These queries will be suitably replied to by the Company by e-mail.
10. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting for a maximum time of 3 (three) minutes each, once the floor is open for shareholder queries. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.
11. For receiving all communication (including Notice and Annual Report) from the Company electronically:
 - (a) Members holding shares in physical mode and who have not registered/ updated their e-mail addresses with the Company/ RTA are requested to register/ update the same by writing to the Company/ RTA with details of folio number and attaching a self-attested copy of the PAN Card at secretarial@sunpharma.com or to the Company's RTA at rnt.helpdesk@linkintime.co.in.
 - (b) Members holding shares in dematerialised mode are requested to register/ update their e-mail addresses with the relevant Depository Participants.
12. Members will be able to attend the 29th AGM on August 31, 2021 through VC/ OAVM or view the live webcast by following the instructions detailed in Note no. 30.
13. Relevant registers as required under the Companies Act, 2013 and the relevant documents referred to in the Notice and the Explanatory Statement will be available for inspection electronically upto the date of 29th AGM, and during the meeting hours. Those shareholders who wish to inspect the aforementioned documents electronically may send their requests to secretarial@sunpharma.com, mentioning their name, demat account number/folio number, e-mail id and

mobile number. The aforementioned documents shall be available for physical inspection at the registered office of the Company, on all working days, except Saturdays and Sundays, between 11:00 a.m. IST and 1:00 p.m. IST, upto the date of 29th AGM.

14. The Board of Directors at its Meeting held on January 29, 2021 had declared an Interim Dividend of ₹5.50/- per Equity Share of ₹1/- each. The Interim Dividend was paid on February 17, 2021 to those shareholders who held shares as on February 10, 2021, being the record date for payment.
15. The Board of Directors at its Meeting held on May 27, 2021, recommended a Final Dividend of ₹2/- (Rupees Two only) per equity share of ₹1/- each of the Company for the year ended March 31, 2021 and the same if declared/ approved at the 29th AGM, will be paid on or before September 17, 2021, to the Company's members whose names stand in the Register of Members as beneficial owners at the close of business hours on Tuesday, August 24, 2021 as per the list provided by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in respect of shares held in electronic form and as members in the Register of Members of the Company after giving effect to valid transmissions lodged with the Company on or before Tuesday, August 24, 2021.
16. At the Extra Ordinary General Meeting of the members of the Company held on September 1, 2003, the members had approved, by way of a Special Resolution, certain amendments whereby few Articles were inserted in the Articles of Association of the Company relating to enabling the Company to implement any instruction from member(s) of the Company to waive / forgo his / their right to receive the dividend (interim or final) from the Company for any financial year. The above referred amendments as approved at the aforesaid Extra Ordinary General Meeting have been retained and are inter alia forming part of new set of Articles of Association adopted at the 24th Annual General Meeting of the Company held on September 17, 2016. Thus, the members of the Company can waive / forgo, if he / they so desire(s), his / their right to receive the dividend (interim or final) for any financial year effective from the dividend recommended by the Board of Directors of the Company for the year ended March 31, 2004 on a year to year basis, as per the rules framed by the Board of Directors of the Company from time to time for this purpose. The member, if so wishes to waive / forgo the right to receive Dividend for the year ended March 31, 2021, shall fill up the form and send it to the Company's RTA on or before Tuesday, August 24, 2021. The form prescribed by the Board of Directors of the Company for waiving / forgoing the right to receive Dividend for any year shall be available for download

on the Company's website www.sunpharma.com under section "Investor - Shareholder's Information- Statutory Communication" or can also be obtained from the Company's RTA.

The Board of Directors of the Company at its meeting held on September 01, 2003 have framed the following rules under old Article 190A (corresponding Article 142 as per the new set of Articles of Association) of the Articles of Association of the Company for members who want to waive / forgo the right to receive dividend in respect of financial year 2002-2003 or for any year thereafter:

- I. A Shareholder can waive / forgo the right to receive the dividend (either final and / or interim) to which he is entitled, on some or all the Equity Shares held by him in the Company as on the Record Date / Book-closure Date fixed for determining the names of Members entitled for such dividend. However, the Shareholder cannot waive / forgo the right to receive the dividend (either final and / or interim) for a part of percentage of dividend on a share(s).
- II. The Equity Shareholder(s) who wish to waive/ forgo the right to receive the dividend for any year shall inform the Company in the form prescribed by the Board of Directors of the Company only.
- III. In case of joint holders holding the Equity Shares of the Company, all the joint holders are required to intimate to the Company in the prescribed form their decision of waiving / forgoing their right to receive the dividend from the Company.
- IV. The Shareholder, who wishes to waive / forgo the right to receive the dividend for any year shall send his irrevocable instruction waiving / forgoing dividend so as to reach the Company before the Record Date / Book Closure Date fixed for the payment of such dividend. Under no circumstances, any instruction received for waiver / forgoing of the right to receive the dividend for any year after the Record Date / Book Closure Date fixed for the payment of such dividend for that year shall be given effect to.
- V. The instruction once given by a Shareholder intimating his waiver / forgoing of the right to receive the dividend for any year for interim, final or both shall be irrevocable and cannot be withdrawn for that particular year for such waived/ forgone the right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Record Date / Book Closure Date fixed for the payment of such dividend, the instruction once exercised by

such earlier Shareholder intimating his waiver / forgoing the right to receive dividend will be invalid for the next succeeding Shareholder(s) unless such next succeeding Shareholder(s) intimates separately in the prescribed form, about his waiving / forgoing of the right to receive the dividend for the particular year.

interference with a Shareholder's Right to receive the dividend, if he does not wish to waive / forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.

- VI. The Equity Shareholders who wish to waive / forgo their right to receive the dividend for any year can inform the Company in the prescribed form only after the beginning of the relevant financial year for which the right to receive the dividend is being waived / forgone by him.
- VII. The instruction by a Shareholder to the Company for waiving / forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholder(s). There is no

- VIII. The decision of the Board of Directors of the Company or such person(s) as may be authorised by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and / or implementation of these Rules.
- IX. These Rules can be amended by the Board of Directors of the Company from time to time as may be required.

17. The members of erstwhile Tamilnadu Dadha Pharmaceuticals Limited; erstwhile Gujarat Lyka Organics Limited; erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited; who have not yet sent their share certificates of erstwhile Tamilnadu Dadha Pharmaceuticals Limited; erstwhile Gujarat Lyka Organics Limited; erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited, respectively for exchange with the share certificates of Sun Pharmaceutical Industries Limited, are requested to do so at the earliest, provided their shares are not already transferred to IEPF, since share certificates of the erstwhile Tamilnadu Dadha Pharmaceuticals Limited; erstwhile Gujarat Lyka Organics Limited; erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited are no longer tradable / valid.
18. The members may be aware that the equity shares of the Company had been subdivided from 1 (One) equity share of ₹5/- (Rupees Five Only) each to 5 (Five) equity shares of ₹1/- each on November 29, 2010 based on the Record Date of November 26, 2010. The members who have yet not sent their share certificates of ₹5/- (Rupees Five Only) each of the Company for exchange with new equity shares of ₹1/- each are requested to send the same to the Company's RTA, provided their shares are not already transferred to IEPF, since the old share certificates of ₹5/- (Rupees Five Only) each are no longer tradable.
19. Pursuant to the amendments introduced by the Finance Act, 2020, the dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. However, no tax will be deducted on payment of dividend to the resident individual shareholders, if the total dividend paid does not exceed ₹5,000/-. The rate of tax deducted at source will vary depending on the residential status of the shareholder and documents registered with the Company.

a) RESIDENT SHAREHOLDERS

i) Tax Deductible at Source for resident shareholders

Sr. No.	Particulars	Rate of Deduction of Tax at Source	Documents Required (if any)
1.	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought)
2.	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought).
3.	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the Certificate	Lower/nil tax deduction certificate obtained from Income Tax Authority

- ii) No Tax Deductible at Source on dividend payment to resident shareholders if the shareholders submit and register following documents mentioned in column no. 4 of the below table with the Company/ Company's RTA – Link Intime India Private Limited

Sr. No.	Particulars	Rate of Deduction of Tax at Source	Documents Required (if any)
1.	Submission of Form No. 15G/15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form No.15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions. Please download Form No. 15G / 15H from the Income Tax website www.incometaxindia.gov.in
2.	Securitisation Trust	NIL	Copy of registration/ document evidencing the shareholder being a securitisation trust (as defined in clause (d) of the Explanation below section 115TCA).
3.	Shareholders to whom section 194 of the Income Tax Act, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence that the said provisions are not applicable.
4.	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds specified u/s 10(23D) of the Income-tax Act, 1961.	NIL	Documentary evidence for coverage u/s 196 of the Income Tax Act, 1961
5.	Category I and II Alternative Investment Fund	NIL	SEBI AIF registration certificate to claim benefit u/s 197A (1F) read with section 10(23FBA) of the Income Tax Act, 1961
6.	<ul style="list-style-type: none"> • Recognised provident funds • Approved superannuation fund • Approved gratuity fund 	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
7.	National Pension System Trust referred to in section 10(44) of the Income-tax Act, 1961	NIL	No TDS as per section 197A (1E) of the Income Tax Act, 1961

- iii) The Finance Act, 2021 inserted a new section, section 206AB as a special provision providing for higher rates of TDS for non-filers of income tax returns. The said section is effective from July 1, 2021. The provisions of section 206AB of the Income-tax Act, 1961 provide for higher rates of withholding tax, in instances where the specified person entitled to receive the money (deductee):

- a) has not filed income tax returns for two Assessment Years ('AYs') relevant to the two Previous Years ('PYs') immediately prior to the PY in which tax is deducted;
- b) Time limit to file the returns under section 139(1) of the Income-tax Act, 1961 for both the PYs has expired; and
- c) Aggregate TDS and TCS in his case are ₹50,000 or more in the each of these two PYs.

Higher rates of TDS for the purpose of section 206AB of the Income-tax Act, 1961:

The TDS rate for payments made to the specified persons stated above, shall be the higher of the following:

- at twice the rate specified in the relevant provision;
- at twice the rate in force; or
- at the rate of 5%.

If the provision of section 206AA of the Income-tax Act, 1961 (deduction of tax at higher rate for non-furnishing of PAN by the deductee) is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this section and in section 206AA of the Income-tax Act, 1961.

Further, the Central Board of Direct Taxes has issued a circular no. 11 of 2021 to notify a functionality “Compliance Check for Sections 206AB & 206CCA” on the reporting portal of the Income-tax Department to facilitate the tax deductor/collector to check if the deductee/collectee is a ‘specified person’ under Section 206AB.

In view of the above, the Company would check whether shareholder is a ‘specified person’ under section 206AB and if any shareholder is found as a ‘specified person’ as defined in Section 206AB then the Company shall be liable to deduct tax at source at higher rate in such case.

b) NON-RESIDENT SHAREHOLDERS

Tax deducted at source on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following documents with the Company/ Company’s RTA - Link Intime India Private Limited

Sr. No.	Particulars	Rate of Deduction of Tax at Source	Documents Required (if any)
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate.
2.	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate, whichever is beneficial	To avail beneficial rate of tax as per applicable tax treaty, following documents would be required: <ol style="list-style-type: none"> 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. Permanent Account Number (PAN) 3. Form No. 10F duly filled in & signed 4. Self-declaration by the shareholder for non-existence of permanent establishment/ fixed base in India 5. Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, General Anti Avoidance Rule (GAAR), Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements. <p>(Note: Application of beneficial tax treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and review to the satisfaction of the Company)</p>
3.	Indian Branch of a Foreign Bank	NIL	Lower/nil tax deduction certificate u/s 195(3) obtained from Income Tax Authority. Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank.
4.	Overseas Trust	20% (plus applicable surcharge and cess)	The overseas trust can also be given the tax treaty rate. However, the same can be litigative and hence, on a conservative basis, withholding on dividends paid to overseas trust should be as per Income-tax Act, 1961 only
5.	Availability of Lower/Nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the Certificate	Lower/Nil tax deduction certificate obtained from Income Tax Authority

c) The Company will issue soft copy of TDS certificate to its shareholders through e-mail registered with Company / Company’s RTA post payment of dividend. Shareholders will be able to download the TDS certificate from the Income Tax Department’s website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).

d) The aforesaid documents such as Form No. 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower/Nil Tax deduction certificate etc. can be

submitted to the Company / Company’s RTA at sunpharmadivtax@linkintime.co.in or can be uploaded on the link <https://linkintime.co.in/formsreg/submissionof-form-15g-15h.html> on or before August 24, 2021 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/ deduction received post 11:59 PM (IST) of August 24, 2021 shall not be considered for the payment of Final Dividend for the financial year 2020-21.

All queries/ grievances/ issues in this regard shall be attended/ addressed on rnt.helpdesk@linkintime.co.in.

- e) Application of TDS rate is subject to necessary verification as per details as available in Register of Members as on the Record Date, i.e. Tuesday, August 24, 2021, and other documents available with the Company / Company's RTA.
- f) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund from the Income-tax department.
- g) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such
20. Pursuant to Section 124 of the Companies Act, 2013 the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). The Company will be transferring the unclaimed dividends during the financial years ending March 31, 2022 to March 31, 2028 as given below:

Dividend for Financial Year	Date of Declaration of Dividend Entitled	Rate of Dividend per share of ₹1/- each	Date on which Dividend will become due for transfer to IEPF
2013-2014	27.09.2014	₹1.50	27.10.2021
2014-2015	31.10.2015	₹3.00	29.11.2022
2015-2016	17.09.2016	₹1.00	16.10.2023
2016-2017	26.09.2017	₹3.50	28.10.2024
2017-2018	26.09.2018	₹2.00	27.10.2025
2018-2019	28.08.2019	₹2.75	29.09.2026
2019-2020 (Interim Dividend)	06.02.2020	₹3.00	11.03.2027
2019-20	27.08.2020	₹1.00	28.09.2027
2020-21 (Interim Dividend)	29.01.2021	₹5.50	04.03.2028

Members who have yet not encashed their dividend warrants, for the financial year ended March 31, 2014 and onwards are requested to approach the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India, to claim their unpaid Dividend. The Dividend declared for the financial year ended March 31, 2014 and remaining unpaid and unclaimed, will become due for transfer to the Investor Education and Protection Fund on October 27, 2021. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 27, 2020 (date of the last Annual General Meeting of the Company) on the website of the Company viz., www.sunpharma.com under head "Investor" sub-head "Shareholder Information" as well as on the website of the Ministry of Corporate Affairs viz., www.iepf.gov.in.

Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any assessment / appellate proceedings.

- h) This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.
- i) The tax withholding rates referred above are based on the law prevailing as on the date.
- j) In the event there is ambiguity in law or interpretation or matters concerning tax withholding, the highest applicable tax withholding rate shall be considered on a conservative basis.

21. The members may note that pursuant to Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time ("the Rules"), the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall be transferred to the demat account created by the IEPF Authority.

Consequently, the Company has transferred the shares to the IEPF Authority in respect of which dividend has remained unpaid or unclaimed from the financial year 2012-13 for 7 (seven) consecutive years, the details of which are available on website of the Company www.sunpharma.com under head "Investor" sub-head "Shareholder Information".

The shares in respect of which dividend has remained unpaid or unclaimed for 7 (seven) consecutive years commencing from the financial year 2013-14 are liable for transfer to the IEPF Authority pursuant to the

Rules. The details of such shares which are becoming due for transfer to IEPF Authority on October 27, 2021 are available on website of the Company www.sunpharma.com under head "Investor" sub-head "Shareholder Information". The shareholders are requested to claim their unpaid or unclaimed Dividend latest by October 13, 2021 after which date the Company shall initiate the process of transferring the eligible shares to the IEPF Authority.

The procedure to claim shares from IEPF Authority is provided on the website of the Company and can be accessed from: www.sunpharma.com under head "Investor" sub-head "Shareholder Information".

22. The members are requested to get their physical shares dematerialised, since vide SEBI Circular dated June 08, 2018 read with SEBI Circular dated December 03, 2018 with effect from April 1, 2019, except in case of transmission or transposition, the securities shall not be transferred unless they are held in the dematerialised form.
23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 29th AGM of the Company. For this purpose, the Company has appointed Central Depository Services (India) Limited ("CDSL") for facilitating voting through electronic means, as the authorised e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the 29th AGM will be provided by CDSL.
24. The Members will be able to join the 29th AGM in the VC/ OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure as detailed in this Notice. As per the MCA Circulars, the facility of participation at the 29th AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 29th AGM without restriction on account of first come first served basis.
25. The attendance of the Members attending the 29th AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
26. The voting rights of Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date ("Record Date"), i.e., as on Tuesday, August 24, 2021. A person who is not a Member as on the cut-off date should treat this Notice solely for information purposes. Those who acquire equity shares of the Company and become members of the Company after the Notice is sent, and hold equity shares as of the cut-off date, can vote/ attend the 29th AGM, in the manner as detailed in Note no. 30.
27. The Board of Directors have appointed Mr. Chintan Goswami, Partner of KJB & Co. LLP, Practising Company Secretaries, Mumbai and failing him, Mr. Alpesh Panchal, Partner of KJB & Co. LLP, Practising Company Secretaries, Mumbai as the Scrutiniser to scrutinise the e-voting during the 29th AGM by electronic mode and remote e-voting process in a fair and transparent manner. They have communicated their willingness to be appointed as such and they are available for the said purpose.
28. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 29th AGM has been uploaded on the website of the Company at www.sunpharma.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The 29th AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the 29th AGM) i.e. www.evotingindia.com.
29. The 29th AGM has been convened through VC/OAVM in compliance with the applicable provisions of the Companies Act, 2013 read with the MCA Circulars.
30. **Instructions for Remote E-Voting and E-Voting during the Meeting :**
 - (i) **The remote e-voting period begins on Saturday, August 28, 2021 at 09:00 a.m. and ends on Monday, August 30, 2021 at 05:00 p.m.**
During this period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e. Tuesday, August 24, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those members who will be present in the 29th AGM through VC/ OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 29th AGM.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to cast their vote again.
 - (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of the Listing Regulations

listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

In order to increase the efficiency of the voting process, pursuant to a public consultation, SEBI has decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-voting service providers, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail id in their demat accounts in order to access e-voting facility.

Pursuant to aforesaid circular, login method for e-voting and joining virtual meetings for individual shareholders holding securities in demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider i.e. CDSL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of e-voting service provider i.e. CDSL, so that the user can visit the e-voting service provider's website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of the respective e-voting service provider, i.e. CDSL.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name – Sun Pharmaceutical Industries Limited or e-voting service provider name - CDSL and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name - Sun Pharmaceutical Industries Limited or e-voting service provider name - CDSL and you will be redirected to CDSL's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name – Sun Pharmaceutical Industries Limited or e-voting service provider name - CDSL, and you will be redirected to CDSL website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on “Shareholders” module.
- Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Physical shareholders and shareholders other than individual holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number/ e-voting code sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily

enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with

any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN no. 210720008 for Sun Pharmaceutical Industries Limited.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., to the Scrutiniser and to the Company at the e-mail address viz; secretarial@sunpharma.com (designated e-mail address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

Process for shareholders to register / update their e-mail addresses/ mobile nos. with the depositories/ RTA:

1. **For Physical shareholders** – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to Company/RTA e-mail id.
2. **For Demat shareholders** - Please update your e-mail id & mobile no. with your respective Depository Participant (DP).
3. **For Individual Demat shareholders** – Please update your e-mail id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

(xvii) Instructions for shareholders attending the 29th AGM through VC/OAVM & E-voting during the 29th AGM are as under:-

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the 29th AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
8. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

(xviii) In case you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting system, you may write an e-mail to helpdesk.evoting@cdslindia.com or contact 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call on 022-23058542/ 43.

31. The Scrutiniser will, immediately after the conclusion of voting at the 29th AGM, start scrutinising the votes cast at the Meeting along with remote e-voting and prepare a consolidated Scrutiniser's Report and submit thereafter to the Chairman of the Meeting or any person authorised by him in writing. The voting result declared along with the consolidated Scrutiniser's Report will be placed on the Company's website at www.sunpharma.com and on the website of CDSL at www.evotingindia.com, as well as displayed on the notice board at the Registered Office and Corporate Office of the Company, within 48 hours of the conclusion of the Meeting. The Company will simultaneously forward the voting results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

As required under Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out material facts relating to the Special Business as set out at Item Nos. 5 to 10 of the accompanying Notice dated May 27, 2021.

Item No. 5:

M/s. B M Sharma & Associates, Cost Accountants, have been appointed as the Cost Auditors by the Board of Directors of the Company on recommendation of the Audit Committee, for conducting audit of cost records pertaining to the formulations and bulk drugs activities of the Company for the financial year ending March 31, 2022 at a remuneration of ₹26,50,000/- (Rupees Twenty Six Lakhs Fifty 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, member's ratification is required for remuneration payable to the Cost Auditors.

Therefore, consent of the members of the Company is being sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

The Board recommends the resolution as set out at item no. 5 of the Notice for approval of the members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution as set out in Item no. 5 of this Notice.

Item No. 6:

At the 26th Annual General Meeting of the Company, the members had re-appointed Mr. Kalyanasundaram Subramanian ("Mr. Kal") (DIN: 00179072) as Whole-time Director for a period of two years which was upto February 13, 2021. Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors have approved re-appointment and remuneration of Mr. Kal, for a further period of two years with effect from February 14, 2021, subject to the approval of the members. Therefore it is proposed to obtain approval of the members for re-appointment of Mr. Kal for a further period of 2 (two) years effective from February 14, 2021 to February 13, 2023 at maximum remuneration of ₹9 crores per annum as detailed in Resolution set out in Item no. 6 of this Notice.

The Nomination and Remuneration Committee has recommended the re-appointment of Mr. Kal at such

remuneration and terms and conditions as mentioned in his existing appointment letter and draft agreement, which are detailed in Resolution set out in Item no. 6 of this Notice, for his re-appointment, and the same was approved by the Board, subject to the approval of the members at this 29th AGM.

The remuneration proposed in the resolution is the maximum limit of remuneration of Mr. Kal, within which limit the Nomination and Remuneration Committee and the Board shall approve the actual remuneration to be paid to Mr. Kal. The present actual remuneration paid/ payable to him for the year 2020-21 is ₹6.54 crores per annum (including variable pay of ₹0.76 crores). The members at the 27th Annual General Meeting had approved maximum remuneration of ₹9 crores per annum and it is proposed to the members that the maximum limit of ₹9 crores per annum be continued as his maximum remuneration for his term of re-appointment i.e. from February 14, 2021 to February 13, 2023.

Pursuant to provisions of Section 197 read with Schedule V of the Act, in case the Company has no profits/ inadequate profits in any financial year during the tenure of the Director, the minimum remuneration shall be paid to such Director, as may be decided by the Board of Directors, if the approval of members is obtained by way of Special Resolution. The net profit of the Company is not inadequate presently. However for any reason in future years, the profits are inadequate or are absent in terms of the Act during the term of Mr. Kal, it is proposed to seek members' approval by Special Resolution, to enable the Company to pay Minimum Remuneration as per the proposed resolution to Mr. Kal, for his re-appointment as the Whole-time Director.

Members' approval is therefore sought for his re-appointment as Whole-time Director and maximum remuneration to be paid to Mr. Kal, as stated aforesaid and detailed in the resolution, for a further period of three years, that is, from February 14, 2021 upto February 13, 2023, including the Minimum Remuneration to be paid to him in event of loss or inadequacy of profits in any financial year during the aforesaid period, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The additional information as required by Schedule V to the Companies Act, 2013 is provided under the heading "Statement of Information for the Members pursuant to Section II of Part II of Schedule V to the Companies Act, 2013" with this Notice.

This explanatory statement and the Resolution set out at Item No. 6 of this Notice may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The copy of the draft agreement to be entered into with Mr. Kal is available for inspection by any member as detailed in point no. 13 of Notes to Notice of this 29th Annual General Meeting.

Mr. Kal is having rich experience in pharmaceutical industry and has successfully contributed towards the growth of the Company. His brief profile is provided under heading "Profile of Directors" forming part of this Notice.

The Board recommends the Resolution as set out at Item no. 6 of the Notice for approval of the Members as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Kal to whom this resolution pertains and his relatives, are in any way concerned or interested in the Resolution as set out at Item no. 6 of this Notice.

Item No. 7:

Mr. Sailesh T. Desai (DIN: 00005443) was re-appointed as Whole-time Director by way of a special resolution passed by the members at the 26th Annual General Meeting of the Company held on September 26, 2018 for a period of 5 (five) years effective from April 1, 2019 upto March 31, 2024.

Further, the Members, by way of a special resolution at the 26th AGM, had approved the maximum remuneration to be paid to Mr. Sailesh T. Desai, Whole-time Director for a period of 3 years with effect from April 1, 2019 to March 31, 2022, including the remuneration to be paid to him in event of loss or inadequacy of profits in any financial year during the aforesaid period, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. It is now proposed to obtain approval of the Members for remuneration to be paid to Mr. Sailesh T. Desai for further period of two years i.e. from April 1, 2022 to March 31, 2024, which is the remaining period of his present term of appointment.

The maximum remuneration to Mr. Sailesh T. Desai, approved by the members at the 26th AGM for the period from April 1, 2019 to March 31, 2022, was ₹1.80 crores per annum, within which limit the Nomination and Remuneration Committee and the Board approve the remuneration to be paid to Mr. Sailesh T. Desai. The present actual remuneration paid/ payable to Mr. Sailesh T. Desai for the year 2020-21 is ₹1.68 crores per annum. Therefore the maximum limit of ₹2 crores per annum is proposed to the members as his maximum remuneration for remaining period of his present term of appointment i.e. from April 1, 2022 to March 31, 2024. This maximum remuneration of ₹2 crores per annum has also been recommended and approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, as detailed in Resolution set out in Item no. 7 of this Notice.

Pursuant to provisions of Section 197 read with Schedule V of the Act, in case the Company has no profit/ inadequate profits in any financial year during the tenure of the Director, the minimum remuneration shall be paid to such Director, as may be decided by the Board of Directors, if the approval of members is obtained by way of Special Resolution. The net profit of the Company is not inadequate presently. However for any reason in future years, the profits are inadequate or are absent in terms of the Act during the term of Mr. Sailesh T. Desai, it is proposed to seek members' approval by Special Resolution, to enable the Company to pay Minimum Remuneration as per the proposed resolution to Mr. Sailesh T. Desai, for his remaining tenure as the Whole-time Director.

Members' approval is therefore sought for maximum remuneration to be paid to Mr. Sailesh T. Desai, as stated aforesaid and detailed in the resolution, for the remaining period of his term of appointment, that is, from April 1, 2022 to March 31, 2024, including the Minimum Remuneration to be paid to him in event of loss or inadequacy of profits in any financial year during the aforesaid period, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

It may be noted that the main terms and conditions of Mr. Sailesh T. Desai's appointment, other than the term of remuneration as stated aforesaid, shall remain the same as per the resolution passed by the members at the 26th Annual General Meeting of the Company held on September 26, 2018 and the Agreement between the Company and Mr. Sailesh T. Desai.

The additional information as required by Schedule V to the Companies Act, 2013 is provided under the heading "Statement of Information for the Members pursuant to Section II of Part II of Schedule V to the Companies Act, 2013" with this Notice.

This explanatory statement and the Resolution set out at Item No. 7 of this Notice may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The copy of the draft revised agreement with respect to the term of remuneration, to be entered into with Mr. Sailesh T. Desai is available for inspection by any member as detailed in point no. 13 of Notes to Notice of this 29th Annual General Meeting.

Mr. Sailesh T. Desai has more than 35 years of industrial experience, including more than 30 years in the pharmaceutical industry. His brief profile is provided under heading "Profile of Directors" forming part of this Notice.

The Board recommends the Resolution as set out at Item no. 7 of the Notice for approval of the Members as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Sailesh T. Desai, to whom this resolution pertains and his relatives, are in any way concerned or interested in the Resolution as set out at Item no. 7 of this Notice.

Item No. 8 & 9:

Dr. Pawan Goenka (DIN: 00254502) was appointed as an Additional Independent Director with effect from May 21, 2021, in terms of Section 161(1) of the Companies Act, 2013 ("Act"), by the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee. Pursuant to the provisions of the aforesaid section of the Act, Dr. Pawan Goenka holds office upto to the conclusion of this 29th Annual General Meeting.

Ms. Rama Bijapurkar (DIN: 00001835), was also appointed as an Additional Independent Director with effect from May 21, 2021, in terms of Section 161(1) of the Act, by the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee. Pursuant to the provisions of the aforesaid section of the Act, Ms. Rama Bijapurkar holds office upto to the conclusion of this 29th Annual General Meeting.

In order to further increase the Board strength, to diversify the Board and to help bring in diverse thoughts and ideas at the Board level and thereby ensure that the board achieves better decision making and governing abilities, with the diversity of thought, experience, knowledge, perspective and gender in the board of directors, the Nomination and Remuneration Committee, and the Board of Directors recommend their appointment as Independent Directors of the Company by the members.

It may be noted that Ms. Rekha Sethi, who is presently an Independent Woman Director of the Company, would be retiring as a Director at the ensuing 29th AGM, on completing the 2nd term of her appointment with the Company and therefore there would be need to induct an Independent Woman Director in accordance with provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dr. Pawan Goenka earned his B. Tech. in Mechanical Engineering from IIT, Kanpur and Ph.D. from Cornell University, U.S.A. He is also a Graduate of Advanced Management Program from Harvard Business School.

Ms. Rama Bijapurkar holds a BSc (Hons) degree in Physics from Delhi University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad.

A brief profile and other particulars of Dr. Pawan Goenka and Ms. Rama Bijapurkar, as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries

of India, are provided under heading "Profile of Directors" forming part of this Notice.

Pursuant to Sections 149, 152 and Schedule IV of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Nomination and Remuneration Committee and the Board of Directors recommend to the members for their approval, the appointment of Dr. Pawan Goenka and Ms. Rama Bijapurkar as Independent Directors, for a term of 5 (five) years for each of them, commencing from the date of their appointment by the Board i.e from May 21, 2021 upto May 20, 2026, for both.

Accordingly, the approval of members is being sought for appointment of Dr. Pawan Goenka and Ms. Rama Bijapurkar as Independent Directors, for a term of 5 (five) years i.e from May 21, 2021 upto May 20, 2026 for each, and during their tenure of appointment they shall not be liable to retire by rotation.

Dr. Pawan Goenka and Ms. Rama Bijapurkar, shall be entitled to sitting fees for attending the meeting of the Board and committees at the rate as is paid to other independent and non-executive directors of the Company and commission, if any, as may be decided by the Board from time to time.

The Company has received declaration from Dr. Pawan Goenka and Ms. Rama Bijapurkar, stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, they fulfil the conditions specified in the said Act and the rules made thereunder for appointment as Independent Directors of the Company and that they are independent of the management.

The Company has also received notices pursuant to Section 160 of the Act from members of the Company proposing the candidature for appointment of Dr. Pawan Goenka and Ms. Rama Bijapurkar as Independent Directors of the Company.

The draft letter of appointment of Dr. Pawan Goenka and Ms. Rama Bijapurkar, setting out the terms and conditions of appointment is being made available for inspection by any member as detailed in point no. 13 of Notes to Notice of this 29th Annual General Meeting.

The Board of Directors recommend the resolutions as set out in item no. 8 and 9 of this Notice for approval of the members as Ordinary Resolutions.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Dr. Pawan Goenka and Mr. Rama Bijapurkar and their relatives, for their respective resolutions relating to their appointment, are in any way concerned or interested in the resolutions as set out at Item no. 8 and 9 of this Notice

Item No. 10:

With the enhanced role of Directors under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, coupled with the size, complexity and global operations of the Company, the role and responsibilities of the Non-executive Directors, including Independent Directors, has become more onerous, requiring greater time commitments, attention and a higher level of oversight. In view of the above, the Board of Directors recommended passing of an enabling resolution for the payment of commission to the Non-Executive Directors of the Company (other than the Managing Director and/or Whole-time Directors of the Company) of the Company not exceeding in aggregate 1.00% of the net profits of the Company to be determined by the Board of Directors for each such Director for each financial year for a period of five years commencing from the financial year ending on March 31, 2022 up to and including financial year ending on March 31, 2026 to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine in terms of Section 197 of the Act, and computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified from time to time. Regulation 17(6) of the Listing Regulations authorises the Board of Directors to recommend all fees and compensation, if any, paid to Non-Executive Directors and the same would require approval of members in general meeting.

In the event of loss or absence/ inadequacy of profits, the maximum amount of commission payable to the Non-executive Directors shall be calculated in accordance with Schedule V of the Companies Act, 2013.

The above commission shall be in addition to sitting fees payable to the Director(s) for attending meetings of the Board/Committees or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

The Board of Directors recommends the passing of the resolution at Item No. 10 of the Notice convening the Meeting for the approval of the Members as Ordinary Resolution.

All the Non-Executive Directors of the Company, i.e Mr. Israel Makov, Mr. Gautam Doshi, Ms. Rekha Sethi, Mr. Sudhir V. Valia, Mr. Vivek Chaand Sehgal, Mr. Pawan Goenka and Ms. Rama Bijapurkar and their respective relatives are deemed to be concerned or interested in this resolution. Mr. Dilip S. Shanghvi, Managing Director of the Company, being the brother in law of Mr. Sudhir V. Valia, is also deemed to be concerned or interested in this resolution.

PROFILE OF DIRECTORS

(Details of Directors proposed to be appointed/ reappointed)

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS - 2), the particulars of Directors who are proposed to be appointed/ reappointed/ whose terms of remuneration are being fixed at this 29th Annual General Meeting, are given below:

The details of Board and Committee Meetings attended by these Directors during the year 2020-21 are stated in the Corporate Governance Report which forms part of this Annual Report.

The details of remuneration, wherever applicable, are provided in the respective resolution(s).

Particulars	Mr. Dilip S. Shanghvi
Age	66 Years
Brief resume of the Director including nature of expertise in specific functional areas:	<p>Mr. Dilip S. Shanghvi is a graduate in commerce from the Kolkata University. He is the Managing Director of the Company and Chairman of Sun Pharma Advanced Research Company Ltd, He is the founding partner of Sun Pharmaceutical Industries, a firm which was later converted into Sun Pharmaceutical Industries Limited (SPIL) in 1993. Under his leadership, SPIL has recorded an all-round growth in business. He has extensive experience in the pharmaceutical industry. As the promoter of SPIL, he has been actively involved in international pharmaceutical markets, business strategy, business development and research and development functions in the Company.</p> <p>Mr. Shanghvi was conferred with the prestigious 'Padma Shri' award by the Hon'ble President of India in the year 2016. He is also recipient of several awards.</p> <p>He has also been conferred with Honorary Doctorate, by Tel Aviv University, Israel.</p>
Date of First appointment on the Board:	March 1, 1993
Directorship held in other companies (excluding foreign companies & section 8 companies):	<p>Sun Pharma Advanced Research Company Limited Sun Petrochemicals Private Limited Alfa Infracorp Private Limited Aditya Clean Power Ventures Private Limited</p>
Membership / Chairmanships of Committees of other public Companies:	<p>Sun Pharma Advanced Research Company Limited –</p> <ol style="list-style-type: none"> 1) Corporate Social Responsibility Committee - Member; 2) Fund Management Committee - Member 3) Securities Allotment Committee - Member 4) Risk Management Committee - Chairman
Inter-se Relationship between Directors:	Mr. Dilip S. Shanghvi is Brother-in-law of Mr. Sudhir V. Valia, Director of the Company
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2021:	230,285,690 Equity Shares

Particulars	Mr. Kalyanasundaram Subramanian
Age	67 Years
Brief resume of the Director including nature of expertise in specific functional areas:	<p>Mr. Kal joined Sun Pharmaceutical Industries Limited (SPIL) in January 2010 after 22 years with GSK in various parts of the world. Mr. Kal is a Chemistry graduate and a Chartered Accountant from India with 42 years of experience, of which some 35 years in the pharmaceutical industry. Mr. Kal's career in Pharma industry began when he joined Burroughs Wellcome, in New Zealand as Commercial Advisor in 1988. His long and varied career with Burroughs Wellcome in New Zealand which was acquired by Glaxo to become GlaxoWellcome and finally GlaxoSmithKline, includes assignments as Vice President, head of Classic Brands business of Emerging Markets; Area Director South Asia & Managing Director, GSK India; Managing Director - GlaxoWellcome, Singapore (Singapore, Indochina & Myanmar). Commercial Director - Burroughs Wellcome, New Zealand.</p> <p>In 2010, Mr. Kal Joined SPIL as the Chief Executive Officer to manage India and Emerging Markets (EM) and was a board member of the Company. Mr. Kalyansundaram Subramanian spearheaded opening of SPIL operations in few important markets such as Japan, MENA. In 2012, Mr. Kal moved to USA to assume responsibility for Taro operations in North America.</p> <p>In Jan 2017, Mr. Kal moved back to India to manage India and EM regions of SPIL, and then Mr Kal moved to become the Whole-time Director, Corporate Development and he has also assumed responsibility for Japan and China.</p>
Date of First appointment on the Board:	February 14, 2017
Directorship held in other companies (excluding foreign companies & section 8 companies):	Sun Pharma Laboratories Limited Sun Pharma Distributors Limited Trikaal Mediinfotech Private Limited AIOCD Pharmasofttech AWACS Private Limited Pharmarack Technologies Private Limited
Membership / Chairmanships of Committees of other public Companies:	<p>Sun Pharma Laboratories Limited 1) Corporate Social Responsibility Committee - Member</p> <p>Sun Pharma Distributors Limited 1) Corporate Social Responsibility Committee - Chairman</p>
Inter-se Relationship between Directors:	None
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2021:	Nil
Particulars	Mr. Sailesh T. Desai
Age	67 Years
Brief resume of the Director including nature of expertise in specific functional areas:	<p>Mr. Sailesh T. Desai is a science graduate from Kolkata University and is a successful entrepreneur with more than 35 years of wide industrial experience including more than 30 years in the pharmaceutical industry. Mr. Desai has extensive and comprehensive corporate affairs experience, being involved in the turnaround at Milmet prior to Sun Pharma's acquisition, as well as in the early stages of the company's growth.</p>
Date of First appointment on the Board:	March 25, 1999
Directorship held in other companies (excluding foreign companies & section 8 companies):	Sun Pharma Laboratories Limited Sun Pharmaceutical Medicare Limited Sun Pharma Distributors Limited Universal Enterprises Private Limited
Membership / Chairmanships of Committees of other public Companies:	<p>Sun Pharma Laboratories Limited 1) Nomination and Remuneration Committee - Member</p> <p>Sun Pharma Distributors Limited 1) Corporate Social Responsibility Committee - Member</p>
Inter-se Relationship between Directors:	None
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2021:	2,485,747 Equity Shares

Particulars	Dr. Pawan Goenka
Age	67 Years
Brief resume of the Director including nature of expertise in specific functional areas:	<p>Dr. Pawan Goenka earned his B. Tech. in Mechanical Engineering from IIT, Kanpur and Ph.D. from Cornell University, U.S.A. He is also a Graduate of Advanced Management Program from Harvard Business School. He worked at General Motors R&D Centre in Detroit, U.S.A. from 1979 to 1993. Thereafter, he joined Mahindra & Mahindra Ltd., as General Manager (R&D). During his R&D tenure he led the development of the Scorpio SUV. He was appointed COO (Automotive Sector) in April 2003, President (Automotive Sector) in September 2005, President (Automotive & Farm Equipment Sectors) in April 2010. Dr. Pawan Goenka was appointed Executive Director and President (AFS) on the Board of Mahindra & Mahindra Ltd. on 23rd September 2013. He retired from Mahindra as Managing Director and CEO on April 01, 2021. Dr. Goenka is credited with building a strong R&D and a wide product portfolio for Mahindra and is also widely recognised as a thought leader and statesman of the India Auto Industry.</p> <p>Dr. Goenka served on the boards of several Mahindra Group Companies both domestic and International. He served as the Chairman of Mahindra Vehicle Manufacturers Limited, Mahindra Electric Mobility Limited, SsangYong Motor Company, Mahindra Racing UK Limited, Mahindra Automotive North America Inc., Mahindra USA, and Automobili Pininfarina GmbH. Dr. Goenka continues as the Non-Executive Chairman of Mahindra Agri Solutions Ltd (MASL).</p> <p>Dr. Goenka has received several awards during his tenure in USA, such as the Extraordinary Accomplishment Award and the Charles L. McCuen Award from General Motors and the Burt L. Newkirk Award from ASME. He received the Distinguished Alumni Award from IIT Kanpur in 2004 and was also conferred with the Doctor of Science (honoris causa) in 2015. He is a Fellow of SAE International and of The Indian National Academy of Engineers and a member of National Academy of Engineers, USA.</p> <p>Dr. Pawan Goenka is a recipient of the Automotive Man of the Year award by NDTV Car & Bike, Autocar Professional's Man of the Year, and the CV Man of the Year by the Apollo CV Awards. Dr. Goenka has been awarded the 2016 FISITA Medal of Honour, which is bestowed for his 'particularly distinguished achievement and leadership in the global automotive industry' and is the first Indian to receive this prestigious recognition. He was presented with the Lifetime Achievement Award by Car India & Bike India in February 2020, the Param Shreshth Award by Car & Bike and the Lifetime Achievement Award by Autocar India, both in March 2021, for his leadership and contribution to the Indian Auto Industry.</p> <p>Dr. Goenka is past President of SIAM, of the Society of Automotive Engineers India, the ARAI Governing Council, and also served as a Board Member of National Skills Development Corporation (NSDC). He is a National Council Member and the Chairman of the National Mission on AtmaNirbhar Bharat of Confederation of Indian Industries (CII). He is currently serving as the Chairman of the Board of Governors of IIT Madras and IIT Bombay. He is the Chairperson of the Steering Committee for Advancing Local value-add and Exports (SCALE), an initiative under the Ministry of Commerce & Industry, Department for Promotion of Industry and Internal Trade (Government of India).</p>
Date of First appointment on the Board:	May 21, 2021
Directorship held in other companies (excluding foreign companies & section 8 companies):	Mahindra Agri Solutions Limited Bosch Limited Sylvan Realty Private Limited
Membership / Chairmanships of Committees of other public Companies:	<p>Mahindra Agri Solutions Limited</p> <p>1) Risk Management Committee - Member</p> <p>Bosch Limited</p> <p>1) Audit Committee - Member; 2) Nomination and Remuneration Committee - Member; 3) Corporate Social Responsibility Committee - Member; 4) Stakeholder's Relationship Committee - Chairman</p>
Inter-se Relationship between Directors:	None
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2021:	Nil

Particulars	Ms. Rama Bijapurkar
Age	64 Years
Brief resume of the Director including nature of expertise in specific functional areas:	<p>Ms. Rama Bijapurkar is a recognised thought leader on business-market strategy and India's consumer economy. She has an independent management consulting practice, works across sectors, and describes her domain as bringing market focus to business strategy. She is a Professor of Management Practice at Indian Institute of Management, Ahmedabad, and co-founder of People Research on India's Consumer Economy, a not-for-profit think tank and fact tank, on India's economy and citizen environment for use in business strategy and public policy.</p> <p>Ms. Bijapurkar is amongst India's most experienced independent board directors and has served on the boards of several of India's blue chip companies and public institutions.</p> <p>Ms. Bijapurkar is a dominant voice in the Indian media on business and policy issues, and is the author of hallmark books on Consumer India "We are like that only: Understanding the Logic of Consumer India", "A Never-Before World: Tracking the Evolution of Consumer India" (Penguin) and "Customer in the Boardroom - crafting customer based business strategy" (Sage)</p> <p>Ms. Bijapurkar holds a BSc (Hons) degree in Physics from Delhi University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. Her over four decades of work experience in strategy consulting and market research includes her own consulting practice, and employment with McKinsey & Company, MARG (now Nielsen India), Mode Services (now TNS India).</p>
Date of First appointment on the Board:	May 21, 2021
Directorship held in other companies (excluding foreign companies & section 8 companies):	<p>ICICI Bank Limited Mahindra & Mahindra Financial Services Limited Emami Limited Nestle India Limited VST Industries Limited Cummins India Limited</p>
Membership / Chairmanships of Committees of other public Companies:	<p>ICICI Bank Limited</p> <ol style="list-style-type: none"> 1) Board Governance, Remuneration and Nomination Committee - Member 2) Corporate Social Responsibility Committee - Member 3) Customer Service Committee - Chairperson <p>Mahindra & Mahindra Financial Services Limited</p> <ol style="list-style-type: none"> 1) Audit Committee - Member 2) Stakeholders' Relationship Committee - Chairperson 3) Risk Management Committee - Member 4) Corporate Social Responsibility Committee - Member <p>Nestle India Limited</p> <ol style="list-style-type: none"> 1) Stakeholders Relationship Committee - Chairperson 2) Corporate Social Responsibility Committee - Member <p>VST Industries Limited</p> <ol style="list-style-type: none"> 1) Audit Committee - Member 2) Stakeholders Relationship Committee - Chairperson 3) Nomination and Remuneration Committee - Chairperson 4) Risk Management Committee - Member 5) Corporate Social Responsibility Committee - Member 6) Strategy Committee - Member <p>Cummins India Limited</p> <ol style="list-style-type: none"> 1) Stakeholders Relationship Committee - Member 2) Risk Management Committee - Member 3) Corporate Social Responsibility Committee - Member
Inter-se Relationship between Directors:	None
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2021:	Nil

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 WITH RESPECT TO ITEM NOS. 6 & 7.

I. General Information:

(i) Nature of Industry:

The Company is engaged into development, manufacture, sale, trading, marketing and export of various pharmaceutical products.

(ii) Date or expected date of commencement of commercial production:

The Company carries on pharmaceutical business since its incorporation.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

(iv) Financial performance based on given indicators:

Standalone Financial Results:

Particulars	₹ in Crores except EPS)	
	2020-21	2019-20
Profit (Loss) after Tax	2,139.70	3,211.14
Total Equity (Share capital + Other equity)	25,040.16	24,396.22
Revenue from operations	12,803.21	12,531.93
Earnings Per Share	8.92	13.38

Consolidated Financial Results:

Particulars	₹ in Crores except EPS)	
	2020-21	2019-20
Profit (Loss) after Tax	2,903.82	3,764.93
Total Equity (Share capital + Other equity)	46,462.78	45,264.45
Revenue from operations	33,498.14	32,837.50
Earnings Per Share	12.1	15.7

(v) Foreign investments or collaborations, if any.

For details of investment made by the Company, please refer the schedule no. 5, 6 and 13 of the Standalone Financial Statements forming part of the Annual Report for 2020-21 being sent along with this Notice. The Company has not entered into any material foreign collaboration.

As on March 31, 2021, the Shareholding of Foreign Institutional Investors, Foreign Nationals and Foreign Companies, in the Company is detailed as under:

Particulars	No. of Shares	%
Foreign Portfolio Investors	27,99,78,304	11.67
Foreign Nationals	23,092	0.00
Non Resident Indians (Repat)	5,147,960	0.21
Non Resident Indians (Non Repat)	3,454,053	0.14
Foreign Companies	17,713	0.00
Overseas Bodies Corporate	46,000	0.00
Foreign Bank	13,836	0.00
Total	288,680,958	12.02

II. Information about the appointees:

(i) Background details

The background details and profile of Mr. Kal and Mr. Sailesh T. Desai are provided under the heading "PROFILE OF DIRECTORS" forming a part of this Notice.

(ii) Past remuneration

The remuneration paid/ payable for Financial Year 2020-21 was as follows:

₹ in Crores					
Name of Director	Salary ¹	Bonus	Perquisites/ Benefits ²	Variable pay	Total
Mr. Kalyanasundaram	5.10	0.41	0.26	0.76	6.54
Mr. Sailesh T. Desai	1.22	0.24	0.22	-	1.68

¹ Salary includes Special Allowance.

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

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

Further details are provided under the heading 'Remuneration to Directors' in the Corporate Governance Report forming part of the Annual Report for the financial year.

(iii) Recognition or awards

Nil

and their respective shareholding held directly or indirectly in the Company, Mr. Sailesh T. Desai and Mr. Kalyanasundaram Subramanian do not have any pecuniary relationship directly or indirectly with the Company and its managerial personnel.

(iv) Job profile and his suitability

- i. Mr. Kal, Whole-time Director of the Company, has around 35 years of experience in the pharmaceutical industry, and has successfully contributed towards the growth of the Company.
- ii. Mr. Sailesh T. Desai, Whole-time Director of the Company is highly experienced and provided significant contribution in some of the marketing areas for the products of the Company. He has more than 30 years of experience in the pharmaceutical industry.

Their detailed profile is provided under heading "Profile of Directors" forming part of this Notice

III. Other information:

(i) Reasons of loss or inadequate profits

Not Applicable

(ii) Steps taken or proposed to be taken for improvement

Not Applicable

(iii) Expected increase in productivity and profits in measurable terms

Not Applicable

(v) Remuneration proposed

Details of remuneration proposed for approval of the Shareholders at this 29th Annual General Meeting of the Company are as provided in the respective resolutions no. 6 & 7 in this Notice of 29th AGM.

IV. Disclosures:

The information and Disclosures of the remuneration package of both Directors have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration to Directors".

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The proposed remuneration being paid to the Whole-time Directors (looking at the profile of the position and person) is commensurate with the remuneration being paid by the Companies of comparable size in the industry in which the Company operates.

Mr. Kal and Mr. Sailesh T. Desai satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment. They are not disqualified from being appointed as Directors in terms of section 164 of the Act. Mr. Kal and Mr. Sailesh T. Desai are not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

(vii) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel [or other director], if any.

Apart from the remuneration and perquisites paid to them as Whole-time Directors as stated above

Corporate Information

BOARD OF DIRECTORS

Israel Makov

Chairman, Non-executive and Non-Independent Director

Dilip S. Shanghvi

Managing Director

Sailesh T. Desai

Whole-time Director

Kalyanasundaram Subramanian

Whole-time Director

Sudhir V. Valia

Non-executive and Non-Independent Director

Rekha Sethi

Non-executive and Independent Director

Vivek Chaand Sehgal

Non-executive and Independent Director

Gautam Doshi

Non-executive and Independent Director

Dr. Pawan Goenka

Additional Independent Director (appointed with effect from May 21, 2021)

Rama Bijapurkar

Additional Independent Director (appointed with effect from May 21, 2021)

CHIEF FINANCIAL OFFICER

C. S. Muralidharan

COMPANY SECRETARY

Sunil R. Ajmera

AUDITORS

S R B C & Co. LLP

Chartered Accountants, Mumbai

REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.

C 101, 247 Park,
L B S Marg, Vikhroli (West),
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Fax: (022)-49186060
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rnt.helpdesk@linkintime.co.in

OPERATIONAL MANUFACTURING PLANTS

1. Dewas, Madhya Pradesh, India
2. Karkhadi, Gujarat, India
3. Baddi, Himachal Pradesh, India
4. Dadra, Dadra & Nagar Haveli, India
5. Ponda, Goa, India
6. Halol, Gujarat, India
7. Mohali, Punjab, India
8. Paonta Sahib, Himachal Pradesh, India
9. Silvassa, Dadra & Nagar Haveli, India
10. Ahmednagar, Maharashtra, India
11. Ankleshwar, Gujarat, India
12. Dahej, Gujarat, India
13. Maduranthakam, Tamilnadu, India
14. Malanpur, Madhya Pradesh, India
15. Panoli, Gujarat, India
16. Toansa, Punjab, India
17. Sun Pharma Laboratories Ltd., Guwahati, Assam, India
18. Sun Pharma Laboratories Ltd., Jammu, Jammu & Kashmir, India
19. Sun Pharma Laboratories Ltd., Setipool, Sikkim, India
20. Sun Pharma Laboratories Ltd., Ranipool, Sikkim, India
21. Sun Pharmaceutical Medicare Ltd., Baska, Gujarat, India
22. Zenotech Laboratories Ltd., Medchal-Malkajgiri Dist., Telangana, India
23. Sun Pharmaceutical Industries (Australia), Latrobe, Australia
24. Sun Pharmaceutical Industries (Australia), Port Fairy, Australia
25. Sun Pharmaceutical (Bangladesh) Ltd., Joydevpur, Gazipur, Bangladesh
26. Taro Pharmaceuticals Inc., Brampton, Ontario, Canada
27. Taro Pharmaceutical Industries Ltd., Haifa Bay, Israel
28. Alkaloida Chemical Company Zrt., Tiszavasvari, Kabay, Hungary
29. Ranbaxy Egypt (L.L.C.), October City, Giza, Egypt
30. Ranbaxy Malaysia Sdn. Bhd., Kedah, Malaysia
31. Ranbaxy Nigeria Limited, Lagos (Magboro), Nigeria
32. S.C Terapia S. A., Cluj, Romania
33. JSC Biosintez, Penza, Russia
34. Ranbaxy Pharmaceuticals., (Pty) Ltd., Roodepoort, Johannesburg, South Africa
35. Chattem Chemicals, Inc., Chattanooga, US
36. Ohm Laboratories Inc., New Brunswick, New Jersey, US
37. Ohm Laboratories Inc., North Brunswick, NJ, New Jersey, US
38. Pharmeducence Inc., Billerica, Massachusetts, US
39. Pola Pharma Inc., Saitama, Japan

OFFICES

Registered Office

Sun Pharma Advanced Research Centre (SPARC), Tandalja, Vadodara - 390 012, Gujarat.

Corporate Office

Sun House, CTS No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai 400 063, Maharashtra.
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MAJOR R&D CENTRES

1 India

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2 India

17-B, Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra.

3 India

Village Sarhaul, Sector-18, Gurugram - 122 015, Haryana.

4 Israel

Chemistry and Discovery Research Israel, 14 Hakitor Street, P.O. Box 10347 Haifa Bay, 2624761, Israel.

5 Canada

Taro Pharmaceuticals Inc., 130 East Drive, Brampton, Ontario L6T 1C1, Canada.

6 USA

Ohm Laboratories Inc., Terminal Road, New Brunswick, New Jersey 08901, USA.



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