

**Sun Pharma (Netherlands) B.V.**  
**Amsterdam**

Annual Report  
For the year  
ended 31st March 2023

Entry number in the trade register of the Dutch Chamber of Commerce : 33254757

## Sun Pharma (Netherlands) B.V.

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Sun Pharma (Netherlands) B.V.

Statement of financial position as at 31 Mar 2023

(After appropriation of the results)

(Amounts in US Dollars)

	Notes	As at 31 Mar 2023	As at 31 March 2022
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>	1	916	1,155
		<b>916</b>	<b>1,155</b>
<b>Financial fixed assets</b>			
Investments	2	872,060,310	849,402,101
Amount owed by group entities	3 A	132,779,033	73,269,407
<b>Total Financial fixed assets</b>		<b>1,004,839,343</b>	<b>922,671,508</b>
<b>Total fixed assets</b>		<b>1,004,840,259</b>	<b>922,672,663</b>
<b>Current assets (due within one year)</b>			
Amount owed by group entities	3 A & B	101,622,076	174,626,299
Other receivables	4	1,918,008	2,716,080
Cash and cash equivalents	5	49,455,429	82,498,482
<b>Total current assets</b>		<b>152,995,513</b>	<b>259,840,861</b>
		<b>1,157,835,773</b>	<b>1,182,513,524</b>
<b>Shareholder's equity</b>	6		
Share capital		781,599,216	797,617,551
Share premium reserve		155,000,114	155,000,114
Retained earnings		24,536,794	51,349,495
Foreign currency translation reserve		118,403,645	102,385,310
<b>Total shareholder's equity</b>		<b>1,079,539,769</b>	<b>1,106,352,470</b>
<b>Current liabilities (due within one year)</b>			
Accrued liabilities and other payables	7	3,296,004	755,194
Interest accrued on Borrowings	8	-	405,860
<b>Total current liabilities</b>		<b>3,296,004</b>	<b>1,161,054</b>
<b>Non current liabilities</b>			
Borrowings	8	75,000,000	75,000,000
		<b>75,000,000</b>	<b>75,000,000</b>
		<b>1,157,835,773</b>	<b>1,182,513,524</b>

The accompanying notes form an integral part of these financial statements.

Sun Pharma (Netherlands) B.V.

Statement of financial position as at 31 Mar 2023

(Amounts in US Dollars)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Operating income</b>			
Dividend from investments	9	19,411,867	21,500,955
Profit on liquidation of subsidiary		-	767,555
Impairment in value of investments	2	(39,467,166)	(12,184,988)
<b>Total operating income</b>		<b>(20,055,299)</b>	<b>10,083,522</b>
<b>Other operating income</b>			
Interest income on amount owed by group entities	10	8,234,985	3,651,820
Interest income from banks and others		2,206,709	27,516
Excess provision reversed		105	16,045
Impairment of receivable from group entities (Net)		(28,950,144)	4,372,485
<b>Total other operating income</b>		<b>(18,508,345)</b>	<b>8,067,866</b>
<b>Other financial income / (expense)</b>	11	<b>1,198,740</b>	<b>(3,510,192)</b>
<b>Other expenses</b>			
Salary, Wages & Bonus	12	(458,236)	(450,266)
Social Security charges	12	(37,990)	(47,053)
Staff welfare expenses	12	(4,354)	-
Depreciation expense	1	(239)	-
General and administration expenses	13	(90,446)	(32,954)
<b>Total other expenses</b>		<b>(591,265)</b>	<b>(530,273)</b>
<b>Result before tax</b>		<b>(37,956,169)</b>	<b>14,110,923</b>
Corporate income tax	14	(2,425,973)	(580,615)
<b>Result after tax</b>		<b>(40,382,142)</b>	<b>13,530,308</b>
<b>Other comprehensive income</b>			
Revaluation of securities		13,569,441	(9,944,552)
<b>Net results</b>		<b>(26,812,701)</b>	<b>3,585,756</b>

The accompanying notes form an integral part of these financial statements.

## **Sun Pharma (Netherlands) B.V.**

### **Notes to the financial statements for the year ended 31 March 2023**

#### **General information:**

Sun Pharma (Netherlands) B.V. ("the Company") was incorporated as a limited liability company under the laws of the Netherlands on 14 December 1993 and has its statutory seat in Hoofddorp, the Registered Office address is Polarisavenue 87, 2132 JH Hoofddorp, The Netherlands. The Company is a wholly-owned subsidiary of Sun Pharmaceutical Industries Limited ('Parent Company'). The Company name has been changed from Ranbaxy (Netherlands) B.V. to Sun Pharma (Netherlands) B.V. effective from 21st July 2017.

The functional and reporting currency of Sun Pharma (Netherlands) B.V. is US Dollar, mainly based on the nature of the Company and in accordance with the primary economic environment in which the company operates as a holding company within the sun Group.

#### **Financial reporting period**

The current financial reporting period is for the 12 months ending 31 March 2023.

#### **Basis of preparation and presentation :**

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. The financial statements are presented in U.S. Dollars, the company's functional currency. All financial information in U.S. Dollars has been rounded to the nearest Dollar.

#### **Going concern**

These financial statements have been prepared on the basis of the going concern assumption.

#### **Accounting policies for the measurement of assets and liabilities and the determination of the result**

##### **a. General**

The principles applied for the valuation of assets and liabilities and result determination are based on the historical cost convention.

Unless stated otherwise, assets and liabilities are shown at nominal value.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognized in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Income and expenses are allocated to the period to which they relate. Income are recognized when the right to receive the income is established.

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 realized within twelve months after the reporting period and all other assets are classified as non-current. A liability is current when there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period and all other liabilities are classified as non-current.

**b. Using estimates and judgements**

The preparation of the financial statements requires that management make judgements and use estimates and assumptions that affect the application of the accounting principles and the reported value of the assets and liabilities and the income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are continually reviewed. Revised estimates are stated in the period in which the estimate is revised and in future periods for which the revision has consequences.

The accounting policies regarding financial fixed asset valuation and valuation of financial instruments are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumption.

**c. Tangible fixed assets**

Tangible fixed assets are presented at cost less cumulative depreciation and if applicable less impairment in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes to use.

**d. Financial fixed assets**

Financial fixed assets mainly consists of participations in group entities, associated and other entities. For accounting policies relating to amounts held with group entities, refer to financial instruments policy. The participations in group entities and associates are accounted for by the cost method and are stated at cost, less any provision for other than temporary decline in value. The participation in other entities are valued at fair value. Change in fair value is recognised in profit and loss account.

Financial fixed assets are valued at cost tested for impairment in the case of changes, or circumstances arising, that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate. If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to statement of profit and loss as the difference between the carrying amount and the recoverable amount.

**e. Impairment of financial fixed assets**

Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, or the disappearance of an active market for a security.

The entity considers evidence of impairment for financial assets measured at amortised cost (loan and receivables and financial assets that are held to maturity) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those individually significant assets found not to be specifically impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset stated at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate for Investments carried at cost the cash flows are discounted at the Investments weighted average cost of capital taking into account specific entity, industry and country risks.

Losses are recognised in the statement of profit and loss and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original cost).

**f. Financial instruments**

Financial instruments include amounts owed by group entities, other receivables, accrued liabilities, derivatives and other payables, and amounts owed by group entities. Financial instruments are initially recognised at fair value. After initial recognition, derivatives are measured at fair value and other financial instruments are valued at amortized cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the statement of profit and loss.

**g. Shareholders equity**

Financial instruments taking the legal form of shareholders' equity instruments are presented under shareholders' equity. Distributions to the holders of these instruments are deducted from shareholder's equity after deduction of any related benefit related to tax on profit.

Financial instruments taking the legal form of a financial obligation are presented under loan capital. Interest, dividends, income and expenses related to these financial instruments are recognised in the statement of profit and loss.

**h. Principles for the translation of foreign currency**

**Transactions in foreign currencies**

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Translation gains and losses are taken to the statement of profit and loss as expenditure. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into U.S. Dollars at the applicable exchange rates applying on the transaction date. Non-monetary assets and liabilities in foreign currency that are stated at present value are translated into U.S. Dollars at the applicable exchange rates at the moment the present value is determined. Translation gains and losses are taken directly to equity as part of the revaluation reserve.

**i. Consolidation**

In accordance with article 408, Book 2 of the Dutch Civil Code, the Company is not required to prepare consolidated annual accounts in conformity with accounting principles generally accepted in the Netherlands. The annual accounts of the Company and its subsidiaries are included in the consolidated accounts of the holding company, which are available at the Company's registered office and will be filed at Dutch Chamber of Commerce.

**j. Recognition of income**

Dividend from investments are recorded as income (net of taxes) when the right to receive the income is established. Other income and expenses are recognised and reported on an accrual basis. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**k. Corporate income tax**

Provisions for taxation have been made in accordance with standard ruling practice for holding companies in The Netherlands. Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the statement of profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity. Current tax comprises the expected tax payable of receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

**I. Cash and cash equivalents**

Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency

at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

Cash and cash equivalents that are not readily available to the Company within 12 months are presented under financial fixed assets.

**m. Provisions**

A provision is recognised if the following applies:

- the Company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at the nominal value of the best estimate of the expenditures that are expected to be required to settle the liabilities and losses.

**n. Cash flow statement**

In accordance with the provisions of Dutch Accounting Standard RJ 360.104 the Company does not prepare a cash flow statement as a cash flow statement is included in the consolidated financial statements of the ultimate Parent Company, which can be obtained at the website of the Parent Company.

**o. Related parties**

Transactions with related parties (refer to note 19 for the identified related parties) are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions.



**Sun Pharma (Netherlands) B.V.**

Notes to the financial statements for the year ended 31 Mar 2023 (Continued)

**Balance sheet****1 Tangible fixed assets**

	<b>Other fixed assets (USD)</b>
	<u>                    </u>
<b>Carrying amount as of April 1, 2022</b>	
Purchase price	1,155
Cumulative depreciation and impairment	-
	<u>1,155</u>
Movement	
Investments	-
Depreciation	239
	<u>(239)</u>
<b>Carrying amount as of March 31 ,2023</b>	
Purchase price	1,155
Cumulative depreciation and impairment	239
<b>Carrying amount as of March 31 ,2023</b>	<u>916</u>
<b>Depreciation rates</b>	<b>%</b>
Other fixed operating assets	<b>20</b>

**Sun Pharma (Netherlands) B.V.**  
Notes to the financial statements for the year ended 31 Mar 2023 (Continued)

**Balance sheet**

			As at 31 March 2023	As at 31 March 2022
			USD	USD
<b>2 Investments</b>				
<b>Interests in group entities</b>				
<b>Name</b>	<b>Domicile</b>	<b>Effective shareholding (%)</b>		
		<u>Current year (Previous year)</u>		
Sun Pharma ANZ Pty Ltd (formerly known as Ranbaxy Australia Pty. Ltd )	Australia	100 (100)	13,866,307	13,866,307
Ranbaxy Farmaceutica Ltda	Brazil	100 (100)	12,491,730	12,491,730
Sun Pharma Canada Inc	Canada	100 (100)	1,855,487	1,855,487
Sun Pharma Egypt (L.L.C.) ( formerly known as Ranbaxy Egypt (L.L.C))	Egypt	100 (100)	19,821,254	19,563,021
Sun Pharma France SAS (formerly known as Ranbaxy Pharmacia Generiques SAS )	France	100 (100)	3,252,484	3,252,484
Basics GmbH	Germany	100 (100)	6,984,012	6,984,012
Sun Pharma Italia SRL ( formerly known as Ranbaxy Italia S.p.A.)	Italy	100 (100)	29,051,792	29,051,792
Ranbaxy (Malaysia) Sdn. Bhd.	Malaysia	55.8 (55.8)	3,105,425	3,105,425
Ranbaxy Pharmaceuticals Ukraine LLC **	Ukraine	100 (100)	4,950,000	4,950,000
Ranbaxy Nigeria Ltd	Nigeria	86.16 (86.16)	2,137,307	2,137,307
Sun Pharmaceutical Industries S.A.C.	Peru	99.99 (99.99)	1,512,500	1,512,500
Ranbaxy (Poland) Sp. Zo.o. ***	Poland	100 (100)	1,324,634	1,324,634
S.C. Terapia S.A.	Romania	96.81 (96.81)	326,716,541	326,716,541
AO Ranbaxy	Russia	99 (99)	4,229,061	4,229,061
Ranbaxy South Africa (Pty) Ltd	South Africa	100 (100)	3,272,000	3,272,000
Ranbaxy Pharmaceuticals Proprietary Ltd.	South Africa	100 (100)	91,672,094	91,672,094
Sun Pharma Laboratorios, S.LU.( formerly known as Laboratories Ranbaxy SLU)	Spain	100 (100)	10,889,738	10,889,738
Ranbaxy (Thailand) Co., Limited	Thailand	100 (100)	3,328,661	3,328,661
Ranbaxy Holdings(UK) Ltd	United Kingdom	100 (100)	54,178,491	54,178,491
Biosintez Public Joint Stock Company	Russia	100(100)	26,139,935	26,139,935
Rexcel Egypt Company (L.L.C.)	Egypt	46.89(46.89)	54,902	54,902
Sun Pharma (U.K.) Limited ( formerly known as Ranbaxy (U.K.) Limited )	United Kingdom	100 (100)	39,475,267	39,475,267
Sun Pharmaceuticals Morocco LLC Sarlau	Morocco	100 (100)	1,496,923	1,496,923
Sun Pharma (Shangai) Co., Ltd	China	100	154,328	154,328
Sun Pharma Philippines, Inc. ****	Philippines	99.99	200,882	200,882
Sun Pharma East Africa Limited ****	Kenya	99.99	1,140	1,140
Sun Pharmaceutical Peru S.A.C. ****	Peru	99.33	1	1
Sun Pharmaceutical Industries (Australia) Pty Limited ****	Australia	100	99,823,701	51,526,000
Sun Pharma Holdings ****	Mauritius	3.9	118,000,000	118,000,000
			<b>879,986,597</b>	<b>831,430,663</b>
<b>Less. Provision for diminution in value of investments</b>				
Sun Pharma (U.K.) Limited ( formerly known as Ranbaxy (U.K.) Limited )			-	39,475,267
Sun Pharmaceutical Industries S.A.C.			-	1,512,500
Sun Pharma France SAS (formerly known as Ranbaxy Pharmacia Generiques SAS )			3,252,484	3,252,484
Sun Pharma Italia SRL ( formerly known as Ranbaxy Italia S.p.A.)			29,051,790	29,051,790
Sun Pharma Egypt (L.L.C.) ( formerly known as Ranbaxy Egypt (L.L.C))			19,821,254	12,184,988
Ranbaxy Nigeria Ltd			2,137,307	-
Sun Pharma Holdings			70,681,360	-
			<b>124,944,195</b>	<b>85,477,029</b>
<b>Total investments in group entities</b>			<b>755,042,402</b>	<b>745,953,634</b>
<b>Investment in associates</b>				
WRS Bioproducts Pty Ltd	Australia	12.49	1,546,800	1,546,800
Artes Biotechnology GmBh ****	Germany	45	3,710,697	3,710,697
<b>Other investments</b>				
Krystel Biotech Inc.	USA		73,183,406	60,824,680
SC Pharmaceuticals Inc.	USA		3,239,287	2,028,572
Encluideas **** #	Netherlands		-	-
<b>Investment in debts instruments</b>				
Ranbaxy Pharmaceuticals Proprietary Ltd. *****	South Africa		15,150,263	15,150,263
Ranbaxy Pharmaceuticals (Pty) Ltd *****	South Africa		20,187,455	20,187,455
<b>Total investments</b>			<b>872,060,310</b>	<b>849,402,101</b>

\* Sun Pharma (Netherlands) B.V. holding 99.90% in Sun Pharma Egypt Ltd. (L.L.C.) and 0.10% through it's holding company Ranbaxy (UK) Ltd.

In the current financial year the Company has converted the subordinated loan given to Sun Pharma Egypt Limited (L.L.C.) amounted to USD 258,233 into equity.

\*\* Sun Pharma (Netherlands) B.V. holding 99% in Ranbaxy Pharmaceuticals Ukraine and 1% through it's holding company Ranbaxy Holdings(UK) Ltd.

\*\*\* Sun Pharma (Netherlands) B.V. holding 99.98 in Ranbaxy (Poland)Sp. Zoo and 0.02% through it's holding company Ranbaxy Holdings(UK) Ltd.

\*\*\*\* Sun Pharma (Netherlands) B.V. has bought out the stakes in group compnies held by Sun Pharma Global FZE during the previous period. The investments have been presented at cost, being the book value before restructuring. Difference between the paid amount and book value are deducted from Retained earnings, see note 6.

\*\*\*\*\* Ranbaxy Pharmaceuticals Proprietary Ltd. has issued 220,000,000 non-cumulative redeemable preference shares for a period of 12 years @ ZAR 1 per preference shares.

# Encluideas was dissolved during the year.

The Company has made use of article 408, Book 2 of the Dutch Civil Code, which enables departure from consolidation of subsidiaries.

**Sun Pharma (Netherlands) B.V.**

Notes to the financial statements for the year ended 31 Mar 2023 (Continued)

	Interest Rate	As at 31 Mar 2023		As at 31 March 2022	
		USD		USD	
		Current	Non-current	Current	Non-current
<b>3 A Amount owed by group entities</b>					
Sun Pharma ANZ Pty Ltd (formerly known as Ranbaxy Australia Pty. Ltd )	1.60%	-	9,811,046	-	10,970,933
Sun Pharma (U.K.) Limited ( formerly known as Ranbaxy (U.K.) Limited )	*	-	-	11,470,892	-
Ranbaxy Farmaceutials Ltda	6 M SOFR + 125 bps	-	10,000,000	-	10,000,000
Ranbaxy Nigeria Limited #	6 M SOFR + 300 bps	3,691,871	13,000,000	4,398,864	12,521,590
Sun Pharmaceuticals Morocco LLC Sarlrau	3 M SOFR + 250bps	-	4,500,000	-	4,500,000
Biosintez Public Joint Stock Company #	5.00%	-	-	4,331,410	14,143,380
Sun Pharma Holding, Maritius	3 M SOFR + 100 bps	-	12,688,150	-	12,600,000
Sun Pharmaceuticals Industries (Australia) Pty Ltd	1.6% & 3 M SOFR + 140 bps	2,462,539	10,500,000	48,297,701	2,753,667
Ranbaxy (Thailand) Co., Limited	3 M SOFR + 100 bps	2,700,000	-	-	3,500,000
Sun Pharma France SAS #	6M SOFR+150 bps	-	-	-	-
Sun Pharma Industries SAC( Formerly Ranbaxy PRP Peru SAC) #	*	1,770,000	-	1,770,000	-
Sun Pharma Laboratories FZE	3M SOFR+ 75 bps	76,500,000	-	89,000,000	-
Sun Pharma Philippines Inc	*	5,974,023	-	6,772,993	-
Sun Pharmaceutical Peru S.A.C.	*	-	2,279,837	-	2,279,837
Sun Pharma Industries Inc	3M SOFR+ 100 bps	-	70,000,000	-	-
		<b>93,098,433</b>	<b>132,779,033</b>	<b>166,041,860</b>	<b>73,269,407</b>
<b>3 B Amount owed by group entities - Interest accrued portion</b>					
Ranbaxy Farmaceutials Ltda		324,309	-	171,577	-
Ranbaxy Nigeria Limited		3,945,184	-	2,812,077	-
Sun Pharmaceuticals Morocco LLC Sarlrau		1,169,717	-	1,215,161	-
Biosintez Public Joint Stock Company		-	-	3,266,035	-
Sun Pharma Holding, Maritius		635,804	-	155,694	-
Sun Pharmaceuticals Industries (Australia) Pty Ltd		416,073	-	581,210	-
Ranbaxy (Thailand) Co., Limited		-	-	2,094	-
Sun Pharma Laboratories FZE		1,166,811	-	380,591	-
Sun Pharma France (RPG)		509,769	-	-	-
Sun Pharma Industries Inc		355,976	-	-	-
		<b>8,523,643</b>	<b>-</b>	<b>8,584,439</b>	<b>-</b>

\* Interest free loans

# A provision for doubtful debts has been recognised on the basis of recoverable assessment the provision consist of USD 550,000 loan to Sun Pharma Industries S.A.C, Peru(total loan disbursement USD 2,320,000) , USD 35,603,150 for loan to Sun Pharma France SAS and USD 5,016,352 for loan to Ranbaxy Nigeria Limited. Loan to Biosintez Public Joint Stock Company was waived during the year along with interest accrued on the loan.

	As at 31 Mar 2023		As at 31 March 2022	
	USD		USD	
<b>4 Other receivables</b>				
Withholding taxes *		1,509,738	805,801	
VAT		4,701	4,343	
Other loans		128,739	128,739	
Bank interest receivable		59,157	-	
Other assets		215,673	1,777,197	
		<b>1,918,008</b>	<b>2,716,080</b>	
<b>Other assets</b>				
Derivative not designated as hedge		-	1,560,819	
Dividend receivable from Ranbaxy Nigeria Limited		10,587	11,724	
Prepaid expenses		1,493	1,432	
Employee advance		2,267	1,896	
Third party payment receivable from Ranbaxy Nigeria Limited		201,326	201,326	
		<b>215,673</b>	<b>1,777,197</b>	

\* includes refund receivable from authorities.

**5 Cash and cash equivalent**

Current account with Canara Bank (USD)	1,859,299	787,557
Current account with Canara Bank (EUR)	233,404	229,888
Current account with Canara Bank (GBP)	197,448	209,451
Current account with SBER Bank SA (USD)	40,096	922
Current account with SBER Bank SA (RUB)	3,832	150,476
Current account with J P Morgan Bank (USD)	1,729,402	3,613,151
Current account with J P Morgan Bank (EUR)	1,475	4,982
On deposit accounts :		
- Fixed deposit with Canara Bank with original maturity of three or less than 3 months	42,500,000	75,000,000
- Fixed deposit with SBER Bank with original maturity of three or less than 3 months	2,890,473	2,502,055
	<b>49,455,429</b>	<b>82,498,482</b>

Cash at banks and deposits is not restricted and is freely distributable.

**Sun Pharma (Netherlands) B.V.**

Notes to the financial statements for the year ended 31 Mar 2023 (Continued)

**6 Shareholder's equity**

The authorized share capital of the Company amounts to EUR 1,750,000,000 divided into 17,500,000 shares of EUR 100 each. Issued and paid up shares are 5,473,340 (31 March 2022, 5,473,340) shares of EUR 100 each.

Issued and paid up shares are 1,707,212 (31 March 2022, 1,707,212) shares of EUR 100 each for 'Class B' shares.

	Share capital	Share premium reserve	Retained earnings	Foreign currency translation reserve	In USD Total
<b>Balance as on 01 April 2021</b>	<b>642,735,184</b>	<b>155,000,000</b>	<b>50,627,419</b>	<b>57,267,791</b>	<b>905,630,394</b>
Additions on account of 'Class B' shares	199,999,886	114	-	-	200,000,000
Other comprehensive income	-	-	(9,944,552)	-	(9,944,552)
Dividend paid during the period	-	-	-	-	-
Adjustment on account of investment purchase from group entities	-	-	(2,863,680)	-	(2,863,680)
Translation adjustment for the period	(45,117,519)	-	-	45,117,519	-
Result for the period	-	-	13,530,308	-	13,530,308
<b>Balance as on 31 March 2022</b>	<b>797,617,551</b>	<b>155,000,114</b>	<b>51,349,495</b>	<b>102,385,310</b>	<b>1,106,352,470</b>
<b>Balance as on 01 April 2022</b>	<b>797,617,551</b>	<b>155,000,114</b>	<b>51,349,495</b>	<b>102,385,310</b>	<b>1,106,352,470</b>
Other comprehensive income	-	-	13,569,441	-	13,569,441
Dividend paid during the period	-	-	-	-	-
Translation adjustment for the period	(16,018,335)	-	-	16,018,335	-
Result for the period	-	-	(40,382,142)	-	(40,382,142)
<b>Balance as on 31 March 2023</b>	<b>781,599,216</b>	<b>155,000,114</b>	<b>24,536,794</b>	<b>118,403,645</b>	<b>1,079,539,769</b>

	As at 31 Mar 2023	As at 31 March 2022
	USD	USD
<b>7 Accrued liabilities and other payables</b>		
Accruals	37,009	32,880
TDS Salaries	23,335	23,847
Social Security Payable -RO	2,272	2,071
Payable to employees	569	586
Leave balance provision	102,477	61,968
Bonus payable	72,339	49,344
Other liabilities	44,515	46,846
Provision for tax	3,013,488	537,652
	<b>3,296,004</b>	<b>755,194</b>
<b>Accruals</b>		
Audit fee	25,580	21,217
Professional charges	11,429	11,663
	<b>37,009</b>	<b>32,880</b>
<b>Other liabilities</b>		
Third party payment payable to Sun Pharmaceuticals Industries (Europe) B V	28,245	30,576
Insurance amount payable to entities	16,270	16,270
	<b>44,515</b>	<b>46,846</b>
<b>8 Borrowing from Group companies</b>		
Loan from Sun Pharmaceutical Industries Limited	75,000,000	75,000,000
Interest accrued on borrowing	-	405,860
	<b>75,000,000</b>	<b>75,405,860</b>

**Sun Pharma (Netherlands) B.V.**

Notes to the financial statements for the year ended 31 Mar 2023 (Continued)

	For the year ended 31 March 2023	For the year ended 31 March 2022
	USD	USD
<b>9 Dividend from investments</b>		
S.C. Terapia S.A.	19,411,867	21,500,955
	<b>19,411,867</b>	<b>21,500,955</b>
<b>10 Interest income on amount owed by group entities</b>		
Ranbaxy Nigeria Limited, Nigeria	1,133,107	326,653
Ranbaxy Farmaceutica Ltda., Brazil	383,012	150,887
AO Ranbaxy, Russia	-	36,028
Sun Pharmaceuticals Morocco LLC, Morocco	238,914	122,509
Sun Pharma AZN Pty Ltd (formerly known as Ranbaxy Australia Pty. Ltd ), Australia	162,339	174,134
Sun Pharma France SAS (formerly known as Ranbaxy Pharmacia Generiques SAS )	693,283	363,615
Sun Pharma Italia SRL ( formerly known as Ranbaxy Italia S.p.A.)	-	22,093
Biosintez Public Joint Stock Company , Russia	925,168	977,716
Sun Pharma Industries Inc	355,976	-
Sun Pharma Holding Mauritius	480,111	152,348
Sun Pharmaceuticals Industries (Australia) Pty Ltd	462,894	626,483
Ranbaxy (Thailand) Co., Limited	122,101	42,281
Sun Pharma Global FZE	-	272,666
Sun Pharma Laboratories FZE	3,275,712	380,590
Artes Biotechnology GmbH	-	1,066
Alkloida Chemical Company Zrt	184	-
Sun Pharma Japan Limited	2,184	2,751
	<b>8,234,985</b>	<b>3,651,820</b>
<b>11 Other financial income / (expense)</b>		
MTM gain on derivative contracts - Forward contract (AUD/USD)	-	1,560,819
Interest expense on borrowing	(3,031,381)	(405,860)
Currency exchange rate differences	4,230,121	(4,665,151)
<b>Total other financial income / (expense)</b>	<b>1,198,740</b>	<b>(3,510,192)</b>

**Sun Pharma (Netherlands) B.V.**

Notes to the financial statements for the year ended 31 Mar 2023 (Continued)

	For the year ended 31 March 2023	For the year ended 31 March 2022
	USD	USD
<b>12 Salary, wages &amp; bonus</b>		
Salary, wages & bonus	431,985	396,986
Other employees cost	26,251	53,280
Socail Security charges	18,781	23,673
Pension contribution	19,209	23,380
Staff welfare	4,354	-
	<u>500,580</u>	<u>497,319</u>

During 2022-23, 2 employees are employed (2021-22 - 2)

**13 General and administrative expenses**

Audit fee	24,755	21,901
Professional Legal and Consultancy Fees	40,911	(17,277)
Miscellaneous expenses	508	189
Rent	4,738	7,083
Vehicle Operating expense	13,303	15,495
Bank charges	6,025	5,563
Travelling and Conveyance	206	-
	<u>90,446</u>	<u>32,954</u>

**14 Corporate income tax**

Current tax	2,425,973	-
Correction prior years	-	580,615
	<u>2,425,973</u>	<u>580,615</u>

On the basis of the profit/(loss) before taxation of (USD 37,956,169) (31 March 2022: USD 14,110,923), the effective corporate income tax rate would be -6.4% (31 March 2022: Nil).

The corporate income tax rates in 2022-23 is 19% for profit up to and including EUR 200,000 and 25.8% for profit exceeding EUR 200,000 and in 2021-22 were 15% for profit up to and including EUR 245,000 and 25% for profit exceeding EUR 245,000.

	For the year ended 31 March 2023	For the year ended 31 March 2022
Results before taxation	(37,956,169)	14,110,923
Tax adjustments	48,824,342	(18,532,870)
Taxable profit	10,868,173	(4,421,947)
Compensation	-	-
Taxation thereon, based on corporate income tax rates	<u>2,425,973</u>	<u>-</u>

Effective tax rate is lower than the prevailing tax rates in the Netherlands due to some of the income being non-taxable in nature e.g. dividend received, gain/loss on account of disposals of participations, unrealized gains/losses on foreign currency loans and advances to subsidiaries etc.

**15 Managing directors**

The Company has two managing directors. During the year, one of the director has received remuneration in their capacity as a director. (31 March 2022: Three managing directors, one with remuneration)

	<u>For the year ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
<b>Salary, wages and bonus paid</b>		
Salary, wages and bonus	342,110	332,893
Allowances	18,445	18,199
	<u>360,555</u>	<u>351,092</u>
<b>Amount payable</b>		
Expense payable	327	333
	<u>327</u>	<u>333</u>
<b>Amount receivable</b>		
Advance receivable	2,267	1,896
	<u>2,267</u>	<u>1,896</u>

**16 Contingent liabilities**

1. The Company issued Corporate guaranties for advance facilities and long term loans of subsidiaries in aggregate of AUD 65,000,000 (31 March 22: AUD 65,000,000).
2. The Company issued a Letter of Comfort to Alkaloida Chemical Company Zrt. regarding Sun Farmaceutica Do Brasil Ltda to meet its commitments and maintain its going concern. This support will remain valid at least until 31st March 2024.
3. The Company issued Letter of Comfort to Sun Pharma Egypt LLC and Rexcel Egypt Company LLC to meet their commitments and maintain their going concern. This support will remain valid at least until 31st March 2024.

**17 Leases**

The Company does not have any lease arrangements.

**18 Subsequent events**

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.

**19 Related parties**

Material transactions with related parties primarily involve investments (including related dividend income) and loans receivable (including related interest).

The remuneration of the managing directors is included in note 15.

**Dated** 23-May-23

**Amsterdam**

**Board of Managing Directors**

\_\_\_\_\_  
**Hellen De Kloet**

\_\_\_\_\_  
**Prashant Lakhmshi Savla**

**Sun Pharma (Netherlands) B.V.**

**Other Information**

**Appropriation of results**

The management proposes to the shareholder to add the result for the year to the retained earnings.

**Independent auditor's opinion**

The independent auditor's opinion is set forth on the next page.



## **INDEPENDENT AUDITOR'S REPORT**

To: The management board and shareholders of Sun Pharma (Netherlands) B.V.

A. *Report on the audit of the financial statements for the year ended March 31, 2023 included in the annual report*

### **Our opinion**

We have audited the financial statements for the year ended March 31, 2023 of Sun Pharma (Netherlands) B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Sun Pharma (Netherlands) B.V. as at March 31, 2023, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise off:

- the company balance sheet as at March 31, 2023;
- the company profit and loss account for the year then ended; and
- the notes comprising a summary of the accounting policies and other explanatory information.

### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Sun Pharma (Netherlands) B.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. *Description of responsibilities regarding the financial statements*

### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements 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.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

## **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding 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 a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Huizen, May 23, 2023

Kreston Lentink Audit B.V.  
Ms. J.I. Cid RA