

# 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, 2024, the consolidated Statement of Profit and Loss, including 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 material 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, 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, 2024, 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, 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 Ind AS 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 judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2024. 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 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 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 by management, 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
<b>Litigations (as described in Note 39 of the consolidated Ind AS financial statements)</b>	
<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 results and balance sheet position.</p> <p>Considering the judgement involved in determining the need to make a provision or disclose as contingent liability, the matter is considered a Key Audit Matter.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> <li>Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of litigations, the recording / re-assessment of the related liabilities, provisions and disclosures.</li> <li>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.</li> <li>Circulated, obtained and read legal confirmations from Group's external legal counsels in respect of material litigations and considered that in our assessment.</li> <li>Verified the disclosures related to provisions and contingent liabilities in the consolidated Ind AS financial statements to assess consistency with underlying documents.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>Rebates, discounts, chargebacks, returns and other allowances (as described in note 53 of the consolidated Ind AS financial statements)</b></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 business of United States and 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"> <li>• Evaluated the design and tested the operating effectiveness of the Group's controls over the completeness, recognition and measurement of accruals.</li> <li>• Obtained and evaluated management's computations for accruals under respective contractual arrangements.</li> <li>• Evaluated the key assumptions used by the Group by comparing it with prior years.</li> <li>• Analysed the historical pattern of chargebacks, the inventory information and performed retrospective reviews in order to validate management's assumptions.</li> <li>• Compared the assumptions in respect of rebates, discounts, allowances and returns to current payment trends.</li> <li>• Evaluated adequacy of disclosures as required by Ind AS 115.</li> </ul>
<p><b>Goodwill and other intangible assets (as described in note 3B and 47 of the consolidated Ind AS financial statements)</b></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.</p> <p>Significant judgements are used to estimate the recoverable amount of these intangible assets and goodwill and is hence 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"> <li>• Evaluated the design and tested the operating effectiveness of management's controls in assessing the carrying value of goodwill and intangible assets.</li> <li>• Obtained the Group's computation of recoverable amount and tested the mathematical accuracy and reasonableness of key assumptions.</li> <li>• Obtained and evaluated management's sensitivity analysis to ascertain the impact of changes in key assumptions.</li> <li>• Evaluated the disclosures in the consolidated Ind AS financial statements.</li> </ul>
<p><b>Tax litigations and recognition of deferred tax assets (as described in note 39 and 50 of the consolidated Ind AS financial statements)</b></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 results and balance sheet position.</p> <p>The assessment of outcome of litigations involves significant judgement which is dependent on the facts of each case, supporting judicial precedents and legal opinions of external and internal legal counsels and hence the matter has been considered as a Key Audit Matter.</p> <p>Recognition of deferred tax assets involves the assessment of its recoverability within the allowed time frame requiring significant estimate of the financial projections, availability of sufficient taxable income in the future and also involving significant judgements in the interpretation of tax regulations and tax positions adopted by the 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"> <li>• 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.</li> <li>• 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.</li> <li>• Engaged tax expert, to evaluate management's assessment of the outcome of these litigations. Our expert considered legal precedence and other rulings in evaluating management's position on these tax litigations.</li> <li>• Tested management's assumptions including forecasts and sensitivity analysis in respect of recoverability of deferred taxes on unabsorbed depreciation/carry forward losses/Minimum Alternate Tax (MAT) credit.</li> <li>• Verified disclosures of the tax positions, tax loss carry forwards and tax litigations in the consolidated Ind AS financial statements.</li> </ul>
<p><b>Identification and disclosure of related parties (as described in note 57 of the consolidated Ind AS financial statements)</b></p> <p>The Group has related party transactions which include, amongst others, sale and purchase of goods/services to its associates, joint venture and other related parties and lending, investment and borrowing 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"> <li>• Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions.</li> <li>• 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.</li> <li>• Read minutes of the meetings of the Board of Directors and Audit Committee.</li> <li>• Read declarations of related party transactions given to the Board of Directors and Audit Committee.</li> <li>• Verified the disclosures in the consolidated Ind AS financial statements for compliance with Ind AS 24.</li> </ul>

### 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 judgement 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, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 23 subsidiaries, whose financial statements, without giving effect to the elimination of intra-group transactions, include total assets of ₹ 454,175.5 Million as at March 31, 2024, and total revenues of ₹ 158,555.2 Million and net cash inflows of ₹ 44,998.8 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-sections (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 subsidiary 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 subsidiary 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 16 subsidiaries, whose financial statements and other financial information, without giving effect to the elimination of intra-group transactions, reflect total assets of ₹ 12,223.2 Million as at March 31, 2024, and total revenues of ₹ 8,267.3 Million and net cash

outflows of ₹ 454.4 Million for the year ended on that date. These financial statements 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 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 accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 4 subsidiaries, whose financial statements and other financial information, without giving effect to the elimination of intra-group transactions, reflect total assets of ₹ 7.5 Million as at March 31, 2024, and total revenues of ₹ Nil and net cash outflows of ₹ 11.3 Million for the year ended on that date. These unaudited financial statements have been furnished to us by management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, 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.
- (d) The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 384.1 Million for the year ended March 31, 2024, as considered in the consolidated Ind AS financial statements, in respect of 9 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 associates and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates and joint venture, 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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, 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 except for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g);
  - (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, 2024 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, and its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us 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, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated Ind AS financial position of the Group 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 Note 23 and Note 28 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India, except a sum of ₹ 1.4 Million, which is held in abeyance due to pending legal cases.
- iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose Ind AS consolidated financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The final dividend paid by the Holding Company and its subsidiaries incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid during the year by the Holding Company and its subsidiaries incorporated in India and until the date of the respective audit reports of such Holding Company and its subsidiaries is in accordance with section 123 of the Act.

As stated in Note 45 to the consolidated Ind AS financial statements, the respective Board of Directors of the Holding Company and its subsidiaries, incorporated in India have proposed final dividend for the year which is subject to the approval of the

members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, the Holding Company and its subsidiaries incorporated in India have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/administrative access rights, as described in Note 72 to the consolidated Ind AS financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where audit trail has been enabled.

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

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Paul Alvares**

Partner

Membership Number: 105754

UDIN: 24105754BKBZNZ7164

Place of Signature: Mumbai

Date: May 22, 2024

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

**Re: Sun Pharmaceutical Industries Limited (the “Company”)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- xxi. Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements are:

Name	CIN	Nature of relationship	Clause number of the CARO report which is qualified or is adverse
Sun Pharmaceutical Industries Limited	L24230GJ1993PLC019050	Holding Company	i(c), iii(c), iii(e)
Sun Pharma Laboratories Limited	U25200GJ1997PLC133846	Subsidiary	i(c), iii(c), iii(e)

The audit report under Companies (Auditors Report) Order, 2020 of these companies has not been issued till the date of our auditor’s report.

Name	CIN	Nature of relationship
Remidio Innovative Solutions Private Limited	U73100KA2009PTC051546	Associate
Agatsa Software Private Limited	U72900UP2010PTC101436	Associate
Ezerx Health Tech Private Limited	U74999WB2018PTC226850	Associate

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

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Paul Alvares**

Partner

Membership Number: 105754

UDIN: 24105754BKBZNZ7164

Place of Signature: Mumbai

Date: May 22, 2024



## Annexure 2 to the Independent Auditor's 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 (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries 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 and its subsidiaries 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

#### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 subsidiaries companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

#### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to 2 subsidiaries companies, which are companies incorporated in India, are based on the corresponding reports of the auditors of such subsidiaries 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: 24105754BKBZNZ7164

Place of Signature: Mumbai

Date: May 22, 2024

# Consolidated Balance Sheet

as at March 31, 2024

Particulars	Notes	₹ in Million	
		As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3A (I) & (II)	101,923.2	103,903.8
(b) Capital work-in-progress	3D	11,077.3	9,633.5
(c) Goodwill (Net)	47	85,989.5	83,580.3
(d) Other intangible assets	3B	44,201.1	53,170.3
(e) Intangible assets under development	3E	42,461.5	40,098.1
(f) Investment in associates (using equity method)	4	4,061.3	3,474.8
(g) Investment in joint venture (using equity method)	5	364.8	361.6
(h) Financial assets			
(i) Investments	6	59,986.2	50,680.9
(ii) Loans	7	8.5	6.1
(iii) Other financial assets	8	1,179.5	1,710.4
(i) Deferred tax assets (Net)	50	41,036.5	35,189.2
(j) Income tax assets (Net)	9	22,850.3	23,069.8
(k) Other non-current assets	10	4,739.3	3,723.7
<b>Total non-current assets</b>		<b>419,879.0</b>	<b>408,602.5</b>
<b>(2) Current assets</b>			
(a) Inventories	11	98,682.9	105,130.5
(b) Financial assets			
(i) Investments	12	85,845.4	93,726.1
(ii) Trade receivables	13	112,493.7	114,385.1
(iii) Cash and cash equivalents	14	92,856.5	46,237.3
(iv) Bank balances other than (iii) above	15	12,350.3	11,465.6
(v) Loans	16	650.2	413.2
(vi) Other financial assets	17	9,172.0	7,645.1
(c) Other current assets	18	22,280.1	19,616.5
<b>Total current assets</b>		<b>434,331.1</b>	<b>398,619.4</b>
Assets classified as held for sale	3C	418.7	214.0
<b>TOTAL ASSETS</b>		<b>854,628.8</b>	<b>807,435.9</b>

# Consolidated Balance Sheet

as at March 31, 2024

Particulars	Notes	₹ in Million	
		As at March 31, 2024	As at March 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	19	2,399.3	2,399.3
(b) Other equity	20	634,268.2	557,554.5
<b>Equity attributable to the equity shareholders of the parent company</b>		<b>636,667.5</b>	<b>559,953.8</b>
Non-controlling interests	71	34,392.2	33,200.9
<b>Total equity</b>		<b>671,059.7</b>	<b>593,154.7</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	13.3	-
(ii) Lease liabilities	54	3,022.9	5,599.1
(iii) Other financial liabilities	22	-	37.9
(b) Provisions	23	4,138.9	3,429.1
(c) Deferred tax liabilities (Net)	50	1,550.6	316.9
(d) Other non-current liabilities	24	4,999.4	5,828.2
<b>Total non-current liabilities</b>		<b>13,725.1</b>	<b>15,211.2</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	28,443.6	61,978.8
(ii) Lease liabilities	54	1,256.9	1,280.8
(iii) Trade payables	74	56,533.0	56,815.2
(iv) Other financial liabilities	26	15,067.0	15,930.9
(b) Other current liabilities	27	10,844.6	6,427.2
(c) Provisions	28	53,575.6	53,543.8
(d) Current tax liabilities (Net)	29	4,117.0	3,087.1
<b>Total current liabilities</b>		<b>169,837.7</b>	<b>199,063.8</b>
Liabilities directly associated with assets classified as held for sale	3C	6.3	6.2
<b>Total liabilities</b>		<b>183,569.1</b>	<b>214,281.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>854,628.8</b>	<b>807,435.9</b>

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  
Mumbai, May 22, 2024

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

**DILIP S. SHANGHVI**  
Chairman and Managing Director  
(DIN: 00005588)

**AALOK D. SHANGHVI**  
Whole-time Director  
(DIN: 01951829)

**ANOOP DESHPANDE**  
Company Secretary and Compliance Officer

**C. S. MURALIDHARAN**  
Chief Financial Officer  
Mumbai, May 22, 2024

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

₹ in Million			
Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
(I) Revenue from operations	30	484,968.5	438,856.8
(II) Other income	31	13,541.9	6,345.2
<b>(III) Total income (I+II)</b>		<b>498,510.4</b>	<b>445,202.0</b>
<b>(IV) Expenses</b>			
Cost of materials consumed	32	69,043.3	77,775.7
Purchases of stock-in-trade		34,661.5	35,715.0
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	2,921.3	(6,869.1)
Employee benefits expense	34	94,290.6	82,960.3
Finance costs	35	2,384.7	1,720.0
Depreciation and amortisation expense	3 (A & B)	25,566.4	25,294.3
Other expenses	36	154,181.8	131,546.0
Net (gain) / loss on foreign currency transactions		(361.3)	1,261.0
<b>Total expenses (IV)</b>		<b>382,688.3</b>	<b>349,403.2</b>
<b>(V) Profit before exceptional items and tax (III-IV)</b>		<b>115,822.1</b>	<b>95,798.8</b>
(VI) Exceptional items	61	4,943.2	1,714.5
<b>(VII) Profit before tax (V-VI)</b>		<b>110,878.9</b>	<b>94,084.3</b>
<b>(VIII) Tax expense/(credit)</b>			
Current tax		19,893.0	18,692.2
Deferred tax		(5,498.5)	(10,216.3)
<b>Total tax expense (VIII)</b>	49	<b>14,394.5</b>	<b>8,475.9</b>
<b>(IX) Profit for the year before share of profit/(loss) of associates and joint venture (VII-VIII)</b>		<b>96,484.4</b>	<b>85,608.4</b>
(X) Share of profit/(loss) of associates (net of tax)		(382.7)	(476.7)
(XI) Share of profit/(loss) of joint venture (net of tax)		(1.4)	(2.3)
<b>(XII) Profit for the year before non-controlling interests (IX+X+XI)</b>		<b>96,100.3</b>	<b>85,129.4</b>
(XIII) Non-controlling interests	71	336.5	393.6
<b>(XIV) Profit for the year attributable to owners of the parent company (XII-XIII)</b>		<b>95,763.8</b>	<b>84,735.8</b>
<b>(XV) Other comprehensive income</b>			
<b>(A) Items that will not be reclassified to profit or loss</b>			
(a) Gain/(loss) on remeasurement of the defined benefit plans		(690.8)	157.4
Income tax on above		241.5	(54.2)
		<b>(449.3)</b>	<b>103.2</b>
(b) Gain/(loss) on equity instruments measured at fair value through other comprehensive income		8,037.4	832.0
Income tax on above		(1,102.6)	(63.8)
		<b>6,934.8</b>	<b>768.2</b>
<b>Total (A)</b>		<b>6,485.5</b>	<b>871.4</b>

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

		₹ in Million	
Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>(B) Items that may be reclassified to profit or loss</b>			
(a) Gain/(loss) on debt instruments measured at fair value through other comprehensive income		926.0	(247.7)
Income tax on above		(61.0)	(3.8)
		<b>865.0</b>	<b>(251.5)</b>
(b) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		314.2	(529.6)
Income tax on above		(29.9)	66.1
		<b>284.3</b>	<b>(463.5)</b>
(c) Exchange differences in translating the financial statements of foreign operations		6,082.4	22,913.7
Exchange differences on translation of net investment in foreign operations		(2,295.9)	(504.4)
		<b>3,786.5</b>	<b>22,409.3</b>
<b>Total (B)</b>		<b>4,935.8</b>	<b>21,694.3</b>
<b>(XV) Total other comprehensive income (A + B)</b>		<b>11,421.3</b>	<b>22,565.7</b>
<b>(XVI) Total comprehensive income for the year (XII+XV)</b>		<b>107,521.6</b>	<b>107,695.1</b>
<b>Other comprehensive income for the year attributable to:</b>			
- Owners of the parent company		10,413.2	20,298.8
- Non-controlling interests		1,008.1	2,266.9
<b>Total comprehensive income for the year attributable to:</b>			
- Owners of the parent company		106,177.0	105,034.6
- Non-controlling interests		1,344.6	2,660.5
<b>Earnings per equity share (face value per equity share - ₹ 1)</b>	<b>51</b>		
Basic (in ₹)		39.9	35.3
Diluted (in ₹)		39.9	35.3

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  
Mumbai, May 22, 2024

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

**DILIP S. SHANGHVI**  
Chairman and Managing Director  
(DIN: 00005588)

**AALOK D. SHANGHVI**  
Whole-time Director  
(DIN: 01951829)

**ANOOP DESHPANDE**  
Company Secretary and Compliance Officer

**C. S. MURALIDHARAN**  
Chief Financial Officer  
Mumbai, May 22, 2024



# Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

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	Effective portion of cash flow hedges
<b>Balance as at March 31, 2022</b>	2,399.3	3,681.7	11,874.1	43.8	7.5	285.5	35,621.0	376,456.5	(769.6)	2,392.6	47,935.1	184.7	480,112.2	30,548.9	510,661.1
Profit for the year	-	-	-	-	-	-	-	84,735.8	-	-	-	-	84,735.8	393.6	85,129.4
Exchange difference arising on translation of foreign operations/ net investment in foreign operations, net of tax	-	-	-	-	-	-	-	-	-	-	20,059.8	-	20,059.8	2,349.5	22,409.3
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	* 103.2	(241.6)	768.2	-	(390.8)	239.0	(82.6)	156.4
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	84,839.0	(241.6)	768.2	20,059.8	(390.8)	105,034.6	2,660.5	107,695.1
Payment of dividend	-	-	-	-	-	-	-	(25,193.0)	-	-	-	-	(25,193.0)	(8.5)	(25,201.5)
<b>Balance as at March 31, 2023</b>	2,399.3	3,681.7	11,874.1	43.8	7.5	285.5	35,621.0	436,102.5	(1,011.2)	3,160.8	67,994.9	(206.1)	559,953.8	33,200.9	593,154.7
Profit for the year	-	-	-	-	-	-	-	95,763.8	-	-	-	-	95,763.8	336.5	96,100.3
Exchange difference arising on translation of foreign operations/ net investment in foreign operations, net of tax	-	-	-	-	-	-	-	-	-	-	2,940.4	-	2,940.4	846.1	3,786.5
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	-	-	-	2,940.4	-	2,940.4	846.1	3,786.5
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	(449.6)	752.5	6,934.8	-	235.1	7,472.8	162.0	7,634.8
Payment of dividend	-	-	-	-	-	-	-	95,314.2	752.5	6,934.8	2,940.4	235.1	106,177.0	1,344.6	107,521.6
Buy-back / purchase of equity shares	-	-	-	-	-	-	-	(28,981.6)	-	-	-	-	(28,981.6)	(25.4)	(29,007.0)
Acquisition during the year	-	-	-	-	-	-	-	(481.7)	-	-	-	-	(481.7)	(292.2)	(773.9)
Transfer on sale of equity instrument	-	-	-	-	-	-	-	(407.9)	-	407.9	-	-	-	164.3	164.3
<b>Balance as at March 31, 2024</b>	2,399.3	3,681.7	11,874.1	43.8	7.5	285.5	35,621.0	501,545.5	(258.7)	10,503.5	70,935.3	29.0	636,667.5	34,392.2	671,059.7

\* Represents remeasurement 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 B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 324982E/E300003

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

per **PAUL ALVARES**  
Partner  
Membership No.: 105754  
Mumbai, May 22, 2024

**DILIP S. SHANGHVI**  
Chairman and Managing Director  
(DIN: 00005588)

**AALOK D. SHANGHVI**  
Whole-time Director  
(DIN: 01951829)

**C. S. MURALIDHARAN**  
Chief Financial Officer  
Mumbai, May 22, 2024

**ANOOP DESHPANDE**  
Company Secretary and Compliance Officer

# Consolidated Statement of Cash Flow

for the year ended March 31, 2024

Particulars	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax	110,878.9	94,084.3
Adjustments for:		
Depreciation and amortisation expense	25,566.4	25,294.3
Net (gain) / loss on sale / write off / impairment of property, plant and equipment, other intangible assets, intangible assets under development and goodwill	1,662.3	227.1
Finance costs	2,384.7	1,720.0
Interest income	(10,229.1)	(3,845.4)
Dividend income on investments	(1,033.0)	(1,464.5)
Net (gain) / loss arising on financial assets measured at fair value through profit or loss	2,277.2	1,613.0
Net (gain) / loss on sale of financial assets measured at fair value through profit or loss	(3,301.1)	(1,847.1)
Net (gain) / loss on sale of financial assets measured at fair value through other comprehensive income	102.0	240.3
Provision / impairment / write off / (reversal) for doubtful trade receivables / advances / loans	905.9	2,070.5
Sundry balances written back, net	(292.1)	(150.7)
Effect of exchange rate changes	(2,499.2)	3,368.1
<b>Operating profit before working capital changes</b>	<b>126,422.9</b>	<b>121,309.9</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in inventories	5,988.1	(12,022.0)
(Increase) / Decrease in trade receivables	3,528.9	(9,531.7)
(Increase) / Decrease in other assets	(3,839.0)	(2,158.1)
Increase / (Decrease) in trade payables	2,497.2	11,823.7
Increase / (Decrease) in other liabilities	2,409.2	(6,691.5)
Increase / (Decrease) in provisions	36.9	(38,038.6)
<b>Cash generated from operations</b>	<b>137,044.2</b>	<b>64,691.7</b>
Net Income tax (paid) / refund received (including interest on refunds)	(15,694.4)	(15,098.4)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>121,349.8</b>	<b>49,593.3</b>
<b>B. Cash flow from investing activities</b>		
Payments for purchase of property, plant and equipment (including capital work-in-progress, other intangible assets and intangible assets under development)	(22,018.1)	(20,855.8)
Proceeds from disposal of property, plant and equipment and other intangible assets	308.4	210.1
Loans given	(207.0)	-
Purchase of investments		
Associates	(865.9)	(1,554.9)
Others	(290,044.5)	(218,087.4)
Proceeds from sale of investments (others)	300,944.7	208,968.4
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	(15,670.1)	(7,251.0)
Fixed deposits / margin money matured	14,960.3	1,488.7
Acquisition of subsidiary	(1,433.2)	(46,858.2)
Interest received	6,132.0	3,179.3
Dividend received	991.4	1,324.0
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(6,902.0)</b>	<b>(79,436.8)</b>

# Consolidated Statement of Cash Flow

for the year ended March 31, 2024

Particulars	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings	45,726.5	81,597.8
Repayment of borrowings	(81,055.9)	(28,996.3)
Repayment of principal portion of lease liabilities	(1,231.0)	(1,013.8)
Payment for buy-back of equity shares held by non-controlling interests of subsidiaries	(773.9)	-
Net increase / (decrease) in working capital demand loans	1,430.1	(1,304.9)
Finance costs (including interest on lease liabilities) paid	(2,190.3)	(1,324.8)
Dividend payment to non-controlling interests	(25.4)	(8.5)
Dividend paid	(28,981.7)	(25,188.8)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(67,101.6)</b>	<b>23,760.7</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>47,346.2</b>	<b>(6,082.8)</b>
Cash and cash equivalents at the beginning of the year	46,237.3	45,082.5
Cash and cash equivalents taken over on acquisition of subsidiary	12.9	5,666.9
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(739.9)	1,570.7
<b>Cash and cash equivalents at the end of the year</b>	<b>92,856.5</b>	<b>46,237.3</b>

## Notes:

Particulars	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
<b>Cash and cash equivalents comprises of</b>		
Balances with banks		
In current accounts	24,183.3	32,249.3
In deposit accounts with original maturity less than 3 months	68,430.8	13,871.7
Cheques, drafts on hand	224.4	94.9
Cash on hand	18.0	21.4
<b>Cash and cash equivalents (Refer Note 14)</b>	<b>92,856.5</b>	<b>46,237.3</b>

## Change in financial liability/ asset arising from financing activities

Particulars	₹ in Million	
	Year ended March 31, 2024	
	Borrowings	Derivatives, net [(liabilities) / asset]
<b>Opening balance</b>	61,978.8	(236.6)
Changes from financing cash flows	(33,899.3)	236.6
Taken over on acquisition	16.7	-
The effect of changes in foreign exchange rates	360.7	-
<b>Closing balance</b>	<b>28,456.9</b>	<b>-</b>

# Consolidated Statement of Cash Flow

for the year ended March 31, 2024

₹ in Million

Particulars	Year ended March 31, 2023	
	Borrowings	Derivatives, net [(liabilities) / asset]
Opening balance	9,306.9	(302.7)
Changes from financing cash flows	51,296.6	-
The effect of changes in foreign exchange rates	1,375.3	66.1
<b>Closing balance</b>	<b>61,978.8</b>	<b>(236.6)</b>

For movement of lease liabilities, Refer Note 54.

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 Number: 105754  
Mumbai, May 22, 2024

**ANOOP DESHPANDE**  
Company Secretary and Compliance Officer

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

**DILIP S. SHANGHVI**  
Chairman and Managing Director  
(DIN: 00005588)

**AALOK D. SHANGHVI**  
Whole-time Director  
(DIN: 01951829)

**C. S. MURALIDHARAN**  
Chief Financial Officer  
Mumbai, May 22, 2024

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 1. General information

Sun Pharmaceutical Industries Limited (SPIL or the “parent company”) (CIN L24230GJ1993PLC019050), is a public limited company incorporated and domiciled in India, having its registered office at SPARC, Tandalja, Vadodara, Gujarat 390012, India. SPIL is listed on the BSE Limited and National Stock Exchange of India Limited. The parent company is incorporated under the provisions of Companies Act, as applicable in India. 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 22, 2024.

## 2. Material accounting policies

### 2.1 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2024 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2023 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

### 2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost convention and on an accrual basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; (iii) investment in joint ventures and associates 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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. The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are also eliminated. 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 retained earnings and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the statement of profit and 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 the statement of profit and loss or transferred to another category of equity as specified/ permitted by applicable Ind AS).

#### 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.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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

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

## c. Business combinations

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

The 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. Judgement 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 accumulated in equity as Capital reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as Capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the 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 the statement of profit and loss. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

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

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the 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 finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the statement of profit and loss, as appropriate.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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.
- 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 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 the statement of profit and 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.

## 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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

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

The estimated useful lives are as follows:

Asset Category	No. of years
Buildings including factory buildings*	4-125
Plant and equipment	2-30
Vehicles	3-15
Office equipment	2-17
Furniture and fixtures	3-15

\* 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 the statement of profit and 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 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.

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

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

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

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

The consideration for acquisition of intangible asset which is based on reaching specific milestone that are dependent on the 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 range from 3 to 15 years.

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

## De-recognition of intangible assets

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

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

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

In respect of assets other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss

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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)

#### *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.



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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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

## *Debt instrument at FVTOCI*

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

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

## *Debt instrument at FVTPL*

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

In addition, the 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 recognised in the statement of profit and loss.

## *Equity instruments*

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the 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 statement of profit and loss.

## *De-recognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the 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.

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



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

### *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.

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

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

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

### Financial liabilities and equity instruments

#### *Classification as debt or equity*

Debt and equity instruments issued by a 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 the statement of profit and 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## *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 AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit and 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 profit or loss.

## *Financial liabilities subsequently measured at amortised cost*

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

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

## *De-recognition*

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

## *Reclassification of financial assets*

The 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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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, 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 the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### (ii) *Cash flow hedges*

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

*(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 profit or loss. The amounts accumulated in equity are included in profit or loss when the foreign operation is disposed or partially disposed.

**k. Leases**

The Group 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.

**Group as a lessee**

The Group 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.

**l. Inventories**

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

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

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

**m. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the 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 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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 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.

## 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 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.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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 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. Contract assets are subject to impairment assessment.

### 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 statement of profit and loss as the underlying services are performed. Upfront non-refundable

payments received are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

### Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the 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.

### o. 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.

### p. 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.

### 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



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the statement of profit and loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in the statement of profit and loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

## Termination benefits

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

## Short-term and Other long-term employee benefits

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

The 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 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.

## r. 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 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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

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

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

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the consolidated statement of changes in equity as part of the associated dividend payment.

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

## s. Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

## t. Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 3A(I) PROPERTY, PLANT AND EQUIPMENT

	₹ in Million						
	Freehold land	Buildings including given on lease	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
<b>At cost or deemed cost</b>							
<b>As at March 31, 2022</b>	6,448.1	57,836.1	123,628.9	4,231.3	1,148.0	3,022.3	196,314.7
Foreign currency translation difference	123.1	2,487.9	3,357.6	166.6	15.5	41.8	6,192.5
Taken over on acquisition	-	496.4	194.1	-	-	-	690.5
Additions	104.9	797.6	5,005.0	90.2	230.2	208.1	6,436.0
Disposals	-	(83.2)	(1,083.7)	(45.1)	(204.5)	(24.5)	(1,441.0)
Reclassified to Assets held for Sale	-	(139.4)	(328.4)	(4.4)	(2.7)	(1.4)	(476.3)
<b>As at March 31, 2023</b>	<b>6,676.1</b>	<b>61,395.4</b>	<b>130,773.5</b>	<b>4,438.6</b>	<b>1,186.5</b>	<b>3,246.3</b>	<b>207,716.4</b>
Foreign currency translation difference	(99.5)	(531.2)	(187.2)	12.8	(93.3)	(15.0)	(913.4)
Taken over on acquisition	-	2.3	9.1	1.2	11.9	0.6	25.1
Additions	1,597.9	2,997.1	8,437.7	130.2	334.9	649.8	14,147.6
Disposals	-	(165.0)	(1,392.6)	(36.4)	(192.9)	(449.5)	(2,236.4)
Reclassified to Assets held for Sale	(1.3)	(88.7)	(582.7)	(12.7)	(5.2)	(0.2)	(690.8)
<b>As at March 31, 2024</b>	<b>8,173.2</b>	<b>63,609.9</b>	<b>137,057.8</b>	<b>4,533.7</b>	<b>1,241.9</b>	<b>3,432.0</b>	<b>218,048.5</b>
<b>Accumulated depreciation and impairment</b>							
<b>As at March 31, 2022</b>	-	20,797.8	70,858.0	3,105.5	750.0	1,931.1	97,442.4
Foreign currency translation difference	-	1,127.7	2,613.0	131.8	15.3	27.7	3,915.5
Taken over on acquisition	-	215.4	141.5	-	-	-	356.9
Depreciation expense	-	2,047.1	8,663.0	222.7	125.7	372.9	11,431.4
Disposals	-	(79.0)	(984.6)	(36.4)	(186.7)	(22.7)	(1,309.4)
Reclassified to Assets held for Sale	-	(40.5)	(227.7)	(4.0)	(1.5)	(1.0)	(274.7)
<b>As at March 31, 2023</b>	-	<b>24,068.5</b>	<b>81,063.2</b>	<b>3,419.6</b>	<b>702.8</b>	<b>2,308.0</b>	<b>111,562.1</b>
Foreign currency translation difference	-	(368.6)	(108.9)	10.8	(54.8)	(9.5)	(531.0)
Taken over on acquisition	-	0.1	0.8	0.4	3.7	0.3	5.3
Depreciation expense	-	2,407.2	9,230.8	225.8	167.2	377.0	12,408.0
Disposals	-	(106.7)	(1,177.9)	(33.9)	(166.6)	(192.6)	(1,677.7)
Reclassified to Assets held for Sale	-	(38.2)	(437.4)	(9.6)	(5.0)	(0.2)	(490.4)
<b>As at March 31, 2024</b>	-	<b>25,962.3</b>	<b>88,570.6</b>	<b>3,613.1</b>	<b>647.3</b>	<b>2,483.0</b>	<b>121,276.3</b>
<b>Carrying amount</b>							
<b>As at March 31, 2023</b>	<b>6,676.1</b>	<b>37,326.9</b>	<b>49,710.3</b>	<b>1,019.0</b>	<b>483.7</b>	<b>938.3</b>	<b>96,154.3</b>
<b>As at March 31, 2024</b>	<b>8,173.2</b>	<b>37,647.6</b>	<b>48,487.2</b>	<b>920.6</b>	<b>594.6</b>	<b>949.0</b>	<b>96,772.2</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 3A(II) RIGHT-OF-USE ASSETS

						₹ in Million
	Leasehold land	Buildings	Furniture and fixtures	Vehicles	Office equipment	Total
<b>At cost</b>						
<b>As at March 31, 2022</b>	2,173.1	2,642.0	3.0	2,932.5	24.1	7,774.7
Foreign currency translation difference	137.1	126.8	(0.2)	216.7	(0.2)	480.2
Taken over on acquisition	-	1,382.1	-	-	-	1,382.1
Additions	5.8	3,193.3	-	515.7	-	3,714.8
Deletions	(4.8)	(542.7)	-	(381.7)	-	(929.2)
Reclassified to Assets held for Sale	(8.9)	-	-	-	-	(8.9)
<b>As at March 31, 2023</b>	<b>2,302.3</b>	<b>6,801.5</b>	<b>2.8</b>	<b>3,283.2</b>	<b>23.9</b>	<b>12,413.7</b>
Foreign currency translation difference	(6.6)	(1.4)	(0.3)	3.3	(2.5)	(7.5)
Taken over on acquisition	-	9.0	-	-	-	9.0
Additions	-	304.6	-	864.0	-	1,168.6
Deletions	-	(2,697.0)	-	(1,249.0)	-	(3,946.0)
Reclassified to Assets held for Sale	(2.7)	-	-	-	-	(2.7)
<b>As at March 31, 2024</b>	<b>2,293.0</b>	<b>4,416.7</b>	<b>2.5</b>	<b>2,901.5</b>	<b>21.4</b>	<b>9,635.1</b>
<b>Accumulated depreciation</b>						
<b>As at March 31, 2022</b>	440.9	1,157.4	1.1	1,324.2	9.6	2,933.2
Foreign currency translation difference	22.6	75.1	-	114.8	0.1	212.6
Taken over on acquisition	-	729.6	-	-	-	729.6
Depreciation expense	49.4	595.0	0.6	664.8	5.4	1,315.2
Deletions	-	(341.0)	-	(184.8)	-	(525.8)
Reclassified to Assets held for Sale	(0.6)	-	-	-	-	(0.6)
<b>As at March 31, 2023</b>	<b>512.3</b>	<b>2,216.1</b>	<b>1.7</b>	<b>1,919.0</b>	<b>15.1</b>	<b>4,664.2</b>
Foreign currency translation difference	1.6	18.7	0.4	5.8	(1.8)	24.7
Taken over on acquisition	-	2.3	-	-	-	2.3
Depreciation expense	46.1	576.4	-	720.8	4.4	1,347.7
Deletions	-	(322.1)	-	(1,232.2)	-	(1,554.3)
Reclassified to Assets held for Sale	(0.5)	-	-	-	-	(0.5)
<b>As at March 31, 2024</b>	<b>559.5</b>	<b>2,491.4</b>	<b>2.1</b>	<b>1,413.4</b>	<b>17.7</b>	<b>4,484.1</b>
<b>Carrying amount</b>						
<b>As at March 31, 2023</b>	<b>1,790.0</b>	<b>4,585.4</b>	<b>1.1</b>	<b>1,364.2</b>	<b>8.8</b>	<b>7,749.5</b>
<b>As at March 31, 2024</b>	<b>1,733.5</b>	<b>1,925.3</b>	<b>0.4</b>	<b>1,488.1</b>	<b>3.7</b>	<b>5,151.0</b>

(i) For details of Ind AS 116 disclosure refer Note 54.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 3B OTHER INTANGIBLE ASSETS

Other than internally generated

	₹ in Million		
	Computer Software	Product related intangibles	Total
<b>At cost or deemed cost</b>			
<b>As at March 31, 2022</b>	4,521.1	112,550.3	117,071.4
Foreign currency translation difference	71.5	2,046.5	2,118.0
Taken over on acquisition	39.9	-	39.9
Additions	731.8	7,352.4	8,084.2
Disposals	(1.2)	(15.3)	(16.5)
Reclassified to Assets held for Sale	(7.9)	-	(7.9)
<b>As at March 31, 2023</b>	<b>5,355.2</b>	<b>121,933.9</b>	<b>127,289.1</b>
Foreign currency translation difference	(11.4)	309.5	298.1
Taken over on acquisition	0.1	357.7	357.8
Additions	700.7	1,832.9	2,533.6
Disposals	(470.1)	(839.0)	(1,309.1)
Reclassified to Assets held for Sale	(5.5)	-	(5.5)
<b>As at March 31, 2024</b>	<b>5,569.0</b>	<b>123,595.0</b>	<b>129,164.0</b>
<b>Accumulated amortisation and impairment</b>			
<b>As at March 31, 2022</b>	2,551.4	57,495.0	60,046.4
Foreign currency translation difference	60.7	1,463.1	1,523.8
Taken over on acquisition	18.8	-	18.8
Amortisation expense	533.4	12,024.3	12,557.7
Disposals	(0.5)	(23.6)	(24.1)
Reclassified to Asset held for sale	(3.8)	-	(3.8)
<b>As at March 31, 2023</b>	<b>3,160.0</b>	<b>70,958.8</b>	<b>74,118.8</b>
Foreign currency translation difference	(4.9)	221.5	216.6
Taken over on acquisition	0.1	-	0.1
Amortisation expense	661.7	11,150.5	11,812.2
Disposals	(469.1)	(712.3)	(1,181.4)
Reclassified to Assets held for Sale	(3.4)	-	(3.4)
<b>As at March 31, 2024</b>	<b>3,344.4</b>	<b>81,618.5</b>	<b>84,962.9</b>
Carrying amount			
<b>As at March 31, 2023</b>	<b>2,195.2</b>	<b>50,975.1</b>	<b>53,170.3</b>
<b>As at March 31, 2024</b>	<b>2,224.6</b>	<b>41,976.5</b>	<b>44,201.1</b>

### Footnotes to 3A and 3B:

- Buildings include ₹ 8,620 (March 31, 2023: ₹ 8,620) towards cost of shares in a co-operative housing society and also includes ₹ 4.5 Million (March 31, 2023: ₹ 4.5 Million) towards cost of flats not registered in the name of the parent company but is entitled to right of use and occupancy.
- Product related intangibles 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.
- ₹ 1.5 Million (March 31, 2023: ₹ 10.0 Million) related to impairment of Property, Plant and Equipment and Other Intangible Assets has been included above under depreciation and amortisation expense.
- The aggregate amortisation has been included under depreciation and amortisation expense in the consolidated statement of profit and loss.

## NOTE: 3C ASSETS CLASSIFIED AS HELD FOR SALE

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

Net of accumulated depreciation and amortisation

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Lease liabilities	6.3	6.2
	<b>6.3</b>	<b>6.2</b>

The Company as a part of its ongoing initiative of network strategy and optimisation of manufacturing facilities has identified divestment of its Goa and Silvasa facility. The plan involves transferring above assets and liabilities to a prospective buyer. The transfer is to be completed during the year 2024-25 and hence, these have been classified as held for sale. These assets and liabilities have been carried at cost as the same is lower than the fair value expected out of sale.

## NOTE: 3D CAPITAL WORK-IN-PROGRESS

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	9,633.5	7,975.1
Additions	10,030.9	6,167.7
Capitalised	(8,359.4)	(4,501.1)
Disposals	(222.4)	-
Foreign currency translation difference	(5.3)	(8.2)
Closing balance	<b>11,077.3</b>	<b>9,633.5</b>

## NOTE: 3E INTANGIBLE ASSETS UNDER DEVELOPMENT

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	40,098.1	4,892.9
Additions	4,173.3	6,618.6
Taken over on acquisition	-	34,258.6
Capitalised	(791.3)	(5,715.6)
Impairment (Refer note 61A and 36)	(1,561.1)	(82.7)
Foreign currency translation difference	542.5	126.3
Closing balance	<b>42,461.5</b>	<b>40,098.1</b>

## NOTE: 4 INVESTMENT IN ASSOCIATES (NON-CURRENT)

	As at March 31, 2024		As at March 31, 2023	
	Quantity	₹ in Million	Quantity	₹ in Million
(Carrying amount determined using equity method of accounting)				
<b>Unquoted, fully paid</b>				
<b>Equity instruments</b>				
Medinstill LLC	1,999	528.3	1,999	763.9
Tarsier Pharma Ltd	455,447	361.8	455,447	401.7
Intact Solutions LLC	153	-	153	52.4
WRS Bioproducts Pty Ltd	740,071	192.3	428,571	117.4
Remidio Innovative Solutions Private Limited	1,077	131.3	525	77.3
Ezerx Health Tech Private Limited	6,315	294.0	-	-
Agatsa Software Private Limited	8,538	234.2	-	-
<b>Preference shares</b>				
Remidio Innovative Solutions Private Limited	474,511	1,420.0	474,511	1,420.0
Surgimatix Inc	627,184	251.4	-	-
<b>Limited liability partnership</b>				
Trumpcard Advisors and Finvest LLP		648.0		642.1
Generic Solar Power LLP [₹ Nil (March 31, 2023: ₹ Nil)]		-		-
		<b>4,061.3</b>		<b>3,474.8</b>
Aggregate carrying value of unquoted investments		<b>4,061.3</b>		<b>3,474.8</b>



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 5 INVESTMENT IN JOINT VENTURE (NON-CURRENT)

	As at March 31, 2024		As at March 31, 2023	
	Quantity	₹ in Million	Quantity	₹ in Million
(Carrying amount determined using equity method of accounting)				
<b>Unquoted, fully paid</b>				
<b>Equity instruments</b>				
Artes Biotechnology GmbH	15,853	364.8	15,853	361.6
		<b>364.8</b>		<b>361.6</b>
Aggregate carrying value of unquoted investments		364.8		361.6

## NOTE: 6 INVESTMENTS (NON-CURRENT)

	As at March 31, 2024		As at March 31, 2023	
	Quantity	₹ in Million	Quantity	₹ in Million
<b>Equity instruments - Quoted - At fair value through other comprehensive income</b>				
Amneal Pharmaceuticals Inc. Shares of USD 0.01 each fully paid	-	-	2,868,623	327.6
Krebs Biochemicals and Industries Limited Shares of ₹ 10 each fully paid	1,036,943	63.3	1,036,943	58.5
Krystal Biotech, Inc. Shares of USD 0.00001 each fully paid	914,107	13,565.6	914,107	6,013.5
scPharmaceuticals Inc. Shares of USD 0.0001 each fully paid	1,702,679	712.9	2,167,679	1,615.6
Others (equity instruments received as part of distribution)		174.8		212.6
<b>Equity instruments - Quoted - At fair value through Profit or Loss</b>		718.3		669.1
<b>Equity instruments - Unquoted - At fair value through Profit or Loss</b>				
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	214.8	38,894	211.6
Less: Impairment in value of investment		(214.8)		(211.6)
Lyndra Therapeutics Inc Shares of USD 0.001 each fully paid	78,661,289	2,502.2	-	-
Others		415.9	-	325.8
<b>Limited liability partnership - Unquoted - At fair value through other comprehensive income</b>				
ABCD Technologies LLP		297.2		406.2
<b>Debentures/bonds - Quoted - At fair value through other comprehensive income</b>				
Bonds (various small denomination)*		33,041.7		28,003.7
ONGC Videsh 4.625% Regd. Notes maturing July 15, 2024	-	-	160,000	1,300.2
NTPC 4.375% Regd. Medium Term Notes maturing November 26, 2024	-	-	100,000	807.9
State Bank of India 4.875% Notes maturing April 17, 2024	-	-	70,000	572.6
Vedanta Resources Plc 13.875% maturing on December 09, 2028 (March 31, 2023 - 6.125% maturing on August 09, 2024)	132,540	971.6	141,000	684.1
<b>Venture funds - Unquoted - At fair value through Profit or Loss</b>		3,078.5		5,079.8
<b>Others - Quoted - At fair value through other comprehensive income (small denomination U.S Treasuries, certificate of deposits, commercial papers, etc.)</b>		4,444.2		4,603.7
		<b>59,986.2</b>		<b>50,680.9</b>
Aggregate book value (carrying value) of quoted investments		53,692.4		44,869.1
Aggregate amount of quoted investments at market value		53,692.4		44,869.1
Aggregate amount of unquoted investments before impairment		7,443.1		6,957.9
Aggregate amount of impairment in value of investments		1,149.3		1,146.1

\* Various small denomination bonds individually below USD 5 Million comprised of sovereign bonds, corporate bonds, perpetual bonds, etc.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 7 LOANS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Loans to employees		
Secured, considered good	0.1	1.4
Unsecured, considered good	8.4	4.7
	<b>8.5</b>	<b>6.1</b>

## NOTE: 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Security deposits - unsecured, considered good	517.9	763.3
Derivatives designated as hedges	-	0.1
Unbilled revenue (Refer note 53)	-	108.3
Share application money pending allotment*	58.1	57.5
Others	603.5	781.2
	<b>1,179.5</b>	<b>1,710.4</b>

\* Tarsier Pharma Ltd.

## NOTE: 9 INCOME TAX ASSET (NET) [NON-CURRENT]

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provisions)*	22,850.3	23,069.8
	<b>22,850.3</b>	<b>23,069.8</b>

\* Includes amount paid under protest

## NOTE: 10 OTHER ASSETS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Capital advances	1,887.8	1,303.9
Prepaid expenses	328.2	150.0
Balances with government authorities*	2,523.3	2,269.8
	<b>4,739.3</b>	<b>3,723.7</b>

\* Includes amount paid under protest.

## NOTE: 11 INVENTORIES

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Lower of cost and net realisable value		
Raw materials and packing materials	31,008.3	34,325.5
Goods-in-transit	287.3	459.0
	<b>31,295.6</b>	<b>34,784.5</b>
Work-in-progress	20,097.6	24,973.8
Finished goods	37,345.0	34,510.9
Stock-in-trade	8,003.0	9,202.1
Goods-in-transit	459.7	348.7
	<b>8,462.7</b>	<b>9,550.8</b>
Stores and spares	1,482.0	1,310.5
	<b>98,682.9</b>	<b>105,130.5</b>

(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 ₹ 27,144.9 Million (March 31, 2023: ₹ 22,082.4 Million). The impact of write downs are recognised 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 12 INVESTMENTS (CURRENT)

	As at March 31, 2024		As at March 31, 2023	
	Quantity	₹ in Million	Quantity	₹ in Million
<b>Equity instruments – Quoted – At fair value through Profit or Loss</b>		472.4		644.6
<b>Bonds/debentures – Quoted – At fair value through other comprehensive income</b>				
Bonds (various small denomination investments) <sup>#</sup>		24,501.4		28,917.3
ONGC Videsh 4.625% Regd. Notes maturing July 15, 2024	160,000	1,329.5	-	-
NTPC 4.375% Regd. Medium Term Notes maturing November 26, 2024	100,000	825.9	-	-
State Bank of India 4.875% Notes maturing April 17, 2024	70,000	583.6	-	-
<b>Mutual funds * – Unquoted – At fair value through Profit or Loss</b>				
Aditya Birla Sun Life Liquid Fund Growth Direct Plan	9,231,064	3,597.1	3,006,424	1,091.5
Axis Liquid Fund – Direct Growth	487,063	1,307.1	1,729,947	4,326.4
Bandhan Liquid Fund – Growth – Direct Plan (erstwhile IDFC Cash Fund – Growth – Direct Plan)	1,445,798	4,217.9	-	-
DSP BlackRock liquidity Fund – Direct Plan – growth	-	-	1,014,182	3,262.8
Bajaj Finserv Liquid Fund – Direct Plan – Growth	1,468,001	1,547.0	-	-
Franklin India Liquid Fund – Super Institutional Plan – Direct Plan – Growth	277,141	1,005.2	-	-
Mirae Asset Liquid Fund (formerly Mirae Cash Management Fund) Direct Plan Growth	956,226	2,438.7	842,638	2,002.6
HDFC Liquid Fund – Direct Plan – Growth Option	803,999	3,813.9	2,341,407	5,249.7
ICICI Prudential Liquid – Direct Plan – Growth	2,801,627	1,001.3	14,349,382	4,781.0
Invesco India Liquid Fund – Direct Plan – Growth	825,637	2,736.9	843,775	2,607.4
Kotak Liquid Scheme Plan Direct Plan – Growth	650,127	3,172.0	866,571	3,941.5
Baroda BNP Paribas Liquid Fund – Direct Growth	1,560,301	4,345.1	1,592,103	4,132.3
Sundaram Liquid Fund Direct Growth	-	-	518,475	1,030.7
TATA Liquid Fund – Growth – Direct Plan	-	-	368,444	1,308.5
SBI Liquid Fund Direct Growth	802,122	3,031.4	-	-
Nippon India Liquid Fund Direct Growth Plan	686,750	4,058.0	1,081,358	5,955.0
HSBC Liquid Fund – Direct Growth (Formerly known as HSBC Cash Fund Growth Direct Plan)	1,973,320	4,747.8	-	-
UTI Liquid Fund (Formerly UTI Liquid Cash Plan) Direct Plan – Growth	717,550	2,840.0	1,098,818	4,054.0
Others		-		634.0
<b>Others – Quoted – At fair value through other comprehensive income (small denomination U.S Treasuries, certificate of deposits, commercial papers, etc.)</b>		13,656.0		19,786.8
<b>Equity instruments – Quoted – At fair value through Other comprehensive income</b>				
Amneal Pharmaceuticals Inc. Shares of USD 0.01 each fully paid	1,221,138	617.2	-	-
		<b>85,845.4</b>		<b>93,726.1</b>
Aggregate book value (carrying value) of quoted investments		41,986.0		49,348.7
Aggregate amount of quoted investments at market value		41,986.0		49,348.7
Aggregate amount of unquoted investments before impairment		43,859.4		44,377.4
Aggregate amount of impairment in value of investments		-		-

\* Investments in mutual funds have been fair valued at closing net asset value (NAV).

<sup>#</sup> Various small denomination bonds individually below USD 5 Million comprised of sovereign bonds, corporate bonds, perpetual bonds, etc.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 13 TRADE RECEIVABLES

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Unsecured		
Considered good	112,493.7	114,385.1
Credit impaired	4,058.1	4,149.3
	<b>116,551.8</b>	<b>118,534.4</b>
Less: Allowance for credit impaired	(4,058.1)	(4,149.3)
	<b>112,493.7</b>	<b>114,385.1</b>

## NOTE: 14 CASH AND CASH EQUIVALENTS

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Balance with banks		
In current accounts	24,183.3	32,249.3
In deposit accounts with original maturity less than 3 months	68,430.8	13,871.7
Cheques, drafts on hand	224.4	94.9
Cash on hand	18.0	21.4
	<b>92,856.5</b>	<b>46,237.3</b>

## NOTE: 15 BANK BALANCES OTHER THAN DISCLOSED IN NOTE 14 ABOVE

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Deposit accounts (with original maturity more than 3 months but less than 12 months)	12,198.7	11,336.7
Earmarked balances with banks		
Unpaid dividend accounts	112.7	103.4
Balances held as margin money or security against guarantees and other commitments	38.9	25.5
	<b>12,350.3</b>	<b>11,465.6</b>

## NOTE: 16 LOANS (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Loans to related parties		
Unsecured, considered good (Refer note 61 and 68)	458.6	246.4
Unsecured, credit impaired (Refer note 61 and 68)	1,369.1	1,354.9
Less: Allowance for credit impaired	(1,369.1)	(1,354.9)
	<b>458.6</b>	<b>246.4</b>
Loans to employees/others*		
Secured, considered good	0.7	0.3
Unsecured, considered good	190.9	166.5
Unsecured, credit impaired	112.5	111.2
Less: Allowance for credit impaired	(112.5)	(111.2)
	<b>191.6</b>	<b>166.8</b>
	<b>650.2</b>	<b>413.2</b>

\* Others: Loans given to various parties at prevailing market interest rate.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 17 OTHER FINANCIAL ASSETS (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Interest accrued on investments/balances with banks	427.3	325.0
Security deposits (unsecured, considered good)	255.5	278.6
Derivatives designated as hedges	114.9	25.0
Derivatives not designated as hedges	234.6	177.3
Refund due from government authorities	6,145.1	4,307.9
Unbilled Revenue (Refer note 53)	108.7	182.8
Others	2,385.9	2,848.5
Less: Allowance for doubtful*	(500.0)	(500.0)
	<b>9,172.0</b>	<b>7,645.1</b>

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

## NOTE: 18 OTHER ASSETS (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Export incentives receivable	115.1	3.1
Prepaid expenses	4,135.4	3,717.7
Advances for supply of goods and services		
Considered good	4,266.0	4,552.7
Considered doubtful	777.2	718.9
Less: Allowance for doubtful	(777.2)	(718.9)
Balances with government authorities*	13,116.9	10,480.5
Others	646.7	862.5
	<b>22,280.1</b>	<b>19,616.5</b>

\* Includes balances of goods and services tax.

## NOTE: 19 EQUITY SHARE CAPITAL

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ in Million	Number of shares	₹ in Million
<b>Authorised</b>				
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
		<b>6,000.0</b>		<b>6,000.0</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 1 each (Refer note 41)	2,399,334,970	2,399.3	2,399,334,970	2,399.3
	<b>2,399,334,970</b>	<b>2,399.3</b>	<b>2,399,334,970</b>	<b>2,399.3</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 20 OTHER EQUITY

		₹ in Million	
		As at March 31, 2024	As at March 31, 2023
<b>A)</b>	<b>Reserves and surplus</b>		
	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	285.5
	General reserve	35,621.0	35,621.0
	Retained earnings	501,545.5	436,102.5
<b>B)</b>	<b>Items of other comprehensive income (OCI)</b>		
	Debt instrument through other comprehensive income	(258.7)	(1,011.2)
	Equity instrument through other comprehensive income	10,503.5	3,160.8
	Foreign currency translation reserve	70,935.3	67,994.9
	Effective portion of cash flow hedges	29.0	(206.1)
		<b>634,268.2</b>	<b>557,554.5</b>

Refer consolidated statement of changes in equity for detailed movement in above 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 portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

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

**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 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 profit or loss on the disposal of the foreign operation.

**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.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 21 BORROWINGS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Term loans		
From others (unsecured)	13.3	-
	<b>13.3</b>	<b>-</b>

Also refer note 66 for borrowings (non-current).

## NOTE: 22 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Derivatives designated as hedges	-	37.9
	<b>-</b>	<b>37.9</b>

## NOTE: 23 PROVISIONS (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Employee benefits	3,997.2	3,261.9
Others (Refer note 60)	141.7	167.2
	<b>4,138.9</b>	<b>3,429.1</b>

## NOTE: 24 OTHER LIABILITIES (NON-CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Deferred revenue (Refer note 53)	4,887.4	5,698.7
Others	112.0	129.5
	<b>4,999.4</b>	<b>5,828.2</b>

## NOTE: 25 BORROWINGS (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand		
From banks (unsecured)	2,010.1	2,231.2
Other loans		
From banks (unsecured)	26,433.5	57,351.4
Current maturities of long-term debt (Refer note 66)	-	2,396.2
	<b>28,443.6</b>	<b>61,978.8</b>

Also refer note 67 for borrowings (current).

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 26 OTHER FINANCIAL LIABILITIES (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Interest accrued	69.4	216.9
Unpaid dividends	113.5	104.3
Security deposits	69.8	111.4
Payables on purchase of property, plant and equipment and other intangible assets	3,638.5	3,045.0
Derivatives designated as hedges	125.2	544.2
Derivatives not designated as hedges	-	33.2
Payables to employee	9,987.8	10,207.7
Others*	1,062.8	1,668.2
	<b>15,067.0</b>	<b>15,930.9</b>

\* Include claims, recall charges, milestone obligations, trade and other commitments.

## NOTE: 27 OTHER LIABILITIES (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Statutory remittances	9,432.7	4,764.2
Advance from customers (Refer note 53)	433.3	410.2
Deferred revenue (Refer note 53)	832.1	1,157.0
Others	146.5	95.8
	<b>10,844.6</b>	<b>6,427.2</b>

## NOTE: 28 PROVISIONS (CURRENT)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Employee benefits	6,831.9	4,702.7
Others (Refer note 60)	46,743.7	48,841.1
	<b>53,575.6</b>	<b>53,543.8</b>

## NOTE: 29 CURRENT TAX LIABILITIES (NET)

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Provision for income tax (Net of advance income tax)	4,117.0	3,087.1
	<b>4,117.0</b>	<b>3,087.1</b>

## NOTE: 30 REVENUE FROM OPERATIONS

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers (Refer note 53)	477,584.5	432,788.7
Other operating revenues*	7,384.0	6,068.1
	<b>484,968.5</b>	<b>438,856.8</b>

\* Includes government grants of ₹ 6,342.3 Million (March 31, 2023: ₹ 5,699.7 Million) received by Indian entities of the Company.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 31 OTHER INCOME

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Interest income on:</b>		
Bank deposits at amortised cost	2,998.3	1,278.6
Loans at amortised cost	11.2	9.5
Investments in debt instruments at fair value through other comprehensive income	3,481.1	1,800.4
Others [includes interest on income tax refund of ₹ 3,302.6 Million (March 31, 2023: ₹ 428.6 Million)]	3,738.5	756.9
	<b>10,229.1</b>	<b>3,845.4</b>
Dividend income on investments	1,033.0	1,464.5
Net gain/(loss) on sale of financial assets measured at fair value through profit or loss	3,301.1	1,847.1
Net gain/(loss) on sale of financial assets measured at fair value through other comprehensive income	(102.0)	(240.3)
Net gain/(loss) arising on financial assets measured at fair value through profit or loss	(2,277.2)	(1,613.0)
Net gain on disposal of property, plant and equipment and other intangible assets	208.0	111.9
Sundry balances written back, net	292.1	150.7
Insurance claims	85.0	133.3
Lease rental and hire charges	226.1	123.2
Miscellaneous income	546.7	522.4
	<b>13,541.9</b>	<b>6,345.2</b>

## NOTE: 32 COST OF MATERIALS CONSUMED

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Raw materials and packing materials</b>		
Inventories at the beginning of the year	34,784.5	29,135.4
Purchases during the year	65,805.0	82,841.9
Foreign currency translation difference	(250.6)	582.9
Inventories at the end of the year	(31,295.6)	(34,784.5)
	<b>69,043.3</b>	<b>77,775.7</b>

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

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Inventories at the beginning of the year</b>		
Finished goods	34,510.9	30,648.1
Stock-in-trade	9,550.8	7,666.0
Work-in-progress	24,973.8	20,578.0
	<b>69,035.5</b>	<b>58,892.1</b>
<b>Less:</b>		
<b>Inventories at the end of the year</b>		
Finished goods	37,345.0	34,510.9
Stock-in-trade	8,462.7	9,550.8
Work-in-progress	20,097.6	24,973.8
	<b>65,905.3</b>	<b>69,035.5</b>
<b>Changes in inventories:</b>		
Finished goods	(2,834.1)	(3,862.8)
Stock-in-trade	1,088.1	(1,884.8)
Work-in-progress	4,876.2	(4,395.8)
Inventories taken over on acquisition	82.0	-
Foreign currency translation difference	(290.9)	3,274.3
	<b>2,921.3</b>	<b>(6,869.1)</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 34 EMPLOYEE BENEFITS EXPENSE

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	83,310.1	73,402.1
Contribution to provident and other funds*	6,012.3	5,775.1
Staff welfare expenses	4,968.2	3,783.1
	<b>94,290.6</b>	<b>82,960.3</b>

\* Includes gratuity expense of ₹ 718.3 Million (March 31, 2023: ₹ 633.9 Million)

## NOTE: 35 FINANCE COSTS

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense:		
- for financial liabilities carried at amortised cost	1,548.2	1,138.3
- others (includes interest on income tax and lease liability)	836.5	581.7
	<b>2,384.7</b>	<b>1,720.0</b>

## NOTE: 36 OTHER EXPENSES

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of materials, stores and spare parts	7,767.9	7,189.4
Conversion and other manufacturing charges	6,302.6	5,613.2
Power and fuel	7,607.8	8,300.5
Rent	734.3	588.7
Rates and taxes	7,535.0	6,702.3
Insurance	3,043.5	2,994.9
Selling, promotion and distribution	47,443.0	40,853.4
Commission on sales	2,234.9	2,068.4
Repairs and maintenance	7,795.7	6,565.1
Printing and stationery	1,705.8	665.7
Travelling and conveyance	8,182.8	6,419.9
Freight outward and handling charges	8,124.7	9,340.6
Communication	1,455.5	1,742.7
Provision/write off/(reversal) for doubtful trade receivables/advances	905.9	426.2
Professional, legal and consultancy	29,531.6	23,123.0
Donations	1,077.3	1,023.7
Loss on sale/write off of property, plant and equipment and other intangible assets, net	307.7	36.5
Payment to auditors (net of input credit, wherever applicable)	340.8	324.0
Impairment of property, plant and equipment, goodwill, other intangible assets and intangible asset under development	70.5	302.5
Miscellaneous expenses	12,014.5	7,265.3
	<b>154,181.8</b>	<b>131,546.0</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	9,219.9	7,497.4
Contribution to provident and other funds	712.1	616.8
Staff welfare expenses	395.1	251.6
Consumption of materials, stores and spare parts	4,242.7	3,086.7
Power and fuel	335.9	383.4
Rates and taxes	1,829.4	1,219.6
Rent	269.7	77.2
Insurance	159.8	92.8
Repairs and maintenance	795.1	625.0
Printing and stationery	55.9	38.9
Travelling and conveyance	241.2	161.4
Communication	37.1	33.3
Professional, legal and consultancy	12,053.8	8,495.0
Miscellaneous expenses	929.3	498.1
	<b>31,277.0</b>	<b>23,077.2</b>
Less:		
Receipts from research activities	834.5	803.7
Miscellaneous income	17.7	16.4
	<b>852.2</b>	<b>820.1</b>
	<b>30,424.8</b>	<b>22,257.1</b>

## NOTE: 38

(a) List of entities included in the Consolidated Financial Statements is as under:

	Country of Incorporation	Effective ownership for the year ended	
		March 31, 2024	March 31, 2023
<b>Parent Company</b>			
<b>Sun Pharmaceutical Industries Limited</b>			
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	100.00%	75.00%
4. Sun Pharma Japan Ltd.	Japan	100.00%	100.00%
5. OOO "Sun Pharmaceutical Industries" Limited	Russia	-	-
			(Refer note g)
6. Sun Pharma De Venezuela, C.A.	Venezuela	100.00%	100.00%
7. Sun Pharma Laboratories Limited	India	100.00%	100.00%
8. Faststone Mercantile Company Private Limited	India	100.00%	100.00%
9. Neetnav Real Estate Private Limited	India	100.00%	100.00%
10. Realstone Multitrade Private Limited	India	100.00%	100.00%
11. Skisen Labs Private Limited	India	100.00%	100.00%
12. Sun Pharma Holdings	Mauritius	100.00%	100.00%
13. Softdeal Pharmaceutical Private Limited	India	100.00%	100.00%
14. Sun Pharma (Netherlands) B.V.	Netherlands	100.00%	100.00%
15. Foundation for Disease Elimination and Control of India	India	100.00%	100.00%
		(Refer note e)	(Refer note e)
16. Zenotech Laboratories Limited	India	68.84%	68.84%
		(Refer note f)	(Refer note f)
17. Sun Farmaceutica do Brasil Ltda.	Brazil	99.99%	99.99%
18. Sun Pharma France	France	100.00%	100.00%
19. Sun Pharmaceutical Industries, Inc.	United States of America	100.00%	100.00%

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

	Country of Incorporation	Effective ownership for the year ended	
		March 31, 2024	March 31, 2023
20. Ranbaxy (Malaysia) SDN. BHD.	Malaysia	96.10%	95.67%
21. Ranbaxy Nigeria Limited	Nigeria	86.16%	86.16%
22. Chattem Chemicals Inc.	United States of America	100.00%	100.00%
23. The Taro Development Corporation	United States of America	100.00%	100.00%
24. Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%
25. Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	100.00%	100.00%
26. Aditya Acquisition Company Ltd.	Israel	99.99%	99.99%
27. Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	99.99%	99.99%
28. Sun Pharmaceuticals Germany GmbH	Germany	99.99%	99.99%
29. Sun Pharma Global FZE	United Arab Emirates	- (Refer note h)	- (Refer note h)
30. Sun Pharmaceuticals SA (Pty) Ltd	South Africa	- (Refer note n)	100.00%
31. Sun Pharma Philippines, Inc.	Philippines	100.00%	100.00%
32. Caraco Pharmaceuticals Private Limited	India	100.00%	100.00%
33. Sun Pharmaceutical Peru S.A.C.	Peru	100.00%	100.00%
34. Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%
35. Taro Pharmaceutical Industries Ltd. (Taro)	Israel (Refer note b)	78.48%	78.48%
36. Taro Pharmaceuticals Inc.	Canada	78.48%	78.48%
37. Taro Pharmaceuticals U.S.A., Inc.	United States of America	78.48%	78.48%
38. Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	78.48%	78.48%
39. Taro Pharmaceuticals Europe B.V.	Netherlands	78.48%	78.48%
40. Taro International Ltd.	Israel	78.48%	78.48%
41. 3 Skyline LLC	United States of America	78.48%	78.48%
42. One Commerce Drive LLC	United States of America	78.48%	78.48%
43. Dusa Pharmaceuticals, Inc.	United States of America	- (Refer note o)	100.00%
44. 2 Independence Way LLC	United States of America	100.00%	100.00%
45. Universal Enterprises Private Limited	India	100.00%	100.00%
46. Sun Pharma Switzerland Ltd.	Switzerland	99.99%	99.99%
47. Sun Pharma East Africa Limited	Kenya	100.00%	100.00%
48. PI Real Estate Ventures, LLC	United States of America	100.00%	100.00%
49. Sun Pharma ANZ Pty Ltd	Australia	100.00%	100.00%
50. Ranbaxy Farmaceutica Ltda.	Brazil	100.00%	100.00%
51. Sun Pharma Canada Inc.	Canada	100.00%	100.00%
52. Sun Pharma Egypt LLC	Egypt	100.00%	100.00%
53. Rexcel Egypt LLC	Egypt	100.00%	100.00%
54. Basics GmbH	Germany	100.00%	100.00%
55. Sun Pharma Italia srl	Italy	100.00%	100.00%
56. Sun Pharmaceutical Industries S.A.C.	Peru	100.00%	100.00%
57. Ranbaxy (Poland) SP. Z O.O.	Poland	100.00%	100.00%
58. SC Terapia SA	Romania	96.81%	96.81%
59. AO Ranbaxy	Russia	100.00%	100.00%
60. Ranbaxy South Africa (Pty) Ltd	South Africa	100.00%	100.00%
61. Ranbaxy Pharmaceuticals (Pty) Ltd	South Africa	100.00%	100.00%
62. Sonke Pharmaceuticals Proprietary Limited	South Africa	70.00%	70.00%
63. Sun Pharma Laboratorios, S.L.U.	Spain	100.00%	100.00%
64. Sun Pharma UK Limited	United Kingdom	100.00%	100.00%
65. Sun Pharma Holdings UK Limited	United Kingdom	100.00%	100.00%
66. Ranbaxy Inc.	United States of America	100.00%	100.00%
67. Ranbaxy (Thailand) Co., Ltd.	Thailand	100.00%	100.00%
68. Ohm Laboratories, Inc.	United States of America	100.00%	100.00%



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

	Country of Incorporation	Effective ownership for the year ended	
		March 31, 2024	March 31, 2023
69. Ranbaxy Signature LLC	United States of America	67.50%	67.50%
70. Sun Pharmaceuticals Morocco LLC	Morocco	100.00%	100.00%
71. Ranbaxy Pharmaceuticals Ukraine LLC	Ukraine	100.00%	100.00%
72. Sun Pharmaceutical Medicare Limited	India	100.00%	100.00%
73. JSC Biosintez	Russia	100.00%	100.00%
74. Sun Pharmaceuticals Holdings USA, Inc.	United States of America	100.00%	100.00%
75. Zenotech Inc	United States of America	68.84% (Refer note f)	68.84% (Refer note f)
76. Zenotech Farmaceutica Do Brasil Ltda	Brazil	45.69% (Refer note f)	45.69% (Refer note f)
77. Sun Pharma Distributors Limited	India	100.00%	100.00%
78. Realstone Infra Limited	India	100.00%	100.00%
79. Sun Pharmaceuticals (EZ) Limited	Bangladesh	72.49%	72.49%
80. Sun Pharma (Shanghai) Co.,Ltd	China	100.00%	100.00%
81. Sun Pharma Japan Technical Operations Limited	Japan	100.00%	100.00%
82. Alchemee, LLC	United States of America	78.48%	78.48%
83. The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.)	United States of America	78.48%	78.48%
84. Proactiv YK	Japan	78.48%	78.48%
85. The Proactiv Company KK	Japan	78.48%	78.48%
86. Alchemee Skincare Corporation (Formely known as The Proactiv Company Corporation)	Canada	78.48%	78.48%
87. Foliage Merger Sub, Inc.	United States of America	-	- (Refer note i)
88. Concert Pharmaceuticals, Inc.	United States of America	-	- (Refer note j)
89. Concert Pharmaceuticals Securities Corp.	United States of America	- (Refer note k)	100.00%
90. Concert Pharma U.K. Ltd	United Kingdom	- (Refer note l)	100.00%
91. Concert Pharma Ireland Limited	Ireland	100.00%	100.00%
92. Sun Pharma New Milford Parent LLC	United States of America	100.00%	100.00%
93. Sun Pharma Housatonic LLC	United States of America	100.00%	100.00%
94. Sun Pharma Housatonic II LLC	United States of America	100.00%	100.00%
95. Sun Pharma Housatonic III LLC	United States of America	100.00%	100.00%
96. Sun Pharma Middle East FZE LLC	United Arab Emirates	100.00%	-
97. Libra Merger Ltd	Isreal	99.99%	-
98. Taro Pharma Corporation, Inc.	United States of America	78.48%	-
99. Vivaldis Health and Foods Private Limited	India	60.11%	-
<b>Name of Joint Venture Entity</b>			
100. Artes Biotechnology GmbH	Germany	45.00%	45.00%
<b>Name of Associates</b>			
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.	Israel	20.98%	20.98%
105. WRS Bioproducts Pty Ltd.	Australia	12.50%	12.50%
106. Remidio Innovative Solutions Private Limited	India	29.15%	27.39%
107. Agatsa Software Private Limited	India	23.47%	-
108. Ezerx Health Tech Private Limited	India	37.76%	-
109. Surgimatix Inc	United States of America	16.33%	-
<b>Name of Subsidiary of Associates</b>			
110. Composite Power Generation LLP	India	36.90%	36.90%

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

	Country of Incorporation	Effective ownership for the year ended	
		March 31, 2024	March 31, 2023
111. Vintage Power Generation LLP	India	39.41%	39.41%
112. Vento Power Generation LLP	India	40.55%	40.55%
113. HRE LLC	United States of America	19.22%	19.22%
114. HRE II LLC	United States of America	19.99%	19.99%
115. HRE III LLC	United States of America	19.99%	19.99%
116. Dr. Py Institute LLC	United States of America	19.22%	19.22%
117. Medinstill Development LLC	United States of America	19.22%	19.22%
118. ALPS LLC	United States of America	19.22%	19.22%
119. Intact Pharmaceuticals LLC	United States of America	19.22%	19.22%
120. Intact Media LLC	United States of America	19.22%	19.22%
121. Intact Solutions LLC	United States of America	19.22%	19.22%
122. Intact Closed Transfer Connectors LLC	United States of America	19.22%	19.22%
123. Intact PUR-Needle LLC	United States of America	19.22%	19.22%
124. Medios Technologies Pte.Ltd.	Singapore	29.15%	27.39%
125. Remidio Innovative Solutions Inc.	United States of America	29.15%	27.39%
<b>b. Following are the details of the Group's holding in Taro:</b>			
Voting power		85.66%	85.66%
Beneficial ownership		78.48%	78.48%

- c. In respect of entity at Sr. Nos. 3, 33, 59, 71, 73, 80, 100, 101, 104, 105, 109 and from 113 to 123 the reporting date is different from the reporting date of the Parent Company.
- d. In respect of entity at Sr. No. 96, 97, 98, 99, 107, 108 and 109 has been incorporated/ acquired during the year ended March 31, 2024.
- 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 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 May 23, 2022, OOO "Sun Pharmaceutical Industries" Limited has been dissolved.
- h. With effect from November 23, 2023 Sun Pharma Global FZE has been dissolved.
- i. Foliage Merger Sub, Inc. merged with Concert Pharmaceuticals, Inc. w.e.f. March 06, 2023
- j. Concert Pharmaceuticals, Inc. merged with Sun Pharmaceutical Industries, Inc. w.e.f. March 31, 2023
- k. With effect from July 14, 2023 Concert Pharmaceuticals Securities Corp. has been dissolved.
- l. With effect from August 15, 2023 Concert Pharma U.K. Limited has been dissolved.
- m. With effect from March 20, 2024, Foundation for Pharmaceutical Academy for Global Excellence has been incorporated limited by guarantee. The company is not considered for consolidation since it can apply its income only for charitable purposes and no distribution is permissible.
- n. With effect from December 21, 2023, Sun Pharmaceuticals SA (Pty) Ltd has been dissolved.
- o. Dusa Pharmaceuticals, Inc. was merged with Sun Pharmaceutical Industries, Inc w.e.f. March 31, 2024.
- p. Material Accounting Policies and other Notes to these Consolidated Financial Statements are intended 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
<b>A) Contingent liabilities</b>		
I) Claims against the Group not acknowledged as debts	499.6	574.9
II) Liabilities disputed – appeals filed with respect to:		
Income tax on account of disallowances/additions (Company appeals) *	37,488.8	32,180.2
Sales tax on account of rebate/classification	84.5	138.1
Goods and Service tax/Excise duty/service tax on account of valuation/cenvat credit/ custom duty	1,909.5	2,362.7
ESIC contribution on account of applicability	132.8	124.5
III) Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit enjoyed by the Group	3,474.2	3,474.2
IV) Other matters	400.2	91.0

Note: Includes interest till the date of demand, wherever applicable.

### V) Legal proceedings:

The parent company and/or its subsidiaries are involved in various legal proceedings, including but not limited to product liability claims, contract disputes, employment claims, antitrust matters, compliance matters, and other legal and regulatory matters relating to the conduct of its business. Some of the key matters are discussed below. Most of the legal proceedings involve complex issues, which are specific to the case and do not have precedents, and, hence, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the proceedings. This is due to a number of factors, including the stage of the proceedings and the overall length of the discovery process; the entitlement of the parties to an action to appeal a decision; the extent of the claims, including the size of any potential class, particularly when damages are not specified or are indeterminate; the possible need for further legal proceedings to establish the appropriate amount of damages, if any; the settlement posture of the other parties to the litigation; and any other factors that may have a material effect on the litigation. The Company makes its assessment of likely outcomes based on the views of internal legal counsel and in consultation with external legal counsel representing the Company. The Company also believes that disclosure of the amount sought by plaintiffs would not be meaningful because historical evidence indicates that the amounts settled (if any) are significantly different than those claimed by plaintiffs. Some of the legal claims against the Company, if decided against the Company or settled by the Company, may result in significant impact on its consolidated financial statements.

#### Antitrust – Gx Drug Price Fixing Litigation:

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.

The U.S.-filed cases were filed in or were transferred to the U.S. District Court for the Eastern District of Pennsylvania for coordinated pre-trial proceedings. The court designated five complaints, including one Attorneys General complaint and four complaints filed by two putative classes, as “bellwethers” to begin the sequencing of proceedings; discovery is complete as to the bellwethers and the parties are now in expert discovery and class certification proceedings. In May 2023 and March 2024, the court issued orders revising prior deadlines and setting schedules as to the class and Attorney General bellwethers, respectively, across 2023 and 2024, including related to discovery and motions practice. In April 2024, the Attorneys General bellwether complaint and two other Attorneys General complaints were transferred from the Eastern District of Pennsylvania to the District of Connecticut in which the complaints were originally filed; the Attorneys General cases are proceeding in parallel to the cases remaining in the Eastern District of Pennsylvania.

On April 08, 2022, our U.S. subsidiaries, Taro U.S.A. and SPIINC, each entered into settlement agreements that resolve the above-referenced civil antitrust matter with the Direct Purchaser Plaintiffs class (“DPPs”) without any admission of guilt or violation of any statute, law, rule or regulation, or of any liability or wrongdoing, pursuant to which Taro U.S.A. paid USD 59.7 Million, and SPIINC paid USD 15.3 Million (equivalent to ₹ 1,151.8 Million). These amounts do not include

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

class members that opted out of the settlement. Both Taro's and SPIINC's settlements with the DPPs were approved by the Court on March 10, 2023, and both payments were timely made. Discovery in the End Payor and state Attorneys General cases is ongoing. There also is a case arising from the same alleged antitrust conduct pending in Canada, brought against SPIINC and its affiliates. After being dormant for some time, in 2023, plaintiffs filed their certification application. Defendants' responding materials are due in July 2024.

## Speakes v. Taro Pharmaceutical Industries Ltd.:

Taro Industries 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 defendants' motion to dismiss. On April 10, 2024, the parties executed a settlement agreement, in which Taro agreed to pay \$ 36 million, which was fully covered by insurance. A motion for preliminary approval of the settlement was filed with the court on April 15, 2024, and on May 8, 2024, the court entered its order granting preliminary approval. The final approving hearing is scheduled for August 23, 2024.

## 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. The Proceedings against Taro Industries and Taro U.S.A. have been stayed by the Haifa District Court thus far, pending the parties providing required status updates regarding the related U.S. litigation to the Haifa District Court at upcoming scheduled status hearings.

## 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, three additional federal court cases, and 35 cases pending in New York federal court (in which remand motions are pending). Separately, the parent company and Sun Pharma Canada Inc. are defendants in putative consumer class actions pending in provinces in Canada, as well as a government action brought on behalf of all federal, provincial, and territorial governments. These 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 or, in the case of the Canadian government action, recovery of historical healthcare costs. Currently, all matters against SPIINC in the National Prescription Opiate Litigation are stayed. In 2023, in the Utah state court cases, SPIINC settled with the plaintiffs, agreeing to pay USD 0.4 Million, which was fully covered by insurance. The Canadian actions are in preliminary stages. The certification motion in the Quebec class action was heard in late-2022, and, in early-2024, the court authorised the action against the majority of defendants. The certification motion in the government class action was heard at the end of 2023, and the parties still are awaiting the court's decision. SPIINC, the parent company, and Ranbaxy were also named as defendants in two individual personal injury complaints filed in West Virginia state court in March 2022, which were consolidated with other similar cases before the West Virginia Mass Litigation Panel. In April 2023, the court granted all defendants' motions to dismiss.

## Antitrust - Lipitor:

The parent company and certain of its subsidiaries were named as defendants in a number of putative class action lawsuits and individual actions brought by purchasers and payors in the U.S. alleging that the subsidiaries violated antitrust laws in connection with a 2008 patent litigation settlement agreement with Pfizer concerning generic Lipitor (Atorvastatin). The cases have been transferred to the U.S. District Court for the District of New Jersey for coordinated pre-trial proceedings. Discovery commenced in January 2020 but was stayed in March 2020 pending mediation. Pursuant to the mediator's order of June 03, 2021, mediation briefing and oral argument on certain issues were completed in March 2022. Limited discovery as to certain issues resumed in July 2022. Briefing for class certification and summary judgement motions were completed in 2023. In late-November 2023, the court held argument on defendants' summary judgement motion and plaintiffs' class certification motions. Currently, the court has yet to issue a decision on either motion. There also was an antitrust case pending in West Virginia state court that mirrored the allegations in the federal case. In that case, by agreement of the parties Sun settled all claims against it, without any admissions, in the amount of USD 8.25 Million. The parties are in the process of finalising the written settlement agreement documentation.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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. On July 08, 2021, the court granted the generic Defendants’ motion to dismiss with prejudice. That decision is on appeal. In addition to the federal court proceedings, the parent company and two of its affiliates were also named as defendants in state court actions pending in Pennsylvania, and California (actions previously pending in New York state court were voluntarily dismissed, and actions previously pending in Illinois state court were dismissed on the pleadings). Finally, certain of the parent company’s subsidiaries were named in various putative class actions pending in three Canadian provinces. The action pending in British Columbia is taking the lead and, in May 2023, the court in that action granted defendants’ motion to strike and denied plaintiffs’ motion for class certification.

## BPO Litigation:

On March 6, 2024, an FDA Citizen Petition was filed alleging the presence of benzene in benzoyl peroxide products (“BPO”), including Proactiv and Taro products. Thereafter, numerous lawsuits were filed against BPO manufacturers and sellers. All are “economic harm” class actions; no plaintiff has claimed physical injury. To date, six lawsuits have named Alchemee, LLC as defendant and five of those cases also have named Taro entities. The lawsuits are in their early stages.

## Citalopram follow damages claim in the UK:

By judgement dated 25 March 2021, the CJEU (highest European court) upheld the fine against Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited in full and ruled that a settlement agreement between Ranbaxy and Lundbeck (and the other agreements between Lundbeck and the other defendants in the case) had been anticompetitive.

The Company may now be subject to “follow-on” claims in national courts of some countries in Europe. The Company has been served with a claim in the England & Wales, with the National Health Service (“NHS”) as the Claimant, relating to the delayed entry of generic citalopram. The NHS’s damages case is based upon the premise that, but for the anticompetitive behavior, the NHS would have been able to buy cheaper generic alternatives of citalopram, rather than paying Lundbeck (another co-defendant) the full innovator price. The Company is currently seeking for the claim to be struck out on the basis that the Claimants brought the claim out of time, and a preliminary issues hearing took place on April 24, 2024, to determine the issue. The parties are awaiting the outcome of that hearing. At this stage it is also unclear how many claims will actually be made in practice in other countries. Accordingly, at this early stage, the Company is unable to estimate the potential liability which may arise on account of follow-on claims. The Company also believes, based on its internal assessment and that of its independent legal counsel, that it has favorable legal arguments in terms of defending the relevant claim and any other potential future damages claims.

## Incyte litigation:

On January 19, 2023, the Company signed a definitive agreement to acquire Concert Pharmaceuticals, Inc. (“Concert”) and completed the transaction on March 06, 2023, Concert later merged into Sun Pharmaceutical Industries, Inc. (“SPIINC”) on March 31, 2023. Prior to the acquisition, Concert was involved in patent-related litigation with Incyte Corporation (“Incyte”), both in the U.S. and Europe, in which Incyte challenged certain of Concert’s patents before the U.S. Patent Trial and Appeal Board (“PTAB”) and the European Patent Office, respectively (the “Concert Patent Litigation”). Concert Patent Litigation matters are pending on appeal in the U.S. and the EPO.

## Note:

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

\* Income tax matters where department has preferred an appeal against favourable orders received by the Company amounted to ₹ 31,560.5 Million (March 31, 2023: ₹ 34,445.0 Million). These matters are sub-judice in various forums and pertains to various financial years.

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
B) Guarantees given by the bankers on behalf of the Group	1,682.3	1,667.5

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 40 COMMITMENTS

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
I) Estimated amount of contracts remaining to be executed on capital account (net of advances) *	11,708.7	35,413.0
II) Investment related commitments	5,310.6	1,472.7
III) Letters of credit for imports	744.8	1,531.9

\* The Group is committed to pay milestone payments on certain contracts, however, obligation to pay is contingent upon fulfilment of contractual obligation by parties to the contract.

## 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, 2024		Year ended March 31, 2023	
	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. 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, 2024		As at March 31, 2023	
	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	230,385,155	9.6	230,285,690	9.6

Equity shares held by promoters / members of promoter group / person acting in concert	As at March 31, 2024			As at March 31, 2023		
	Number of shares	% of holding	% Change during the year	Number of shares	% of holding	% Change during the year
Dilip Shantilal Shanghvi	230,385,155	9.6	0.0	230,285,690	9.6	-
Shanghvi Finance Private Limited	967,051,732	40.3	-	967,051,732	40.3	-
Aditya Medisales Limited	40,153,960	1.7	-	40,153,960	1.7	-
Sudhir V. Valia	14,345,019	0.6	-	14,345,019	0.6	-
Raksha S. Valia	28,830,352	1.2	-	28,830,352	1.2	-
Vibha D. Shanghvi	8,840,280	0.4	-	8,840,280	0.4	-
Aalok D. Shanghvi	2,877,280	0.1	-	2,877,280	0.1	-
Vidhi D. Shanghvi	2,822,427	0.1	-	2,822,427	0.1	-
Shanghvi Family & Friends Benefit Trust (Kumud S. Shanghvi and Dilip S. Shanghvi are Trustees)	1,276,774	0.1	-	1,276,774	0.1	-
Kumud S. Shanghvi	100,000	0.0	(0.0)	199,465	0.0	-
Flamboyawer Finance Private Limited	20,865	0.0	-	20,865	0.0	-
Sanghvi Properties Private Limited	15,479	0.0	-	15,479	0.0	-
Gujarat Sun Pharmaceutical Industries Private Limited	14,362	0.0	-	14,362	0.0	-
Unimed Investments Limited	10,400,850	0.4	-	10,400,850	0.4	-

Change in shareholding during the year represents the transfer of 99,465 shares from Mrs. Kumud S. Shanghvi to Dilip Shantilal Shanghvi.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 42 RESEARCH AND DEVELOPMENT EXPENDITURE

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue, net (excluding depreciation) (Refer note 37)	30,424.8	22,257.1
Capital	498.9	599.1

## NOTE: 43 CATEGORIES OF FINANCIAL INSTRUMENTS

	₹ in Million		
	As at March 31, 2024		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
<b>Financial assets</b>			
Investments			
Equity instruments – quoted	1,190.7	15,133.8	-
Equity instruments – unquoted	2,918.1	297.2	-
Bonds/debentures – quoted	-	61,253.7	-
Mutual funds – unquoted	43,859.4	-	-
Venture funds – unquoted	3,078.5	-	-
Others – quoted	-	18,100.2	-
Loans to related party	-	-	458.6
Loans to employees/others	-	-	200.1
Trade receivables	-	-	112,493.7
Security deposits	-	-	773.4
Cash and cash equivalents	-	-	92,856.5
Bank balances other than cash and cash equivalents	-	-	12,350.3
Interest accrued on investments / balances with banks	-	-	427.3
Refund due from government authorities	-	-	6,145.1
Derivatives designated as hedges	-	114.9	-
Unbilled revenue	-	-	108.7
Share application money pending allotment	-	-	58.1
Other financial assets	-	-	2,489.4
Derivatives not designated as hedges	234.6	-	-
<b>Total</b>	<b>51,281.3</b>	<b>94,899.8</b>	<b>228,361.2</b>
<b>Financial liabilities</b>			
Borrowings		-	28,456.9
Lease liabilities	-	-	4,279.8
Trade payables	-	-	56,533.0
Interest accrued	-	-	69.4
Unpaid dividends	-	-	113.5
Security deposits	-	-	69.8
Payable on purchase of property, plant and equipment and other intangible assets	-	-	3,638.5
Derivatives designated as hedges	-	125.2	-
Payables to employee	-	-	9,987.8
Other financial liabilities	-	-	1,062.8
<b>Total</b>	<b>-</b>	<b>125.2</b>	<b>104,211.5</b>



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

₹ in Million

	As at March 31, 2023		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
<b>Financial assets</b>			
<b>Investments</b>			
Equity instruments – quoted	1,313.7	8,227.8	-
Equity instruments – unquoted	325.8	406.2	-
Bonds/debentures – quoted	-	60,285.8	-
Mutual funds – unquoted	44,377.4	-	-
Venture funds – unquoted	5,079.8	-	-
Others – quoted	-	24,390.5	-
Loans to related party	-	-	246.4
Loans to employees/others	-	-	172.9
Trade receivables	-	-	114,385.1
Security deposits	-	-	1,041.9
Cash and cash equivalents	-	-	46,237.3
Bank balances other than cash and cash equivalents	-	-	11,465.6
Interest accrued on investments / balances with banks	-	-	325.0
Refund due from government authorities	-	-	4,307.9
Derivatives designated as hedges	-	25.1	-
Unbilled revenue	-	-	291.1
Share application money pending allotment	-	-	57.5
Other financial assets	-	-	3,129.7
Derivatives not designated as hedges	177.3	-	-
<b>Total</b>	<b>51,274.0</b>	<b>93,335.4</b>	<b>181,660.4</b>
<b>Financial liabilities</b>			
Borrowings	-	-	61,978.8
Lease liabilities	-	-	6,879.9
Trade payables	-	-	56,815.2
Interest accrued	-	-	216.9
Unpaid dividends	-	-	104.3
Security deposits	-	-	111.4
Payable on purchase of property, plant and equipment and other intangible assets	-	-	3,045.0
Derivatives designated as hedges	-	582.1	-
Payables to employee	-	-	10,207.7
Other financial liabilities	-	-	1,668.2
Derivatives not designated as hedges	33.2	-	-
<b>Total</b>	<b>33.2</b>	<b>582.1</b>	<b>141,027.4</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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, 2024		
	Level 1	Level 2	Level 3
<b>Financial assets</b>			
Investments			
Equity instruments – quoted #	15,133.8	-	-
Equity instruments – quoted	1,190.7	-	-
Equity instruments – unquoted	-	-	2,918.1
Equity instruments – unquoted #	-	-	297.2
Bonds/debentures – quoted	61,253.7	-	-
Mutual funds – unquoted	43,859.4	-	-
Venture funds – unquoted	-	3,078.5	-
Others – quoted	18,100.2	-	-
Derivatives designated as hedges	-	114.9	-
Derivatives not designated as hedges	-	234.6	-
<b>Total</b>	<b>139,537.8</b>	<b>3,428.0</b>	<b>3,215.3</b>
<b>Financial liabilities</b>			
Derivatives designated as hedges	-	125.2	-
<b>Total</b>	<b>-</b>	<b>125.2</b>	<b>-</b>

₹ in Million

	As at March 31, 2023		
	Level 1	Level 2	Level 3
<b>Financial assets</b>			
Investments			
Equity instruments – quoted #	8,227.8	-	-
Equity instruments – quoted	1,313.7	-	-
Equity instruments – unquoted	-	-	325.8
Equity instruments – unquoted #	-	-	406.2
Bonds/debentures – quoted	60,285.8	-	-
Mutual funds – unquoted	44,377.4	-	-
Venture funds – unquoted	-	5,079.8	-
Others – quoted	24,390.5	-	-
Derivatives designated as hedges	-	25.1	-
Derivatives not designated as hedges	-	177.3	-
<b>Total</b>	<b>138,595.2</b>	<b>5,282.2</b>	<b>732.0</b>
<b>Financial liabilities</b>			
Derivatives designated as hedges	-	582.1	-
Derivatives not designated as hedges	-	33.2	-
<b>Total</b>	<b>-</b>	<b>615.3</b>	<b>-</b>

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 assets or liabilities, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liabilities.

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

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

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

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## Reconciliation of Level 3 fair value measurements

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Unlisted shares valued at fair value</b>		
Balance at the beginning of the year	732.0	614.5
Purchases	2,649.0	96.1
Reclassified as an investment in associates due to increased ownership	(80.0)	-
Fair value changes and foreign exchange fluctuations	(85.7)	21.4
<b>Balance at the end of the year</b>	<b>3,215.3</b>	<b>732.0</b>

### 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, 2024	As at March 31, 2023
Debt (includes borrowings and lease liabilities)	32,736.7	68,858.7
Total equity, including reserves	636,667.5	559,953.8
Debt to total equity ratio	0.05	0.12

#### (b) Dividend on equity shares paid during the year

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

Dividends are net of waiver, wherever applicable.

#### (c) Dividends not recognised at the end of the reporting period

1. The Board of Directors at its meeting held on May 22, 2024 have recommended payment of final dividend of ₹ 5.0 per share of face value of ₹ 1 each for the year ended March 31, 2024. The same amounts to ₹ 11,996.7 Million.
2. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.

### 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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.

### Financial assets for which loss allowances is measured using the expected credit loss

							₹ in Million
Trade receivables ageing	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
(i) Undisputed trade receivables - considered good	95,437.5	14,012.6	1,163.0	1,307.6	212.3	200.0	112,333.0
(ii) Undisputed trade receivables - credit impaired	73.6	311.3	362.1	1,967.9	98.9	730.4	3,544.2
(iii) Disputed trade receivables - considered good	-	112.4	27.9	20.4	-	-	160.7
(iv) Disputed trade receivables - credit impaired	-	39.3	45.5	93.0	31.5	304.6	513.9
	<b>95,511.1</b>	<b>14,475.6</b>	<b>1,598.5</b>	<b>3,388.9</b>	<b>342.7</b>	<b>1,235.0</b>	<b>116,551.8</b>

							₹ in Million
Trade receivables ageing	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
(i) Undisputed trade receivables - considered good	99,687.4	12,341.5	1,179.2	890.1	132.2	154.7	114,385.1
(ii) Undisputed trade receivables - credit impaired	132.0	768.3	642.3	1,324.4	131.2	845.6	3,843.8
(iii) Disputed trade receivables - credit impaired	-	0.1	*0.0	23.8	4.1	277.5	305.5
	<b>99,819.4</b>	<b>13,109.9</b>	<b>1,821.5</b>	<b>2,238.3</b>	<b>267.5</b>	<b>1,277.8</b>	<b>118,534.4</b>

\* ₹ 43,657/-

## Unbilled revenue

As at March 31, 2024 is ₹ 108.7 Million (March 31, 2023: ₹ 291.1 Million)

Trade receivables from parties are non-interest bearing and are generally on terms of 7 to 120 days.

		₹ in Million
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Movement in the expected credit loss allowance on trade receivables</b>		
Balance at the beginning of the year	4,149.3	4,766.2
Addition	746.8	574.1
Recoveries / reversals / write-offs / foreign exchange fluctuation	(838.0)	(1,191.0)
Balance at the end of the year	<b>4,058.1</b>	<b>4,149.3</b>

Other than Trade receivables, the Group has recognised an allowance of ₹ 1,481.6 Million (March 31, 2023: ₹ 1,466.1 Million) against past due loans including interest and ₹ 500.0 Million (March 31, 2023: ₹ 500.0 Million) of other receivables based on assessment regarding its future recoverability.

## Liquidity risk

Liquidity risk is the risk that the 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 has unutilised working capital lines from banks of ₹ 88,642.1 Million as on March 31, 2024 (March 31, 2023: ₹ 70,770.9 Million).

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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

₹ in Million

	As at March 31, 2024			
	Less than 1 year	1 - 3 years	More than 3 years	Total
Non derivatives				
Borrowings	28,443.6	-	13.3	28,456.9
Lease liabilities	1,256.9	1,732.7	1,290.2	4,279.8
Trade payables	56,533.0	-	-	56,533.0
Other financial liabilities	14,941.8	-	-	14,941.8
	<b>101,175.3</b>	<b>1,732.7</b>	<b>1,303.5</b>	<b>104,211.5</b>
Derivatives	125.2	-	-	125.2

₹ in Million

	As at March 31, 2023			
	Less than 1 year	1 - 3 years	More than 3 years	Total
Non derivatives				
Borrowings	61,978.8	-	-	61,978.8
Lease liabilities	1,280.8	1,506.3	4,092.8	6,879.9
Trade payables	56,815.2	-	-	56,815.2
Other financial liabilities	15,353.5	-	-	15,353.5
	<b>135,428.3</b>	<b>1,506.3</b>	<b>4,092.8</b>	<b>141,027.4</b>
Derivatives	577.4	37.9	-	615.3

## 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, Brazilian Real and Russian Ruble) 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 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, 2024						
	US Dollar	Euro	Russian Ruble	South African Rand	Japanese Yen	Brazilian Real	Total
Financial assets							
Receivables	87,753.4	7,573.3	4,821.1	5,764.8	3,188.9	8,550.0	117,651.5
Cash and cash equivalents	2,030.4	1,161.8	308.1	-	299.2	-	3,799.5
	<b>89,783.8</b>	<b>8,735.1</b>	<b>5,129.2</b>	<b>5,764.8</b>	<b>3,488.1</b>	<b>8,550.0</b>	<b>121,451.0</b>
Financial liabilities							
Borrowings	8,416.6	-	-	-	-	-	8,416.6
Payables	20,407.4	3,451.9	148.6	-	445.6	5.4	24,458.9
	<b>28,824.0</b>	<b>3,451.9</b>	<b>148.6</b>	<b>-</b>	<b>445.6</b>	<b>5.4</b>	<b>32,875.5</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

₹ in Million

	As at March 31, 2023						Total
	US Dollar	Euro	Russian Ruble	South African Rand	Japanese Yen	Brazilian Real	
<b>Financial assets</b>							
Receivables	76,527.5	5,231.0	4,710.6	3,147.9	2,877.4	9,336.1	101,830.5
Cash and cash equivalents	2,719.6	1,116.2	296.8	-	384.2	-	4,516.8
	<b>79,247.1</b>	<b>6,347.2</b>	<b>5,007.4</b>	<b>3,147.9</b>	<b>3,261.6</b>	<b>9,336.1</b>	<b>106,347.3</b>
<b>Financial liabilities</b>							
Borrowings	9,166.5	-	-	-	1,026.6	-	10,193.1
Payables	57,458.4	2,657.6	148.3	154.1	1,086.3	6.4	61,511.1
	<b>66,624.9</b>	<b>2,657.6</b>	<b>148.3</b>	<b>154.1</b>	<b>2,112.9</b>	<b>6.4</b>	<b>71,704.2</b>

## (b) Sensitivity

For the years ended March 31, 2024 and March 31, 2023 every 5% strengthening of the Indian rupee against foreign currencies for the above mentioned financial assets/liabilities would decrease Group's profit and Group's equity by approximately ₹ 4,428.8 Million and approximately ₹ 1,732.2 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, Brazilian Real and Russian Ruble 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.

### *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 ₹ 314.2 Million for the year ended March 31, 2024 and net loss of ₹ 529.6 Million for the year ended March 31, 2023 in other comprehensive income. The Group also recorded hedges as a component of revenue, net gain of ₹ 223.6 Million for year ended March 31, 2024 and net loss of ₹ 1,076.9 Million for year ended March 31, 2023 on occurrence of forecasted sale transaction.

Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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

Hedge Type	Currency / Pair	Sold / Bought	Amount in Million	
			As at March 31, 2024	As at March 31, 2023
Derivatives designated as hedges				
Forward contracts	USD/INR	Sold USD	USD 485.0	USD 486.0
Forward contracts	USD/NIS	Sold USD	USD 34.8	USD 52.3
Forward contracts	AUD/USD	Bought USD	-	USD 8.2
Forward contracts	USD/AUD	Bought AUD	AUD 16.2	AUD 18.9
Currency swaps	USD/JPY	Bought JPY	-	JPY 1,666.7
Derivatives not designated as hedges				
Forward contracts	GBP/USD	Sold GBP	GBP 7.5	GBP 5.0
Forward contracts	EUR/USD	Sold EUR	EUR 9.0	EUR 9.0
Forward contracts	USD/INR	Sold USD	USD 75.0	USD 75.0
Currency swaps	USD/INR	Sold USD	USD 400.0	USD 400.0
Interest rate swaps (Floating to fixed)	USD	-	-	USD 16.7

## 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.

For the year ended March 31, 2024 and March 31, 2023, 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 ₹ 142.2 Million and ₹ 297.9 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, 2024, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 47 Goodwill (Net):

- (i) 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	
	As at March 31, 2024	As at March 31, 2023
<b>Goodwill in respect of:</b>		
Sun Pharmaceutical Industries, Inc.	30,681.8	30,206.5
Sun Pharmaceutical Industries, Inc. - Concert	12,708.5	12,543.7
Sun Farmaceutica do Brasil Ltda.	363.8	352.9
Sun Pharma Japan Ltd.	113.3	126.6
Taro Pharmaceutical Industries Ltd.	16,649.7	16,395.8
SC Terapia SA	22,209.4	21,885.8
Ranbaxy Farmaceutica Ltda.	461.5	454.7
Basics GmbH	413.3	410.9
Zenotech Laboratories Limited	595.4	595.4
Sun Pharmaceutical Industries Limited	1,677.4	1,677.4
Ranbaxy South Africa (Pty) Ltd	3.1	3.2
JSC Biosintez	197.7	233.3
Sun Pharmaceutical Medicare Limited	1.0	1.0
Vivaldis Health and Foods Private Limited	1,186.8	-
<b>Total (A)</b>	<b>87,262.7</b>	<b>84,887.2</b>
<b>Less:</b>		
<b>Capital reserve in respect of:</b>		
Alkaloida Chemical Company Zrt.	1,171.8	1,206.6
Ranbaxy Nigeria Limited	1.8	1.8
Sun Pharmaceutical Industries Limited	27.5	27.5
Ranbaxy (Malaysia) SDN. BHD.	72.1	71.0
<b>Total (B)</b>	<b>1,273.2</b>	<b>1,306.9</b>
<b>Total (A-B)</b>	<b>85,989.5</b>	<b>83,580.3</b>

- (ii) Below is the reconciliation of the carrying amount of goodwill:

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	83,580.3	65,912.8
Add/ (less): Acquisition during the year (Refer note 78)	1,186.8	12,505.5
Add/ (less): Impairment	-	(209.8)
Add/ (less): Foreign currency translation difference	1,222.4	5,371.8
<b>Closing balance</b>	<b>85,989.5</b>	<b>83,580.3</b>

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 a period of five years (which are based on key assumptions such as expected growth rates based on past experience, margins 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 March 31, 2024 [March 31, 2023 (5.0%) to 8.0 %]. 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 5.3% to 13.0% for March 31, 2024 [March 31, 2023 5.5% to 13.2%]. The discount rate considered for the Company's operation in the United States ranges from 5.6% to 7.7% for March 31, 2024 [March 31, 2023 5.5% to 8.3%] and for SC Terapia SA has been considered at 8.0% [March 31, 2023 9.3%]. The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

**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

	Year ended March 31, 2024	Year ended March 31, 2023
₹ in Million		
<b>Reconciliation of tax expense</b>		
Profit before tax	110,878.9	94,084.3
Income tax rate in India (%)	34.944%	34.944%
Income tax expense calculated at corporate tax rate	<b>38,745.5</b>	<b>32,876.8</b>
Effect of deduction claimed under chapter VI A of Income Tax Act, 1961	(16,329.8)	(14,389.9)
Effect of income that is exempt from tax	(44.8)	(116.1)
Effect of expenses that are not deductible	1,671.9	2,985.8
Effect of incremental deduction allowed on account of research and development costs and other allowances	(358.4)	(109.8)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets (net)	(18,956.9)	(21,268.2)
Effect of difference between Indian and foreign tax rates and non taxable subsidiaries	(3,216.7)	1,681.3
Tax payable under Minimum Alternate Tax (MAT)	9,435.0	7,359.9
Effect of reversal/creation of Minimum Alternate Tax (MAT) credit entitlement	3,159.4	-
Others	289.3	(543.9)
<b>Income tax expense recognised in consolidated statement of profit and loss</b>	<b>14,394.5</b>	<b>8,475.9</b>

## NOTE: 50 DEFERRED TAX

### (i) Deferred tax assets (Net)

	Opening balance April 01, 2023	Profit/(loss) movement during the year*	Other comprehensive income movement during the year*	Taken over on acquisition	Closing balance March 31, 2024
₹ in Million					
<b>Deferred tax assets</b>					
Expenses that are allowed on payment basis	10,526.1	(852.7)	241.5	-	9,914.9
Unabsorbed depreciation / carried forward losses	15,113.5	(1,702.5)	-	-	13,411.0
Inventory and other related items	11,594.9	4,990.3	-	-	16,585.2
Intangible assets	1,926.5	(163.2)	-	-	1,763.3
Others	4,917.6	328.8	(35.2)	-	5,211.2
	<b>44,078.6</b>	<b>2,600.7</b>	<b>206.3</b>	-	<b>46,885.6</b>
MAT credit entitlement	10,323.9	3,495.1	-	-	13,819.0
	<b>54,402.5</b>	<b>6,095.8</b>	<b>206.3</b>	-	<b>60,704.6</b>
<b>Less: Deferred tax liabilities</b>					
Difference between written down value of property, plant and equipment, capital work-in-progress and intangible assets under development as per books of accounts and income tax	18,679.2	621.4	-	-	19,300.6
Others	534.1	(142.2)	(24.4)	-	367.5
	<b>19,213.3</b>	<b>479.2</b>	<b>(24.4)</b>	-	<b>19,668.1</b>
	<b>35,189.2</b>	<b>5,616.6</b>	<b>230.7</b>	-	<b>41,036.5</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

₹ in Million

	Opening balance April 01, 2022	Profit/(loss) movement during the year *	Other comprehensive income movement during the year *	Taken over on acquisition	Closing balance March 31, 2023
<b>Deferred tax assets</b>					
Expenses that are allowed on payment basis	14,618.5	(4,052.2)	(40.2)	-	10,526.1
Unabsorbed depreciation / carried forward losses	9,980.8	2,281.9	-	2,850.8	15,113.5
Inventory and other related items	7,375.1	4,219.8	-	-	11,594.9
Intangible assets	2,070.1	(143.6)	-	-	1,926.5
Others	4,871.1	145.8	(99.3)	-	4,917.6
	<b>38,915.6</b>	<b>2,451.7</b>	<b>(139.5)</b>	<b>2,850.8</b>	<b>44,078.6</b>
MAT credit entitlement	3,240.4	7,083.5	-	-	10,323.9
	<b>42,156.0</b>	<b>9,535.2</b>	<b>(139.5)</b>	<b>2,850.8</b>	<b>54,402.5</b>
<b>Less: Deferred tax liabilities</b>					
Difference between written down value of property, plant and equipment, capital work-in-progress and intangible assets under development as per books of accounts and income tax	12,111.5	(1,311.8)	-	7,879.5	18,679.2
Others	1,548.7	(916.8)	(97.8)	-	534.1
	<b>13,660.2</b>	<b>(2,228.6)</b>	<b>(97.8)</b>	<b>7,879.5</b>	<b>19,213.3</b>
	<b>28,495.8</b>	<b>11,763.8</b>	<b>(41.7)</b>	<b>(5,028.7)</b>	<b>35,189.2</b>

## (ii) Deferred tax liabilities (Net)

₹ in Million

	Opening balance April 01, 2023	Profit/(loss) movement during the year *	Other comprehensive income movement during the year *	Taken over on acquisition	Closing balance March 31, 2024
<b>Deferred tax liabilities</b>					
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	2,867.5	(2,517.7)	-	89.8	439.6
Difference in carrying value and tax base of investments	-	-	1,182.7	-	1,182.7
	<b>2,867.5</b>	<b>(2,517.7)</b>	<b>1,182.7</b>	<b>89.8</b>	<b>1,622.3</b>
<b>Less: Deferred tax assets</b>					
Expenses that are allowed on payment basis	451.8	(442.8)	-	-	9.0
Others	220.4	(157.7)	-	-	62.7
	<b>672.2</b>	<b>(600.5)</b>	<b>-</b>	<b>-</b>	<b>71.7</b>
MAT credit entitlement	1,878.4	(1,878.4)	-	-	-
	<b>2,550.6</b>	<b>(2,478.9)</b>	<b>-</b>	<b>-</b>	<b>71.7</b>
	<b>316.9</b>	<b>(38.8)</b>	<b>1,182.7</b>	<b>89.8</b>	<b>1,550.6</b>

₹ in Million

	Opening balance April 01, 2022	Profit/(loss) movement during the year *	Other comprehensive income movement during the year *	Closing balance March 31, 2023
<b>Deferred tax liabilities</b>				
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	2,474.3	393.2	-	2,867.5
	<b>2,474.3</b>	<b>393.2</b>	<b>-</b>	<b>2,867.5</b>
<b>Less: Deferred tax assets</b>				
Expenses that are allowed on payment basis	429.9	35.9	(14.0)	451.8
Others	159.2	61.2	-	220.4
	<b>589.1</b>	<b>97.1</b>	<b>(14.0)</b>	<b>672.2</b>
MAT credit entitlement	1,566.6	311.8	-	1,878.4
	<b>2,155.7</b>	<b>408.9</b>	<b>(14.0)</b>	<b>2,550.6</b>
	<b>318.6</b>	<b>(15.7)</b>	<b>14.0</b>	<b>316.9</b>

\* Movement during the year includes foreign currency translation difference amounting to ₹ 156.9 Million (March 31, 2023: ₹ 1,563.2 Million)

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(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, 2024	As at March 31, 2023
Tax losses (includes capital in nature)	60,244.0	86,881.2
Unabsorbed depreciation	31,551.7	35,346.2
Unused tax credits (MAT credit entitlement)	3,744.4	15,220.4
Deductible temporary differences	2,580.9	3,367.9

₹ in Million

The unused tax credits will expire in financial year 2024-25 and unused tax losses will expire from financial year 2024-25 to 2042-43. 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, 2024	Year ended March 31, 2023
Profit for the year (₹ in Million) - used as numerator for calculating earnings per share	95,763.8	84,735.8
Weighted average number of shares used in computing basic and diluted earnings per share	2,399,334,970	2,399,334,970
Face value per share (in ₹)	1.0	1.0
Basic earnings per share (in ₹)	39.9	35.3
Diluted earnings per share (in ₹)	39.9	35.3

## 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, specialty, 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, 2024	Year ended March 31, 2023
India	153,967.6	141,624.1
United States of America	158,856.1	139,704.3
Emerging markets	92,415.5	85,633.3
Rest of the world	72,345.3	65,827.0
	477,584.5	432,788.7

₹ in Million

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

Non-current assets by geography in the below table includes property, plant and equipment, capital work-in-progress, other intangible assets, intangible assets under development and other non-current assets

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
India	112,864.2	123,521.9
United States of America	56,595.0	55,633.3
Emerging markets	13,235.7	13,584.5
Rest of the world	21,707.5	17,789.7
	<b>204,402.4</b>	<b>210,529.4</b>

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, 2024 and March 31, 2023.

## NOTE: 53 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recorded an additional amount of ₹ 237.5 Million (March 31, 2023: ₹ 641.2 Million) as deferred revenue pursuant to the requirements of Ind AS 115 and an amount of ₹ Nil (March 31, 2023: ₹ 622.2 Million) has been taken over on acquisition. Revenue of ₹ 1,383.2 Million (March 31, 2023: ₹ 2,241.3 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 consolidated statement of profit and loss with the contracted price are as follows:

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price, net of returns	724,143.2	736,409.9
<b>Less:</b>		
Provision for sales return	(4,374.6)	(9,392.1)
Chargebacks, Rebates, discounts and others	(242,184.1)	(294,229.1)
	<b>(246,558.7)</b>	<b>(303,621.2)</b>
<b>Revenue from contracts with customers</b>	<b>477,584.5</b>	<b>432,788.7</b>

## Disaggregation of Revenue from contract with customers:

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	471,304.5	427,846.3
Sale of service/others	6,280.0	4,942.4
	<b>477,584.5</b>	<b>432,788.7</b>

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
<b>Contract balances</b>		
Trade receivables	112,493.7	114,385.1
Contract assets	108.7	291.1
Contract liabilities	6,152.8	7,265.9

Contract balances of Trade receivables, Contract assets and Contract liabilities as at April 01, 2022 were ₹ 104,845.9 Million, ₹ 382.3 Million and ₹ 8,117.6 Million respectively.

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 54 LEASES

(a) The Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. Expenses related to short term leases and low-value assets for the year ended March 31, 2024 is ₹ 212.5 Million (March 31, 2023: ₹ 263.5 Million).

(b) The following is the movement of lease liabilities

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Balance as at beginning of the year	6,879.9	3,596.1
Additions	1,168.6	3,495.6
Deletions	(2,499.0)	(453.2)
Taken over on acquisition	7.1	1,121.3
Interest expense on lease liability	369.8	332.4
Payment towards lease liabilities	(1,600.8)	(1,346.2)
Reclassified to held for sale	(0.1)	(6.2)
Foreign currency translation difference	(45.7)	140.1
<b>Balance at end of the year</b>	<b>4,279.8</b>	<b>6,879.9</b>

(c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
Less than one year	1,566.0	1,674.1
Later than one year and not later than five years	3,338.2	3,958.1
Later than five years	1,176.8	5,393.5

(d) The Company has given certain premises under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 3 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: 55 EMPLOYEE BENEFITS

### 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 ₹ 1,603.3 Million (March 31, 2023: ₹ 1,393.4 Million).

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Provident Fund and Family Pension Fund	1,477.8	1,280.7
Contribution to Superannuation Fund	76.7	71.3
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	47.2	40.1
Contribution to Labour Welfare Fund	1.6	1.3

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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 has 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.

### (c) COVID-19 Employee children education support

The parent company and its Indian subsidiaries have undertaken an obligation to provide financial support towards education expenses of the children of those employees who have lost their lives due to the COVID-19 pandemic.

## Risks

These plans typically expose the parent company and its 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 ₹ 957.0 Million (March 31, 2023: ₹ 347.6 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.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

₹ in Million

	Year ended March 31, 2024			Year ended March 31, 2023		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
<b>Expense recognised in the consolidated statement of profit and loss (Refer note 34)</b>						
Current service cost	-	-	639.0	-	-	571.6
Interest cost	6.2	76.0	465.0	6.3	73.9	373.6
Expected return on plan assets	-	-	(385.7)	-	-	(311.3)
<b>Expense charged to the consolidated statement of profit and loss</b>	<b>6.2</b>	<b>76.0</b>	<b>718.3</b>	<b>6.3</b>	<b>73.9</b>	<b>633.9</b>
<b>Remeasurement of defined benefit obligation recognised in other comprehensive income</b>						
Actuarial loss/(gain) on defined benefit obligation	(6.8)	(4.1)	555.7	(13.4)	(66.4)	24.4
Actuarial loss/(gain) on plan assets	-	-	146.0	-	-	(102.0)
<b>Expense/(income) charged to other comprehensive income</b>	<b>(6.8)</b>	<b>(4.1)</b>	<b>701.7</b>	<b>(13.4)</b>	<b>(66.4)</b>	<b>(77.6)</b>
<b>Reconciliation of defined benefit obligations</b>						
Obligations as at the beginning of the year	83.4	1,017.8	6,224.9	92.5	1,072.2	5,537.3
Current service cost	-	-	639.0	-	-	571.6
Interest cost	6.2	76.0	465.0	6.3	73.9	373.6
Taken over on acquisition	-	-	5.7	-	-	-
Benefits paid	(4.0)	(61.2)	(463.1)	(2.0)	(61.9)	(282.0)
Actuarial (gains)/losses on obligations						
- due to change in demographic assumptions	-	-	(18.2)	-	-	26.8
- due to change in financial assumptions	1.2	23.1	337.5	(3.4)	(44.5)	(151.3)
- due to experience	(8.0)	(27.2)	236.4	(10.0)	(21.9)	148.9
<b>Obligation as at the year end</b>	<b>78.8</b>	<b>1,028.5</b>	<b>7,427.2</b>	<b>83.4</b>	<b>1,017.8</b>	<b>6,224.9</b>

₹ in Million

	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
<b>Reconciliation of liability/(asset) recognised in the consolidated balance sheet</b>		
Present value of commitments (as per actuarial valuation)	7,427.2	6,224.9
Fair value of plan assets	(5,471.0)	(5,164.8)
<b>Net liability recognised in the consolidated financial statement</b>	<b>1,956.2</b>	<b>1,060.1</b>

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
<b>Reconciliation of plan assets</b>		
Plan assets as at the beginning of the year	5,164.8	4,616.1
Expected return	385.7	311.3
Actuarial gain/ (loss)	(146.0)	102.0
Employer's contribution during the year	529.6	417.4
Benefits paid	(463.1)	(282.0)
<b>Plan assets as at the year end</b>	<b>5,471.0</b>	<b>5,164.8</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

₹ in Million

	As at March 31, 2024			As at March 31, 2023		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
<b>Assumptions:</b>						
Discount rate	7.15%	7.15%	In range of 7.15% to 7.20%	7.45%	7.45%	7.45%
Expected return on plan assets	N.A.	N.A.	In range of 7.15% to 7.30%	N.A.	N.A.	7.45%
Expected rate of salary increase	N.A.	N.A.	In range of 7.00% to 11.25%	N.A.	N.A.	In range of 7.00% to 10.50%
Interest rate guarantee	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Employee turnover	N.A.	N.A.	In range of 12.26% to 25.00%	N.A.	N.A.	In range of 11.78% to 14.00%
Retirement age (years)	N.A.	N.A.	58 to 60	N.A.	N.A.	58 to 60

₹ in Million

	As at March 31, 2024			As at March 31, 2023		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
<b>Sensitivity analysis:</b>						
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	(4.6)	(62.4)	(428.7)	(5.2)	(62.9)	(353.9)
Delta effect of -1% change in discount rate	5.1	66.3	482.3	5.7	67.2	396.4
Delta effect of +1% change in salary escalation rate	-	-	460.6	-	-	381.9
Delta effect of -1% change in salary escalation rate	-	-	(419.1)	-	-	(348.2)
Delta effect of +1% change in rate of employee turnover	-	-	(87.1)	-	-	(56.4)
Delta effect of -1% change in rate of employee turnover	-	-	97.0	-	-	62.3
Maturity analysis of projected benefit obligation for next						
1 <sup>st</sup> year	5.3	156.6	1,413.4	5.8	155.7	1,081.1
2 <sup>nd</sup> year	6.4	96.3	940.6	5.6	95.7	853.4
3 <sup>rd</sup> year	7.7	94.4	906.5	6.8	94.0	765.8
4 <sup>th</sup> year	7.2	92.3	841.9	8.2	92.1	732.5
5 <sup>th</sup> year	8.1	90.0	797.4	7.6	90.1	683.4
Thereafter	88.8	1,620.5	7,889.1	102.7	1,686.0	6,749.3
The major categories of plan assets are as under:						
Insurer managed funds (Funded with LIC, break-up not available)	-	-	5,471.0	-	-	5,164.8

The contribution expected to be made by the parent company and its Indian subsidiaries for gratuity during financial year ending March 31, 2025 is ₹ 2,605.7 Million (March 31, 2024: ₹ 1,611.0 Million).

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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.

The Group also has certain other defined benefits plans in various geographies. However, since they are not material, individual disclosures have not been made.

## NOTE: 56

On January 17, 2024, Sun Pharmaceutical Industries Ltd. ("Sun Pharma") entered into an Agreement of Merger (the "Merger Agreement") with Alkaloida Chemical Company Zrt. ("Alkaloida"), Sun Pharma Holdings ("SPH"), The Taro Development Corporation ("TDC"), Libra Merger Ltd. (the "Merger Sub") and Taro Pharmaceutical Industries Ltd. ("Taro") in which Sun Pharma, Taro's controlling shareholder, agreed to acquire all of the outstanding ordinary shares of Taro other than the shares already held by Sun Pharma or its affiliates for USD 43.00 per share in cash without interest. Pursuant to the Merger Agreement, Merger Sub will merge with and into Taro, with Taro surviving and becoming an indirect wholly-owned subsidiary of Sun Pharma (the "Merger"). Sun Pharma, Alkaloida, TDC, and SPH expect to fund the aggregate merger consideration and all related fees and expenses with cash or cash equivalents on hand. Consummation of the Merger is subject to various customary conditions, including obtaining certain regulatory approval and the approval of the Merger Agreement and the Merger by Taro's shareholders at the extraordinary shareholders meeting to be held on May 22, 2024. If the Merger is completed, Taro would become a privately held company and its shares would no longer be listed on the NYSE.

## NOTE: 57 RELATED PARTY DISCLOSURES (IND AS-24) - AS PER ANNEXURE 'B'.

## NOTE: 58

Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 1,167.0 Million (March 31, 2023: ₹ 853.6 Million).

## NOTE: 59

The Group does not have any material associates or joint venture warranting a disclosure in respect of individual associate or joint venture. The Group's share of other comprehensive income is ₹ Nil (March 31, 2023: ₹ Nil) in respect of such associates and joint venture. The unrecognised share of loss is ₹ Nil (March 31, 2023: ₹ Nil) in respect of such associates and joint venture.

## 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, 2024*	Year ended March 31, 2023*
Opening balance	49,008.3	87,462.1
Add: Provision for the year	51,013.0	52,432.4
Add: Taken over on acquisition	10.3	-
Less: Utilisation/settlement/reversal	(53,484.7)	(95,399.3)
Add/(less): Foreign currency translation difference	338.5	4,513.1
<b>Closing balance (Also Refer note 61)</b>	<b>46,885.4</b>	<b>49,008.3</b>

\* Includes provision for trade commitments, discounts, rebates, price reductions, product returns, chargeback, medicais, contingency provision and clawback.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 61

### (A) Exceptional items of ₹ 4,943.2 Million for year ended March 31, 2024 includes:

- (a) Charge of ₹ 1,492.1 Million towards impairment of an acquired intangible asset under development.
- (b) Foreign exchange loss of ₹ 2,013.5 Million pertaining to Ranbaxy Nigeria Limited on account of devaluation of Naira against US Dollar subsequent to changes in Nigerian Foreign exchange market regulations and methodology by the Central Bank of Nigeria and FMDQ exchange respectively.
- (c) Impact of relocation of Alchemee operations from California to New York and consequent one time transitional expenses amounting to USD 6.2 Million (equivalent to ₹ 507.4 Million).
- (d) The Company's subsidiary Ranbaxy, Inc., and its former subsidiaries Ranbaxy Pharmaceuticals, Inc. and Ranbaxy Laboratories Limited (collectively, "Ranbaxy"), were named as defendants in a lawsuit brought by the State of West Virginia alleging that Ranbaxy violated West Virginia antitrust and consumer protection laws in connection with a 2008 patent litigation settlement agreement with Pfizer concerning generic Lipitor (Atorvastatin). The case was pending in the Circuit Court of Mason County, West Virginia. The parties conducted limited fact discovery and served expert disclosures, and the case was scheduled to begin trial on December 11, 2023. With a view to resolve this dispute and avoid uncertainty, Ranbaxy and the State of West Virginia executed a binding term sheet embodying a comprehensive settlement for an amount of USD 8.39 Million (equivalent to ₹ 698.1 Million) including legal costs. The definitive settlement agreement will make clear that Ranbaxy denies each and every one of the allegations against it and has not conceded or admitted any liability.
- (e) The Company has incurred a one-time cost of ₹ 232.1 Million in relation to restructuring of operations in Japan.

### (B) Exceptional items of ₹ 1,714.5 Million for the year ended March 31, 2023 includes:

- (a) Impairment charge on account of impairment of loans and advances given to an associate amounting to ₹ 1,644.3 Million pursuant to assessment of recoverability.
- (b) Concert acquisition related expenses of ₹ 643.9 Million incurred during the year ended March 31, 2023.
- (c) Income of ₹ 573.7 Million relating to a claim pertaining to the acquisition of a subsidiary in an earlier year settled during the year ended March 31, 2023.

## NOTE: 62

- (a) In May 2022, FDA inspected Sun Pharma's Halol facility, and the inspection was classified as Official Action Indicated ("OAI") in August 2022. Subsequently, in December 2022, FDA placed the Halol facility on Import Alert 66-40; however, subject to certain conditions, certain Halol-manufactured finished drug products were exempted from the Import Alert. The Company is taking all corrective measures necessary to address the observations; and is in communication with the FDA regarding the same.
- (b) In September 2013, FDA placed Sun Pharma's Mohali facility on Import Alert; the site was also subjected to certain provisions of the Consent Decree of Permanent Injunction entered against Ranbaxy Laboratories Ltd. in January 2012. (Ranbaxy Laboratories Ltd. was merged with Sun Pharma in March 2015). In March 2017, FDA removed the Import Alert on Mohali facility and indicated that the site was in substantial compliance with the current Good Manufacturing Practice ("cGMP") provisions mentioned in the Consent Decree. In August 2022, FDA inspected the Mohali facility, and the inspection was classified as OAI. Subsequently, in April 2023, FDA issued a Consent Decree Correspondence/ Non-Compliance letter to the Mohali facility in which FDA directed the Company to take certain corrective actions at the Mohali facility, and certain actions before releasing finished drug product batches into the United States. These actions include, but are not limited to, retaining an independent cGMP expert to conduct batch certifications of drug products manufactured at the Mohali facility for shipment to the U.S. market.
- (c) In December 2023, FDA inspected Sun Pharma's Dadra facility and has subsequently determined the inspection classification status of this facility as Official Action Indicated (OAI). The Company is in communication with FDA to resolve the inspectional observations that resulted in OAI status.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 63

On March 01, 2023, the parent company disclosed an information security incident that impacted some of the Group's IT assets. The Group promptly took steps to contain and remediate the impact of the information security incident, including employing appropriate containment protocols to mitigate the threat, employing enhanced security measures and utilising global cyber security experts to ensure the integrity of the Group's IT systems' infrastructure and data. As part of the containment measures, the Group proactively isolated its network and initiated recovery procedures. As a result of these measures, certain business operations were also impacted.

The Group has since strengthened its cybersecurity infrastructure and implemented improvements to its cyber and data security systems to safeguard against such risks in the future. The Group is also implementing certain long-term measures to augment its security controls systems across the organisation. The Group worked with legal counsel across relevant jurisdictions to notify applicable regulatory and data protection authorities, where considered required, and the Group believes there is no material legal non-compliance by the Group on account of the information security incident. The Group believes that all known impacts on its consolidated financial statements on account of this incident have been considered.

## NOTE: 64

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: 65

- (a) No proceeding have been initiated or pending against the parent company and its Indian subsidiaries under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.
- (b) The Group has not traded or invested in crypto currency or virtual currency during the financial year.
- (c) The Group has not granted any loans or advances in the nature of loans to promoters, directors, and KMPs, either severally or jointly with any other person. No trade or other receivable are due from directors either severally or jointly with any other person.
- (d) The parent company and its Indian subsidiaries do not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (e) The parent company and its Indian subsidiaries has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets.
- (f) The parent company and its Indian subsidiaries have not been declared wilful defaulter by any bank or financial institution or government or any other government authorities.
- (g) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. However, the Company, as a part of its treasury operations, invests/advances loans to fund the operations of its subsidiaries/associates/joint venture which have further utilised these funds for their general corporate purposes/working capital, etc. within the consolidated group of the Company and in the ordinary course of business. These transactions are done on an arms length basis following a due approval process.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 66 DETAILS OF LONG-TERM BORROWINGS AND CURRENT MATURITIES OF LONG-TERM DEBT [INCLUDED UNDER SHORT TERM BORROWINGS]

### A. Term loan from banks:

#### Unsecured

- (i) The Company has Unsecured External Commercial Borrowings (ECBs) of (a) USD Nil (March 31, 2023: USD 16.7 Million) equivalent to ₹ Nil (March 31, 2023: ₹ 1,369.5 Million) and (b) loan of JPY Nil (March 31, 2023: JPY 1,666.7 Million) equivalent to ₹ Nil (March 31, 2023: ₹ 1,026.7 Million). The terms of repayment for borrowings were as follows:
- (a) The loan was taken on August 29, 2019 and was repayable in 3 equal instalments of USD 16.67 Million each. The first instalment of USD 16.67 Million was repaid during the year 2021-22. Second instalment of USD 16.67 Million was repaid on August 29, 2022 and last instalment of USD 16.67 Million has been paid during the year.
- (b) The loan was taken on August 29, 2019 and was repayable in 3 equal instalments of JPY 1,667 Million each. The first instalment of JPY 1,667 Million was repaid during the year 2021-22. Second instalment of JPY 1,667 Million was repaid on August 29, 2022 and last instalment of JPY 1,667 Million has been paid during the year.

The Company has not defaulted on repayment of loan and interest payment thereon during the year. The aforementioned unsecured ECBs were availed from bank in different currencies.

### B. Term loan from others:

- (i) The Company has Unsecured loan from others of ₹ 13.3 Million (March 31, 2023: ₹ Nil) comprising of loan taken by Vivaldis Health and Foods Private Limited (Vivaldis). The Company has acquired 60.11% in Vivaldis on May 11, 2023. The unsecured loan carries interest rate of 9.00% and is to be repaid by March 2028.

## NOTE: 67 DETAILS OF SECURITIES FOR CURRENT BORROWINGS ARE AS UNDER:

Borrowings/debt availed by subsidiaries are usually supported by the letter of awareness issued by the parent company.

## NOTE: 68 LOANS/ADVANCES DUE FROM AN ASSOCIATE

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
<b>Interest bearing with specified repayment schedule:</b>		
Medinstill LLC and its subsidiaries (Refer note 57)		
Considered good	458.6	246.4
Credit impaired	1,369.1	1,354.9
Less: Allowance for credit impaired	(1,369.1)	(1,354.9)
	<b>458.6</b>	<b>246.4</b>

Loans have been granted to the above entity for the purpose of its business.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 69

- (a) Sun Pharma Netherlands B.V., a subsidiary of the parent company held 21.53% in the capital of Enceladus Pharmaceutical B.V. Enceladus Pharmaceutical B.V. has been dissolved during the previous year. As Sun Pharma Netherlands B.V. did 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. had 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

As part of the ongoing simplification of the group structure in India, the Board of Directors of the Company at its meeting held on May 30, 2022, approved the Scheme of Amalgamation for the merger of Wholly-owned Subsidiaries, Sun Pharmaceutical Medicare Limited, Green Eco Development Centre Limited, Faststone Mercantile Company Private Limited, Realstone Multitrade Private Limited and Skisen Labs Private Limited (collectively "Transferor Companies"), with Sun Pharmaceutical Industries Limited ("Transferee Company"). Subsequently, in supersession of the approval granted on May 30, 2022, the Board of Directors of the Company at its meeting held on November 01, 2023 approved a Composite Scheme of Arrangement covering two aspects (1) Amalgamation of the same five wholly-owned subsidiaries into the Company, and (2) Reclassification of general reserves to retained earnings with an appointed date of April 01, 2023 and/or such other date as may be approved by the National Company Law Tribunal pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder.

## 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	Held by non-controlling interest	As at March 31, 2024	As at March 31, 2023
Taro Pharmaceutical Industries Ltd. and its subsidiaries (TARO Group)	United States of America	Israel	Beneficial ownership	21.52%	21.52%
			Voting power	14.34%	14.34%

₹ in Million

Name of Subsidiary	Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
TARO Group	706.2	207.5	32,089.1	30,770.8
Individually immaterial subsidiaries with non-controlling interests	(369.7)	186.1	2,303.1	2,430.1
<b>Total</b>	<b>336.5</b>	<b>393.6</b>	<b>34,392.2</b>	<b>33,200.9</b>



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

The summarised consolidated financial information of TARO Group before inter-company eliminations:

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
<b>Consolidated balance sheet of TARO Group</b>		
Non-current assets	71,720.6	67,164.0
Current assets	107,984.5	108,211.9
Non-current liabilities	(473.7)	(700.7)
Current liabilities	(30,118.1)	(31,688.3)

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Consolidated statement of profit and loss of TARO Group</b>		
Total income	57,965.0	48,807.5
Total expenses excluding exceptional item	50,767.2	45,853.0
Profit after tax	3,281.4	964.3
Total comprehensive income for the year	6,126.4	11,556.4

	₹ in Million	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Consolidated cash flows information of TARO Group</b>		
Net cash generated from / (used in) operating activities	10,270.7	2,324.0
Net cash generated from / (used in) investing activities	6,981.9	(10,090.6)

## NOTE: 72

The parent company and its subsidiaries in India have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged / administrative access rights to the all the accounting software and/or the underlying SQL database. Further, no instance of audit trail feature being tampered with was noted in respect of other software.

## NOTE: 73

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.

## NOTE: 74 TRADE PAYABLE AGEING

	₹ in Million					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
Outstanding dues	46,456.6	9,551.9	189.9	130.7	143.2	56,472.3
Disputed dues	-	40.4	9.8	6.2	4.3	60.7
	46,456.6	9,592.3	199.7	136.9	147.5	56,533.0

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

₹ in Million

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Outstanding dues	46,029.2	9,738.4	175.7	76.2	431.1	56,450.6
Disputed dues	-	314.0	27.3	16.6	6.7	364.6
	<b>46,029.2</b>	<b>10,052.4</b>	<b>203.0</b>	<b>92.8</b>	<b>437.8</b>	<b>56,815.2</b>

## NOTE: 75 DETAILS OF CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT:

### Ageing of Capital work-in-progress

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
Projects in progress	3,463.8	2,819.6	499.2	4,080.1	10,862.7
Projects temporarily suspended	8.9	20.4	19.4	165.9	214.6
	<b>3,472.7</b>	<b>2,840.0</b>	<b>518.6</b>	<b>4,246.0</b>	<b>11,077.3</b>

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Projects in progress	4,308.4	911.7	3,989.3	240.3	9,449.7
Projects temporarily suspended	-	-	-	183.8	183.8
	<b>4,308.4</b>	<b>911.7</b>	<b>3,989.3</b>	<b>424.1</b>	<b>9,633.5</b>

### Overdue Capital work-in-progress

₹ in Million

	To be completed in				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Formulation	1,311.0	-	-	-	1,311.0
Active Pharmaceutical Ingredient	274.5	-	-	-	274.5
Others	45.4	-	-	-	45.4
<b>Projects temporarily suspended</b>	214.7	-	-	-	214.7
	<b>1,845.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,845.6</b>

₹ in Million

	To be completed in				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Formulation	1,221.1	-	-	-	1,221.1
Active Pharmaceutical Ingredient	221.7	-	-	-	221.7
Others	106.7	-	-	-	106.7
<b>Projects temporarily suspended</b>	183.8	-	-	-	183.8
	<b>1,733.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,733.3</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## Ageing of intangible assets under development

₹ in Million					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
Projects in progress	3,712.4	36,137.0	61.3	2,550.8	42,461.5
	<b>3,712.4</b>	<b>36,137.0</b>	<b>61.3</b>	<b>2,550.8</b>	<b>42,461.5</b>

₹ in Million					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Projects in progress	35,714.5	275.9	1,522.9	2,490.7	40,004.0
Projects temporarily suspended	-	-	-	94.1	94.1
	<b>35,714.5</b>	<b>275.9</b>	<b>1,522.9</b>	<b>2,584.8</b>	<b>40,098.1</b>

## Overdue intangible assets under development

₹ in Million					
	To be completed in				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Others	154.7	-	-	-	154.7
	<b>154.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154.7</b>

₹ in Million					
	To be completed in				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Others	189.8	0.9	-	-	190.7
	<b>189.8</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>190.7</b>

## NOTE: 76 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 judgements 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:

- Litigations (Refer note 2 (m) and note 39)
- Revenue (Refer note 2 (n))
- Impairment of goodwill and intangible assets (Refer note 2 (g), (h) and 47)
- Contingent consideration (Refer note 2 (c))
- Income taxes (Refer note 2 (r))

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## NOTE: 77 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group has following transactions and balances with companies which are struck off apart from shares held by 38 shareholders holding 30,659 shares (March 31, 2023 - 10 shareholders holding 11,889 shares) having face value of ₹ 1 per share.

₹ in Million				
Name of the struck off company	Nature of transaction with Struck off Company	As at March 31, 2024	As at March 31, 2023	Relationship with struck off company, if any to be disclosed
WSRM Hospitality Private Limited	Payables	-	1.2	N.A.

## NOTE: 78 BUSINESS COMBINATIONS

- a. On May 11, 2023, the Group acquired Vivaldis Health and Foods Private Limited ("Vivaldis") for a Cash consideration of ₹ 1,433.2 Million to acquire 60.11% shareholding with the remaining 39.89% to be acquired in future as per certain terms and conditions.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of the acquired assets and liabilities. The resulting differential has been accounted as goodwill.

	₹ in Million
<b>Assets</b>	
Cash	12.9
Trade receivable	103.9
Other current assets	4.7
Inventories	82.0
Property, Plant and equipment	26.5
Intangible assets	357.7
<b>Total Assets</b>	<b>587.7</b>
<b>Liabilities</b>	
Trade payable	43.8
Other current liability	1.6
Lease liability	7.1
Deferred tax	89.8
Borrowings	16.8
Provisions	16.0
Income tax liability	2.0
<b>Total liabilities</b>	<b>177.1</b>
<b>Total net identifiable assets at fair value</b>	<b>410.6</b>
<b>Total purchase price</b>	<b>1,433.2</b>
Goodwill	1,186.8
Non-controlling interest	164.3

From the date of acquisition, it has contributed revenue of ₹ 559.6 Million and profit before tax of ₹ 61.2 Million to the Group. If the business combinations had taken place at the beginning of the year, the revenue and profit before exceptional item and tax of the Group would have been ₹ 485,013.3 Million and ₹ 115,860.2 Million respectively. Hence the figures for the year ended March 31, 2024 are not comparable to the previous year presented.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

- b. During the year ended March 31, 2023 the Group had acquired Concert Pharmaceuticals, Inc. The business acquisition was completed through a tender offer for an upfront payment of USD 8.00 per share of common stock, in cash, or USD 576 Million equivalent to ₹ 47,185.9 Million in equity value, plus one non-tradeable contingent value right (CVR) per share of common stock, which represents their right to receive contingent payments of up to USD 3.50 per share of common stock, in cash, upon the achievement of certain milestones prior to December 31, 2029. Accordingly, the financial statement for the year ended March 31, 2024 are not comparable to the previous year as presented.

The acquisition was accounted for as a business combination using the acquisition method of accounting in accordance with Ind AS 103 'Business Combinations'. The purchase price was provisionally allocated to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill. The Group has completed the purchase price allocation during the current year. Adjustments have been made on the finalisation of purchase price allocation and previous year's number have been restated accordingly.

Details of amounts paid and payable, including allocation based on Purchase Price Accounting in accordance with Ind AS 103 are summarised below:

	₹ in Million	
	As at March 31, 2024	As at March 31, 2023 *
Purchase consideration as per Ind AS 103	47,185.9	47,185.9
Fair value of net identifiable assets acquired:		
Assets	42,778.6	42,778.6
Less: Liabilities	8,098.2	11,634.2
	<b>34,680.4</b>	<b>31,144.4</b>
Goodwill	12,505.5	16,041.5

\* represents provisional value

Fair Value of Net Identifiable Assets acquired has been finalised at ₹ 34,680.4 Million (Provisional Fair Value as on March 31, 2023 was ₹ 31,144.4 Million) after measurement period adjustment due to creation of deferred tax assets on tax losses to reflect new information obtained about facts and circumstances that existed as on the acquisition date. As a result, allocation of Purchase Price towards Goodwill has gone down to ₹ 12,505.5 Million.

## NOTE: 79

As on May 03, 2024, the parent company's subsidiary has entered into an agreement to acquire 100% share of Valstar S.A. for a total consideration of USD 31 Million from its existing shareholders. The closing conditions have not yet been completed and hence no impact has been given in the consolidated financial statements for the year ended March 31, 2024.

## NOTE: 80

Figures for previous year have been regrouped / reclassified wherever considered necessary.

As per our report of even date

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

per **PAUL ALVARES**  
Partner  
Membership No.: 105754  
Mumbai, May 22, 2024

**ANOOP DESHPANDE**  
Company Secretary and Compliance Officer

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

**DILIP S. SHANGHVI**  
Chairman and Managing Director  
(DIN: 00005588)

**AALOK D. SHANGHVI**  
Whole-time Director  
(DIN: 01951829)

**C. S. MURALIDHARAN**  
Chief Financial Officer  
Mumbai, May 22, 2024

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

**(Annexure 'A')**
**Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures 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)	
		2023-24		2023-24		2023-24		2023-24	
		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 Entity - Sun Pharmaceutical Industries Limited	35.3	236,944.0	29.8	28,581.8	(1.3)	(139.8)	26.8	28,442.0
	Subsidiaries								
	Indian								
1.	Green Eco Development Centre Limited	0.0	1.2	(0.0)	(0.0)	-	-	(0.0)	(0.0)
2.	Sun Pharma Laboratories Limited	42.6	285,914.3	49.4	47,267.1	(2.3)	(243.6)	44.3	47,023.5
3.	Faststone Mercantile Company Private Limited	0.0	3.4	0.0	0.1	-	-	0.0	0.1
4.	Neetnav Real Estate Private Limited	0.8	5,182.4	(0.0)	(32.7)	-	-	(0.0)	(32.7)
5.	Realstone Multitrade Private Limited	0.0	2.3	0.0	0.0	-	-	0.0	0.0
6.	Skisen Labs Private Limited	(0.0)	(0.6)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
7.	Softdeal Pharmaceutical Private Limited	0.1	959.6	0.1	69.2	(0.0)	(0.3)	0.1	68.9
8.	Universal Enterprises Private Limited	0.0	5.0	(0.0)	(0.1)	-	-	(0.0)	(0.1)
9.	Realstone Infra Limited	(0.0)	(290.5)	(0.1)	(84.9)	-	-	(0.1)	(84.9)
10.	Sun Pharmaceutical Medicare Limited	(0.6)	(3,832.8)	(0.5)	(443.1)	(0.1)	(7.7)	(0.4)	(450.8)
11.	Zenotech Laboratories Limited	0.2	1,384.9	0.1	60.9	0.0	0.4	0.1	61.3
12.	Sun Pharma Distributors Limited	1.2	7,922.8	2.6	2,502.3	(0.8)	(81.6)	2.3	2,420.7
13.	Caraco Pharmaceuticals Private Limited	(0.0)	(0.3)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
14.	Vivaldis Health and Foods Private Limited	0.1	457.2	0.0	46.4	-	-	0.0	46.4
	Foreign								
1.	Sun Pharmaceutical (Bangladesh) Limited	0.4	2,523.0	0.2	202.2	-	-	0.2	202.2
2.	Sun Farmaceutica Do Brasil Ltda.	(0.4)	(2,472.0)	0.5	439.5	-	-	0.4	439.5
3.	Sun Pharma De Mexico S.A. DE C.V.	0.2	1,188.7	(0.1)	(48.3)	-	-	(0.0)	(48.3)
4.	Sun Pharmaceutical Peru S.A.C.	(0.0)	(192.4)	0.0	2.6	-	-	0.0	2.6
5.	Sun Pharma De Venezuela, C.A.	(0.0)	(0.0)	-	-	-	-	-	-
6.	Sun Pharma France	(0.2)	(1,486.8)	0.1	112.6	-	-	0.1	112.6
7.	Ranbaxy (Malaysia) SDN. BHD.	0.4	2,815.7	0.7	640.0	-	-	0.6	640.0
8.	Ranbaxy Nigeria Limited	(0.5)	(3,320.3)	(5.0)	(4,743.9)	-	-	(4.5)	(4,743.9)
9.	Sun Pharma (Netherlands) B.V	14.8	99,379.9	0.4	374.2	58.6	6,105.4	6.1	6,479.6
10.	Alkaloida Chemical Company Zrt.	9.0	60,717.3	1.6	1,570.4	-	-	1.5	1,570.4
11.	Sun Pharmaceutical Industries (Australia) Pty Limited	0.4	2,904.2	(0.8)	(786.6)	-	-	(0.7)	(786.6)
12.	Aditya Acquisition Company Ltd.	(0.0)	(0.6)	0.0	0.3	-	-	0.0	0.3
13.	Sun Pharmaceutical Industries (Europe) B.V.	0.0	329.2	0.1	53.9	-	-	0.1	53.9
14.	Sun Pharmaceuticals Germany GmbH	0.0	74.4	0.1	71.2	-	-	0.1	71.2
15.	Sun Pharmaceuticals SA (Pty) Ltd.	-	-	0.0	0.0	-	-	0.0	0.0
16.	Sun Pharma Philippines, Inc.	(0.1)	(505.1)	0.0	5.9	-	-	0.0	5.9
17.	Sun Pharma Japan Ltd. (Consolidated with its Subsidiary)	0.3	1,931.5	(0.3)	(250.7)	-	-	(0.2)	(250.7)
18.	Sun Laboratories FZE	(0.2)	(1,578.5)	(0.1)	(82.7)	13.8	1,432.2	1.3	1,349.5
19.	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	22.2	149,113.3	3.4	3,281.4	7.2	751.9	3.8	4,033.3
20.	Sun Pharma Switzerland Ltd.	0.0	2.2	(0.0)	(7.0)	-	-	(0.0)	(7.0)
21.	Sun Pharma Holdings	17.0	113,753.9	(0.1)	(70.3)	-	-	(0.1)	(70.3)
22.	Sun Pharma East Africa Limited	(0.0)	(96.5)	0.1	74.6	-	-	0.1	74.6
23.	Sun Pharma ANZ Pty Ltd	0.2	1,418.7	0.1	96.5	-	-	0.1	96.5
24.	Ranbaxy Farmaceutica Ltda.	(0.2)	(1,407.1)	0.2	226.3	-	-	0.2	226.3
25.	Sun Pharma Canada Inc.	0.1	564.9	0.2	166.8	-	-	0.2	166.8

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures 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)	
		2023-24		2023-24		2023-24		2023-24	
		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
26.	Sun Pharma Egypt Ltd LLC	0.0	145.3	(0.1)	(94.2)	-	-	(0.1)	(94.2)
27.	Rexcel Egypt LLC	(0.0)	(20.1)	(0.0)	(10.9)	-	-	(0.0)	(10.9)
28.	Basics GmbH	0.3	1,711.0	0.2	208.3	-	-	0.2	208.3
29.	Sun Pharma Italia srl	0.0	300.3	0.2	203.2	-	-	0.2	203.2
30.	Sun Pharmaceutical Industries S.A.C.	0.0	129.3	0.0	11.4	-	-	0.0	11.4
31.	Ranbaxy (Poland) SP. Z O.O.	0.1	361.7	0.0	26.6	-	-	0.0	26.6
32.	SC Terapia SA	2.5	16,780.9	5.7	5,497.3	-	-	5.2	5,497.3
33.	AO Ranbaxy	0.3	1,767.9	(0.2)	(198.6)	-	-	(0.2)	(198.6)
34.	JSC Biosintez	0.4	2,798.4	0.2	197.6	-	-	0.2	197.6
35.	Ranbaxy South Africa (Pty) Ltd. (Consolidated with its Subsidiary)	0.2	1,162.6	0.2	171.5	-	-	0.2	171.5
36.	Ranbaxy Pharmaceuticals (Pty) Ltd.	0.4	3,007.0	0.6	615.1	-	-	0.6	615.1
37.	Sun Pharma Laboratorios, S.L.U.	0.1	816.1	0.2	144.7	-	-	0.1	144.7
38.	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	0.3	2,044.4	0.1	88.3	-	-	0.1	88.3
39.	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	0.5	3,241.6	(0.0)	(0.9)	-	-	(0.0)	(0.9)
40.	Sun Pharmaceutical Holding USA Inc (Consolidated with its Subsidiaries and its Associate)	8.6	57,891.3	(1.4)	(1,294.6) <sup>#</sup>	(1.7)	(182.1)	(1.4)	(1,476.7) <sup>#</sup>
41.	Ranbaxy (Thailand) Co., Ltd.	0.0	248.4	0.0	9.9	-	-	0.0	9.9
42.	Sun Pharmaceuticals Morocco LLC	(0.0)	(165.0)	0.1	84.1	-	-	0.1	84.1
43.	Ranbaxy Pharmaceuticals Ukraine LLC	0.1	465.7	0.1	55.4	-	-	0.1	55.4
44.	Sun Pharma (Shanghai) Co., Ltd	0.0	22.4	0.0	25.6	-	-	0.0	25.6
45.	Sun Pharmaceuticals (EZ) Limited	(0.0)	(60.2)	(0.0)	(15.9)	-	-	(0.0)	(15.9)
46.	Sunpharma Middle East FZ LLC	0.0	4.8	(0.0)	(0.8)	-	-	(0.0)	(0.8)
47.	Libra Merger Limited	0.0	0.8	(0.0)	(0.0)	-	-	(0.0)	(0.0)
	Non controlling interest in all subsidiaries	5.1	34,392.2	(0.4)	(336.5)	(9.7)	(1,008.1)	(1.3)	(1,344.6)
	Intercompany elimination and consolidation adjustments	(62.0)	(416,297.6)	11.6	11,081.5	36.4	3,786.5	14.0	14,868.0
	<b>Total</b>	<b>100.0</b>	<b>671,059.7</b>	<b>100.0</b>	<b>95,763.8</b>	<b>100.0</b>	<b>10,413.2</b>	<b>100.0</b>	<b>106,177.0</b>

<sup>#</sup> Includes share of loss and share of TCI, from its associate of ₹ 298.0 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, 2024

(Annexure 'A')

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures 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)	
		2022-23		2022-23		2022-23		2022-23	
		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 Entity – Sun Pharmaceutical Industries Limited	40.0	237,483.6	20.0	16,907.2	(0.5)	(110.1)	16.0	16,797.1
	Subsidiaries								
	Indian								
1.	Green Eco Development Centre Limited	0.0	1.3	0.0	0.7	-	-	0.0	0.7
2.	Sun Pharma Laboratories Limited	40.3	238,890.8	(15.9)	(13,510.0)	0.1	28.5	(12.8)	(13,481.5)
3.	Faststone Mercantile Company Private Limited	0.0	3.3	0.0	0.1	-	-	0.0	0.1
4.	Neetnav Real Estate Private Limited	0.9	5,215.1	(0.0)	(20.1)	-	-	(0.0)	(20.1)
5.	Realstone Multitrade Private Limited	0.0	2.3	0.0	0.0	-	-	0.0	0.0
6.	Skisen Labs Private Limited	(0.0)	(0.5)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
7.	Softdeal Pharmaceutical Private Limited	0.2	890.8	0.5	423.8	0.0	0.2	0.4	424.0
8.	Universal Enterprises Private Limited	0.0	5.0	(0.0)	(0.1)	-	-	(0.0)	(0.1)
9.	Realstone Infra Limited	(0.0)	(205.7)	(0.1)	(84.8)	-	-	(0.1)	(84.8)
10.	Sun Pharmaceutical Medicare Limited	(0.6)	(3,382.0)	(0.5)	(441.8)	0.0	0.7	(0.4)	(441.1)
11.	Zenotech Laboratories Limited	0.2	1,323.6	0.1	79.5	0.0	0.4	0.1	79.9
12.	Sun Pharma Distributors Limited	0.9	5,502.1	2.2	1,866.3	0.0	2.6	1.8	1,868.9
13.	Caraco Pharmaceuticals Private Limited	(0.0)	(0.3)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
	Foreign								
1.	Sun Pharmaceutical (Bangladesh) Limited	0.4	2,339.6	0.3	227.3	-	-	0.2	227.3
2.	Sun Farmaceutica Do Brasil Ltda.	(0.5)	(2,819.2)	(0.4)	(302.4)	-	-	(0.3)	(302.4)
3.	Sun Pharma De Mexico S.A. DE C.V.	0.2	1,122.4	0.0	17.2	-	-	0.0	17.2
4.	Sun Pharmaceutical Peru S.A.C.	(0.0)	(190.0)	(0.0)	(2.5)	-	-	(0.0)	(2.5)
5.	OOO "Sun Pharmaceutical Industries" Limited	-	-	(0.0)	(0.1)	-	-	(0.0)	(0.1)
6.	Sun Pharma De Venezuela, C.A.	-	-	0.0	0.7	-	-	0.0	0.7
7.	Sun Pharma France	(0.6)	(3,382.3)	0.1	65.1	-	-	0.1	65.1
8.	Ranbaxy (Malaysia) SDN. BHD.	0.4	2,305.2	0.5	430.5	-	-	0.4	430.5
9.	Ranbaxy Nigeria Limited	(0.3)	(1,496.4)	(0.6)	(546.1)	-	-	(0.5)	(546.1)
10.	Sun Pharma (Netherlands) B.V	15.0	88,942.2	(5.9)	(4,990.2)	5.5	1,111.1	(3.7)	(3,879.1)
11.	Alkaloida Chemical Company Zrt.	9.8	58,260.2	0.6	541.8	-	-	0.5	541.8
12.	Sun Pharmaceutical Industries (Australia) Pty Limited	0.4	2,086.9	(0.7)	(585.3)	-	-	(0.6)	(585.3)
13.	Aditya Acquisition Company Ltd.	(0.0)	(0.9)	(0.0)	(0.1)	-	-	(0.0)	(0.1)
14.	Sun Pharmaceutical Industries (Europe) B.V.	0.0	271.9	0.1	96.9	-	-	0.1	96.9
15.	Sun Pharmaceuticals Germany GmbH	0.0	2.5	0.1	66.4	-	-	0.1	66.4
16.	Sun Pharmaceuticals SA (Pty) Ltd.	0.0	4.1	-	-	-	-	-	-
17.	Sun Pharma Philippines, Inc.	(0.1)	(519.9)	0.0	2.4	-	-	0.0	2.4
18.	Sun Pharma Japan Ltd. (Consolidated with its Subsidiary)	0.4	2,430.7	(0.2)	(139.5)	-	-	(0.1)	(139.5)
19.	Sun Laboratories FZE	(0.5)	(2,895.3)	0.2	151.7	(4.1)	(839.2)	(0.7)	(687.5)
20.	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	24.1	142,986.9	1.1	964.3	(1.9)	(384.4)	0.6	579.9
21.	Sun Pharma Switzerland Ltd.	0.0	9.0	0.0	1.9	-	-	0.0	1.9

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures 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)	
		2022-23		2022-23		2022-23		2022-23	
		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
22.	Sun Pharma Holdings	18.9	112,135.7	(123.6)	(104,758.0)	-	-	(99.7)	(104,758.0)
23.	Sun Pharma East Africa Limited	(0.0)	(179.5)	(0.1)	(125.9)	-	-	(0.1)	(125.9)
24.	Sun Pharma ANZ Pty Ltd	0.1	534.0	0.1	124.8	-	-	0.1	124.8
25.	Ranbaxy Farmaceutica Ltda.	(0.3)	(1,578.9)	(0.2)	(153.0)	-	-	(0.1)	(153.0)
26.	Sun Pharma Canada Inc.	0.1	392.6	0.0	26.4	-	-	0.0	26.4
27.	Sun Pharma Egypt Ltd LLC	0.0	204.4	(0.2)	(155.6)	-	-	(0.1)	(155.6)
28.	Rexcel Egypt LLC	(0.0)	(18.5)	(0.0)	(5.8)	-	-	(0.0)	(5.8)
29.	Basics GmbH	0.2	1,481.6	0.2	149.2	-	-	0.1	149.2
30.	Sun Pharma Italia srl	0.0	95.3	0.1	69.7	-	-	0.1	69.7
31.	Sun Pharmaceutical Industries S.A.C.	0.0	114.1	0.3	288.8	-	-	0.3	288.8
32.	Ranbaxy (Poland) SP. Z O.O.	0.1	305.6	0.0	23.2	-	-	0.0	23.2
33.	SC Terapia SA	2.3	13,795.4	5.2	4,371.6	-	-	4.2	4,371.6
34.	AO Ranbaxy	0.4	2,275.5	1.2	1,055.2	-	-	1.0	1,055.2
35.	JSC Biosintez	0.5	3,047.9	2.9	2,419.6	-	-	2.3	2,419.6
36.	Ranbaxy South Africa (Pty) Ltd. (Consolidated with its Subsidiary)	0.2	1,046.6	0.1	107.8	-	-	0.1	107.8
37.	Ranbaxy Pharmaceuticals (Pty) Ltd.	0.4	2,507.5	0.4	337.0	-	-	0.3	337.0
38.	Sun Pharma Laboratorios, S.L.U.	0.1	667.6	0.1	61.4	-	-	0.1	61.4
39.	Sun Pharma UK Limited (Formerly known as Ranbaxy (U.K.) Limited)	0.3	1,904.3	0.0	32.6	-	-	0.0	32.6
40.	Sun Pharma Holdings UK Limited (Formerly known as Ranbaxy Holdings (U.K.) Limited)	0.5	3,134.0	(0.0)	(0.7)	-	-	(0.0)	(0.7)
41.	Sun Pharmaceutical Holding USA Inc (Consolidated with its Subsidiaries and its Associate)	9.9	58,526.6	(5.0)	(4,211.8)#	1.7	346.6	(3.7)	(3,865.2)#
42.	Ranbaxy (Thailand) Co., Ltd.	0.0	250.3	(0.0)	(11.8)	-	-	(0.0)	(11.8)
43.	Sun Pharmaceuticals Morocco LLC	(0.0)	(236.3)	(0.5)	(387.5)	-	-	(0.4)	(387.5)
44.	Ranbaxy Pharmaceuticals Ukraine LLC	0.1	431.3	0.0	33.3	-	-	0.0	33.3
45.	Sun Pharma (Shanghai) Co., Ltd	(0.0)	(3.4)	(0.0)	(8.8)	-	-	(0.0)	(8.8)
46.	Sun Pharmaceuticals (EZ) Limited	(0.0)	(44.8)	(0.1)	(52.1)	-	-	(0.0)	(52.1)
	Non controlling interest in all subsidiaries	5.6	33,200.9	(0.5)	(393.6)	(11.2)	(2,266.9)	(2.5)	(2,660.5)
	Intercompany elimination and consolidation adjustments	(70.1)	(416,022.1)	217.9	184,679.2	110.4	22,409.3	197.2	207,088.5
	<b>Total</b>	<b>100.0</b>	<b>593,154.7</b>	<b>100.0</b>	<b>84,735.8</b>	<b>100.0</b>	<b>20,298.8</b>	<b>100.0</b>	<b>105,034.6</b>

# Includes share of loss and share of TCI, from its associate of ₹ 204.9 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, 2024

(Annexure 'B')

## IND AS- 24 - "RELATED PARTY DISCLOSURES"

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

<b>a</b>	<b>Key Management Personnel (KMP)</b>	
	Dilip Shantilal Shanghvi	Managing Director (Chairman and Managing Director w.e.f May 22, 2024)
	Israel Makov	Chairman and Non-Executive Director (Non-Independent) (upto August 29, 2022)
	Kalyanasundaram Iyer Natesan Subramanian	Whole-time Director (upto February 13, 2023)
	Sailesh Trambaklal Desai	Whole-time Director (upto March 31, 2024)
	Sudhir Vrundavandas Valia	Non-Executive Director and Non-Independent Director
	Aalok D. Shanghvi	Whole-time Director (w.e.f. June 01, 2023)
<b>b</b>	<b>Relatives of Key Management Personnel</b>	
	Vidhi Shanghvi	
	Aalok D. Shanghvi (appointed as Whole-time Director w.e.f. June 01, 2023)	
<b>c</b>	<b>Independent Directors</b>	
	Gautam Doshi	
	Pawan Kumar Goenka	
	Rama Bijapurkar	
	Rolf Karl Heinz Hoffmann (w.e.f. June 15, 2023)	
	Sanjay Khatau Asher (w.e.f. November 01, 2022)	
<b>d</b>	<b>Others (Entities in which the KMP, Independent Directors and relatives of KMP and Independent Directors have control or significant influence)</b>	
	Alfa Infraprop Private Limited	
	Makov Associates Limited (upto August 29, 2022)	
	Shanghvi Finance Private Limited	
	Shantilal Shanghvi Foundation	
	Sidmak Laboratories (India) Private Limited	
	Sun Petrochemicals Private Limited	
	Sun Pharma Advanced Research Company Limited	
	United Medisales Private Limited (upto March 31, 2024)	
	Pharmarack Technologies Private Limited (upto February 13, 2023)	
	Pharmasofttech Awacs Private Limited (upto February 13, 2023)	
	Anshul Speciality Molecules Private Limited	
	Aditya Medisales Limited	
	Navbio Ag (w.e.f. June 15, 2023)	
	Sanghvi Properties Private Limited	
	SPARCLIFE Inc.	
	Shantilal Sanghvi Eye Institute Medical - Sudarshan Netralay (Shri Nagardas Dhanji Trust)	
<b>e</b>	<b>Associates</b>	
	Medinstill LLC	
	Medinstill Development LLC	
	Tarsier Pharma Ltd	
	Dr. Py Institute LLC	
	Intact Solutions LLC	
	Remidio Innovative Solutions Private Limited	
	WRS Bioproducts Pty Ltd	
<b>f</b>	<b>Unconsolidated Subsidiary</b>	
	Foundation for Disease Elimination and Control of India	

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(Annexure 'B')

## IND AS- 24 - "RELATED PARTY DISCLOSURES"

### Details of related party transaction:

	₹ In Million	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Purchase of goods</b>	<b>184.8</b>	<b>217.4</b>
Others	184.8	217.4
<b>Purchase of property, plant and equipment and other intangible assets</b>	<b>24.6</b>	<b>1,817.1</b>
Associates	-	170.0
Others	24.6	1,647.1
<b>Revenue from contracts with customers, net of returns</b>	<b>467.7</b>	<b>233.2</b>
Others	467.7	233.2
<b>Sale of property, plant and equipment</b>	<b>0.2</b>	<b>4.0</b>
Others	0.2	4.0
<b>Other operating revenue /Other Income</b>	<b>15.3</b>	<b>14.6</b>
Others	15.3	14.6
<b>Receiving of service</b>	<b>816.9</b>	<b>1,283.9</b>
Others	816.9	1,283.5
Associates	-	0.4
<b>Impairment in value of loans/advance</b>	<b>-</b>	<b>1,644.3</b>
Associates	-	1,644.3
<b>Reimbursement of expenses (Paid)</b>	<b>277.3</b>	<b>55.3</b>
Others	277.3	55.3
<b>Rendering of service</b>	<b>664.0</b>	<b>795.1</b>
Others	664.0	795.1
<b>Reimbursement of expenses (Received)</b>	<b>142.5</b>	<b>66.2</b>
Others	140.4	66.2
Associates	2.1	-
<b>Loan given</b>	<b>207.0</b>	<b>-</b>
Associates	207.0	-
<b>Advance Given</b>	<b>15.9</b>	<b>-</b>
Others	15.9	-
<b>Lease Rental and hire charges (Income)</b>	<b>94.7</b>	<b>44.4</b>
Others	54.6	44.4
Associates	40.1	-
<b>Rent expense / payment towards lease liabilities</b>	<b>9.6</b>	<b>9.6</b>
Others	9.6	9.6
<b>Investments</b>	<b>161.2</b>	<b>56.6</b>
Associates	161.2	56.6
<b>Remuneration/ compensation</b>	<b>284.9</b>	<b>306.1</b>
Key management personnel	270.1*	229.7
Relatives of Key management personnel	14.8	76.4
<b>CSR</b>	<b>652.3</b>	<b>621.0</b>
Others	650.0	620.0
Unconsolidated subsidiary	2.3	1.0
<b>Sitting Fees and Commission paid to Independent Directors</b>	<b>25.7</b>	<b>20.1</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(Annexure 'B')

## IND AS- 24 - "RELATED PARTY DISCLOSURES"

### Balance outstanding as at end of the year:

	₹ In Million	
	As at March 31, 2024	As at March 31, 2023
<b>Receivables</b>	<b>642.5</b>	<b>438.3</b>
Others	642.5	438.3
<b>Payables</b>	<b>482.5</b>	<b>381.1</b>
Others	388.2	307.6
Key management personnel	92.9	73.4
Independent Directors	1.3	0.0**
Associates	0.1	0.1
<b>Security deposit given</b>	<b>0.5</b>	<b>0.5</b>
Others	0.5	0.5
<b>Security deposit received</b>	<b>0.9</b>	<b>0.9</b>
Others	0.9	0.9
<b>Loan given</b>	<b>458.6</b>	<b>246.4</b>
Associates	458.6	246.4
<b>Lease liability</b>	<b>81.6</b>	<b>84.1</b>
Others	81.6	84.1
<b>Advance (Includes capital and supply of goods/services)</b>	<b>417.0</b>	<b>-</b>
Others	417.0	-

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

\*\* ₹ 45,000/-

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 transactions with related parties are made on an arm's length basis. Outstanding trade balances at the year-end are unsecured and there have been no guarantees provided or received for any related party receivables or payables.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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 ventures

### PART "A": Subsidiaries

Sr. No.	Name of the Subsidiary Company	Date of acquisition/ incorporation of subsidiary	Reporting Currency	Closing rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
1.	Green Eco Development Centre Limited	12.11.2010	INR	1.00	7.0	(5.8)	1.3	0.1	-	-	(0.0)	-	(0.0)	-	100.00%
2.	Sun Pharmaceutical (Bangladesh) Limited	29.03.2001	BDT	0.76	45.6	2,477.4	3,639.0	1,116.0	-	2,148.1	329.7	127.4	202.3	-	72.50%
3.	Sun Pharmaceutical Industries, Inc.	20.11.2002	USD	83.41	-	100,747.7	189,742.4	88,994.7	4,698.5	114,923.0	2,274.5	(1,812.5)	4,087.0	-	100.00%
4.	Sun Farmaceutica do Brasil Ltda.	22.05.2009	BRL	16.63	92.7	(2,550.2)	4,985.6	7,443.1	-	4,687.5	499.3	58.5	440.8	-	99.99%
5.	Sun Pharma De Mexico S.A. DE C.V.	03.12.2002	MXN	5.03	5.1	1,196.1	1,747.3	546.1	-	1,828.3	(174.3)	(23.2)	(151.1)	-	100.00%
6.	Sun Pharmaceutical Peru S.A.C.	27.06.2006	PEN	22.43	0.0	(192.7)	0.9	193.6	-	-	5.4	-	5.4	-	100.00%
7.	Sun Pharma De Venezuela, C.A.	06.11.2011	VES	2.30	0.0	(0.0)	0.0	0.0	-	-	0.0	-	0.0	-	100.00%
8.	Chattam Chemicals Inc.	24.11.2008	USD	83.41	-	6,169.5	5,608.3	(561.2)	-	4,849.8	889.5	154.9	734.6	-	100.00%
9.	The Taro Development Corporation	20.09.2010	USD	83.41	-	6,976.0	6,507.3	(468.7)	-	-	3,413.6	736.6	2,677.0	-	100.00%
10.	Alkaloida Chemical Company Zrt.	05.08.2005	USD	83.41	7,444.7	53,444.6	61,792.0	902.7	930.0	3,705.8	1,696.3	117.2	1,579.1	-	99.99%
11.	Sun Pharmaceutical Industries (Australia) Pty Limited	11.03.2008	AUD	54.34	8,918.1	(6,013.9)	5,294.1	2,389.9	-	2,415.6	(736.9)	-	(736.9)	-	100.00%
12.	Aditya Acquisition Company Ltd.	22.04.2007	ILS	22.67	0.0	(0.7)	0.8	1.5	-	-	0.3	-	0.3	-	99.99%
13.	Sun Pharmaceutical Industries (Europe) B.V.	29.06.2007	EUR	89.97	1.6	343.6	1,793.2	1,448.0	-	3,996.1	88.9	21.5	67.4	-	99.99%
14.	Sun Pharmaceuticals Germany GmbH	11.08.2008	EUR	89.97	2.2	62.9	1,968.2	1,903.1	-	4,361.3	105.9	29.5	76.4	-	99.99%
15.	Sun Laboratories FZE	13.03.2011	USD	83.41	1,021.8	(1,919.5)	12,590.7	13,488.4	4,327.9	11,493.6	(2.8)	-	(2.8)	-	100.00%
16.	Sun Pharma Japan Ltd.	01.03.2012	JPY	0.55	87.1	900.0	7,315.1	6,328.0	-	7,805.6	(595.9)	0.5	(596.4)	-	100.00%
17.	Sun Pharma Japan Technical Operations Limited	01.06.2021	JPY	0.55	27.6	1,078.1	1,488.4	382.7	-	1,572.0	148.7	51.5	97.2	-	100.00%
18.	Sun Pharma Philippines, Inc.	08.12.2011	PHP	1.49	12.9	(517.8)	801.8	1,306.7	-	910.8	16.9	9.6	7.3	-	100.00%
19.	Caraco Pharmaceuticals Private Limited	12.01.2012	INR	1.00	0.1	(0.5)	0.0	0.4	-	-	(0.1)	-	(0.1)	-	100.00%
20.	Sun Pharmaceuticals Limited	09.03.2012	INR	1.00	400.5	285,513.8	304,886.7	18,972.4	45,685.2	113,773.0	54,410.6	7,143.5	47,267.1	-	100.00%
21.	Taro Pharmaceutical Industries Ltd. (Taro)	20.09.2010	USD	83.41	56.7	149,671.9	156,306.9	6,578.3	11,660.2	15,852.0	(61.8)	162.4	(224.2)	-	78.48%
22.	Taro Pharmaceuticals Inc.	20.09.2010	USD	83.41	31,077.3	139,094.9	175,251.1	5,078.9	64,209.5	26,094.1	10,915.1	1,987.0	8,928.1	-	78.48%
23.	Taro Pharmaceuticals U.S.A., Inc.	20.09.2010	USD	83.41	12.1	(12,221.8)	117,088.2	129,297.9	778.2	27,632.8	(2,300.6)	533.5	(2,834.1)	-	78.48%
24.	Taro Pharmaceuticals North America, Inc.	20.09.2010	USD	83.41	0.0	31,081.3	31,081.3	-	-	-	-	-	-	-	78.48%
25.	Taro Pharmaceuticals Europe B.V.	20.09.2010	EUR	89.97	1.6	1.1	11.3	8.6	-	3.3	0.3	0.1	0.2	-	78.48%
26.	Taro International Ltd.	20.09.2010	USD	83.41	0.0	2,825.0	3,090.1	265.1	-	1,738.1	67.4	26.1	41.3	-	78.48%
27.	Dusa Pharmaceuticals, Inc.	19.12.2012	USD	83.41	-	-	-	-	-	7,478.3	3,787.5	513.3	3,274.2	-	-
															(Refer note 16)
28.	Faststone Mercantile Company Private Limited	01.04.2012	INR	1.00	0.1	3.3	3.4	0.0	-	-	0.1	0.0	0.1	-	100.00%
29.	Neetnav Real Estate Private Limited	01.04.2012	INR	1.00	0.1	5,182.3	5,788.9	606.5	-	1.6	(32.8)	(0.0)	(32.8)	-	100.00%
30.	Realstone Multitrade Private Limited	01.04.2012	INR	1.00	0.1	2.3	2.4	0.0	-	-	0.1	0.0	0.1	-	100.00%
31.	Skisen Labs Private Limited	01.04.2012	INR	1.00	163.6	(164.2)	0.0	0.6	0.0	-	(0.1)	-	(0.1)	-	100.00%
32.	Softdeal Pharmaceutical Private Limited	01.04.2012	INR	1.00	0.1	959.5	1,520.8	561.2	355.1	1,559.5	95.0	25.8	69.2	-	100.00%
33.	Universal Enterprises Private Limited	03.09.2012	INR	1.00	4.5	0.4	8.1	3.2	-	-	(0.1)	-	(0.1)	-	100.00%
34.	Sun Pharma Switzerland Ltd.	10.06.2013	CHF	92.54	9.3	(7.0)	5.8	3.5	-	21.6	(3.6)	0.0	(3.6)	-	99.99%
35.	Sun Pharma Holdings	29.10.2013	USD	83.41	285,315.4	(171,812.0)	114,687.8	1,184.4	-	3.6	(67.1)	0.2	(67.3)	-	100.00%
36.	PI Real Estate Ventures, LLC	15.07.2014	USD	83.41	-	3,144.6	1,134.6	(2,010.0)	-	250.2	101.2	-	101.2	-	100.00%

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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/ incorporation of subsidiary	Reporting Currency	Closing 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
37.	Sun Pharma East Africa Limited	13.06.2014	KES	0.63	0.1	(112.1)	710.0	822.0	-	728.9	56.2	18.2	38.0	-	100.00%
38.	Basics GmbH	24.03.2015	EUR	89.97	488.6	951.1	7,799.2	6,409.5	-	5,939.7	281.9	65.5	216.4	-	100.00%
39.	Ranbaxy Pharmaceuticals Ukraine LLC	24.03.2015	UAH	2.14	85.5	380.3	621.2	155.4	-	844.5	61.4	10.8	50.6	-	100.00%
40.	Sun Pharmaceuticals Morocco LLC	24.03.2015	MAD	8.26	101.0	(410.1)	1,914.7	2,223.8	-	2,518.4	57.0	3.2	53.8	-	100.00%
41.	Sun Pharmaceutical Industries S.A.C.	24.03.2015	PEN	22.43	97.4	(312.3)	616.8	831.7	-	518.1	(284.2)	-	(284.2)	-	100.00%
42.	Sun Pharma Holdings UK Limited	24.03.2015	GBP	105.24	3,215.8	158.1	3,374.7	0.8	-	-	(0.9)	-	(0.9)	-	100.00%
43.	Sun Pharma France	24.03.2015	EUR	89.97	4,044.1	(5,524.6)	3,419.2	4,899.7	-	3,871.9	125.2	7.7	117.5	-	100.00%
44.	Sun Pharma Italia srl	24.03.2015	EUR	89.97	4.5	295.1	2,903.2	2,603.6	-	3,882.7	94.0	(110.8)	204.8	-	100.00%
45.	Ranbaxy Pharmaceuticals (Pty) Ltd	24.03.2015	ZAR	4.41	3,088.3	(154.9)	9,485.0	6,551.6	-	8,402.3	488.5	(50.1)	538.6	-	100.00%
46.	Ranbaxy South Africa (Pty) Ltd	24.03.2015	ZAR	4.41	77.3	474.8	1,205.5	653.4	-	597.2	44.2	(43.2)	87.4	-	100.00%
47.	Sonke Pharmaceuticals Proprietary Limited	24.03.2015	ZAR	4.41	8.8	858.3	1,307.7	440.6	-	2,345.5	132.8	41.3	91.5	-	70.00%
48.	Sun Pharma Egypt LLC	24.03.2015	EGP	1.76	495.3	(347.8)	493.9	346.4	-	428.5	(76.8)	(5.2)	(71.6)	-	100.00%
49.	Rexcel Egypt LLC	24.03.2015	EGP	1.76	3.7	(23.9)	22.0	42.2	-	14.1	(8.3)	(0.3)	(8.0)	-	100.00%
50.	Sun Pharma UK Limited	24.03.2015	GBP	105.24	2,289.0	(244.0)	2,402.8	357.8	-	5,336.4	98.0	24.1	73.9	-	100.00%
51.	Ranbaxy (Poland) SP Z O.O.	24.03.2015	PLN	20.92	89.8	271.7	537.9	176.4	-	847.6	38.6	11.2	27.4	-	100.00%
52.	Ranbaxy Nigeria Limited	24.03.2015	NGN	0.06	2.4	(3,322.3)	1,076.7	4,396.6	-	698.8	(2,818.2)	8.3	(2,826.5)	-	86.16%
53.	Ranbaxy (Thailand) Co., Ltd.	24.03.2015	THB	2.29	263.6	(15.2)	1,456.2	1,207.8	-	1,952.5	33.3	23.6	9.7	-	100.00%
54.	Ohm Laboratories, Inc.	24.03.2015	USD	83.41	19.9	(31,478.4)	10,361.8	41,820.3	-	10,064.6	(2,334.3)	(185.5)	(2,148.8)	-	100.00%
55.	Ranbaxy Signature LLC	24.03.2015	USD	83.41	-	1,058.2	4.0	(1,054.2)	-	-	(7.5)	-	(7.5)	-	67.50%
56.	Ranbaxy Inc.	24.03.2015	USD	83.41	1,064.3	(92,391.3)	(29,941.7)	1,385.3	-	(2,461.3)	(13.5)	(2,447.8)	-	-	100.00%
57.	AO Ranbaxy	24.03.2015	RUB	0.90	147.1	1,642.5	8,424.1	6,634.5	-	9,166.3	77.0	70.5	6.5	-	100.00%
58.	Sun Pharma Laboratories,S.L.U.	24.03.2015	EUR	89.97	90.0	733.6	1,357.1	533.5	-	2,075.9	63.0	(81.6)	144.6	-	100.00%
59.	Ranbaxy (Malaysia) SDN. BHD.	24.03.2015	MYR	17.65	146.5	2,669.3	3,293.0	477.2	-	3,718.1	810.9	180.5	630.4	-	96.10%
60.	Ranbaxy Farmaceutica Ltda.	24.03.2015	BRL	16.63	288.8	(1,645.5)	5,878.6	7,235.3	-	5,969.5	263.3	(5.2)	268.5	-	100.00%
61.	Sun Pharma ANZ Pty Ltd	24.03.2015	AUD	54.34	1,741.3	(322.6)	2,901.0	1,482.3	-	4,389.3	140.8	45.1	95.7	-	100.00%
62.	Sun Pharma Canada Inc.	24.03.2015	CAD	61.55	138.5	366.7	2,408.5	1,903.3	-	2,619.0	8.0	(98.9)	106.9	-	100.00%
63.	SC Terapia SA	24.03.2015	RON	18.11	452.5	18,381.0	24,041.1	5,207.6	-	23,018.7	6,213.5	787.3	5,426.2	-	96.81%
64.	Sun Pharma (Netherlands) B.V.	24.03.2015	USD	83.41	64,596.5	34,539.7	107,132.4	7,996.2	16,981.7	3,726.0	3,204.7	1,455.7	1,749.0	-	100.00%
65.	JSC Biosintez	19.12.2016	RUB	0.90	0.3	2,733.9	4,280.1	1,545.9	1.8	2,976.0	208.8	44.8	164.0	-	100.00%
66.	Sun Pharmaceuticals Holdings USA, Inc.	18.11.2016	USD	83.41	-	43,542.8	44,464.0	921.2	-	-	3.0	-	3.0	-	100.00%
67.	Foundation for Disease Elimination and Control of India	21.09.2016	INR	1.00	0.1	(0.4)	0.4	0.7	-	2.3	(0.1)	-	(0.1)	-	100.00%
68.	Zenotech Laboratories Limited	27.07.2017	INR	1.00	610.3	295.2	1,062.1	156.6	-	408.3	111.4	28.4	83.0	-	68.84%
69.	Sun Pharmaceutical Medicare Limited	16.01.2017	INR	1.00	2.5	(3,835.3)	7,208.1	11,040.9	-	3,226.9	(440.4)	2.7	(443.1)	-	100.00%
70.	Sun Pharma Distributors Limited	19.03.2019	INR	1.00	1.5	7,921.3	44,066.8	36,144.0	297.2	148,914.3	3,359.2	856.9	2,502.3	-	100.00%
71.	Realstone Infra Limited	31.01.2020	INR	1.00	2.5	(293.0)	3,577.1	3,867.6	-	-	(84.9)	-	(84.9)	-	100.00%
72.	Sun Pharmaceuticals (EZ) Limited	25.10.2020	BDT	0.76	45.6	(319.9)	1,579.2	1,853.5	-	-	(229.9)	-	(229.9)	-	72.49%
73.	Sun Pharma (Shanghai) Co.,Ltd	21.12.2020	RMB	11.55	11.6	(11.9)	9.3	9.6	-	72.2	(2.9)	0.4	(3.3)	-	100.00%
74.	Alchemee, LLC	28.02.2022	USD	83.41	-	344.4	1,506.2	1,161.8	5.6	6,249.0	(48.7)	(160.4)	111.7	-	78.48%



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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/ incorporation of subsidiary	Reporting Currency	Closing 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
75.	Proactiv YK	28.02.2022	JPY	0.55	-	476.3	542.1	65.8	-	1,320.9	(45.9)	(11.4)	(34.5)	-	78.48%
76.	The Proactiv Company KK	28.02.2022	JPY	0.55	-	77.8	284.2	206.4	-	-	113.8	43.6	70.2	-	78.48%
77.	The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.)	28.02.2022	USD	83.41	-	(11.4)	-	11.4	-	-	-	-	-	-	78.48%
78.	Alchemee Skincare Corporation (Formerly known as The Proactiv Company Corporation)	28.02.2022	USD	83.41	-	801.8	952.6	150.8	-	435.1	136.9	-	136.9	-	78.48%
79.	Concert Pharma Ireland Limited	06.03.2023	USD	83.41	-	-	-	-	-	-	-	-	-	-	100.00%
80.	Libra Merger Limited	01.01.2024	USD	83.41	0.2	(0.0)	0.2	-	-	-	(0.0)	-	(0.0)	-	99.99%
81.	Taro Pharma Corporation, Inc.	05.02.2024	USD	83.41	0.0	-	0.0	-	-	-	-	-	-	-	78.48%
82.	Vivaldis Health and Foods Private Limited	11.05.2023	INR	1.00	4.3	207.7	297.0	85.0	-	604.4	99.3	25.3	74.0	-	60.11%
83.	Sun Pharma Middle East FZE LLC	02.02.2024	AED	22.71	5.7	(0.9)	10.7	5.9	-	-	(0.8)	-	(0.8)	-	100.00%

### Note:

- '0.0' represents amount less than 0.05 Million and rounded off.
- In respect of entity at Sr. Nos. 5, 6, 39, 57, 65, 73, the reporting date is as of December 31, 2023 and different from the reporting date of the parent company.
- In respect of entity at Sr. No. 80 to 83 has been incorporated/ acquired during the year ended March 31, 2024.
- 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 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.
- With effect from May 23, 2022, OOO "Sun Pharmaceutical Industries" Limited has been dissolved.
- Foliage Merger Sub, Inc. merged with Concert Pharmaceuticals, Inc. w.e.f. March 06, 2023
- With effect from November 23, 2023 Sun Pharma Global FZE has been dissolved.
- Concert Pharmaceuticals, Inc. merged with Sun Pharmaceutical Industries, Inc. w.e.f. March 31, 2023
- With effect from July 14, 2023 Concert Pharmaceuticals Securities Corp. has been dissolved.
- With effect from August 15, 2023 Concert Pharma U.K. Limited has been dissolved.
- 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.
- Sun Pharma New Millford Parent LLC, Sun Pharma Housatonic II LLC and Sun Pharma Housatonic III LLC are being consolidated with Sun Pharmaceutical Industries, Inc.
- With effect from December 21, 2023, Sun Pharmaceuticals SA (Pty) Ltd has been dissolved.
- Dusa Pharmaceuticals, Inc. was merged with Sun Pharmaceutical Industries, Inc w.e.f. March 31, 2024.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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 ventures

### Part "B": Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	Joint Venture	Associate										₹ in Million	
			Generic Solar Power LLP	Trumpcard Advisors and Finvest LLP (Consolidated)	Medinstill LLC (Consolidated)	Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)	WPS Bioproducts Pty Ltd	Ezerx Health Tech Private Limited	Agatsa Software Private Limited	Remidio Innovative Solutions Pvt Ltd	Surgimatix Inc			
1.	Latest Balance Sheet Date	Artes Biotechnology GmbH	March 31, 2024	March 31, 2024	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	March 31, 2024	March 31, 2024	March 31, 2024	December 31, 2023	December 31, 2023
	Date of investment	December 31, 2023	March 31, 2017	March 13, 2014	October 09, 2018	October 03, 2021	October 19, 2023	October 17, 2023	February 03, 2023	February 20, 2024	February 20, 2024	February 20, 2024	February 20, 2024	February 20, 2024
2.	Shares of Associate/Joint Ventures held by the company on the year end													
	No.	15,853	NA	1,999	455,447	740,071	6,315	8,538	475,588	627,184	627,184	627,184	627,184	627,184
	Amount of Investment in Associates/Joint Venture	364.8	648.0	528.3	361.8	192.3	294.0	234.2	1,551.3	251.4	251.4	251.4	251.4	251.4
	Extend of Holding %	45.00%	40.61%	19.99%	20.98%	12.50%	37.76%	23.47%	29.15%	16.33%	16.33%	16.33%	16.33%	16.33%
3.	Description of how there is significant influence	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5.	Networth attributable to Shareholding as per latest Balance Sheet (adjusted till March 31, 2024)	112.8	317.4	(1,901.9)	36.3	(6.5)	67.5	34.0	458.6	369.5	369.5	369.5	369.5	369.5
6.	Profit / (loss) for the year													
	i. Considered in Consolidation	(1.4)	6.2	(298.0)	(49.6)	(6.0)	7.1	(10.8)	(28.4)	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)
	ii. Not Considered in Consolidation	(1.7)	9.1	(1,192.7)	(186.8)	(42.0)	11.7	(35.2)	(69.0)	(16.4)	(16.4)	(16.4)	(16.4)	(16.4)

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

**DILIP S. SHANGHVI**  
Chairman and Managing Director  
(DIN: 00005588)

**AALOK D. SHANGHVI**  
Whole-time Director  
(DIN: 01951829)

**C. S. MURALIDHARAN**  
Chief Financial Officer  
Mumbai, May 22, 2024

**ANOOP DESHPANDE**  
Company Secretary and Compliance Officer