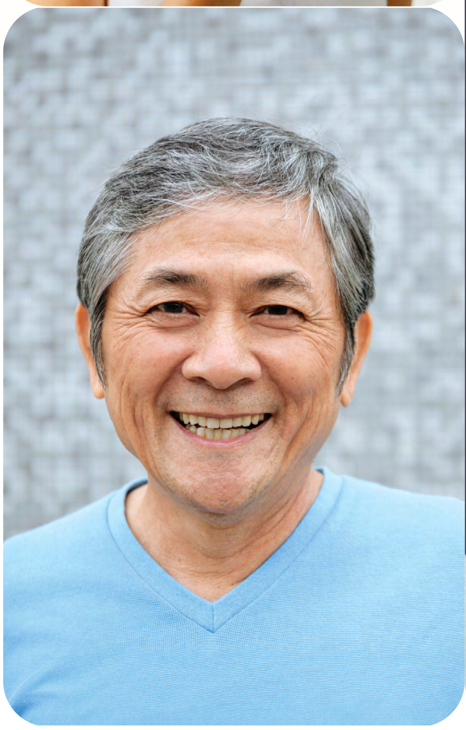
Sun Pharmaceutical Industries Limited
Annual Report 2023-2024

PATIENT FIRST. ALWAYS



Reaching People. Touching Lives.

SUN PHARMA

What's Inside

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log on to sunpharma.com/investors-annual-reports-presentations/

PATIENT FIRST. ALWAYS

As a leading global specialty generic company, we put patients at the heart of everything we do. From investing in research to developing high-quality products, we always strive to increase access to medicines that impact patient lives. In particular, our focused approach towards our Global Specialty portfolio in dermatology, ophthalmology and onco-derm segments is helping us develop and market products that address critical unmet needs. Our specialty business, which contributes over 18% to our global turnover, is poised for substantial growth in the coming years and carries significant potential to improve patient lives worldwide.

With six New Active Substances in the pipeline and upcoming specialty launches, we are excited about the progress of our innovative medicine business and the promise it holds for patients. By forming top-tier specialty teams and strengthening our pipeline through strategic deals as well as in-house development, we are focused on improving patient outcomes. Everywhere, we are working with patients and physicians, listening to them intently to find innovative, appropriate solutions. And putting patient lives first. Always.

Sun Pharma at a Glance

Helping Build Healthier Lives Worldwide

We are a leading global specialty generics company with a presence in specialty, generics and consumer healthcare products. Supported by 41 manufacturing facilities, we provide high-quality, affordable medicines, trusted by healthcare professionals and patients, to about 100 countries across the globe.

Leading
Global Specialty generic company

~100
Countries Reach

41
Manufacturing Sites across Six Continents

43,000+
Global Employee Base

Robust Product Portfolio

We have a comprehensive, diverse, and highly complementary portfolio of medicines targeting a wide spectrum of chronic and acute treatments.

Specialty Medicines

Our specialty portfolio includes innovative medicines in dermatology, ophthalmology, and onco-derm segments.

26

Specialty Products in Our Portfolio

Generic and Branded Generic Medicines

We offer high-quality generic and branded generic medicines globally, covering tablets, capsules, injectables, inhalers, ointments, creams, and liquids.

Largest

Pharmaceutical Company in India

13th

Largest Generic Pharmaceutical Company in the US

Over the Counter (OTC) Medicines

Our OTC portfolio comprises consumer healthcare products, including medications for cough, sore throat, vitamins, topical analgesics, cold & flu remedies, analgesics, lifestyle products, and digestives.

25+

Countries Footprint

Active Pharmaceutical Ingredients (APIs)

We manufacture Active Pharmaceutical Ingredients (APIs) for complex formulations, facilitating vertical integration.

380+

Active Pharmaceutical Ingredients (API) Portfolio

Driven by Innovation

With a consistent focus on innovation, we invested 6.7% of our global revenues into Research and Development (R&D) in FY24. Our competitive edge lies in our expertise at developing innovative products, difficult to make technology intensive generics, Active Pharmaceutical Ingredients (APIs) and Novel Drug Delivery Systems (NDDS).

6
Global R&D Centres

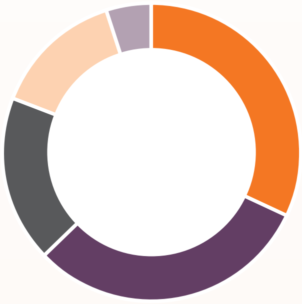
3,000+
Global R&D Team

6.7%
R&D Spend as a Percentage of Total Sales in FY24

Global and Diversified Revenue Base

Our revenue stream reflects a dynamic mix of global market presence and diversified business segments, ensuring resilience and growth across economies.

Business-wise Revenue Share (FY24) (%)

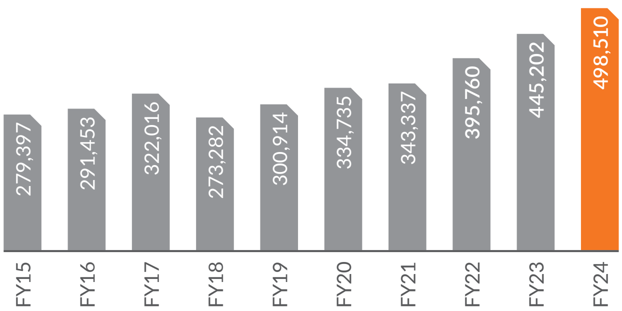


	(%)
United States	32
India	31
Emerging Markets	18
Rest of the World (RoW)	14
Active Pharmaceutical Ingredients (API) and Others	5

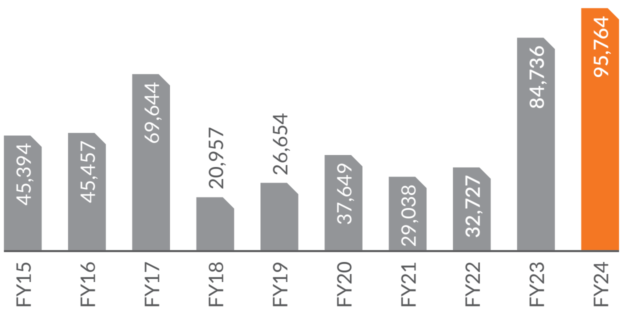
Key Performance Indicators

(Consolidated)

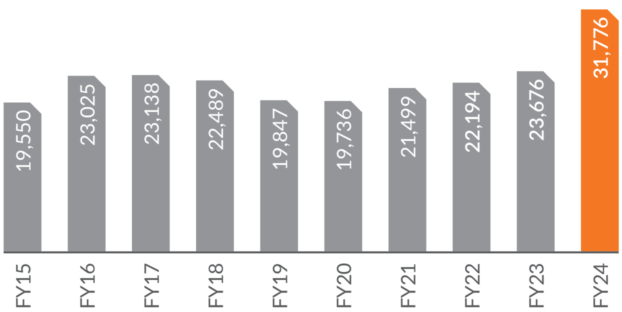
Total income (₹ Million)



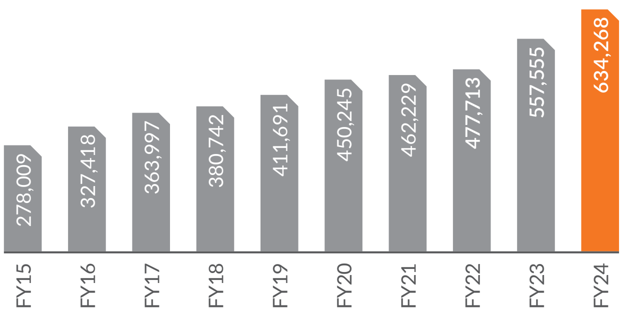
Net profit after minority interest (₹ Million)



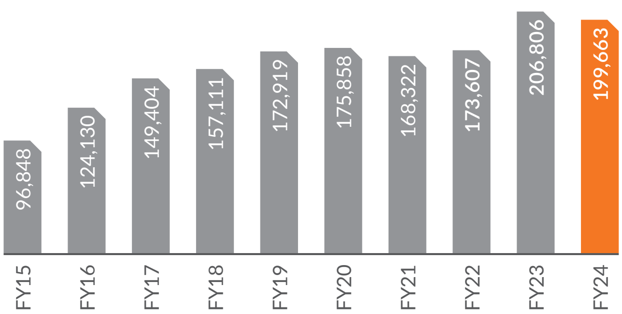
R&D investment (₹ Million)



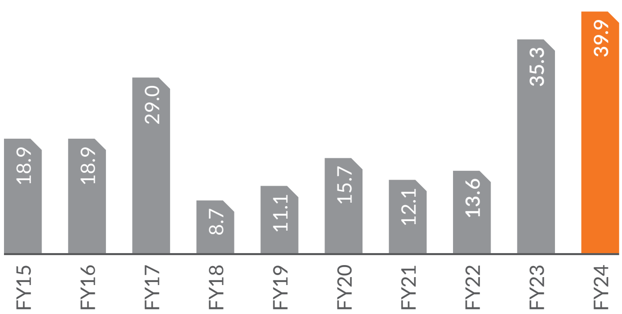
Reserve & surplus (₹ Million)



Carrying value of property, plant & equipment and other intangible assets** (₹ Million)



Earnings per share (adjusted for bonus/split)* (₹ per share)



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

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

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

Ten Year Financial Highlights

(Consolidated)

(₹ Million)

Particulars	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Operating performance										
Revenue from operations	273,920	284,870	315,784	264,895	290,659	328,375	334,981	386,545	438,857	484,969
Total income	279,397	291,453	322,016	273,282	300,914	334,735	343,337	395,760	445,202	498,510
Net profit for the year (after minority interest)	45,394	45,457	69,644	20,957	26,654	37,649	29,038	32,727	84,736	95,764
R&D expenditure	19,550	23,025	23,138	22,489	19,847	19,736	21,499	22,194	23,676	31,776
(a) Capital	1,178	783	1,679	1,819	718	484	471	869	599	499
(b) Revenue (excluding depreciation)	18,373	22,242	21,459	20,669	19,129	19,252	21,028	21,325	23,077	31,277
(c) % of sales	7.2	8.3	7.6	8.6	6.9	6.1	6.5	5.8	5.5	6.7
Financial position										
Equity share capital	2,071	2,407	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399
Reserve and surplus	278,009	327,418	363,997	380,742	411,691	450,245	462,229	477,713	557,555	634,268
Property, plant & equipment and other intangible assets (at cost)**	143,616	187,212	217,315	238,073	271,424	298,549	308,582	334,029	397,151	410,386
Carrying value of property, plant & equipment and other intangible assets***	96,848	124,130	149,404	157,111	172,919	175,858	168,322	173,607	206,806	199,663
Investments	35,028	18,299	11,919	71,429	79,025	101,431	96,125	128,486	148,243	150,258
Net current assets	135,488	167,973	150,666	117,716	137,296	159,477	142,965	176,562	199,763	264,906
Stock information										
Number of shares (in Million)	2,071	2,407	2,399	2,399	2,399	2,399	2,399	2,399	2,399	2,399
Earnings per share (adjusted for bonus/split) (in ₹)*	18.9	18.9	29.0	8.7	11.1	15.7	12.1	13.6	35.3	39.9
Earnings per share – Basic (in ₹)*	18.9	18.9	29.0	8.7	11.1	15.7	12.1	13.6	35.3	39.9
Earnings per share – Diluted (In ₹)*	18.9	18.9	29.0	8.7	11.1	15.7	12.1	13.6	35.3	39.9

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

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

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Chairman and Managing Director's Message

Dilip Shanghvi
Chairman and Managing Director

Dear Shareholders,

Your Company, Sun Pharma, turned 40 this year. Our global offices commemorated the milestone in many small but thoughtful ways. It was also a moment to reflect on our learnings, on what will keep us agile amid expansion, how we plan to manage growth and continuity and how we can evolve further while keeping our core values intact.

Age is just a number though, and we feel as if we have just started. The contribution of Global Specialty, our new growth engine, has continued to increase and has grown from 7% of consolidated revenues in FY19 to 18% in FY24. Our focus on building out the Specialty business is the outcome of a conscious effort to diversify the Company's revenue streams. The effort towards expanding Specialty also speaks of the business' need to stay agile in an ever-changing environment.

While increasing size has come with healthy cash flows, it remains paramount that we constantly evaluate structural shifts in our industry for their potential impact. Pharmaceuticals is a highly regulated industry across the value chain and individual regulatory actions can have profound effects on the Company. This is an important lesson we have internalised in the first 40 years of our existence, and therefore, it has been our endeavour to minimise risk in each of our businesses.

We also believe that the lessons of the first 40 years have positioned us well for the next chapter of the Company's growth. Our market share has continued to improve across geographies, including India. We remain resolutely focused on serving patients and prescribers, a principle that has been close to our hearts since inception. Recent examples of this customer-centric mindset include broadening our Global Specialty pipeline with deuruxolitinib and Nidlegy™ while expanding our field force in India and the Emerging Markets.

During FY24, our global consolidated revenues grew by 10.4% to ₹ 478 Billion, while EBITDA grew by 11.8% to ₹ 130 Billion. Adjusted net profit was up by 16.5% to ₹ 101 Billion. Our return ratios also continued their upward momentum. Our cash balance of US$ 2.4 Billion enables us to explore large transactions, should a suitable opportunity present itself.

This year, we made further investments towards enhancing our capabilities in the Global Specialty business. We made critical hires in several functions, some of which are visible as new additions to the senior management team. Specifically, our focus has been to improve our in-house clinical development capabilities for which we are building a clinical organisation, globalising our Specialty assets beyond the US, and deepening our business development capabilities.

Our Specialty R&D spend has continued to increase in our bid to strengthen our innovation pipeline. We spent US$ 148 Million on Specialty R&D in FY24 vs US$ 65 Million in FY20, accounting for 78% of the total R&D increase during the period. Our increased R&D guidance for this year indicates our intent to advance existing projects and further enrich the Specialty pipeline in our core therapy areas.

Operational Performance

For FY24, India formulation sales were at ₹ 149 Billion, up by 9.5%, and accounted for 31% of the overall revenues. Our India business growth was ahead of the industry growth, driven by our strong brand equity with doctors. As per AIOCD AWACS March 2024 data, our market share improved to 8.5% on MAT basis compared to 8.3% share during the previous period.

As per SMSRC data for MAT February 2024, Sun Pharma ranks 1 by prescriptions with 12 different classes of doctors. We strengthened our portfolio leadership with 52 new product launches in India.

We undertook field force expansion in India in FY24, adding 10% to our existing strength. The field force expansion, implemented in successive rounds over the last four years, has helped us declutter our portfolio and expand our presence in Tier II and Tier III towns.

We are deeply committed to improving access to medicine in India. Wider availability of medicines and patient compliance are critical to ensuring health security for India's vast population. As per AIOCD AWACS, our growth in India was primarily driven by volume as well as new product launches. In contrast, in India, the Pharma market growth was driven to a great extent by price increases. This year, we are especially pleased to have introduced four innovative products in India, either from our global portfolio or via licensing. These include Cequa for dry eye disease, Tyvalzi for the treatment of ischemic stroke, Rytstat for the treatment of anaemia associated with chronic kidney disease, and Lyvelsa for slowing down the progression of and reducing the risk of kidney failure associated with Type-2 diabetes.

Revenues in the US grew by 13.4% to ₹ 153 Billion and accounted for 32% of our consolidated revenues for FY24. Specialty sales in the US has continued to gain traction. While the generics business faced the negative impact of ongoing compliance issues at our Halol and Mohali facilities, we were able to partly compensate it through new launches and market share gains.

Our subsidiary, Taro, recorded a 9.8% growth in overall revenues to US$ 629 Million.

The year saw us enter into a definitive merger agreement with Taro for the acquisition of all its outstanding shares. Taro remains a key player in the generic dermatology market, even in a challenging environment. As a combined entity, we will move firmly forward, leveraging our global capabilities to serve the needs of patients and healthcare professionals.

Our Emerging Markets sales grew by 9.1% to ₹ 86 Billion and contributed 18% to our consolidated revenues. In local currency terms, large markets like Brazil and Romania recorded strong double-digit growth. We increased our field force in key Emerging Markets this year by 9% to over 2,500. This showcases our long-term commitment to these geographies.

Sales in the Rest of World (RoW) markets grew by 11.1% to ₹ 67 Billion and contributed 14% to consolidated revenues. Growth here was spurred by higher sales in Western Europe led by Specialty and the ramp-up in Ilumya sales in Australia and Japan. Odomzo also gained traction in RoW markets.

Global Specialty Business Performance

Global Specialty revenues recorded a strong 19.3% growth to reach US$ 1,039 Million. Ilumya sales continued to do well globally and were up by 21.7% to US$ 580 Million.

The following products were key contributors to the Global Specialty business growth in FY24.

Select Products from the Marketed Portfolio

- **Ilumya/Ilumetri** is an IL-23 inhibitor biologic used in the treatment of adults with moderate-to-severe plaque psoriasis and who are candidates for systemic therapy or phototherapy. It is marketed by Sun Pharma directly in several markets, including in the US, Canada, Australia, Japan and in Western Europe and China through our partners. Ilumetri was included in China's National Reimbursement Drug List from January 2024.
- **Winlevi** is a first-in-class topical androgen receptor inhibitor, approved by the US FDA for the topical treatment of acne vulgaris in patients above the age of 12. Winlevi is the first US FDA-approved acne drug in nearly 40 years with a first-in-class mechanism of action. Besides the US, where it is already marketed, Winlevi was launched in Canada during FY24 and is expected to be available in Australia from June 2024.
- **Cequa,** indicated for topical ophthalmic use, is the first and only US FDA-approved cyclosporine treatment delivered with NCELL™ technology. Cequa, which offers the highest concentration of cyclosporine for ophthalmic use approved by the US FDA, is indicated to increase tear production in patients with dry eye, an inflammatory disease that afflicts more than 16 Million people in the US.
- **Odomzo** is indicated for the treatment of adult patients with locally advanced Basal Cell Carcinoma (laBCC) that has recurred following surgery or radiation therapy, or for those who are not candidates for surgery or radiation therapy. Odomzo works by inhibiting a molecular pathway known as the hedgehog signalling pathway, which is implicated in the origination and development of BCC when the pathway malfunctions. Odomzo is available in the US and several other international markets.
- **Levulan Kerastick+BLU-U** combines a powerful 20% aminolevulinic acid HCl (ALA) topical treatment with blue-light precision while minimising exposure to the deeper tissue. It is the only Photo Dynamic Therapy indicated for the treatment of minimally to moderately thick actinic keratoses of the face or scalp, or actinic keratosis of the upper extremities.

Research & Development (R&D)

Our R&D investments stood at ₹ 32 Billion, or 6.7% of overall sales. During the year, we filed approximately 250 formulation dossiers globally. In FY24, the Company took steps to improve study enrollment for our Global Specialty pipeline candidates, including creating a clinical organisation within Sun and hiring key talent to lead the same. Sun Pharma also continues to scout for external R&D assets to strengthen the pipeline. R&D spending is expected to increase as clinical trials for Specialty products gain traction.

Sun Pharma's Specialty R&D pipeline has six candidates undergoing clinical trials:

- **Deuruxolitinib's** New Drug Application (NDA) was filed with USFDA for the treatment of moderate to severe alopecia areata during FY24. The FDA has assigned Prescription Drug User Fee Act (PDUFA) date of July 2024 for our application. Open Label Extension studies for deuruxolitinib are ongoing.
- Our partner product **Nidlegy™** is expected to be filed with the European Medicines Agency (EMA) for locally advanced fully resectable melanoma during H1CY24. The candidate's Phase III PIVOTAL trial met the study's primary objective, demonstrating statistically significant and clinically meaningful improvement in recurrence-free survival for patients with locally advanced fully resectable melanoma. Nidlegy™ is currently being investigated in two Phase III clinical trials for the treatment of locally advanced melanoma and in Phase II clinical trials for the treatment of high-risk BCC and other non-melanoma skin cancers. Sun Pharma is the commercial partner for the candidate in EU, Australia and New Zealand.
- Our currently marketed product, **Ilumya**, is undergoing Phase-3 clinical trials for additional indication of treatment of psoriatic arthritis. Topline data for the studies is expected during the H2CY25.
- **MM-II** has completed Phase-2B trial as a potential treatment for knee pain in patients with symptomatic knee osteoarthritis. Phase-3 for the candidate is expected to begin during the H1CY25.
- **SCD-044** is in Phase-2 clinical trials as a potential oral treatment for atopic dermatitis and moderate to severe plaque psoriasis. SCD-044 is a selective S1PR1 modulator, with a potentially safe cardiac safety profile. Topline data for the indication of atopic dermatitis is expected to be available during the H2CY24. Topline data for the indication of psoriasis is expected to be available during the H1CY25.
- **GLP-1R** (Glucagon-Like Peptide-1 Receptor) agonist has completed Phase-1 clinical trials. Early clinical data demonstrated marked weight loss in single and multiple ascending dose studies. The drug was well tolerated, and we expect to start enrolling patients for Phase-2 trials during the H2CY24.

We strive to remain disciplined in identifying future R&D projects for the US generics market with a focus on developing complex products.

cGMP Compliance

Adherence to global cGMP standards is a key priority for us, and we have a relentless focus on 24x7 compliance to ensure continuity of supplies to our customers and patients worldwide.

We have pending USFDA compliance issues at three of our facilities. These include the import alert at the Halol facility and the receipt of non-compliance letter for the Mohali facility, both during FY23. 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). Besides these three, all our facilities remain compliant with global regulatory bodies, including the US FDA.

Sustainability

We continue to integrate principles of sustainability within our business through well-defined goals and initiatives, coupled with a clear roadmap to achieve these objectives. We are committed to addressing the impact of climate change through strategic actions to manage and mitigate carbon emissions associated with our operations. In FY24, we initiated a physical and transition climate risk assessment and also carried out a Biodiversity risk assessment for five of our manufacturing locations. We have also implemented multiple focused initiatives to attract and retain a highly diverse and skilled workforce. Our Corporate Social Responsibility (CSR) initiatives continue to positively impact underprivileged communities and respond to their needs across diverse areas.

Our corporate governance approach rests on our commitment to go beyond compliance, increase transparency and foster reliability, trust and consistency. As a member of the United Nations Global Compact (UNGC), we support the 10 principles covering human rights, labour, environment and anti-corruption, and we incorporate these principles into our business. I am happy to mention that Sun Pharmaceutical Industries Limited has been included in the S&P Global Sustainability Yearbook 2024, a select group of companies with demonstrated strengths in sustainability.

Efficiency Improvement

Our focus has always been on sustainable cost reduction via technological interventions and process enhancements. We are also directing our efforts towards reducing working capital deployment across our businesses. Sustained efforts are being made to further improve our manufacturing efficiencies, optimise our manufacturing footprint and reduce overall fixed costs.

Net Cash and Deployment Opportunities

At year-end, Sun Pharma had a strong net cash position of approximately US$ 2.4 Billion, which enables us to explore inorganic opportunities, including but not limited to strengthening our Global Specialty portfolio.

Overall Outlook

We expect high single-digit consolidated topline growth for FY25. We expect to see Sun's Global Specialty business continue on its growth path. Our R&D spending has been on an upward trajectory due to increased clinical study spending to advance our Global Specialty pipeline. For FY25, we expect our R&D spend to be in the range of 8-10% of sales, with an increasing share of spending expected on Specialty products.

Top Priorities for FY25

- To improve compliance record of manufacturing operations, and work towards bringing the three facilities facing US FDA action back into fully compliant status
- Advance our pipeline of Global Specialty products with several milestones coming up in FY25, including PDUFA date of deuruxolitinib, Nidlegy™ filing in Europe SCD-044 data
- Ensure supply chain continuity and simultaneously focus on inventory optimisation
- Enhance IT systems to facilitate business operations, ensure security and digital transformation
- Embed sustainability practices in our operations; we have set clear and actionable targets to achieve our sustainability goals
- Continued focus on cost and operational efficiencies
- Maintain the ongoing trend towards improving overall return ratios

Sun Pharma's growth over the last 40 years would not have been possible without the company's dedicated workforce. This year, Sun's employee headcount grew by over 4% to become over 43,000 strong. We continue to work towards ensuring that our Human Resource management systems and policies keep pace with this expansion. Our endeavour is to treat all our employees in a fair and equitable manner.

We are grateful to our Board of Directors for their continued guidance and support.

Your support, as a shareholder, is of vital importance to us, and we hope that you will continue to repose your confidence in us in the future.

Regards,

Dilip Shanghvi
Chairman and Managing Director
Sun Pharmaceutical Industries Limited

Board of Directors

Dilip S. Shanghvi
Chairman and Managing Director

Dr. Pawan Goenka
Lead Independent Director

Aalok D. Shanghvi
*Whole-time Director**

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

* (appointed with effect from June 01, 2023)

Gautam Doshi
Independent Director

Rama Bijapurkar
Independent Director

Sanjay Asher
Independent Director

Rolf Hoffmann
*Independent Director***

** (appointed with effect from June 15, 2023)

Leadership Team

Aalok D. Shanghvi
Whole-time Director and Executive Vice-President, Emerging Markets, Global generic R&D, Global BD (Generics Segment) & API

Abhay Gandhi
CEO – North America

Kirti Ganorkar
Head – India Business

C. S. Muralidharan
Chief Financial Officer

S. Damodharan
CEO – API Business

Suresh Rai
Chief Human Resource Officer

Dr. Meeta Chatterjee
Chief Strategy Officer

Reem Malki
Chief Quality Officer

Dheeraj Sinha
Chief Information Officer

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

Dr. Azadar H. Khan
Head – India Regulatory, Corporate Relations & CSR

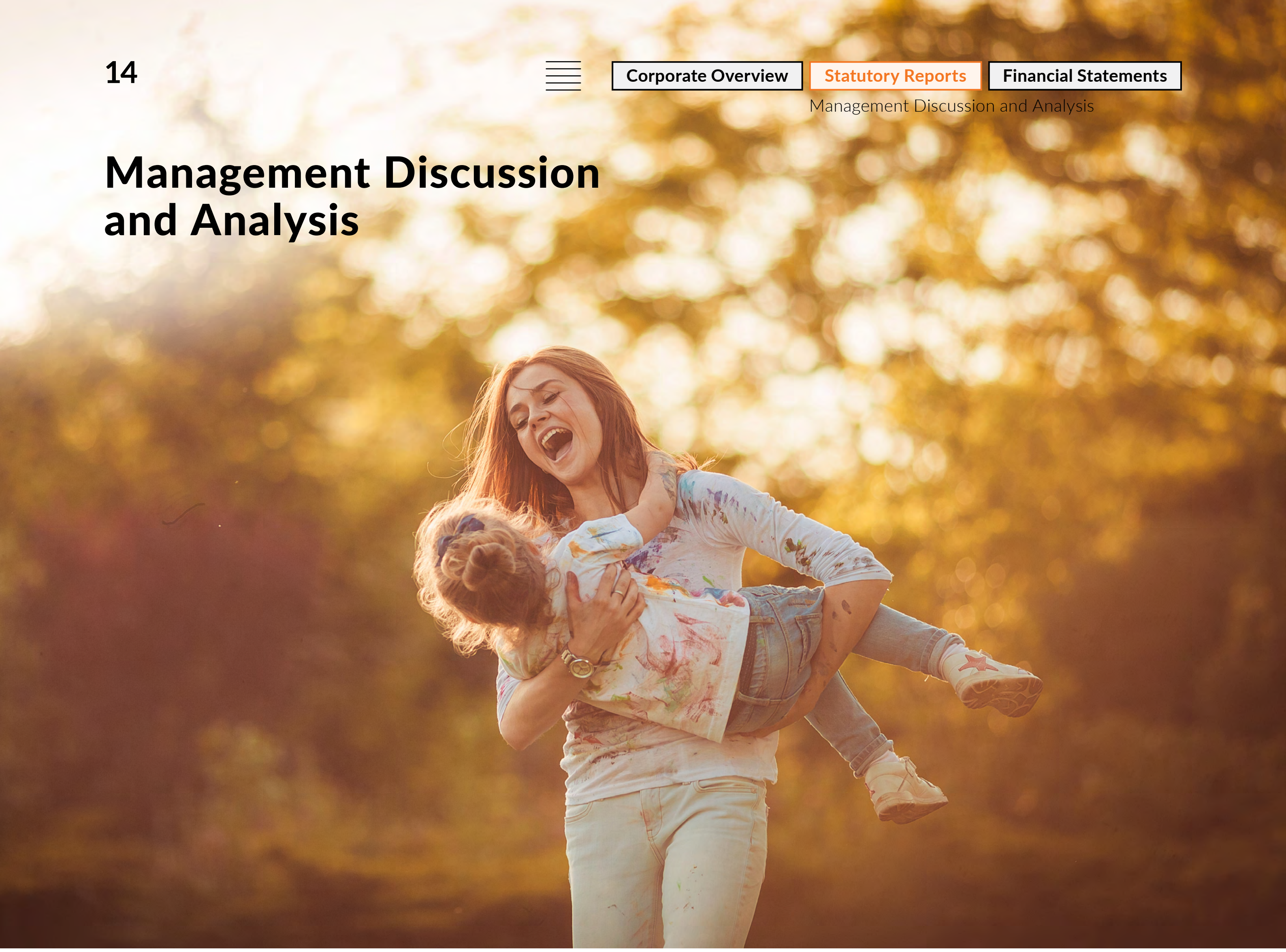
Uday Baldota
CEO – Taro Pharmaceutical Industries Ltd.

Sreenivas Rao
Head – Global Supply Chain

Marek Honczarenko
Head – Development (Clinical Development)

Sridhar Shankar
Head – Centre for Global Product and Innovation

Management Discussion and Analysis



Global Pharmaceutical Industry[1]

In 2023, the global pharmaceutical industry witnessed significant shifts in medicine usage and spending growth across regions, setting the stage for robust expansion in the years ahead. Despite downward revisions in vaccination and Covid-related therapeutic spending due to lower usage, the industry demonstrated strong resilience and agility by adopting novel therapies and increasing overall medicine usage. As the pandemic transitioned to an endemic, the outlook for medicine spending through 2028 was revised upwards, reflecting accelerated growth rates and a projected CAGR of 5-8%, reaching a total expenditure of US$2.3 trillion.

The volume of medicines used globally plateaued in 2023 but is anticipated to grow steadily at an average rate of 2.3% through 2028. China, India, and other Asian markets are poised to lead this growth, with Latin America also experiencing rapid expansion. North America, Western Europe, and Japan are expected to exhibit slower growth due to their already higher per capita use levels. Volume growth in Eastern Europe will likely return to pre-conflict trends in 2024.

Global medicine market is expected to continue on its growth path over the next five years driven by higher spending in regions such as the US, Europe and key Emerging Markets. Newly introduced branded products, increased uptake of original medicines and adoption of novel therapies will drive growth in these regions. At the manufacturer level, net sales growth is expected to be lower due to various factors including rebates and government-mandated discounts.

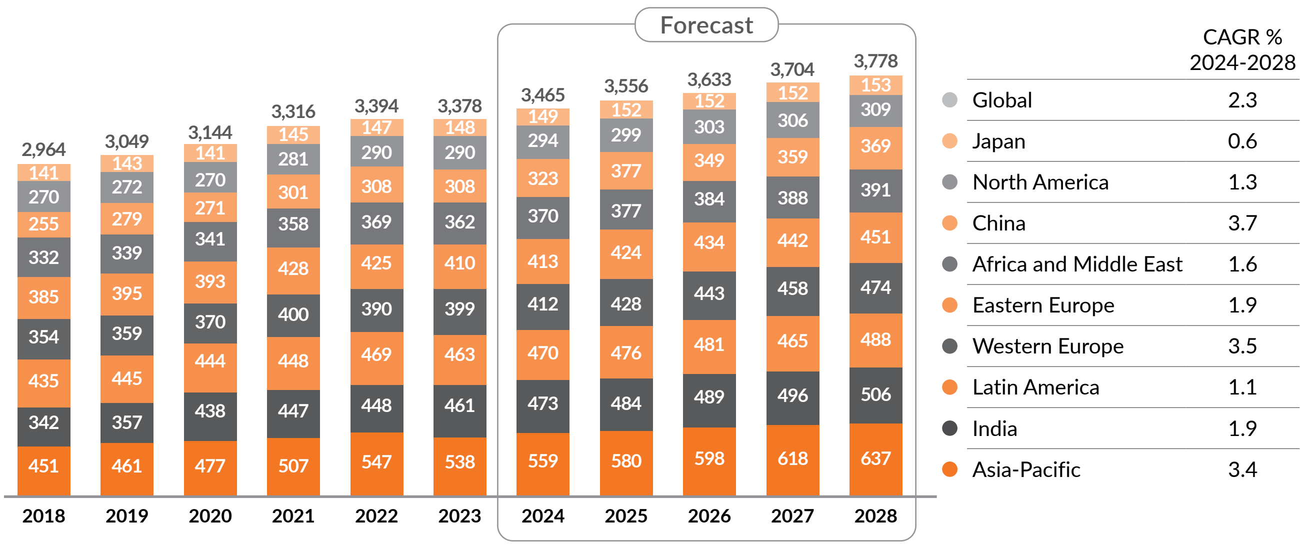
Biotechnology remains a focal point for growth in the next five years, alongside specialty medicines catering to chronic and rare conditions. The utilisation of medications in specific therapy areas has been on the rise since 2018, with notable growth observed in immunology, endocrinology, and oncology. Oncology and immunology will likely lead growth across therapy areas, driven by the introduction of new treatments and increasing patient populations. Immunology treatments have witnessed a steady increase in utilisation, driven by the more comprehensive adoption of older therapies.

Additionally, advancements in neurology, mental health treatments and the emergence of next-generation biotherapeutics are poised to reshape medicine spending and usage patterns. The approval and rapid uptake of GLP-1 agonist medicines for diabetes and obesity indications have also contributed to shifting medicine use patterns. Despite disruptions caused by the pandemic, antibacterial use has

Graph 1

Global Pharmaceutical Industry Growth: 2018-2028[1]

(Defined Daily Doses in Billions)



Source: IQVIA Institute, December 2023

returned to historic levels. However, concerns persist regarding reduced rates of adult vaccinations, with an estimated 100 Million fewer doses administered since 2020.

Global Pharmaceutical Market

Table 1

(US$ Billion)

Region	2023	2019-2023 CAGR	2028	2024-2028 CAGR
Developed Markets	1,276	7.2%	1,775-1,805	5-8%
Pharmerging Markets	304	7.8%	400-430	10-13%
Other Markets	28	5.6%	33-37	3-6%
Global Pharmaceutical Market	**1,607**	**7.3%**	**2,225-2,255**	**6-9%**

Global Pharmaceutical Market – Share by Product Type[1]

Table 2

(% of Total)

Region	Original Brands (%)		Non-original Brands (%)		Unbranded Generics (%)		OTC, Vaccines & Others (%)		Total (US$ Billion)	
Year	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028
Developed Markets	76	78-79	10	9-10	9	7-8	5	4-5	1,276	1,775-1,805
Pharmerging Markets	27	28-30	35	33-35	14	13-17	24	21-24	304	400-430
Other Markets	32	27-35	49	45-51	6	5-7	13	11-12	28	33-37
Global Markets	**66**	**68-69**	**15**	**14-15**	**10**	**8-9**	**9**	**7-8**	**1,607**	**2,225-2,255**

Key Trends and Drivers Shaping the Industry

Key Trends

Global Population Dynamics

Demographic shifts, including ageing populations and evolving disease profiles, are contributing to rising demand for pharmaceutical products. Addressing this demand requires innovative approaches to meet evolving healthcare needs.

Per Capita Consumption

Regional disparities in per capita consumption persist, with higher-income countries like Japan and Western Europe exhibiting double the usage compared to lower-income regions. For instance, in 2023, per capita consumption in Japan and Western Europe was more than double that of other regions. While consumption will likely rise across most regions, Africa and the Middle East face challenges in achieving comparable per capita consumption. Improvements in per capita use are slower in lower-income countries, hindering efforts to improve healthcare access.

Budget Pressures and Cost Management

Payers in developed markets are facing budget pressures, prompting efforts to curb drug spending growth. The costs associated with managing the COVID-19 pandemic and increased expenditure on novel therapies have demanded measures to moderate spending. To this end, sectoral players use strategies such as promoting generic and biosimilar drugs, negotiating favourable pricing agreements with pharmaceutical companies, and implementing patient cost-sharing arrangements. Balancing cost management with ensuring access to innovative treatments remains a critical challenge for healthcare systems globally.

Therapeutic Area Trends

Since 2018, there has been a notable increase in medicine consumption across various therapy areas, particularly in immunology, endocrinology, and oncology. These advanced therapy areas have witnessed significant growth, driven by expanded patient access to innovative treatments and advancements in medical technology. The COVID-19 pandemic disrupted consumption patterns, leading to fluctuations in usage which rebounded in 2022 and 2023. This rebound reflects the resilience of the pharmaceutical market and its ability to adapt to changing circumstances.

Digital Health Solutions

Adopting digital health solutions and advanced analytics has revolutionised the pharmaceutical landscape, enabling more personalised and efficient patient care. These technologies provide valuable insights into patient behaviour, facilitate clinical trial design, and optimise supply chain management. Medical and research professionals increasingly use telemedicine and artificial intelligence (AI) for remote diagnosis, personalised treatment plans, and drug discovery, driving growth and productivity across the pharmaceutical value chain.

Impact of Innovative Therapies

Enhanced patient access to innovative medicines is a crucial driver of increased usage, particularly in advanced therapy areas like immunology, endocrinology, and oncology. Introducing biologic and small molecule therapies has expanded patient treatment options, driving up consumption rates, particularly in developed markets. These innovative therapies offer targeted treatment approaches with improved efficacy and fewer side effects, contributing to their growing popularity among patients and healthcare providers.

Developed Markets

In developed markets, medicine spending will likely be in an annual range of US$1.775 Trillion to US$1.805 Trillion by 2025. Innovative therapeutics are expected to drive this growth trajectory despite challenges from generic and biosimilar competition. Immunology treatments should exhibit steady utilisation increases, offset by emerging biosimilar competition. Spending in developed markets will likely accelerate, led by new products and existing branded medicines.

Developed Markets – Pharmaceutical Spending and Growth[1]

Table 3

(US$ Billion)

Region	2023	2019-2023 CAGR	2028	2024-2028 CAGR
Top 10 Developed Markets	1,082	7.0%	1,505-1,535	5-8%
Other Developed Markets	194	8.5%	255-285	5-8%
Total Developed Markets	**1,276**	**7.2%**	**1,775-1,805**	**5-8%**

US[1]

Pharmaceutical spending in the US will likely increase steadily, with forecasts indicating a 2% to 5% annual rise until 2028. Off-invoice discounts and rebates, which will likely become more pronounced under the Inflation Reduction Act (IRA), are a major headwind expected in the US spending growth. Currently, these discounts result in spending estimated 37% lower than invoice levels in 2023 and are projected to increase to 47% by 2028.

Spending on medicines at invoice prices will likely surge by US$299 Billion through 2028, a significant escalation compared to the US$218 Billion increase observed over the past five years. Increased usage of protected branded products is expected to be a critical driver, contributing US$322 Billion in annual spending.

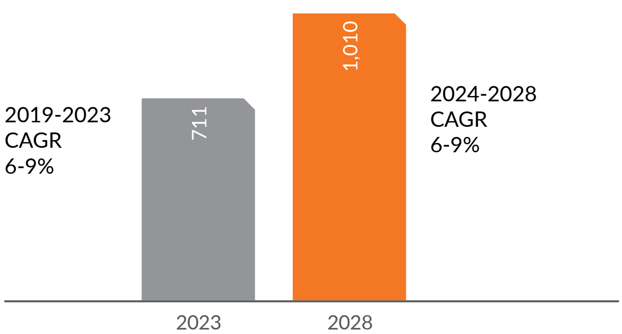
Challenges are expected to arise from losses of exclusivity (LOE), which will impact brand spending. Projections suggest a reduction of US$146 Billion through 2028, affecting both small molecule and biologics. Small molecule expiries will likely reduce brand spending by US$106 Billion, while biologic expiries will likely account for US$40 Billion in lower spending over the same period.

Interchangeable biosimilars for insulins and adalimumab presents opportunities for significant volume uptake. However, current uptake rates do not reflect this potential. Questions persist regarding the relationship between interchangeability, alternative originator formulations, and negotiating strategies, which could significantly influence the impact of loss of exclusivities.

New active substance (NAS) launches are expected to remain robust, with an anticipated 58 NAS launches in 2023 alone. Over the next five years, more than 250 NASs will likely launch in the US, driving US$119 Billion in spending. These NASs include numerous cancer drugs and next-generation biotherapeutics, highlighting continued innovation and R&D expenditure in the pharmaceutical sector.

Graph 2

US Pharmaceutical Spending and Growth (US$ Billion)



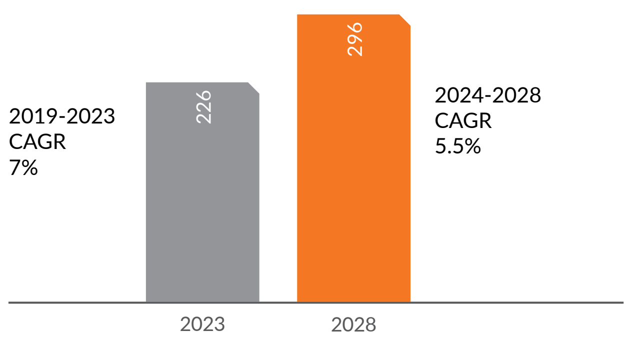
Top Five Western European Markets (WE5)[1]

Over the next five years, the top five European pharmaceutical markets are expected to witness a notable increase in spending. While new brands have historically been the primary driver of growth, their trajectory in the upcoming years may be influenced by lingering pandemic-related disruptions early in the period and heightened reimbursement scrutiny as budget pressures intensify.

Additionally, generics and biosimilars are expected to contribute US$18 Billion to growth in WE5 markets. The effect of LOEs, particularly on biologics, is projected to more than triple over the next five years. Europe boasts the largest biosimilar market globally, a testament to its well-established regulatory and commercial pathways facilitating uptake. Launch of over 175 NASs in leading European countries is expected to contribute US$50 Billion to overall spending. With a considerable portion of these NAS launches focusing on cancer drugs and neurology, alongside advancements in next-generation biotherapeutics, the European pharmaceutical landscape continues to evolve despite complex reimbursement dynamics.

Graph 3

WE5 Pharmaceutical Spending and Growth (US$ Billion)



Japan[1]

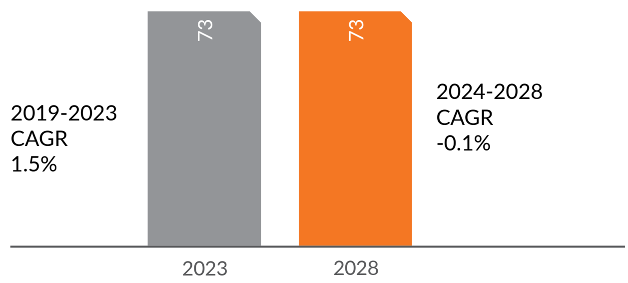
In Japan, pharmaceutical spending growth is expected to be in the range of -2% to 1% over the next five years, reflecting the ongoing recovery from the COVID-19 pandemic alongside enduring trends impacting long-listed brands. The subdued rebound observed in 2021 has been compounded by off-cycle price cuts and residual pandemic effects. Annual pricing revisions will likely persist, albeit with lower impacts during off-year cycles than established biennial price cut years.

Over the past decade, there has been a notable shift in spending dynamics, with protected brands witnessing a steady increase in market share from 48% to 54%. This trend reversal is attributable to manufacturers investing earlier in Japan and government initiatives facilitating faster access to innovative medicines. Conversely, the contribution of long-listed products to spending has steadily declined from 24% in 2014 to 11% in 2023, with projections indicating a further decrease to 7% by 2028.

Moreover, policies encouraging the substitution of available generics have been largely effective, driving an anticipated rise in the generic share of spending. These policies incentivise healthcare practitioners to prescribe generics, reflecting ongoing efforts to optimise healthcare expenditure and promote cost-effective treatment options.

Graph 4

Japan Pharmaceutical Spending and Growth (US$ Billion)



Pharmerging Markets[1]

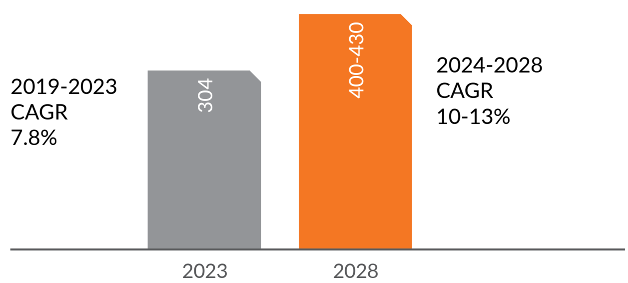
Pharmerging markets have historically experienced growth primarily fueled by an increased volume of older generic medicines. However, recent shifts in spending patterns have propelled some pharmerging countries, like Russia and Turkey, into 'other developed' nations due to rising pharmaceutical spending levels and improved GDP per capita. Despite these advancements, pharmerging markets still face challenges, such as limited access to specialty medicines, which accounted for 13% of spending in 2023 and will likely remain unchanged by 2028.

Growth in pharmerging markets will likely be driven more by volume rather than the adoption of expensive therapies. These markets typically rely on generics or non-original branded products, reflecting lower shares of spending on originator products. Additionally, pharmaceutical products in pharmerging and lower-income countries tend to have lower prices than developed markets, reflecting the cost-conscious nature of these regions.

(Pharmerging Markets include Argentina, Bangladesh, Brazil, China, Colombia, Egypt, Indonesia, Mexico, Pakistan, India, Philippines, South Africa, Thailand, and Vietnam)

Graph 5

Pharmerging Markets – Pharmaceutical Spending and Growth (US$ Billion)

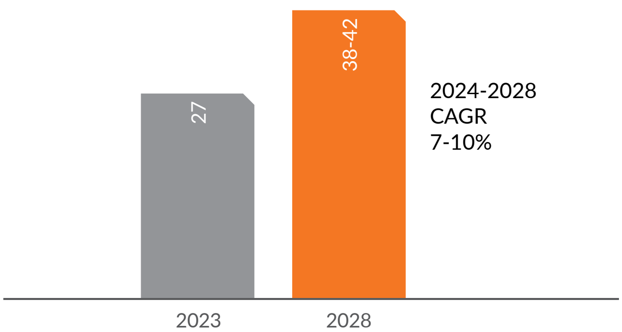


India[1]

The Indian pharmaceutical market will likely grow substantially, with medicine spending expected to reach US$38-42 Billion by 2028, reflecting a CAGR of 7-10% between 2024 and 2028. Acute therapies like anti-infectives and vitamins/minerals saw improved volumes in 2023, while chronic therapies, including cardiac and respiratory segments, continue to perform well.

Graph 6

India Pharmaceutical Spending and Growth (US$ Billion)



Growth Drivers

Increasing Access to Modern Medicines
Efforts to enhance healthcare infrastructure and distribution networks are expanding access to modern and innovative medicines across the country.

Improving Affordability
Rising per capita incomes contribute to improved affordability of healthcare and pharmaceuticals, making them more accessible to a broader segment of the population.

Expertise in Low-cost Manufacturing
India's prowess in cost-effective end-to-end manufacturing processes is a critical driver of the pharmaceutical industry. This expertise allows for competitive pricing of pharmaceutical products in the domestic market and on a global scale, positioning India as a major player in the international pharmaceutical market.

Growing Population
India's growing population provides an extensive consumer base for pharmaceutical products, driving demand.

Demographic and Lifestyle Changes
Shifts in demographics and lifestyle patterns, such as an ageing population and increasing prevalence of chronic diseases, lead to higher medicine consumption, particularly chronic medications.

Government Support and Incentives
The Indian government's robust support and attractive incentives, such as the Production Linked Incentive (PLI) scheme, are pivotal in bolstering the pharmaceutical industry. These measures create a favourable business environment.

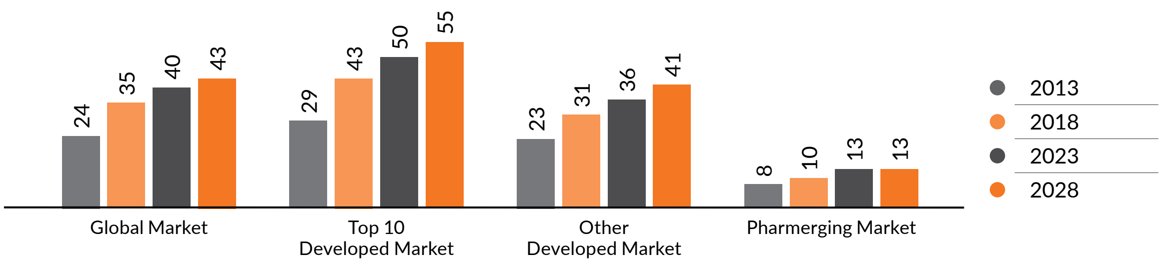
Speciality Medicines[1]

Specialty medicines, catering to chronic, complex, and rare diseases, are poised to become a significant component of global pharmaceutical spending, accounting for 43% of expenditure by 2028. In leading developed markets, these medicines are expected to command over 55% of total spending, reflecting a rising trend in healthcare priorities. However, in pharmerging countries, specialty medicines still constitute a smaller share (13%) of total expenditures, primarily due to cost considerations.

The growth of specialty medicines underscores their importance in addressing specific patient needs, although they treat only a small fraction (2-3%) of the patient population. Despite their relatively limited patient base, these medicines are crucial in addressing unmet medical needs, particularly for individuals grappling with challenging health conditions.

Graph 7

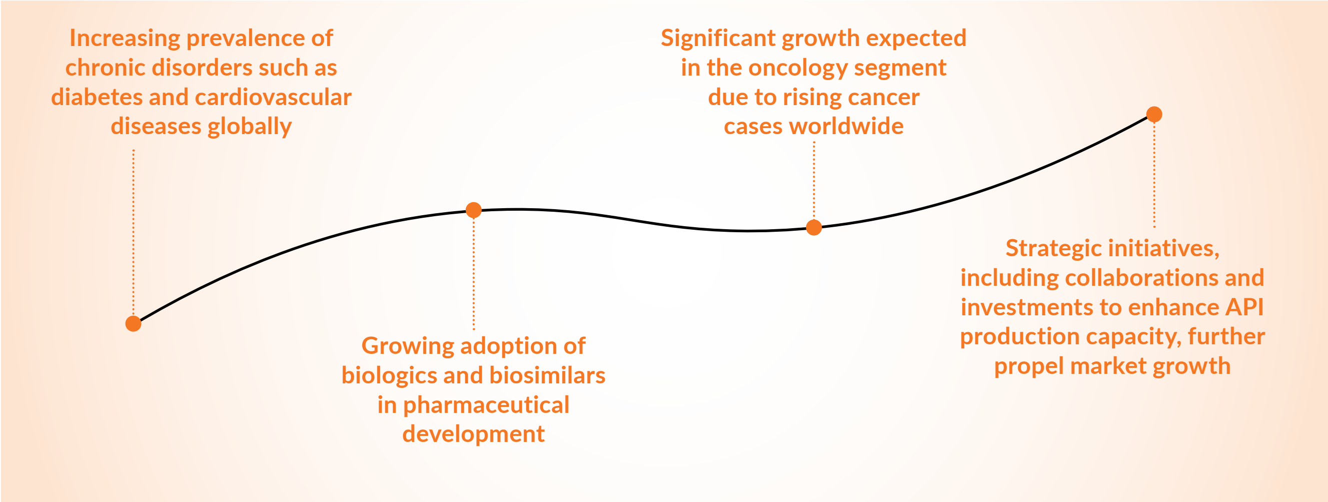
Share of Speciality Medicines in Overall Pharmaceutical Spending – By Market (%)



Active Pharmaceutical Ingredients (APIs)[2]

The global API market will likely thrive, with estimates suggesting it will reach US$ 307 Billion by 2029.

Growth Drivers for API



Consumer Healthcare (CHC) Market[3]

The consumer healthcare market includes personal healthcare products available without a prescription, including over-the-counter (OTC) drugs, health supplements, cosmetics, disinfectants, and consumer medical devices. Key segments include OTC pharmaceuticals and dietary supplements, which people can obtain from retail stores, online platforms, or hospitals. The global OTC pharmaceutical market in 2023 faced challenges primarily due to a weak cough and cold season, resulting in modest growth of 3.9%. This segment's performance significantly influenced overall market dynamics, highlighting its vulnerability to seasonal variations. Regionally, there were notable disparities, with Asia-Pacific emerging as a prominent region. Categories like digestive remedies and skin treatments outpaced the market average, emphasising the importance of diversification. Looking ahead to 2024, initial growth estimates suggest a cautious start but anticipate a rebound in the latter half, projecting overall growth between 4% to 6% for the year.

Sun Pharma: A Leading Global Pharmaceutical Company

Sun Pharmaceutical Industries Limited (Sun Pharma), along with our subsidiaries and associates, is a leading global pharmaceutical entity and the largest pharmaceutical company in India. With a firm dedication to delivering high-quality medicines, Sun Pharma has earned the trust of customers and patients in over 100 countries. Central to our operations is a diverse and multicultural workforce representing over 50 nationalities, fostering innovation and excellence.

Sun Pharma's extensive portfolio encompasses innovative Specialty medicines, branded generics, pure generics, and APIs, catering to a wide spectrum of healthcare needs. Leveraging robust R&D capabilities, advanced manufacturing infrastructure, and a global commercial footprint, our Company remains agile and empathetic in addressing the dynamic requirements of patients and customers worldwide.

Our Company's large-scale and extensive manufacturing base supplies medicines around the world. We manufacture and distribute a wide array of dosage forms, including pills, capsules, injectables, sprays, ointments, creams, liquids, drug delivery systems, APIs and intermediates.

Robust Credentials [4, 5]

Largest Pharmaceutical company in India	**Leading** Global Specialty generic company	Among the **Largest** Indian pharmaceutical companies in Emerging Markets	**13th** Largest generic pharmaceutical company in the US
~100 Countries reach	**41** Manufacturing sites across six continents	**43,000+** Global employee base	**50+** Employee nationalities

Major Deals

Year	Deals	Country/Countries	Rationale
2023	In-licensed Nidlegy™	Europe, ANZ	New anti-cancer biopharmaceutical for the treatment of melanoma and non-melanoma skin cancers
2023	Acquired Concert Pharma in the US	US	Add a late-stage specialty product to dermatology franchise. Treatment of alopecia areata
2023	In-licensed Sezaby	US	Addition of product to Specialty portfolio. Treatment of neonatal seizures
2022	Acquired Uractiv portfolio from Fiterman Pharma	Romania	Expand non-prescription product basket in Romania and neighbouring markets
2022	Adding territories to Winlevi via licensing agreement	Japan, ANZ, Brazil, Mexico & Russia	Increase access to new markets for Winlevi
2022	Taro (Sun's subsidiary) acquired Alchemee Business from Galderma	US, Japan & Canada	Acquired the "Proactiv", "Restorative Elements" and "In Defense of Skin" brands. Strengthens Taro's OTC portfolio
2021	In-licensing agreement for Winlevi	US & Canada	Add a specialty product to dermatology franchise. Topical treatment of acne vulgaris
2020	Exclusive Out-licensing agreement with Hikma for Ilumya	Middle East & North Africa	Registration and commercialisation of the product in all Middle East & North Africa (MENA) markets
2020	In-licensing agreement with SPARC for SCD-044	Global	Potential indication in psoriasis, atopic dermatitis and other auto-immune disorders
2019	Out-licensing agreement with AstraZeneca UK for ready-to-use infusion oncology products	Mainland China	Commercialise oncology portfolio in Mainland China
2019	Licensing agreement with CMS for tildrakizumab, Cequa and 8 generic products	Greater China	Access to Greater China market
2018	Acquired Pola Pharma in Japan	Japan	Access to Japanese dermatology market
2016	Acquired global rights for Cequa & Odomzo	Global	Enhance Specialty pipeline. Treatment of dry eye and locally acting Basal Cell Carcinoma respectively.
2016	Acquired Biosintez	Russia	Local manufacturing capability to enhance presence in Russian market
2016	Out-licensing agreement with Almirall for tildrakizumab	Europe	Access to European market for tildrakizumab
2016	Acquired 14 brands from Novartis	Japan	Entry into Japan
2015	Acquired InSite Vision Inc.	US	Strengthen Specialty ophthalmic portfolio in US. To prevent pain in patients undergoing cataract surgery
2015	Sun Pharma – Ranbaxy merger	Global	Strengthen position in the Global Generic Pharma Industry. Creating largest pharma company in India with strong positioning in Emerging Markets.
2014	In-licensing agreement with Merck for tildrakizumab	Global	Strengthen the Specialty product pipeline. Treatment of plaque psoriasis
2014	Acquired Pharmalucence	US	Access to the sterile injectable capacity in the US
2012	Acquired DUSA Pharma, Inc.	US	Access to specialty drug-device combination in dermatology segment
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel	Access to dermatology generic portfolio Manufacturing facilities at Israel & Canada
1997	Acquired Caraco	US	Entry into the US Market

Global Specialty Business

Specialty medicines represent the latest generation of pharmaceuticals designed to treat chronic, complex, and rare diseases. By 2023, specialty medicines constituted approximately 40% of global pharmaceutical spending, a notable increase from 35% in 2018. This upward trajectory is evident in the top-10 developed markets, where specialty medicines accounted for 50% of pharmaceutical spending in 2023 and will likely reach 55% by 2028. This expansion highlights the sustained growth momentum of specialty medicines in addressing the unmet medical needs of patients worldwide.

Share of Specialty Medicines in Overall Pharmaceutical Spending – By Market[1]

Table 4

(US$ Billion)

	2013	2018	2023	2028
Top 10 developed markets	29	43	50	55
Other developed markets	23	31	36	41
Pharmerging markets	8	10	13	13
Global markets	24	35	40	43

Sun Pharma's Specialty Portfolio and Highlights

Beginning with the acquisition of DUSA in 2012, Sun Pharma embarked on a journey to enhance its global specialty offering. Our Company specialises in dermatology, ophthalmology, and onco-dermatology and remains dedicated to addressing critical patient needs within these therapeutic areas. Sun Pharma's investments in the Specialty portfolio revolves around three core strategies:

- **Product access:** We aim to expand our product portfolio by securing access through in-licensing agreements, strategic acquisitions, and in-house R&D efforts.
- **Clinical development:** Our Company is committed to advancing our pipeline of specialty assets through rigorous clinical development and ensuring the delivery of innovative treatments to patients worldwide.
- **Commercial infrastructure:** We recognise the importance of establishing a robust front-end commercial infrastructure to market and distribute our specialty products effectively. This approach includes investing in sales and marketing capabilities and bolstering distribution channels.

We track and report our global specialty revenues separately, which are also integrated into the Company's geographical business segments, including the US market and other key regions.

FY24 Highlights

Sun Pharma markets 26 specialty products across the globe, which contributed ~18% to the Company's consolidated revenues for FY24.

Currently Marketed Specialty Portfolio

Table 5

Product	Description
ILUMYA/ ILUMETRI	For treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy • Long term clinical data shows that the significant response rate seen in 52 & 64 weeks were maintained over five years[1] • Ongoing Phase-3 trials for Psoriatic Arthritis • Current Markets include US, Australia, Japan, Canada, Europe (by partner Almirall), China (by partner CMS holdings) • Out licensed to Hikma for Middle East & North Africa
WINLEVI	Topical treatment of acne vulgaris in patients 12 years of age and older • Results from two pivotal clinical trials showed favorable safety and efficacy data for WINLEVI in patients with acne aged 12 years and older[2] • Current Markets: US and Canada
LEVULAN KERASTICK + BLU-U	For photodynamic therapy (treatment) of minimally to moderately thick actinic keratoses of the face or scalp, or actinic keratoses of the upper extremities • First and only PDT approved to treat the face and scalp as well as the upper arms, forearms, and hands[3] • Current Markets: US

Table 5

Product	Description
ABSORICA LD	Treatment of severe recalcitrant nodular acne in non-pregnant patients 12 years of age and older with multiple inflammatory nodules with a diameter of 5 mm or greater • After one 20-week course of ABSORICA therapy, 95% of patients didn't require additional isotretinoin treatment up to two years posttreatment[4] • Current Markets: US
ODOMZO	Treatment of adult patients with locally advanced basal cell carcinoma (BCC) that has recurred following surgery or radiation therapy, or those who are not candidates for surgery or radiation therapy. • ODOMZO was shown to shrink laBCC in almost 6 out of 10 patients (56%) in a clinical study. laBCC Patients were treated with ODOMZO® and followed for at least 18 months[5] • Currently marketed in US, Canada, Germany, France, Denmark, Switzerland, Spain, Italy, Australia and Israel
CEQUA	To increase tear production in patients with keratoconjunctivitis sicca (dry eye) • Phase 3 confirmatory study observed clinically and statistically significant improvements in tear production and ocular surface integrity in patients[6] • Current Markets: US, Canada • Out-licensed to CMS for Greater China in June 2019
BROMSITE	Treatment of postoperative inflammation and prevention of ocular pain in patients undergoing cataract surgery • More than 2x as many patients treated with Bromsite® were inflammation-free at day 15 than those treated with vehicle and nearly 80% of patients treated with Bromsite® were pain-free at day 1 post surgery[7] • Current Markets: US
XELPROS	Reduction of elevated intraocular pressure (IOP) in patients with open-angle glaucoma or ocular hypertension. • In clinical trials, XELPROS demonstrated reductions from baseline in IOP in patients with open-angle glaucoma or ocular hypertension[8] • Current Markets: US
YONSA	In combination with methylprednisolone for the treatment of patients with metastatic castration resistant prostate cancer (CRPC). • YONSA® was shown in clinical studies to be an effective form of abiraterone acetate, and can be taken with or without food, in combination with methylprednisolone[9] • Current Markets: US
SEZABY	First and only product approved in the US for treating seizures in neonatal patients • NEOLEV2 study compared phenobarbital to levetiracetam in the first-line treatment of neonatal seizures. 24 hours following the administration, 73% vs. 25% were seizure-free in the respective groups.[10] • Current Markets: US
Sprinkle Portfolio	For therapeutic solutions for Long-Term Care (LTC) patients • Products using sprinkle technology for patients who have difficulty swallowing • Sprinkle versions of metoprolol (cardiology), rosuvastatin (cardiology) & duloxetine (neuro-psychiatry) • Current Markets: US

Sources: (1, 2, 4, 6, 9 and 10- Sun Pharma press releases), (3 - LEVULAN® KERASTICK® website), (5 - Product labels), (7 and 8 - Product labels)

Sun Pharma's Global Specialty Pipeline

Sun Pharma has a pipeline of six specialty molecules undergoing clinical trials. The details of which are mentioned hereunder:

Table 6

Candidate	Mechanism of Action	Indication	Preclinical	Phase-1	Phase-2	Phase-3	Registration
deuruxolitinib	JAK Inhibitor	alopecia areata					
Ilumya (tildrakizumab)	IL-23 Antagonist	psoriatic arthritis					
Nidlegy™	Immunocytokines	melanoma & non melanoma skin cancers					
MM-II	Liposomal intra-articular lubrication	Pain in osteoarthritis					
SCD-044	Selective SIPR1 Agonist	atopic dermatitis					
		psoriasis					
GL0034	GLP-1R Agonist	Type 2 diabetes & obesity					

All candidates for global markets except Nidlegy™ where Sun is commercial partner for Europe, Australia & New Zealand, Nidlegy™ is a trademark of Philogen.

Business Model

At Sun Pharma, we are committed to our vision of 'Reaching People and Touching Lives Globally as a Leading Provider of Valued Medicines.' We strive to achieve this vision through a well-defined strategy that focuses on sustainable growth, cost leadership, business development, balanced investments, and future profitability.

Our Businesses

US	India	Emerging Markets	Global Specialty*	Rest of the World	Global Consumer Healthcare**	API

* Global Specialty revenues are separately reported but also as a part of geographical businesses, including the US and others.
**Global Consumer Healthcare revenues are reported as part of geographical businesses, included India and others.

Growth Strategies

Sustainable Growth	Achieve critical mass in key markets
	Clear and actionable targets on sustainability
	Embed sustainability practices in businesses
Cost Leadership	Optimise operational costs
	Leverage benefits of vertically integrated operations
Business Development	Use acquisitions to bridge critical capability gaps while yielding target ROI
	Focus on access to novel products, technology, market presence
Balance Profitability and Investments	Increased contribution of specialty and complex products
	Direct future investments towards differentiated products

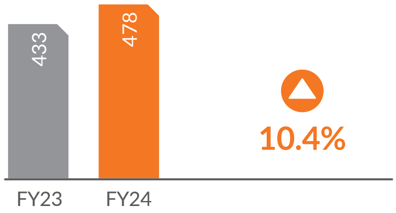
Focus Areas

- Enhance share of specialty products in overall business
- Develop and commercialise differentiated and difficult-to-manufacture products
- Maintain market leadership and high brand equity in India – leverage strengths for in-licensing latest innovative products for the domestic market
- Gain critical mass across key international markets
- Focus on improving return ratios

Key Performance Indicators

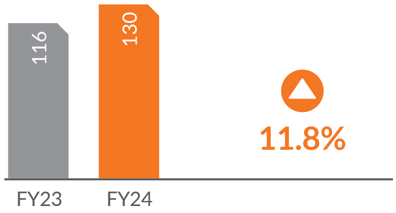
Graph 8

Gross Sales
(₹ in Billion)



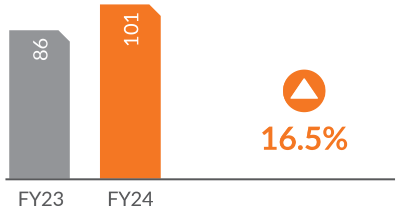
Graph 9

EBITDA
(₹ in Billion)



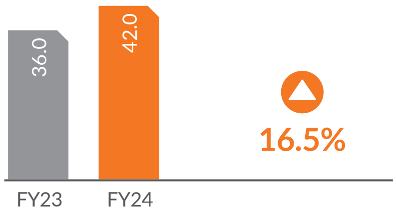
Graph 10

Adjusted Net Profit After Minority Interests#
(₹ in Billion)



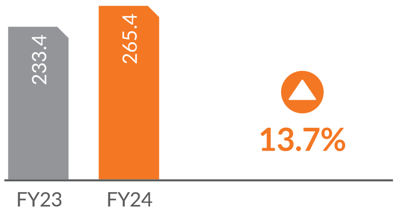
Graph 11

Adjusted Earnings per share#
(₹ per share)



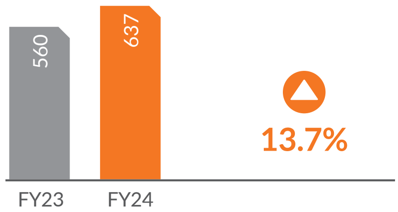
Graph 12

Book Value Per Share
(₹ per share)



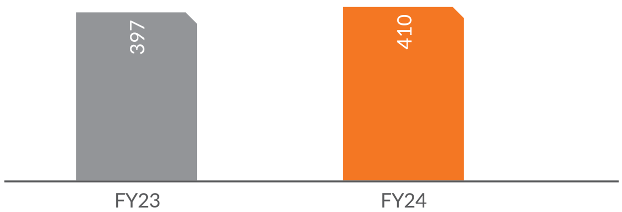
Graph 13

Net Worth
(₹ in Billion)



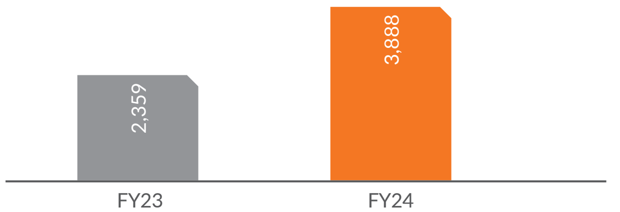
Graph 14

Property, Plant and Equipment and Other Intangible Assets (at cost)**
(₹ in Billion)



Graph 15

Market Capitalisation*
(₹ in Billion)



Graph 16

Business-wise Revenue Share (FY24)
(%)

US Business	32
India Business	31
Emerging Markets	18
Rest of World (RoW)##	14
Active Pharmaceutical Ingredients (API) and others	5

Graph 17

Business Mix (FY24)
(%)

India	32
International	68

EBITDA = (Revenue from contracts with customers + Other operating income) - (cost of material consumed + purchase of stock-in-trade + changes in inventories of finished goods, stock-in-trade and work-in-progress + employee benefits expense + other expenses + Net gain/loss on foreign currency transactions)

* As on March 31 of the respective year

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

\# Adjusted net profit after minority interest and adjusted earnings per share exclude the impact of exceptional items

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

Financial Ratios

Consolidated

Table 7

Ratio	FY24	FY23	Variance (%)	Reasons (if Variance is >25%)
Return on Net Worth (%)	15.0	15.1	(0.7)	
Debtors Turnover (times)	4.2	3.8	10.5	
Inventory Turnover (times)	1.1	1.0	10.0	
Interest Coverage	49.6	56.7	(12.5)	
Current Ratio (times)	2.6	2.0	30.0	Reduction in debt and increase in Cash and Cash equivalents.
Debt Equity Ratio (times)	0.05	0.12	(58.3)	Reduction in debt and increased in Net Worth.
Operating Profit Margin (%)	25.7	25.5	0.8	
Net Profit Margin (%)	20.1	19.6	2.6	

Standalone

Table 8

Ratio	FY24	FY23	Variance (%)	Reasons (if Variance is >25%)
Return on Net Worth (%)	12.1	7.1	70.4	Return on Net Worth is higher for the year ended March 31, 2024, due to lower profit in previous year on account of impairment charge on investment
Debtors Turnover (times)	2.2	2.9	(24.1)	
Inventory Turnover (times)	1.6	1.5	6.7	
Interest Coverage	5.7	10.9	(47.7)	Interest coverage ratio is lower due to increase in borrowings and consequent finance costs
Current Ratio (times)	3.36	1.97	70.7	Primarily due to payment towards product settlement liabilities during the year
Debt Equity Ratio (times)	0.47	0.33	42.4	Increase in borrowings
Operating Profit Margin (%)	25.5	29.7	(14.1)	
Net Profit Margin (%)	14.4	8.3	73.5	Net Profit margin is higher for the year ended March 31, 2024, due to lower profit in previous year on account of impairment charge on investment

FY24 Business Highlights

Sun Pharma demonstrated a strong performance across its global operations with a consolidated topline growth of 10.4% compared to FY23. Business-wise, the topline growth was primarily led by the US market with 13.4% Y-o-Y growth, followed by Rest of the World markets with 11.1% Y-o-Y growth. India business also demonstrated 9.5% growth in revenue over the past year and Emerging Markets revenue witnessed a steady growth compared to previous year.

The Company's EBITDA for FY24 witnessed a growth of 11.8% compared to last year, with an EBITDA margin of 26.9%. Adjusted net profit for the year grew by 16.5% Y-o-Y, demonstrating profitable growth for FY24.

Overall, these results reflect Sun Pharma's continued focus on growth and profitability across its global operations. The Company's strong performance across its key markets demonstrates its ability to navigate through challenging times and continue to deliver value to its stakeholders.

Business-wise Review

US Business

32%
Share of revenues

₹ 153,493 Million
Revenues in FY24

635
Cumulative ANDAs filed as on March 31, 2024

531
Cumulative ANDAs approved as on March 31, 2024

65
Cumulative NDAs filed as on March 31, 2024

51
Cumulative NDAs approved as on March 31, 2024

104
ANDAs pending USFDA approval as on March 31, 2024

14
NDAs pending USFDA approval as on March 31, 2024

Sun Pharma's US business comprises specialty and generic medicines, reflecting the Company's diverse offerings in the pharmaceutical market. Over the years, we have emerged as the 13th largest generics pharmaceutical company in the United States and securing the second position by prescriptions in the US dermatology market. Concurrently, the Company has continuously expanded our footprint in the Specialty segment, with a strategic focus on dermatology, ophthalmology, and onco-dermatology. In FY24, US business contributed 32% to the Company's consolidated revenues, demonstrating the segment's significant contribution to our Company's overall performance.

Moreover, Sun Pharma has established valuable relationships with leading wholesalers, distributors, chain drugstores, healthcare providers, and payors in the USA, underscoring our strong presence and network in the market. The Company's vertically integrated manufacturing capabilities enable us to efficiently serve our customers in the United States, ensuring seamless production and supply chain management to meet market demands effectively.

Milestones in the US Business

Table 9

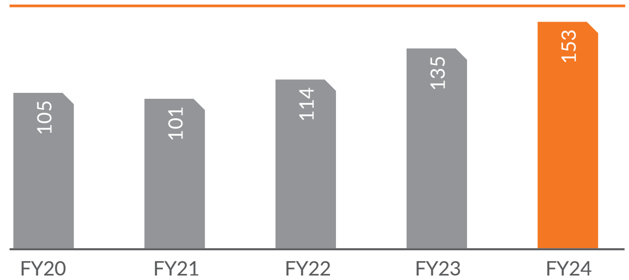
Year	Major Initiatives
FY24	• Taro entered into a definitive merger agreement with Sun
FY23	• Acquired Concert Pharma giving access to deuruxolitinib for Alopecia Areata • Launched SEZABY in the US
FY22	• Launched Winlevi® in the US
FY20	• Launched Cequa and Absorica LD in the US
FY19	• Launched Ilumya, Yonsa & Xelpros in the US • Received US FDA approval for Cequa • Released Ready-to-Infuse INFUGEM™
FY18	• Launched Odomzo in the US • Received US FDA approval for Ilumya
FY17	• Acquired Ocular Technologies to receive access to Cequa for dry eye • Acquired Odomzo, a branded oncology product from Novartis
FY13	• Acquired DUSA for entry into branded specialty
FY10	• Acquired Taro Pharma for entry into US dermatology
FY98	• Entered the US through Caraco acquisition

FY24 Highlights

Revenues from the US grew by 13.4% Y-o-Y to reach ₹ 153,493 Million in FY24. The growth was mainly driven by specialty with all growth products contributing viz. Ilumya, Cequa, Winlevi and Odomzo.

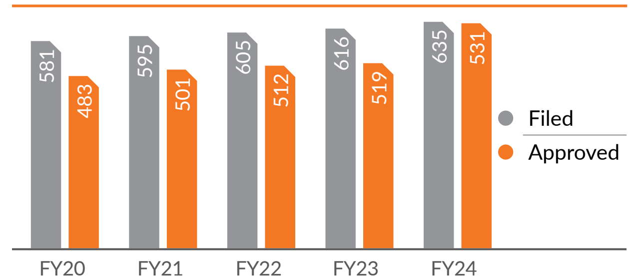
Graph 18

US Sales Growth (₹ in Billion)



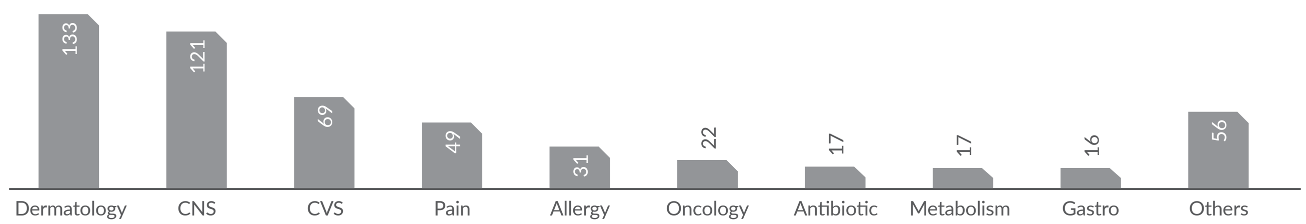
Graph 19

Cumulative ANDAs filed and approved (Numbers)



Graph 20

ANDA Approvals by Therapeutic Areas as of March 2024 (Numbers)



Road Ahead

- Enhance share of specialty/branded business
- Focus on complex generics and high entry barrier segments
- Offer a wide portfolio of products to customers across multiple dosage forms
- Ensure stringent compliance, robust product quality and an efficient supply chain

India Business: Largest Pharma Company in India [4, 5]

31%
Share of revenues

₹ 148,893 Million
Revenues in FY24

#1
Rank with 8.5% market share**

#1
Rank by prescription across 12 different classes of doctors

32
Brands among India's top-300 brands**

~14,000
Total field force

** As per AIOCD AWACS data for 12 months ended March 2024

Sun Pharma is India's largest pharmaceutical company, holding an 8.5% market share and boasting a formidable presence in the country's chronic and acute segments. With a comprehensive product portfolio spanning diverse therapeutic segments such as neuropsychiatry, cardiology, diabetes, gastroenterology, pain/analgesics, gynaecology, ophthalmology, urology, dermatology, respiratory, anti-infectives, and more, Sun Pharma addresses a broad spectrum of healthcare needs.

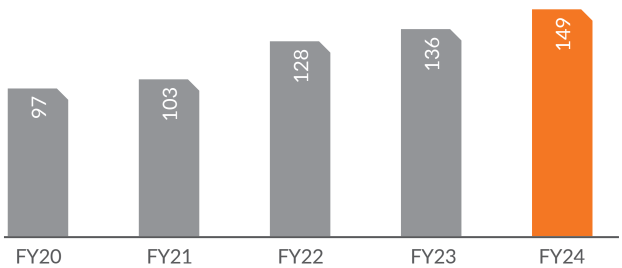
Leveraging our extensive sales force coupled with a widespread distribution network and expansive geographical reach, Sun Pharma effectively penetrates the Indian market. Our Company's proven brand equity in the medical community reinforces our identity as a trusted healthcare partner.

At Sun Pharma, our commitment to innovation is not just a statement, but a driving force. This is evident through our continuous launch of new products developed through in-house research and development initiatives. Simultaneously, we are strategically positioning ourselves as a preferred partner for in-licensing the latest generation of innovative products, aligning with our mission to enhance access to cutting-edge treatments for patients across India.

Graph 21

India Sales Growth

(₹ in Billion)



Graph 22

India Business Therapeutic Revenue Break-Up[4]

(%)

Therapy	(%)
Cardiology	17
Neuropsychiatry	16
Gastroenterology	12
Anti-infectives	11
Pain/Analgesics	8
Diabetology	7
Dermatology	6
Respiratory	5
Vitamins/Minerals/ Nutrients	5
Urology	4
Gynaecology	3
Ophthalmology	3
Others	3

India Prescription Ranking – Leadership in Key Therapeutic Areas[5]

Table 10

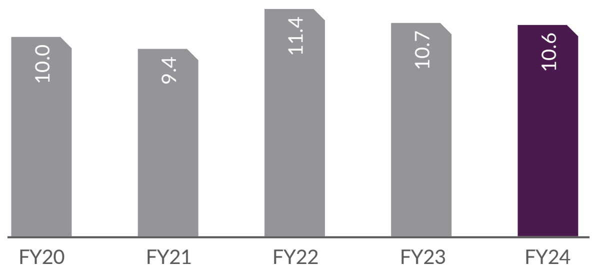
Specialist	February 2024	February 2023
Psychiatrists	1	1
Neurologists	1	1
Cardiologists	1	1
Diabetologists	1	1
Gastroenterologists	1	1
Nephrologists	1	1
Consultant Physicians	1	1
Urologists	1	1
Dermatologists	1	1
ENT specialists	1	1
Chest physicians	1	1
Ophthalmologists	1	2
Gynaecologists	2	2
Orthopaedic specialists	2	1
General surgeons	2	2

Best-in-class Field Force Productivity

Sun Pharma has built a sales force comprising well-trained and scientifically oriented representatives with a strong performance track record. The Company maintained the highest field force productivity among key players. Additionally, the Company focuses on increasing its field force to expand geographical and doctor reach, amplifying brand presence across key markets.

Graph 23

Sales Per Medical Representative (₹ in Million)



FY24 Highlights

Revenues from the India business* grew by 9.5% Y-o-Y to reach ₹ 148,893 Million, driven by growth across most of our Company's therapeutic segments.

* Our India business comprises the branded formulations business, described here, and part of the global consumer healthcare business, described in a later section.

New Product Approvals, Launches and Acquisitions in India

- Sun Pharma launched a novel ophthalmology treatment, CEQUA®, in India for patients who have Dry Eye Disease (DED) with inflammation, a commonly occurring condition. CEQUA® is the first dry eye treatment available in India that is delivered with nanomicellar (NCELL®)* technology. Unique NCELL® Technology and formulation provides superior delivery over cyclosporine emulsion 0.05%, backed by several years of clinical experience in the US and other geographies.
- Sun Pharma entered into a license agreement with Pharmazz Inc., (Pharmazz), a US-based biopharmaceutical company to commercialise a first-in-class innovative drug, Tyvalzi™ (sovateltide) in India. Developed by Pharmazz for potential global use, Sovateltide is indicated for treating cerebral ischemic stroke. Sovateltide is a first of its kind drug to treat acute cerebral ischemic stroke that can be administered up to 24 hours after the onset of symptoms. India is the first global territory where Tyvalzi™ (sovateltide) is being introduced.
- Sun Pharma and Zydus Lifesciences Limited entered into a licensing agreement to co-market an innovative drug, desidustat in India. Desidustat is first-of-its-kind oral treatment for anemia associated with Chronic Kidney Disease (CKD) in India. Sun Pharma will market the drug under the brand name RYTSTAT®.
- Sun Pharma and Bayer signed an agreement to market and distribute a second brand of finerenone in India. Finerenone, a patented medicine is indicated to reduce the risk of sustained eGFR decline, end-stage kidney disease, cardiovascular death, non-fatal myocardial infarction, and hospitalisation for heart failure in adult patients with chronic kidney disease associated with type 2 diabetes mellitus. Sun Pharma is marketing finerenone under the brand name Lyvelsa®.

[Source: Press Releases]

Road Ahead

- Enhance productivity
- Maintain leadership in a competitive market
- Innovate continuously to ensure high brand equity with doctors
- Evaluate licensing opportunities for latest patented products

Emerging Markets

18% Share of revenues	**₹ 86,195 Million** Revenues in FY24	**Leading** Indian company in emerging markets
~80 Markets with sales reach	**7** Markets with local manufacturing footprint	**2,500+** Sales representatives

As a leading Indian pharmaceutical company in emerging markets, Sun Pharma has established a significant presence in over 80 countries worldwide. With a robust global footprint spanning key regions such as Romania, Russia, South Africa, Brazil, and Mexico, Sun Pharma focuses on strategically important markets to drive growth and expand reach.

With a customer-centric approach, the Company prioritises understanding the unique needs of healthcare professionals and patients, fostering loyalty and driving adoption.

Supporting our global operations, Sun Pharma maintains a dedicated sales force comprising over 2,500 sales representatives across various markets. This extensive network is not just a number, but a testament to the Company's effectiveness in engaging with healthcare providers, promoting products, and driving sales growth.

FY24 Highlights

- Revenues from Emerging Markets grew by 9.1% Y-o-Y to reach ₹ 86,195 Million driven by growth across multiple markets.

New Product Approvals, Launches and Acquisitions in Emerging Markets

- New Drug Application (NDA) of tildrakizumab injection under the brand name of ILUMETRI has been approved by the National Medical Products Administration of the People's Republic of China ('China') (NMPA). ILUMETRI is indicated for the treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy. In June 2019, Sun Pharma out-licensed tildrakizumab to a subsidiary of China Medical System Holdings Limited (CMS), for development, regulatory filings and commercialisation of the product in Greater China. Ilumetri was included in China's National Reimbursement Drug List from January 2024.

(Source: Press Release)

Road Ahead

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

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

14%
Share of revenues

₹ 67,128 Million
Revenues in FY24

Leading
Indian company in the RoW segment

5
Markets with local manufacturing

We have a strong presence in key international markets including Western Europe, Canada, Australia and New Zealand, Japan, Israel, and others. Leveraging our global expertise and strategic partnerships, our Company has established a formidable market presence in these regions.

Our Company's expanding product basket encompasses specialty, hospital, and retail products, catering to diverse healthcare needs across different markets. Sun Pharma operates on a distribution-led model and employs a dedicated sales force to promote our specialty products in markets such as Canada, Japan, Australia, Israel, and Hungary. Additionally, the Company leverages our manufacturing facilities in India to supply products to these regions, ensuring seamless availability and distribution.

FY24 Highlights

- Revenues from the RoW markets increased by 11.1% Y-o-Y to reach ₹ 67,128 Million

New Product Approvals, Launches and Acquisitions in Rest of World

- Sun Pharma and Philogen entered into a licensing agreement for commercialising Philogen's specialty product, Nidlegy™ (Daromun) in the territories of Europe, Australia and New Zealand. Nidlegy™, currently in Phase III clinical trials, is a new anti-cancer biopharmaceutical which is being developed for the treatment of melanoma and non-melanoma skin cancers. Sun Pharma has exclusive rights to commercialise Nidlegy™ for indications of skin cancers in the territories of Europe, Australia and New Zealand. Philogen will complete pivotal clinical trials for the product in Europe, pursue marketing authorisation with the regulatory authorities and manufacture commercial supplies. Sun Pharma will be responsible for commercialisation activities. The two partner companies will share post-commercialisation economics in about 50:50 ratio.
- Australian Therapeutic Goods Administration (TGA) granted regulatory approval for Winlevi® (clascoterone cream 1%). Winlevi® is indicated for the topical treatment of acne vulgaris in patients 12 years of age and older.

(Source: Press Release)

Road Ahead

- Enhance revenue contribution of specialty products
- Focus on complex generic launches
- Gain critical mass in key markets

Global Consumer Healthcare Business[6]

25+ Countries footprint	Among **Top 10** Consumer healthcare companies in Romania, Nigeria and Kenya	**~500,000** Pharmacy and Retail outlets in India where Sun Pharma's products are available

Sun Pharma's Consumer Health Care business is amongst the top consumer health care businesses in India with a portfolio based on scientific formulations, having operations in about 25+ emerging markets.

With bellwether brands such as Revital H, Volini and Abzorb in its portfolio, Sun Pharma's consumer healthcare products have strong distribution reach across pharmacies, retail stores and online e-commerce platforms in India.

FY24 Highlights

- Sun Pharma's key brands – Volini, Revital H and Abzorb – launched new communications focused on driving category development by building relevance
- Implemented robust trade engagement programs focused on improving trade recommendation, availability and visibility
- Launched Revital Cal 500, a calcium supplement with a superior formulation to participate in the growing calcium supplements market

Road Ahead

- Sustained focus and investments in anchor brands with a view of category development
- Leverage on our brand equity to launch extensions and build a portfolio of products across new formats and benefit spaces
- Augmenting consumer reach through opening of new markets and distribution channels
- Improving sales force efficiency and deploy effective trade marketing initiatives
- Activating digital for wider consumer outreach

Active Pharmaceutical Ingredient (API) Business

5% Share of revenues	**₹ 19,187 Million** Revenues in FY24	**~380** API portfolio
~10-20 APIs scaled up annually	**386** DMF/CEP approvals to date	**507** DMF/CEP filings to date
14 Manufacturing units		

With 14 state-of-the-art API facilities, Sun Pharma maintains stringent control over costs and ensures seamless backward integration. Serving an extensive clientele, including major generic and innovator companies, Sun Pharma's API division has a diverse portfolio comprising over 380 APIs.

FY24 Highlights

Revenue from the API business decreased by 2.7% to ₹ 19,187 Million mainly due to lower sales recorded in India.

Road Ahead

- Support the formulations business by developing strategic APIs
- Ensure consistent supplies and high service standards for customers

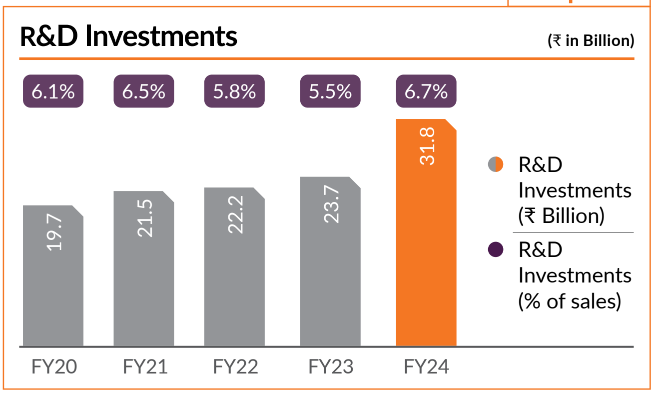
Research and Development (R&D)

6.7%	₹ 270+ Billion	3,000+
R&D spend as percentage of sales in FY24	Cumulative R&D expenditure till date	R&D team

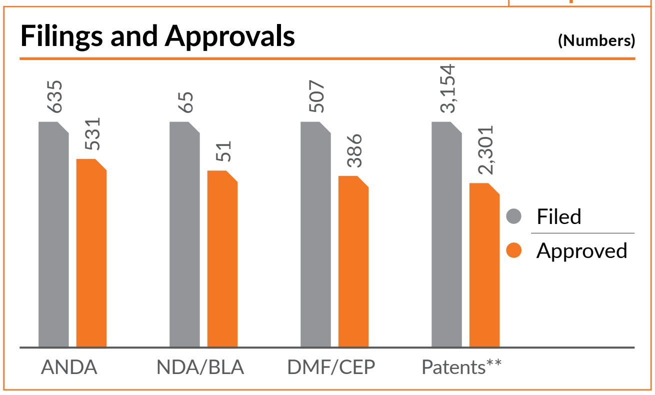
Sun Pharma's dedicated R&D team endeavours to offer patients innovative and affordable medicines and treatments to alleviate their ailments. Our Company has continuously invested in building an extensive portfolio of specialty products, generics and branded generics for the global market.

Our R&D capabilities extend across various dosage forms, including injectables, orals, liquids, ointments, gels, sprays, hormones, and oral products. Additionally, our robust intellectual property capability supports our R&D team.

Graph 24



Graph 25



** Excludes Expired/Abandoned Patents
(All data as of March 31, 2024)

FY24 Highlights

- Invested ₹ 31,776 Million in R&D (6.7% of sales)
- Developed and filed ~250 formulation dossiers globally
- Extended our Specialty R&D pipeline

Road Ahead

- Develop complex products across multiple dosage forms
- Invest to extend the specialty pipeline

Global Manufacturing Base: World-class Infrastructure

With 41 state-of-the-art manufacturing facilities spanning six continents, Sun Pharma has established a leading position in the global pharmaceutical industry. Our vertically integrated network enables us to produce medicines in the areas of oncology, hormones, peptides, and steroidal drugs, while adhering to the highest quality standards. We offer a variety of dosage forms, including orals, creams, ointments, injectables, sprays, and liquids. At Sun Pharma, we are committed to providing high-quality pharmaceutical products that make a positive impact on people's lives. Our extensive global footprint and world-class manufacturing infrastructure allow us to deliver on this promise to our customers and patients worldwide.

Sun Pharma's manufacturing facilities are certified by global regulatory agencies such as the USFDA, European Medicines Evaluation Agency (EMEA); UK Medicines and Healthcare Products Regulatory Agency (MHRA); Australia's Therapeutic Goods Administration (TGA), South Africa's Medicines Control Council (MCC); Germany's Federal Institute for Drugs and Medical Devices (BfArM); Brazilian Health Regulatory Agency (ANVISA); the World Health Organization (WHO), and South Korea's Ministry of Food and Drug Safety and Japan's Pharmaceuticals and Medical Devices Agency.

27
Finished dosage manufacturing facilities

14
API facilities

Finishing Dosage Manufacturing Facilities

Table 11

Country	Number of Finished Dosage Facilities
India	13
United States	3
Japan	1
Canada	1
Hungary	1
Israel	1
Bangladesh	1
South Africa	1
Malaysia	1
Romania	1
Egypt	1
Nigeria	1
Russia	1
Total	**27**

API Manufacturing Facilities

Table 12

Country	Number of API Facilities
India	9
Australia	2
Israel	1
United States	1
Hungary	1
Total	**14**

People: Nurturing a Diverse and Inclusive Global Workforce

With an extensive global workforce exceeding, 43,000 individuals from over 50 nations, Sun Pharma prioritises cultivating an inclusive workplace environment that fosters professional growth and advancement. Recognising the value of diverse perspectives, our Company promotes a culture of equality and opportunity. Through continued investment in learning and development initiatives, Sun Pharma empowers its workforce to stay ahead of the industry.

Great Place to Work® Certified

"Being certified as a Great Place to Work in 25 countries is a testament to the dedication and spirit of our team. It is a matter of pride that people across Sun have shared a positive and favourable experience working with the Company. We have always strived to create a culture of trust and openness, which has helped us grow individually and collectively."

Dilip Shanghvi

Commitment to Quality

Sun Pharma's robust quality management system ensures the highest quality standards are maintained across its research centres, manufacturing divisions, testing labs, and distribution centres. Our Quality Management Team oversees regulatory compliance for all products and manufacturing plants, and we hold current Good Manufacturing Practice (cGMP) certifications from various international regulatory bodies such as US FDA, EMA, WHO, and TGA. Our Corporate Quality Unit ensures the execution of the latest GMP upgrades and guidelines.

SWOT Analysis

Strengths

- Strong global prominence
  - Leading global specialty generics company
  - Largest pharma company in India by market share
  - No. 1 ranking across 12 different classes of doctors in India
  - 13^{th} largest generics Company in the US
  - 2^{nd} largest by prescriptions in the US dermatology segment
  - Among the largest Indian pharmaceutical companies in the Emerging Markets
- Robust R&D infrastructure and capabilities to develop technologically complex products in the generics and specialty segments
- Focus on driving growth and profitability through a pragmatic mix of organic and inorganic initiatives
- Strong balance sheet imparts ability to undertake inorganic initiatives without any significant leverage, allowing future growth headroom
- Ability to supply high-quality products at affordable prices across the world

Opportunities

- Favourable macro-economic parameters for India and emerging markets are likely to ensure reasonable volume growth for pharmaceutical products across these markets in the long term
- Developed markets have witnessed a consistent increase in contribution of specialty products in their overall pharmaceutical spending and this trend is expected to continue in the future. Sun Pharma has already commercialised many of its specialty products in developed markets, and hence will be able to reap the benefits of this expanding opportunity
- Growing penetration of generics in Japan and opening of the China market present good long-term opportunities for Indian companies, including Sun Pharma

Threats and Weaknesses

- The current geopolitical issues give rise to uncertainties related to supply chains, inflation and overall economic growth
- Challenging US generics pricing environment, driven by customer consolidation and higher competitive intensity on account of the faster pace of generic drug approvals by the USFDA
- Significant volatility in the forex market, especially for emerging market currencies, may adversely impact reported growth of these markets, even though they may be recording growth in local currency terms
- Given high government budget deficits across the world, governments may try to control pricing of certain products, which may lead to government-mandated price controls on pharmaceutical products
- Developing a specialty pipeline entails high upfront investments for long-term benefits, and may impact short-term profitability

Internal Control

We at Sun Pharma believe that internal control is a prerequisite for governance and that we should exercise business plans within a framework of checks and balances. Our Company has a well-established internal control framework to continuously assess the adequacy, effectiveness, and efficiency of financial and operational controls. The management is committed to ensuring an effective internal control environment, commensurate with the size and complexity of the business, which assures compliance with internal policies, applicable laws, regulations and protection of resources and assets.

Global Internal Audit (GIA)

An independent and empowered Global Internal Audit Function at the corporate level, with support from a reputed audit firm, carries out risk-focused audits across our Indian and overseas businesses to ensure that business process controls are adequate and are functioning effectively. These reviews include financial, operational, compliance controls and risk mitigation plans. The Company's operating management closely monitors the internal control environment and effectively implements the recommendations. The Audit Committee of the Board monitors the performance of the Internal Audit Function, reviews key findings and provides strategic guidance. GIA's functioning is governed by the Audit Charter, duly approved by the Audit Committee of the Board, which stipulates matters contributing to the proper and effective conduct of the audit. The audit processes are fully automated using a 'SunScience' tool, which integrates internal audits.

Disclaimer

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

References:

1. IQVIA Institute: Global Use of Medicine Outlook 2024
2. Mordor Intelligence
3. IQVIA
4. AIOCD-AWACS Data
5. SMSRC Data
6. Euromonitor

Board's Report

Your Directors take pleasure in presenting the Thirty-Second Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2024 ("FY24").

Financial Highlights

The Company's financial performance for FY24:

(₹ in Million)

	Standalone		Consolidated	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	202,751.7	208,121.4	484,968.5	438,856.8
Profit before exceptional item and tax	36,686.7	46,788.4	115,822.1	95,798.8
Exceptional Item	2,190.2	29,377.9	4,943.2	1,714.5
Profit before tax but after exceptional item	34,496.5	17,410.5	110,878.9	94,084.3
Profit after tax	28,581.8	16,907.2	96,484.4	85,608.4
Opening balance in Retained Earnings	127,908.8	136,120.8	436,102.5	376,456.5
Closing balance in Retained Earnings	127,310.4	127,908.8	501,545.5	436,102.5

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of this report.

Consolidated Accounts

The consolidated financial statements for the year ended March 31, 2024 pursuant to Section 129(3) of the Companies Act, 2013, form part of this Annual Report.

Dividend

During the year under review, the Directors have declared an interim dividend of ₹ 8.50/- (Rupees Eight and Paise Fifty only) per equity share of ₹ 1/- (Rupee One only) each [previous year ₹ 7.50/- (Rupees Seven and Paise Fifty only) per equity share of ₹ 1/- (Rupee One only) each] for the year ended March 31, 2024.

In addition to above, the Directors have recommended a final dividend of ₹ 5/- (Rupees Five only) per equity share of ₹ 1/- (Rupee One only) each [previous year ₹ 4/- (Rupees Four only) per equity share of ₹ 1/- (Rupee One only) each] for the year ended March 31, 2024, subject to the approval of the shareholders at the ensuing 32nd Annual General Meeting of the Company.

The total dividend payout for FY24 is ₹ 13.50/- (Rupees Thirteen and Paise Fifty only) per equity share of ₹ 1/- each [previous year ₹ 11.50/- (Rupees Eleven and Paise Fifty only) per equity share of ₹ 1/- (Rupee One only) each].

The dividend payout is in accordance with the Company's Dividend Distribution Policy. The policy is available on the website of the Company at https://sunpharma.com/policies.

Scan the QR code to view the Dividend Distribution Policy

Transfer to Reserves

The Directors do not propose any transfer to reserves.

Loans, Guarantees and Investments

The particulars of loans, guarantees and investments have been disclosed in the Financial Statements.

Public Deposits

The Company has not accepted any deposit from the public during the year under review.

Changes in Capital Structure

During the year under review there was no change in the capital structure of the Company.

Credit Rating

There is no change in the credit rating and the same is disclosed in the Corporate Governance Report forming part of this Annual Report.

Subsidiaries/ Joint Ventures/ Associates

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

Details pertaining to entities that became subsidiaries/ joint ventures/ associates and those that ceased to be the subsidiaries/ joint ventures/ associates of the Company during the year under review are provided in the notes to the consolidated financial statements, forming part of this Annual Report.

Directors and Key Managerial Personnel

During the year, following were the changes in Directors/ Key Managerial Personnel:

1. Mr. Aalok Shanghvi (DIN: 01951829) is appointed as Whole-time Director for a term of five years commencing from June 1, 2023 to May 31, 2028 at the 31st Annual General Meeting held on August 28, 2023.

2. Mr. Rolf Hoffmann (DIN:10200311) is appointed as an Independent Director for a term of five years commencing from June 15, 2023 to June 14, 2028 at the 31st Annual General Meeting.

3. Mr. Sailesh Trambaklal Desai (DIN: 00005443), Whole-time Director retired and ceased to be the Director effective from March 31, 2024.

Subsequent to the year end at the Board Meeting held on May 22, 2024, Mr. Dilip Shanghvi, Managing Director, is also appointed as the Chairman of the Board with immediate effect.

Mr. Dilip Shanghvi, Managing Director of the Company, will retire by rotation at the ensuing Annual General Meeting, and being eligible has offered himself for re-appointment.

The necessary disclosures required under the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India, for the above-mentioned re-appointment is provided in the Notice of 32nd Annual General Meeting of the Company.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Act and the Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company and in the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and the Listing Regulations and are Independent of the management.

Familiarisation Programme for the Independent Directors

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

Scan the QR code to view the Familiarisation Programme for the Independent Directors

Board Performance Evaluation

During the year, annual performance evaluation of the Board and Committees of the Board, individual Directors including the Chairman of the Board, was carried out as per the criteria and process approved by Nomination and Remuneration Committee, which is in line with the SEBI Guidance Note on Board Evaluation.

The Board discussed upon the performance evaluation outcome and concluded that they were satisfied with the overall performance of the Board and Committees of the Board and Directors individually. The Board also assessed the fulfilment of the independence criteria by the Independent Directors of the Company and their independence from the management as specified in the Listing Regulations.

The performance evaluation of the Non-Independent Directors and the performance of the Board as a whole was discussed at the separate meeting of the Independent Directors as well.

Remuneration Policy and Criteria for Appointment of Directors

The Company has in place a process for selection of any Director, wherein the Nomination and Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and the Committee also ensures that the incumbent fulfils such criteria with regard to qualifications, positive attributes, independence, age and other criteria as laid down under the Act, Listing Regulations or other applicable laws and the diversity attributes as per the Board Diversity Policy of the Company.

Further, the Company has a Policy on remuneration of Directors, Key Managerial Personnel and other Employees. The salient features of the Remuneration Policy of the Company are as under:

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

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

   (a) Fixed compensation
   (b) Variable compensation
   c) Share based payments
   (d) Non-monetary benefits
   (e) Gratuity/group insurance
   (f) Commission

The Remuneration Policy as approved by the Board is available on the website of the Company and can be accessed at https://sunpharma.com/policies.

Scan the QR code to view the Remuneration Policy

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

Management Discussion and Analysis

The Management Discussion and Analysis as prescribed under Part B of Schedule V read with Regulation 34(3) of the Listing Regulations is provided in a separate section and forms part of this Report which includes the state of affairs of the Company and there has been no change in the nature of business of the Company during FY24.

Corporate Governance Report

The Corporate Governance Report and the certificate from the Auditors of the Company as stipulated in Schedule V of the Listing Regulations, are provided in a separate section and forming part of this Report.

Board Meetings

The Board of Directors of the Company met 6 (six) times during the year under review. The dates of the Board meeting and the attendance of the Directors at the said meetings are provided in the Corporate Governance Report, which forms a part of this Report.

Committees of the Board

As on March 31, 2024, the Board has 6 (six) Committees. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Corporate Governance and Ethics Committee.

The details pertaining to the meetings and composition of the Committees of the Board are included in the Corporate Governance Report, which forms part of this Report.

Related Party Transactions

The policy on Related Party Transactions as approved by the Board is available on the website of the Company at https://www.sunpharma.com/policies.

Scan the QR code to view the Policy on Materiality of and Dealing with Related Party Transactions

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

As required under Section 134(3)(h) of the Act, details of transactions entered with related parties under the Act are given in Form AOC-2, provided as 'Annexure – B' to this Report.

Internal Controls and Internal Financial Controls

The management team recognises that robust internal controls are foundational to sound governance. Actions derived from consensus-based business strategies should operate within a structured system of oversight and balance. The leadership is dedicated to maintaining an internal control environment proportionate to the business's scale and intricacy. This environment is designed to ensure adherence to internal protocols, compliance with pertinent laws and regulations, and the integrity and precision of financial records. It also aims to bolster operational efficiency, safeguard company assets, and aid in preventing and detecting fraud, inaccuracies, and anomalies, thereby substantially mitigating risk exposure.

The Company has established a comprehensive internal controls framework. This framework encompasses an array of policies, procedures, and mechanisms that are pivotal in augmenting operational efficiency and effectiveness, curtailing risks and expenditures, and fostering enhanced decision-making and accountability.

The internal financial controls framework, an integral component of the broader internal controls system, is pivotal in guaranteeing the dependability and precision of financial reporting. This framework facilitates the meticulous preparation of financial statements by generally accepted accounting standards.

Whistle-blower Policy / Vigil Mechanism

At Sun Pharma, we are dedicated to upholding the pinnacle of professional integrity and ethical conduct in all our business dealings. A comprehensive Global Code of Conduct underpins our reputation as a distinguished global entity. This Code mandates that our employees embody the Company's core values and engage in business activities with unyielding integrity and the utmost ethical standards. Through our Global Whistle-blower Policy, management proactively works to avert any actions that deviate from this Code. This policy establishes a protected avenue for employees to responsibly report any infractions of the Code. The board-sanctioned Global Whistle-blower policy is accessible on our website at https://sunpharma.com/policies. For more in-depth information regarding the Company's Vigil Mechanism, please refer to the Corporate Governance Report included within this Annual Report.

Scan the QR code to view the Global Whistle Blower Policy

Global Internal Audit

The Global Internal Audit Function (GIA) operates with autonomy and authority at the corporate echelon, bolstered by the expertise of renowned external audit firms. This function conducts comprehensive risk-based audits across the Company's spectrum of operations, governance, risk management, and internal controls as necessitated. The GIA systematically reviews all business units and support functions on a rotational basis, ensuring the robustness and efficacy of business process controls. These evaluations encompass the architecture of financial and operational controls, their functional effectiveness, and the strategies for risk mitigation.

The GIA team is an assembly of professionals with credentials such as Chartered Accountants, Certified Internal Auditors, Certified Information System Auditors, Certified Fraud Examiners, Company Secretaries, MBAs, and Engineers. This department is instrumental in providing assurance and strategic counsel to management, aiming to refine the Company's procedural and systemic efficiency and effectiveness.

Governed by the Audit Charter sanctioned by the Board's Committee, the GIA's operations are meticulously defined to facilitate audits of the highest standard. The Audit Committee regularly scrutinises pivotal findings, imparts strategic direction, and evaluates the GIA's performance.

The Company's operational management diligently oversees the internal control milieu, ensuring the swift and thorough implementation of audit recommendations.

Enterprise Risk Management

The Board of Directors has established a Risk Management Committee to oversee the spectrum of organisational risks diligently. Detailed insights into the committee's operations are provided in the Corporate Governance Report, an integral part of this document. The committee evaluates the effectiveness of risk mitigation strategies, ensuring they are robust and responsive. In line with this, the Board has endorsed a comprehensive Risk Management Policy, a Synopsis of which can be accessed on our website at https://sunpharma.com/policies/.

Scan the QR code to view the Synopsis of the Risk Management Policy

Our Company has instituted a holistic Enterprise Risk Management (ERM) Framework. This framework is instrumental in identifying, evaluating, prioritising, and managing critical risks that could impact our strategic and operational goals. The ERM is pivotal in harmonising the organisation's risk appetite with its strategic direction, refining risk response decisions, minimising unexpected operational disruptions and losses, and bolstering stakeholder confidence.

The ERM team collaborates with department heads to pinpoint potential internal and external events that could impede the Company's objectives. It also continuously monitors shifts in the internal and external landscapes that may give rise to new risks. Risks such as financial, operational, sectoral, sustainability, cyber, strategic, compliance, social, geopolitical, third-party, and others are systematically classified. These are meticulously documented in a risk register, which includes comprehensive details like the risk area, description, rating, underlying causes, mitigation strategies, and action plans. This register is updated regularly to reflect the evolving risk environment.

Auditors

Statutory Auditor

S R B C & CO LLP, Chartered Accountants, (Firm's Registration. No. 324982E/ E300003), have been re-appointed as the Statutory Auditor of the Company for a period of 5 (five) years at the 30th Annual General Meeting of the Company to hold office till the conclusion of the 35th Annual General Meeting of the Company.

The Auditor's Report for the financial year 2023-24 has been issued with an unmodified opinion.

The Auditor's Report contains a comment on the requirement of maintenance of books of account which states that "the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights, as described in note 55(11) to the standalone Ind AS financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software where audit trail has been enabled."

In the opinion of the Board of Directors, the comment in the Auditor's Report is self-explanatory. Further, the Board of Directors confirms that subsequently the feature of recording audit trail has been enabled in compliance with the relevant legal requirements, as on the date of the Board meeting.

Secretarial Auditor

The Board had appointed KJB & CO LLP, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for FY24. The Secretarial Audit Report in the Form No. MR - 3 for the year is provided as 'Annexure – C1' to this Report.

The Secretarial Audit Report for the year does not contain any qualification, reservation or adverse remark.

In accordance with the provision of Regulation 24A of the Listing Regulations, Secretarial Audit of two material unlisted Indian subsidiaries of the Company namely, Sun Pharma Laboratories Limited (SPLL) and Sun Pharma Distributors Limited (SPDL), was undertaken by KJB & CO LLP, Practicing Company Secretaries and the Secretarial Audit Reports issued by them are provided as 'Annexure - C2' and 'Annexure - C3' respectively to this Report. The Secretarial Audit Reports for these material unlisted Indian subsidiaries do not contain any qualification, reservation or adverse remark.

Cost Auditor

The Board has appointed K D & Co, Cost Accountants, (Firm's Registration No. 004076) as Cost Auditor of the Company for conducting Cost Audit in respect of Bulk Drugs & Formulations of the Company for FY24.

The Company has maintained the Cost Records as specified by the Central Government under Section 148(1) of the Act.

The Cost Audit Report for the year does not contain any qualification, reservation or adverse remark.

Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report of the Company for the year ended March 31, 2024, is provided in a separate section and forms part of this Annual Report and is also made available on the website of the Company at https://sunpharma.com/investors-annual-reports-presentations.

Corporate Social Responsibility ("CSR")

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Policy of the Company is available on the website of the Company and can be accessed at https://sunpharma.com/policies.

Scan the QR code to view the CSR Policy

The Annual Report on CSR activities containing details of expenditure incurred by the Company and brief details on the CSR activities are provided in 'Annexure – D' to this Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Human Resources

FY24 was an exciting year for us. Our dedicated workforce worked relentlessly to ensure medicines continue to reach patients who rely on us. Driven by Sunology, our employees, who are spread across R&D centers, manufacturing sites, corporate offices and sales offices globally, enabled us in delivering a higher performance and stronger growth. The priority for the Human Resource function continued to provide a work environment which is safe, diverse, inclusive and full of growth opportunities. Going forward, focus will be on further enhancing our employer brand, providing growth & development opportunities to our employees along with focus on high performance and effectiveness.

Your Directors would like to take this opportunity to express their gratitude and appreciation for the passion, dedication and commitment of the employees and look forward to the continued contribution.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

There were two complaints received during the year. All the complaints were disposed of and no complaints were pending as on the end of March 31, 2024.

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

Regulatory Orders

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status.

Annual Return

The draft Annual Return as required under sub-section (3) of Section 92 of the Act in form MGT-7 is made available on the website of the Company and can be accessed at https://sunpharma.com/annual-return.

Secretarial Standards

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

Other Disclosures

1. The Board of Directors of the Company at its meeting held on November 1, 2023 has approved the Composite Scheme of Arrangement for (1) Amalgamation of Sun Pharmaceutical Medicare Limited, Green Eco Development Centre Limited, Faststone Mercantile Company Private Limited, Realstone Multitrade Private Limited, Skisen Labs Private Limited, Wholly-owned Subsidiaries of the Company with the Company and (2) Reclassification of general reserves to retained earnings, subject to necessary approvals required under

the Companies Act, 2013. This Composite Scheme of Arrangement is in supersession of the Scheme of Amalgamation approved by the Board on May 30, 2022.

The Company has made an application to the BSE Limited and National Stock Exchange of India Limited for obtaining NOC of the stock exchanges, upon receipt of NOC, the application shall be filed with the National Company Law Tribunal.

2. During the year under review, the Statutory Auditor, Cost Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee and / or Board under section 143(12) of the Act.

3. There are no proceedings initiated/ pending against your Company under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution.

Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts for FY24, the applicable accounting standards have been followed and there are no material departures from the same;

(b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2024 and of the profit of the Company for the year ended on that date;

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

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

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

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

Acknowledgements

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

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

For and on behalf of the Board of Directors

Dilip Shanghvi	**Aalok Shanghvi**
Chairman and Managing Director	Whole-time Director
(DIN: 00005588)	(DIN: 01951829)

Place: Mumbai
Date: May 22, 2024

ANNEXURE – A

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

(i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY24 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY24:

Name of Director and Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of employees	Increase/ (Decrease) in Remuneration[1] in FY24 (in percentage)
Directors:			
Dr. Pawan Goenka	Lead Independent Director	12.55	0.00
Mr. Dilip Shanghvi	Managing Director[2]	89.38	11.50
Mr. Gautam Doshi	Independent Director	7.80	2.63
Ms. Rama Bijapurkar	Independent Director	7.53	6.25
Mr. Sanjay Asher	Independent Director	7.09	121.54
Mr. Rolf Hoffmann[3]	Independent Director	4.72	Not Applicable[3]
Mr. Sudhir Valia	Non-executive Director	3.25	15.70
Mr. Sailesh Desai[4]	Whole-time Director	30.37	7.50
Mr. Aalok Shanghvi[5]	Whole-time Director	101.50	Not Applicable[5]
Key Managerial Personnel (KMP):			
Mr. C. S. Muralidharan	Chief Financial Officer	Not Applicable	7.50
Mr. Anoop Deshpande	Company Secretary and Compliance officer	Not Applicable	33.90

Notes:

1. Remuneration to Independent Directors consists of sitting fees and commission. Remuneration to Non-Executive Director consists only of sitting fees. The percentage increase / (Decrease) in Remuneration in FY24 is calculated on the basis of cost to company for Managing Director, Whole-time Directors and KMPs.
2. Also appointed as the Chairman of the Board effective from May 22, 2024.
3. Mr. Rolf Hoffmann (DIN: 10200311) has been appointed as Independent Director of the Company effective from June 15, 2023.
4. Mr. Sailesh Desai (DIN: 00005443) retired and ceased to be the Director of the Company from March 31, 2024.
5. Mr. Aalok Shanghvi (DIN: 01951829) has been appointed as Whole-time Director of the Company effective from June 1, 2023. His remuneration for the entire year of FY24, is considered the purpose of calculation of ratio.

(ii) The percentage increase in the median remuneration of employees in FY24 (Median 2024/Median 2023): 4.67%

(iii) The number of permanent employees on the rolls of the Company as on March 31, 2024: 19,530

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year ending March 31, 2024 was approximately 11.29% and the average increase in the managerial personnel remuneration was 9.50%.

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

ANNEXURE – B

AOC – 2

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

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

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

2. **Details of material contracts or arrangement or transactions at arm's length basis –** NIL. However, the Company's transactions with related parties which are material as per the Company's Policy on Materiality of and Dealing with Related Party Transactions, are as follows:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, as on March 31, 2024 if any:
1.	Sun Laboratories FZE (Wholly-Owned Subsidiary)	Revenue from Contracts with Customers, Net of Returns Reimbursement of expenses paid and received	On-going	The aggregate amount of transactions for FY24 was ₹ 10,480.18 Million	Not applicable	NIL
2.	Sun Pharma Laboratories Limited (Wholly-Owned Subsidiary)	Purchase and sale of Goods Purchase and Sale of Property, Plant and Equipment Receiving and Rendering of Services Reimbursement of expenses paid and received Loans taken, Loans Repaid Interest Expense, Lease Rent Received Payment towards Lease Liabilities Revenue from Contracts with Customers, Net of Returns	On-going	The aggregate amount of transactions for FY24 was ₹ 273,555.77 Million	Not applicable	NIL
3.	Sun Pharma Distributors Limited (Wholly-Owned Subsidiary)	Revenue From Contracts with Customers, Net of Returns Reimbursement of Expenses – Received Lease Rent Received	On-going	The aggregate amount of transactions for FY24 was ₹ 44,978.52 Million	Not applicable	NIL
4.	Sun Pharmaceutical Industries INC (Wholly-Owned Subsidiary	Revenue From Contracts with Customers, Net of Returns Reimbursement of Expenses – Paid and Received Rendering of Service – Income Interest Income	On-going	The aggregate amount of transactions for FY24 was ₹ 64,263.10 Million	Not applicable	NIL

For and on behalf of the Board of Directors

Dilip Shanghvi
Chairman and Managing Director
(DIN: 00005588)

Aalok Shanghvi
Whole-time Director
(DIN: 01951829)

Place: Mumbai
Date: May 22, 2024

ANNEXURE – C1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Sun Pharmaceutical Industries Limited,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

i. The Companies Act, 2013 **("the Act")** and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 **("SCRA")** and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Provisions relating to External Commercial Borrowings not applicable to the company during the year under review;**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **("SEBI Act")**:

   a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company for the year under review;**

   d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – **Not applicable to the Company for the year under review;**

   e. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 – **Not applicable to the Company for the year under review;**

   f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – **Not applicable to the Company for the year under review;**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable to the Company for the year under review;**

   h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company for the year under review;**

   i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable to the Company for the year under review.**

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

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in some cases where the meetings were held on shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. On verification of minutes, we have not found any dissent / disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made, the Company has identified and complied with the with various laws, as amended from time to time, applicable to the Company which inter-alia include:

- Drugs and Cosmetics Act, 1940;
- Drugs (Price Control) Order, 2013;
- Narcotic Drugs and Psychotropic Substances Act, 1985;
- Indian Boiler Regulation Act, 1950;
- Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954;
- Legal Metrology Act, 2009.

For KJB & CO LLP,
Practicing Company Secretary
Firm Unique Identification No. – L2020MH006601
Peer Review Certificate No. – 2797/2022

Alpeshkumar Panchal
Partner
FCS No.: 12908
C P No.: 20120
UDIN: F012908F000424418
Date: May 22, 2024
Place: Vadodara

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

ANNEXURE – 1

To,
The Members,
Sun Pharmaceutical Industries Limited,

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

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

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

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

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

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

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

For KJB & CO LLP,
Practicing Company Secretary
Firm Unique Identification No. – L2020MH006601
Peer Review Certificate No. – 2797/2022

Alpeshkumar Panchal
Partner
FCS No.: 12908
C P No.: 20120
UDIN: F012908F000424418
Date: May 22, 2024
Place: Vadodara

ANNEXURE – C2

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sun Pharma Laboratories Limited,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

i. The Companies Act, 2013 **("the Act")** and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 **('SCRA')** and the rules made thereunder; **Not applicable to the Company for the year under review;**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Provisions relating to Foreign Direct Investment not applicable to the Company for the year under review;**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **("SEBI Act"):**

   a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable to the Company for the year under review;**

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 – **Not applicable to the Company for the year under review;**

   c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – **Not applicable to the Company for the year under review;**

   d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – **Not applicable to the Company for the year under review;**

   e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company for the year under review;**

   f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable to the Company for the year under review;**

   g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable to the Company for the year under review;**

   h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company for the year under review;**

   i. The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021 – **Not applicable to the Company for the year under review;**

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

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors to the extent applicable during the period under review. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act. Further, The Board of Directors of the Company consist of 2 (two) Independent Directors although the provisions relating to having independent directors are not applicable to the Company and therefore in the opinion of the management the requirements under schedule IV of the Act are not applicable.

2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. On verification of minutes, we have not found any dissent/disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made, the Company has identified and complied with the various laws, as amended from time to time, applicable to the Company which inter-alia include:

- The Drugs and Cosmetics Act, 1940;
- Drugs (Price Control) Order, 2013;
- Narcotic Drugs and Psychotropic Substances Act, 1985;
- Indian Boiler Regulation Act, 1950;
- Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954;
- Legal Metrology Act, 2009.

For **KJB & CO LLP,**
Practicing Company Secretaries
Firm Unique Identification No.- L2020MH006601
Peer Review Certificate No.- 2797/2022

Alpeshkumar Panchal
Partner
FCS No. - 12908
C. P. No. – 20120
UDIN: F012908F000410351
Date: May 21, 2024
Place: Vadodara.

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

ANNEXURE – 1

To,
The Members,
Sun Pharma Laboratories Limited,

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

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

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

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

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

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

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

For KJB & CO LLP,
Practicing Company Secretaries
Firm Unique Identification No.- L2020MH006601
Peer Review Certificate No.- 2797/2022

Alpeshkumar Panchal
Partner
FCS No. - 12908
C. P. No. – 20120
UDIN: F012908F000410351
Date: May 21, 2024
Place: Vadodara.

ANNEXURE – C3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To,
The Members,
Sun Pharma Distributors Limited,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

(i) The Companies Act, 2013 **("the Act")** and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 **("SCRA")** and the rules made there under – **Not applicable to the Company for the year under review;**

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under – **Not applicable to the Company for the year under review;**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings – **Not applicable to the Company for the year under review;**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"): -

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereto from time to time – **Not applicable to the Company for the year under review;**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 – **Not applicable to the Company for the year under review;**

(c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – **Not applicable to the Company for the year under review;**

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable to the Company for the year under review;**

(e) The Securities and Exchange Board of India (Share Based Employee Benefits Sweat Equity) Regulations, 2021 – **Not applicable to the Company for the year under review;**

(f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company for the year under review;**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable to the Company for the year under review;**

(h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable to the Company for the year under review;**

(i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable to the Company for the year under review;**

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

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

We further report that:

(a) The Board of Directors of the Company is duly constituted with a proper balance of Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

(b) Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees. Agenda and detailed notes on agenda were made available in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) On verification of minutes, we have not found any dissent / disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made, the Company has identified and complied with the with various laws, as amended from time to time, applicable to the Company which inter-alia include:

- Drugs and Cosmetics Act, 1940;
- Drugs (Price Control) Order, 2013;
- Narcotic Drugs and Psychotropic Substances Act, 1985;
- Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954;
- Legal Metrology Act, 2009.

For **KJB & CO LLP,**
Practicing Company Secretaries
Firm Unique Identification No.- L2020MH006601
Peer Review Certificate No.- 2797/2022

Alpeshkumar Panchal
Partner
FCS No. - 12908
C. P. No. - 20120
UDIN: F012908F000410426
Date: May 21, 2024
Place: Vadodara.

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

ANNEXURE – 1

To,
The Members,
Sun Pharma Distributors Limited,

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

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

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

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

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

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

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

For KJB & CO LLP,
Practicing Company Secretaries
Firm Unique Identification No.- L2020MH006601
Peer Review Certificate No.- 2797/2022

Alpeshkumar Panchal
Partner
FCS No. - 12908
C. P. No. - 20120
UDIN: F012908F000410426
Date: May 21, 2024
Place: Vadodara.

ANNEXURE – D

Annual Report on Corporate Social Responsibility (CSR) Activities for FY24

1. Brief outline on CSR Policy of the Company

The Company's CSR policy encompasses the company's philosophy towards corporate social responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. The Company, through its CSR activities, strives to create maximum impact by leveraging its financial and human resources, networks and expertise. The CSR Policy and programs focus on the areas covered under Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation in the CSR Committee	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Rama Bijapurkar	Chairperson[1]	Non-Executive Independent Director	3	3
2.	Mr. Dilip Shanghvi	Member[2]	Managing Director[3]	3	2
3.	Mr. Sudhir Valia	Member	Non-Executive Non-Independent Director	3	3
4.	Dr. Pawan Goenka	Member	Non-Executive Independent Director	3	3

Notes:

1. Appointed as Chairperson of the Committee effective from May 26, 2023.
2. Re-designated as Member effective from May 26, 2023.
3. Also appointed as Chairman of the Board effective from May 22, 2024.

3. Web-Link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company

Composition of CSR committee – https://sunpharma.com/committees-of-the-board/

CSR Policy – https://sunpharma.com/policies/

CSR projects approved by the Board – https://sunpharma.com/csr/

4. Executive Summary alongwith Web-link of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

The impact assessment for Infrastructural Development for Pharma Research Laboratory Project (2020 – 2022) was carried out by Pluriversal Research and Action. The executive summary of the Impact Assessment Report is attached as 'Annexure – D1' to this report. The complete impact assessment report can be accessed at the Company's website at https://sunpharma.com/csr/.

5.	(a)	**Average Net Profit of the Company as per section 135(5)**	₹ 24,065.6 Million
	(b)	**Two percent of average net profit of the Company as per section 135(5)**	₹ 481.3 Million
	(c)	**Surplus arising out of the CSR projects or programmes or activities of the previous financial years**	Nil
	(d)	**Amount required to be set off for the financial year, if any**	₹ 21.0 Million
	(e)	**Total CSR obligation for the financial year [(b)+(c)-(d)]**	₹ 460.3 Million

6.	(a)	**Amount spent on CSR Projects (both ongoing projects and other than ongoing projects)**	₹ 447.9 Million
	(b)	**Amount spent in Administrative Overheads**	₹ 12.1 Million
	(c)	**Amount spent on Impact Assessment, if applicable**	₹ 0.3 Million
	(d)	**Total amount spent for the financial year [(a)+(b)+(c)]**	₹ 460.3 Million
	(e)	**CSR amount spent or unspent for the financial year:**	

(₹ in Million)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
460.3	-	-	-	-	-

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Million)
(i)	Two percent of average net profit of the company as per section 135(5)	481.3
(ii)	Total amount spent for the financial year	460.3
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent CSR amount for the preceding three financial years

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to a fund specified under Schedule VII as per second proviso to section 135(6), if any		Amount remaining to be spent in succeeding financial years	Deficiency if any
					Amount	Date of transfer		
1.	2020-21	Not Applicable						
2.	2021-22							
3.	2022-23							
	TOTAL							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: Yes

Number of capital assets created/ acquired: 239

Details relating to the asset so created or acquired through CSR spent in the financial year are given below:

Sl. No.	Date of creation or acquisition of the capital asset[1]	Amount of CSR spent (₹ in Million)	Details of the entity or public authority or beneficiary of the registered owner			Short Particulars of the property/ asset	Address of location of assets	Pincode
			CSR Registration No., if applicable	Name of entity	Address of entity			
1.	August 12, 2023	0.06	-	Govt. Primary School, Kelod	Govt. Primary School, Kelod, Dewas – 455001	School Benches and Desk Set (20 Nos.)	Govt. Primary School, Kelod, Dewas	455001
2.	September 9, 2023	0.04	-	Govt. Middle School, Awas Nagar	Govt. Middle School, Awas Nagar, Dewas – 455001	School Benches and Desk Set (13 Nos.)	Govt. Middle School, Awas Nagar, Dewas	455001
3.	September 30, 2023	0.06	-	Govt. Primary School, Lohar Pipliya	Govt. Primary School, Lohar Pipliya Dewas – 455001	School Benches and Desk Set (20 Nos.)	Govt. Primary School, Lohar Pipliya Dewas	455001
4.	October 7, 2023	0.10	-	Govt. Primary School, Mukharji Nagar	Govt. Primary School, Mukharji Nagar – 455001	School Benches and Desk Set (35 Nos.)	Govt. Primary School, Mukharji Nagar	455001
5.	October 13, 2023	0.12	-	Govt. Primary School, Diggiraj Nagar	Govt. Primary School, Diggiraj Nagar, Dewas – 455001	School Benches and Desk Set (40 Nos.)	Govt. Primary School, Diggiraj Nagar, Dewas	455001
6.	November 1, 2023	0.06	-	Govt. Primary School, No. 04 Dewas	Govt. Primary School, No. 04 Dewas – 455001	School Benches and Desk Set (20 Nos.)	Govt. Primary School, No. 04 Dewas	455001
7.	March 12, 2024	0.95	-	Govt. Primary School, Intwadi	Primary School, Intwadi – 389360	Classroom (1 No.)	Primary School, Intwadi	389360
8.	January 11, 2024	0.81	-	Govt. Primary School, Jambughoda	Jambughoda – 389390	Classroom (1 No.)	Govt. Primary School, Jambughoda	389390
9.	March 28, 2024	0.81	-	Govt. Primary School, Jambughoda	Jambughoda – 389390	Classroom (1 No.)	Govt. Primary School, Jambughoda	389390
10.	March 12, 2024	0.11	-	Muktidham, Silvassa	Muktidham, Silvassa – 396230	Classroom (1 No.)	Muktidham, Silvassa	396230
11	February 23, 2024	0.59	-	Gram Panchayat, Puthupattu	Gram Panchayat, Puthupattu Panchayat, Dist. Chengalpattu – 604152	RO Purifier 1500LPH (1 No.)	Gram Panchayat, Puthupattu Panchayat, Dist. Chengalpattu	604152
12	February 26, 2024	0.56	-	Govt. Girls Higher Secondary School Maduranthakam	Govt. Girls Higher Secondary School, Maduranthakam, Dist. Chengalpattu – 603306	RO Purifier 1500 LPH (1 No.)	Govt. Girls Higher Secondary School, Maduranthakam, Dist. Chengalpattu	603306
13	October 25, 2023	1.28	-	Welcare Hospital Kharod	Welcare Hospital Kharod Village, Ankleshwar Block, Dist. Bharuch – 394115	Dental Implant Equipment (1 No.)	Welcare Hospital Kharod Village, Ankleshwar Block, Dist-Bharuch	394115
14	September 9, 2023	0.46	-	Zila Panchayat School Islak, Tal.Dist. Ahmednagar	Zila Panchayat School Islak, Tal. Dist. Ahmednagar – 414111	Multipurpose Hall (1 No.)	Zila Panchayat School Islak, Tal. Dist. Ahmednagar	414111
15	February 2, 2024	0.13	-	Anganwadi Pragati Nagar, At. Post-Navnagapur	Anganwadi Pragati Nagar, At. Post-Navnagapur, Tal. Dist. Ahmednagar – 414002	Smart E-learning Unit (1 No.)	Anganwadi Pragati Nagar, At. Post-Navnagapur, Tal. Dist. Ahmednagar	414002
16	March 30, 2024	0.13	-	Anganwadi no. 188, At. Post-Vilad	Anganwadi No. 188, At. Post-Vilad, Tal. Dist. Ahmednagar – 414111	Smart E-learning Unit (1 No.)	Anganwadi no. 188, At. Post-Vilad, Tal.Dist. Ahmednagar	414111

Sl. No.	Date of creation or acquisition of the capital asset[1]	Amount of CSR spent (₹ in Million)	Details of the entity or public authority or beneficiary of the registered owner			Short Particulars of the property/ asset	Address of location of assets	Pincode
			CSR Registration No., if applicable	Name of entity	Address of entity			
17	March 30, 2024	0.13	-	Anganwadi No. 249, At. Post-Islak	Anganwadi No. 249, At. Post-Islak, Tal. Dist. Ahmedngar – 414111	Smart E-learning Unit (1 No.)	Anganwadi No. 249, At. Post-Islak, Tal.Dist. Ahmednagar	414111
18	March 30, 2024	0.13	-	Anganwadi No. 226, At. Post-Pimpalgaon Ujjaini	Anganwadi No. 226, At. Post-Pimpalgaon Ujjaini, Tal. Dist. Ahmednagar – 414601	Smart E-learning Unit (1 No.)	Anganwadi No. 226 , At. Post-Pimpalgaon Ujjaini, Tal. Dist. Ahmednagar	414601
19	March 30, 2024	0.13	-	Anganwadi No. 228, At. Post-Pimpalgaon Ujjaini	Anganwadi No. 228, At. Post-Pimpalgaon Ujjaini, Tal. Dist. Ahmednagar – 414601	Smart E-learning Unit (1 No.)	Anganwadi No. 228, At. Post-Pimpalgaon Ujjaini, Tal. Dist. Ahmednagar	414601
20	March 30, 2024	0.55	-	Grampanchayat Vilad	Grampanchayat Vilad, Tal. Dist. Ahmednagar – 414111	RCC Water Tank (1 No.)	Grampanchayat Vilad, Tal. Dist. Ahmednagar	414111
21	March 30, 2024	0.39	-	Zila Parishad primary School Wadgaon Gupta	Z P School Wadgaon Gupta, Tal. Dist. Ahmednagar – 414002	RCC Water Tank (1 No.)	Z P School Wadgaon Gupta, Tal. Dist. Ahmednagar	414002
22	March 30, 2024	0.13	-	Anganwadi No. 176, At. Post- Navnagapur	Anganwadi No. 176, At. Post-Navnagapur, Tal. Dist. Ahmednagar – 414002	Smart E-learning Unit (1 No.)	Anganwadi No. 176, At. Post-Navnagapur, Tal. Dist. Ahmednagar	414002
23	March 30, 2024	0.13	-	Anganwadi No. 171, At. Post-Navnagapur	Anganwadi No. 171, At. Post-Navnagapur, Tal. Dist. Ahmednagar – 414002	Smart E-learning Unit (1 No.)	Anganwadi No. 171, At. Post-Navnagapur, Tal. Dist. Ahmednagar	414002
24	March 30, 2024	0.13	-	Anganwadi No.173, At. Post-Navnagapur	Anganwadi No. 173, At. Post-Navnagapur, Tal. Dist. Ahmednagar – 414002	Smart E-learning Unit (1 No.)	Anganwadi No.173, At. Post-Navnagapur, Tal. Dist. Ahmednagar	414002
25	March 30, 2024	0.13	-	Anganwadi No. 26 At. Post-Navnagapur	Anganwadi No. 26 At. Post-Navnagapur, Tal. Dist. Ahmednagar – 414002	Smart E-learning Unit (1 No.)	Anganwadi No. 26 At. Post-Navnagapur, Tal. Dist. Ahmednagar	414002
26	March 30, 2024	0.13	-	Anganwadi No. 139, Nagapur	Anganwadi No. 139, Nagapur, Tal. Dist. Ahmednagar – 414111	Smart E-learning Unit (1 No.)	Anganwadi No. 139, Nagapur, Tal. Dist. Ahmednagar	414111
27	March 30, 2024	0.13	-	Anganwadi No. 140, Nagapur	Anganwadi No. 140, Nagapur, Tal. Dist. Ahmednagar – 414111	Smart E-learning Unit (1 No.)	Anganwadi No. 140, Nagapur, Tal. Dist. Ahmednagar	414111
28	March 30, 2024	0.13	-	Anganwadi No. 513, Kharekarjune	Anganwadi No. 513, Kharekarjune, Tal. Dist. Ahmednagar – 414111	Smart E-learning Unit (1 No.)	Anganwadi No. 513, Kharekarjune, Tal.Dist. Ahmednagar	414111
29	March 30, 2024	0.13	-	Anganwadi No. 179, At. Post-Navnagapur	Anganwadi No. 179, At. Post-Navnagapur, Tal. Dist. Ahmednagar – 414002	Smart E-learning Unit (1 No.)	Anganwadi No. 179, At. Post-Navnagapur, Tal.Dist. Ahmednagar, Maharashtra	414002
30	March 30, 2024	0.13	-	Anganwadi No. 194, At. Post- Vilad	Anganwadi no. 194, At. Post-Vilad Tal. Dist. Ahmednagar – 414111	Smart E-learning Unit (1 No.)	Anganwadi No. 194, At. Post-Vilad Tal. Dist. Ahmednagar	414111
31	March 30, 2024	0.13	-	Anganwadi no. 523, At. Post-Kharekarjune	Anganwadi no. 523, At. Post-Kharekarjune, Tal.Dist. Ahmednagar - 414111	Smart E-learning Unit (1 No.)	Anganwadi No. 523, At. Post-Kharekarjune, Tal. Dist. Ahmednagar	414111
32	March 30, 2024	0.13	-	Anganwadi No. 178, At. Post-Navnagapur	Anganwadi no. 178, At. Post-Navnagapur, Tal. Dist. Ahmednagar – 414002	Smart E-learning Unit (1 No.)	Anganwadi No. 178, At. Post-Navnagapur, Tal. Dist. Ahmednagar	414002
33	March 30, 2024	0.13	-	Anganwadi No. 24, At. Post-Navnagapur	Anganwadi no. 24, At. Post-Navnagapur, Tal. Dist. Ahmednagar – 414002	Smart E-learning Unit (1 No.)	Anganwadi No. 24, At. Post-Navnagapur, Tal. Dist. Ahmednagar	414002
34	March 30, 2024	0.13	-	Anganwadi No. 07 At. Post-Navnagapur	Anganwadi no. 07 At. Post-Navnagapur, Tal. Dist. Ahmednagar – 414002	Smart E-learning Unit (1 No.)	Anganwadi No. 07 At. Post-Navnagapur, Tal. Dist. Ahmednagar	414002
35	March 30, 2024	0.13	-	Anganwadi No. 12, Islak	Anganwadi no. 12, Islak, Tal. Dist. Ahmednagar - 414111	Smart E-learning Unit (1 No.)	Anganwadi No. 12, Islak, Tal. Dist. Ahmednagar	414111
36	March 5, 2024	0.10	-	Govt. Primary School, Abhetva	Govt. Primary School, Abhetva, Halol, Panchmahal – 389350	Wall Mount Cupboard (1 No.)	Govt. Primary School, Abhetva, Halol, Panchmahal	389350
37	March 10, 2024	0.26	-	Govt. Primary School, Abhetva	Govt. Primary School, Abhetva, Halol, Panchmahal – 389350	Wall Mount Cupboard (1 No.)	Govt. Primary School, Abhetva, Halol, Panchmahal	389350
38	March 15, 2024	0.22	-	Govt. Primary School, Nava Dhinkva	Govt. Primary School, Nava Dhinkva, Halol, Panchmahal – 389360	Wall Mount Cupboard (1 No.)	Govt. Primary School, Nava Dhinkva, Halol, Panchmahal	389360
39	March 15, 2024	0.86	-	Z. P. Primary School Bhistbag	Z. P. Primary School Bhistbag, Tal. & Dist Ahmednagar – 414003	Sanitation block (2 Nos.)	Z. P. Primary School Bhistbag, Tal. & Dist, Ahmednagar	414003
40	February 7, 2024	2.13	CSR00003635	Sun Pharma Community Healthcare Society	Sun Pharma Community Healthcare Society, Village Ganguwala, Tehsil Paonta Sahib – Distt Sirmaur – 173025	Ambulance Van (1 No.)	Sun Pharma Community Healthcare Society, Village Ganguwala, Tehsil Paonta Sahib – Distt Sirmaur	173025
41	February 29, 2024	2.31	CSR00003635	Sun Pharma Community Healthcare Society	Sun Pharma Community Healthcare Society, K-5, 6, 7 & 10, Ghirongi Industrial Area, Malanpur Distt Bhind – Gwalior – 474010	Ambulance Van (1 No.)	Sun Pharma Community Healthcare Society, K-5, 6, 7 & 10, Ghirongi Industrial Area, Malanpur Distt Bhind, Gwalior	474010
42	March 26, 2024	0.92	-	Grampanchyat Talvadi	Talvadi Village, Tal-Halol, Dist-Panchmahal – 389360	Water ATM (1 No.)	Talvadi Village, Tal-Halol, Dist, Panchmahal	389360

Sl. No.	Date of creation or acquisition of the capital asset[1]	Amount of CSR spent (₹ in Million)	Details of the entity or public authority or beneficiary of the registered owner			Short Particulars of the property/ asset	Address of location of assets	Pincode
			CSR Registration No., if applicable	Name of entity	Address of entity			
43	March 12, 2024	0.25	-	Govt. Primary School, Sanjali,	Govt. Primary School, Sanjali, Ankleshwar – 394115	Interactive Board and UPS (1 No.)	Govt. Primary School, Sanjali, Ankleshwar	394115
44	March 12, 2024	0.50	-	Govt. Primary School, Kharod,	Govt. Primary School, Kharod, Ankleshwar – 394115	Interactive Board and UPS (1 No.)	Govt. Primary School, Kharod, Ankleshwar	394115
45	March 12, 2024	0.25	-	Govt. Primary School, Primary School – Shedni	Govt. Primary School, Primary School – Shedni, Ahmednagar – 414601	Interactive Board and UPS (1 No.)	Govt. Primary School, Primary School – Shedni, Ahmednagar	414601
46	January 11, 2024	0.25	-	Govt. Primary School, Primary School – Bolhegaon	Govt. Primary School, Primary School – Bolhegaon, Ahmednagar – 414111	Interactive Board and UPS (1 No.)	Govt. Primary School, Primary School – Bolhegaon, Ahmednagar	414111
47	January 11, 2024	0.25	-	Govt. Primary School, Fatehpuri	Govt. Primary School, Fatehpuri, Halol – 389370	Interactive Board and UPS (1 No.)	Govt. Primary School, Fatehpuri, Halol	389370
48	January 11, 2024	0.25	-	Govt. Primary School, Rameshra	Govt. Primary School, Rameshra, Halol – 389350	Interactive Board and UPS (1 No.)	Govt. Primary School, Rameshra, Halol	389350
49	January 11, 2024	0.25	-	Govt. Primary School, Ghata	Govt. Primary School, Ghata, Halol – 389370	Interactive Board and UPS (1 No.)	Govt. Primary School, Ghata, Halol	389370
50	January 11, 2024	0.25	-	Govt. Primary School, Nimblak	Govt. Primary School, Nimblak, Ahmednagar – 414111	Interactive Board and UPS (1 No.)	Govt. Primary School, Nimblak, Ahmednagar	414111
51	January 11, 2024	0.25	-	Govt. Primary School, Kharckajune	Govt. Primary School, Kharckajune, Ahmednagar – 414111	Interactive Board and UPS (1 No.)	Govt. Primary School, Kharckajune, Ahmednagar	414111
52	March 12, 2024	0.25	-	Govt. Primary School, Pimpalgaon Ujjini	Govt. Primary School, Pimpalgaon Ujjini, Ahmednagar – 422209	Interactive Board and UPS (1 No.)	Govt. Primary School, Pimpalgaon Ujjini, Ahmednagar	422209
53	January 11, 2024	0.25	-	Govt. Primary School, Mota Chadva	Govt. Primary School, Mota Chadva, Halol – 389360	Interactive Board and UPS (1 No.)	Govt. Primary School, Mota Chadva, Halol	389360
54	January 11, 2024	0.25	-	Govt. Primary School, Pavagadh Machi	Govt. Primary School, Pavagadh Machi, Halol – 389360	Interactive Board and UPS (1 No.)	Govt. Primary School, Pavagadh Machi, Halol	389360
55	January 11, 2024	0.25	-	Govt. Primary School, Madar	Govt. Primary School, Madar, Halol – 389350	Interactive Board and UPS (1 No.)	Govt. Primary School, Madar, Halol	389350
56	January 11, 2024	0.25	-	Govt. Primary School, Nava Betbhata	Govt. Primary School, Nava Betbhata, Ankleshwar – 393001	Interactive Board and UPS (1 No.)	Govt. Primary School, Nava Betbhata, Ankleshwar	393001
57	January 11, 2024	0.25	-	Govt. Primary School, Bhadi	Govt. Primary School, Bhadi, Ankleshwar – 394115	Interactive Board and UPS (1 No.)	Govt. Primary School, Bhadi, Ankleshwar	394115
58	January 11, 2024	0.25	-	High School, Bharan	High School, Bharan, Ankleshwar – 394125	Interactive Board and UPS (1 No.)	High School, Bharan, Ankleshwar	394125
59	January 11, 2024	0.25	-	Girls Primary School, Kosambdi	Girls Primary School, Kosambdi, Ankleshwar – 393001	Interactive Board and UPS (1 No.)	Girls Primary School, Kosambdi, Ankleshwar	393001
60	January 11, 2024	0.25	-	High School, Nava Diva, Ankleshwar	High School, Nava Diva, Ankleshwar – 393001	Interactive Board and UPS (1 No.)	High School, Nava Diva, Ankleshwar	393001
61	January 11, 2024	0.25	-	Public School Ankleshwar	Public School Ankleshwar, Ankleshwar – 393001	Interactive Board and UPS (1 No.)	Public School Ankleshwar, Ankleshwar	393001
62	March 12, 2024	0.25	-	Primary School, Bhadkodra	Primary School, Bhadkodra, Bharuch – 392155	Interactive Board and UPS (1 No.)	Primary School, Bhadkodra, Bharuch	392155
63	March 12, 2024	0.25	-	EN Jinwala High School	EN Jinwala High School, Ankleshwar – 392210	Interactive Board and UPS (1 No.)	EN Jinwala High School, Ankleshwar	392210
64	March 12, 2024	0.28	-	Public School, Kharod	Public School, Kharod, Ankleshwar – 394115	Interactive Board and UPS (1 No.)	Public School, Kharod, Ankleshwar	394115
65	March 12, 2024	0.50	-	Z. P Primary School Navnagapur	Z. P. Primary School Navnagapur Ahmednagar – 414001	Interactive Board and UPS (1 No.)	Z. P. Primary School Navnagapur Ahmednagar	414001
66	March 12, 2024	0.25	-	Z.P School, Vilad, Ahmednagar	Z. P. School, Vilad, Ahmednagar – 414111	Interactive Board and UPS (1 No.)	Z.P School, Vilad, Ahmednagar	414111
67	March 12, 2024	0.25	-	Z. P. School ,Nagapur, Ahmednagar	Z. P. School, Nagapur, Ahmednagar – 414111	Interactive Board and UPS (1 No.)	Z. P. School, Nagapur, Ahmednagar	414111
68	March 12, 2024	0.25	-	Z. P . School,Islak, Ahmednagar	Z. P. School, Islak, Ahmednagar – 414111	Interactive Board and UPS (1 No.)	Z. P. School, Islak, Ahmednagar	414111
69	March 12, 2024	0.50	-	Rahiad School, Bharuch	Rahiad School, Bharuch – 392130	Interactive Board and UPS (1 No.)	Rahiad School, Bharuch	392130
70	March 12, 2024	0.25	-	Primary School, Nava Borbhata.	Primary School, Nava Borbhata, Bharuch – 393002	Interactive Board and UPS (1 No.)	Primary School, Nava Borbhata, Bharuch	393002
71	March 12, 2024	0.25	-	Kanyashala Branch No. 1, Goya Bazar	Kanyashala Branch No. 1, Goya Bazar, Ankleshwar – 393001	Interactive Board and UPS (1 No.)	Kanyashala Branch No. 1, Goya Bazar, Ankleshwar	393001
72	March 31, 2024	0.25	-	Primary School, Nava Borbhata	Primary School, Nava Borbhata, Ankleshwar – 393002	Interactive Board and UPS (1 No.)	Primary School, Nava Borbhata, Ankleshwar	393002
73	March 31, 2024	0.25	-	Primary School, Nava Betbhata	Primary School, Nava Betbhata, Ankleshwar – 393001	Interactive Board and UPS (1 No.)	Primary School, Nava Betbhata, Ankleshwar	393001

Sl. No.	Date of creation or acquisition of the capital asset[1]	Amount of CSR spent (₹ in Million)	Details of the entity or public authority or beneficiary of the registered owner			Short Particulars of the property/ asset	Address of location of assets	Pincode
			CSR Registration No., if applicable	Name of entity	Address of entity			
74	March 31, 2024	0.25	-	Primary School, Golibar, Ankleshwar – 393001	Primary School, Golibar, Ankleshwar – 393001	Interactive Board and UPS (1 No.)	Primary School, Golibar, Ankleshwar	393001
75	March 31, 2024	0.25	-	Primary School of Sanjali	Primary School of Sanjali, Ankleshwar – 394115	Interactive Board and UPS (1 No.)	Primary School of Sanjali, Ankleshwar	394115
76	March 31, 2024	0.25	-	Anjuman School of Kharod	Anjuman School of Kharod, Ankleshwar – 394115	Interactive Board and UPS (1 No.)	Anjuman School of Kharod, Ankleshwar	394115
77	March 31, 2024	0.25	-	Ideal School of Bhadi	Ideal School of Bhadi, Ankleshwar – 394115	Interactive Board and UPS (1 No.)	Ideal School of Bhadi, Ankleshwar	394115
78	November 30, 2023	0.77	-	Govt. Primary School, Galabpura	Govt. Primary School, Galabpura, Halol – 383950	MDM Shed with Safety Grill (1 No.)	Govt. Primary School, Galabpura, Halol	383950
79	March 31, 2024	0.69	-	Govt. Primary School, Abhetva	Govt. Primary School, Abhetva, Halol – 383950	MDM Kitchen (1 No.)	Govt. Primary School, Abhetva, Halol	383950
80	March 31, 2024	0.15	-	Govt. Primary School, Talavdi	Govt. Primary School, Talavdi, Halol – 389360	Public Announcement System (1 No.)	Govt. Primary School, Talavdi, Halol	389360
81	March 31, 2024	0.15	-	Govt. Primary School, Bhikhapura	Govt. Primary School, Bhikhapura, Halol – 389350	Public Announcement System (1 No.)	Govt. Primary School, Bhikhapura, Halol – 389350	383950
82	March 31, 2024	0.15	-	Govt. Primary School, Kadachala	Govt. Primary School, Kadachala, Halol – 389350	Public Announcement System (1 No.)	Govt. Primary School, Kadachala, Halol	383950
83	March 31, 2024	0.15	-	Govt. Primary School, Abhetva	Govt. Primary School, Abhetva, Halol – 389350	Public Announcement System (1 No.)	Govt. Primary School, Abhetva, Halol	383950
84	March 31, 2024	0.15	-	Govt. Primary School, Intwadi	Govt. Primary School, Intwadi, Halol – 389360	Public Announcement System (1 No.)	Govt. Primary School, Intwadi, Halol	389360
85	March 31, 2024	0.15	-	Govt. Primary School, Tarkhanda	Govt. Primary School, Tarkhanda, Halol – 389360	Public Announcement System (1 No.)	Govt. Primary School, Tarkhanda, Halol	389360
86	March 31, 2024	0.38	-	Govt. Primary School, Abhetva	Govt. Primary School, Abhetva, Halol – 383950	Boundary Wall Construction (1 No.)	Govt. Primary School, Abhetva, Halol	383950
87	March 31, 2024	0.64	-	Govt. Primary School, Jepura	Govt. Primary School, Jepura, Halol – 383960	STEM Lab (1 No.)	Govt. Primary School, Jepura, Halol	389360
88	March 31, 2024	0.56	-	Govt. Primary School, Jepura	Govt. Primary School, Jepura, Halol – 383960	Digital Library (1 No.)	Govt. Primary School, Jepura, Halol	389360
89	March 31, 2024	0.95	-	Govt. Primary School, Vitthalpura.	Govt. Primary School, Vitthalpura, Halol – 383950	MDM Kitchen (1 No.)	Govt. Primary School, Vitthalpura, Halol	383950
90	March 31, 2024	0.15	-	Shree Narayan High School , Tarkhanda	Shree Narayan High School, Tarkhanda, Halol – 389350	Public Announcement System (1 No.)	Shree Narayan High School, Tarkhanda, Halol	389350
91	March 31, 2024	0.15	-	Govt. Primary School, Jepura	Govt. Primary School, Jepura, Halol – 389360	Public Announcement System (1 No.)	Govt. Primary School, Jepura, Halol	389360
92	March 31, 2024	0.15	-	Govt. Primary School, Champaner,	Govt. Primary School, Champaner, Halol – 389360	Public Announcement System (1 No.)	Govt. Primary School, Champaner, Halol	389360
93	March 31, 2024	0.15	-	Govt. Primary School, Ghodi	Govt. Primary School, Ghodi, Halol – 389350	Public Announcement System (1 No.)	Govt. Primary School, Ghodi, Halol	389350
94	March 31, 2024	0.15	-	Govt. Primary School, Ujeti	Govt. Primary School, Ujeti, Halol – 389350	Public Announcement System (1 No.)	Govt. Primary School, Ujeti, Halol	389350
95	March 31, 2024	0.15	-	The Secondary School Jambughoda	The Secondary School Jambughoda, Jambughoda – 389390	Public Announcement System (1 No.)	The Secondary School Jambughoda, Jambughoda	389390
96	March 31, 2024	0.70	CSR00026567	Shree Halol Mahajan Arogyamandal	Shree Halol Mahajan Arogyamandal, Opp. S T Bus stand Halol, Godhra-Vadodara Road, Halol – 389350	Kidney Dialysis Machine Set up (HaemodySB Machine Nipro 55 plus) (1 No.)	Shree Halol Mahajan Arogyamandal, Opp. S T Bus stand Halol, Godhra-Vadodara Road, Halol	389350

Note:

1. The date when creation of asset is recognised / acknowledged by the Company based on inputs from the Implementing Agency

9. Reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)

Not Applicable

Place: Mumbai
Date: May 22, 2024

Rama Bijapurkar
Chairperson of CSR Committee
(DIN: 00001835)

Dilip Shanghvi
Chairman and Managing Director
(DIN: 00005588)

ANNEXURE - D1

Executive Summary of the Impact Assessment Report

Sun Pharmaceutical Industries Limited ('Sun Pharma'), a leading global specialty generic pharmaceutical company, implemented a CSR Project 'Infrastructural Development for Pharma Research Laboratory' by setting up specialised equipment for carrying out scientific, dairy and agricultural research, implemented by Agricultural Development Trust (ADT), Baramati. The Social Impact Assessment Report of this project emanates from a robust, multi-stakeholder methodology, rich field data, participant narratives, and a comprehensive analysis of the findings keeping 'People at the Centre of Development'. This mixed-methods study found the project to be highly impactful with a multi-pronged impact felt by multiple stakeholders, such as students, faculty, farmers, women entrepreneurs, and so on. The study revealed a holistic impact of the research laboratory set-up, that is social, economic, environmental, health, and educational impacts. The outcomes and impact of the project were assessed along the AAAQ framework and OECD DAC Evaluation criteria revealing the robust design and implementation of the project.

The study brought some powerful voices describing the impact of the research laboratory from applied research to the agricultural fields, entrepreneurship, environment, and much more. These showcase the effectiveness of equipment like LC-MS, AAS, and others in testing soil, milk, water, and products of farmers, women SHG members, entrepreneurs, by providing opportunities to the faculty and students to conduct research that directly influences the practices of farmers and industry bodies to adopt better products and techniques. In this mixed-methods research study, both quantitative and qualitative data were collected from a total of **220 participants** who were impacted by the project. This included 145 students and faculty as survey participants and 75 participants from qualitative interviews and focus group discussions. Specifically, the study used self-assessment method in the survey form to gauge the experiences and perceptions of the participants about impact of using the research lab facility developed by Sun Pharma, encapsulated here and substantiated with qualitative data:

Indicators	Quantitative Findings*	Qualitative Findings
Quality (Outcomes)	Self-assessment of outcomes of research facility as per students & faculty: • Increase in new research experiments undertaken (reported by 84% students, 95% faculty) • Improved high-quality research output (reported by 82% students, 89% faculty) • Higher research trainings undertaken (reported by 71% students, 79% faculty) • Improvement in high-quality research papers published (reported by 54% students, 79% faculty) • Increased patents/ grants/ awards (reported by 31-34% students, 47-68% faculty) • Higher inclination and interest towards research field/ career (reported by 77-90% students)	• Students & Faculty recounted qualitative outcomes as social implications of applied research, international collaborations & publications. • Testing of products has been newly introduced in the following groups. • Farmers recounted benefits of testing toxins, diseases, soil, fodder etc. and receiving sustainable solutions for agriculture and dairy farming on cattle health, milk quality, and crops • Women entrepreneurs stated benefits of testing and maximising reach of nutritious products • Startups shared benefits of testing and launching their products as natural and healthy

* Percentages have been rounded-off in all the tables.

"This year I sold two tonnes of only mango pickle. The testing has greatly benefited us as we can test our products and know about the contents. We can now tell our customers that our products are preservative-free as they have been tested. I am also training women all over Maharashtra wherever I am invited, on preparing chutneys, pickles, hotel-style gravies, and vegetables and taking orders for all these food items. I can take a training for easily up to 50 women at a time, and they have got excellent results. I give them continued guidance even after training to set up and grow their business." **– SHG Member – Spices and Pickles Business, Nimbut**

Indicators	Quantitative Findings	Qualitative Findings
Quality (Satisfaction levels)	Self-assessment of outcomes of research facility as per students & faculty: • High satisfaction levels (reported by 95% students, 100% faculty) • High faculty satisfaction with lab use for research opportunities and contribution to their field (reported by 79% faculty) • High ratings given to safety arrangements at the lab by 98% students, 95% faculty • High ratings given to availability & quality of consumables by 97% students, 95% faculty	• Students & faculty expressed they were highly motivated towards taking up new research • Dairy & Agriculture farmers highly satisfied with animal disease diagnosis, milk & feed testing, soil & water testing and advisory support facilities by ADT/ KVK • Women SHG members & entrepreneurs highly satisfied with nutritional testing and support from ADT/ NGO • Community participants recounted benefits of improved credibility of their products through nutritional testing & labelling

"Based on my soil testing, KVK advised me to water the crops only once a month as the water here is polluted by milk and sugar industries. They also informed us that we must use ordinary grade fertilisers; we do not need superior grade. They explained polluted water and urea are spoiling the soil. Urea is most commonly used by the farmers, so we stopped using it. This way it will slow down the deterioration of soil. Now, my crop produce has doubled in just 4-5 years. In fact, we reduced the land area, yet the produce increased. For instance, if we were producing 1,000 tonnes of sugarcane in 20 acres of land, we are able to now do that in just 15 acres." **– Farmer, Khandaj, Baramati**

Indicators	Quantitative Findings	Qualitative Findings
Acceptability (Information Accessibility & Usage)	Self-assessment of usage of research facility as per students & faculty: • Highly frequent usage (reported by 80% students, 63% faculty) • High usage/ access to labs (reported by 97% students) • High usage of labs by faculty for student research projects (reported by 95% faculty) • High usage of labs by faculty for department research projects (84%) and independent research projects (79%)	• Hands-on training of students & faculty on using the equipment • Involvement of students in applied research to address real, field issues • Inter-disciplinary & innovative research experiments • Trainings organised for faculty and students of other educational institutions

"The cost of dry fodder is high and the availability is scarce. Further, here the sugarcane trash (bagasse) was burnt that causes high carbon emissions. These two problems were discussed, and we (group of students) were selected to work on this problem. We arrived at the conclusion that dry fodder can be replaced by bagasse. But, bagasse contains lignin that decreases the lactation capacity of the cows, which needed to be reduced. We worked on collecting samples to reduce lignin from bagasse using biological techniques to make it cost-effective. We started our experiment and got the best results. We have done toxin and nutritional analysis of the product developed at the lab and are getting favorable results." **– Student, M.Sc. Microbiology**

Indicators	Quantitative Findings	Qualitative Findings
Availability & Accessibility (Social & Administrative Accessibility)	High availability and access to labs by: • 71% women students • 49% students from marginalised backgrounds • 68% faculty from marginalised backgrounds	• Encouraging research ecosystem • Multi-stakeholder design • High community access & reach through cost & time-effective facilities locally • Exposure of students & faculty to the sophisticated equipment

"All the facilities are very good, reports are excellent. There is complete accuracy in the testing facilities. Earlier, when this facility was not available locally, we would go to another city for testing. We had to go very far, 50 km away. And we had to incur very high fees – a test for Rs. 200 here cost us Rs. 500-600 there. We have got milk tested when needed. When our cows get mastitis then to ascertain exactly which type of bacterial infection they have, we get milk samples tested at ADT. Based on the type of infection, we also understand the type of treatment we need to give to the cow. Sometimes unnecessarily a higher antibiotic is given when the infection is unknown. From the report if we get to know that it is E.coli then we give the correct antibiotic accordingly." **– Dairy Farmers, Yesgar Basti, Baramati**

The study also looked at how the outcomes of the project were achieved against the planned objectives and project deliverables presented as follows:

Objectives	Outcomes & Impact
To provide facilities for clinical testing of human and veterinary medicine	• Highly accessible research facility made available to students, faculty, industries, researchers, and rural, marginalised communities of Baramati • 8,214 clinical testing done so far in animal disease diagnosis lab, nutrition lab, and LCMS/MS • Over 1,500 students have taken training and internships at the laboratory • More than 300 professors from other educational and research institutes have taken advantages of the advanced equipment in the research laboratory
To provide pesticide testing facility for agriculture produce	• Testing facilities started for food toxin, pharma drug, soil, animal diseases, and feed sample: – **Nutrition Lab** – Crude Protein (CP), Acid Insoluble Ash (AIA), Crude fat/ Ether extract/Oil (EE), Crude fiber (CF), Dry matter (DM), Moisture Total Ash (TA) – **Animal Disease Diagnostic Lab** – Blood Testing (Hemoglobin, TLC, TEC, Lymphocytes, Neutrophils (band cells), Eosinophil's, Monocytes, Basophiles, Platelets), Theileria Testing, Babesia Testing, Pregnancy Testing, Brucellosis Testing by ELIZA, Milk Testing (Mastitis), Foreign Body Testing, Bilirubin Testing – **Analytical Lab** – Drug Analysis, Toxicity Analysis, Melamine, Aflatoxin [g1, g2, b1, b2, m1, m2] Testing, Pesticide Residue Analysis, Aflatoxin Analysis, Heavy Metals Analysis, Trace Minerals Analysis

Objectives	Outcomes & Impact
To develop formulation of medicines associated with human and animal health through plants **To develop formulation of natural animal or plant based health care and hygiene products for instance use of goat milk in cosmetics products** **To develop formulation of herbal medicine for human and veterinary use**	• Innovative research experiments undertaken and solutions provided to dairy/agri farmers through KVK • 19 patents on various herbal drug technology filed by startups • 08 technologies have been commercialised
To provide consultancy for pilot scale medicine development for startups/ entrepreneurs	• Incubated social startup has provided standardisation and credibility of food products through nutritional analysis for rural women entrepreneurs • 44 start-ups have been supported so far since its inception through the laboratory support related to agriculture, food-tech, socio-economic, health, and women • On-boarding of more than 48 world-class mentors to support startups • Around 10 startups secured funding from Government grants/ Incubator seed funds • 07 start-ups have been successfully graduated • 19 high-quality patents filed by incubated startups • More than 300 employments generated by incubated startups of this project
To collect, process and disseminate scientific data related to humans as well as animal health based on their geographic presence and studying their location based variance	• 300 research papers are published in refereed research journals including Scopus Index, Web of Science Index and UGC-CARE listed journals • 52 research papers are in the pipeline for publication
To work as a bridge between academia and the corporate sector in the plant based medicine	• Tie-ups with national and international reputed corporate and academic partners and incubators around the globe • ADT has tie-ups with 04 Pharma, Chemical and Herbal industries • Feed samples are tested for renowned MNCs like Altech Biotechnology, Corteva, Baramati Agro Pvt. Ltd, Vetoquinol Pvt. Ltd, Schreiber Dynamix Ltd, Bayer Corporation, Salauddin Poultries, A.P, Swaraj Serum Pvt. Ltd, Advantage Agri Pvt. Ltd.

Certain aspects are working effectively in this project, making it more impactful. These need to be highlighted and continued by the implementing partner:

a. Availability of Sun Pharma's high-quality, specialised research equipment in rural area

b. Leadership vision to develop a holistic research ecosystem with multi-stakeholders like KVK, Bhimthadi Foundation, students, faculty, startups, SHGs, farmers, and industries.

c. Easy and complete accessibility to the laboratory with hands-on training and usage to the stakeholders

d. Interdisciplinary environment for applied research

e. A bottom-up approach to identify problems and a strong commitment to innovate and address community concerns

f. Experts and services attached to the labs to guide the communities with evidence-based sustainable solutions

g. Developing a scientific temperament among rural communities and a social temperament among scientific communities

To strengthen the project and make it more impactful, specific recommendations have been put forth in the areas of higher research engagement, academic writing and publishing, material and human resources, community impact, environmental research and advocacy, and quality accreditation.

Corporate Social Responsibility Activities

1. **Support towards setting-up of Cancer Sanatorium Institute:**

   Sun Pharma has embarked on a noble endeavor to establish a cutting-edge cancer care facility, underscoring its commitment to improving healthcare outcomes. The primary aim of this initiative is to offer comprehensive treatment and support services to cancer patients from diverse socio-economic backgrounds. Designed to provide a clean, secure, and visually appealing environment, the facility caters to patients requiring chemotherapy and radiation treatments.

   The implementation of this groundbreaking project falls under the auspices of the Shantilal Shanghvi Foundation. The facility spans an impressive 2.2 lakh square feet, with 14 floors already constructed. One of its prominent features is the Shantilal Shanghvi Cancer Sanatorium, which will accommodate a 100-bed facility dedicated to providing affordable healthcare for cancer patients. Equipped with chemotherapy, radiology, and short-stay facilities, this 19-floor structure spans over 3.0 lakh square feet and is currently under construction.

   In the financial year 2023-24, Sun Pharma invested a substantial sum of ₹ 200.00 million towards this project. Spearheaded by the Shantilal Shanghvi Foundation, the cancer care facility is located in Wadala, Mumbai.

2. **Elimination of Malnutrition through Action-Research on Moderately and Acute Malnourished Children:**

   Microbiota-directed food supplement (MDCF) represents a pioneering nutritional intervention, meticulously crafted through extensive research endeavors focused on paediatric populations. Demonstrating promising results, this specialised supplement has shown potential in rectifying gut microbial imbalances, thereby correlating with enhanced growth and development among children aged 12-18 months. The primary objective of this project is to evaluate the acceptability, generalisability, and efficacy of MDCF among Indian children suffering from moderate acute malnutrition (MAM), aged 6-18 months.

   This collaborative project with The Christian Medical College Vellore Association is a significant step towards developing a solution that addresses acute malnutrition and improving the health outcomes of vulnerable children. The company has contributed ₹ 120.00 million during the financial year 2023-24.

3. **Mobile Healthcare Unit:**

   The Mobile Healthcare Unit aims to extend vital healthcare services to marginalised communities residing in remote and underserved areas, where access to quality care remains a challenge. Adopting a holistic approach, the initiative not only emphasises Health Promotion and Preventive Healthcare Education but also provides Curative Treatment to those in dire need. With a steadfast commitment to improving healthcare accessibility, the Mobile Healthcare Unit has made significant strides in reaching the most vulnerable populations. To date, it has delivered Curative Treatment to 153,462 patients and imparted Preventive & Promotive Healthcare Education to 27,930 individuals.

   During the financial year 2023-24, the company reaffirmed its dedication to this noble cause by contributing ₹ 32.83 million. The project has been implemented by the Sun Pharma Community Healthcare Society.

4. **Healthcare Infrastructure Support & Awareness:**

   Sun Pharma is committed to improve Healthcare Infrastructure and Awareness. The company has undertaken a range of projects under this thematic area such as organising school eye check-ups and distributing spectacles to students, helping to identify visual impairments that can affect their academic performance. Upgrading healthcare infrastructure in rural areas, setting up dental implant center, organising blood donation camps and providing educational resources and nutritional ration kits to TB patients and their families.

   The company has contributed ₹ 8.12 million during the financial year 2023-24 with the benefit being extended to communities at large.

5. **Anganwadi Infrastructural Development:**

   Sun Pharma is committed to enhancing Anganwadi Infrastructure to create nurturing environments that cater to the educational, health, and nutritional needs of rural children. Through our support of the Model Anganwadi Development Program, we aim to address infrastructural gaps at Anganwadi centers by undertaking various initiatives. These include repairing and painting buildings, creating play areas, constructing boundary walls, waterproofing buildings, repairing toilets, and establishing water facilities. We also focus on improving kitchen facilities by constructing almirahs and working platforms, providing play material, and utensils. Our goal is to foster a child-friendly environment conducive to learning and development.

   During the financial year 2023-24, Sun Pharma contributed ₹ 11.60 million towards this initiative. The project is being implemented at our Baroda, Panoli, Ankleshwar, and Halol plant locations, benefiting approximately 2394 children. Through these efforts, we seek to make a meaningful impact on the lives of children in rural areas, ensuring they have access to quality education, healthcare, and nutrition within a supportive environment.

6. **School Infrastructure Development Project:**

   Sun Pharma is actively involved in several initiatives as part of its School Infrastructure Development Projects. These encompass a range of activities aimed at bolstering the infrastructure of rural schools and enhancing learning outcomes. These initiatives include the construction of classrooms, provision of drinking water and sanitation facilities, establishment of mid-day meal sheds, tree plantation, rainwater harvesting, installation of safety grills and boundary walls, and provision of sports equipment, chairs, and benches. The overarching goal of these efforts is to elevate the quality of infrastructure in rural schools, thereby creating a conducive environment for learning.

During the financial year 2023-24, Sun Pharma made a significant contribution of ₹ 44.83 million towards these projects. This contribution has directly benefited approximately 17207 students across various locations, including Halol, Panoli, Vadodara, Maduranthakam, Malanpur, Toansa, Silvassa, and Ahmednagar.

7. Promotion of Scientific Medical & Pharma Research Outcomes for Public Health Improvement:

Sun Pharma has undertaken a project aimed at promoting scientific medical and pharmaceutical research outcomes for public health improvement. The project involves sharing medical and pharmaceutical research with the public after conducting scientific research on ways to improve public health. This initiative has helped young scientists and scholars in the medical and pharmaceutical fields to work towards improving public health.

The company has contributed ₹ 3.23 million towards this project during the financial year 2023-24 with the project being implemented by Sun Pharma Science Foundation.

8. Setting-up of Digital Classroom Project:

Sun Pharma has implemented a transformative initiative by establishing digital classrooms in government schools. This forward-thinking endeavor aims to enhance the quality of education by leveraging digital technology. Recognising the importance of integrating information and communication technology (ICT) into the education system, the development includes LED Smart screens, computer PCs, software, keyboards, mice, wooden cabinets, and electrification works. Additionally, comprehensive teacher training programs have been conducted to ensure effective utilisation of these digital tools.

During the financial year 2023-24, Sun Pharma invested ₹ 7.35 million towards this initiative, which has directly benefited approximately 10307 students across different locations. By embracing digital education, Sun Pharma strives to provide students with innovative learning experiences and equip them with the skills needed to thrive in the digital age.

9. Installation of Solar Street Lights:

Sustainable development holds a central position in Sun Pharma's ethos, with a dedicated focus on advocating for renewable energy adoption. In pursuit of this commitment and to address the need for community lighting in rural, underserved regions, Sun Pharma installs solar street lights in nearby villages surrounding its operational areas. The primary objective of this endeavor is twofold: to provide essential community lighting in areas lacking access to electricity and to promote the utilisation of renewable energy sources.

By harnessing solar power, Sun Pharma not only diminishes its carbon footprint but also contributes significantly to sustainable development efforts. During the financial year 2023-24, the company invested ₹ 3.97 million towards this initiative. Through such initiatives, Sun Pharma endeavors to foster positive change, improve livelihoods, and create a brighter, more sustainable future for all.

10. Rural Infrastructure Development Projects:

Sun Pharma engages in enhancing crucial infrastructure facilities. This comprehensive project seeks to cater to the diverse needs of communities through a range of impactful activities, including the installation and renovation of community centers, construction of community kitchen sheds, and implementation of solar water pumps.

During the financial year 2023-24, Sun Pharma dedicated ₹ 6.39 million towards these projects, demonstrating its commitment to improving the lives of rural residents. The benefits of these initiatives extend far and wide, reaching communities at large and fostering positive socio-economic development.

11. Tree Plantation:

Sun Pharma actively participates in tree plantation initiatives around its operational sites. In addition to planting saplings, the company takes comprehensive measures to ensure the survival and growth of these trees. This includes erecting tree guards, fencing the area, providing adequate water supply, and offering nurturing care until the saplings mature into sturdy trees.

During the financial year 2023-24, Sun Pharma invested ₹ 3.32 million towards this noble cause. These efforts are primarily focused on the surrounding areas of the Vadodara and Panoli plants, where the company seeks to enhance green cover and contribute to the preservation of the environment.

12. Community Drinking Water:

Sun Pharma recognises the critical need for access to safe and potable drinking water in rural villages, and has undertaken several initiatives to address this issue. Through various projects, the company has focused on improving access to safe drinking water in rural areas. This includes the construction of storage tanks, water supply systems, pipelines, and the maintenance of tube wells to facilitate piped water to individual households. Additionally, initiatives such as Water ATMs have been implemented to ensure access to clean water sources.

During the financial year 2023-24, Sun Pharma invested ₹ 4.91 million towards these endeavors. The benefits of these projects extend to communities at large, aiming to alleviate the challenges associated with water scarcity and improve overall quality of life.

13. Disaster Relief Projects

As part of its disaster relief initiative, Sun Pharma has provided crucial assistance to various emergencies by offering essential aid such as ration kits, first aid kits, and other necessities. The company distributed 1,000 Ration kits to Narmada flood affected families in Ankleshwar Block.

During the financial year 2023-24, the company contributed ₹ 1.06 million towards these relief efforts. This support aims to alleviate the immediate needs of affected communities during times of crisis and demonstrates Sun Pharma's commitment to humanitarian assistance and community welfare.

Annexure – E

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

(A) Conservation of Energy

Sun Pharma is committed to continuously improve energy performance and conserve energy in its various operations, dedicated team is continuously working to ensure efficient use of energy. Equipment and plant wise energy consumption is monitored and benchmarking is done at frequent interval, energy gap assessment is carried out, energy conservation projects are identified and implemented. The energy conservation projects have resulted into reduction in carbon emission and support organisations decarbonisation journey.

We have also implemented Energy management system ISO: 50001:2018 at Halol, Mohali, Dadra & Dewas sites to further ensure structured and systematic approach towards energy conservation.

1. Steps taken or impact on Conservation of Energy

Various initiates taken for energy conservation are:

- Utilisation of heat pump for hot water generator and reducing steam consumption.
- Demand side compressed air management to reduce power consumption at air compressors.
- Replacement of existing chiller with energy efficient chillers.
- Use of variable frequency drives to improve pumping and compressor energy performance.
- Use of energy efficient dryer to minimise power consumption.
- Condensate recovery improved, resulting in Fuel and water reduction at various sites.
- Hot water temperature reduced to reduce steam requirement.
- Old energy inefficient motors are replaced with energy efficient motors.
- Replacement of old energy inefficient pump with energy efficient pump in cooling towers.
- Motion sensor installed at various location to minimise energy wastage.
- Piping modification for energy efficient distribution.
- Heat recovery at MEE and ATFD to preheat boiler feed water.
- Utilisation of flash steam to reduce further energy requirement at Heat pump.
- Minimising duct leakages in HVAC by regular audit and advance sealing technology.

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

We are consistently taking various initiatives to reduce carbon emission and utilising alternate source of energy.

- Captive Hybrid (Wind + Solar) powerplant is installed to meet partial power requirement for Gujarat manufacturing facilities sites.
- Captive solar power plant is utilised to meet partial power requirement of Dewas site.
- Company is also using Captive Wind mills to meet its partial power requirement at MKM sites.
- Captive solar rooftop are being utilised at Halol, Gurgaon, Silvassa, Dadra, and Vadodara sites.
- Boiler fuel at most of locations are shifted from conventional fuel like furnace oil /high speed diesel a with renewable biomass briquettes fuel for Steam generation.

3. Capital investment on energy conservation equipments

Capital investment of ₹ 1,235.4 million has been made on energy conservation equipments.

(B) Technology Absorption

(A) Research and Development

Expenditure on R&D

(₹ in Million)

	Year ended March 31, 2024	Year ended March 31, 2023
Capital	**436.7**	507.0
Revenue	**18,147.9**	15,980.1
Total	**18,584.6**	16,487.1
Total R&D expenditure as % of Total Turnover	**9.2%**	7.9%

(B) Technology Absorption, Adaptation and Innovation

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

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

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

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

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

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

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

    (b) For FY 23-24, 65 formulations were developed and filed from our R&D locations for the Indian and regulated markets and 183 dossiers were submitted for filing in various emerging markets. The Company has also filed 100+ drug master files across various markets during the year.

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

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

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

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

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

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

(C) Foreign Exchange Earnings and Outgo –

(₹ in Million)

	Year ended March 31, 2024	Year ended March 31, 2023
Earnings	142,683.3	154,052.6
Outgo	62,931.5	71,511.4

Corporate Governance Report

1. Corporate Governance Initiatives at Sun Pharma

The Company has taken various initiatives to implement the best practices with a focus on further enhancing the Corporate Governance standards over the years. Highlights of some of the key initiatives are as follows.

- Institution of the office of Lead Independent Director ("Lead ID") with defined role and responsibilities.
- Strengthening corporate governance review through Corporate Governance and Ethics Committee (Board Committee).
- Engagement of independent third-party agency for Independent Director search.
- Adoption of standards for retirement age of employees, senior management and various categories of Board members.
- Adoption of standard for minimum attendance of at least 75% at the Board/Committee meetings in a financial year.
- Proactive and significant measures for shareholder outreach and reduction in physical shareholders and unclaimed dividend.
- Shareholder Satisfaction survey for feedback on services provided by the Registrar and Transfer Agent.
- Robust Whistle Blower mechanism covering even the external stakeholders.
- Introduction of "Governance Week" event to spread awareness on importance and relevance of corporate governance.

2. Company's Philosophy on Corporate Governance

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

Promoting in-house governance

The responsibility of upholding the principles of Corporate Governance does not solely lie with the Board or senior management. It is expected that every member of the organisation embraces and embodies the values of governance, regardless of their position. The Company is dedicated to fostering knowledge sharing and collaboration among its employees worldwide. An annual event, "Governance Week", was conducted in February 2024 wherein various initiatives for spreading awareness on the essential components of governance were undertaken throughout the week. The outcomes of Governance Week have been overwhelmingly positive, fostering a stronger commitment and unity in the Company's efforts to promote best corporate governance practices.

3. Code of Conduct

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

Scan the QR code to view the Global Code of Conduct

All the directors and senior management affirm compliance with the Global Code of Conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Chairman and Managing Director has been annexed as 'Annexure A' to this Report.

4. Board of Directors

a. Board Composition

The Board of Directors of the Company as on March 31, 2024 comprises of nine Directors The composition and category of Directors is as follows:

Category of Directors	Sl. No.	Name of the Directors	Inter-se Relationship between Directors
Independent Directors	1.	Dr. Pawan Goenka – Lead Independent Director (DIN: 00254502)	-
	2.	Ms. Rama Bijapurkar (DIN: 00001835)	-
	3.	Mr. Gautam Doshi (DIN: 00004612)	-
	4.	Mr. Sanjay Asher (DIN: 00008221)	-
	5.	Mr. Rolf Hoffmann[1] (DIN: 10200311)	-
Promoter / Promoter Group Executive Director	6.	Mr. Dilip Shanghvi – Managing Director[2] (DIN: 00005588)	Father of Mr. Aalok Shanghvi Brother-in-law of Mr. Sudhir Valia
	7.	Mr. Aalok Shanghvi[3] – Whole-time Director (DIN: 01951829)	Son of Mr. Dilip Shanghvi
Promoter / Promoter Group Non-Executive and Non-Independent Director	8.	Mr. Sudhir Valia (DIN: 00005561)	Brother-in-law of Mr. Dilip Shanghvi
Non-Promoter Executive Director	9.	Mr. Sailesh Desai[4] – Whole-time Director (DIN: 00005443)	-

Notes:

1. Appointed as an Independent Director of the Company for a term of five years commencing from June 15, 2023 till June 14, 2028.
2. Also appointed as Chairman of the Board effective from May 22, 2024.
3. Appointed as the Whole-time Director of the Company for a term of five years commencing from June 1, 2023 till May 31, 2028.
4. Retired and ceased to be the Whole-time Director of the Company effective from March 31, 2024 on completion of term of appointment.

A certificate from a practicing company secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India ("SEBI") / Ministry of Corporate Affairs ("MCA") or any such statutory authority, has been annexed as 'Annexure B' to this Report.

The Independent Directors fulfill conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and are independent of the management.

A meeting of the Independent Directors was held on October 30, 2023.

b. Board skill matrix

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

Knowledge / Expertise in one or more of the following	Skills	Behavioural Traits
Finance & Accounts	Strategic Thinking / Planning Skills	Integrity
Legal	Problem Solving Skills	Genuine Interest
Governance	Analytical Skills	Interpersonal Skills / Communication
Industry Knowledge	Decision Making Skills	Active Participation
Risk Management	Leadership Skills	
General Management		

The expertise of the Board Members is as given below:

Expertise	Name of the Director								
	Pawan Goenka	Dilip Shanghvi	Gautam Doshi	Rama Bijapurkar	Sanjay Asher	Rolf Hoffmann	Sudhir Valia	Sailesh Desai	Aalok Shanghvi
Finance & Accounts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Legal	No	No	Yes	No	Yes	Yes	Yes	No	No
Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Industry Knowledge (Pharma Industry)	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes
Risk Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
General Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral Traits	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

c. Other Directorships

Name of the Director	No. of other Directorships and Committee Memberships / Chairmanships as of March 31, 2024			Other Indian Equity Listed entities in which they hold Directorship	Category of Directorship
	Other Directorships[1]	Committee Memberships[2&3]	Committee Chairmanships[2]		
Dr. Pawan Goenka	1	1	0	Bosch Limited	Non-Executive and Independent
Mr. Dilip Shanghvi	1	0	0	Sun Pharma Advanced Research Company Limited	Non-Executive and Non-Independent Chairman
Mr. Gautam Doshi	4	5	2	Suzlon Energy Limited	Non-Executive and Independent
				Piramal Enterprises Limited	Non-Executive and Independent
Ms. Rama Bijapurkar	6	6	2	Gokaldas Exports Limited	Non-Executive and Independent
				Cummins India Limited	Non-Executive and Independent
				VST Industries Limited	Non-Executive and Independent
				Mahindra and Mahindra Financial Services Limited	Non-Executive and Independent
				Apollo Hospitals Enterprise Limited	Non-Executive and Independent
Mr. Sanjay Asher	8	9	4	Sonata Software Limited	Non-Executive and Independent
				Deepak Nitrite Limited	Non-Executive and Independent
				Ashok Leyland Limited	Non-Executive and Independent
				Sudarshan Chemical Industries Limited	Non-Executive and Independent
				Hawkins Cookers Limited	Non-Executive and Independent
				Epigral Limited	Non-Executive and Independent
Mr. Rolf Hoffmann	0	0	0	Nil	Not Applicable
Mr. Sudhir Valia	4	4	1	Sun Pharma Advanced Research Company Limited	Non-Executive and Non-Independent
Mr. Sailesh Desai	3	0	0	Nil	Not Applicable
Mr. Aalok Shanghvi	0	0	0	Nil	Not Applicable

Notes:

1. Does not include Directorships in Private Limited, Foreign and Section 8 Companies.
2. Includes only Memberships and Chairmanships of Audit and Stakeholders' Relationship Committees.
3. Also includes Chairmanships.

d. Meetings and attendance

Six Board meetings were held during the financial year ended March 31, 2024 on May 26, 2023; August 3, 2023; November 1, 2023; January 17, 2024; January 31, 2024 and March 29, 2024.

The 31st Annual General Meeting ("AGM") was held on August 28, 2023.

Details of attendance of the Board members are as follows:

Name of the Director	Attendance						No. of Meetings entitled to attend	No. of Meetings attended	Whether attended 31st AGM?
	May 26, 2023	August 3, 2023	November 1, 2023	January 17, 2024	January 31, 2024	March 29, 2024			
Dr. Pawan Goenka	Yes	Yes	Yes	Yes	Yes	Yes	6	6	Yes
Mr. Dilip Shanghvi	Yes	Yes	Yes	Yes	Yes	Yes	6	6	Yes
Mr. Gautam Doshi	Yes	Yes	Yes	Yes	Yes	Yes	6	6	Yes
Ms. Rama Bijapurkar	Yes	Yes	Yes	Yes	Yes	Yes	6	6	Yes
Mr. Sanjay Asher	Yes	No	Yes	Yes	Yes	Yes	6	5	Yes
Mr. Rolf Hoffmann[1]	N.A.	Yes	Yes	Yes	Yes	Yes	5	5	Yes
Mr. Sudhir Valia	Yes	Yes	Yes	Yes	Yes	Yes	6	6	Yes
Mr. Sailesh Desai	Yes	Yes	Yes	Yes	Yes	Yes	6	6	Yes
Mr. Aalok Shanghvi[2]	N.A.	Yes	Yes	Yes	Yes	Yes	5	5	Yes

Notes:

1. Appointed as an Independent Director of the Company effective from June 15, 2023.
2. Appointed as the Whole-time Director of the Company effective from June 1, 2023.

e. Familiarisation Programme

Details of the familiarisation programme for the Independent Directors are available on the website of the Company at https://sunpharma.com/policies.

Scan the QR code to view the details of familiarisation programme.

f. Equity Shares held by Non-Executive Directors as on March 31, 2024:

Name of the Director	No. of Equity Shares
Dr. Pawan Goenka	Nil
Mr. Gautam Doshi	8,000
Ms. Rama Bijapurkar	Nil
Mr. Sanjay Asher	Nil
Mr. Rolf Hoffmann	Nil
Mr. Sudhir Valia	14,345,019

5. Committees of the Board

A. Audit Committee

Composition of the Audit Committee and the terms of reference are in compliance with the requirements under Section 177 of the Companies Act, 2013 ("Act") and Regulation 18 of the Listing Regulations.

The terms of reference of the Audit Committee, inter alia, include, overseeing Company's financial reporting process, reviewing the annual financial statements and auditor's report thereon; reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; recommending appointment and remuneration of the auditors of the company; reviewing the adequacy of internal audit function, discussing with internal auditors of any significant findings and follow up there on; evaluating internal financial controls and risk management systems; reviewing transactions with related parties, etc.

Meetings and Composition:

Six meetings of the Audit Committee were held during the financial year ended March 31, 2024 on April 20, 2023; May 25, 2023; August 2, 2023; October 31, 2023; January 30, 2024 and March 29, 2024. All the meetings were adjourned to the next day for consideration of few agenda items, except the meetings held on April 20, 2023 and March 29, 2024. Details of the composition of the Audit Committee and attendance at meetings are as follows:

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Gautam Doshi	Independent Director	Chairman	6	6
2.	Dr. Pawan Goenka	Lead Independent Director	Member	6	6
3.	Mr. Sanjay Asher[1]	Independent Director	Member	2	2
4.	Mr. Sailesh Desai[2]	Whole-time Director	Member	6	6

Mr. Anoop Deshpande, Company Secretary and Compliance Officer of the Company is the Secretary of the Audit Committee.

Notes:

1. Appointed as the member of the Audit Committee effective from November 1, 2023.
2. Ceased to be the Member of the Committee upon retirement as the Director of the Company, effective from March 31, 2024.

B. Nomination and Remuneration Committee ("NRC")

Composition of NRC and the terms of reference are in compliance with the requirements under Section 178 of the Act and Regulation 19 of the Listing Regulations.

The terms of reference of NRC, inter alia, include, identification, selection and recommendation of senior management personnel and directors; formulation of criteria for evaluation of Directors and Board and carrying out such evaluation; review and recommendation of remuneration of senior management and directors, etc.

Meetings and Composition:

Five meetings of NRC were held during the financial year ended March 31, 2024 on April 20, 2023; May 25, 2023; August 2, 2023; October 31, 2023 and January 30, 2024. Details of the composition of NRC and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Dr. Pawan Goenka	Lead Independent Director	Chairman	5	5
2.	Mr. Gautam Doshi	Independent Director	Member	5	5
3.	Mr. Sudhir Valia	Non-Executive Director	Member	5	5
4.	Mr. Rolf Hoffmann[1]	Independent Director	Member	1	1

Mr. Anoop Deshpande, Company Secretary and Compliance Officer of the Company is the Secretary of NRC.

Note:

1. Appointed as a member of NRC effective from November 1, 2023.

Performance evaluation criteria for Independent Directors

NRC has adopted the performance evaluation criteria for Independent Directors which is in-line with the Guidance Note of SEBI and ICSI on Board Evaluation. The said criteria provide certain parameters like knowledge, competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution, independence and independent views and judgement. The details of the performance evaluation carried out for the financial year is provided in the Board's Report forming part of this Annual Report.

C. Stakeholders' Relationship Committee ("SRC")

Composition of SRC and the terms of reference are in compliance with the requirements under Section 178 of the Act and Regulation 20 of the Listing Regulations.

The terms of reference of SRC, inter alia, include, resolving the grievances of the security holders of the Company; reviewing measures taken for effective exercise of voting rights by shareholders; reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent; reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company, etc.

Meetings and Composition:

Four meetings of SRC were held during the financial year ended March 31, 2024 on May 25, 2023; August 2, 2023; October 31, 2023 and January 30, 2024. Details of the composition of SRC and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Gautam Doshi	Independent Director	Chairman	4	4
2.	Dr. Pawan Goenka	Lead Independent Director	Member	4	4
3.	Mr. Sudhir Valia	Non-Executive Director	Member	4	4
4.	Mr. Dilip Shanghvi	Managing Director	Member	4	3

Mr. Anoop Deshpande, Company Secretary and Compliance Officer of the Company is the Secretary of SRC.

Compliance Officer:

The Board has designated Mr. Anoop Deshpande as the Compliance Officer for the purposes of / under rules, regulations etc. issued by the SEBI, Stock Exchanges, and Companies Act, 2013. He is also the Nodal Officer for the purpose of IEPF.

Significant measures towards reducing unclaimed dividend:

In its endeavor to facilitate the shareholders, under the guidance of SRC, the Company has walked an extra-mile and has voluntarily processed dividend remaining unclaimed for previous years based on the analysis carried out for the shareholders whose updated Bank details were available with the Company based on the latest dividend paid electronically. During the year under review, the Company has carried out two exercises as a result of which, unclaimed dividend aggregating to ₹ 4.0 Million was paid to more than 7,000 shareholders. This resulted in reduction in the amount of unpaid dividend.

Further, the Company has taken advantage of market presence of its field force employees for reaching out to more than 500 unconnected physical shareholders of the Company. The identified shareholders were then contacted for facilitating completion of their KYC details and claiming unpaid dividend.

Shareholder Satisfaction Survey on services provided by RTA:

The Company is committed to ensure that the shareholders are provided best and timely services. In an endeavor to strengthen the shareholder services, the Company had launched web-based ‘Shareholder Satisfaction Survey’ on services provided by the Registrar and Transfer Agent (“RTA”) – Link Intime India Pvt. Ltd., to the shareholders. The Company received responses and constructive feedback from the shareholders giving insights on measures required to be taken to ensure best shareholder services.

Investor Complaints:

Particulars	No. of Complaints
Pending at the beginning of the year i.e., April 1, 2023	0
Received during the year	46
Resolved during the year	46
Pending at the end of the year i.e., March 31, 2024	0

D. Corporate Social Responsibility Committee (“CSR Committee”)

Composition of the CSR Committee and the terms of reference are in compliance with the requirements under section 135 of the Act.

The terms of reference of the CSR Committee, inter alia, include formulation and recommendation of the CSR Policy and the Annual Action Plan for the financial year, and review and monitoring of the implementation of CSR projects, etc.

Meetings and Composition:

Three meetings of CSR Committee were held during the financial year ended March 31, 2024 on May 25, 2023; October 31, 2023 and January 30, 2024. Details of the composition of CSR Committee and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Ms. Rama Bijapurkar	Independent Director	Chairperson[1]	3	3
2.	Dr. Pawan Goenka	Lead Independent Director	Member	3	3
3.	Mr. Dilip Shanghvi	Managing Director[2]	Member[3]	3	2
4.	Mr. Sudhir Valia	Non-Executive Director	Member	3	3

Mr. Anoop Deshpande, Company Secretary and Compliance Officer of the Company is the Secretary of CSR Committee.

Notes:

1. Appointed as Chairperson of the Committee effective from May 26, 2023.
2. Also appointed as Chairman of the Board effective from May 22, 2024.
3. Re-designated as Member effective from May 26, 2023.

E. Risk Management Committee ("RMC")

Composition of RMC and the terms of reference are in compliance with the requirements under Regulation 21 of the Listing Regulations.

The terms of reference of the RMC, inter alia, include, formulation of the risk management policy, and monitoring the implementation of the Policy, ensuring proper systems and processes are in place to monitor and evaluate the risks associated with the business of the company, etc.

Meetings and Composition:

Four meetings of RMC were held during the financial year ended March 31, 2024 on May 25, 2023; August 2, 2023; October 31, 2023 and January 30, 2024. Details of the composition of RMC and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Dilip Shanghvi	Managing Director[1]	Chairman	4	4
2.	Mr. Pawan Goenka	Lead Independent Director	Member	4	4
3.	Mr. Gautam Doshi	Independent Director	Member	4	4
4.	Mr. Sudhir Valia	Non-Executive Director	Member	4	4
5.	Mr. C. S. Muralidharan	Chief Financial Officer	Member	4	4

Mr. Anoop Deshpande, Company Secretary and Compliance Officer of the Company is the Secretary of RMC.

Note:

1. Also appointed as Chairman of the Board effective from May 22, 2024.

F. Corporate Governance and Ethics Committee ("CGEC")

The Board has constituted a Corporate Governance and Ethics Committee as the Company's philosophy on Corporate Governance envisages working towards highest levels of transparency, accountability and consistent value systems. The CGEC reports to the Audit Committee.

The terms of reference of CGEC, inter alia, include, monitoring the Company's compliance with the Corporate Governance guidelines and applicable laws and regulations and recommending to the Board on all such matters, reviewing and monitoring the implementation of Policy on Related Party Transactions, etc.

Meetings and Composition:

Five meetings of CGEC were held during the financial year ended March 31, 2024 on May 25, 2023; August 2, 2023; October 31, 2023; January 30, 2024 and March 29, 2024. Details of the composition of CGEC and attendance at meetings are as follows.

Sl. No.	Name of the Director	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Gautam Doshi	Independent Director	Chairman	5	5
2.	Dr. Pawan Goenka	Lead Independent Director	Member	5	5
3.	Mr. C. S. Muralidharan	Chief Financial Officer	Member	5	5
4.	Mr. Anoop Deshpande	Company Secretary and Compliance Officer	Member & Secretary	5	5

Recommendations of the Committees of the Board

During the year under review, the recommendations made by the Board Committees to the Board, were accepted by the Board.

G. Senior Management

The details of senior management of the Company at present, along with the changes therein, during the financial year, are as follows.

Sl. No.	Name	Designation & Role
1.	Mr. Kirti Ganorkar	Head – India Business
2.	Mr. C. S. Muralidharan	Chief Financial Officer
3.	Mr. Sreenivas Rao	Head – Global Supply Chain
4.	Mr. S. Damodharan	CEO – API Business
5.	Mr. Suresh Rai[1]	Chief Human Resources Officer
6.	Mr. Dheeraj Sinha[2]	Chief Information Officer
7.	Mr. Anoop Deshpande	Company Secretary and Compliance Officer

Notes:

1. Appointed on December 7, 2023, in place of Dr. Sapna Purohit (Head - Human Resources), upon her retirement on February 29, 2024.
2. Appointed on April 3, 2024, in place of Mr. Anil Rao (Chief Information Officer), upon his cessation effective from April 3, 2024.

6. Remuneration of Directors

Non-Executive Directors

The Non-Executive Directors of the Company are entitled to sitting fees of ₹ 100,000/- for attending each meeting of the Board / Committee.

The Board of Directors, basis the recommendation of the Nomination and Remuneration Committee, from time to time, determine payment of commission to the Independent Directors, considering the attributing factors viz. period of directorship during the year, position as a Lead ID, Chairmanship of the Audit Committee and Chairmanship of other Board Committees, time spent on Board processes, etc.

Executive Directors

The Board of Directors, basis the recommendation of the Nomination and Remuneration Committee, approve the remuneration of the Managing Director and the Whole-time Director(s), within the overall limit approved by the shareholders.

An agreement has been entered into with Mr. Dilip Shanghvi, Managing Director, for his term of appointment and remuneration for a period of 5 (five) years from April 1, 2023 to March 31, 2028. The said agreement can be terminated by either party by giving notice of 30 (thirty) days.

Mr. Aalok Shanghvi, Whole-time Director, is in full-time employment of the Company, and his term of appointment and remuneration has been approved for a period of 5 (five) years from June 1, 2023 to May 31, 2028. His directorship can be terminated by either party by giving notice of 30 (thirty) days.

Remuneration includes salary, bonus, variable pay (if any), perquisites, contribution to provident and superannuation fund and other benefits as per Company's policy, as applicable, from time to time. There is no provision for payment of severance fees.

Mr. Aalok Shanghvi is entitled to variable pay, to be determined on the basis of company performance bonus plan where the payout is determined basis a combination of individual performance rating and business performance.

The details of Remuneration paid / payable to the Directors of the Company for the year ended March 31, 2024 are as follows:

(Amount in ₹)

Name of Directors	Salary[1]	Variable Pay	Bonus	Perquisites/ Benefits[2]	Sitting fees	Commission[3]	Total
Dilip Shanghvi	45,744,180	-	9,148,836	5,648,904	-	-	60,541,920
Sailesh Desai[4]	15,492,852	-	3,098,570	1,979,148	-	-	20,570,570
Aalok Shanghvi[5]	38,970,086	8,235,537	4,193,664	17,353,620	-	-	68,752,907
Sudhir Valia	-	-	-	-	2,200,000	-	2,200,000
Pawan Goenka	-	-	-	-	3,400,000	5,100,000	8,500,000
Gautam Doshi	-	-	-	-	3,100,000	4,700,000	7,800,000
Rama Bijapurkar	-	-	-	-	1,000,000	4,100,000	5,100,000
Sanjay Asher	-	-	-	-	800,000	4,000,000	4,800,000
Rolf Hoffmann[6]	-	-	-	-	700,000	2,500,000	3,200,000

Notes:

1. Salary includes Special Allowance.
2. Perquisites include House Rent Allowance, if any, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Directors, as per Company Policy.
3. The Board of Directors at its meeting held on May 22, 2024 has approved payment of commission to Independent Directors.
4. Ceased to be the Director of the Company upon completion of term of appointment effective from March 31, 2024.
5. Appointed as Whole-time Director effective from June 1, 2023. The remuneration mentioned is for the entire financial year.
6. Appointed as Independent Director effective from June 15, 2023.

7. Material Subsidiaries

Details of Material Subsidiaries of the Company, identified as per the criteria prescribed under Regulation 16 and Regulation 24 of the Listing Regulations, for the year ended March 31, 2024 are as follows.

Sl. No.	Name of the Material Unlisted Subsidiary Company	Date of Incorporation/ Acquisition	Place of Incorporation	Name and Date of Appointment of the Statutory Auditors	Company's Independent Director on the Material Unlisted Subsidiary*
1.	Sun Pharma Laboratories Limited	March 9, 2012	India	Name: S R B C & CO LLP Date: August 24, 2022	Gautam Doshi
2.	Sun Pharma Distributors Limited	March 19, 2019	India	Name: S R B C & CO LLP Date: September 30, 2019	Rama Bijapurkar
3.	Sun Pharma Holdings, Mauritius	October 29, 2013	Mauritius	Name: Lancasters Chartered Accountants Date: June 16, 2023	Gautam Doshi
4.	Sun Pharmaceutical Industries, Inc.	November 20, 2002	USA	Name: S R B C & CO LLP Date: March 5, 2024	Gautam Doshi
5.	Taro Pharmaceuticals Inc.	September 20, 2010	Canada	Not Applicable	Not Applicable

Note: *Independent Directors are appointed pursuant to obligation under Regulation 24 of Listing Regulations, wherever applicable.

The policy for determining material subsidiaries of the Company is available on the website of the Company at https://www.sunpharma.com/policies.

Scan below QR code to view the Policy on Material Subsidiaries

8. Related Party Transactions

All contracts / arrangements / transactions entered by the Company during the year under review with the related parties were in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus and specific approvals, are reviewed periodically by the Audit Committee. No transaction of a material nature has been entered into by the Company with its related parties that may have a potential conflict with the interests of the Company. The policy on Materiality of and Dealing with Related Party Transactions as approved by the Board is available on the website of the Company at https://www.sunpharma.com/policies.

Scan the QR code to view the Policy on Materiality of and Dealing with Related Party Transactions

9. Prevention of Insider Trading

The Company has a Code of Conduct for Prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 to regulate, monitor and report trading by the Designated Person(s) / and other connected person(s). The structured digital database of unpublished price sensitive information is maintained with adequate internal controls.

The Company's Code of practices and procedures for fair disclosure of unpublished price sensitive information is available on the website of the Company at https://sunpharma.com/policies.

Scan the QR code to view the Code of practices and procedures for fair disclosure

10. Other Disclosures

- There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- The Company has laid down procedures to inform Board members about the risk assessment and its minimisation, which is periodically reviewed to ensure that risk control is exercised by the management effectively.
- The Company has a Global Whistle Blower Policy / Vigil Mechanism to monitor the actions taken on complaints received under the said policy. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee or external stakeholder blows the whistle for any wrong-doing in the Company. The policy is available on the website of the Company at https://sunpharma.com/policies. No personnel have been denied access to the Audit Committee.

  Scan the QR code to view the Global Whistle Blower Policy

- During the year, there were pecuniary transactions with the Companies in which Non-Executive Directors are interested as follows: a) Transaction with entity in which Mr. Rolf Hoffmann is interested - NavBio AG - ₹ 7.0 Million for Reimbursement of expenses – paid; b) Transactions with entities in which Mr. Sudhir Valia is interested, except for the subsidiaries of the Company wherein it is deemed that he does not have any personal / pecuniary interest - Sun Petrochemicals Private Limited - ₹ 20.7 Million for Lease rent received, Other operative income / other income, Reimbursement of expenses – received; Sun Pharma Advanced Research Company Limited – ₹ 824.4 Million for Revenue from contracts with customers – net of returns, Receiving of service expenses, Reimbursement of expenses - paid, Rendering of service income, Reimbursement of expenses - received, Lease rent received and Royalty expenses; Alfa Infraprop Private Limited – ₹ 28.4 Million for Other operative income / other income, Reimbursement of expenses paid; and Shantilal Shanghvi Foundation - ₹ 200.0 Million for Corporate Social Responsibility contribution; c) Transaction with entity in which Mr. Gautam Doshi is interested - Anshul Speciality Molecules Private Limited – ₹ 10.0 Million for Purchase of goods / services.

  All the transactions with entities in which the Non-Executive Directors are / were interested constitute negligible percent of the revenue of the Company.

  No loans and / or advances in the nature of loans are given to the firms / companies in which directors are interested.

- Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part was ₹ 248.7 Million for the year under review.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are provided in the Board's Report. The number of complaints during the financial year are given below:

Particulars	Information
Number of complaints filed during the financial year	2
Number of complaints disposed of during the financial year	2
Number of complaints pending as on end of the financial year	0

- The Company follows financial year from April to March. Details of compliance and Adoption of non-mandatory requirements for the year ended March 31, 2024:
  - The Company sends on quarterly basis, the quarterly financial results along with summary of significant events to the shareholders whose e-mail ids are available with the Company / RTA.
  - The Statutory Auditor has issued an unmodified opinion to the financial statements of the Company.
  - The Lead Independent Director presides over the meetings of the Board in absence of a regular Chairman.

– The findings of the Internal Audit are reported to the Audit Committee periodically.

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

  The Company is exposed to foreign exchange risks emanating from the business, assets and liabilities denominated in foreign currency. In order to hedge this risk, the Company proactively uses hedging instruments e.g., forward contracts, options and other simple derivatives from time to time.

  The Company does not have any exposure on commodities directly. Accordingly, the disclosure pursuant to SEBI Master Circular dated July 11, 2023 is not applicable.

- During the year under review, the Company has complied with all the mandatory requirements including the requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of Listing Regulations, as applicable.

- Disclosure of certain types of agreements binding the Company

  The Articles of Association of the Company, under Clause 108, confers specific rights to the promoter with respect to the management or control of the Company. This information has been disclosed under Clause 5A of Para A of Part A of Schedule III to the Stock Exchanges.

11. General Shareholder Information

1. General Meetings

A. Annual General Meeting:

Day, Date and Time	Monday, August 5, 2024 at 3:00 p.m. IST
Venue	Through Video Conferencing / Other Audio-Visual means

B. Location and time of the last three Annual General Meetings and the special resolutions passed, if any:

Year	Meeting	Location	Date and Time	Details of Special Resolution Passed
2020-21	Twenty-Ninth AGM	Held through Video Conferencing and deemed to be held at the registered office of the Company at SPARC, Tandalja, Vadodara – 390012. (Registered Office of the Company)	August 31, 2021 at 3:00 p.m.	1. Approval of re-appointment and maximum remuneration of Mr. Kalyanasundaram Subramanian (DIN: 00179072) as the Whole-time Director of the Company for a further period of 2 (Two) years effective from February 14, 2021 up to February 13, 2023. 2. Approval of maximum remuneration of Mr. Sailesh Desai as the Whole-time Director (DIN: 00005443) for a period of 2 (Two) years with effect from April 1, 2022 to March 31, 2024 i.e., up to the expiry of his present term of office.
2021-22	Thirtieth AGM	Held through Video Conferencing and deemed to be held at the registered office of the Company at SPARC, Tandalja, Vadodara – 390012. (Registered Office of the Company)	August 29, 2022 at 3:00 p.m.	1. Payment of commission of ₹ 4,000,000/- (Rupees Forty Lakhs only) each to Dr. Pawan Goenka, Mr. Gautam Doshi and Ms. Rama Bijapurkar, Independent Directors of the Company, for the financial year ending on March 31, 2022. 2. Re-appointment of Mr. Gautam Doshi (DIN: 00004612) as an Independent Director of the Company for a second term of 5 (five) years commencing from May 25, 2023 to May 24, 2028. 3. Re-appointment of Mr. Dilip Shanghvi (DIN: 00005588) as Managing Director of the Company for a further period of 5 (five) years effective from April 1, 2023 to March 31, 2028 and approve his remuneration for the aforesaid period, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period.
2022-23	Thirty-first AGM	Held through Video Conferencing and deemed to be held at the registered office of the Company at SPARC, Tandalja, Vadodara – 390012. (Registered Office of the Company)	August 28, 2023 at 3:00 p.m.	1. Appointment of Mr. Rolf Hoffmann (DIN: 10200311) as an Independent Director of the Company for term of 5 (five) years commencing from June 15, 2023 to June 14, 2028. 2. Appointment of Mr. Aalok Shanghvi (DIN: 01951829) as the Whole-time Director of the Company for a period of 5 (five) years effective from June 1, 2023 to May 31, 2028 and approve his remuneration for the aforesaid period, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period.

C. Resolution Passed Through Postal Ballot:

During the year no resolution was passed through postal ballot, and no special resolution is proposed to be passed by postal ballot, as on the date of this report.

2. Dividend

A. Record Date for payment of Dividend to Equity Shareholders: July 12, 2024

B. Dividend Payment Date: On or before August 16, 2024

3. Means Of Communication

- **Website:** The Company's website www.sunpharma.com contains a separate dedicated section 'INVESTORS' where shareholders' information is available. The Annual Report for FY 2023-24 and Annual Reports for the past years are also available on the website in a user friendly and downloadable form. Apart from this, official news releases, detailed presentations made to media, analysts etc., and the transcript of the conference calls are also displayed on the Company's website.

- **Financial Results:** The quarterly results are regularly posted by the Company on its website www.sunpharma.com and are also submitted to the Stock Exchanges on which the securities of the Company are listed in accordance with the requirements of the Listing Regulations.

  The quarterly financial results along with summary of significant events are also sent to the shareholders whose e-mail ids are registered with the Company and the extract of the quarterly consolidated financial results is published in all English Editions of 'Financial Express' and Gujarati Edition of 'Financial Express' which is published in Ahmedabad.

- **Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Board's Report, the Management Discussion and Analysis Report, Auditor's Report, and other important information is available on the website of the Company at www.sunpharma.com

  Pursuant to enabling circulars issued by SEBI and MCA from time to time, the Annual Report for FY 2023-24 is being sent electronically to the shareholders whose e-mail ids are registered. Hard copies shall be sent to those shareholders who request for the same.

- **Investors Presentation:** The presentations made at the analyst / institutional investors' meetings are filed with the Stock Exchanges and hosted on the Company's website at, https://sunpharma.com/investors-investor-presentations

Scan the QR code to view the Investor Presentations

4. Shares Related Information

A. Listing Details

Particulars	Details
(a) BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	Trading Symbol – 524715
(b) National Stock Exchange of India Limited ("NSE"), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	Trading Symbol – SUNPHARMA
(c) Demat ISIN	INE044A01036

The Company has duly paid the Listing fees to BSE and NSE.

B. Stock Market Data – Monthly high-low

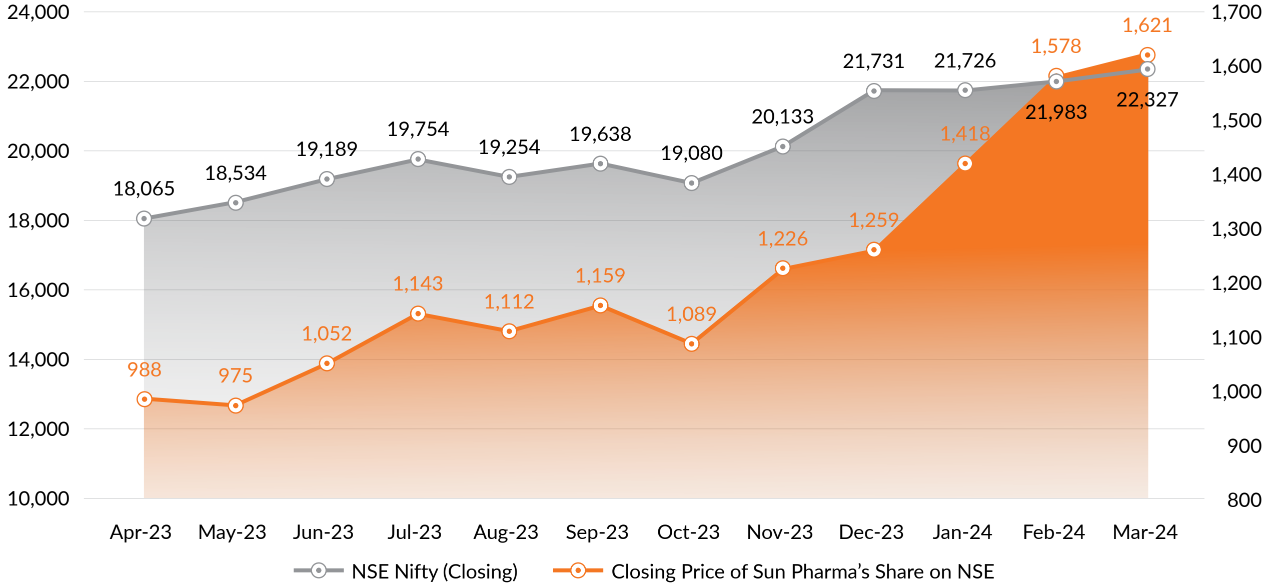
(Amounts in ₹)

Particulars	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April, 2023	1,024.50	960.00	1,023.85	959.25
May, 2023	988.60	922.55	988.90	922.45
June, 2023	1,056.00	975.20	1,055.00	975.00
July, 2023	1,155.00	1,028.35	1,155.35	1,028.75
August, 2023	1,169.90	1,101.45	1,169.70	1,100.25
September, 2023	1,167.00	1,102.00	1,167.40	1,102.00
October, 2023	1,161.75	1,069.00	1,161.95	1,139.25
November, 2023	1,231.55	1,082.80	1,231.15	1,082.60
December, 2023	1,272.00	1,209.00	1,271.95	1,208.55
January, 2024	1,438.50	1,252.75	1,438.90	1,252.50
February, 2024	1,587.85	1,399.65	1,587.80	1,398.90
March, 2024	1,634.05	1,520.30	1,634.00	1,520.50

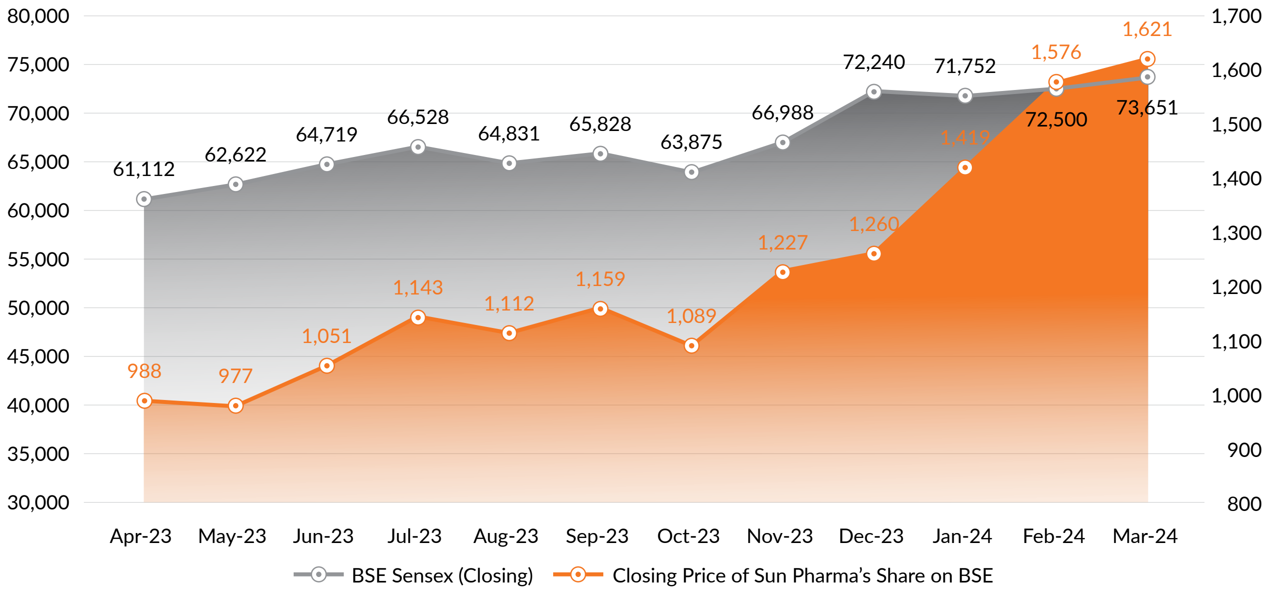
(Source: BSE and NSE website)

C. Share Price performance in comparison to broad-based indices

Sun Pharmaceutical Industries Limited & NSE Nifty closing price:



Sun Pharmaceutical Industries Limited & BSE Sensex closing price:



D. Share price performance relative to NIFTY and BSE Sensex based on share price on March 31, 2024

Period	% change in		% change in	
	Sun Pharma Share Price	Nifty	Sun Pharma Share Price	BSE Sensex
Y-o-Y	64.84%	28.61%	64.84%	24.85%
2 Years	77.16%	27.84%	77.14%	25.75%
3 Years	171.09%	51.98%	171.17%	48.76%
5 Years	238.43%	92.08%	238.13%	90.45%
10 Years	463.91%	233.03%	465.27%	229.00%

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

E. Share Transfer System

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

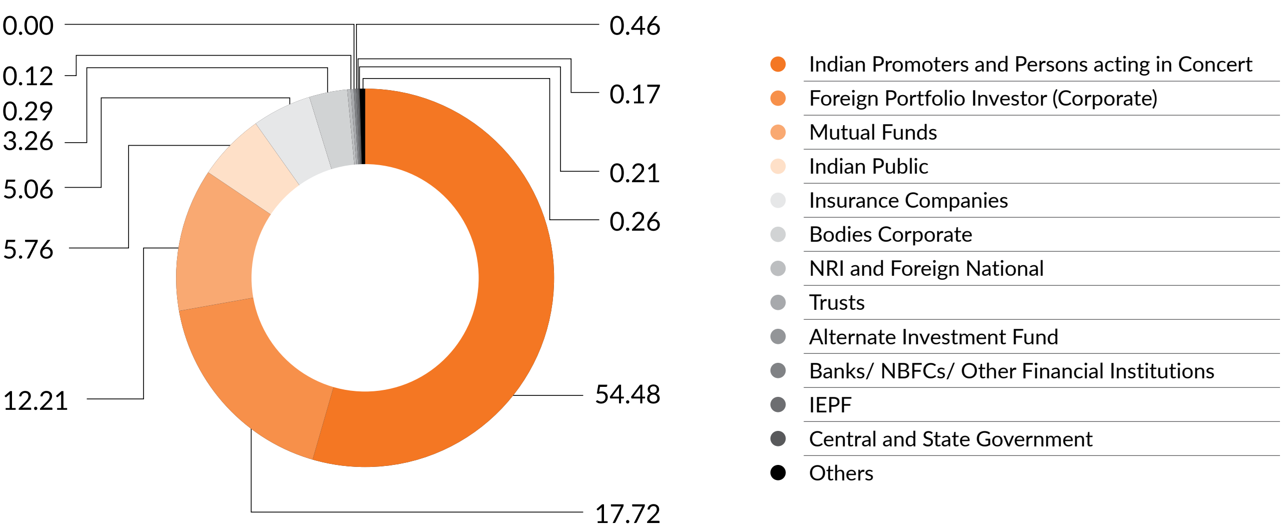
F. Distribution of Shareholding as on March 31, 2024

Range of shareholding	No. of folios		Shares of face value ₹ 1/- each	
	Numbers	% to Total Folios	Numbers	% to Total Shares
Upto 5,000	647,438	99.13	74,232,375	3.09
5,001 – 10,000	2,332	0.35	16,568,303	0.69
10,001 – 20,000	1,606	0.25	20,926,582	0.87
20,001 – 30,000	306	0.05	7,577,449	0.32
30,001 – 40,000	159	0.02	5,588,677	0.24
40,001 – 50,000	127	0.02	5,788,853	0.24
50,001 – 100,000	334	0.05	24,294,906	1.01
100,001 and above	832	0.13	2,244,357,825	93.54
Total	**653,134**	**100.00**	**2,399,334,970**	**100.00**

G. Category-wise Shareholding of Equity Shares as on March 31, 2024

Sl. No.	Particulars	No. of Shares	Percentage
1.	Indian Promoters and Persons acting in Concert	1,307,134,535	54.48
2.	Foreign Portfolio Investor (Corporate)	425,210,747	17.72
3.	Mutual Funds	293,049,819	12.21
4.	Indian Public	138,263,762	5.76
5.	Insurance Companies	121,381,379	5.06
6.	Bodies Corporate	78,201,489	3.26
7.	NRI and Foreign National	6,956,625	0.29
8.	Trusts	6,145,294	0.26
9.	Alternate Investment Fund	5,127,354	0.21
10.	Banks / NBFCs / Other Financial Institutions	4,016,775	0.17
11.	IEPF	2,768,888	0.12
12.	Central and State Government	29,585	0.00
13.	Others	11,048,718	0.46
	Total	**2,399,334,970**	**100.00**

Shareholding Pattern as on March 31, 2024:



H. Dematerialisation of Shares and Liquidity

About 99.82% of the outstanding equity shares have been dematerialised up to March 31, 2024. Trading in Shares of the Company is permitted only in dematerialised form. The Company's equity shares are fairly liquid and are actively traded on BSE and NSE.

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

The Company does not have any outstanding GDRs / ADRs / Warrants / Convertible Instruments as on March 31, 2024.

J. Outstanding Unclaimed Shares

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

Particulars	No. of Shareholders	No. of equity shares of ₹ 1/- each
Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2023.	276	117,055
Shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from April 1, 2023 up to March 31, 2024.	5	2,016
Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period from April 1, 2023 up to March 31, 2024.	5	2,016
Transferred to IEPF during the said period from April 1, 2023 up to March 31, 2024.	269	114,899
Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2024.	2	140

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

5. Investor Correspondence:

Registrars & Transfer Agent	Link Intime India Private Limited, Unit: Sun Pharmaceutical Industries Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400083 Tel. No.: +91 22 4918 6270 / +91 22 4918 6000 Fax No.: +91 22 4918 6060 Portal: https://swayam.linkintime.co.in/
Individual Investors	Sun Pharmaceutical Industries Limited Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Telephone: (+91 22) 4324 4324, Email: secretarial@sunpharma.com
Institutional Investors **Dr. Abhishek Sharma**	Sun Pharmaceutical Industries Limited Telephone: (+91 22) 4324 4324, Email: investor.relations@sunpharma.com
IEPF Nodal Officer **Mr. Anoop Deshpande**	Sun Pharmaceutical Industries Limited Telephone: (+91 22) 4324 4324 Email: secretarial@sunpharma.com

6. Credit Ratings

Rating Agency	Instrument Type	Rating	Remarks
ICRA Limited	Long-Term / Short-Term, Fund-based / Non-fund Based Limits	AAA (Stable) / A1+	No revisions in credit rating during the financial year
	Commercial Paper	A1+	
CRISIL Limited	Bank Facility (Short-Term)	A1+	No revisions in credit rating during the financial year
	Bank Facility (Long-Term)	AAA / Stable	
	Commercial Paper	A1+	

7. Plant Locations as on March 31, 2024:

Sl. No.	Location	Address
1.	Ahmednagar	A-7 & A-8, MIDC Ind. Area, Ahmednagar, Maharashtra – 414 111
2.	Ankleshwar	Plot No. 4708, GIDC Ankleshwar, Gujarat – 393 002
3.	Baddi	Khasra No.- 1335-1340, Near EPIP Phase-1, Hill Top Industrial Area, Village-Bhatolikalan, P.O. Barotiwala, Tehsil Nalagarh, Distt-Solan, BADDI, Himachal Pradesh – 174 103
4.	Dadra	Survey No. 1012, Dadra – 396 193 (U.T. of D & N.H & Daman & Diu)
5.	Dahej	Plot No. Z/15, SEZ-1, Po. Dahej, Taluko Vagra, Dist. Bharuch, Gujarat – 392 130
6.	Dewas	Industrial Area 3, A. B. Road, Dewas, Madhya Pradesh – 455 001
7.	Halol	Halol-Baroda Highway, Halol, Dist. Panchmahal, Gujarat – 389 350
8.	Maduranthakam	Sathammai Village, Karunkuzhi Post, Maduranthakam TK, Kanchipuram District, Tamil Nadu – 603 303
9.	Malanpur	K-5, 6, 7,10 Ghirongi Malanpur, Dist. Bhind, Madhya Pradesh – 477 116
10.	Mohali	SEZ Unit-I, Plot A-41, Industrial Area, Phase-VIIIA, S.A.S Nagar, Mohali, Punjab – 160 071
11.	Panoli	Plot No. 24/2 & 25, GIDC, Phase-IV, Panoli, Dist. Bharuch, Gujarat – 394 116
12.	Paonta Sahib	Village & P.O. Ganguwala, Tehsil. Paonta Sahib, Dist. Sirmour, Himachal Pradesh – 173 025
13.	Silvassa	Survey No. 214, Plot No. 20, Govt.Industrial Area, Phase II, Piparia, Silvassa – 396 230, (U.T. of D & NH)
14.	Toansa	Village Toansa P.O. Railmajra Distt. Nawansahar, Punjab – 144 533
15.	Bengaluru	Sy No.: 16, Ekarajapura, 8km, Stone Siddlagatta Road, Hasigala Post, Hosakote, Bengaluru – 562114

For and on behalf of the Board of Directors

Dilip Shanghvi
Chairman and Managing Director
(DIN: 00005588)

Aalok Shanghvi
Whole-time Director
(DIN: 01951829)

Place: Mumbai
Date: May 22, 2024

ANNEXURE A

Declaration of Compliance with Code of Conduct for the year ended March 31, 2024

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

For **Sun Pharmaceutical Industries Limited**

Dilip Shanghvi
Chairman and Managing Director
(DIN: 00005588)

Place: Mumbai
Date: May 22, 2024

ANNEXURE B

CERTIFICATE

Pursuant to Regulation 34(3) and Schedule V para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of Directors of the Company as stated below for the financial year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange and Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of the Directors	Director Identification Number (DIN)	Date of Appointment in the Company
1.	Dilip Shanghvi	00005588	March 1, 1993
2.	Sudhir Valia	00005561	January 31, 1994
3	Rama Bijapurkar	00001835	May 21, 2021
4.	Pawan Goenka	00254502	May 21, 2021
5.	Gautam Doshi	00004612	May 25, 2018
6.	Sanjay Asher	00008221	November 1, 2022
7.	Aalok Shanghvi	01951829	June 1, 2023
8.	Rolf Hoffmann	10200311	June 15, 2023
9.	Sailesh Desai*	00005443	March 25, 1999

* Ceased to be director with effect from March 31, 2024.

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

For **KJB & CO LLP,**
Practicing Company Secretary
Firm Unique Identification No. - L2020MH006601
Peer Review Certificate No. 2797 / 2022

Alpeshkumar Panchal
Partner
PCS No.: 12908
C P No.: 20120
UDIN: F012908F000424495
Date: May 22, 2024
Place: Vadodara

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

The Members of Sun Pharmaceutical Industries Limited

1. The Corporate Governance Report prepared by Sun Pharmaceutical Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ("Applicable criteria") for the year ended March 31, 2024 as required by the Company for annual submission to the Stock Exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non- executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2024 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings/other meetings held from April 01, 2023 to March 31, 2024:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM);

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders Relationship Committee;

      (f) Risk Management Committee;

      (g) Corporate Social Responsibility Committee;

      (h) Corporate Governance and Ethics Committee.

   v. Obtained necessary declarations from the directors of the Company;

vi. Obtained and read the policy adopted by the Company for related party transactions;

vii. Obtained the schedule of related party transactions during the year and balances at the year end; Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee;

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

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

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2024, referred to in paragraph 4 above.

Other matters and Restriction on Use

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

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

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

per **Paul Alvares**
Partner
Membership Number: 105754
UDIN: 24105754BKBZNU1630
Place of Signature: Mumbai
Date: May 22, 2024

Business Responsibility and Sustainability Report

Director's Message

Dear Stakeholders,

I am extremely pleased to present our Business Responsibility and Sustainability Report (BRSR) for FY2023-24, underscoring our unwavering commitment to sustainability and creating long-term value for all our stakeholders.

We continue to integrate principles of sustainability within our business through well-defined goals and initiatives coupled with a clear roadmap to achieve these objectives. This report demonstrates our efforts to integrate sustainability into our operations while providing a holistic view of our Environmental, Social and Governance (ESG) performance for FY2023-24.

We are strongly focused on our core value of "Reaching People. Touching Lives". Our diverse product portfolio and global presence enables us to deliver high-quality medicines to positively impact the well-being of patients. We also continue to invest in R&D to develop new and innovative molecules and improve accessibility.

At Sun Pharma, we are committed to addressing the impact of climate change through strategic actions to manage and mitigate carbon emissions associated with our operations. In FY2023-24, we initiated a physical and transition climate risk assessment for all our locations and also carried out a Biodiversity risk assessment for five of our manufacturing locations. We will continue to evaluate our exposure to climate change related risks and opportunities and implement necessary mitigation measures as required.

We have set targets to address Scope 1 and Scope 2 emissions, water consumption, and Co-processing of hazardous waste. We aim to achieve a 35% reduction in our absolute Scope 1 and Scope 2 carbon emissions by 2030, compared to the baseline year of 2020. Over the last four years, we have reduced our combined Scope 1 and Scope 2 carbon emissions by 21.85%. We are allocating significant investments for projects in renewable energy and for our energy saving initiatives. Renewable energy now accounts for 45.23% in our overall energy mix.

We also target to achieve a 10% reduction in our water consumption by 2025, compared to the baseline year of 2020. Our water management initiatives have helped us to minimise our water footprint and reduce water consumption by 31.17% compared to the base year of 2020. We have further set a target to co-process 30% of hazardous waste by 2025. In FY 2023-24 we have co-processed 28.34% of hazardous waste.

Our people form the foundation of our success. We have implemented various focused initiatives to attract and retain a highly diverse and skilled workforce. This further drives innovation and fosters synergy, giving us a competitive edge. Through a systemic approach, we make focused efforts towards fostering a conducive working environment for employees through training and inclusive policies that promotes employee well-being and resource development. Our people-centric philosophy fosters empowerment of our employees to reach their fullest potential, trust building and propels them to achieve organisational objectives.

Ensuring safety of our workforce is a key priority for us. We have inculcated best-in-class safety practices aligned with our Environment, Health, and Safety (EHS) Policy. We also carry out extensive health and safety related training programs across all our locations directed at creating a culture of safety, awareness and responsible behavior.

Our Corporate Social Responsibility (CSR) initiatives continue to positively impact underprivileged communities and respond to their needs in areas like healthcare, education, water & sanitation, rural development, and environmental conservation. We implement focused and socially responsible initiatives with the objective of holistic development of our local communities. Furthermore, our CSR programs are designed to contribute towards the realisation of the United Nations Sustainable Development Goals (UN SDGs).

Our holistic corporate governance framework is the foundation of our commitment to uphold the highest standards of ethical governance, and enabling sustainable outcomes for all our stakeholders. Our corporate governance approach rests on our commitment of going beyond compliance, increasing transparency and fostering reliability, trust and consistency. Under the guidance of our Board, we have established various committees focusing on different aspects of responsible business practices. Our comprehensive set of corporate policies help us in implementation of these practices. We also employ a secure grievance redressal and global whistle blower mechanism for our stakeholders, enabling us to uphold our values and highest standards of corporate governance.

Furthermore, as a member of the United Nations Global Compact (UNGC), we support the 10 principles covering human rights, labor, environment and anti-corruption and we are committed to ensure that these principles are a part of our overall business strategy.

While we continue to integrate sustainability principles into our operations, and deliver on our promises of sustainable value creation, we welcome your valuable feedback in order to improve our sustainability performance.

Regards,

Aalok Shanghvi
Whole-time Director

SECTION A: GENERAL DISCLOSURES

Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24230GJ1993PLC019050
2.	Name of the Listed Entity	Sun Pharmaceutical Industries Limited (SPIL)
3.	Year of incorporation	1993
4.	Registered office address	SPARC, Tandalja, Vadodara - 390012, Gujarat
5.	Corporate address	Sun House, CTS No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai 400063, Maharashtra, India
6.	E-mail	secretarial@sunpharma.com
7.	Telephone	(+91 22) 4324 4324
8.	Website	www.sunpharma.com
9.	Financial year for which reporting is being done	April 1, 2023 to March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 2,399,334,970
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Anoop Deshpande (Company Secretary and Compliance Officer) Email: anoop.deshpande@sunpharma.com Tel. No. +91-22-4324 4324
13.	Reporting Boundary	Standalone Basis
14.	Name of assurance provider	DNV Business Assurance India Private Limited
15.	Type of assurance obtained	Reasonable Assurance

Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Pharmaceutical	Manufacturing and marketing of pharmaceutical products	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of pharmaceuticals, medicinal and chemical products	210	100%

Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	18*	3	21
International	0	13	13

* The plants include the Company's manufacturing locations and R&D centers

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	Approximately 100 countries served across the six continents - Asia, North America, Europe, Africa, South America and Australia

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Over time, the Company has expanded its market presence to approximately 100 countries across six continents: Asia, North America, Europe, Africa, South America, and Australia. It actively pursues initiatives to meet global market demands and enhance exports, with exports accounting for 72.7% of total turnover in the reporting year.

c. A brief on types of customers

The end consumers are our patients, who are serviced through our distribution chain including distributors, wholesalers and retailers.

Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Particulars	Total (A)	Male		Female	
		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees					
Permanent (D)	14,760	13,327	90.29	1,433	9.71
Other than Permanent (E)	1,239	779	62.87	460	37.13
Total employees (D+E)	**15,999**	**14,106**	**88.17**	**1,893**	**11.83**
Workers					
Permanent (F)	4,770	4,578	95.97	192	4.03
Other than Permanent (G)	5,125	4,542	88.62	583	11.38
Total workers (F+G)	**9,895**	**9,120**	**92.17**	**775**	**7.83**

b. Differently abled Employees and workers:

Particulars	Total (A)	Male		Female	
		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees					
Permanent (D)	8	7	87.50	1	12.50
Other than Permanent (E)	0	0	-	0	-
Total employees (D+E)	**8**	**7**	**87.50**	**1**	**12.50**
Workers					
Permanent (F)	28	23	82.14	5	17.86
Other than Permanent (G)	0	0	-	0	-
Total workers (F+G)	**28**	**23**	**82.14**	**5**	**17.86**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11
Key Management Personnel	2	0	0

22. Turnover rate for permanent employees and workers

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.90%	11.29%	13.59%	13.20%	13.90%	13.20%	10.00%	15.70%	10.40%
Permanent Workers	7.11%	2.82%	6.78%	6.20%	2.20%	6.10%	10.30%	10.50%	10.30%

Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

The names of the holding / subsidiary / associate companies / joint ventures as on March 31, 2024, are available on page 292 of our Annual Report for FY 2023-24. The Annual Report can be accessed at the following link:

https://sunpharma.com/investors-annual-reports-presentations/

Most of the Company level policies and practices essential for SPIL are also extended to subsidiaries and associates subject to applicable local rules and regulations. Our Indian subsidiaries, where applicable, participate in the sustainability and business responsibility initiatives of our Company.

Corporate Social Responsibility (CSR) Details

24.	(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
	(ii)	Turnover (in ₹ Million):	202,751.7
	(iii)	Net Worth (as per Companies Act) (in ₹ Million):	193,018.8

Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Company utilises mobile health care units to reach out to peripheral villages in areas surrounding it's locations. Each mobile health care unit carries a register that is accessible to all community members in order to record grievances and questions through written complaints. The concerned authority members then take the necessary steps to address the concerns raised.	0	0	-	0	0	-
Shareholders	Yes, the company has a procedure for resolving shareholder grievances. Link In time India Private Limited has been appointed as the Company's Share Transfer Registrars/Agents. They handle shareholder inquiries, requests, and complaints. Within the framework specified/ defined by SEBI, Share Transfer Registrars/ Agents respond to enquiries/ questions, requests, and complaints. There is a dedicated email id to receive the grievances from shareholders - secretarial@sunpharma.com.	46	0	-	34	0	-
Employees and workers	Yes, all employees and workers may raise and report their concerns under the purview of the Global Whistleblower Policy. As detailed in the policy, complaints and concerns can be recorded through various channels, including an email address, web portal and via written communication.	2	0	-	7	0	-
Customers	Yes, customer complaints and grievances can be reported through emails, couriers and the product quality complaint form available on the Company website: https://sunpharma.com/product-quality-complaint-form/	1,034*	29	-	1,011*	7	-
Value Chain Partners	Yes, value chain partners can file complaints via email, shared service helpdesk, or the Global Whistleblower mechanism.	0	0	-	0	0	-

* These complaints pertain to packaging defects such as missing components, damaged label, damaged outer packaging, product quality, etc.

26. Overview of the entity's material responsible business conduct issues

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Corporate Governance and Business Ethics	Risk and Opportunity	**Risk:** Failure to maintain and uphold the highest standards of corporate governance and business ethics could result in regulatory consequences as well as financial and reputational damage **Opportunity:** Compliance and alignment with ethical and responsible governance practices and standards will result in the sustainable creation of long-term value for all stakeholders.	1. Consistent and regular engagement with regulatory agencies in all our markets, to ensure compliance and reduce any possibility of non-compliance. 2. Focused and regular training is provided to all staff members to ensure strict compliance with the Company's business ethics and Global Code of Conduct. Strong focus is also given to quality control at all operational locations to maintain cGMP compliance.	**Positive:** The Company's commitment to ethical and responsible business practices and continual regulatory compliance will be positively regarded by stakeholders, enhancing our reputation as an ethical corporate citizen. **Negative:** Noncompliance with regulatory standards may adversely affect the Company's reputation and long-term business continuity.
2.	Product Quality, Safety and Recall Management	Risk	**Risk:** As a pharmaceutical Company, we are highly vulnerable to product quality and safety concerns. Hence, it is imperative to address risks associated with product quality and operational safety.	1. Ensure continued and strict compliance with global quality standards and protocols and the applicable local regulatory requirements. 2. Provide for robust and centralised pharmacovigilance systems with thorough Standard Operating Procedures (SOPs) to ensure effective monitoring and reporting of adverse events. 3. Regular investment in technological advancement, training programs on current Good Manufacturing Practices (cGMP), automation, digitalisation, and employee skill development. 4. Undertake detailed and regular quality assessments of third-party suppliers. 5. Implement measures to protect our brand (intellectual property and trademarks) and combat counterfeiting, for ensuring the authenticity of our products in the market.	**Positive:** Sustaining the highest standards of product quality and safety builds the Company's reputation with stakeholders and improves our brand image positively. **Negative:** Significant concerns with product safety and quality could lead to recalls and regulatory alerts, temporarily impair business operations, and harm our reputation and brand. It could also result in legal repercussions, fines and penalties.
3.	Cyber Security and Data Privacy	Risk and Opportunity	**Risk:** Any potential cybersecurity and data privacy risk/threat directly affects the security and integrity of the IT system of the entire business. **Opportunity:** Providing for a secured IT network through a strong governance mechanism for data integrity, technology, and digitalisation, which in turn enhances productivity and facilitates continuity of operations and thereby enhance the business performance.	1. Regular vulnerability assessments and simulated hacker attacks of our IT systems are undertaken to prevent breaches of Company or stakeholders' data. 2. We've implemented patch management, antivirus software, IT monitoring systems, and perimeter protection to reduce the risks associated with cyber security and data breaches. Furthermore, we regularly provide training to our staff members on cybersecurity and reaffirm this knowledge through recurring internal emails that address secure data practices, safeguarding against phishing emails, and averting hacker attacks.	**Positive:** Compliance and alignment with data security and privacy laws is maintained through adoption of cutting-edge technology, digitalisation, and adherence to data integrity principles ingrained in our processes. This safeguards against data loss, enhances productivity, and fosters sustainable long-term growth. **Negative:** The absence of a strong data integrity and security mechanism significantly increases the risk of data breaches, potentially leading to the loss of valuable data with potential adverse effects on the business. Breaches of customer/ stakeholder data may expose us to litigation, fines, and penalties.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Innovation Management	Opportunity	**Opportunity:** Investing in innovation and technology to develop and commercialise a robust product portfolio, including generics and specialty products, enables us to address unmet patient needs and enhance product accessibility in global markets.		**Positive:** Enhancing our portfolio with innovative products will effectively meet the unmet healthcare needs of patients globally and thereby enhancing access to new therapies. Furthermore, process innovation can lead to increased productivity and resource efficiency in our operations.
5.	Human Capital Development	Risk and Opportunity	**Risk:** Human Capital Development encompasses talent management, including acquisition, retention, and employee well-being. Failure to meet or exceed employee expectations may negatively impact employee retention, productivity, and business continuity, given our business's dependence on the well-being of our people. **Opportunity:** The Company's emphasis on enhancing employee welfare and development underscores its commitment to human capital development. This fosters retention and attracts top talent, driving productivity, innovation, long-term business growth, and value creation for all stakeholders.	1. We implement various initiatives to attract and retain talent, including global talent management programs, competitive compensation, fostering an inclusive work culture, and offering employee benefits programs. 2. We have established a formal succession planning program for all leadership positions. 3. We prioritise employee skill enhancement through continuous training and development opportunities.	**Positive:** Concentrated efforts on human capital development yield a motivated workforce with high retention and satisfaction rates. These indicators showcase the Company's commitment to nurturing a positive work environment and underscore a proactive approach to workforce development, crucial for long-term growth and sustainability. **Negative:** Neglecting to meet employee expectations could lead to adverse long-term effects on productivity and hinder the Company's growth trajectory.
6.	Access to and Affordability of Medicines	Risk and Opportunity	**Risk:** Addressing challenges related to the product portfolio, accessibility, and pricing is crucial in the pharmaceutical sector. Limited access to medicines due to pricing and availability issues negatively affects society's access to healthcare and may pose obstacles to aligning with the Company's vision and long-term growth potential. **Opportunity:** Leveraging our robust generic and specialty product portfolio alongside our global presence, the Company is well-equipped to enhance access to medicines worldwide and meet the increasing demand for pharmaceutical products.	1. We prioritise building a robust and diversified product portfolio through improved cross-functional synergies, organisational capabilities, project management, and governance throughout the product lifecycle. 2. We enhance our capabilities in both in-licensing and out-licensing of products. 3. Our focus lies on the development and commercialisation of complex generics and specialty products, among other priorities. 4. We emphasise operational excellence programs aimed at improving yields, ensuring supply chain continuity, and maintaining sufficient inventory levels.	**Positive:** The Company's commitment to product innovation and research elevates brand value through a diverse range of accessible and affordable products. This strategy enables us to address unmet patient needs and extends access to low and middle-income countries. **Negative:** Long-term brand value and growth prospects may suffer if the Company's products become inaccessible or if expansion into new geographic markets is hindered.
7.	Environmental Impact Management	Risk	**Risk:** For the business to have a positive environmental impact, waste and water management are essential. To show that the business is dedicated to a sustainable future and a healthy world, concentrated efforts must be made to limit waste generation, consumption of water, and proper disposal.	1. We continue to identify opportunities to minimise any adverse environmental effect from our operations. We have adopted targets for waste management and water conservation. Our targets are to reduce water consumption by 10% and to co-process 30% of hazardous waste by 2025. 2. We closely monitor and track our waste management and water consumption. Our priorities are to increase water efficiency, decrease water withdrawal, and increase water recovery. For waste management, we focus on co-processing hazardous waste and increasing recycling and reuse within our own operations.	**Negative:** Neglecting environmental effects can result in unfavorable legal, regulatory, and financial repercussions, a decline in shareholder trust and reputation, and finally could lead to potential loss of an operating license.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8.	Climate Change	Risk and Opportunity	**Risk:** In the absence of effective management of greenhouse gas (GHG) emissions, the business could be at risk of Physical and transition risks associated with climate change that could cause operations to be disrupted and have an impact on business continuity. **Opportunity:** Adopting new low-carbon technology will help build business resilience and opportunities for more effective manufacturing procedures.	1. The company has set a 35% reduction target for absolute carbon emissions (Scope 1 and Scope 2) by 2030 compared to baseline of 2020. 2. To identify and assess the physical and transitional risks associated with our operations, we have also undertaken climate risk assessments. 3. By boosting the proportion of biomass, obtaining renewable energy, and putting energy efficiency programs into place to maximise our energy usage, we are constantly looking for ways to lessen our dependence on fossil fuels in our operations.	**Negative:** Our assets could be harmed by possible direct physical threats to our activities, which consequently, can result in a halt to operations and a rise in the cost of repairing and rebuilding affected locations. The transition risks brought on by climate change may also lead to stricter laws in the nations where we do business and export, which would increase the cost of compliance or new technology investments. Losing reputation and the trust of stakeholders can also result from a failure to respond to the negative effects of climate change. **Positive:** Businesses may be able to adapt newer technologies and more productive ways of producing goods by working toward climate change adaptation and mitigation.
9.	Diversity, Equity and Inclusivity	Opportunity	**Opportunity:** Fostering and providing for a diverse and inclusive workforce and work culture enhances our performance by bringing together people with varied experiences, knowledge and skills.		**Positive:** A diverse and inclusive workforce that includes members of all genders, ages, ethnicities, and special abilities fosters creative thinking, encourages employee engagement, and unlocks higher levels of efficiency.
10.	Sustainable Supply Chain and Responsible Procurement	Risk and Opportunity	**Risk:** As a result of the Company's dependence on the supply chain for critical raw materials and last-mile drug deliveries, any interruption in the supply chain could have an effect on the quality of the final product and/or the business of the Company. There is also a risk associated with non-substitutable suppliers' continuous availability of essential raw materials. The Company has a policy requiring its supply chain partners to follow its ESG standards; any violation might lead to a supply disruption. **Opportunity:** An organisation's supply chain has a major impact on its capacity to survive. Integrating sustainability principles within supply chain management aids the Company in creating a robust supply chain and enhancing environmentally and socially conscious behavior throughout the value chain.	1. We are constantly looking for ways to reduce supply chain risk, such as by assessing potential substitute sources for essential or non-replaceable raw materials. 2. The suppliers are required to abide by the Company's ESG requirements as part of the Supplier Code of Conduct. 3. The Company has a high focus on developing quality products and safety of consumers. The quality of raw materials for our production process is ensured by conducting periodic supplier audits.	**Negative:** Long-term commercial partnerships with suppliers may be impacted if standards related to various social, environmental and safety aspects are not complied with by suppliers, leading to loss of business value. Non-substitutable and critical raw material suppliers may impact the business in case of any unforeseen disruptions. **Positive:** The Company's ability to address supply chain disruptions brought on by unprecedented circumstances is ensured by responsible supply chain practices. In addition, the Company's adherence to its responsible sourcing enhances its social and environmental performance. Assessing alternate suppliers may also help reduce risk exposure and provide access to previously unexplored suppliers for raw materials. It may lead to discovery of local suppliers, which reduces environmental footprint and may result in better control over the supply chain.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Occupational Health and Safety	Risk	**Risk:** The Company's commitment to occupational health and safety must include this crucial element in the direction of offering a secure and safe workplace. Numerous health and safety incidents could result from the inefficiency of the current health and safety management programs.	1. The business maintains a robust Environmental Health and Safety (EHS) management system, comprising regular audits of its EHS procedures, both internal and external. 2. Our Process Safety Management system's guiding principles serve as the foundation for both our safety procedures and risk assessment methodology, which unifies our approach to health and safety from the perspectives of working conditions and risk assessment. 3. After potential risks are identified and safety incidents are evaluated, a thorough corrective action plan is established to prevent occurrence of similar incidents in the future.	**Negative:** A regular occurrence of health and safety issues will negatively impact the performance of the Company concerning worker well-being and safety. This will have an effect on the Company's reputation, brand image, and capacity to draw in and retain talent.
12.	Ethical Clinical Trials and Animal Testing	Risk	**Risk:** Addressing risks associated with clinical trials and animal testing is critical to demonstrate the Company's commitment to responsible research practices, especially around the ethical and safety related concerns of trials on human subjects and animal testing. Adverse events related to research practices can cause delays in product development and lead to financial losses and negative public perception.	1. The Company complies with all relevant regulatory requirements governing clinical trials and animal testing. We have dedicated teams, responsible for ensuring compliance with these regulations, which involve obtaining necessary approvals, permits, and maintaining thorough documentation. 2. We also implement robust quality control and safety measures throughout the research process. This involves monitoring and auditing the conduct of clinical trials, data collection, and analysis to ensure accuracy, reliability, and compliance with relevant standards. 3. Long term safety studies are undertaken for some of our innovative specialty products, post commercialisation, in order to evaluate and measure safety parameters over a longer time horizon. 4. On certain projects we collaborate with academic institutions, research organisations, and regulatory agencies to share knowledge, expertise, and resources. Such collaborations also enable collective efforts, checks and balances to enhance the quality and ethical standards of clinical trials and animal testing.	**Negative:** Failure to comply with guidelines and regulations of clinical trials and animal testing can undermine the efficacy and safety of the Company's clinical trials. It may also have an adverse regulatory/legal impact, lead to financial damages and reputation loss and have a negative impact on participant's health and safety. Delays at any stage can also prolong the overall timeline for drug development, leading to increased costs.
13.	Social Impact through Community Engagement	Opportunity	**Opportunity:** By aligning CSR programs with the needs of the community, through impact assessments and stakeholder engagement sessions, the Company focuses on creating an environment of mutual trust with the community. This will help in ensuring a long-term beneficial relationship with the community and enhance the social positioning of the Company.		**Positive:** The Company's perception among the local community members is enhanced by its contributions to the community's upliftment through various initiatives and partnerships that focus on health, Education, rural infrastructure development, sanitation, and environment conservation among others. These efforts also help to promote positive social outcomes.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/ No)	Yes, the Company has developed comprehensive policies covering these principles, some of the policies have been approved by the Board as per relevant statutory requirements.								
c. Web Link of the Policies, if available	https://sunpharma.com/policies/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.									
Principle 1	National Guidelines on Responsible Business Conduct (NGRBC), United Nations Global Compact (UNGC)								
Principle 2	Environmental Management System – ISO 14001: 2015, Extended Producer Responsibility (EPR) regulations, NGRBC								
Principle-3	Occupational Health and Safety Management Systems – ISO 45001: 2018, International Labour Organization (ILO), NGRBC, UNGC								
Principle 4	NGRBC								
Principle 5	United Nations Guiding Principles on Business and Human Rights (UNGP), NGRBC, UNGC								
Principle 6	Environmental Management System – ISO 14001:2015, NGRBC, Energy Management System ISO 50001:2018, UNGC								
Principle 7	NGRBC								
Principle 8	NGRBC								
Principle 9	Product Quality – ISO 9001: 2015, NGRBC								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	**Principle 6** a) To reduce water consumption by 10% by 2025, considering baseline of 2020 b) To reduce absolute carbon emissions (Scope 1 and 2) by 35% by 2030 considering the baseline of 2020 c) To co-process 30% of hazardous waste by 2025								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	By implementing several ESG initiatives at different levels, the Company has been able to achieve the following: a) Reduction in overall water consumption by 31.17% in FY 2023-24, as compared to baseline of 2020 b) Reduction in absolute carbon emissions (Scope 1 and Scope 2) by 21.85% in FY 2023-24 as compared to the baseline of 2020. c) Co-processed 28.34% of hazardous waste in FY2023-24								
Governance, Leadership and Oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Director's Message at the beginning of this Business Responsibility and Sustainability Report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Aalok Shanghvi Designation: Whole-time Director DIN number: 01951829								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Mr. Aalok Shanghvi is responsible for decisions on sustainability-related issues								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee (P1 P2 P3 P4 P5 P6 P7 P8 P9)	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) (P1 P2 P3 P4 P5 P6 P7 P8 P9)
Performance against above policies and follow up action	Director	Periodically/ Need based
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Director	Ongoing basis

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No. The Company internally reviews the working of the above-mentioned policies								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by awareness programmes
Board of Directors	5	P1, P2, P3, P4, P5, P6, P8	100%
Key Managerial Personnel	5	P1, P2, P3, P4, P5, P6, P8	100%
Employees other than BoD and KMPs	492*	Periodic awareness programs were organised and conducted on Global Code of Conduct (GCOC), Safety Awareness Programs, etc.	100%
Workers			100%

* Employee and worker training numbers are provided on a combined basis.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	P1	Asst. Commissioner of ST Circle I -Bhubaneswar	Interest of ₹ 474,926/- and Penalty of ₹ 46,257/-	Goods and Services Tax Act, 2017 assessment for the FY 2017-18 for ITC and Tran I credit disallowance.	Yes
Penalty/ Fine	P1	Joint Commissioner of State Tax Secunderabad division	Penalty of ₹ 20,935/-	Goods and Services Tax Act, 2017 assessment for the FY 2017-18 for Non-payment of Liability on destruction of Goods.	No
Penalty/ Fine	P1	Dy. Commissioner, Circle-A, Jaipur-IV	Interest of ₹ 19,336/- and Penalty of ₹ 10,000/-	Goods and Services Tax Act, 2017 assessment for the FY 2017-18 for Tran I credit disallowance.	No
Penalty/ Fine	P1	State Excise & Taxation Officer, Mohali-Punjab	Penalty of ₹ 15,663/-	Punjab VAT Act, 2005 assessment for Demand on completion of VAT Assessment.	No
Penalty/ Fine	P1	Office of the Commissioner of Customs, Exports, Mumbai.	Penalty of ₹ 400,000/-	Customs Act 1962, assessment for delay in realisation of export proceeds beyond 9 months from the date of exports for FY 2019-20.	Yes
Penalty/ Fine	P1	Additional Commissioner CGST & Central Excise , Vadodara – I	Penalty of ₹ 187,146/-	Goods and Services Tax Act, 2017 assessment for Payment of Liability for the period FY 2017-18 to FY 2020-21.	No
Penalty/ Fine	P1	Additional Commissioner, Central GST, Vadodara-I	Penalty of ₹ 1,403,128/-	Goods and Services Tax Act, 2017 assessment for reversal of ITC.	Yes
Penalty/ Fine	P1	Office of the Commissioner, Custom House, Kandla.	1. Demand of Custom duty of ₹ 4,039,032/- being the amount of IGST saved against import effected under Advance Licence. 2. Redemption fine of ₹ 2,000,000/- in lieu of confiscation of goods. 3. Penalty equal to the duty confirmed i.e. ₹ 4,039,032/- with applicable interest (Total ₹ 10,078,064/- with interest)	Customs Act 1962, assessment for non-compliance - Pre-import condition of Notification No.18/2015- Customs dated 01.04.2015 applicable for Advance License. (Availed benefit of IGST Exemption against imports under Advance License).	Yes

Non-Monetary

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   The Company is in process of taking appropriate actions.

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes, the Company's commitment to ethical business, anti-corruption and anti-bribery has been detailed in the Global Code of Conduct. The Company complies with all applicable anti-bribery laws, including the US Foreign Corrupt Practices Act (FCPA). As part of the Global Code of Conduct, the anti-bribery clause applies to all employees (whether permanent, temporary or contract, directly or through a contractor, manager or full-time consultant) and board members. The Company expects its business partners, including suppliers, service providers, agents, channel partners (dealers, distributors and others), to comply with the Code and its principles.

   Weblink – Global Code of Conduct: https://sunpharma.com/wp-content/uploads/2023/03/Global-Code-of-Conduct-effective-from-30th-March-2023.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Particulars	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

Particulars	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   The penalties imposed and reported herein are subject matter of routine assessment processes where the company takes appropriate measures including but not limited to filling of appeals against such orders etc. Penalties reported are deemed material as per SEBI Listing regulations however, they do not have any material impact on the Company.

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured):**

Particulars	FY 2023-24	FY 2022-23
Number of days of accounts payables	170.6	188.4

9. Openness of business :

Details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	Purchases from trading houses as % of total purchases	21.22%	22.00%
	Number of trading houses where purchases are made from	827	827
	Purchases from top 10 trading houses as % of total purchases from trading houses	23.95%	33.09%
Concentration of Sales	Sales to dealers / distributors as % of total sales	85.85%	87.85%
	Number of dealers / distributors to whom sales are made	126	124
	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	79.49%	78.94%

Parameter	Metrics	FY 2023-24		FY 2022-23	
		Subsidiaries	Others	Subsidiaries	Others
Share of Related Party Transactions (RPTs) in	Purchases (Purchases with related parties/Total Purchases)	14.79%	0.03%	10.41%	0.01%
	Sales (Sales to related parties/Total Sales)	82.51%	0.15%	84.00%	0.03%
	Loans & advances (Loans & advances given to related parties/Total loans & advances)	99.67%	-	99.73%	-
	Investments (Investments in related parties/Total Investments made)	99.75%	0.20%	98.30%	-

Leadership Indicators

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company's Global Code of Conduct (GCoC) requires all of its personnel (including members of the Board) to refrain from engaging in any activity or having a personal interest that presents a conflict of interest. The Board members provide an annual declaration confirming adherence to the GCoC. The Board members give disclosure of interest in other persons / entities annually as well as whenever there is a change and the same is placed before the Board for its information. The Company has constituted a Corporate Governance and Ethics Committee (CGEC), with the objective of monitoring the Company's compliance with the corporate governance guidelines and applicable laws and regulations, make recommendations to the Audit Committee and thereby to the Board on all such matters and on corrective actions, if any, to be undertaken, review and ensure implementation of ethical standards and practices in respect of Corporate Governance by the Company in substance and intent. The CGEC also evaluates and approves all related party transactions as per the requirements of the policy on Related Party Transactions as approved by the Board. All contracts/ arrangements/ transactions entered by the Company during the year under review with the related parties were approved by the CGEC and were undertaken in the ordinary course of business and on an arm's length basis.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY 2023-24	FY 2022-23	Details of improvements in environmental social impacts
R&D	100.00%	100.00%	R&D investments pertains to spending on various projects focused on improving the environmental and/or social impacts of our products and processes.
Capex	20.49%	15.60%	These projects pertain to improving environment footprint, i.e., energy conservation, water conservation, increasing renewable energy adoption, etc.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company endeavors to implement responsible procurement practices across its supply chain. As a measure of improving its impact on the environment and society, the Company encourages local sourcing, which improves supply chain resilience, limits various risks including currency risk and reduces supply timelines. Further, it encourages local businesses to improve their capabilities. In its endeavor to further ESG practices in the supply chain, the Company has introduced ESG parameters in vendor audits intended for better understanding the supply chain ESG risks and remediation requirements.

b. If yes, what percentage of inputs were sourced sustainably?

100% of inputs from critical suppliers is sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

	Disposing at the end of life
Plastic (including packaging)	The Company has an established system for collection and recycling of the end used plastic waste for the products introduced in the domestic market as per the Extended Producer Responsibility (EPR) regulations. The recycling and disposal of the reclaimed plastics (including packaging) is carried out as per the Government rules and the provisions of the Plastic Waste Management Rules 2022. We have engaged a waste management agency to collect and recycle plastic waste in accordance with regulatory norms.
E-waste	E-waste is sent to authorised third party recyclers as per the E-waste management rules 2022.
Hazardous waste	The Company has a comprehensive standard operating procedure for handling and safe disposal of all category of hazardous waste as per State specific regulation. The Company also co-processes some portion of its hazardous waste.
Other waste (Expired Products)	The Company has a comprehensive standard operating procedure for handling and safe disposal of expired/ damaged products returned by the stockist.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, the Company is registered as Brand Owner as per the Extended Producer Responsibility (EPR) mandates. The Company has appointed a waste management agency to collect the end use plastic/post-consumer plastic waste from municipal garbage. The collected EPR target quantities of plastic waste is recycled every year as per the provisions of Plastic Waste Management Rules 2022.

Leadership Indicators

1. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

As 100% of the Company's production activities focus on manufacturing pharmaceutical products, there is no utilisation of re-used or recycled input material. There is no scope for reusing or recycling any input material due to the criticality involved in producing and safely delivering pharmaceutical products from the perspective of consumer health, safety, compliance with pertinent regulations, and clinical studies.

2. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:

Particulars	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging) *	0	3,772.00 MT	0	0	2,011.52 MT	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

* This is as per Extended Producer's Responsibility (EPR) compliance requirements

3. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

The Company reclaims expired/damaged medicine stock from the stockist as per the Company's standard operating procedures and guidelines. The reclaimed medicine stock is then disposed of in a safe manner, as per regulatory guidelines.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Pharmaceuticals	2.15%

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	13,327	13,327	100	13,327	100	-	-	13,327	100	13,327	100
Female	1,433	1,433	100	1,433	100	1,433	100	-	-	1,433	100
Total	**14,760**	**14,760**	**100**	**14,760**	**100**	**1,433**	**100**	**13,327**	**100**	**14,760**	**100**
Other than Permanent employees											
Male	779	779	100	779	100	-	-	779	100	779	100
Female	460	460	100	460	100	460	100	-	-	460	100
Total	**1,239**	**1,239**	**100**	**1,239**	**100**	**460**	**100**	**779**	**100**	**1,239**	**100**

b. **Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Health insurance	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (B)	% (B/A)	Number (E)	% (E/A)	Number (B)	% (B/A)
Permanent workers											
Male	4,578	4,578	100	4,578	100	-	-	4,578	100	4,578	100
Female	192	192	100	192	100	192	100	-	-	192	100
Total	**4,770**	**4,770**	**100**	**4,770**	**100**	**192**	**100**	**4,578**	**100**	**4,770**	**100**
Other than Permanent workers											
Male	4,542	4,542	100	4,542	100	-	-	4,542	100	4,542	100
Female	583	583	100	583	100	583	100	-	-	583	100
Total	**5,125**	**5,125**	**100**	**5,125**	**100**	**583**	**100**	**4,542**	**100**	**5,125**	**100**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent).**

Particulars	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue from operations of the Company	0.26%	0.22%

2. **Details of retirement benefits**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the Authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the Authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	12.13%	25.37%	Yes	14.52%	30.08%	Yes

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

In accordance with the requirements of the Rights of Persons with Disabilities Act, 2016, the Company's manufacturing facilities and corporate offices provide ramps, lifts, and infrastructure for differently abled individuals.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company's Global Code of Conduct demonstrates its commitment to non-discrimination, by offering equal opportunity to all its employees regardless of race, colour, religion, sex, national origin, ancestry, age, marital status, sexual orientation or disability.

Web link to the policy - Global Code of Conduct: https://sunpharma.com/wp-content/uploads/2023/03/Global-Code-of-Conduct-effective-from-30th-March-2023.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate (%)	Retention rate (%)	Return to work rate (%)	Retention rate (%)
Male	92.83%	100.00%	92.83%	100.00%
Female	100.00%	100.00%	100.00%	100.00%
Total	93.34%	100.00%	92.86%	100.00%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees & Workers	The Company provides an 'Ask HR' portal for its permanent employees to address any of their concerns or questions. Permanent employees and workers can also raise their concerns through RAY, a dedicated grievance redressal platform. Additionally, the Company provides a grievance redressal procedure as part of its Global Whistleblower Policy and encourages its employees and workers to report any instances of unethical behavior, incidents, fraud, or violations. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 and the Rules made there under. Employees/workers can file any complaints/grievances related to sexual harassment under this mechanism.
Other than Permanent Employees & Workers	Yes, the non-permanent employees and workers can report their concerns to their respective superiors. The grievances are then submitted to the Company for required action and resolution. They can also use the Company's Global Whistleblower process to report any instances of unethical behavior, incidents, or violations. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. Non-permanent employees/workers can file any complaints/grievances related to sexual harassment under this mechanism.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees/ workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Permanent Employees						
Male	13,327	0	-	13,100	0	-
Female	1,433	0	-	1,148	0	-
Total	**14,760**	**0**	-	**14,248**	**0**	-
Permanent Workers						
Male	4,578	810	17.69	4,724	864	18.29
Female	192	88	45.83	152	88	57.89
Total	**4,770**	**898**	**18.83**	**4,876**	**952**	**19.52**

8. **Details of training given to employees and workers:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	13,327	13,327	100	13,327	100	13,100	13,100	100	13,100	100
Female	1,433	1,433	100	1,433	100	1,148	1,148	100	1,148	100
Total	**14,760**	**14,760**	**100**	**14,760**	**100**	**14,248**	**14,248**	**100**	**14,248**	**100**
Workers										
Male	4,578	4,578	100	4,578	100	4,724	4,724	100	4,724	100
Female	192	192	100	192	100	152	152	100	152	100
Total	**4,770**	**4,770**	**100**	**4,770**	**100**	**4,876**	**4,876**	**100**	**4,876**	**100**

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	13,327	13,327	100	13,100	13,100	100
Female	1,433	1,433	100	1,148	1,148	100
Total	**14,760**	**14,760**	**100**	**14,248**	**14,248**	**100**
Workers						
Male	4,578	4,578	100	4,724	4,724	100
Female	192	192	100	152	152	100
Total	**4,770**	**4,770**	**100**	**4,876**	**4,876**	**100**

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?**

All manufacturing locations of the Company have a formalised Occupational Health and Safety management system, aligned to the requirements of ISO 45001:2018 standard, the Company's EHS Management system, and legal requirements such as Factories Act, Indian Boilers Act, Environment Protection Act, The Epidemic Disease Act, among others. Requisite safety management systems are in place at our office locations. The coverage of the Company's Occupational Health and Safety Management System is 100%.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

In line with the requirements of the ISO 45001:2018 Standard, periodic internal and external audits are undertaken to monitor compliance and identify and assess work-related hazards in a timely manner. The Company also provides Environment Health and Safety (EHS) training to its personnel. The Company's Process Safety Management system supports the implementation of best safety practices. Identification of potential risks are also undertaken through designed checklists, Hazard and Operability Studies (HAZOP), Hazard Identification and Risk Assessment (HIRA) and other consequence modelling studies.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, The Company has formalised robust Standard Operating Procedures (SOPs) for timely identification and mitigation of work-related hazards and risks. The Company provides occupational health and safety training to all workers. The training modules cover methodologies to identify workplace hazards, evaluate the risks involved, as well as take appropriate action to reduce them. Employees receive training on how to use emergency equipment like fire hydrants, fire-fighting systems, leak and spill control methods, safety alarms, and more during the safety and emergency evacuation drills. Additionally, the ability of the staff to handle emergencies is assessed on a regular basis. The practical training and online safety modules educate employees about reporting and responding to work-related hazards.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company provides its employees and workers with non-occupational medical and healthcare services. Moreover, the Company ensures that all of its employees and workers have access to medical insurance. The Company designs holistic health programmes that promote healthy lifestyle practices in order to enhance physical and mental well-being for all employees and workers. Examples of health programmes and services provided to employees include:

- Family welfare camp
- Nutrition awareness camp
- Eye, dental, and heart screenings
- Stress management session
- Lifestyle counselling session
- Monthly sessions on Health topics with renowned Doctors
- Mann Talks – Counselling sessions on mental health

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR)	Employees	0	0.067
	Workers	0.060	0.22
Total recordable work-related injuries	Employees	12	13
	Workers	6	8
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Within its Environment, Health, and Safety (EHS) management system, the Company incorporates the guidelines and principles of ISO 45001:2018, OSHA standards, the Factory Act and other State-level regulations. The EHS Policy is designed to promote a safe environment for all employees, business partners, contractors, subcontractors, visitors, suppliers and the neighboring communities. The Company conducts internal and external audits on a regular basis to ensure that its safety practices and procedures are in accordance with the EHS management system and the ISO 45001:2018 criteria. The Company identifies key areas requiring immediate corrective action as a part of the auditing procedures. The safety incidents and hazards are investigated to establish the root cause, after which corrective action plans are developed for preventing similar incidents from arising in the future. Furthermore, as part of the EHS management system, the Company conducts safety training for all of its employees and workers through various modules and safety drill practices. The safety training programs enable the workforce to build a firm foundation in terms of their abilities to detect, reduce, and prevent occupational health and safety issues. The Company strives to address the healthcare needs of its employees through various health awareness sessions, medical facility services and medical insurance benefits. Furthermore, the Company offers voluntary health promotion services such as lifestyle counselling, stress management sessions, and nutritional awareness programs, among others, to encourage healthy lifestyle practices.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the locations are audited internally by the entity. Internal experts conduct the audits in order to ensure compliance with safety rules and the identification of important improvement areas. 68.42% of locations have been assessed on health and safety practices by third party auditors, as per requirements of the ISO 45001:2018 standards).
Working Conditions	100% (All the sites are assessed on their working conditions by the internal and external audits)

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There have been no adverse findings from the assessments undertaken for the reporting year and hence no corrective actions were required.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company extends a compensatory package to all its employees including workers in event of death.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company requires its value chain partners to abide by the principles of the Company's Supplier Code of Conduct and implement responsible business conduct principles in its operating practices and in line with contractual obligations.

3. Provide the number of employees/workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Throughout their employment, all employees receive skill-upgradation training from the Company on a regular basis. The training programmes address the specific needs of the cadre and key function areas. This may help employees to continue working after retirement or termination based on the acquired expertise.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company actively engages with stakeholders, carefully identifying critical material issues, and is committed to effectively addressing stakeholder expectations. As a responsible company, we are steadfast in our commitment to cultivating strong and meaningful relationships with stakeholders. The stakeholder engagement process, which is based on inclusivity, accountability, and responsibility, helps us to identify the stakeholder groups. The Company has defined important stakeholder groups based on those who are impacted as well as those who have a significant impact on the business as part of the stakeholder engagement and materiality assessment exercise. Investors/shareholders, regulators, suppliers/vendors/third-party manufacturers, non-governmental organisations (NGO), community, customer B2B, employees, and senior management are the primary internal and external stakeholder groups defined by the Company as part of the engagement process.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) Other	Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors / Shareholders	No	• Annual/ quarterly reports and earning calls • Attending investor conferences • Issuing specific event-based press releases • Investor presentations	Quarterly/ need based	Investors/ Shareholders form an integral part of the stakeholder group, influencing the decisions of the Company. The key areas of interest for the investors/ shareholders are: • Corporate governance • ESG • Regulatory compliance • Responsible supply chain management • Product responsibility • Cost competitiveness • Overall Company performance
Regulator	No	• In-person meetings • Email	Need- based	Transparent communication with the regulators is critical from the compliance perspective. The key areas of interests for the regulators are: • Regulatory compliance • Community engagement • Rural market penetration • Supply chain continuity • Product responsibility
Supplier / Vendor / Third party manufacturer	No	• Vendor meets • Virtual modes such as e-mail, telephonically	Ongoing	Responsible supply chain practices are critical to ensure business continuity in a sustainable manner. Engagement with suppliers enables the Company to identify the key material issues impacting the supply chain. The key areas of interest for the suppliers are • Collaboration • Quality standards adherence • Timely Supply of Materials • Timely payments • ESG
NGO	No	• In-person meetings • Virtual modes such as e-mail, telephonically	Ongoing	Engaging with NGOs facilitates the streamlining of the CSR activities undertaken in partnership. The key areas of interest for NGO are: • Employee volunteering • Agile management process
Community	Yes	• In-person meetings • Engagement through NGO partners	Ongoing	Community development programs initiated by the Company helps in driving a positive impact on the community members. The key areas of interest for community are: • Community development programs with a focus on health, education, sanitation and infrastructure development

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) Other	Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers B2B	No	• In-person meetings • Email • Customer feedback sessions	Ongoing	Customers form a vital part of the Company's stakeholder engagement group. The key areas of interest for Customer B2B are: • Product quality, timely supply and pricing
Employees	No	• Employee focused web portal • Email • Employee engagement surveys • Town-halls	Ongoing	Employee well-being and satisfaction is an integral part of the Company's growth strategy. Employee engagement through various means of communication provides an insight into the key action areas for employee well-being and growth. The key areas of interest for employees are: • Learning and Development • Professional Growth • Well-being initiatives • Employee recognition • Fair remuneration • Work-life balance
Senior Leadership	No	• In-person meetings • Virtual modes such as e-mail, telephonically	Ongoing	Senior leadership are the key drivers of the Company's sustainable value creation strategy. Senior leadership engagement facilitates the interlinkage of business and sustainable value creation. The key areas of interest for senior leadership are: • Sustainable and resilient business operations • R&D and innovation • Overall Company performance

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

At Sun Pharmaceutical Industries Limited, we strongly acknowledge the importance of focused stakeholder engagement for timely identification of environment, social and governance issues material to the Company. Emerging from the extensive stakeholder engagement exercise undertaken in FY 2020-21, material issues were identified and presented to the highest governing member and the Board for their consideration towards guiding strategy and decision making. The stakeholder engagement exercise is periodically reviewed as part of the Company's efforts to continuously interact with internal and external stakeholder groups for identification of the important material issues influencing them.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, material topics related to ESG are identified and prioritised after consultation with the stakeholders. The Company then formulates strategies and creates action plans for the identified material topics. The Company's Sustainability Report contains non-financial disclosures that are guided by the results and outcomes of the materiality assessment. The Company discloses its management strategy, targets/goals, and non-financial performance in the reporting year for each of the specified material areas in accordance with national and international norms and standards.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Company has designated community members as a vulnerable/marginalised stakeholder group. The Company conducts community needs assessment as part of the Corporate Social Responsibility (CSR) programs to determine and prioritise the focus areas for community development. The Company has implemented a number of such CSR projects in six priority areas, including disaster assistance, rural development, sanitation, and drinking water projects. Refer to the Annual Report and the Company's Annual CSR report for more information.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	14,760	14,760	100	14,248	14,248	100
Other than permanent	1,239	1,239	100	1,267	1,267	100
Total	**15,999**	**15,999**	**100**	**15,515**	**15,515**	**100**
Workers						
Permanent	4,770	4,770	100	4,876	4,876	100
Other than permanent	5,125	5,125	100	4,376	4,376	100
Total	**9,895**	**9,895**	**100**	**9,252**	**9,252**	**100**

2. Details of minimum wages paid to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**14,760**	**0**	**0**	**14,760**	**100**	**14,248**	**0**	**0**	**14,248**	**100**
Male	13,327	0	0	13,327	100	13,100	0	0	13,100	100
Female	1,433	0	0	1,433	100	1,148	0	0	1,148	100
Other than Permanent	**1,239**	**0**	**0**	**1,239**	**100**	**1,267**	**0**	**0**	**1,267**	**100**
Male	779	0	0	779	100	943	0	0	943	100
Female	460	0	0	460	100	324	0	0	324	100
Workers										
Permanent	**4,770**	**0**	**0**	**4,770**	**100**	**4,876**	**0**	**0**	**4,876**	**100**
Male	4,578	0	0	4,578	100	4,724	0	0	4,724	100
Female	192	0	0	192	100	152	0	0	152	100
Other than Permanent	**5,125**	**0**	**0**	**5,125**	**100**	**4,376**	**0**	**0**	**4,376**	**100**
Male	4,542	0	0	4,542	100	3,812	0	0	564	100
Female	583	0	0	583	100	564	0	0	564	100

3. Details of remuneration/ salary/ wages

a. Median remuneration/ wages (₹)

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	8,150,000	1	5,100,000
Key Managerial Personnel (KMP)	2	29,937,669	0	-
Employees other than BoD and KMP	13,325	858,744	1,433	691,576
Workers	4,578	382,980	192	227,520

b. Gross wages paid to females as a % of total wages paid by the entity:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as a % of total wages	8.44%	7.62%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company's Chief Human Resources Officer is responsible for monitoring and addressing human rights impacts and issues. As part of its Human Rights Policy, the Company expects all key stakeholders to respect and comply with the policy principles, as well as all applicable laws and regulations, in all of its operating regions.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company's Human Rights Policy outlines the grievance redressal mechanism through the open channels of communication and the Ombudsman channel as per the Global Whistleblower Policy. The Ombudsman ensures the confidentiality of the complaints and grievances received through Email: ombudsmanSPIL@sunpharma.com.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed	Pending	Remarks	Filed	Pending	Remarks
Sexual Harassment	2	0	-	4	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced labour/ Involuntary labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	4
Complaints on POSH as a % of female employees/workers	0.07	0.18
Complaints on POSH upheld	2	4

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Under the Global Whistleblower Policy, the Company protects the complainant. All complaints are investigated carefully in a confidential manner, ensuring the complainant's protection from retaliation. All whistleblowers are provided with the necessary safeguards to make Protected Disclosures in good faith in all areas mentioned in the Global Code of Conduct, such as business with integrity, responsible corporate citizenship, illegal and unfair labour practices, trade practices, and other laws. For the cases pertaining to sexual harassment, the Company's policy on prevention, prohibition, and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder ensures strict confidentiality of the investigation procedure and protection of the identity of the complainant.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Human Rights requirements have been embedded into the Company's business agreements. The Global Code of Conduct highlights the Company's commitment to Human Rights and extends to all employees and business partners throughout the value chain. The Company has implemented a dedicated Supplier Code of Conduct Policy capturing human rights practices and provisions. Further details may be found at: https://sunpharma.com/policies/.

10. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

All the locations under the entity are assessed on the above parameters, complying with the requirements of the Shops and establishments Act for offices, and the Factories Act for plants and R&D centres.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

In the reporting year, there have been no business process modifications as a result of addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company's Human Rights Policy expects all the employees and members of the value chain to abide by its principles. As part of the policy statement, the Company outlines that it will undertake human rights due diligence to identify the adverse human rights impact of the business on all relevant stakeholders and correspondingly address, prevent and mitigate through corrective actions.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, as per the requirements of the Rights of Persons with Disabilities Act 2016, the Company's manufacturing sites and offices have ramps, elevators, and infrastructure for differently abled individuals.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total Electricity consumption (A)	269,216 GJ	161,783 GJ
Total fuel consumption (B)	462,090 GJ	410,840 GJ
Energy consumption through other sources (C)	607,965 GJ	698,069 GJ
Total energy consumed from renewable sources (A+B+C)	1,339,271 GJ	1,270,692 GJ
Percentage of total energy from renewable sources	45.23%	39.60%
From non-renewable sources		
Total electricity consumption (D)	1,161,258 GJ	1,327,450 GJ
Total fuel consumption (E)	409,844 GJ	608,711 GJ
Energy consumption through other sources (F)	50,665 GJ	0 GJ
Total energy consumed from nonrenewable sources (D+E+F)	**1,621,768 GJ**	**1,936,161 GJ**
Total energy consumed (A+B+C+D+E+F)	**2,961,039 GJ**	**3,206,853 GJ**
Energy intensity per rupee of turnover (Total energy consumption in Giga Joule / Revenue from operations in ₹ Million)	14.60	15.41
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed in Giga Joule / Revenue from operations adjusted for PPP in ₹ Million)	334.15	352.55
Energy intensity in terms of physical output (Total energy consumption in Giga Joule / Metric Tonnes production)	269.73	249.80

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes- DNV Business Assurance India Private Limited

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

None of our Site/ facilities are identified as designated consumer (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India. In the reporting year, the central government in consultation with the Bureau of Energy Efficiency has notified and amended designated consumer list and included chemical sector (including pharmaceuticals API) having energy consumption of 3,000 metric tonnes of oil equivalent per year or above as designated consumer. We are currently in the process of reaching out to the relevant authorities for further guidance.

3. Disclosures related to water:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	256,573	578,741
(ii) Groundwater	595,511	752,557
(iii) Third party water	950,349	820,579
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,802,434**	**2,151,878**
Total volume of water consumption (in kilolitres)	**1,701,011**	**2,032,731**
Water intensity per rupee of turnover (Total water consumption in kilolitres / Revenue from operations in ₹ Million)	8.39	9.77
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption in kilolitres / Revenue from operations adjusted for PPP in ₹ Million)	191.95	223.47
Water intensity in terms of physical output (Total water consumption in kilolitres / Metric Tonnes production)	154.95	158.34

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes- DNV Business Assurance India Private Limited

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment Tertiary Treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment		
Primary Treatment	16,776	58,189
Secondary treatment	-	-
Tertiary treatment	84,647	60,958
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	101,423	119,147
Water discharged per rupee of turnover (Total Water discharged in kilolitres / Revenue from operations in ₹ Million)	0.50	0.57

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes- DNV Business Assurance India Private Limited

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. Within the Company's locations, 14 manufacturing locations have Zero Liquid Discharge (ZLD) mechanism. The Company has adopted reduce, reuse, recycle and recharge strategy to conserve water. Process and domestic wastewater is treated in a facility consisting of primary, secondary and tertiary treatment with membrane filtration (UF/RO). Treated process wastewater is recycled in utilities as boiler feed and cooling tower makeup water. Domestic wastewater is treated and used for gardening and flushing.

6. **Details of air emissions (other than GHG emissions) by the entity:**

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	MT	173	126
SOx	MT	106	121
Particulate matter (PM)	MT	153	142
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes- DNV Business Assurance India Private Limited

7. **Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	111,175	122,306
• CO_2	tCO_2	26,463	41,179
• CH_4	tCO_2e	25	54
• N_2O	tCO_2e	43	84
• HFC	tCO_2e	84,644	80,989
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2	237,766	261,803
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions in Metric Tonnes of CO_2 eq / Revenue from operations in ₹ Million)	tCO_2e / ₹ Million	1.72	1.85
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions Metric Tonnes of CO_2 eq / Revenue from operations adjusted for PPP in ₹ Million)	tCO_2e / Revenue from operations adjusted for PPP in ₹ Million	39.38	42.23
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emissions in Metric Tonnes of CO_2 eq / Metric Tonnes production)	tCO_2e / Metric Tonnes production	31.79	29.92

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes- DNV Business Assurance India Private Limited.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Conservation of Energy

The company is committed to continuously improve energy performance and conserve energy in its various operations. A dedicated team is continuously working to ensure efficient use of energy. Equipment and plant-wise energy consumption is monitored and benchmarking is done at frequent interval, energy gap assessment is carried out, energy conservation projects are identified and implemented. The energy conservation projects have resulted into reduction in carbon emission and has supported the organisation's decarbonisation journey.

We have also implemented Energy Management System ISO 50001:2018 at some of our sites to further ensure structured and systematic approach towards energy conservation.

Major energy projects related to reducing GHG emission are listed below:

- Utilisation of heat pump for hot water generator and reducing steam consumption.
- Demand side compressed air management to reduce power consumption at air compressors.
- Replacement of existing chiller with energy efficient chillers.
- Use of variable frequency drives to improve pumping and compressor energy performance.
- Use of energy efficient dryer to minimise power consumption.
- Condensate recovery improvement, resulting in fuel and water reduction at various sites.
- Hot water temperature reduced to reduce steam requirement.
- Old energy inefficient motors replaced with energy efficient motors.
- Replacement of old energy inefficient pump with energy efficient pump in cooling towers.
- Motion sensor installed at various location to minimise energy wastage.
- Piping modification for energy efficient distribution.
- Heat recovery at Multi Effect Evaporator (MEE) and Agitated Thin Film Dryer (ATFD) to preheat boiler feed water.
- Utilisation of flash steam to reduce further energy requirement at Heat pump.
- Minimising duct leakages in HVAC by regular audit and advance sealing technology.

We are consistently taking various initiatives to reduce carbon emission and utilising alternate source of energy.

Major projects related to utilisation of Renewable energy are listed below:

- Captive Hybrid (Wind + Solar) power plant has been installed to meet partial power requirement for some of our manufacturing facilities at Gujarat.
- Captive solar power plant has been installed to meet partial power requirement of Dewas site.
- The Company is using Captive Wind mills to meet its partial power requirement at Maduranthakam (MKM) site.
- Captive solar rooftop has been installed at Halol, Gurugram, Silvassa, Dadra, and Vadodara sites.
- Conventional boiler fuels like furnace oil/high speed diesel at most of the locations have been substituted by renewable biomass briquettes for steam generation.

9. **Details related to waste management by the entity:**

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1,419	1,015
E-waste (B)	11	6
Bio-medical waste (C)	76	66
Construction and demolition waste (D)	0	0
Battery waste (E)	76	50
Radioactive waste (F)	0	0
Other Hazardous waste (G) - spent solvent, spent oil, spent catalysts, distillation residues, chemical sludge, process residue, discarded/ off-specification products	24,432	25,684
Other Non-hazardous waste generated (H) - Glass scrap, metal scrap, wooden scrap, storage drums, corrugated box, paper waste, boiler ash	13,708	16,410
Total (A+B + C + D + E + F + G + H)	**39,723**	**43,231**
Waste intensity per rupee of turnover (Total waste generated in Metric Tonnes / Revenue from operations in ₹ Million)	0.20	0.21
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated in Metric Tonnes / Revenue from operations adjusted for PPP in ₹ Million)	4.48	4.75
Waste intensity in terms of physical output (Total Metric Tonnes Waste / Metric Tonnes production)	3.62	3.37
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Hazardous Waste		
(i) Recycled	14,948	14,111
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**14,948**	**14,111**
Non-hazardous Waste		
(i) Recycled	11,619	16,787
(ii) Re-used	459	0
(iii) Other recovery operations	2,484	443
Total	**14,562**	**17,230**
E-waste		
(i) Recycled	12.16	2.34
(ii) Re-used	0	0
(iii) Other recovery operations	0.51	0
Total	**12.67**	**2.34**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Hazardous Waste		
(i) Incineration	608	605
(ii) Landfilling	5,970	7,286
(iii) Co-processing	2,602	2,198
(iv) Other disposal operations	0	0
Total	**9,179**	**10,089**
Non-hazardous Waste		
(i) Incineration	8	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**8**	**0**

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes- DNV Business Assurance India Private Limited

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company's waste management plan includes a strategy for waste minimisation, segregation, and safe disposal. The Company has implemented a number of measures to reduce manufacturing rejects aligned with its resource optimisation and waste minimisation objectives. The Company complies with the requirements of Extended Producer Responsibility (EPR) by collecting end-of-use plastic and improving its management of plastic waste. Additionally, the Company has adopted initiatives to divert greater amounts of hazardous waste toward co-processing and recycling over other disposal mechanisms, such as incineration and landfilling, as part of the hazardous waste disposal mechanism. Additionally, the Company has embraced digitalisation to reduce paper consumption.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

The Company has one of its manufacturing locations located in an ecologically sensitive area.

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	Maduranthakam (MKM)	Manufacturing	The facility has the "consent to operate" from the concerned Pollution Control Board.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public Domain (Yes / No)	Relevant Web link
The Company has not undertaken any Environmental Impact Assessments in the reporting year.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes.

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Dadra, Mohali, Silvassa, Toansa, Gurugram

(ii) Nature of operations: Manufacturing, R&D center

(iii) Water withdrawal, consumption and discharge:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	7,200	7,200
(ii) Groundwater	355,317	447,394
(iii) Third party water	53,930	53,998
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	416,447	508,592
Total volume of water consumption (in kilolitres)	409,785	502,284
Water intensity per rupee of turnover (Total Water consumed in kilolitres / Revenue from operations in ₹ Million)	2.02	2.41
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment Tertiary Treatment	Tertiary treatment (In house ETP treatment, post which sent to the Municipality sewage drain)- 6,662 kL	Tertiary treatment (Inhouse ETP treatment, post which sent to the Municipality sewage drain) - 6,308 kL
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**6,662**	**6,308**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes- DNV Business Assurance India Private Limited

2. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   The manufacturing facility, Maduranthakam (MKM) is located 3.72 km (West) from the Vedanthangal Bird Sanctuary. The facility was functional even before the declaration of Vedanthangal Bird Sanctuary in 1998. The facility has no significant direct or indirect impact on the environment. Additionally, the Consent to Operate by the relevant Pollution Control Board has also been obtained. It is a Zero Liquid Discharge (ZLD) site, equipped with an effluent treatment facility to further direct the treated wastewater for in-house uses.

3. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Biomass use at Boilers	Biomass boiler has been installed to reduce GHG emission. Coal has been replaced by Biomass briquettes as primary fuel.	Reduction in GHG emissions
2.	Heat Pump	Heat pump is being used to utilise heat of condensation to produce hot water. After installing heat pump, steam consumption has reduced in hot water system along with reducing water consumption in the cooling tower.	1. Reduction in GHG emissions 2. Reduction in Water consumption 3. Reducing energy consumption

4. **Does the entity have a business continuity and disaster management plan?**

   The Company has implemented a comprehensive business continuity and on-site emergency plan across all its locations. This plan ensures the Company's ability to adapt and respond effectively to disruptions caused by natural disasters or unforeseen events that may impact business operations. Continuous improvement is emphasised through the integration of lessons learned from past disruptions, if any, into the existing plans. Additionally, the Company's risk management strategy focuses on minimising losses associated with disasters by assessing potential disruptions and implementing appropriate mitigation measures.

5. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   The Company's Supplier Code of Conduct is developed based on the best practices, standards and guidelines for evaluation of suppliers in the pharmaceutical supply chain. The evaluation checklist encompasses various ESG parameters to ascertain the adherence with the Company's Supplier Code of Conduct. Assessment of value chain partners on the basis of the Company's Supplier Code of Conduct has been initiated for select vendors and will be extended to all critical vendors in due course.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   The Company is a member of 8 trade and industry chambers/associations.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	The Associated Chambers of Commerce of India (ASSOCHAM)	National
2.	The Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3.	Confederation of Indian Industry (CII)	National
4.	Indian Drug Manufacturing Association (IDMA)	National
5.	Federation of Gujarat Industries (FGI)	State
6.	India CEO Forum on Climate Change	National
7.	Indian Pharmaceutical Alliance (IPA)	National
8.	Gujarat Employers Organisation (GEO)	State

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

   For the reporting year, there were no adverse orders from regulatory authorities against the Company for issues pertaining to anticompetitive conduct.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1.	Regulatory Reforms for Pharma sector in India	FICCI publication	No	-	-
2.	Regulatory reforms to improve drug development process in India	Indian Pharmaceutical Alliance	No	-	-
3.	Trade Margin Rationalisation	Indian Pharmaceutical Alliance	No	-	-

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

In the reporting year, the Company did not undertake any Social Impact Assessments of projects.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

The Company engages with and redresses the grievances of all community members through its NGO partners and through in-person meetings. Mobile healthcare units visit the peripheral areas of the Company's operations in order to engage with local community. Each of the mobile health care units carries a register, which is accessible to all the community members to address grievances and queries through written complaints. The grievances received through the register are addressed by the Company. All community issues are adequately monitored and resolved on time.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2023-24	FY 2022-23
Directly sourced from MSME/small producers	13.61%	14.17%
Directly from within India	82.57%	73.33%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	3.04%	3.06%
Semi-urban	2.84%	2.63%
Urban	27.39%	27.97%
Metropolitan	66.78%	66.34%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on Corporate Social Responsibility (CSR) projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	Aspirational District	State	Amount Spent in INR
For the reporting year, the Company did not undertake any CSR projects in the designated aspirational districts.			

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

No, the Company does not have any preferential procurement policy focusing on suppliers from marginalised/ vulnerable groups.

(b) **From which marginalised /vulnerable groups do you procure?**

Not Applicable

(c) **What percentage of total procurement (by value) does it constitute?**

Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised group
1	Support towards setting-up of Cancer Sanatorium Institute, Wadala, Mumbai	Community	NA
2	Elimination of Malnutrition through Action-Research on Moderately and Acute Malnourished Children	Community	NA
3	Mobile Healthcare Unit	181,392	100.00%
4	Healthcare Infrastructure and Awareness Creation	Community	100.00%
5	Medicines for Health Activities	Community	100.00%
6	Anganwadi Development Programme	2,394	100.00%
7	School Development Programme	17,207	100.00%
8	Promotion of Scientific Medical & Pharma Research Outcomes for Public Health Improvement	Community	NA
9	SMART Classroom Development Programme	10,307	100.00%
10	Solar Street Lighting Programme	Community	100.00%
11	Rural Infrastructure Development Projects	Community	100.00%
12	Tree Plantation	Community	NA
13	Community Drinking Water	Community	100.00%
14	Disaster Response	1,000	100.00%
15	Water Conservation	Community	NA

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a comprehensive complaint management process to facilitate timely redressal of the product quality complaints. Once a product quality complaint is received, either directly by the Company or through a third-party entity (appointed to handle product complaints), and registered in the Company's system, it is acknowledged, and a preliminary assessment is undertaken. In certain markets, based on local requirements, a Field Alert Report (FAR) may be filed for the complaint depending on its nature and severity. Along with the initial evaluation, a follow-up is initiated for requesting the complaint sample and any additional information to facilitate the preliminary assessment and the investigation. The initial risk assessment and the investigative process proceeds concurrently with the follow-up. A remedial action plan is launched after the investigation is completed and the root cause is determined. A complaint summary report is also prepared at the same time. The complaint is finally closed after a final risk assessment is completed and a response is delivered to the complainant. Any market actions for the impacted product are considered and may be communicated with the local regulatory authorities depending on local requirements. The Company has a global Pharmacovigilance Policy and mechanism in place, which is supported by a product safety group, committed to responding to patient safety concerns and incidents.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage of total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100.00%
Recycling and /or safe disposal	-

Note: The Company's products carry information about its responsible and safe usage. Due to the criticality associated with the safe and responsible consumption of medicines, the Company displays relevant information on the product labels as per the requirements of national and international drug regulatory bodies.

3. Number of consumer complaints in respect of the following:

Particulars	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cybersecurity	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reason for recall
Voluntary recalls	31	The reasons for recall of products were product quality complaint, deviation and out of specification /out of trend results for various test.
Forced recalls	1	As recommended by a regulatory agency due to incorrect strength on product pack.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

The Company has put into place a risk management policy that includes a framework for identifying internal and external risks related to cybersecurity or information hazards. The synopsis of the policy can be accessed at :

https://sunpharma.com/wp-content/uploads/2024/05/2024-05-21-Risk-Management-Policy-Synopsis.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   In FY 2023-24, there were no complaints filed related to advertising, provision of critical services, cyber security, consumer data privacy. The Company has implemented corrective & preventive actions for quality complaints and product recalls concerning the quality of its products in accordance with each established root cause analysis.

   The May 2022 USFDA inspection of Halol facility was classified as Official Action Indicated (OAI). The Halol facility was placed under import alert in December 2022 with certain products exempted from import alert. The Company is taking all corrective measures necessary to address the observations; and is in communication with the USFDA regarding the same.

   The August 2022 USFDA inspection of Mohali facility was classified as Official Action Indicated (OAI). Subsequently, in April 2023, USFDA issued a Consent Decree Correspondence/Non-Compliance letter to the Mohali facility in which USFDA 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.

   In December 2023, USFDA 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 USFDA to resolve the inspectional observations that resulted in OAI status.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches** – Zero
   b. **Percentage of data breaches involving personally identifiable information of customers** – Not Applicable
   c. **Impact, if any, of the data breaches** – Not Applicable

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The links to the product list for India and US market are given below:
   India Products: https://sunpharma.com/india-products/
   US Products: https://sunpharma.com/usa/products/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company complies with pertinent regulatory obligations by informing its stakeholders about the appropriate and safe use of its products. Each product packaging/label includes information on safe and responsible usage of the product.

   Some of our products now have QR codes and 3D security strips printed on the pack to validate authenticity and educate patients. After scanning the QR codes, patients will be taken to a website where they can view the batch details, patient education videos, and have access to FAQs.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   As per the regulatory guidelines, the Company discloses discontinuation of any scheduled formulation in India, by issuing a public notice for relevant stakeholders in addition to informing the local regulator at least six months prior to the intended date of discontinuation. However, if six months' advance notice is not possible, the notification is submitted as soon as practicable thereafter. Furthermore, in certain international markets, based on local regulatory requirements, a notification concerning a permanent discontinuance or interruption in manufacturing of a covered finished product must be submitted no later than five business days after the discontinuance or interruption in manufacturing occurs.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   The Company displays all relevant information mandated as per local laws regarding its products. As a pharmaceutical company, we cannot directly conduct product related surveys with the general public.

DNV

INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Sun Pharmaceutical Industries Limited (Corporate Identity Number L24230GJ1993PLC019050, hereafter referred to as 'SPIL' or 'the Company') to undertake an independent assurance of the Company's 9 core attribute disclosures (as per Annex I of SEBI circular dated 12 July 2023) in Business Responsibility and Sustainability Report (hereafter referred as 'BRSR').

Reporting standard/framework

The disclosures have been prepared by SPIL in reference to:

- BRSR Core – Framework for assurance and ESG disclosures for value chain as per SEBI (Securities and Exchange Board of India) Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July12, 2023.
- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023.
- Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard.*

Assurance Methodology/Standard

This assurance engagement has been carried out in accordance with DNV's VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's VeriSustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol (v6.0), DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements*; ISO 14046 - *Environmental management - Water footprint - Principles, requirements, and guidelines* to evaluate indicators wrt. Greenhouse gases and water disclosures.

Intended User

The intended user of this assurance statement is the Management of Sun Pharmaceutical Industries Limited.

Level of Assurance

Reasonable Level of assurance for BRSR 9 Core Attributes (Ref: Annexure I of SEBI circular).

Responsibilities of the Management of SPIL and of the Assurance Provider

The Management of SPIL has the sole responsibility for the preparation of the BRSR and is responsible for all information disclosed in the BRSR Core and BRSR Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. SPIL is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

Scope

The scope of our engagement includes independent reasonable level of assurance of '9 Core attributes of BRSR' (Ref: Annexure I of SEBI Circular) for Financial Year (FY) 2023-24 as listed below-

- Section C: Principle 1- Essential Indicator 8, 9
- Section C: Principle 3- Essential Indicator 1-c, 11
- Section C: Principle 5- Essential Indicator 3-b, 7
- Section C: Principle 6- Essential Indicator 1, 3, 4, 7, 9
- Section C: Principle 8- Essential Indicator 4, 5
- Section C: Principle 9- Essential Indicator 7

Boundary of our assurance work:

Based on the agreed scope with the Company, the boundary covers the performance of SPIL operations across globe that fall under the direct operational control of the Company's Legal structure. The boundary for GHG footprint, water footprint, energy footprint and waste management related disclosures include 18 sites, covering the Company's manufacturing locations and R&D centers.

Limitation(s):

We performed a reasonable level of assurance for the BRSR Core reporting based on our assurance methodology DNV's VeriSustain™ protocol (v6.0).

The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators (Refer- for total revenue from operations; Principle 3, Question 1(c) of Essential Indicators for Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company; Principle 8, Question 4 of Essential Indicators, Principle 1, Question 8 of Essential Indicators and Principle 1, Question 9 of Essential Indicators) relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.
- The assurance engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of SPIL. We carried out the following activities:

1. Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The format of BRSR Core used as basis of reasonable level of assurance
2. Evaluation of the design and implementation of key systems, processes, and controls for collecting, managing and reporting the BRSR Core indicators
3. Assessment of operational control and reporting boundaries
4. Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.
5. Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
6. DNV audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/medium/low) and reporting system within the organization. Sites selected for audits are listed in Annexure-I.
7. Conduct a comprehensive examination of key material aspects within the BRSR Core framework supporting adherence to the assurance based on applicable principles plus specified data and information.
8. DNV teams conducted the:
   - Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness.
   - Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per DNV's VeriSustain™ protocol (v6.0) for reasonable level verification for the disclosures.

DNV

Conclusion

Reasonable level of Assurance- 9 Core Attributes of BRSR

Based on our review and procedures followed for reasonable level of assurance, DNV is of the opinion that, in all material aspects, the 9 Core Attributes of BRSR (as listed in section 'Scope' of this statement) for FY 2023-24 are reported in accordance with reporting requirements outlined in BRSR Core (Annexure I of SEBI Circular dated 12 July 2023).

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – Conformity assessment – General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct[1] during the assurance engagement and maintain independence wherever required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e. FY 2023-24, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of Sun Pharmaceutical Industries Limited. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. To the best of our knowledge, we did not provide any services to Sun Pharmaceutical Industries Limited in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV's work or this assurance statement. The usage of this assurance statement shall be governed by the terms and conditions of the contract between DNV and SPIL and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this assurance statement. No part of this assurance statement shall be reproduced, distributed or communicated to a third party without prior written consent.

For DNV Business Assurance India Private Limited

Parab, Ankita Digitally signed by Parab, Ankita Date: 2024.06.27 15:44:56 +05'30'	Kakaraparthi, Venkata Raman Digitally signed by Kakaraparthi, Venkata Raman Date: 2024.06.27 16:32:14 +05'30'
Ankita Parab Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India.	Kakaraparthi Venkata Raman Assurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India.
Assurance Team: Anjana Sharma, Goutam Banik, Varsha Bohiya, Suraiya Rahman, Syed Rameez	

27/06/2024, Mumbai, India.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

[1] *DNV Corporate Governance & Code of Conduct - https://www.dnv.com/about/in-brief/corporate-governance.html*

Annexure I

Sites selected for audits

Sr. no.	Site	Location
1.	Corporate office	Mumbai, Maharashtra
2.	Manufacturing plants- on-site	Dewas, Madhya Pradesh- API plant Dewas, Madhya Pradesh- Formulation plant Toansa, Punjab- API plant Mohali, Punjab- Formulation plant Maduranthakam, Chennai- API plant
3.	Manufacturing plants- remote	Halol, Gujarat- Formulation plant Panoli, Gujarat- API plant Vadodara, Gujarat- R&D facility

Independent Auditor's Report

To the Members of **Sun Pharmaceutical Industries Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Sun Pharmaceutical Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of material accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Litigations (as described in Note 39 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Company is involved in various legal proceedings including product liability, contracts, employment claims, Department of Justice (DOJ) investigations, anti-trust and other regulatory matters relating to conduct of its business.

The Company assesses the need to make provision or to disclose a contingent liability on a case-to-case basis considering the underlying facts of each litigation.

The eventual outcome of the litigations is uncertain and estimation at balance sheet date involves extensive judgement of management including input from legal counsel due to complexity of each litigation. Adverse outcomes could significantly impact the Company's reported results and balance sheet position.

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.</td><td>Our audit procedures amongst others included the following:

• Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of litigations, the recording / re-assessment of the related liabilities, provisions and disclosures.

• Obtained a list of litigations from the Company's in-house legal counsel; identified material litigations from the aforementioned list and performed inquiries with the said counsel; obtained and read the underlying documents to assess the assumptions used by management in arriving at the conclusions.

• Circulated, obtained and read legal confirmations from Company's external legal counsels in respect of material litigations and considered that in our assessment.

• Verified the disclosures related to provisions and contingent liabilities in the standalone Ind AS financial statements to assess consistency with underlying documents.</td></tr>
</table>

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Tax litigations and recognition of deferred tax assets (as described in Note 9 and 39 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Company has significant tax litigations for which the Company assesses the outcome on a case-to-case basis considering the underlying facts of each tax litigation. Adverse outcomes could significantly impact the Company's reported results and balance sheet position.

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.

Recognition of deferred tax assets involves the assessment of its recoverability within the allowed time frame requiring significant estimate of the financial projections, availability of sufficient taxable income in the future and also involving significant judgements in the interpretation of tax regulations and tax positions adopted by the Company. Considering the judgement involved in determining the recovery of deferred tax assets, the matter is considered a Key Audit Matter.</td><td>Our audit procedures amongst others included the following:
• Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax litigations/deferred tax and the recording and re-assessment of the related liabilities/assets and provisions and disclosures.
• Obtained list of ongoing tax litigations from management along with their assessment of the cases based on past precedents, judgements and matters in the jurisdiction, legal opinions sought by management, correspondences with tax department etc.
• Engaged tax experts, to evaluate management's assessment of the outcome of these litigations. Our experts considered legal precedence and other rulings in evaluating management's position on these tax litigations.
• Tested management's assumptions including forecasts and sensitivity analysis in respect of recoverability of deferred taxes on unabsorbed depreciation/carry forward losses/Minimum Alternate Tax (MAT) credit.
• Verified disclosures of the tax positions, tax loss carry forwards and tax litigations in the standalone Ind AS financial statements.</td></tr>
<tr><td colspan="2">Identification and disclosures of Related Parties (as described in Note 50 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Company has related party transactions which include, amongst others, sale and purchase of goods/services to its subsidiaries, associates, joint venture and other related parties and lending, investment and borrowing to/from its subsidiaries, associates and joint venture.

Identification and disclosure of related parties was a significant area of focus and hence is considered a Key Audit Matter.</td><td>Our audit procedures amongst others included the following:
• Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions.
• Obtained a list of related parties from the Company's management and traced the related parties to declarations given by directors, where applicable, and to Note 50 of the standalone Ind AS financial statements.
• Read minutes of the meetings of the Board of Directors and Audit Committee and traced related party transactions with limits approved by Audit Committee / Board.
• Read declarations of related party transactions given to the Board of Directors and Audit Committee.
• Verified the disclosures in the standalone Ind AS financial statements for compliance with Ind AS 24.</td></tr>
<tr><td colspan="2">Other intangible assets (as described in Note 4(a) of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Company has significant intangible assets, comprising product intangibles and acquired trademarks. The Company conducts an annual impairment testing of intangible assets.

Significant judgements are used to estimate the recoverable amount of these intangible assets and hence is considered as a Key Audit Matter.</td><td>Our audit procedures amongst others included the following:
• Evaluated the design and tested the operating effectiveness of management's controls in assessing the carrying value of intangible assets.
• Obtained the Company's computation of recoverable amount and tested the mathematical accuracy and reasonableness of key assumptions.
• Obtained and evaluated management's sensitivity analysis to ascertain the impact of changes in key assumptions.
• Evaluated the disclosures in the standalone Ind AS financial statements.</td></tr>
</table>

Other Information

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for, the matters stated in the paragraph i(vi) below on reporting under Rule 11(g);

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

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g);

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

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 29 to the standalone Ind AS financial statements.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except a sum of ₹ 1.4 Million which has been kept in abeyance due to pending legal cases.

      iv. a) The management has represented that, to the best of its knowledge and belief, and read with note 55(20) to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, and read with note 55(20) to the standalone Ind AS financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

As stated in note 43 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights, as described in note 55(11) to the standalone Ind AS financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software where audit trail has been enabled.

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

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 24105754BKBZNY4598
Place of Signature: Mumbai
Date: May 22, 2024

Annexure 1 referred to in paragraph 1 of our report of even date under the heading "Report on other legal and regulatory requirements"

Re: Sun Pharmaceutical Industries Limited (the "Company")

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

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All Property, Plant and Equipment have not been physically verified by management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 55(21) to the standalone Ind AS financial statements included in property, plant and equipment are held in the name of the Company, except for the following immovable properties:

Description	Held in name of	Gross Carrying value (₹ Millions)	Whether promoter, director or their relative or employee	Period held – (In Years)	Reason for not being held in name of Company
Freehold Land	Ranbaxy Drugs Limited	2.7	No	9	The title deeds are in the name of erstwhile companies that were merged with the Company under relevant provisions of the Companies Act, 1956/2013 in terms of approval of the Honorable High Courts of respective states.
Freehold Land	Ranbaxy Laboratories Limited	48.2		9	
Leasehold land	Ranbaxy Laboratories Limited	2.9		9	
Freehold Land including building located thereon	Solrex Pharmaceuticals Company	95.9		7	
Freehold Land including building located thereon	Tamilnadu Dadha Pharmaceuticals Limited	3.6		27	
Building	Various	4.1		7	The title deeds are in the name of erstwhile Company that was merged with the Company in terms of approval of National Company Law Tribunal (NCLT).
Building	Sun Pharma Global FZE	89.9		3	

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

(d) The Company does not follow the revaluation model for subsequent measurement of its Property, Plant and Equipment (including Right of use assets) or intangible assets. Accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the requirement to report on clause 3(i)(e) of the Order is not applicable to the Company.

ii. (a) Inventory has been physically verified by management during the year except for inventories lying with third parties which have been confirmed by them. In our opinion, the frequency of verification by management is reasonable and the coverage and procedure for such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect such inventories.

(b) The Company has not been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions during the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

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

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

During the year the Company has not provided advances in the nature of loans, stood guarantee or provided security to any entity and hence not commented upon by us.

(b) During the year, the investments made and the terms and conditions of the grant of all loans to companies or any other parties are not prejudicial to the Company's interest. The Company has not provided guarantees, given security or granted advances in nature of loans during the year and hence not commented upon by us.

(c) The Company has granted loans to subsidiaries where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts have been regular except in the following cases:

Name of the Entity (Wholly owned subsidiary)	Amount (in ₹ million)	Due date	Date of payment	Extent of delay	Remarks, if any
Sun Pharmaceutical Industries Inc.	8,303.5	17-01-2024	NA	NA	The loan was further extended.
Sun Pharmaceutical Industries Inc.	24,894.4	09-02-2024	NA	NA	The loan was further extended.
Realstone Infra Limited	605.6	24-03-2024	NA	NA	The loan and interest were further extended.

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

(d) There are no loans granted which are overdue for more than ninety days as at March 31, 2024. Accordingly, we have not commented on the steps taken by the Company for recovery of the principal and interest.

(e) During the year, the Company had renewed loan to wholly owned subsidiaries to settle the loan granted to the party which had fallen due during the year. The aggregate amount of such dues renewed / extended / settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year are as follows:

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

*Includes loans and interest extended during the year.

There were no advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties and hence not commented upon by us.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans, making investments and providing guarantees and securities as applicable. During the year, the Company has not granted any loans to parties covered under section 185 of the Act. Accordingly, the requirement to report on clause 3(iv) of the Order in respect of section 185 is not applicable to the Company.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of applicable pharmaceutical products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities, where applicable, though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Forum where the dispute is pending	Year to which it pertains	Amount (₹ million)*
Income Tax Act, 1961	Income taxes, interest, and penalty	Commissioner of Income Tax (Appeals)	Various assessments for AY 2014-15 and AY 2015-16	68.0
Income Tax Act, 1961	Income taxes and interest	High Court	AY 2007-08	4.7
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Delhi	Various years from 2003-04 to 2016-17	791.5
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Commissioner (Appeals)	Various years from 2003-04 to 2018-19	4.2
Finance Act, 1994	Service Tax	Commissioner (Appeals)	Various years from 2015-16 to 2017-18	4.8
Finance Act, 1994	Service Tax	CESTAT	Various years from 2013-14 to 2017-18	7,011.7
The Goods and Service Tax Act	GST	Commissioner (Appeals)	2017-18 and 2021-22	458.5
The Goods and Service Tax Act	GST	Assistant Commissioner	2017-18	0.4
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Assistant / Additional / Senior Joint Commissioner	Various years from 1999-00 to 2017-18	13.7
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Appellate Authority	Various years from 1998-99 to 2017-18	1.8
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	Tribunal	Various years from 1998-99 to 2013-14	3.0
Sales Tax Act / VAT (Various States)	Sales Tax, Interest and Penalty	High Court	Various years from 1999-00 to 2017-18	53.5
Custom Act, 1962	Customs Duty, Penalty and Interest	Commissioner (Appeals)	Various years from 2018-19 to 2022-23	382.2
Custom Act, 1962	Customs Duty, Penalty and Interest	CESTAT	Various years from 2010-11 to 2014-15 and 2019	1,156.8

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

viii. The Company has not surrendered or disclosed any transaction, previously not recorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section 12 of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT–4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.

xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on information and explanation provided by the management of the Company, the group does not have more than one Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 55(13) to the standalone Ind AS payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Act, in compliance with second proviso to sub-section 5 of section 135 of the Act. This matter has been disclosed in note 55(8) to the standalone Ind AS financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section 6 of section 135 of the Act. This matter has been disclosed in note 55(8) to the standalone Ind AS financial statements.

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

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 24105754BKBZNY4598
Place of Signature: Mumbai
Date: May 22, 2024

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

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

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Sun Pharmaceutical Industries Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 24105754BKBZNY4598
Place of Signature: Mumbai
Date: May 22, 2024

Standalone Balance Sheet

As at March 31, 2024

₹ in Million

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

Standalone Balance Sheet

As at March 31, 2024

₹ in Million

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

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

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

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

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

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

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

ANOOP DESHPANDE
Company Secretary and Compliance Officer

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

Standalone 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	202,751.7	208,121.4
(II) Other income	31	4,657.6	2,790.3
(III) Total income (I + II)		**207,409.3**	**210,911.7**
(IV) Expenses			
Cost of materials consumed	32	44,293.8	51,656.3
Purchases of stock-in-trade		9,944.1	11,264.6
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	1,803.2	(2,379.3)
Employee benefits expense	34	23,739.5	21,569.5
Finance costs	35	7,840.8	4,721.8
Depreciation and amortisation expense	3 (a) , 3 (b) & 4 (a)	16,006.2	16,008.7
Other expenses	36	67,972.2	61,784.3
Net (gain) / loss on foreign currency transactions		(877.2)	(502.6)
Total expenses (IV)		**170,722.6**	**164,123.3**
(V) Profit / (loss) before exceptional item and tax (III - IV)		**36,686.7**	**46,788.4**
(VI) Exceptional items	55 (2)	2,190.2	29,377.9
(VII) Profit / (loss) before tax (V - VI)		**34,496.5**	**17,410.5**
(VIII) Tax expense / (credit)			
Current tax	38	5,461.0	7,527.7
Deferred tax	9 & 38	453.7	(7,024.4)
Total tax expense (VIII)		**5,914.7**	**503.3**
(IX) Profit / (loss) for the year (VII - VIII)		**28,581.8**	**16,907.2**
(X) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
a. Gain / (loss) on remeasurement of the defined benefit plans		(305.1)	113.4
Income tax on above		106.5	(39.6)
b. Gain / (loss) on equity instrument measured at fair value through other comprehensive income		4.8	(90.2)
Income tax on above		(1.7)	31.5
Total - (A)		**(195.5)**	**15.1**

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

₹ in Million

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
(B) Items that may be reclassified to profit or loss			
a. Effective portion of gain / (loss) on designated portion of hedging instruments in a cash flow hedge		85.5	(192.4)
Income tax on above		(29.8)	67.2
Total - (B)		**55.7**	**(125.2)**
(X) Total other comprehensive income (A+B)		**(139.8)**	**(110.1)**
(XI) Total comprehensive income for the year (IX+X)		**28,442.0**	**16,797.1**
Earnings per equity share (face value per equity share - ₹ 1)	46		
Basic (in ₹)		11.9	7.0
Diluted (in ₹)		11.9	7.0

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

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

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

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

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

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

ANOOP DESHPANDE
Company Secretary and Compliance Officer

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

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

₹ in Million

Particulars	Equity share capital	Other Equity									Total
		Reserves and surplus						Other comprehensive income (OCI)			
		Capital reserve	Securities premium	Amalgamation reserve	Capital redemption reserve	General reserve	Retained earnings	Equity instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges	
Balance as at March 31, 2022	2,399.3	22,258.5	11,874.1	43.8	7.5	51,435.0	136,120.8	45.4	21,543.5	151.6	245,879.5
Profit for the year	-	-	-	-	-	-	16,907.2	-	-	-	16,907.2
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	^ 73.8	(58.7)	-	(125.2)	(110.1)
Total comprehensive income for the year	-	-	-	-	-	-	**16,981.0**	**(58.7)**	-	**(125.2)**	**16,797.1**
Payment of dividend	-	-	-	-	-	-	(25,193.0)	-	-	-	(25,193.0)
Balance as at March 31, 2023	**2,399.3**	**22,258.5**	**11,874.1**	**43.8**	**7.5**	**51,435.0**	**127,908.8**	**(13.3)**	**21,543.5**	**26.4**	**237,483.6**
Profit for the year	-	-	-	-	-	-	28,581.8	-	-	-	28,581.8
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	^ (198.6)	3.1	-	55.7	(139.8)
Total comprehensive income for the year	-	-	-	-	-	-	28,383.2	3.1	-	55.7	28,442.0
Payment of dividend	-	-	-	-	-	-	(28,981.6)		-	-	(28,981.6)
Balance as at March 31, 2024	**2,399.3**	**22,258.5**	**11,874.1**	**43.8**	**7.5**	**51,435.0**	**127,310.4**	**(10.2)**	**21,543.5**	**82.1**	**236,944.0**

^ Represents remeasurement of the defined benefit plans.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

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

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

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

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

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

ANOOP DESHPANDE
Company Secretary and Compliance Officer

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

Standalone Statement of Cash Flow

for the year ended March 31, 2024

₹ in Million

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

Standalone Statement of Cash Flow

for the year ended March 31, 2024

₹ in Million

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

Notes:

1. Cash and cash equivalents comprises of

₹ in Million

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

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

₹ in Million

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

For movement of lease liabilities, Refer Note 48.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

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

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

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

DILIP S. SHANGHVI
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Company Secretary and Compliance Officer

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

1. General information

Sun Pharmaceutical Industries Limited (SPIL or the "Company") (CIN L24230GJ1993PLC019050), is a public limited company incorporated and domiciled in India, having its registered office at SPARC, Tandalja, Vadodara, Gujarat 390012, India. SPIL is listed on the BSE Limited and National Stock Exchange of India Limited. The Company is incorporated under the provisions of Companies Act, as applicable in India. The Company is engaged in the business of manufacturing, developing and marketing a wide range of branded and generic formulation and Active Pharmaceutical ingredients (APIs). The Company has various manufacturing locations spread across the country with trading and other incidental and related activities extending to the global market.

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

2. Material accounting policies

2.1 Statement of compliance

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

2.2 Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost convention and on an accrual basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; (iii) investment in associates are accounted for at cost (iv) derivative financial instruments and (v) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

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

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

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

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

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

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

a. Current vs. Non-current

Based on the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

b. Business combinations

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

The Company uses the acquisition method of accounting to account for business combinations that occurred on or after April 01, 2015. The acquisition date is generally the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulated in equity as Capital reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as Capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the statement of profit and loss. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

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

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as finder’s fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

c. Foreign currency

Foreign currency transactions

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

during the period or in previous period are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- exchange differences relating to the translation of the results and the net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to profit or loss account on the disposal of the foreign operation.

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

d. Segment reporting

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

e. Property, plant and equipment

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

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

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

The estimated useful lives are as follows:

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

* Includes assets given under operating lease

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

f. Goodwill and Other Intangible assets

Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Company's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Other Intangible assets

Other Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to and has sufficient resources/ability to complete development and to use or sell the asset.

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

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

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

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

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

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

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

The estimated useful lives for Product related intangibles and Other intangibles range from 3 to 14 years.

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

De-recognition of intangible assets

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

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

The Company has elected to recognise its investments in equity instruments in subsidiaries and associates at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

Impairment of Investments in the nature of equity in subsidiaries and associates

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

h. Impairment of non-financial assets other than goodwill

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

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

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

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

i. Non-current assets held for sale

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

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

j. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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

Debt instrument at FVTOCI

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

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

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

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

Debt instrument at FVTPL

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

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

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

Equity instruments

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

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

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

De-recognition

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Impairment of financial assets

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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

Financial liabilities subsequently measured at amortised cost

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

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

De-recognition

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

Reclassification of financial assets

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

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

k. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

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

Company as a lessor

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

l. Inventories

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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

m. Provisions, contingent liabilities and contingent assets

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

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

Restructuring

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

Onerous contracts

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

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

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

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

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

n. Revenue

Sale of goods

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

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

Profit Sharing Revenues

The Company from time to time enters into arrangements for the sale of its products in certain markets. Under such arrangements, the Company

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Out-licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the period in which the Company has continuing performance obligations. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive.

Sales returns

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

Rendering of services

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

Royalties

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

o. Dividend and interest income

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

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

p. Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

q. Employee benefits

Defined benefit plans

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

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

Termination benefits

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

Short-term and Other long-term employee benefits

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Defined contribution plans

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

r. Income tax

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for the temporary differences that arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and taxable temporary differences arising upon the initial recognition of goodwill.

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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

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

s. Exceptional items

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

t. Recent Accounting pronouncements

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 3 (a) PROPERTY, PLANT AND EQUIPMENT

₹ in Million

	Freehold land	Buildings including given on lease	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost							
As at March 31, 2022	1,409.6	16,084.9	58,907.2	1,120.9	472.8	1,726.1	79,721.5
Additions	10.0	268.8	2,689.7	43.0	96.3	177.9	3,285.7
Disposals	-	(0.0)*	(130.5)	(3.1)	(103.7)	(14.2)	(251.5)
Reclassified to assets held for Sale	-	(139.4)	(328.4)	(4.4)	(2.7)	(1.4)	(476.3)
As at March 31, 2023	**1,419.6**	**16,214.3**	**61,138.0**	**1,156.4**	**462.7**	**1,888.4**	**82,279.4**
Additions	71.0	162.6	3,676.0	29.7	139.2	600.9	4,679.4
Disposals	-	(9.2)	(444.8)	(6.9)	(78.0)	(421.3)	(960.2)
Reclassified to assets held for Sale	(1.3)	(88.7)	(582.7)	(12.7)	(5.2)	(0.2)	(690.8)
As at March 31, 2024	**1,489.3**	**16,279.0**	**63,786.5**	**1,166.5**	**518.7**	**2,067.8**	**85,307.8**
Accumulated depreciation and impairment							
As at March 31, 2022	-	3,376.6	26,831.8	769.1	293.8	1,065.1	32,336.4
Depreciation expense	-	502.8	4,467.5	73.1	61.1	222.9	5,327.4
Disposals	-	(0.0)#	(98.2)	(2.5)	(96.9)	(13.1)	(210.7)
Reclassified to assets held for Sale	-	(40.5)	(227.7)	(4.0)	(1.5)	(1.0)	(274.7)
As at March 31, 2023	**-**	**3,838.9**	**30,973.4**	**835.7**	**256.5**	**1,273.9**	**37,178.4**
Depreciation expense	-	696.0	4,837.4	73.8	74.1	241.4	5,922.7
Disposals	-	(0.1)	(407.5)	(4.5)	(65.8)	(167.3)	(645.2)
Reclassified to assets held for Sale	-	(38.2)	(437.4)	(9.6)	(5.0)	(0.2)	(490.4)
As at March 31, 2024	**-**	**4,496.6**	**34,965.9**	**895.4**	**259.8**	**1,347.8**	**41,965.5**
Carrying amount							
As at March 31, 2023	**1,419.6**	**12,375.4**	**30,164.6**	**320.7**	**206.2**	**614.5**	**45,101.0**
As at March 31, 2024	**1,489.3**	**11,782.4**	**28,820.6**	**271.1**	**258.9**	**720.0**	**43,342.3**

* ₹ (9,687)

₹ (38)

Footnotes

(i) Buildings include ₹ 8,620.0 (As at March 31, 2023: ₹ 8,620.0) towards cost of shares in a co-operative housing society and also includes ₹ 1.1 Million (As at March 31, 2023: ₹ 1.1 Million) and ₹ 1,133.0 Million (As at March 31, 2023: ₹ 1,133.0 Million) towards cost of non-convertible preference shares of face value of ₹ 10/- each and compulsorily convertible debentures of face value of ₹ 10,000/- each in a Company respectively entitling the right of occupancy and use of premises and also includes ₹ 4.5 Million (March 31, 2023: ₹ 4.5 Million) towards cost of flats not registered in the name of the Company but is entitled to right of use and occupancy.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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

₹ in Million

	Leasehold Land	Building	Plant and equipment	Total
At cost				
As at March 31, 2022	430.5	372.4	1,959.4	2,762.3
Addition	2.7	113.8	-	116.5
Deletion	-	(14.7)	-	(14.7)
Reclassified to assets held for Sale	(8.9)	-	-	(8.9)
As at March 31, 2023	**424.3**	**471.5**	**1,959.4**	**2,855.2**
Addition	-	2.9	-	2.9
Deletion	-	(21.0)	-	(21.0)
Reclassified to assets held for Sale	(2.7)	-	-	(2.7)
As at March 31, 2024	**421.6**	**453.4**	**1,959.4**	**2,834.4**
Accumulated depreciation				
As at March 31, 2022	**17.0**	**204.2**	**230.5**	**451.7**
Depreciation expense	7.0	87.7	88.7	183.4
Deletion	-	(10.8)	-	(10.8)
Reclassified to assets held for Sale	(0.6)	-	-	(0.6)
As at March 31, 2023	**23.4**	**281.1**	**319.2**	**623.7**
Depreciation expense	6.9	72.2	88.7	167.8
Deletion	-	(5.7)	-	(5.7)
Reclassified to assets held for Sale	(0.5)	-	-	(0.5)
As at March 31, 2024	**29.8**	**347.6**	**407.9**	**785.3**
Carrying amount				
As at March 31, 2023	**400.9**	**190.4**	**1,640.2**	**2,231.5**
As at March 31, 2024	**391.8**	**105.8**	**1,551.5**	**2,049.1**

Footnote

For details of Ind AS 116 disclosure refer Note 48.

NOTE: 3 (c) ASSETS CLASSIFIED AS HELD FOR SALE

₹ in Million

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

Net of accumulated depreciation and amortisation.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

₹ in Million

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

Footnote

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

NOTE: 3 (d) CAPITAL WORK-IN-PROGRESS

₹ in Million

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

NOTE: 4 (a) GOODWILL / OTHER INTANGIBLE ASSETS

Other than internally generated

₹ in Million

	Computer Software	Product related intangibles	Goodwill	Total
At cost or deemed cost				
As at March 31, 2022	3,404.1	84,853.9	1,208.0	89,466.0
Additions	558.2	2,295.9	-	2,854.1
Disposals	-	-	-	-
Reclassified to assets held for Sale	(7.9)	-	-	(7.9)
As at March 31, 2023	**3,954.4**	**87,149.8**	**1,208.0**	**92,312.2**
Additions	635.9	1,503.9	-	2,139.8
Disposals	(1.3)	(70.0)	-	(71.3)
Reclassified to assets held for Sale	(5.5)	-	-	(5.5)
As at March 31, 2024	**4,583.5**	**88,583.7**	**1,208.0**	**94,375.2**
Accumulated amortisation and impairment				
As at March 31, 2022	1,510.7	40,523.2	-	42,033.9
Amortisation expense	496.6	10,001.3	-	10,497.9
Disposals	-	-	-	-
Reclassified to assets held for Sale	(3.8)	-	-	(3.8)
As at March 31, 2023	**2,003.5**	**50,524.5**	**-**	**52,528.0**
Amortisation expense	580.3	9,335.4	-	9,915.7
Disposals	(0.3)	(40.8)	-	(41.1)
Reclassified to assets held for Sale	(3.4)	-	-	(3.4)
As at March 31, 2024	**2,580.1**	**59,819.1**	**-**	**62,399.2**
Carrying amount				
As at March 31, 2023	1,950.9	36,625.3	1,208.0	39,784.2
As at March 31, 2024	**2,003.4**	**28,764.6**	**1,208.0**	**31,976.0**

Footnotes

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

(ii) Refer Note 55 (1)

(iii) The recoverable amount of Goodwill has been determined based on value in use calculations which uses cash flow projections covering generally a period of five years which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate and appropriate discount rates that reflects current market assessments of time value of money . The average growth rate used in extrapolating cash flows beyond the planning period was 5.0% for the year ended March 31, 2024 and 5.0% for the year ended March 31, 2023. Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated on the weighted average cost of capital for respective CGU or group of CGUs. Discount rate used was 9.1% for the year ended March 31, 2024 and 9.4% for the year ended March 31, 2023. The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 4 (b) INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Million

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

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

	As at March 31, 2024		As at March 31, 2023	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments				
Unquoted (At cost less impairment in value of investments, if any)				
Sun Pharmaceutical Industries, Inc.				
Common shares of no par value	8,387,666	304.2	8,387,666	304.2
Sun Farmaceutica do Brasil Ltda				
Quota of Capital Stock of Real 1 each fully paid	4,019	18.3	4,019	18.3
Sun Pharma De Mexico, S.A. DE C.V.				
Common Shares of no Face Value	750	3.3	750	3.3
Sun Pharmaceutical (Bangladesh) Limited				
Ordinary Shares of 100 Takas each fully paid	434,469	36.5	434,469	36.5
Green Eco Development Centre Limited				
Shares of ₹ 10 each fully paid	700,000	7.0	700,000	7.0
Sun Pharma De Venezuela, C.A.				
Shares of Bolivars (Bs.F.) 100 each, Bolivars (Bs.F.) 50 per share paid	1,000	0.5	1,000	0.5
Sun Pharma Laboratories Limited				
Shares of ₹ 10 each fully paid	40,050,000	1.5	40,050,000	1.5
Faststone Mercantile Company Private Limited				
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1
Foundation for Disease Elimination and Control of India				
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1
Neetnav Real Estate Private Limited				
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1
Realstone Multitrade Private Limited				
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1
Skisen Labs Private Limited				
Shares of ₹ 10 each fully paid	16,360,000	163.6	16,360,000	163.6
Less: Impairment in value of investment		(163.6)		(163.6)
		-		-
Softdeal Pharmaceuticals Private Limited				
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1
Sun Pharma Holdings				
Shares of USD 1 each fully paid	855,199,716	54,031.5	855,199,716	54,031.5
Less: Impairment in value of investment [Refer Note 55 (2)]		(44,022.7)		(44,022.7)
		10,008.8		**10,008.8**

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	Quantity	₹ in Million	Quantity	₹ in Million
Sun Pharma (Netherlands) B.V.				
Ordinary class A shares of Euro 100 each fully paid	5,473,340	39,877.3	5,473,340	39,877.3
Ranbaxy Malaysia Sdn. Bhd.				
Ordinary Shares of RM 1 each fully paid	3,189,248	37.0	3,189,248	37.0
Sun Pharma Japan Ltd				
Ordinary Shares of JPY 50,000 each fully paid	1,200	553.0	1,200	553.0
Quoted (At cost less impairment in value of investments, if any)				
Zenotech Laboratories Limited				
Shares of ₹ 10 each fully paid	42,014,578	3,371.7	42,014,578	3,371.7
Less: Impairment in value of investment		(1,737.8)		(1,737.8)
		1,633.9		**1,633.9**
		52,481.8		**52,481.8**
Preference shares - unquoted (At cost)				
Sun Pharma Holdings				
5% Optionally Convertible Preference Shares USD 1 each fully paid	1,165,593,148	73,642.2	1,165,593,148	73,642.2
Less: Impairment in value of investment [Refer Note 55 (2)]		(16,945.2)		(16,945.2)
		56,697.0		**56,697.0**
Sun Pharma Japan Ltd - Preference Shares				
Non-cumulative, redeemable preference Shares of JPY 50,000 each fully paid	1,960	72.6	1,960	72.6
Sun Pharma (Netherlands) B.V.				
Non-cumulative optionally convertible class B shares of Euro 100 each fully paid	1,707,212	14,734.4	1,707,212	14,734.4
		71,504.0		**71,504.0**
		123,985.8		**123,985.8**
Aggregate amount of unquoted investments before impairment		183,483.4		183,483.4
Aggregate book value (carrying value) of quoted investments before impairment		3,371.7		3,371.7
Aggregate amount of impairment in value of investments		62,869.3		62,869.3
Aggregate amount of quoted investments at market value		2,483.5		1,977.2

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 6 INVESTMENTS (NON-CURRENT)

	As at March 31, 2024		As at March 31, 2023	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments				
Quoted (Fair value through other comprehensive income)				
Krebs Biochemicals and Industries Limited				
Shares of ₹ 10 each fully paid	1,036,943	63.3	1,036,943	58.5
Unquoted (Fair value through profit or loss)				
Enviro Infrastructure Co. Limited				
Shares of ₹ 10 each fully paid	100,000	1.0	100,000	1.0
Shimal Research Laboratories Limited				
Shares of ₹ 10 each fully paid	9,340,000	934.0	9,340,000	934.0
Less: Impairment in value of investment		(934.0)		(934.0)
		-		-
Shivalik Solid Waste Management Limited				
Shares of ₹ 10 each fully paid	20,000	0.2	20,000	0.2
Biotech Consortium India Limited				
Shares of ₹ 10 each fully paid	50,000	0.5	50,000	0.5
Less: Impairment in value of investment		(0.5)		(0.5)
		-		-
Nimbua Greenfield (Punjab) Limited				
Shares of ₹ 10 each fully paid	140,625	1.4	140,625	1.4
Watsun Infrabuild Private Limited				
Shares of ₹ 10 each fully paid	283,500	2.9	283,500	2.9
Agatsa Software Private Limited				
Shares of ₹ 10 each fully paid	-	-	2,771	80.0
		68.8		**144.0**
Aggregate book value (carrying value) of quoted investments		63.3		58.5
Aggregate amount of quoted investments at market value		63.3		58.5
Aggregate amount of unquoted investments before impairment		940.0		1,020.0
Aggregate amount of impairment in value of investments		934.5		934.5

NOTE: 7 LOANS (NON-CURRENT)

₹ in Million

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

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

NOTE: 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Million

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

* Sun Pharmaceutical (Bangladesh) Limited

NOTE: 9 DEFERRED TAX ASSETS (NET)

₹ in Million

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

₹ in Million

	Opening balance April 01, 2022	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance March 31, 2023
Deferred tax (liabilities) / assets in relation to:				
Difference between written down value of property, plant and equipment, intangible assets and capital work-in-progress as per books of accounts and income tax	(10,578.5)	1,082.5	-	(9,496.0)
Difference in carrying value and tax base of financial assets of investments	45.5	(11.0)	31.5	66.0
Derivatives designated as hedges	(75.8)	0.1	67.2	(8.5)
Deferred revenue	2,793.7	(616.2)	-	2,177.5
Unbilled revenue	11.1	(6.2)	-	4.9
Allowance for doubtful debts and advances	899.9	(193.0)	-	706.9
Expenses claimed for tax purpose on payment basis	1,359.4	160.0	(39.6)	1,479.8
Unabsorbed depreciation / carried forward losses	5,542.3	(473.7)	-	5,068.6
Other assets	2.4	(1.6)	-	0.8
	-	**(59.1)**	**59.1**	-
MAT credit entitlement	3,240.4	7,083.5	-	10,323.9
	3,240.4	**7,024.4**	**59.1**	**10,323.9**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Tax losses	-	29,027.8
Tax losses (Capital in nature)	19,554.8	19,546.0
Unabsorbed depreciation	29,252.6	32,745.3
Unused tax credits (MAT credit entitlement)	3,744.4	6,514.4
Deductible temporary differences	1,016.1	3,352.7

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

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

₹ in Million

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

* includes amount paid under protest.

NOTE: 11 OTHER ASSETS (NON-CURRENT)

₹ in Million

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

* includes amount paid under protest.

NOTE: 12 INVENTORIES

₹ in Million

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

Footnotes

(i) Inventory write downs are accounted considering the nature of inventory, estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products as well as the provisioning policy. Write downs of inventories amounted to ₹ 9,820.3 Million (March 31, 2023: ₹ 8,345.9 Million). The impact of write downs are recognised in the statement of profit and loss. The inventories with overseas contract manufacturers are stated as per the quantitative confirmations received from the respective parties.

(ii) The cost of inventories recognised as an expense is disclosed in Notes 32, 33 and 36 and as purchases of stock-in-trade in the statement of profit and loss.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

NOTE: 13 INVESTMENTS (CURRENT)

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

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

NOTE: 14 TRADE RECEIVABLES

₹ in Million

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

NOTE: 15 CASH AND CASH EQUIVALENTS

₹ in Million

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

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

₹ in Million

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

NOTE: 17 LOANS (CURRENT)

₹ in Million

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 18 OTHER FINANCIAL ASSETS (CURRENT)

₹ in Million

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

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

NOTE: 19 OTHER ASSETS (CURRENT)

₹ in Million

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

* Includes balances of goods and service tax.

NOTE: 20 EQUITY SHARE CAPITAL

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Authorised				
Equity shares of ₹ 1 each	5,990,000,000	5,990.0	5,990,000,000	5,990.0
Cumulative preference shares of ₹ 100 each	100,000	10.0	100,000	10.0
		6,000.0		**6,000.0**
Issued, subscribed and fully paid up				
Equity Shares of ₹ 1 each	2,399,334,970	2,399.3	2,399,334,970	2,399.3
	2,399,334,970	**2,399.3**	**2,399,334,970**	**2,399.3**

	Year ended March 31, 2024		Year ended March 31, 2023	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of reporting period				
Opening balance	2,399,334,970	2,399.3	2,399,334,970	2,399.3
Closing balance	**2,399,334,970**	**2,399.3**	**2,399,334,970**	**2,399.3**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares held by each shareholder holding more than 5 percent equity shares in the Company are as follows:				
Shanghvi Finance Private Limited	967,051,732	40.3	967,051,732	40.3
Dilip Shantilal Shanghvi	230,385,155	9.6	230,285,690	9.6

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

Footnotes

(i) Rights, Preference and Restrictions attached to equity shares: The equity shares of the Company, having par value of ₹ 1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

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

NOTE: 21 OTHER EQUITY

₹ in Million

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Nature and purpose of each reserve

Capital reserve – During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Securities premium – The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

Amalgamation reserve – The reserve was created pursuant to scheme of amalgamation in earlier years.

Capital redemption reserve – The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

General reserve – The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

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

Equity instrument through OCI – The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

Foreign currency translation reserve – Exchange differences relating to the translation of the results and the net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to statement of profit or loss account on the disposal of the foreign operation.

Effective portion of cash flow hedges – The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

NOTE: 22 BORROWINGS (NON-CURRENT)

₹ in Million

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

NOTE: 23 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in Million

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

NOTE: 24 OTHER LIABILITIES (NON-CURRENT)

₹ in Million

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 25 PROVISIONS (NON-CURRENT)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Employee benefits	2,197.3	2,061.6
	2,197.3	**2,061.6**

NOTE: 26 BORROWINGS (CURRENT)

₹ in Million

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

NOTE: 27 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Million

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

NOTE: 28 OTHER LIABILITIES (CURRENT)

₹ in Million

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

NOTE: 29 PROVISIONS (CURRENT)

₹ in Million

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

NOTE: 30 REVENUE FROM OPERATIONS

₹ in Million

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 31 OTHER INCOME

₹ in Million

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

NOTE: 32 COST OF MATERIALS CONSUMED

₹ in Million

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

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

₹ in Million

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

NOTE: 34 EMPLOYEE BENEFITS EXPENSE

₹ in Million

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

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

NOTE: 35 FINANCE COSTS

₹ in Million

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

NOTE: 36 OTHER EXPENSES

₹ in Million

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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

₹ in Million

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

NOTE: 38 TAX RECONCILIATION

₹ in Million

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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

₹ in Million

		As at March 31, 2024	As at March 31, 2023
i	**Contingent liabilities**		
a	Claims against the Company not acknowledged as debts	415.7	573.1
b	Liabilities disputed - appeals filed with respect to:		
	Income tax on account of disallowances / additions (Company appeals) *	2,934.4	2,831.6
	Sales tax on account of rebate / classification	84.5	138.1
	Goods and service tax / Excise duty / service tax on account of valuation / cenvat credit / custom duty	453.6	947.3
	ESIC contribution on account of applicability	132.8	124.5
c	Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit enjoyed by the Company	3,474.2	3,474.2
d	Other matters - state electricity board, Punjab Land Preservation Act related matters etc.	91.4	91.0
	Note: includes interest till the date of demand, wherever applicable		
e	Legal proceedings		

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

Antitrust – Lipitor:

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

₹ in Million

		As at March 31, 2024	As at March 31, 2023
	Product Liability – Ranitidine/Zantac MDL:		
	In June 2020, the Company and certain of its subsidiaries were named as defendants in a complaint filed in the Zantac/Ranitidine Multi-District Litigation ("MDL") consolidated in the U.S. District Court for the Southern District of Florida. The lawsuits name over 100 defendants, including brand manufacturers, generic manufacturers, repackagers, distributors, and retailers, involving allegations of injury caused by nitrosamine impurities. On July 08, 2021, the court granted the generic Defendants' motion to dismiss with prejudice. That decision is on appeal. In addition to the federal court proceedings, the Company and two of its affiliates were also named as defendants in state court actions pending in Pennsylvania, and California (actions previously pending in New York state court were voluntarily dismissed, and actions previously pending in Illinois state court were dismissed on the pleadings). Finally, certain of the Company's subsidiaries were named in various putative class actions pending in three Canadian provinces. The action pending in British Columbia is taking the lead and, in May 2023, the court in that action granted defendants' motion to strike and denied plaintiffs' motion for class certification.		
	Citalopram follow damages claim in the UK:		
	By judgement dated 25 March 2021, the CJEU (highest European court) upheld the fine against Ranbaxy (U.K.) Limited and Ranbaxy Laboratories Limited in full and ruled that a settlement agreement between Ranbaxy and Lundbeck (and the other agreements between Lundbeck and the other defendants in the case) had been anticompetitive.		
	The Company may now be subject to "follow-on" claims in national courts of some countries in Europe. The Company has been served with a claim in the England & Wales, with the National Health Service ("NHS") as the Claimant, relating to the delayed entry of generic citalopram. The NHS's damages case is based upon the premise that, but for the anticompetitive behavior, the NHS would have been able to buy cheaper generic alternatives of citalopram, rather than paying Lundbeck (another co-defendant) the full innovator price. The Company is currently seeking for the claim to be struck out on the basis that the Claimants brought the claim out of time, and a preliminary issues hearing took place on April 24, 2024, to determine the issue. The parties are awaiting the outcome of that hearing. At this stage it is also unclear how many claims will actually be made in practice in other countries. Accordingly, at this early stage, the Company is unable to estimate the potential liability which may arise on account of follow-on claims. The Company also believes, based on its internal assessment and that of its independent legal counsel, that it has favorable legal arguments in terms of defending the relevant claim and any other potential future damages claims.		
	Note:		
	Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
	* Income tax matters where department has preferred an appeal against favourable orders received by the Company amounted to ₹ 22,194.4 Million (March 31, 2023: ₹ 22,284.7 Million). These matters are sub-judice in various forums and pertains to various financial years.		
ii	**Commitments**		
a	Estimated amount of contracts remaining to be executed on capital account [net of advances] *	10,720.1	32,222.0
b	Uncalled liability on partly paid investments	0.5	0.5
c	Letters of credit for imports	527.9	1,496.3
	* The Company is committed to pay milestone payments on certain contracts, however, obligation to pay is contingent upon fulfilment of contractual obligation by parties to the contract.		
iii	**Guarantees given by the bankers on behalf of the Company**	1,302.3	1,197.4

NOTE: 40 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in Million

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 41 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Million

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

₹ in Million

	As at March 31, 2023		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	-	58.5	-
Equity instruments / mutual funds - unquoted	2,088.1	-	-
Loans to related parties	-	-	39,688.3
Loans to employees / others	-	-	109.0
Security deposits	-	-	519.8
Unbilled revenue	-	-	231.5
Share application money pending allotment	-	-	31.6
Trade receivables	-	-	71,250.2
Cash and cash equivalents	-	-	4,102.8
Bank balances other than cash and cash equivalents	-	-	110.0
Interest accrued	-	-	265.6
Refund due from government authorities	-	-	3,844.0
Other receivables	-	-	1,300.3
Derivatives designated as hedges	-	24.4	-
Derivatives not designated as hedges	177.3	-	-
	2,265.4	**82.9**	**121,453.1**
Financial liabilities			
Borrowings	-	-	75,926.7
Interest accrued	-	-	3,912.2
Trade payables	-	-	31,255.8
Payables to employee	-	-	2,556.9
Unpaid dividends	-	-	104.3
Security deposits	-	-	41.2
Payables on purchase of property, plant and equipment and other intangible assets	-	-	218.6
Product settlement, claims, recall charges and trade commitments	-	-	37,685.9
Lease liabilities	-	-	1,981.5
Derivatives not designated as hedges	33.2	-	-
	33.2	**-**	**153,683.1**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 42 FAIR VALUE HIERARCHY

₹ in Million

	As at March 31, 2024		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity – quoted #	63.3	-	-
Investments in equity – unquoted	-	-	5.5
Derivatives not designated as hedges	-	234.6	-
Derivatives designated as hedges	-	109.9	-
	63.3	**344.5**	**5.5**

₹ in Million

	As at March 31, 2023		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity - quoted #	58.5	-	-
Investments in equity - unquoted	-	-	85.5
Mutual funds	2,002.6	-	-
Derivatives not designated as hedges	-	177.3	-
Derivatives designated as hedges	-	24.4	-
	2,061.1	**201.7**	**85.5**
Financial liabilities			
Derivatives not designated as hedges	-	33.2	-
	-	**33.2**	-

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Reconciliation of Level 3 fair value measurements

₹ in Million

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

NOTE: 43 CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

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

(i) Debt equity ratio

₹ in Million

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

(ii) Dividend on equity shares paid during the year

₹ in Million

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

Dividends are net of waiver, wherever applicable.

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 44 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any significant losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

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

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

₹ in Million

Trade receivables ageing	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
Undisputed Trade receivables – considered good	50,966.8	19,757.0	13,444.2	1,876.9	1,425.3	871.4	88,341.6
Undisputed Trade Receivables – credit impaired	23.4	25.6	16.3	57.3	34.4	475.5	632.5
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	22.4	26.8	49.2
	50,990.2	**19,782.6**	**13,460.5**	**1,934.2**	**1,482.1**	**1,373.7**	**89,023.3**

₹ in Million

Trade receivables ageing	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Undisputed Trade receivables – considered good	35,257.6	23,437.8	9,528.5	1,722.8	407.8	895.7	71,250.2
Undisputed Trade Receivables – credit impaired	87.3	59.9	55.2	25.7	27.7	481.8	737.6
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	22.4	-	28.8	51.2
	35,344.9	**23,497.7**	**9,583.7**	**1,770.9**	**435.5**	**1,406.3**	**72,039.0**

Footnotes

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

₹ in Million

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

Other than trade receivables, the Company has recognised an allowance of ₹ 15.3 Million (March 31, 2023: ₹ 15.3 Million) against past due loans/advance including interest and ₹ 500.0 Million (March 31, 2023: ₹ 500.0 Million) of other receivables based on assessment regarding its future recoverability.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has unutilised working capital lines from banks of ₹ 35,780.0 Million as on March 31, 2024 (March 31, 2023: ₹ 35,780.0 Million).

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

₹ in Million

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

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2023
Non derivatives				
Borrowings	59.4	75,867.3	-	75,926.7
Trade payables	31,255.8	-	-	31,255.8
Lease liabilities	166.4	280.8	1,534.3	1,981.5
Other financial liabilities	40,606.9	3,912.2	-	44,519.1
	72,088.5	**80,060.3**	**1,534.3**	**153,683.1**
Derivatives	33.2	-	-	33.2
	33.2	**-**	**-**	**33.2**

Market risk

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Foreign exchange risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses (primarily in US Dollars, Euros, South African Rand, Brazilian Real and Russian Ruble). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, option contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

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

₹ in Million

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

₹ in Million

	As at March 31, 2023						
	US Dollar	Euro	Russian Ruble	South African Rand	Brazilian Real	Others	Total
Financial assets							
Trade receivables	36,239.7	4,346.5	3,934.5	3,148.7	9,336.1	7,481.8	64,487.3
Cash and cash equivalents	2,614.6	669.4	59.0	-	-	297.1	3,640.1
Loans to subsidiaries	39,028.4	-	-	-	-	-	39,028.4
Interest accrued	192.2	-	-	-	-	-	192.2
	78,074.9	**5,015.9**	**3,993.5**	**3,148.7**	**9,336.1**	**7,778.9**	**107,348.0**
Financial liabilities							
Trade payables	13,335.8	1,329.1	29.9	154.1	6.4	1,074.9	15,930.2
Payables on purchase of property, plant and equipment and other intangible assets	12.0	4.0	-	-	-	6.4	22.4
Product settlement, claims, recall charges and trade commitments	37,685.9	-	-	-	-	-	37,685.9
	51,033.7	**1,333.1**	**29.9**	**154.1**	**6.4**	**1,081.3**	**53,638.5**

(b) Sensitivity

For the years ended March 31, 2024 and March 31, 2023, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would (decrease) / increase the Company's profit and (decrease) / increase the Company's equity by approximately ₹ (5,298.6) Million and ₹ (2,685.5) Million respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(c) Derivative contracts

The Company is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollars, Euros, South African Rand, Brazilian Real and Russian Ruble. The Company uses foreign currency forward contracts, foreign currency option contracts and currency swap contracts (collectively, “derivatives”) to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank or a financial institution.

Hedges of highly probable forecasted transactions

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss.

In respect of the aforesaid hedges of highly probable forecasted transactions, the Company has recorded a net gain of ₹ 85.5 Million for the year ended March 31, 2024 and net loss of ₹ 192.4 Million for the year ended March 31, 2023 in other comprehensive income. The Company also recorded hedges as a component of revenue, gain of ₹ 223.6 Million for the year ended March 31, 2024 and loss of ₹ 1,076.9 Million for the year ended March 31, 2023 on occurrence of forecasted sale transaction.

Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the statement of profit and loss. The changes in fair value of the forward contracts and option contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the statement of profit and loss.

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

Amount in Million

Hedge Type	Currency / Pair	Sold / Bought	As at March 31, 2024	As at March 31, 2023
Derivatives designated as hedges				
Forward contracts	USD/INR	Sold USD	USD 485.0	USD 486.0
Derivatives not designated as hedges				
Forward contracts	USD/INR	Sold USD	USD 75.0	USD 75.0
Forward contracts	GBP/USD	Sold GBP	GBP 7.5	GBP 5.0
Forward contracts	EUR/USD	Sold EUR	EUR 9.0	EUR 9.0
Currency swaps	USD/INR	Sold USD	USD 400.0	USD 400.0

Interest rate risk

As at March 31, 2024 and March 31, 2023, the Company has loan facilities on fixed interest rates. Hence the Company is not exposed to interest rate risk.

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company’s purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company’s raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company’s active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company’s cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2024, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 45 TRADE PAYABLES

(a) Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

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

₹ in Million

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

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

(b) Trade payables ageing

₹ 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 of micro and small enterprises	656.8	-	-	-	-	656.8
Outstanding dues of other than micro and small enterprises	21,196.6	2,790.3	122.8	86.9	1,294.6	25,491.2
Disputed dues of micro and small enterprises	-	35.9	6.1	4.0	1.8	47.8
Disputed dues of other than micro and small enterprises	-	-	-	-	-	-
	21,853.4	**2,826.2**	**128.9**	**90.9**	**1,296.4**	**26,195.8**

₹ in Million

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Outstanding dues of micro and small enterprises	899.7	-	-	-	-	899.7
Outstanding dues of other than micro and small enterprises	21,800.0	3,259.5	399.8	217.3	4,385.0	30,061.6
Disputed dues of micro and small enterprises	-	255.1	24.5	9.2	5.7	294.5
Disputed dues of other than micro and small enterprises	-	-	-	-		-
	22,699.7	**3,514.6**	**424.3**	**226.5**	**4,390.7**	**31,255.8**

NOTE: 46 EARNINGS PER SHARE

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 47 EMPLOYEE BENEFITS

Defined contribution plan

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

₹ in Million

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

Defined benefit plan

(a) Gratuity

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

(b) Pension fund

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

(c) COVID-19 Employee children education support

The Company has undertaken an obligation to provide financial support towards education expenses of the children of those employees who have lost their lives due to the COVID-19 pandemic.

Risks

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment risk – The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

(ii) Interest rate risk – A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

(iii) Longevity risk – The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(iv) Salary risk – The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Other long term benefit plan

Actuarial Valuation for compensated absences is done as at the year end and the provision is made as per Company policy with corresponding charge to the statement of profit and loss amounting to ₹ 507.3 Million [March 31, 2023: ₹ 234.8 Million] and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in the statement of profit and loss.

₹ in Million

	Year ended March 31, 2024			Year ended March 31, 2023		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
Expense recognised in the statement of profit and loss (Refer Note 34)						
Current service cost	-	-	412.4	-	-	373.5
Interest cost	4.9	76.0	328.0	5.0	73.9	265.4
Expected return on plan assets	-	-	(273.0)	-	-	(226.5)
Expense charged to the statement of profit and loss	**4.9**	**76.0**	**467.4**	**5.0**	**73.9**	**412.4**
Remeasurement of defined benefit obligation recognised in other comprehensive income						
Actuarial loss / (gain) on defined benefit obligation	(5.4)	(4.1)	215.0	(10.6)	(66.4)	43.8
Actuarial loss / (gain) on plan assets	-	-	99.6	-	-	(80.2)
Expense / (income) charged to other comprehensive income	**(5.4)**	**(4.1)**	**314.6**	**(10.6)**	**(66.4)**	**(36.4)**
Reconciliation of defined benefit obligations						
Obligation as at the beginning of the year	65.8	1,017.8	4,393.7	72.7	1,072.2	3,935.3
Current service cost	-	-	412.4	-	-	373.5
Interest cost	4.9	76.0	328.0	5.0	73.9	265.4
Obligations transferred	-	-	-	-	-	-
Benefits paid	(2.8)	(61.2)	(327.4)	(1.3)	(61.9)	(224.3)
Actuarial (gains) / losses on obligations						
– due to change in demographic assumptions	-	-	(57.4)	-	-	41.0
– due to change in financial assumptions	0.9	23.1	161.6	(2.7)	(44.5)	(76.7)
– due to experience	(6.3)	(27.2)	110.8	(7.9)	(21.9)	79.5
Obligation as at the year end	**62.5**	**1,028.5**	**5,021.7**	**65.8**	**1,017.8**	**4,393.7**

₹ in Million

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

₹ in Million

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

	As at March 31, 2024			As at March 31, 2023		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
Assumptions:						
Discount rate	7.15%	7.15%	7.15%	7.45%	7.45%	7.45%
Expected return on plan assets	N.A.	N.A.	7.15%	N.A.	N.A.	7.45%
Expected rate of salary increase	N.A.	N.A.	10.54%-11.25%	N.A.	N.A.	10.00% - 10.50%
Interest rate guarantee	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Employee turnover	N.A.	N.A.	12.26% - 14.00%	N.A.	N.A.	11.78% - 14.00%
Retirement Age (years)	N.A.	N.A.	60	N.A.	N.A.	60

₹ in Million

	As at March 31, 2024			As at March 31, 2023		
	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)	COVID-19 Education (Unfunded)	Pension Fund (Unfunded)	Gratuity (Funded)
Sensitivity analysis:						
The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occurring at the end of the reporting period						
Impact on defined benefit obligation						
Delta effect of +1% change in discount rate	(3.6)	(62.4)	(264.7)	(4.1)	(62.9)	(243.8)
Delta effect of -1% change in discount rate	4.0	66.3	295.4	4.5	67.2	272.6
Delta effect of +1% change in salary escalation rate	-	-	282.6	-	-	262.3
Delta effect of -1% change in salary escalation rate	-	-	(258.9)	-	-	(239.7)
Delta effect of +1% change in rate of employee turnover	-	-	(48.8)	-	-	(38.7)
Delta effect of -1% change in rate of employee turnover	-	-	53.9	-	-	42.6
Maturity analysis of projected benefit obligation for next						
1st year	4.1	156.6	1,068.0	4.6	155.7	823.8
2nd year	5.0	96.3	671.2	4.4	95.7	589.5
3rd year	6.1	94.4	624.3	5.4	94.0	537.7
4th year	5.6	92.3	595.6	6.5	92.1	505.0
5th year	6.4	90.0	551.3	6.0	90.1	488.3
Thereafter	69.8	1,620.5	4,686.7	81.2	1,686.0	4,599.4
The major categories of plan assets are as under						
Insurer managed funds (Funded with LIC, break-up not available)	-	-	3,873.0	-	-	3,656.2
The contribution expected to be made by the Company for gratuity, during financial year ending March 31, 2025 is ₹ 1,556.4 Million (March 31, 2024: ₹ 1,104.1 Million)						

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 48 LEASES

a) The Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. Expenses relating to short-term leases and low-value assets for year ended March 31, 2024 is ₹ 48.1 Million (March 31, 2023: ₹ 41.2 Million).

₹ in Million

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

₹ in Million

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

* ₹ (7,345)

b) The Company has given certain premises and plant and machinery under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 5 years under leave and license/lease and are renewable by mutual consent on mutually agreeable terms. The Company has received refundable interest free security deposits where applicable in accordance with the agreed terms.

NOTE: 49 BORROWINGS

Details of long term borrowings:

(I) Unsecured loan from related party of ₹ 110,360.1 Million (March 31, 2023: ₹ 75,867.3 Million). The loan was taken on March 31, 2021 and is repayable by March 31, 2026. The interest rate is 7.5 % p.a.

No loans were due during the year. Further, the Company has not defaulted on interest payment during the year.

NOTE: 50 RELATED PARTY DISCLOSURES (IND AS 24) AS PER ANNEXURE “A”

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 51 LOANS / ADVANCES GIVEN TO SUBSIDIARIES

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

These loans have been granted to the above entities for the purpose of their business.

NOTE: 52

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

₹ in Million

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

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

NOTE: 53 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

a) Litigations [Refer Note 2 (2.2) (m) and Note 39]

b) Revenue [Refer Note 2(2.2)(n)]

c) Impairment of goodwill and intangible assets [Refer Note 2(2.2) (f)]

d) Impairment of Investment in subsidiaries [Refer Note 2(2.2) (g)]

e) Income tax [Refer Note 2(2.2) (r)]

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

NOTE: 54 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recorded an additional amount of ₹ 237.5 Million (March 31, 2023: ₹ 641.2 Million) as deferred revenue pursuant to the requirements of Ind AS 115. Revenue of ₹ 1,383.2 Million (March 31,2023: ₹ 2,241.3 Million) has been recognised as Revenue from contracts with customers pursuant to completion of performance obligation in respect of the above contracts.

The reconciling items of revenue recognised in the statement of profit and loss with the contracted price are as follows:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price, net of returns	194,768.1	194,346.4
Add / (Less):		
Provision for sales return	111.6	22.9
Rebates, discounts, price reduction and others	3,555.6	9,577.0
	3,667.2	**9,599.9**
Revenue from contract with customers	**198,435.3**	**203,946.3**

₹ in Million

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

₹ in Million

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

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

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

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

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

NOTE: 55

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

2. Exceptional items includes
   (a) Standalone financial statements for the year ended March 31, 2024 include charge of ₹ 1,492.1 Million towards impairment of an acquired intangible asset under development.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(b) The Company's subsidiary Ranbaxy, Inc., and its former subsidiaries Ranbaxy Pharmaceuticals, Inc. and Ranbaxy Laboratories Limited (collectively, "Ranbaxy"), were named as defendants in a lawsuit brought by the State of West Virginia alleging that Ranbaxy violated West Virginia antitrust and consumer protection laws in connection with a 2008 patent litigation settlement agreement with Pfizer concerning generic Lipitor (Atorvastatin). The case was pending in the Circuit Court of Mason County, West Virginia. The parties conducted limited fact discovery and served expert disclosures, and the case was scheduled to begin trial on December 11, 2023. With a view to resolve this dispute and avoid uncertainty, Ranbaxy and the State of West Virginia executed a binding term sheet embodying a comprehensive settlement for an amount of USD 8.39 Million (equivalent to ₹ 698.1 Million) including legal costs during the year ended March 31, 2024. The definitive settlement agreement will make clear that Ranbaxy denies each and every one of the allegations against it and has not conceded or admitted any liability.

(c) Standalone financial statements for the year ended on March 31, 2023 includes charge on account of impairment of investments in a wholly owned subsidiary amounting to ₹ 29,377.9 Million pursuant to assessment of recoverability due to changes in certain internal and external economic indicators.

3. In May 2022, FDA inspected Sun Pharma's Halol facility, and the inspection was classified as Official Action Indicated ("OAI") in August 2022. Subsequently, in December 2022, FDA placed the Halol facility on Import Alert 66-40; however, subject to certain conditions, certain Halol-manufactured finished drug products were exempted from the Import Alert. The Company is taking all corrective measures necessary to address the observations and is in communication with the FDA regarding the same.

4. In September 2013, FDA placed Sun Pharma's Mohali facility on Import Alert; the site was also subjected to certain provisions of the Consent Decree of Permanent Injunction entered against Ranbaxy Laboratories Ltd. in January 2012 (Ranbaxy Laboratories Ltd. was merged with Sun Pharma in March 2015). In March 2017, FDA removed the Import Alert on Mohali facility and indicated that the site was in substantial compliance with the current Good Manufacturing Practice ("cGMP") provisions mentioned in the Consent Decree. In August 2022, FDA inspected the Mohali facility, and the inspection was classified as OAI. Subsequently, in April 2023, FDA issued a Consent Decree Correspondence/ Non-Compliance letter to the Mohali facility in which FDA directed the Company to take certain corrective actions at the Mohali facility, and certain actions before releasing finished drug product batches into the United States. These actions include, but are not limited to, retaining an independent cGMP expert to conduct batch certifications of drug products manufactured at the Mohali facility for shipment to the U.S. market.

5. In December 2023, FDA inspected Sun Pharma's Dadra facility and has subsequently determined the inspection classification status of this facility as Official Action Indicated (OAI). The Company is in communication with FDA to resolve the inspectional observations that resulted in OAI status.

6. The Company has only one reportable segment namely 'Pharmaceuticals'. In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated Ind AS financial statements, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

7. The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the standalone financial statements when the Rules/Schemes thereunder are notified.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

8. Corporate social responsibility (CSR)

As per section 135 of the Companies Act, 2013, the Company is required to spend at least 2% of its average net profits for the immediately preceding three financial years on corporate social responsibility activities. The CSR Committee of the Company monitors the CSR activities and the projects are undertaken in pursuance of the Company's CSR Policy and the Annual Action Plan. Company's Annual Action Plan for the financial year 2023-24 covered CSR activities in the areas - Healthcare; Education; Environment Conservation; Drinking Water Project; Disaster Relief and Rural Development Programme.

₹ in Million

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

Represents contribution to Shantilal Shanghvi Foundation.

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

12. As part of the ongoing simplification of the group structure in India, the Board of Directors of the Company at its meeting held on May 30, 2022, approved the Scheme of Amalgamation for the merger of Wholly-owned Subsidiaries, Sun Pharmaceutical Medicare Limited, Green Eco Development Centre Limited, Faststone Mercantile Company Private Limited, Realstone Multitrade Private Limited and Skisen Labs Private Limited (collectively "Transferor Companies"), with Sun Pharmaceutical Industries Limited ("Transferee Company") to be effective from such date as may be decided under the authorisation by the Board of Directors of the Transferor Companies and the Board of Directors of the Transferee Company and / or such other date as may be approved by the National Company Law Tribunal pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder.

13. Ratios

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

Footnote

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

14. No proceeding have been initiated or pending against the Company under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.

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

16. The Company has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person. No trade or other receivable are due from directors of the Company either severally or jointly with any other person.

17. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

18. The Company has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets.

19. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

20. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. However, the Company, as a part of its treasury operations, invests/advances loans to fund the operations of its subsidiaries/associates/ joint venture which have further utilised these funds for their general corporate purposes / working capital, etc. within the consolidated group of the Company and in the ordinary course of business. These transactions are done on an arms length basis following a due approval process.

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

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

Particulars	Gross carrying value (₹ in Million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold Land	2.7	Ranbaxy Drugs Limited	No	24-Mar-15	The title deeds are in the name of erstwhile companies that were merged with the Company under relevant provisions of the Companies Act, 1956/2013 in terms of approval of the Honorable High Courts / National Company Law Tribunal of respective states.
Freehold Land	48.2	Ranbaxy Laboratories Limited	No	24-Mar-15	
Leasehold Land	2.9	Ranbaxy Laboratories Limited	No	24-Mar-15	
Freehold Land including building located thereon	95.9	Solrex Pharmaceuticals Company	No	08-Sep-17	
Freehold Land including building located thereon	3.6	Tamilnadu Dadha Pharmaceuticals Limited	No	01-Aug-97	
Building	4.1	Various	No	08-Sep-17	
Building	89.9	Sun Pharma Global FZE	No	01-Oct-21	

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

₹ in Million

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

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Ageing of Capital work-in-progress					
Projects in progress	1,525.3	1,250.4	122.3	224.8	3,122.8
Projects temporarily suspended	-	-	-	165.9	165.9
	1,525.3	**1,250.4**	**122.3**	**390.7**	**3,288.7**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

₹ in Million

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

₹ in Million

	To be completed in				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Overdue Capital work-in-progress					
Projects in progress					
Domestic formulation	577.8	-	-	-	577.8
Active Pharmaceutical Ingredient	221.7	-	-	-	221.7
Others	106.7	-	-	-	106.7
Projects temporarily suspended	165.9	-	-	-	165.9
	1,072.1	**-**	**-**	**-**	**1,072.1**

₹ in Million

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

₹ in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Ageing of Intangible assets under development					
Projects in progress	856.8	275.9	1,522.9	2,490.7	5,146.3
Projects temporarily suspended	-	-	-	94.1	94.1
	856.8	**275.9**	**1,522.9**	**2,584.8**	**5,240.4**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

₹ in Million

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

₹ in Million

	To be completed in				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Overdue Intangible assets under development					
Projects in progress					
Others	189.8	0.9	-	-	190.7
	189.8	**0.9**	**-**	**-**	**190.7**

23. Relationship with Struck off Companies

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

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

As per our report of even date

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

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

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

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

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

ANOOP DESHPANDE
Company Secretary and Compliance Officer

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

(I) Names of related parties and description of relationships

a. Subsidiaries

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

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

b	**Associate**	
	Dy Py Institute LLC	
c	**Key Management Personnel (KMP)**	
	Dilip Shantilal Shanghvi	Managing Director (Chairman and Managing Director w.e.f May 22, 2024)
	Sudhir Vrundavandas Valia	Non-Executive Director and Non-Independent Director
	Sailesh Trambaklal Desai	Whole-time Director (upto March 31, 2024)
	Israel Makov	Chairman and Non-Executive Director (Non-Independent) (upto August 29, 2022)
	Aalok D. Shanghvi	Whole-time Director (w.e.f. June 01, 2023)
	Kalyanasundaram Iyer Natesan Subramanian	Whole-time Director (upto February 13, 2023)
d	**Relatives of Key Management Personnel**	
	Vidhi Shanghvi	
	Aalok D. Shanghvi (appointed as Whole-time Director w.e.f. June 01, 2023)	
e	**Independent Directors**	
	Gautam Doshi	
	Pawan Kumar Goenka	
	Rama Bijapurkar	
	Rolf Karl Heinz Hoffmann (w.e.f. June 15, 2023)	
	Sanjay Khatau Asher (w.e.f. November 01.2022)	
f	**Others (Entities in which the KMP, Independent Directors and relatives of KMP, Independent Directors have control or Significant influence)**	
	Makov Associates Limited (upto August 29, 2022)	
	Sun Pharma Advanced Research Company Limited.	
	Sun Petrochemicals Private Limited	
	Sidmak Laboratories (India) Private Limited	
	United Medisales Private Limited (upto March 31, 2024)	
	Alfa Infraprop Private Limited	
	Shantilal Shanghvi Foundation	
	Anshul Speciality Molecules Pvt Ltd	
	Pharmarack Technologies Pvt Ltd (upto February 13, 2023)	
	Aditya Medisales Limited	
	Navbio Ag (w.e.f. June 15, 2023)	
	Sanghvi Properties Pvt Ltd	

Footnotes

1 Incorporated / Acquired during the year

2 Incorporated / Acquired during the previous year

3 Dissolved / Liquidated during the year

4 Dissolved / Liquidated during the previous year

5 Holds voting power of 85.66% (beneficial ownership 78.48%) [March 31, 2023 85.66% (beneficial ownership 78.48%)]

6 With effect from December 21, 2023 Sun Pharmaceuticals SA (Pty) Ltd has been dissolved

7 With effect from March 06, 2023 Foliage Merger Sub, Inc. merged with Concert Pharmaceuticals, Inc.

8 With effect from March 31, 2023 Concert Pharmaceuticals, Inc. merged with Sun Pharmaceutical Industries, Inc.

9 With effect from March 31, 2024 Dusa Pharmaceuticals, Inc. was merged into Sun Pharmaceutical Industries, Inc.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

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

₹ in Million

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

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

₹ in Million

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

Key Management Personnel (KMP) and Relatives of KMP who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above and there is no Share-based payments to Key Management Personnel of Company.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

Balance outstanding as at the end of the year

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Receivables	**80,800.4**	**64,156.4**
Subsidiaries	80,795.6	64,155.3
Others	4.8	1.1
Payable	**3,976.4**	**7,076.4**
Subsidiaries	3,869.0	6,969.3
Associates	0.1	-
Independent Directors	0.9	-
Others	106.4	107.1
Loan taken	**110,360.1**	**75,867.3**
Subsidiaries	110,360.1	75,867.3
Loan given	**40,290.1**	**39,688.3**
Subsidiaries	40,290.1	39,688.3
Security Deposit given	**73.4**	**73.4**
Subsidiaries	73.4	73.4
Security Deposit Received	**1.0**	**1.0**
Subsidiaries	0.1	0.1
Others	0.9	0.9
Other liabilities	**4,548.8**	**37,685.9**
Subsidiaries	4,548.8	37,685.9
Advance from customers	**50.8**	**544.2**
Subsidiaries	50.8	544.2
Advance (includes capital and supply of goods/services)	**1,114.8**	**467.7**
Subsidiaries	1,114.8	467.7
Accrued Interest income on loans and advances	**331.5**	**264.4**
Subsidiaries	331.5	264.4
Accrued Interest from borrowings	**10,772.0**	**3,912.2**
Subsidiaries	10,772.0	3,912.2
Provisions	**1,016.1**	**3,352.7**
Subsidiaries	1,016.1	3,352.7
Lease liabilities	**1,606.8**	**1,713.5**
Subsidiaries	1,606.8	1,713.5

(a) Transactions with related parties are made on an arm's length basis. Outstanding trade balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. As on year ended March 31, 2024, the Company has credit impairment of receivables relating to amounts owed by related parties (wholly owned subsidiaries) amounting to ₹ 54.9 Million (March 31, 2023: ₹ 54.9 Million).

(b) Provision includes obligation arising from a supply contract to Sun Laboratories FZE, a wholly owned subsidiary of the Company amounting to ₹ 1,016.1 Million (March 31, 2023: ₹ 3,352.7 Million).

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Annexure 'A')

Ind AS- 24 - "RELATED PARTY DISCLOSURES"

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

₹ in Million

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

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
Litigations (as described in Note 39 of the consolidated Ind AS financial statements)	
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. 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. 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. 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.	Our audit procedures and procedures performed by component auditors amongst others included the following: • Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of litigations, the recording / re-assessment of the related liabilities, provisions and disclosures. • Obtained a list of litigations from the Group's in-house legal counsel; identified material litigations from the aforementioned list and performed inquiries with the said counsel; obtained and read the underlying documents to assess the assumptions used by management in arriving at the conclusions. • Circulated, obtained and read legal confirmations from Group's external legal counsels in respect of material litigations and considered that in our assessment. • Verified the disclosures related to provisions and contingent liabilities in the consolidated Ind AS financial statements to assess consistency with underlying documents.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Rebates, discounts, chargebacks, returns and other allowances (as described in note 53 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>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.
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.</td><td>Our audit procedures and procedures performed by component auditors amongst others included the following:
• Evaluated the design and tested the operating effectiveness of the Group's controls over the completeness, recognition and measurement of accruals.
• Obtained and evaluated management's computations for accruals under respective contractual arrangements.
• Evaluated the key assumptions used by the Group by comparing it with prior years.
• Analysed the historical pattern of chargebacks, the inventory information and performed retrospective reviews in order to validate management's assumptions.
• Compared the assumptions in respect of rebates, discounts, allowances and returns to current payment trends.
• Evaluated adequacy of disclosures as required by Ind AS 115.</td></tr>
<tr><td colspan="2">Goodwill and other intangible assets (as described in note 3B and 47 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>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.
Significant judgements are used to estimate the recoverable amount of these intangible assets and goodwill and is hence considered as a Key Audit Matter.</td><td>Our audit procedures and procedures performed by component auditors amongst others included the following:
• Evaluated the design and tested the operating effectiveness of management's controls in assessing the carrying value of goodwill and intangible assets.
• Obtained the Group's computation of recoverable amount and tested the mathematical accuracy and reasonableness of key assumptions.
• Obtained and evaluated management's sensitivity analysis to ascertain the impact of changes in key assumptions.
• Evaluated the disclosures in the consolidated Ind AS financial statements.</td></tr>
<tr><td colspan="2">Tax litigations and recognition of deferred tax assets (as described in note 39 and 50 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>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.
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.
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.</td><td>Our audit procedures and procedures performed by component auditors amongst others included the following:
• Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax litigations/deferred tax and the recording and re-assessment of the related liabilities/assets and provisions and disclosures.
• Obtained list of ongoing tax litigations from management along with their assessment of the cases based on past precedents, judgements and matters in the jurisdiction, legal opinions sought by management, correspondences with tax department etc.
• Engaged tax 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.
• Tested management's assumptions including forecasts and sensitivity analysis in respect of recoverability of deferred taxes on unabsorbed depreciation/carry forward losses/Minimum Alternate Tax (MAT) credit.
• Verified disclosures of the tax positions, tax loss carry forwards and tax litigations in the consolidated Ind AS financial statements.</td></tr>
<tr><td colspan="2">Identification and disclosure of related parties (as described in note 57 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>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.
Identification and disclosure of related parties was a significant area of focus and hence considered it as a Key Audit Matter.</td><td>Our audit procedures and procedures performed by component auditors amongst others included the following:
• Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions.
• Obtained a list of related parties from the Group's management and traced the related parties to declarations given by directors, where applicable, and to note 57 of the consolidated Ind AS financial statements.
• Read minutes of the meetings of the Board of Directors and Audit Committee.
• Read declarations of related party transactions given to the Board of Directors and Audit Committee.
• Verified the disclosures in the consolidated Ind AS financial statements for compliance with Ind AS 24.</td></tr>
</table>

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

₹ in Million

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Non-current assets			
(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
Total non-current assets		**419,879.0**	**408,602.5**
(2) Current assets			
(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
Total current assets		**434,331.1**	**398,619.4**
Assets classified as held for sale	3C	418.7	214.0
TOTAL ASSETS		**854,628.8**	**807,435.9**

Consolidated Balance Sheet

as at March 31, 2024

₹ in Million

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	2,399.3	2,399.3
(b) Other equity	20	634,268.2	557,554.5
Equity attributable to the equity shareholders of the parent company		**636,667.5**	**559,953.8**
Non-controlling interests	71	34,392.2	33,200.9
Total equity		**671,059.7**	**593,154.7**
Liabilities			
(1) Non-current liabilities			
(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
Total non-current liabilities		**13,725.1**	**15,211.2**
(2) Current liabilities			
(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
Total current liabilities		**169,837.7**	**199,063.8**
Liabilities directly associated with assets classified as held for sale	3C	**6.3**	**6.2**
Total liabilities		**183,569.1**	**214,281.2**
TOTAL EQUITY AND LIABILITIES		**854,628.8**	**807,435.9**

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
(III)	**Total income (I+II)**		**498,510.4**	**445,202.0**
(IV)	**Expenses**			
	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
	Total expenses (IV)		**382,688.3**	**349,403.2**
(V)	**Profit before exceptional items and tax (III-IV)**		115,822.1	95,798.8
(VI)	Exceptional items	61	4,943.2	1,714.5
(VII)	**Profit before tax (V-VI)**		**110,878.9**	**94,084.3**
(VIII)	**Tax expense/(credit)**			
	Current tax		19,893.0	18,692.2
	Deferred tax		(5,498.5)	(10,216.3)
	Total tax expense (VIII)	49	**14,394.5**	**8,475.9**
(IX)	**Profit for the year before share of profit/(loss) of associates and joint venture (VII-VIII)**		96,484.4	85,608.4
(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)
(XII)	**Profit for the year before non-controlling interests (IX+X+XI)**		**96,100.3**	**85,129.4**
(XIII)	Non-controlling interests	71	336.5	393.6
(XIV)	**Profit for the year attributable to owners of the parent company (XII-XIII)**		**95,763.8**	**84,735.8**
(XV)	**Other comprehensive income**			
(A)	**Items that will not be reclassified to profit or loss**			
	(a) Gain/(loss) on remeasurement of the defined benefit plans		(690.8)	157.4
	Income tax on above		241.5	(54.2)
			(449.3)	**103.2**
	(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)
			6,934.8	**768.2**
	Total (A)		**6,485.5**	**871.4**

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) Items that may be reclassified to profit or loss			
(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)
		865.0	**(251.5)**
(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
		284.3	**(463.5)**
(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)
		3,786.5	**22,409.3**
Total (B)		**4,935.8**	**21,694.3**
(XV) Total other comprehensive income (A + B)		11,421.3	22,565.7
(XVI) Total comprehensive income for the year (XII+XV)		107,521.6	107,695.1
Other comprehensive income for the year attributable to:			
– Owners of the parent company		10,413.2	20,298.8
– Non-controlling interests		1,008.1	2,266.9
Total comprehensive income for the year attributable to:			
– Owners of the parent company		106,177.0	105,034.6
– Non-controlling interests		1,344.6	2,660.5
Earnings per equity share (face value per equity share - ₹ 1)	51		
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

₹ in Million

Particulars	Equity share capital	Other equity											Attributable to owners of parent company	Non-controlling interests	Total
		Reserves and surplus							Other comprehensive income (OCI)						
		Capital reserve	Securities premium	Amalgamation reserve	Capital redemption reserve	Legal reserve	General reserve	Retained earnings	Debt instrument through OCI	Equity instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges			
Balance as at March 31, 2022	**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
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**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)
Balance as at March 31, 2023	**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	-	-	-	-	-	-	-	* (449.6)	752.5	6,934.8	-	235.1	7,472.8	162.0	7,634.8
Total comprehensive income for the year	-	-	-	-	-	-	-	95,314.2	752.5	6,934.8	2,940.4	235.1	106,177.0	1,344.6	107,521.6
Payment of dividend	-	-	-	-	-	-	-	(28,981.6)	-	-	-	-	(28,981.6)	(25.4)	(29,007.0)
Buy-back / purchase of equity shares	-	-	-	-	-	-	-	(481.7)	-	-	-	-	(481.7)	(292.2)	(773.9)
Acquisition during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	164.3	164.3
Transfer on sale of equity instrument	-	-	-	-	-	-	-	(407.9)	-	407.9	-	-	-	-	-
Balance as at March 31, 2024	**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

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flow from operating activities		
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
Operating profit before working capital changes	**126,422.9**	**121,309.9**
Movements in working capital:		
(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)
Cash generated from operations	**137,044.2**	**64,691.7**
Net Income tax (paid) / refund received (including interest on refunds)	(15,694.4)	(15,098.4)
Net cash generated from/(used in) operating activities (A)	**121,349.8**	**49,593.3**
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital work-in-progress, other intangible assets and intangible assets under development)	(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
Net cash flow from / (used in) investing activities (B)	**(6,902.0)**	**(79,436.8)**

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
C. Cash flow from financing activities		
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)
Net cash flow from / (used in) financing activities (C)	**(67,101.6)**	**23,760.7**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**47,346.2**	**(6,082.8)**
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
Cash and cash equivalents at the end of the year	**92,856.5**	**46,237.3**

Notes:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents comprises of		
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
Cash and cash equivalents (Refer Note 14)	**92,856.5**	**46,237.3**

Change in financial liability/ asset arising from financing activities

₹ in Million

Particulars	Year ended March 31, 2024	
	Borrowings	Derivatives, net [(liabilities) / asset]
Opening balance	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	-
Closing balance	**28,456.9**	**-**

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
Closing balance	**61,978.8**	**(236.6)**

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

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

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

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

ANOOP DESHPANDE
Company Secretary and Compliance Officer

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

Notes to the 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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.

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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

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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.

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(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.

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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.

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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

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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.

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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
At cost or deemed cost							
As at March 31, 2022	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)
As at March 31, 2023	**6,676.1**	**61,395.4**	**130,773.5**	**4,438.6**	**1,186.5**	**3,246.3**	**207,716.4**
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)
As at March 31, 2024	**8,173.2**	**63,609.9**	**137,057.8**	**4,533.7**	**1,241.9**	**3,432.0**	**218,048.5**
Accumulated depreciation and impairment							
As at March 31, 2022	-	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)
As at March 31, 2023	**-**	**24,068.5**	**81,063.2**	**3,419.6**	**702.8**	**2,308.0**	**111,562.1**
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)
As at March 31, 2024	**-**	**25,962.3**	**88,570.6**	**3,613.1**	**647.3**	**2,483.0**	**121,276.3**
Carrying amount							
As at March 31, 2023	**6,676.1**	**37,326.9**	**49,710.3**	**1,019.0**	**483.7**	**938.3**	**96,154.3**
As at March 31, 2024	**8,173.2**	**37,647.6**	**48,487.2**	**920.6**	**594.6**	**949.0**	**96,772.2**

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
At cost						
As at March 31, 2022	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)
As at March 31, 2023	**2,302.3**	**6,801.5**	**2.8**	**3,283.2**	**23.9**	**12,413.7**
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)
As at March 31, 2024	**2,293.0**	**4,416.7**	**2.5**	**2,901.5**	**21.4**	**9,635.1**
Accumulated depreciation						
As at March 31, 2022	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)
As at March 31, 2023	**512.3**	**2,216.1**	**1.7**	**1,919.0**	**15.1**	**4,664.2**
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)
As at March 31, 2024	**559.5**	**2,491.4**	**2.1**	**1,413.4**	**17.7**	**4,484.1**
Carrying amount						
As at March 31, 2023	**1,790.0**	**4,585.4**	**1.1**	**1,364.2**	**8.8**	**7,749.5**
As at March 31, 2024	**1,733.5**	**1,925.3**	**0.4**	**1,488.1**	**3.7**	**5,151.0**

(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
At cost or deemed cost			
As at March 31, 2022	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)
As at March 31, 2023	**5,355.2**	**121,933.9**	**127,289.1**
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)
As at March 31, 2024	**5,569.0**	**123,595.0**	**129,164.0**
Accumulated amortisation and impairment			
As at March 31, 2022	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)
As at March 31, 2023	**3,160.0**	**70,958.8**	**74,118.8**
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)
As at March 31, 2024	**3,344.4**	**81,618.5**	**84,962.9**
Carrying amount			
As at March 31, 2023	**2,195.2**	**50,975.1**	**53,170.3**
As at March 31, 2024	**2,224.6**	**41,976.5**	**44,201.1**

Footnotes to 3A and 3B:

(a) 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.

(b) 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.

(c) ₹ 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.

(d) 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
	418.7	**214.0**

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
	6.3	**6.2**

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	**11,077.3**	**9,633.5**

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	**42,461.5**	**40,098.1**

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)				
Unquoted, fully paid				
Equity instruments				
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	-	-
Preference shares				
Remidio Innovative Solutions Private Limited	474,511	1,420.0	474,511	1,420.0
Surgimatix Inc	627,184	251.4	-	-
Limited liability partnership				
Trumpcard Advisors and Finvest LLP		648.0		642.1
Generic Solar Power LLP [₹ Nil (March 31, 2023: ₹ Nil)]		-		-
		4,061.3		**3,474.8**
Aggregate carrying value of unquoted investments		4,061.3		3,474.8

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)				
Unquoted, fully paid				
Equity instruments				
Artes Biotechnology GmbH	15,853	364.8	15,853	361.6
		364.8		**361.6**
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
Equity instruments - Quoted - At fair value through other comprehensive income				
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
Equity instruments - Quoted - At fair value through Profit or Loss		718.3		669.1
Equity instruments - Unquoted - At fair value through Profit or Loss				
Shimal Research Laboratories Limited Shares of ₹ 10 each fully paid	9,340,000	934.0	9,340,000	934.0
Less: Impairment in value of investment		(934.0)		(934.0)
Biotech Consortium India Limited Shares of ₹ 10 each fully paid	50,000	0.5	50,000	0.5
Less: Impairment in value of investment		(0.5)		(0.5)
Reanal Finomvegyszergyar 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
Limited liability partnership – Unquoted – At fair value through other comprehensive income				
ABCD Technologies LLP		297.2		406.2
Debentures/bonds – Quoted – At fair value through other comprehensive income				
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
Venture funds – Unquoted – At fair value through Profit or Loss		3,078.5		5,079.8
Others – Quoted – At fair value through other comprehensive income (small denomination U.S Treasuries, certificate of deposits, commercial papers, etc.)		4,444.2		4,603.7
		59,986.2		**50,680.9**
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
	8.5	**6.1**

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
	1,179.5	**1,710.4**

* 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
	22,850.3	**23,069.8**

* 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
	4,739.3	**3,723.7**

* 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
	31,295.6	**34,784.5**
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
	8,462.7	**9,550.8**
Stores and spares	1,482.0	1,310.5
	98,682.9	**105,130.5**

(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
Equity instruments – Quoted – At fair value through Profit or Loss		472.4		644.6
Bonds/debentures – Quoted – At fair value through other comprehensive income				
Bonds (various small denomination investments)#		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	-	-
Mutual funds * – Unquoted - At fair value through Profit or Loss				
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
Others – Quoted – At fair value through other comprehensive income (small denomination U.S Treasuries, certificate of deposits, commercial papers, etc.)		13,656.0		19,786.8
Equity instruments – Quoted – At fair value through Other comprehensive income				
Amneal Pharmaceuticals Inc. Shares of USD 0.01 each fully paid	1,221,138	617.2	-	-
		85,845.4		**93,726.1**
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).

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
	116,551.8	**118,534.4**
Less: Allowance for credit impaired	(4,058.1)	(4,149.3)
	112,493.7	**114,385.1**

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
	92,856.5	**46,237.3**

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
	12,350.3	**11,465.6**

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)
	458.6	**246.4**
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)
	191.6	**166.8**
	650.2	**413.2**

* 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)
	9,172.0	**7,645.1**

* 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
	22,280.1	**19,616.5**

* 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
Authorised				
Equity shares of ₹ 1 each	5,990,000,000	5,990.0	5,990,000,000	5,990.0
Cumulative preference shares of ₹ 100 each	100,000	10.0	100,000	10.0
		6,000.0		**6,000.0**
Issued, subscribed and fully paid up				
Equity shares of ₹ 1 each (Refer note 41)	2,399,334,970	2,399.3	2,399,334,970	2,399.3
	2,399,334,970	**2,399.3**	**2,399,334,970**	**2,399.3**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

NOTE: 20 OTHER EQUITY

₹ in Million

		As at March 31, 2024	As at March 31, 2023
A)	**Reserves and surplus**		
	Capital reserve	3,681.7	3,681.7
	Securities premium	11,874.1	11,874.1
	Amalgamation reserve	43.8	43.8
	Capital redemption reserve	7.5	7.5
	Legal reserve	285.5	285.5
	General reserve	35,621.0	35,621.0
	Retained earnings	501,545.5	436,102.5
B)	**Items of other comprehensive income (OCI)**		
	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)
		634,268.2	**557,554.5**

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 reclassfied 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	-
	13.3	-

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
	-	**37.9**

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
	4,138.9	**3,429.1**

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
	4,999.4	**5,828.2**

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
	28,443.6	**61,978.8**

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
	15,067.0	**15,930.9**

* 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
	10,844.6	**6,427.2**

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
	53,575.6	**53,543.8**

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
	4,117.0	**3,087.1**

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
	484,968.5	**438,856.8**

* 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
Interest income on:		
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
	10,229.1	**3,845.4**
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
	13,541.9	**6,345.2**

NOTE: 32 COST OF MATERIALS CONSUMED

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Raw materials and packing materials		
Inventories at the beginning of the year	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)
	69,043.3	**77,775.7**

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

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the beginning of the year		
Finished goods	34,510.9	30,648.1
Stock-in-trade	9,550.8	7,666.0
Work-in-progress	24,973.8	20,578.0
	69,035.5	**58,892.1**
Less:		
Inventories at the end of the year		
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
	65,905.3	**69,035.5**
Changes in inventories:		
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
	2,921.3	**(6,869.1)**

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
	94,290.6	**82,960.3**

* 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
	2,384.7	**1,720.0**

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
	154,181.8	**131,546.0**

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
	31,277.0	**23,077.2**
Less:		
Receipts from research activities	834.5	803.7
Miscellaneous income	17.7	16.4
	852.2	**820.1**
	30,424.8	**22,257.1**

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
	Parent Company			
	Sun Pharmaceutical Industries Limited			
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% (Refer note e)	100.00% (Refer note e)
16.	Zenotech Laboratories Limited	India	68.84% (Refer note f)	68.84% (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%	-
	Name of Joint Venture Entity			
100.	Artes Biotechnology GmbH	Germany	45.00%	45.00%
	Name of Associates			
101.	Medinstill LLC	United States of America	19.99%	19.99%
102.	Generic Solar Power LLP	India	28.76%	28.76%
103.	Trumpcard Advisors and Finvest LLP	India	40.61%	40.61%
104.	Tarsier Pharma Ltd.	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%	-
	Name of Subsidiary of Associates			
110.	Composite Power Generation LLP	India	36.90%	36.90%

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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. Following are the details of the Group's holding in Taro:			
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
A)	**Contingent liabilities**		
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

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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

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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
Financial assets			
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	-	-
Total	**51,281.3**	**94,899.8**	**228,361.2**
Financial liabilities			
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
Total	**-**	**125.2**	**104,211.5**

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**
Financial assets			
Investments			
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	-	-
Total	**51,274.0**	**93,335.4**	**181,660.4**
Financial liabilities			
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	-	-
Total	**33.2**	**582.1**	**141,027.4**

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
Financial assets			
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	-
Total	**139,537.8**	**3,428.0**	**3,215.3**
Financial liabilities			
Derivatives designated as hedges	-	125.2	-
Total	**-**	**125.2**	**-**

₹ in Million

	As at March 31, 2023		
	Level 1	Level 2	Level 3
Financial assets			
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	-
Total	**138,595.2**	**5,282.2**	**732.0**
Financial liabilities			
Derivatives designated as hedges	-	582.1	-
Derivatives not designated as hedges	-	33.2	-
Total	**-**	**615.3**	**-**

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
Unlisted shares valued at fair value		
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
Balance at the end of the year	**3,215.3**	**732.0**

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

Dividends are net of waiver, wherever applicable.

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

1. The Board of Directors at it's 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

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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
	95,511.1	**14,475.6**	**1,598.5**	**3,388.9**	**342.7**	**1,235.0**	**116,551.8**

₹ 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
	99,819.4	**13,109.9**	**1,821.5**	**2,238.3**	**267.5**	**1,277.8**	**118,534.4**

* ₹ 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
Movement in the expected credit loss allowance on trade receivables		
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	**4,058.1**	**4,149.3**

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

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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
	101,175.3	**1,732.7**	**1,303.5**	**104,211.5**
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
	135,428.3	**1,506.3**	**4,092.8**	**141,027.4**
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
	89,783.8	**8,735.1**	**5,129.2**	**5,764.8**	**3,488.1**	**8,550.0**	**121,451.0**
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
	28,824.0	**3,451.9**	**148.6**	**-**	**445.6**	**5.4**	**32,875.5**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

₹ in Million

	As at March 31, 2023						
	US Dollar	Euro	Russian Ruble	South African Rand	Japanese Yen	Brazilian Real	Total
Financial assets							
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
	79,247.1	**6,347.2**	**5,007.4**	**3,147.9**	**3,261.6**	**9,336.1**	**106,347.3**
Financial liabilities							
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
	66,624.9	**2,657.6**	**148.3**	**154.1**	**2,112.9**	**6.4**	**71,704.2**

(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:

Amount in Million

Hedge Type	Currency / Pair	Sold / Bought	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.

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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
Goodwill in respect of:		
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	-
Total (A)	**87,262.7**	**84,887.2**
Less:		
Capital reserve in respect of:		
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
Total (B)	**1,273.2**	**1,306.9**
Total (A-B)	**85,989.5**	**83,580.3**

(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
Closing balance	**85,989.5**	**83,580.3**

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

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Reconciliation of tax expense		
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	**38,745.5**	**32,876.8**
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)
Income tax expense recognised in consolidated statement of profit and loss	**14,394.5**	**8,475.9**

NOTE: 50 DEFERRED TAX

(i) Deferred tax assets (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
Deferred tax assets					
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
	44,078.6	**2,600.7**	**206.3**	**-**	**46,885.6**
MAT credit entitlement	10,323.9	3,495.1	-	-	13,819.0
	54,402.5	**6,095.8**	**206.3**	**-**	**60,704.6**
Less: Deferred tax liabilities					
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
	19,213.3	**479.2**	**(24.4)**	**-**	**19,668.1**
	35,189.2	**5,616.6**	**230.7**	**-**	**41,036.5**

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
Deferred tax assets					
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
	38,915.6	**2,451.7**	**(139.5)**	**2,850.8**	**44,078.6**
MAT credit entitlement	3,240.4	7,083.5	-	-	10,323.9
	42,156.0	**9,535.2**	**(139.5)**	**2,850.8**	**54,402.5**
Less: Deferred tax liabilities					
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
	13,660.2	**(2,228.6)**	**(97.8)**	**7,879.5**	**19,213.3**
	28,495.8	**11,763.8**	**(41.7)**	**(5,028.7)**	**35,189.2**

(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
Deferred tax liabilities					
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax and others	2,867.5	(2,517.7)	-	89.8	439.6
Difference in carrying value and tax base of investments	-	-	1,182.7	-	1,182.7
	2,867.5	**(2,517.7)**	**1,182.7**	**89.8**	**1,622.3**
Less: Deferred tax assets					
Expenses that are allowed on payment basis	451.8	(442.8)	-	-	9.0
Others	220.4	(157.7)	-	-	62.7
	672.2	**(600.5)**	**-**	**-**	**71.7**
MAT credit entitlement	1,878.4	(1,878.4)	-	-	-
	2,550.6	**(2,478.9)**	**-**	**-**	**71.7**
	316.9	**(38.8)**	**1,182.7**	**89.8**	**1,550.6**

₹ 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
Deferred tax liabilities				
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax and others	2,474.3	393.2	-	2,867.5
	2,474.3	**393.2**	**-**	**2,867.5**
Less: Deferred tax assets				
Expenses that are allowed on payment basis	429.9	35.9	(14.0)	451.8
Others	159.2	61.2	-	220.4
	589.1	**97.1**	**(14.0)**	**672.2**
MAT credit entitlement	1,566.6	311.8	-	1,878.4
	2,155.7	**408.9**	**(14.0)**	**2,550.6**
	318.6	**(15.7)**	**14.0**	**316.9**

* 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

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(iii) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

₹ in Million

	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

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

₹ in Million

	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**

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
	204,402.4	**210,529.4**

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
Less:		
Provision for sales return	(4,374.6)	(9,392.1)
Chargebacks, Rebates, discounts and others	(242,184.1)	(294,229.1)
	(246,558.7)	**(303,621.2)**
Revenue from contracts with customers	**477,584.5**	**432,788.7**

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
	477,584.5	**432,788.7**

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Contract balances		
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
Balance at end of the year	**4,279.8**	**6,879.9**

(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)
Expense recognised in the consolidated statement of profit and loss (Refer note 34)						
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)
Expense charged to the consolidated statement of profit and loss	**6.2**	**76.0**	**718.3**	**6.3**	**73.9**	**633.9**
Remeasurement of defined benefit obligation recognised in other comprehensive income						
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)
Expense/(income) charged to other comprehensive income	**(6.8)**	**(4.1)**	**701.7**	**(13.4)**	**(66.4)**	**(77.6)**
Reconciliation of defined benefit obligations						
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
Obligation as at the year end	**78.8**	**1,028.5**	**7,427.2**	**83.4**	**1,017.8**	**6,224.9**

₹ in Million

	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the consolidated balance sheet		
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)
Net liability recognised in the consolidated financial statement	**1,956.2**	**1,060.1**

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Reconciliation of plan assets		
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)
Plan assets as at the year end	**5,471.0**	**5,164.8**

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)
Assumptions:						
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)
Sensitivity analysis:						
The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occurring at the end of the reporting period.						
Impact on defined benefit obligation						
Delta effect of +1% change in discount rate	(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						
1st year	5.3	156.6	1,413.4	5.8	155.7	1,081.1
2nd year	6.4	96.3	940.6	5.6	95.7	853.4
3rd year	7.7	94.4	906.5	6.8	94.0	765.8
4th year	7.2	92.3	841.9	8.2	92.1	732.5
5th 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
Closing balance (Also Refer note 61)	**46,885.4**	**49,008.3**

* Includes provision for trade commitments, discounts, rebates, price reductions, product returns, chargeback, medicaids, 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
Interest bearing with specified repayment schedule:		
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)
	458.6	**246.4**

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
Total	**336.5**	**393.6**	**34,392.2**	**33,200.9**

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
Consolidated balance sheet of TARO Group		
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
Consolidated statement of profit and loss of TARO Group		
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
Consolidated cash flows information of TARO Group		
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
	46,029.2	**10,052.4**	**203.0**	**92.8**	**437.8**	**56,815.2**

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
	3,472.7	**2,840.0**	**518.6**	**4,246.0**	**11,077.3**

₹ 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
	4,308.4	**911.7**	**3,989.3**	**424.1**	**9,633.5**

Overdue Capital work-in-progress

₹ in Million

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

₹ in Million

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

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
	3,712.4	**36,137.0**	**61.3**	**2,550.8**	**42,461.5**

₹ 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
	35,714.5	**275.9**	**1,522.9**	**2,584.8**	**40,098.1**

Overdue intangible assets under development

₹ in Million

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
Projects in progress					
Others	154.7	-	-	-	154.7
	154.7	**-**	**-**	**-**	**154.7**

₹ in Million

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Projects in progress					
Others	189.8	0.9	-	-	190.7
	189.8	**0.9**	**-**	**-**	**190.7**

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:

(a) Litigations (Refer note 2 (m) and note 39)

(b) Revenue (Refer note 2 (n))

(c) Impairment of goodwill and intangible assets (Refer note 2 (g), (h) and 47)

(d) Contingent consideration (Refer note 2 (c))

(e) 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
Assets	
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
Total Assets	**587.7**
Liabilities	
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
Total liabilities	**177.1**
Total net identifiable assets at fair value	**410.6**
Total purchase price	**1,433.2**
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
	34,680.4	**31,144.4**
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

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

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

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

ANOOP DESHPANDE
Company Secretary and Compliance Officer

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

Notes to the 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)#	(1.7)	(182.1)	(1.4)	(1,476.7)#
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
Total		**100.0**	**671,059.7**	**100.0**	**95,763.8**	**100.0**	**10,413.2**	**100.0**	**106,177.0**

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
Total		**100.0**	**593,154.7**	**100.0**	**84,735.8**	**100.0**	**20,298.8**	**100.0**	**105,034.6**

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

a	**Key Management Personnel (KMP)**	
	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	**Relatives of Key Management Personnel**	
	Vidhi Shanghvi	
	Aalok D. Shanghvi (appointed as Whole-time Director w.e.f. June 01, 2023)	
c	**Independent Directors**	
	Gautam Doshi	
	Pawan Kumar Goenka	
	Rama Bijapurkar	
	Rolf Karl Heinz Hoffmann (w.e.f. June 15, 2023)	
	Sanjay Khatau Asher (w.e.f. November 01, 2022)	
d	**Others (Entities in which the KMP, Independent Directors and relatives of KMP and Independent Directors have control or significant influence)**	
	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)	
e	**Associates**	
	Medinstill LLC	
	Medinstill Development LLC	
	Tarsier Pharma Ltd	
	Dr. Py Institute LLC	
	Intact Solutions LLC	
	Remidio Innovative Solutions Private Limited	
	WRS Bioproducts Pty Ltd	
f	**Unconsolidated Subsidiary**	
	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
Purchase of goods	**184.8**	**217.4**
Others	184.8	217.4
Purchase of property, plant and equipment and other intangible assets	**24.6**	**1,817.1**
Associates	-	170.0
Others	24.6	1,647.1
Revenue from contracts with customers, net of returns	**467.7**	**233.2**
Others	467.7	233.2
Sale of property, plant and equipment	**0.2**	**4.0**
Others	0.2	4.0
Other operating revenue /Other Income	**15.3**	**14.6**
Others	15.3	14.6
Receiving of service	**816.9**	**1,283.9**
Others	816.9	1,283.5
Associates	-	0.4
Impairment in value of loans/advance	**-**	**1,644.3**
Associates	-	1,644.3
Reimbursement of expenses (Paid)	**277.3**	**55.3**
Others	277.3	55.3
Rendering of service	**664.0**	**795.1**
Others	664.0	795.1
Reimbursement of expenses (Received)	**142.5**	**66.2**
Others	140.4	66.2
Associates	2.1	-
Loan given	**207.0**	**-**
Associates	207.0	-
Advance Given	**15.9**	**-**
Others	15.9	-
Lease Rental and hire charges (Income)	**94.7**	**44.4**
Others	54.6	44.4
Associates	40.1	-
Rent expense / payment towards lease liabilities	**9.6**	**9.6**
Others	9.6	9.6
Investments	**161.2**	**56.6**
Associates	161.2	56.6
Remuneration/ compensation	**284.9**	**306.1**
Key management personnel	270.1*	229.7
Relatives of Key management personnel	14.8	76.4
CSR	**652.3**	**621.0**
Others	650.0	620.0
Unconsolidated subsidiary	2.3	1.0
Sitting Fees and Commission paid to Independent Directors	**25.7**	**20.1**

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
Receivables	**642.5**	**438.3**
Others	642.5	438.3
Payables	**482.5**	**381.1**
Others	388.2	307.6
Key management personnel	92.9	73.4
Independent Directors	1.3	0.0**
Associates	0.1	0.1
Security deposit given	**0.5**	**0.5**
Others	0.5	0.5
Security deposit received	**0.9**	**0.9**
Others	0.9	0.9
Loan given	**458.6**	**246.4**
Associates	458.6	246.4
Lease liability	**81.6**	**84.1**
Others	81.6	84.1
Advance (Includes capital and supply of goods/services)	**417.0**	**-**
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.

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

₹ in Million

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.	Chattem 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 Pharma Laboratories 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

₹ in Million

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	438.6	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	(32,391.3)	(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 Laboratorios,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

₹ in Million

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:

1. ‘0.0’ represents amount less than 0.05 Million and rounded off.
2. 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.
3. In respect of entity at Sr. No. 80 to 83 has been incorporated/ acquired during the year ended March 31, 2024.
4. 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.
5. 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.
6. With effect from May 23, 2022, OOO “Sun Pharmaceutical Industries” Limited has been dissolved.
7. Foliage Merger Sub, Inc. merged with Concert Pharmaceuticals, Inc. w.e.f. March 06, 2023
8. With effect from November 23, 2023 Sun Pharma Global FZE has been dissolved.
9. Concert Pharmaceuticals, Inc. merged with Sun Pharmaceutical Industries, Inc. w.e.f. March 31, 2023
10. With effect from July 14, 2023 Concert Pharmaceuticals Securities Corp. has been dissolved.
11. With effect from August 15, 2023 Concert Pharma U.K. Limited has been dissolved.
12. 3 Skyline LLC and One Commerce drive LLC are being consolidated with Taro Pharmaceuticals U.S.A.,Inc.
13. 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.
14. Sun Pharma New Milford Parent LLC, Sun Pharma Housatonic LLC, Sun Pharma Housatonic II LLC and Sun Pharma Housatonic III LLC are being consolidated with Sun Pharmaceutical Industries, Inc.
15. With effect from December 21, 2023, Sun Pharmaceuticals SA (Pty) Ltd has been dissolved.
16. 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

₹ in Million

Sr. No.	Name of Associates/Joint Ventures	Joint Venture	Associate								
		Artes Biotechnology GmbH	Generic Solar Power LLP	Trumpcard Advisors and Finvest LLP (Consolidated)	Medinstill LLC (Consolidated)	Tarsier Pharma Ltd (Formerly known as Tarsius Pharma Ltd.)	WRS Bioproducts Pty Ltd	Ezerx Health Tech Private Limited	Agatsa Software Private Limited	Remidio Innovative Solutions Pvt Ltd	Surgimatix Inc
1.	Latest Balance Sheet Date	December 31, 2023	March 31, 2024	March 31, 2024	December 31, 2023	December 31, 2023	December 31, 2023	March 31, 2024	March 31, 2024	March 31, 2024	December 31, 2023
	Date of investment	February 13, 2014	October 09, 2015	March 31, 2017	March 13, 2014	October 09, 2018	October 03, 2021	October 19, 2023	October 17, 2023	February 03, 2023	February 20, 2024
2.	Shares of Associate/Joint Ventures held by the company on the year end										
	No.	15,853	NA	NA	1,999	455,447	740,071	6,315	8,538	475,588	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
	Extend of Holding %	45.00%	28.76%	40.61%	19.99%	20.98%	12.50%	37.76%	23.47%	29.15%	16.33%
3.	Description of how there is significant influence	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
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
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)
	ii. Not Considered in Consolidation	(1.7)	0.0	9.1	(1,192.7)	(186.8)	(42.0)	11.7	(35.2)	(69.0)	(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)

ANOOP DESHPANDE
Company Secretary and Compliance Officer

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

Notice of Annual General Meeting

NOTICE is hereby given that the **Thirty-second (32nd) Annual General Meeting of Sun Pharmaceutical Industries Limited will be held on Monday, August 5, 2024 at 3:00 p.m. IST (Indian Standard Time) through Video Conferencing / Other Audio-Visual Means** to transact the following business:

Ordinary Business:

1. **Adoption of Standalone Financial Statements**

   To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon.

2. **Adoption of Consolidated Financial Statements**

   To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2024 and the report of the Auditors thereon.

3. **Declaration of Dividend**

   To declare Final Dividend of ₹ 5/- (Rupees Five only) per Equity Share of ₹ 1/- each (Rupee One only) for the financial year 2023-24.

4. **Appointment of Mr. Dilip Shanghvi as a Director, liable to retire by rotation**

   To appoint Mr. Dilip Shanghvi (DIN: 00005588), who retires by rotation and being eligible, has offered himself for re-appointment.

Special Business:

5. **Ratification of the remuneration of the Cost Auditor for financial year 2024-25.**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration as approved by the Board of Directors and set out in the Explanatory Statement annexed to this Notice, payable to M/s. K D & Co, Cost Accountants, Firm's Registration No. 004076, appointed as the Cost Auditor of the Company to conduct the audit of cost records maintained by the Company for the financial year 2024-25, be and is hereby ratified."

   Please click ***here*** for the explanatory statement

6. **Approval for material related party transactions between Taro Pharmaceutical Industries Limited, Israel and Taro Pharmaceuticals USA, Inc for the financial year 2024-25.**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the approval of the shareholders of the Company be and is hereby accorded for material related party transaction(s)/ arrangement(s) to be entered into, individually or taken together with previous transactions during the financial year 2024-25, between Taro Pharmaceutical Industries Limited, Israel and Taro Pharmaceuticals USA, Inc, subsidiaries of the Company, for purchase and sale of pharmaceutical products, not exceeding an aggregate value equivalent of ₹ 15,000 Million, and that such transaction(s)/ arrangement(s) shall be at arm's length.

   RESOLVED FURTHER THAT the Board of Directors of the Company and Key Managerial Personnel be and are hereby authorised to do all such acts, deeds, matters and things as it may deem fit and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions as may be required to give effect to this resolution."

   Please click ***here*** for the explanatory statement

7. **Approval for material related party transactions between Taro Pharmaceuticals Inc, Canada and Taro Pharmaceuticals USA, Inc for the financial year 2024-25.**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the approval of the shareholders of the Company be and is hereby accorded for material related party transaction(s)/ arrangement(s) to be entered into, individually or taken together with previous transactions during the financial year 2024-25, between Taro Pharmaceuticals Inc, Canada and Taro Pharmaceuticals USA, Inc, subsidiaries of the Company, for purchase and sale of pharmaceutical products, not exceeding an aggregate value equivalent of ₹ 20,000 Million, and that such transaction(s)/ arrangement(s) shall be at arm's length.

RESOLVED FURTHER THAT the Board of Directors of the Company and Key Managerial Personnel be and are hereby authorised to do all such acts, deeds, matters and things as it may deem fit and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions as may be required to give effect to this resolution."

Please click ***here*** for the explanatory statement

By order of the Board of Directors
For **Sun Pharmaceutical Industries Limited,**

Anoop Deshpande
Company Secretary and
Compliance Officer
(ICSI Membership No.: A23983)

Place: Mumbai
Date: July 1, 2024

Registered Office:
SPARC, Tandalja,
Vadodara – 390 012,
Gujarat, India

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013 ("the Act"), the following statements set out material facts about the Special Business at Item Nos. 5 to 7 of the Notice.

Item No. 5: Ratification of the remuneration of the Cost Auditors for financial year 2024-25.

M/s. K D & Co, Cost Accountants, have been appointed as the Cost Auditor by the Board of Directors of the Company on recommendation of the Audit Committee, for conducting audit of cost records and accounts maintained by the Company pertaining to the formulations and bulk drugs activities of the Company for the financial year ending March 31, 2025 at a remuneration of ₹ 3,126,375/- per annum plus reimbursement of out-of-pocket expenses and applicable taxes.

For the financial year ending March 31, 2024, shareholders had approved the remuneration of ₹ 2,977,500/- per annum plus reimbursement of out-of-pocket expenses and applicable taxes, to be paid to M/s K D & Co, Cost Accountants.

The consent of the shareholders of the Company is being sought for ratification of the remuneration payable to the Cost Auditor for the financial year 2024-25 as required under Section 148(3) of the Act, read with Companies (Audit and Auditors) Rules, 2014.

The Board recommends the resolution as set out at Item No. 5 of this Notice for approval of the shareholders as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the resolution as set out at Item No. 5 of this Notice.

Please click ***here*** for the resolution

Item No. 6 and 7: Approval for material related party transactions between Taro Pharmaceutical Industries Limited, Israel and Taro Pharmaceuticals USA, Inc and between Taro Pharmaceuticals Inc, Canada and Taro Pharmaceuticals USA, Inc, for the financial year 2024-25.

Regulatory Requirement

Pursuant to Regulation 2(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), related party transactions include a transaction of the listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand.

Pursuant to Regulation 23(1) of the Listing Regulations read with the Company's 'Policy on Materiality of and Dealing with the Related Party Transactions', a material related party transaction is a transaction entered into individually or taken together with previous transactions during a financial year, exceeding ₹ 1,000 Crore or ten per cent of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

Further, every material related party transaction requires prior approval of the shareholders.

Details of the Transactions

Taro Pharmaceuticals USA, Inc ("Taro USA") acts as a distributor for the products of Taro Pharmaceuticals Inc, Canada ("Taro Canada") and Taro Pharmaceutical Industries Limited, Israel ("Taro Israel") in the US markets. The transaction is in the interest of the Company as it brings about greater efficiency and manages the supply chain effectively.

The Corporate Governance and Ethics Committee and the Audit Committee have reviewed and approved both the transactions. The transactions, being in the best interest of the Company, based on the recommendation of the Committees, the Board recommends the resolutions as set out at Item No. 6 and 7, for approval of the shareholders, as Ordinary Resolution(s).

None of the Directors and Key Managerial Personnel of the Company and their respective relatives except Mr. Sudhir Valia and Mr. Gautam Doshi and their relatives, by virtue of their respective directorship in Taro Canada and Taro USA, are concerned or interested in the resolution set out at Item No. 6 and 7.

Please click ***here*** for the resolution

Pursuant to various SEBI Circular(s) and the Act, the information required to be disclosed for the proposed related party transactions is as follows:

Sr. No.	Description	Details	
		Resolution at Item No. 6	Resolution at Item No. 7
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Taro Pharmaceutical Industries Limited, Israel ("Taro Israel") and Taro Pharmaceuticals USA, Inc ("Taro USA") Taro USA is a wholly-owned subsidiary of Taro Israel through its wholly-owned subsidiary, Taro Canada. Taro Israel and Taro USA are subsidiaries of Sun Pharmaceutical Industries Limited ("SPIL"). SPIL is not a party to this transaction.	Taro Pharmaceuticals Inc, Canada ("Taro Canada") and Taro Pharmaceuticals USA, Inc ("Taro USA") Taro USA is a wholly-owned subsidiary of Taro Canada. Taro Canada and Taro USA are subsidiaries of Sun Pharmaceutical Industries Limited ("SPIL"). SPIL is not a party to this transaction.
b.	Type, material terms and particulars of the proposed transaction	Purchase and sale of pharmaceutical products. Taro USA acts as a distributor for Taro Israel products in the US markets. Taro USA is guaranteed an arm's length remuneration for its distribution and ancillary activities.	Purchase and sale of pharmaceutical products. Taro USA acts as a distributor for Taro Canada products in the US markets. Taro USA is guaranteed an arm's length remuneration for its distribution and ancillary activities.
c.	Tenure of the proposed transaction	FY 2024-25 (April 1, 2024 to March 31, 2025)	FY 2024-25 (April 1, 2024 to March 31, 2025)
d.	Value of the proposed transaction	Equivalent of ₹ 15,000 Million	Equivalent of ₹ 20,000 Million
e.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	For SPIL – 3.1% For Taro Israel – 95.3% For Taro USA – 54.7%	For SPIL – 4.1% For Taro Canada – 77.2% For Taro USA – 72.9%
f.	Any advance paid or received for the contract or arrangement, if any	Nil	Nil
g.	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is determined on arm's length basis	The pricing is determined on arm's length basis
h.	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	Yes	Yes

Sr. No.	Description	Details	
		Resolution at Item No. 6	Resolution at Item No. 7
i.	Name of the director or key managerial personnel who is related, if any	Mr. Sudhir Valia and Mr. Gautam Doshi, Directors of SPIL, are Directors of Taro USA.	Mr. Sudhir Valia, Director of SPIL, is a Director of Taro USA and Taro Canada. Mr. Gautam Doshi, Director of SPIL, is a Director of Taro USA.
j.	Justification as to why the RPT is in the interest of the listed entity	US is the largest market and Taro USA sources its products from various manufacturers including Taro Israel, a group company.	US is the largest market and Taro USA sources its products from various manufacturers including Taro Canada, a group company.
k.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: (i) details of the source of funds in connection with the proposed transaction (ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, • nature of indebtedness; • cost of funds; and • tenure; (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable	Not Applicable
l.	A statement that the valuation or other external party report, if any such report has been relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders	Not Applicable	Not Applicable
m.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	As per clause e above	As per clause e above
n.	Any other information that may be relevant	-	-

Profile of Directors

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS – 2), the particulars of Director who is proposed to be reappointed at this AGM are given below:

The details of Board and Committee Meetings attended by the Director, as applicable, during FY24 are stated in the Corporate Governance Report which forms part of the Annual Report.

Particulars	Mr. Dilip Shanghvi
Age	69
Brief resume of the Director	Mr. Dilip Shanghvi is the Founder, Chairman and Managing Director of Sun Pharmaceutical Industries Limited. He is also the Chairman of Sun Pharma Advanced Research Company Ltd., which is engaged in R&D of new innovative drugs and delivery technologies. He was awarded the Padma Shri in 2016 for his distinguished contribution to the Indian Trade & Industry. He is part of the Economic Advisory Council formed by the Government of Maharashtra to achieve rapid and comprehensive development in the state. The Government of Gujarat appointed him as the Chairman of Gujarat Biotechnology University in 2022. Mr. Shanghvi has been conferred with many awards and recognitions. In 2023, 2021 & 2020, India's leading magazine, India Today included him in its annual Power List of 50 influential personalities in India. Some of the other awards and recognitions bestowed on him include: Moneycontrol Lifetime Achievement Award (2023), All India Management Association (AIMA) Entrepreneur of the Year (2017), NDTV Business Leader of the Year (2015), Forbes Entrepreneur for the year (2014), Economic Times' Business Leader of the Year (2014), CNN IBN's Indian of the Year – Business (2011), Business India's Businessman of the Year (2011) and Ernst and Young's World Entrepreneur of the Year (2011). He has also been awarded the Economic Times' Entrepreneur of the Year (2008), Business Standard's CEO of the Year (2008) and CNBC TV 18's First Generation Entrepreneur of the Year (2007) He is a former President of Indian Pharmaceutical Alliance (IPA) and has also served as the chairman of the Board of Governors of Indian Institute of Technology (Bombay). He is a former trustee of the Rhodes Scholarship Program at Oxford University. In 2019, he was conferred with an honorary doctorate by the Tel Aviv University, Israel's largest and most comprehensive institution of higher learning. Mr. Shanghvi has played a vital role in the globalisation of the Indian pharmaceutical industry and continues to inspire generations of entrepreneurs in their journey of success.
Nature of expertise in specific functional areas	Finance and Accounts, Governance, Pharma Industry Knowledge, Risk Management and General Management
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Strategic Thinking, Planning, Problem Solving, Decision Making, Leadership, Analytical Approach Mr. Shanghvi has vast experience in pharma industry and fulfils the above-mentioned skills required for his role in the Company
Date of First appointment on the Board	March 1, 1993
Directorship held in other companies (excluding foreign companies and section 8 companies)	Sun Pharma Advanced Research Company Limited Alfa Infrapop Private Limited Sun Petrochemicals Private Limited Aditya Clean Power Ventures Private Limited
Membership / Chairmanships of Committees of other public Companies	Sun Pharma Advanced Research Company Limited • Risk Management Committee – Chairman • Corporate Social Responsibility Committee – Member • Fund Management Committee – Member • Securities Allotment Committee – Member
Listed entities from which the person has resigned in the past three years	None
Inter-se Relationship between Directors	He is the father of Mr. Aalok Shanghvi, Whole-time Director of the Company; and brother-in-law of Mr. Sudhir Valia, Non-Executive Director of the Company
No. of Shares held in the Company (singly or jointly as first holder) as on date of this Notice	230,385,155 Equity Shares

Notes

E-voting Period

Start of remote e-voting period:	August 1, 2024 at 9:00 am
End of remote e-voting period:	August 4, 2024 at 5:00 pm

Statutory Notes

1. Pursuant to various circulars issued by the Ministry of Corporate Affairs ("MCA") and SEBI, and other applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (together referred to as "applicable provisions"), the 32nd Annual General Meeting ("AGM" / "Meeting") of the Company is being held through video conferencing ("VC") or other audio-visual means ("OAVM").

2. **Shareholders will be able to attend the AGM through VC / OAVM or view the live webcast** by following instructions detailed in 'Attendance and E-voting' section.

3. Pursuant to the applicable provisions, Central Depository Services (India) Limited ("CDSL") has been appointed as the authorised e-voting agency to provide the facility of casting votes by a member using remote e-voting as well as the e-voting system during the AGM.

4. **Since this AGM is being held through VC / OAVM, the facility to appoint proxy to attend and cast vote for the shareholders is not available for this AGM.** However, pursuant to Section 112 and Section 113 of the Act, representatives of the shareholders such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their votes through e-voting.

5. The attendance of the shareholders attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

6. The Board of Directors have appointed Mr. Chintan Goswami, and failing him, Mr. Alpesh Panchal, Partners of KJB & Co. LLP, Practising Company Secretaries, as the Scrutinizer.

7. The Scrutinizer shall submit his report to the Chairman of the Meeting or any person authorised by him in writing. The result declared along with the Scrutinizer's Report will be submitted to BSE Limited and National Stock Exchange of India Limited, and will be placed on the Company's website at www.sunpharma.com and on the website of CDSL at www.evotingindia.com, as well as displayed on the notice board at the Registered Office and Corporate Office of the Company, within the prescribed time.

8. Relevant registers as required under the Act will be available for inspection electronically upto the date of the AGM, and during the meeting hours. Those shareholders who wish to inspect the aforesaid documents electronically may send their requests to secretarial@sunpharma.com, mentioning their name, demat account number / folio number, e-mail id and mobile number.

9. Relevant registers shall also be available for physical inspection at the registered office of the Company, on all working days, except Saturdays and Sundays, between 11:00 a.m. IST and 1:00 p.m. IST, upto the date of the AGM.

Attendance and E-voting

10. The voting rights of shareholders shall be in proportion to their shares in the paid-up share capital of the Company as on the Cut-off Date for e-voting, i.e., July 29, 2024. A person who is not a shareholder as on the Cut-off Date should treat this Notice solely for information purposes. Those who acquire equity shares of the Company and become shareholders of the Company after the Notice is sent, and hold equity shares as on the Cut-off Date, can login to attend / vote at the AGM, in the manner as detailed under **'Procedure for Login'**.

11. **The remote e-voting period begins on Thursday, August 1, 2024 at 09:00 a.m. and ends on Sunday, August 4, 2024 at 05:00 p.m.** During this period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the Cut-off Date, will be eligible to cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

12. General instructions

    - The shareholders who wish to complete e-voting and attend the AGM shall login as per the **'Procedure for Login'.**
    - The shareholders can join the AGM in the VC / OAVM mode 30 minutes before the scheduled time of the commencement of the meeting. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 shareholders on first come first served basis. This will not include large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
    - Those shareholders who have joined the AGM and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. Those shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

13. **Procedure for Login**

Individual Shareholders holding securities in Demat mode with CDSL	Individual Shareholders holding securities in demat mode with NSDL
(1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi/Easiest are requested to visit www.cdslindia.com and click on Login icon and select New System Myeasi Tab. (2) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of e-voting Service Provider i.e. CDSL, so that the user can visit the e-voting service provider 's website directly. (3) If the user is not registered for Easi / Easiest, option to register is available at www.cdslindia.com and click on Login icon and select New System Myeasi Tab and then click on registration option. (4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of the respective e-voting service provider, i.e. CDSL.	(1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name – Sun Pharmaceutical Industries Limited or e-voting service provider name – CDSL and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. (2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. (3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name - Sun Pharmaceutical Industries Limited or e-voting service provider name - CDSL and you will be redirected to CDSL's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting
Note: Shareholders who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.	
You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL website after successful authentication, wherein you can see e-voting feature. Click on company name – Sun Pharmaceutical Industries Limited or e-voting service provider name – CDSL, and you will be redirected to CDSL website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.	

Physical shareholders and shareholders other than individual holding in demat form

(1) Log on to the e-voting website - www.evotingindia.com

(2) Click on "Shareholders" module.

(3) Now enter your User ID

(a) For CDSL: 16 digits beneficiary ID

(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID

(c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(4) Next enter the Image Verification as displayed and Click on Login

If a demat account holder had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

If you are a first time user follow the steps given below:

Option 1 – PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) **Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number / e-voting code sent by Company / RTA or contact the Company / RTA.**
Option 2 – Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in Step 3 above.

After entering these details appropriately, click on "SUBMIT" tab.

Shareholders holding shares in physical form will then directly reach the Company's selection screen. These login details can be used only for e-voting on the resolutions contained in this Notice. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. These login details can be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

(1) Click on the EVSN 240619004 for Sun Pharmaceutical Industries Limited.

(2) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(3) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(4) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

Additional instructions for non-individual shareholders and custodians applicable for remote e-voting only.

(1) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

(2) A scanned copy of the registration form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.

(3) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

(4) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

(5) A scanned copy of the board resolution and power of attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(6) Alternatively, non-individual shareholders are required to send the relevant board resolution / authority letter etc., to the Scrutinizer and to the Company at the e-mail address viz; secretarial@sunpharma.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

Helpdesk details	
Individual Shareholders holding securities in Demat mode with **CDSL**	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at toll free no.: 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with **NSDL**	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 4886 7000 and 022 2499 7000.
In case you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com , under "HELP' section.	
All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call at toll free no.: 1800 22 55 33.	

Final Dividend

14. The Board of Directors at its Meeting held on May 22, 2024, recommended a Final Dividend of ₹ 5/- (Rupees Five only) per equity share of ₹ 1/- (Rupee One only) each of the Company for the year ended March 31, 2024 and the same, if approved at the AGM, will be paid in accordance with the timelines under the Act. The final dividend shall be paid to such shareholders whose names stand in the Register of Shareholders as beneficial owners as on the Record Date.

    Shareholders are requested to get their KYC details updated with the Depositories for the shares held in demat form and with Link Intime India Private Limited, the Company's Registrar and Transfer Agent ("RTA") for the shares held in physical form, so as to receive the final dividend for the financial year 2023-24, directly through electronic credit.

15. The Record Date for the payment of final dividend is close of business hours on July 12, 2024 ("Record Date").

16. Pursuant to the Clause 142 of the Articles of Association of the Company, any member can waive / forgo the right to receive any dividend. A member, if so wishes, can waive/ forgo the right to receive dividend for any financial year, by submitting the duly filled prescribed form to the Company's RTA on or before the Record Date. The prescribed form is available at https://sunpharma.com/wp-content/uploads/2023/06/Dividend-Waiver-Form.pdf.

    Scan the QR Code to view the Form

17. The Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The details of deduction of tax on dividend and procedure for submission of documents in that regard are available at https://sunpharma.com/wp-content/uploads/2024/06/TDS-Annexure-FY23-24.pdf.

    Scan the QR Code to view the procedure for submission of documents

General Shareholder Information

Speaker Registration

18. Shareholders who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending their request, mentioning their name, demat account number / folio number, e-mail id and mobile number, at secretarial@sunpharma.com latest by August 1, 2024.

19. Only registered speakers will be allowed to express their views / ask questions during the meeting for a maximum time of 3 (three) minutes each, once the floor is open for shareholder queries.

20. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time during the meeting.

21. The shareholders who do not wish to speak during the AGM but have queries may send their queries, mentioning their name, demat account number / folio number, e-mail id and mobile number, to secretarial@sunpharma.com. These queries will be suitably replied to by the Company by e-mail.

Dispatch of Annual Report through Electronic Mode

22. The Notice of AGM along with the Annual Report for FY24 is being sent only through electronic mode to those shareholders whose e-mail addresses are registered with the Company's RTA / Depositories. Hard copies of the Annual Report shall be sent to shareholders upon request only.

23. Shareholders may note that the Notice of the AGM along with the Annual Report for FY24 is also available for download on the website of the Company at www.sunpharma.com, on the websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at www.evotingindia.com.

24. For receiving all communication (including Notice and Annual Report) from the Company electronically, the shareholders are requested to update their e-mail addresses with the Depository / RTA.

Communication with RTA

25. The Company's RTA has launched **'SWAYAM'**, a secure, user-friendly web-based application, that empowers shareholders to effortlessly access various services. The application can be accessed at https://swayam.linkintime.co.in.

    Key features of the portal are as follows.

    - User-friendly interface and two-factor authentication (2FA) at login.
    - Generate and track service requests / complaints
    - Track Corporate Actions like Dividend / Interest / Bonus / Split.
    - Access to PAN linked accounts, Company wise holdings and security valuations.
    - Raise request for unpaid amounts.
    - View entire holdings and status of corporate benefits.
    - Self-service portal for securities held in demat mode and physical securities, whose folios are KYC compliant.

    We encourage shareholders to register on the portal and avail various services.

26. Shareholders can also use the chatbot developed by the RTA 'iDIA' to ask questions and get information about queries by logging in at www.linkintime.co.in.

Updating KYC (Physical Shareholders)

27. Shareholders holding shares in physical form can update their PAN, KYC details, nomination, contact details, bank A/c details and specimen signature for the respective folios by submitting the forms, as may be applicable, to the Company's RTA. The prescribed form(s) are available at https://sunpharma.com/mandatory-kyc-update/ and on RTA's website at https://liiplweb.linkintime.co.in/KYC-downloads.html.

    Scan the QR Code to view the forms for KYC Updation

Transfer to Investor Education and Protection Fund

28. Pursuant to Section 124 of the Act, the dividends that are unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which the dividend remains unclaimed for seven consecutive years shall also be transferred to IEPF.

29. The unclaimed dividend for the financial year 2016-17 is due for transfer to IEPF on October 28, 2024. Hence, shareholders are requested to promptly claim their unpaid dividend.

30. The information regarding the unclaimed dividends and shares already transferred, and due to be transferred, to IEPF Authority, is available on the website of the Company, alongwith the procedure to claim the same from IEPF Authority and can be accessed at www.sunpharma.com under head "Investor" sub-head "Shareholder Information".

    Scan the QR Code to view the Procedure for claiming unpaid amounts and shares from IEPF

Exchange of Old Share Certificates

31. The shareholders of erstwhile Tamilnadu Dadha Pharmaceuticals Limited; erstwhile Gujarat Lyka Organics Limited; erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited; who have not yet sent their respective share certificates for exchange with the share certificates of Sun Pharmaceutical Industries Limited, are requested to do so at the earliest, provided their shares are not already transferred to IEPF, since share certificates of the former entities are no longer tradable / valid.

32. The shareholders may be aware that the equity shares of the Company had been subdivided from 1 (One) equity share of ₹ 5/- each to 5 (Five) equity shares of ₹ 1/- each on November 29, 2010. The shareholders who have yet not sent their share certificates of ₹ 5/- each of the Company for exchange with new equity shares of ₹ 1/- each are requested to do so at the earliest, provided their shares are not already transferred to IEPF, since the old share certificates of ₹ 5/- each are no longer tradable.

Dematerialisation of Physical Share Certificates

33. It is now mandated that only the shares held in dematerialised form shall be permitted for transfer, and further, the shares shall be issued in dematerialised form while processing requests for transmission / transposition/ duplicate certificates, etc. Hence, the shareholders are requested to get their physical shares dematerialised as soon as possible.

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Corporate Information

BOARD OF DIRECTORS

Dilip S. Shanghvi
Chairman and Managing Director

Dr. Pawan Goenka
Lead Independent Director

Aalok D. Shanghvi
Whole-time Director (appointed with effect from June 01, 2023)

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

Gautam Doshi
Independent Director

Rama Bijapurkar
Independent Director

Sanjay Asher
Independent Director

Rolf Hoffmann
Independent Director (appointed with effect from June 15, 2023)

CHIEF FINANCIAL OFFICER

C. S. Muralidharan

COMPANY SECRETARY & COMPLIANCE OFFICER

Anoop Deshpande

AUDITORS

S R B C & Co. LLP
Chartered Accountants, Mumbai

REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C 101, 247 Park,
L B S Marg, Vikhroli (West),
Mumbai – 400 083
Tel: (022)-49186000
Fax: (022)-49186060
Website: https://swayam.linkintime.co.in/

OPERATIONAL MANUFACTURING PLANTS

1. Dewas, Madhya Pradesh, India
2. Baddi, Himachal Pradesh, India
3. Dadra, Dadra & Nagar Haveli, India
4. Halol, Gujarat, India
5. Mohali, Punjab, India
6. Paonta Sahib, Himachal Pradesh, India
7. Silvassa, Dadra & Nagar Haveli, India
8. Ahmednagar, Maharashtra, India
9. Ankleshwar, Gujarat, India
10. Dahej, Gujarat, India
11. Maduranthakam, Tamilnadu, India
12. Malanpur, Madhya Pradesh, India
13. Panoli, Gujarat, India
14. Toansa, Punjab, India
15. Bengaluru, Karnataka, India
16. Sun Pharma Laboratories Ltd., Guwahati, Assam, India
17. Sun Pharma Laboratories Ltd., Jammu, Jammu & Kashmir, India
18. Sun Pharma Laboratories Ltd., Setipool, Sikkim, India
19. Sun Pharma Laboratories Ltd., Ranipool, Sikkim, India
20. Sun Pharmaceutical Medicare Ltd., Baska, Gujarat, India
21. Zenotech Laboratories Ltd., Medchal–Malkajgiri Dist., Telangana, India
22. Sun Pharmaceutical Industries (Australia), Latrobe, Australia
23. Sun Pharmaceutical Industries (Australia), Port Fairy, Australia
24. Sun Pharmaceutical (Bangladesh) Ltd., Joydevpur, Gazipur, Bangladesh
25. Taro Pharmaceuticals Inc., Brampton, Ontario, Canada
26. Taro Pharmaceutical Industries Ltd., Haifa Bay, Israel
27. Alkaloida Chemical Company Zrt., Tiszavasvari, Kabay, Hungary
28. Sun Pharma Egypt Limited, October City, Giza, Egypt
29. Ranbaxy Malaysia Sdn. Bhd., Kedah, Malaysia
30. Ranbaxy Nigeria Limited, Lagos (Magboro), Nigeria
31. S.C Terapia S. A., Cluj, Romania
32. JSC Biosintez, Penza, Russia
33. Ranbaxy Pharmaceuticals., (Pty) Ltd., Roodepoort, Johannesburg, South Africa
34. Chattem Chemicals, Inc., Chattanooga, US
35. Ohm Laboratories Inc., New Brunswick, New Jersey, US
36. Ohm Laboratories Inc., North Brunswick, NJ, New Jersey, US
37. Pharmalucence Inc., Billerica, Massachusetts, US
38. Sun Pharma Japan Technical Operations Ltd., Saitama, Japan

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