Sun Pharma ANZ Pty Ltd

ABN 17110871826

Annual Report - 31 March 2022

Sun Pharma ANZ Pty Ltd
Directors' report
31 March 2022

The directors present their report, together with the financial statements, on the company for the year ended 31 March 2022.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The profit for the company after providing for income tax amounted to $2,273,031 (31 March 2021: $7,898,923).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 31 March 2022 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Sun Pharma ANZ Pty Ltd
Directors' report
31 March 2022

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Akshay Sethi
Head of Finance, Director

Date:

SUN PHARMA ANZ PTY LTD
ABN 17 110 871 826

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF SUN PHARMA ANZ PTY LTD

In accordance with the requirements of section 307C of the Corporations Act 2011, I declare that, to the best of my knowledge and belief, for the year ended 31 March 2022 there have been:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick Melbourne Audit
Chartered Accountants
Level 14, 440 Collins Street
MELBOURNE VIC 3000

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Partner: David Lissauer

Date:

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Level 14 440 Collins Street Melbourne VIC 3000 T: +61 3 9820 6400
Post: Locked Bag 777 Collins Street West VIC 8007 Australia
www.hallchadwickmelb.com.au E: hcm@hallchadwickmelb.com.au
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General information

The financial statements cover Sun Pharma ANZ Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Sun Pharma ANZ Pty Ltd's functional and presentation currency.

Sun Pharma ANZ Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Sun Pharma ANZ Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2022

	Note	2022 $	2021 $
Revenue	3	61,516,170	53,332,396
Other income	4	1,856,098	1,334,364
Interest revenue calculated using the effective interest method		201	125
Expenses			
Cost of goods sold		(49,440,551)	(41,094,102)
Employee benefits expenses		(6,264,775)	(6,437,078)
Depreciation and amortisation expenses		(233,536)	(230,929)
Other expenses		(230,581)	(163,564)
Finance costs		(241,582)	(394,361)
Distribution		(2,401,902)	(2,724,066)
Marketing expenses		(842,153)	(277,098)
Occupancy expenses		(70,952)	(69,945)
Pharmaceutical license fees		(7,579)	(46,870)
Administration expenses		(366,032)	(338,998)
Profit before income tax		3,272,826	2,889,874
Current tax		-	-
Deferred tax credit/(expense)		(999,795)	5,009,049
Total income tax credit/(expense)	5	(999,795)	5,009,049
Profit after income tax attributable to the owners of Sun Pharma ANZ Pty Ltd		2,273,031	7,898,923

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Sun Pharma ANZ Pty Ltd
Statement of financial position
As at 31 March 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	6	2,523,166	3,379,789
Trade and other receivables	7	26,331,533	13,429,242
Inventories	8	17,643,345	19,649,462
Other	9	11,297	77,362
Total current assets		46,509,341	36,535,855
Non-current assets			
Property, plant and equipment	10	61,995	97,726
Right-of-use assets	11	67,105	228,158
Intangibles	12	1,118,124	1,057,229
Deferred tax	13	4,009,254	5,009,049
Total non-current assets		5,256,478	6,392,162
Total assets		51,765,819	42,928,017
Liabilities			
Current liabilities			
Trade and other payables	14	26,680,333	19,859,395
Borrowings	15	-	14,645,538
Lease liabilities	16	74,214	171,439
Employee benefits	17	791,919	646,855
Provisions	18	180,000	180,000
Other	19	1,719,047	1,983,875
Total current liabilities		29,445,513	37,487,102
Non-current liabilities			
Borrowings	20	14,645,538	-
Lease liabilities	21	-	74,054
Employee benefits	22	308,659	273,783
Total non-current liabilities		14,954,197	347,837
Total liabilities		44,399,710	37,834,939
Net assets		7,366,109	5,093,078
Equity			
Issued capital	23	17,400,000	17,400,000
Accumulated losses		(10,033,891)	(12,306,922)
Total equity		7,366,109	5,093,078

The above statement of financial position should be read in conjunction with the accompanying notes

Sun Pharma ANZ Pty Ltd
Statement of changes in equity
For the year ended 31 March 2022

	Issued capital $	Retained profits $	Total equity $
Balance at 1 April 2020	17,400,000	(20,205,845)	(2,805,845)
Profit after income tax benefit for the year	-	7,898,923	7,898,923
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	7,898,923	7,898,923
Balance at 31 March 2021	17,400,000	(12,306,922)	5,093,078

	Issued capital $	Retained profits $	Total equity $
Balance at 1 April 2021	17,400,000	(12,306,922)	5,093,078
Profit after income tax expense for the year	-	2,273,031	2,273,031
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	2,273,031	2,273,031
Balance at 31 March 2022	17,400,000	(10,033,891)	7,366,109

The above statement of changes in equity should be read in conjunction with the accompanying notes

Sun Pharma ANZ Pty Ltd
Statement of cash flows
For the year ended 31 March 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		64,478,301	59,400,895
Payments to suppliers and employees (inclusive of GST)		(64,824,618)	(57,274,847)
		(346,317)	2,126,048
Interest received		201	125
Interest paid		(237,583)	(386,073)
Net cash from/(used in) operating activities		(583,699)	1,740,100
Cash flows from investing activities			
Payments for property, plant and equipment	10	(36,751)	(9,788)
Payments for intangibles	12	(60,895)	(527,207)
Net cash used in investing activities		(97,646)	(536,995)
Cash flows from financing activities			
Interest of lease liabilities paid		(3,999)	(8,631)
Repayment of lease liabilities		(171,279)	(158,122)
Net cash used in financing activities		(175,278)	(166,753)
Net increase/(decrease) in cash and cash equivalents		(856,623)	1,036,352
Cash and cash equivalents at the beginning of the financial year		3,379,789	2,343,437
Cash and cash equivalents at the end of the financial year	6	2,523,166	3,379,789

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The financial statements have been prepared on a going concern basis.

The ability of the Company to continue as going concern is dependent upon the ongoing financial support from its parent entity to the level required by the company to allow it to fulfill all obligations as and when they fall due for a period of no less than twelve months from the date of signing these financial statements. The reliance on the parent entity support gives rise to a material uncertainty which may affect the company's ability to continue as a going concern. The parent entity has confirmed in writing that it will provide ongoing financial support, including that it will not call for repayment outstanding balances at 31 March 2021,unless the Company is able to financially make such repayments without impairing its ability to conduct its normal business operations and pay other liabilities.

Sun Pharma ANZ Pty Ltd (the company) is a company incorporated and domiciled in Australia. The parent company is Sun Pharma (Netherlands) B.V, a company incorporated in Netherlands.

The company is primarily involved in the supply of pharmaceutical products.

Basis of preparation
In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Sun Pharma ANZ Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Sun Pharma ANZ Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition
The company recognises revenue as follows:

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Note 1. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 60 days.

Note 1. Significant accounting policies (continued)

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a weighted moving average basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase, net of rebates and discounts received or receivable.

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

Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property and equipment over their expected useful lives as follows:

Office equipment	3 - 5 years
Fixture and fittings	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 1. Significant accounting policies (continued)

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Note 1. Significant accounting policies (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 31 March 2022. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax
The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	2022 $	2021 $
Sales	61,516,170	53,332,396

Note 4. Other income

	2022 $	2021 $
Other income cross charges to related parties	1,052,859	905,022
Other income	803,239	429,342
Other income	1,856,098	1,334,364

Note 5. Income tax (expense)/benefit

	2022 $	2021 $
Numerical reconciliation of income tax (expense)/benefit and tax at the statutory rate		
Profit before deferred tax credit/(expense)	3,272,826	2,889,874
Tax at the statutory tax rate of 30%	(981,848)	(866,962)
Prior year tax losses not recognised now recouped	-	866,962
Prior year temporary differences not recognised now recognised	-	5,009,049
Prior year tax adjustments	(17,947)	-
Income tax (expense)/benefit	(999,795)	5,009,049

Note 6. Current assets - cash and cash equivalents

	2022 $	2021 $
Cash at bank	2,523,166	3,379,789

Note 7. Current assets - trade and other receivables

	2022 $	2021 $
Trade receivables	21,213,831	18,715,237
Less: Provision for customer rebates, discounts & doubtful debts	(5,629,595)	(5,910,515)
	15,584,236	12,804,722
Other receivables	8,375,000	-
Other receivables - related parties	2,372,297	624,520
	10,747,297	624,520
	26,331,533	13,429,242

Note 8. Current assets - inventories

	2022 $	2021 $
Finished goods - at cost	15,627,688	18,051,356
Less: Provision for impairment	(1,295,154)	(607,173)
	14,332,534	17,444,183
Stock in transit - at cost	3,310,811	2,205,279
	17,643,345	19,649,462

Provision for finished goods obsolescence

The provision is provided for items that have shelf life less than six months from the balance date and is calculated at 100% of the cost of the item and also for those items for which the NRV is less than cost with the provision amount being the difference between cost and NRV.

Note 9. Current assets - other

	2022 $	2021 $
Prepayments	10,297	72,058
Advance to employees	1,000	5,304
	11,297	77,362

Note 10. Non-current assets - property, plant and equipment

	2022 $	2021 $
Leasehold improvements - at independent valuation	135,150	135,150
Less: Accumulated depreciation	(122,157)	(92,073)
	12,993	43,077
Fixtures and fittings - at cost	102,005	102,005
Less: Accumulated depreciation	(91,860)	(70,857)
	10,145	31,148
Computer equipment - at cost	250,735	213,984
Less: Accumulated depreciation	(213,051)	(192,269)
	37,684	21,715
Office equipment - at cost	9,779	9,779
Less: Accumulated depreciation	(8,606)	(7,993)
	1,173	1,786
	61,995	97,726

Note 11. Non-current assets - right-of-use assets

	2022 $	2021 $
Office equipment - right-of-use	550,263	550,263
Less: Accumulated depreciation	(483,158)	(322,105)
	67,105	228,158

Note 12. Non-current assets - intangibles

	2022 $	2021 $
Licence - at cost	1,118,124	1,057,229

Note 13. Non-current assets - deferred tax

	2022 $	2021 $
Deferred tax asset	4,009,254	5,009,049

Note 14. Current liabilities - trade and other payables

	2022 $	2021 $
Trade payables	322,672	404,099
Payables to related parties	26,329,304	19,455,296
Other payables	28,357	-
	26,680,333	19,859,395

Note 15. Current liabilities - borrowings

	2022 $	2021 $
Inter-company loans	-	14,645,538

Note 16. Current liabilities - lease liabilities

	2022 $	2021 $
Lease liability	74,214	171,439

Note 17. Current liabilities - employee benefits

	2022 $	2021 $
Employee benefits	791,919	646,855

Note 18. Current liabilities - provisions

	2022 $	2021 $
Sales returns	180,000	180,000

Note 19. Current liabilities - other

	2022 $	2021 $
BAS Payable	531,431	703,096
Superannuation Payable	49,779	49,029
Redistribution Accrual	107,216	158,927
Other payables	108,964	64,288
Accrued expenses	921,657	1,008,535
	1,719,047	1,983,875

Note 20. Non-current liabilities - borrowings

	2022 $	2021 $
Inter-company loans	14,645,538	-

Note 21. Non-current liabilities - lease liabilities

	2022 $	2021 $
Lease liability	-	74,054

Note 22. Non-current liabilities - employee benefits

	2022 $	2021 $
Employee benefits	308,659	273,783

Note 23. Equity - issued capital

	2022 $	2021 $
Ordinary shares - fully paid	9,200,000	9,200,000
Preference shares - fully paid	8,200,000	8,200,000
	17,400,000	17,400,000

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 24. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 25. Economic dependency

Sun Pharma ANZ Pty Ltd is economically dependent on the related party, Sun Pharma Industries Ltd., to provide inventory and is also dependent on Sun Pharma (Netherlands) B.V for financial support to continue its operation.

Note 26. Events after the reporting period

No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Sun Pharma ANZ Pty Ltd
Directors' declaration
31 March 2022

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Sun Pharma ANZ Pty Ltd;

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 March 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Akshay Sethi
Head of Finance, Director

Date:

SUN PHARMA ANZ PTY LTD
ABN 17 110 871 826

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUN PHARMA ANZ PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sun Pharma ANZ Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Sun Pharma ANZ Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 31 March 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of a Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Level 14 440 Collins Street Melbourne VIC 3000 T: +61 3 9820 6400
Post: Locked Bag 777 Collins Street West VIC 8007 Australia
www.hallchadwickmelb.com.au E: hcm@hallchadwickmelb.com.au

In preparing the financial report, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 March 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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.

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Partner: David Lissauer

Hall Chadwick Melbourne Audit
Level 14, 440 Collins Street
MELBOURNE VIC 3000

Date: