

Sun Pharma Holdings

Financial statements

31 March 2023

Sun Pharma Holdings

Financial statements
for the year ended 31 March 2023

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Sun Pharma Holdings

Corporate data

		Date of appointment	Date of resignation
DIRECTORS	: Shah Rajesh Khushalchand	27 March 2013	-
	Doshi Gautam Bhailal	13 June 2019	-
	Rattan Anuj	17 June 2021	-
	Chummun Brizraj	17 June 2021	-
	Nabeebukus Shameer	17 June 2021	-
ADMINISTRATOR & SECRETARY	: Rogers Capital Corporate Services Limited No. 5 President John Kennedy Street 3 rd Floor, Rogers House Port Louis Republic of Mauritius		
REGISTERED OFFICE	: C/o Rogers Capital Corporate Services Limited No. 5 President John Kennedy Street 3 rd Floor, Rogers House Port Louis Republic of Mauritius		
AUDITOR	: Lancasters Chartered Accountants 14, Lancaster Court Lavoquer Street Port Louis Republic of Mauritius		
BANKER	: Credit Agricole 13 th Floor Maze Tower Sh. Zayed Road Next To Emirates Tower Metro Station Dubai Standard Chartered Mauritius 6 th Floor, Standard Chartered Tower Bank Street Ebene Republic of Mauritius		

Sun Pharma Holdings

Directors' report

for the year ended 31 March 2023

The directors are pleased to present their report together with the audited financial statements of Sun Pharma Holdings ("the Company") for the year ended 31 March 2023.

Principal activity

The principal activity of the Company is that of investment holding.

Results and dividend

The results for the year are shown on page 7.

The directors do not recommend the payment of dividend for the year under review (2021: Nil).

Statement of directors' responsibilities in respect of financial statements

Company law requires the directors to prepare financial statements for each financial year giving a true and fair view of the statement of financial position and of the statement of profit or loss and other comprehensive income of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements for the year ended 31 March 2023.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern on the year ahead.

Auditor

The Auditor, Lancasters, were appointed during the year and a resolution concerning their re-appointment will be proposed at the next annual meeting of the shareholders.

By order of the Board

.....
Director

Date:

Rogers Capital

Sun Pharma Holdings

Secretary's certificate
for the year ended 31 March 2023

Secretary's certificate under Section 166 (d) of the Mauritius Companies Act 2001

In accordance with section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, Sun Pharma Holdings has filed with the Registrar of Companies for the year ended 31 March 2023, all such returns as are required of the Company under the Mauritius Companies Act 2001.

.....
For and on behalf of **ROGERS CAPITAL CORPORATE SERVICES LIMITED**
Company Secretary

Date:

Auditor's report to member of Sun Pharma Holdings

Opinion

We have audited the financial statements of Sun Pharma Holdings (the "Company") set out on pages 7 to 24 which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Company Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 on the other information obtained prior to the date of this auditor's report, 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.

Auditor's report to member of Sun Pharma Holdings (continued)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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.

Auditor's report to member of Sun Pharma Holdings (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Other matter

This report is made solely for the Company's member. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Lancasters,
Chartered Accountants
14, Lancaster Court
Lavoquer Street
Port Louis
Mauritius

Pasram Bissessur FCCA, ACA, MBA (UK)
Licensed by FRC

Date:

Sun Pharma Holdings

Statement of profit or loss and other comprehensive income for the year ended 31 March 2023

	Note	2023 USD	2022 USD
Revenue	4	-	-
Expenses			
Audit fees		11,465	9,165
Professional fees		9,435	10,450
Accounting fees		9,010	9,260
Disbursement		5,625	1,775
Administration charges		4,110	2,760
Bank charges		3,270	-
Licence fees		2,325	2,154
Director sitting fees		1,500	6,000
Compliance fees		1,150	-
Penalty fees		142	-
		<u>48,032</u>	<u>41,564</u>
Loss from operating activities		(48,032)	(41,564)
Finance costs	5	(480,142)	(152,347)
Impairment of investment		(1,272,800,000)	-
Loss before taxation		<u>(1,273,328,174)</u>	<u>(193,911)</u>
Taxation	6	-	-
Loss for the year		<u>(1,273,328,174)</u>	<u>(193,911)</u>
Other comprehensive income		(1,107,990)	(1,783,665)
Total comprehensive income for the year		<u><u>(1,274,436,164)</u></u>	<u><u>(1,977,576)</u></u>

The notes on pages 11 to 24 form part of these financial statements

Sun Pharma Holdings

Statement of financial position

As at 31 March 2023

	Note	2023 USD	2022 USD
Assets			
Non-current assets			
Available-for-sale financial assets	7	3,503,365	4,611,355
Investment in subsidiaries	8	1,370,415,611	2,643,214,651
Loan receivable	9	1	1
Total non-current assets		1,373,918,977	2,647,826,007
Current assets			
Other receivables	10	5,802	769
Cash and cash equivalents		39,533	16,918
Total current assets		45,335	17,687
Total assets		1,373,964,312	2,647,843,694
Equity and liabilities			
Stated capital	11	855,249,716	855,249,716
Preference share capital	12	2,565,593,148	2,565,593,148
Reserves	13	(2,060,220,381)	(785,784,217)
Total equity		1,360,622,483	2,635,058,647
Liabilities			
Non-current liabilities			
Loan from related party	14	12,688,150	12,600,000
Current liabilities			
Other payables	15	653,679	185,047
Total current liabilities		653,679	185,047
Total liabilities		13,341,829	12,785,047
Total equity and liabilities		1,373,964,312	2,647,843,694

Approved by the Board of Directors on and signed on its behalf by:

.....
Director

.....
Director

The notes on pages 11 to 24 form part of these financial statements

Sun Pharma Holdings

Statement of changes in equity for the year ended 31 March 2023

	Stated capital USD	Preference share capital USD	Reserves USD	Total USD
At 01 April 2021	855,249,716	2,565,593,148	(283,806,641)	3,137,036,223
Total comprehensive income for the year				
Loss for the year	-	-	(193,911)	(193,911)
Other comprehensive income	-	-	(1,783,665)	(1,783,665)
Other reserves	-	-	(500,000,000)	(500,000,000)
Balance at 31 March 2022	855,249,716	2,565,593,148	(785,784,217)	2,635,058,647
Total comprehensive income for the year				
Loss for the year	-	-	(1,273,328,174)	(1,273,328,174)
Other comprehensive income	-	-	(1,107,990)	(1,107,990)
Balance at 31 March 2023	855,249,716	2,565,593,148	(2,060,220,381)	1,360,622,483

The notes on pages 11 to 24 form part of these financial statements

Sun Pharma Holdings

Statement of cash flows for the year ended 31 March 2023

	2023 USD	2022 USD
Cash flows from operating activities		
Loss for the year	(1,273,328,174))	(193,911)
<i>Adjustment made:</i>		
Interest on loan	480,110	152,347
Impairment of investment	1,272,800,000	-
	(48,064)	(41,564)
Change in other receivables	(5,033)	3,171
Change in other payables	(11,478)	13,178
Net cash used in operating activities	(64,575)	(25,215)
Cash flows from investing activities		
Additional investment in subsidiary	(960)	-
Net cash used in investing activities	(960)	-
Cash flows from financing activities		
Loan received from related party	88,150	-
Net cash from financing activities	88,150	-
Net increase / (decrease) in cash and cash equivalents	22,615	(25,215)
Cash and cash equivalents at 01 April	16,918	42,133
Cash and cash equivalents at 31 March	39,533	16,918

The notes on pages 11 to 24 form part of these financial statements

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

1. General information

The Company was incorporated on 29 January 2013 and was granted a Category 2 Global Business Licence on 30 January 2013. On 17 June 2021, the Category 2 Global Business Licence was converted in a Global Business Licence.

The principal activity of the Company is that of investment holding.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (“IFRS for SMEs”) and comply with Companies Act 2001.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except where stated otherwise.

(c) Functional and presentation currency

The financial statements are presented in United States Dollar (USD) which is the Company’s functional currency and presentation currency.

(d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties (if any) that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the relevant notes as follows:

- Impairment test: key assumptions underlying recoverable amounts;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

2. Basis of preparation (continued)

(d) Use of judgements and estimates (continued)

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(e) Going concern

The Company's management has made an assessment of the ability of the Company to continue as going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Given that the Company is an investment holding entity, all of its subsidiaries forms part of the Pharmaceutical industry which has been the least impacted by the ongoing COVID 19 pandemic. Sun pharma group has also done a preliminary analysis and concluded that apart from temporary supply chain disruption, COVID 19 has no long term permanent impact on the Group as a whole and also on the Company. Therefore the financial statement continue to be prepared on the going concern basis.

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

3. Significant accounting policies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated in the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income (OCI):

- available-for-sale equity investments (except for impairment, where the foreign currency differences will be reclassified to profit or loss, (if any));
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Revenue recognition

Revenue is recognised in the statement of profit or loss and other comprehensive income as follows:

- Dividend income - when the shareholder's right to receive payment is established
- Interest on loan - recognised in the year in which it is receivable.

Investment in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investment in subsidiaries are shown at cost and provision for impairment is only made where, in opinion of the directors, there is a diminution in value which is other than temporary. Where there has been such a diminution in value of an investment, it is recognised as an expense in the year in which the diminution is identified.

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

3. Significant accounting policies (continued)

Financial instruments

The Company classifies non-derivative financial assets into loans and receivables and available for sale financial assets.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets - Measurement

(a) Loans and receivables - These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(b) Available-for-sale financial assets - Quoted investments held by the company are traded in an active market are classified as Available-for-sale financial assets and are stated at fair value at the end of each reporting date and are recognised in OCI.

The Company also holds investment that are not traded in an active market but that are also classified as Available-for-sale financial assets and are recognised through cost less impairment.

(c) Cash and cash equivalents - Cash and cash equivalents consist of bank balances held with bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

3. Significant accounting policies (continued)

Financial instruments (continued)

(iii) Non-derivative financial liabilities - Measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The company's non-derivative financial liabilities are loan from related party and other payables.

(a) Loan from related party

Loan from subsidiary is recognised initially at fair value, net of transactions costs incurred and are subsequently carried at amortised cost.

(b) Other payables

Other payables are recognised at fair value, net of transaction costs incurred and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the net asset and settle the liability simultaneously.

Stated capital

Ordinary shares

Ordinary shares are classified in equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Impairment

(i) Non-derivative financial assets

Financial assets not classified as fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

3. Significant accounting policies (continued)

Impairment (continued)

(ii) Non-derivative financial assets (continued)

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company considers a decline of 20% to be significant and a period of nine months to be prolonged.

Available-for-sale financial assets – Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

(i) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For 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 CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU.

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

3. Significant accounting policies (continued)

Impairment (continued)

(i) Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

Expenses

All expenses are recognized in the statement of profit or loss and other comprehensive income on an accrual basis.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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. The unwinding of the discount is recognised as finance cost.

4. Revenue

There was no revenue generated during the year (2022: USD Nil).

5. Finance cost

	2023	2022
	USD	USD
Interest expense	480,142	152,347

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

6. Taxation

Income tax

The company held a Category 2 Global Business Licence and was not subject to income tax in Mauritius. As from 17 June 2021, the Company was granted a Global Business License and is subject to income tax in Mauritius on its net income at 15%.

The Company may apply a partial exemption on its foreign dividend income, interest income and profits from foreign permanent establishments: the partial exemption is computed at 80% of the relevant foreign sourced income. The partial exemption is not mandatory. The Company may apply the credit system if it so wishes.

Capital gains are exempt from tax in Mauritius.

The Company is a Global Business Licence company for the purpose of the Financial Services Act 2007. Gains or profits derived from the sale of units or of securities by a company holding a Global Business Licence are exempt in Mauritius.

Deferred tax

A deferred tax asset amounting to **USD 184,696** has not been recognised in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised. Tax losses can be carried forward up to a maximum of five years. The Company's tax losses available for set-off against future taxable income are as follows:

Year ended	Tax loss USD	Available for set-off up to year ending
31 March 2023	184,696	31 March 2028

Recognised in the statement of profit or loss and other comprehensive income

	2023 USD	2022 USD
Current period income tax	-	-

Reconciliation of effective taxation

	2023 USD	2022 USD
Loss before taxation	(1,273,328,174)	(193,911)
Income tax at 15%	(190,999,226)	(29,087)
Non-allowable expenses	190,992,042	482
Tax losses for which no deferred tax asset was recognised	7,184	28,605
Tax expense for the year	-	-

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

7. Available-for-sale financial assets

Investments consist of quoted shares and unquoted shares. Quoted shares are listed on the New York Stock Exchange.

	Quoted USD	Unquoted USD	Total USD
At 01 April 2022	5,479,748	2,080,645	7,560,393
Additions/disposal during the year	-	-	-
At 31 March 2023	<u>5,479,748</u>	<u>2,080,645</u>	<u>7,560,393</u>
<i>Fair value reserves</i>			
At 01 April 2022	(2,949,038)	-	(2,949,038)
Movement during the year	(1,107,990)	-	(1,107,990)
At 31 March 2023	<u>(4,057,028)</u>	<u>-</u>	<u>(4,057,028)</u>
Valuation			
At 31 March 2023	<u><u>1,422,720</u></u>	<u><u>2,080,645</u></u>	<u><u>3,503,365</u></u>
At 31 March 2022	<u>2,530,710</u>	<u>2,080,645</u>	<u>4,611,355</u>

Quoted investment

<i>Name of company</i>	<i>Number of units</i>	<i>Stock exchange</i>
Taro Pharmaceutical Industries Ltd	58,500	New York Stock Exchange

Unquoted investment

<i>Name of companies</i>	<i>Number and types of shares</i>	<i>% held</i>	<i>Country of incorporation</i>
Sun Pharmaceutical (Bangladesh) Ltd	531 equity shares	0.09	Bangladesh
TKS Farmaceutica Ltda	19,463 equity shares	0.35	Brazil

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

8. Investment in subsidiaries

Investments consist of unquoted shares

	2023 USD	2022 USD
<i>Cost</i>		
At 01 April	2,643,214,651	3,143,214,651
Addition during the year	960	-
Written off during the year	-	(500,000,000)
Impairment of investment	(1,272,800,000)	-
At 31 March	<u>1,370,415,611</u>	<u>2,643,214,651</u>

<i>Name of companies</i>	<i>Number and types of shares</i>	<i>% held</i>		<i>Country of incorporation</i>
		2023	2022	
Alkaloida Chemical Company Zrt	7,034,397 ordinary shares at USD 0.006 per share 14,489,167 ordinary shares at USD 6 per share 344,000 Preference shares & 36,500 Preference dividend at USD 6 per share	99.99	99.99	Hungary
Sun Laboratories FZE	300 equity shares	100	100	UAE
Sun Pharmaceutical Industries (Australia) Pty Ltd	100 equity shares	100	100	Australia
Sun Pharmaceutical (SA) (PTY) Ltd	1,000 equity shares	100	100	South Africa
Sun Pharma Global FZE	101 equity shares	-	100	UAE

During the year ended March 31, 2023, an impairment loss of USD 1,272,800,000 with respect to investments made in Alkaloida Chemical Company Zrt, a subsidiary, was recognized by the Company. This investment impairment was based on management's assessment its fair value. Fair value was determined using discounting cash flow projections, and the excess of carrying value over the fair value had been impaired.

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

9. Loan receivable

	2023 USD	2022 USD
<i>Cost</i>		
At 1 April/31 March	2,998,154	2,998,154
	-----	-----
<i>Impairment of loan</i>		
At 01 April/31 March	(2,998,153)	(2,998,153)
	-----	-----
Cost less impairment at 31 March	1	1
	=====	=====

Loan receivable from Sun Pharma De Venezuela has been fully impaired on 2 January 2020

10. Other receivables

	2023 USD	2022 USD
Prepayments	5,802	769
	=====	=====

11. Stated capital

	2023 USD	2022 USD
855,249,716 Ordinary shares	855,249,716	855,249,716
	=====	=====

All shares rank equally with regard to the Company's residual assets. The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company.

12. Preference share capital

	2023 USD	2022 USD
2,565,593,148 5% optionally convertible preference shares of USD 1 each	2,565,593,148	2,565,593,148
	=====	=====

The term of the 5% OCPS is for a period of 10 years from the date of its allotment and the term may be further extended to a period of 10 years with the prior approval of the OCPS Holder. The OCPS Holder also has the option to convert the 5% OCPS into equity shares after 2 years from the date of allotment as per the agreed terms.

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

13. Reserves

	Fair Value reserve USD	Other reserves USD	Retained earnings USD	Total USD
At 01 April 2021	(1,165,373)	(283,858,700)	1,217,432	(283,806,641)
Total comprehensive income for the year				
Loss for the year	-	-	(193,911)	(193,911)
Other comprehensive loss	(1,783,665)	(500,000,000)	-	(501,783,665)
Balance at 31 March 2022	(2,949,038)	(783,858,700)	1,023,521	(785,784,217)
Total comprehensive Income for the year				
Loss for the year	-	-	(1,273,328,174)	(1,273,328,174)
Other comprehensive income	(1,107,990)	-	-	(1,107,990)
Balance at 31 March 2023	(4,057,028)	(783,858,700)	(1,272,304,653)	(2,060,220,381)

Other reserves includes:

- (i) The Company has transferred certain group company Equity Investments (USD 270 million) along with cash (USD 11 million) to another group company without any consideration. Since this transaction is considered as Business Combinations Under Common Control without any change in ownership at the ultimate parent level, it is treated as a transaction that has taken place with the equity shareholders / ultimate parent company and hence same is accounted under other reserves.
- (ii) Sun Pharmaceuticals Industries Limited is one of the shareholders of the Company and has merged with Sun Pharma Global FZE. The Company was holding equity shares of Sun Pharma Global FZE amounting to USD 500,000,000. As per Clause 10 of Merger Scheme, Sun Pharmaceutical Industries Limited is not supposed to issue any shares to the Company in lieu of its holding in Sun Pharma Global FZE, hence the cancellation of share investment.

Sun Pharma Holdings

Notes to and forming part of the financial statements for the year ended 31 March 2023

14. Loan from related party

	2023 USD	2022 USD
<i>Cost</i>		
At 01 April	12,600,000	12,600,000
Addition during the year	88,150	-
At 31 March	<u>12,688,150</u>	<u>12,600,000</u>

The loan from related party is unsecured, bears interest of USD 3 Month Libor + 1% per annum and provided for a period of 36 months.

15. Other payables

	2023 USD	2022 USD
Accrued expenses	17,875	29,353
Interest on loan	635,804	155,694
	<u>653,679</u>	<u>185,047</u>

16. Related party transactions

During the year under review, the Company entered into the following related party transactions:

		2023 USD	2022 USD
<i>Transaction during the year:</i>	<i>Nature</i>		
Loan from sister company	Amount received	88,150	-
Interest on loan from sister company	Interest accrued	480,110	152,347
		<u>568,260</u>	<u>152,347</u>
<i>Balance outstanding at 31 March</i>			
Loan to sister company	Amount receivable	2,998,154	2,998,154
Loan from sister company	Amount payable	12,688,150	12,600,000
Interest on loan from sister company	Interest payable	635,804	155,694
		<u>16,322,108</u>	<u>158,653</u>

Compensation to key management personnel

The Company has paid a director sitting fee of USD 1,500 during the year under review. (2022: USD 6,000).

Sun Pharma Holdings

Notes to and forming part of the financial statements
for the year ended 31 March 2023

17. Exemption from preparing consolidated financial statements

The Company is a wholly owned subsidiary of Sun Pharmaceutical Industries Limited and has taken exemption from producing Consolidated Financial Statements and its holding company prepares Consolidated Financial Statements under IFRS. The registered office of Sun Pharmaceutical Industries Limited where the consolidated financial statements are available at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (East), Mumbai, Maharashtra (India) – 400 063.

18. Holding and ultimate holding company

The Company is owned by Sun Pharmaceutical Industries Limited and Sun Pharma Laboratories Limited. The ultimate holding Company is Sun Pharmaceutical Industries Limited, a company incorporated in India and listed on the Bombay Stock Exchange and National Stock Exchange.

19. Going concern

As at 31 March 2023, the Company's current liabilities exceeded its current assets by USD 608,344 (2022: USD 167,360) causing the Company to be illiquid.

The Company has received a letter of support from its holding company which is valid for at least twelve months from the date of approval of the financial statements.

The Company has made an assessment of the ability on the Company to continue as going concern and is satisfied that the Company have the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the ability of the Company to continue as going concern.

Therefore, the financial statements are prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business

20. Events after the reporting date

There has been no significant event after the reporting date which requires disclosure or amendment to these financial statements.