Ranbaxy Farmacêutica Ltda.
A Sun Pharma Company

Financial statements as of
31 March 2024 and 2023

SUN PHARMA

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Content

PEPPE ASSOCIADOS
Consultores & Auditores Independentes

INDEPENDENT AUDITORS' REPORT

To
The Quotaholders and Executive Board of
Ranbaxy Farmacêutica Ltda
Barueri - SP

Opinion

1. We have examined the financial statements of **RANBAXY FARMACÊUTICA LTDA**, which comprise the balance sheet as of March 31, 2024 and the respective statements of operations, changes in quotaholders' equity and cash flows for the year then ended, and other accompanying notes to the financial statements and a summary of significant accounting practices.

2. In our opinion, financial statements referred in paragraph above ***represent fairly***, in all material respects, the financial position of RANBAXY FARMACÊUTICA LTDA as of March 31, 2024, the performance of its operations and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Base for Opinion

3. Our audit was conducted in accordance with Brazilian and international standards on auditing. Our responsibilities, in accordance with these standards, are described in the following section, "Auditor's responsibility for the audit of the financial statements". We are independent in relation to the Company, according to the relevant ethical principles established in the Accountants' Professional Code of Ethics and the professional standards issued by the Federal Accounting Council, and we comply with the other ethical responsibilities according to these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis

4. During the year ended March 31, 2024, the Company had an unsecured liability scenario over assets of BRL 81.582 Mn. These financial statements have been prepared under the assumption that the Company will continue as a going concern. The Company's management has no intention of discontinuing its operations and, therefore, the financial statements do not include any adjustments to Asset or Liability accounts that might be required in the event of discontinuation of operations. As a mitigating circumstance, therefore, out of the total current and non-current liabilities, BRL 435.081 Mn, 87,49% are borrowings and supplies taken from controlling shareholders or related parties, and the rest of the liabilities with third parties is perfectly supported by current factor liquidity index at 3,40.

5. We draw attention to NE nº. 08, which presents within the balance of Suppliers the amount of BRL 59.785 thousand (BRL 34.731 thousand in previous year) of intercompany expense allocation, resulting from the policy of transferring expenses between Brazilian companies, which until the year ended March 31, 2022 did not exist. Until March 31, 2024, the balance due was that accumulated since the beginning of this "allocation of expenses", with no financial disbursement for the aforementioned payments having yet occurred.

Management's responsibility and governance for the financial statements

6. The Company's management is responsible for the preparation and adequate presentation of the financial statements in accordance with the accounting practices adopted in Brazil, and the internal controls it deemed necessary to enable the preparation of these financial statements free of material misstatements, regardless of whether caused by fraud or error.

7. In the preparation of the financial statements, management is responsible for evaluating the Company's ability to continue as a going concern, disclosing, when applicable issues related to the continuity of its operations and the use of this accounting base in the preparation of the financial statements, unless management has decided to settle the Company or to discontinue its operations, or does not have any realistic alternative to prevent the discontinuance of operations.

8. The ones responsible for the Company's governance are those with responsibility for overseeing the process of preparation of the financial statements.

Auditor's responsibilities for the audit of the financial statements

9. Our purposes are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error and to issue audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted according to the Brazilian and international auditing standards will always detect any material misstatements. The misstatements may result from fraud or error and are considered relevant when, individually or in conjunction, they may affect, from a reasonable standpoint, economic decisions of the users based on such financial statements.

10. As part of an audit conducted according to the Brazilian and international auditing standards, we exercise professional judgment, and maintain professional skepticism during the audit. In addition:

- We identify and evaluate the risks of material misstatements in the financial statements, whether due to fraud or error, plan and perform audit procedures in response to such risks, as well as obtain appropriate and sufficient audit evidence to base our opinion. The risk of not detecting material misstatement caused by fraud is higher than that caused by error, since fraud may involve the act of deceiving the internal controls, collusion, forgery, omission or intentional misrepresentations.

- We obtained understanding of the internal controls relevant to audit in order to plan audit procedures appropriate to the circumstances, but not with the aim to express opinion on the effectiveness of the internal controls of the Company.

- We evaluated the fairness of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.

- We take conclusion on the adequacy of adoption by management of the accounting basis of the ability to continue as going concern, and, based on the obtained audit evidences, whether there is a significant uncertainty in relation to Company's ability to continue as going concern. If we conclude that there is a significant uncertainty, we shall call attention in our audit report to the respective disclosures in the financial statements or include a modification in our opinion, if the disclosures are inadequate. Our conclusions are based on audit evidences obtained to the date of our report. However, future events or conditions may cause the Company not to continue as going concern.

- We evaluate the general presentation, structure and content of the financial statements, including disclosures and if the financial statements represent the corresponding transactions and events in compliance with the purpose of fair presentation.

11. We communicate with those responsible for governance with respect to, among other aspects, the planned scope, time of the audit and significant audit findings, including possible material weaknesses in internal controls identified by us during our work.

São Paulo, May 13, 2024

PEPPE ASSOCIADOS
Consultores & Auditores Independentes
CRC-SP nº 2SP021055/O-1

Paulo Cesar R. Peppe
Contador CRC-SP nº 1SP095009/O-5

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Ranbaxy Farmacêutica Ltda.

Balance Sheets ended as of 31 March 2024 and 31 March 2023

(In thousands of Brazilian Reais)

Asset	Note	31/Mar-2024	31/Mar-2023
Current			
Cash and cash equivalents	4	1.844	2.647
Other investments	4	114.105	81.887
Accounts receivable from customers	5	59.589	44.627
Inventories	6	101.977	205.153
Current tax assets	7	73.434	50.866
Other accounts receivable		1.368	3.542
Total of current assets		**352.317**	**388.721**
Non-current			
Fixed Assets	8	995	1.511
Intangible Assets		186	151
Total of non-current assets		**1.182**	**1.662**
Total of assets		**353.499**	**390.383**

Liability	Note	31/Mar-2024	31/Mar-2023
Current			
Suppliers	9	338.847	399.135
Loans	10	25.405	26.226
Taxes and contribution payable	11	10.238	4.518
Salaries and holiday payable		680	563
Other provisions	12	26.754	28.928
Other accounts payable		6.098	1.096
Total of current liabilities		**408.023**	**460.466**
Non-current			
Provision for contingencies	13	1.653	1.420
Loans	10	25.405	26.226
		27.058	**27.645**
Net Equity			
Share Capital	14	17.367	17.367
Accumulated Losses		(98.949)	(115.095)
Total net equity		**(81.582)**	**(97.728)**
Total of liabilities and net equity		**353.499**	**390.383**

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

Ranbaxy Farmacêutica Ltda.

Statements of income

Fiscal years ended as of 31 March 2024 and 31 March 2023

(In thousands of Brazilian Reais)

	Note	31/Mar-2024	31/Mar-2023
Net Operating Revenue	15	358.967	303.801
Cost of goods sold		(266.663)	(214.466)
Gross Profit		**92.305**	**89.335**
Operating expenses:			
Sales	16	(8.625)	(7.545)
Administrative and General	17	(74.906)	(74.852)
Other operating (expenses) income	18	5.365	(296)
Earnings before net financial (expenses) revenue and taxes		**14.139**	**6.643**
Financial expenses		(6.937)	(6.482)
Financial revenues		8.629	5.750
Net financial (expenses) revenue	19	**1.693**	**(732)**
Profit before taxes		**15.832**	**5.911**
Income tax and social contribution		**314**	**(16.256)**
Income tax		918	(11.947)
Social Contribution		(604)	(4.309)
Income for the fiscal year		**16.146**	**(10.345)**

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

Ranbaxy Farmacêutica Ltda.

Statements of Cash Flows - indirect method

Fiscal years ended as of 31 March 2024 and 31 March 2023

(In thousands of Brazilian Reais)

	Nota	31/Mar-2024	31/Mar-2023
Cash flow from operating activities			
Profit before taxes		15.832	5.911
Adjusted for:			
Depreciation		534	534
Amortization		54	37
Gain/Loss on sale of assets		(106)	(122)
Net adjusted PBT before changes in working capital		16.314	6.360
(Increase) decrease in current and non current assets			
Accounts receivable from customers		(14.962)	3.177
Inventories		103.176	(137.706)
Current tax assets		(22.568)	(21.521)
Other accounts receivable		2.174	(2.548)
		67.820	(158.598)
(Increase) decrease in current and non current liabilities			
Accounts Payable		(60.288)	248.448
Taxes and contributions payable		5.720	3.521
Salaries and charges thereon payable		118	(140)
Other provisions		(2.174)	10.059
Other accounts payable		5.002	(2.171)
Payment of tax contingencies		234	1.241
		(51.389)	260.958
Income tax and social contribution		314	(16.256)
Cash flow from operating activities		33.060	92.464
Cash Flow from Investing activities			
Purchase of fixed assets		(44)	(822)
Purchase of intangible assets		(90)	(126)
Sale of fixed assets		131	138
		(3)	(810)
Cash Flow from Financing activities			
Variation of current liabilities		(821)	7.249
Variation of non current liabilities		(821)	(21.965)
		(1.641)	(14.716)
Net decrease in Cash and cash equivalents		31.416	76.938
Statement of decrease in cash and cash equivalents			
At the beginning of the financial year		84.534	7.596
At the end of the financial year		115.950	84.534
		31.416	76.938
		0	(0)

Ranbaxy Farmacêutica Ltda.

Statements of changes in stockholders' equity

Fiscal years ended as of 31 March 2024 and 31 March 2023

(In thousands of Brazilian Reais)

	Share Capital	Losses Accumulated	Total
Balances as of 31 March 2022	17.367	(104.750)	(87.383)
Income for the fiscal year		(10.345)	(10.345)
Balances as of 31 March 2023	17.367	(115.095)	(97.728)
Income for the fiscal year		16.146	16.146
Balances as of 31 March 2024	17.367	(98.949)	(81.582)

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

Explanatory notes to financial statements
(In thousands of Brazilian Reais)

1 - *Operating context*

Ranbaxy Farmacêutica Ltda., incorporated on 27 October 1993, having its tax domicile in the state of Rio de Janeiro, and having as its main economic activity the import of allopathic medicinal products for human use, as well as the distribution and sale of pharmaceutical products.

The company has its administration office at Alameda Tocantins, 125, 11th Floor, Room 1101, Alphaville, Barueri, São Paulo, duly registered with JUCESP [Board of Trade of the State of São Paulo], whose corporate purpose is that of an administrative office.

1.1 - *Management plan for 2024 and 2023*

The balance sheet ended as at 31 March 2024 has a negative net worth of BRL 81.582.

From 2021-22, the company started importing in local currency BRL, which would thus reduce the impact of the dollar rate on imports and loan outstanding.

Management understands that the amounts will be reversed in the coming years, considering the increase in operational volumes, product portfolio, and committed steady supply of products by the manufacturing plants in India

There is direct involvement of commercial team in the demand planning and forecasting activity, whereby Rolling Sales Forecast is given for the subsequent twelve months, and production is aligned according to the demand and commercial aspirations and expectations. This process is helping to impact increase in sales in a positive manner

2 - *Presentation of the Financial Statements*

The financial statements were prepared in accordance with accounting practices adopted in Brazil and comprise the period from April to March, having their issue authorized by the Board on 3rd May, 2024.

The Company adopts the Law no. 6.404/76 and its amendments introduced by Law no. 11.638/07, which modified, revoked and introduced new provisions to the Brazilian Companies Law.

The aforementioned law aimed, mainly, to update the Brazilian corporate law to allow the process of convergence of accounting practices adopted in Brazil with those comprised in the International Financial Accounting Standards (IFRS).

2.1 *Functional currency and presentation currency*

The financial statements are presented in Brazilian Real, which is the functional currency of the Company. All financial information presented in Real have been rounded up to the nearest thousands, except where indicated otherwise.

2.2 *Use of estimates and judgments*

The preparation of financial statements in accordance with the accounting practices adopted in Brazil requires that the Management of the Company make judgments, estimates and assumptions that affect the application of accounting policies and the reported values of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Estimates and assumptions are reviewed in a continuous manner. Revisions with respect to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The information on assumptions and estimates that have a significant risk of result in material adjustments within the next few years are included in the following explanatory notes:

Note 5 - Provision for doubtful receivables
Note 6 - Provision for inventory obsolescence
Note 8 - Review of the useful life of fixed asset
Note 13 - Provision for contingencies

3 Summary of Significant Accounting Policies

a. Determination of Net Income

Net income from operations of the company is established in accordance with the accounting on accrual basis for the financial year, which covers the period from April to March of each year.

Operating revenues from the sale of products, as well as costs and expenses are recognized in the outcome as a function of its implementation, i.e., when there is convincing evidence that the risks and rewards significant and inherent to ownership have been transferred to the purchaser.

b. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances in current bank accounts and financial investments of high liquidity. The financial investments are recorded at cost, plus income earned during the financial year, duly regulated by the central bank of Brazil.

c. Accounts receivable from customers

Accounts receivable from customers are initially recorded at the invoiced value, including their indirect taxes, tax liability of the Company, minus the taxes withheld at source, which are considered as tax credits.

The provision for credit losses was made at an amount considered sufficient by the Management to compensate for any losses on the realization of the credits earned, overdue for more than 12 months and or when identified as unable to recover.

As provided in the CPC12, adjustment to the present value was not registered by virtue of not having material effect on the financial statements.

d. Inventories

Inventories are stated on the basis of historic cost of acquisition and production, plus expenses relating to transport, storage and non-recoverable taxes. In the case of industrialized products, under work-in-progress and finished, the inventory includes the manufacturing overheads based on the normal capacity of production. The cost is determined by the weighted average cost. The values of inventories recorded does not exceed the net value of realization. The net value of realization, which corresponds to the estimated selling price in the ordinary course of business, less the estimated costs of completion and those necessary to make the sale.

e. Fixed assets

- **Fixed assets**

Items of fixed asset (property, plant and equipment) are measured at historic cost of acquisition or construction, less accumulated depreciation and loss of reduction to the recoverable amount (impairment), if applicable.

The cost includes expenditure that is directly attributable to the acquisition of an asset. The cost of assets constructed by the company itself includes the cost of materials and labor, other direct costs to place the asset in the location and condition necessary for these to be capable of operating in the manner sought by the management, the costs of dismantling and restoration of the site where these assets are located.

The improvement in third parties' properties is amortized in accordance with the duration of the lease contract.

Gains and losses on disposal of an item of property, plant and equipment are calculated by comparison between the resources deriving from disposal with the carrying amount of property and are recognized net inside of other revenues in the result.

Other costs are capitalized only when there is an increase in the economic benefits of the item of fixed asset. Any other type of expense is recognized in the result as an expense when incurred.

- **Depreciation**

Depreciation is calculated on the depreciable value, which is the cost of an asset, or other substitute value of the cost minus the residual value.

Depreciation is recognized in the results based on the straight-line method over the estimated useful lives of each part of an item of the fixed asset, since this method is that one that more closely reflects the pattern of consumption of future economic benefits embodied in the asset. Lands are not depreciated.

The estimated useful lives are as follows:

	Years
Machines and equipment	14
Furniture and utensils	12
IT equipment	10
Vehicles	12
Improvement on third parties' property	5

The depreciation methods were reviewed, and new rates will be adopted, each closing of the financial year and any adjustments are recognized as changes in accounting estimates.

- **Intangible Assets**

It is valued at cost of acquisition, less accumulated depreciation and losses by reducing the recoverable amount, when applicable.

The intangible asset of the company has defined life, composed by software. The record of depreciation is done in the demonstration of the income statement of the fiscal year, under the heading "Depreciation and amortization".

The estimated useful life for the current fiscal and year is:	**Years**
Software	10

- **Reduction in the recoverable value of assets**

  According to NBC TG 01 (R4) – Impairment of Assets – Related to IAS 36.

  Aims to ensure that the assets are not recorded accounted for a higher value than the one that can be recovered in time for use of the company's operations or its eventual sale.

f. Leasing Operation

In line with the pronouncement of the new Accounting Standard on Leasing, through CPC 06 (R2) and in India (Where Ranbaxy's headquarters are located) from April 1, 2019 through Ind AS 116. It establishes principles for the recognition and measurement of leases, the purpose of which is to ensure relevant information that faithfully represents these transactions.

As part of an economic group, w.e.f. April 1, 2019, Ranbaxy Farmacêutica Ltda. adhered to the referred norm, and began to treat the property rental according as required. The company started to present its Assets - Right of Use (Net Present Value of the Lease Agreement) and its Lease Liabilities (Net Present Value of the Lease Payable, updated by interest). The Right of Use is amortized over the term of the contract and its effects are reflected in the result.

g. Current and non-current liabilities

The current and non-current liabilities are demonstrated by the known or calculated estimated plus, when applicable the corresponding charges, monetary variations and/or exchange rate incurred up to the date of the balance sheet.

h. Short-term benefits to employees

Obligations of short-term benefits to employees are measured on an undiscounted basis and are incurred as expenses as the related service is provided.

Provision was made for the payment of bonuses on individual performance and was recognized by the amount expected to be paid under the plans of bonuses on money or participation in profits in the short term if the company has a legal or constructive obligation to pay this value in function of past service rendered by the employee, and the obligation can be estimated reliably.

i. Loans and Financing

The financial charges and the monetary indexations of the loans are accounted for on the basis of the period elapsing, being established in accordance with the terms of the contracts. Composed mainly by contracts aiming at the expansion of production capacity, as well as modernization, as well as to meet working capital needs.

j. Provisions

A provision is recognized in the balance sheet when the company has an obligation or as a result of a past event, and it is probable that an economic resource will be required to settle the obligation. Provisions are recorded taking as a basis the best estimates of the risk involved.

k. Income tax and social contribution

The fiscal year for calculation of income tax is determined by law, and comprises the period counting from January to December, unlike the corporate year depicted in the financial statements, which comprises the period from April to March.

The income tax and social contribution of current and deferred charges are calculated on the basis of rates of 15%, plus an additional 10% on the taxable profit surplus of BRL 240 for income tax and 9% on taxable profit for social contribution on net profits and consider the offsetting of tax losses and negative social contribution base, limited to 30% of the real profit.

The current tax is the tax payable or receivable expected on the taxable profit or loss for the year, the tax rates enacted or substantively enacted at the date of presentation of the financial statements and any adjustment to tax payable in relation to previous years.

The Company has recognized the Income Tax and Social Contribution, of deferred tax assets on tax loss and negative base of social contribution. The deferred asset of Income Tax and Social Contribution are recognized based on the expected generation of future taxable profits. Deferred tax is measured by the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the date of presentation of the financial statements.

l. Financial Instruments

The financial instruments are only recognized as from the date on which the company becomes part of the contractual provisions of the financial instruments. When recognized, are initially recorded at its fair value plus transaction costs that are directly attributable to the acquisition or contracting. On March 31, 2023, the accounting value of the financial instruments of the company, represented mainly by cash, accounts receivable, accounts payable to suppliers and loans with financial institutions and related companies were equivalent to its market value. The company does not use financial instruments in exchange operations of indices (SWAP) or involving operations in the form of derivatives risk. Other Assets and Liabilities

An asset is recognized in the balance sheet when it is probable that future economic benefits will be generated in favor of the company and its cost or value can be measured with security.

The current and non-current liabilities are demonstrated by the known or calculated values plus, when applicable the corresponding charges and monetary variations incurred up to the date of the balance sheet.

Provisions are recorded taking as a basis the best estimates of the risk involved. The financial statements therefore include various estimates based on objective and subjective factors, based on the judgment of the management for the determination of appropriate values to be recorded. The settlement of transactions involving these estimates may result in divergent values of the recorded in the financial statements due to the inaccuracies inherent to the process of determining them, for which reason the management periodically revise such estimates and assumptions.

Estimates and assumptions are used in the selection of the useful lives of the assets, for the constitution of adjustment for the possible risk of not carrying out their accounts receivable, as well as in the analysis of other risks for the determination of other provisions, including the contingent liabilities and other similar, in addition to the valuation of financial instruments and other assets and liabilities on the balance sheet date.

The realizable rights and obligations are classified as Current when their realization or settlement occur within twelve months following the date of presentation of the financial statements. Otherwise, they are shown as Non-current.

4 Cash and cash equivalents

	2024	**2023**
Cash and Banks	1,844	2,647
Other investments (Financial Investments)	114,105	81,887
Total	**115,950**	**84,534**

The composition of "Other investments" consists of: two JP Morgan accounts in CDB (with a minimum redemption period of 30 days, if opting for redemptions prior to this period, the CDI percentage drops significantly) and one Itaú account in CDB (no minimum term for redemptions). Both applications are available for immediate redemptions.

The variation in cash and cash equivalents is directly linked to lower payment during the year, to the group companies for the purchase of imported finished products and loans, however the amounts received from customers are invested in financial instruments (CDB, financial applications)

5 *Accounts receivable from customers*

Accounts receivable from customers are initially recorded by the invoiced value, including their direct taxes, tax liability of the Company, minus the taxes withheld at source, which are considered as tax credits.

The decrease in the revenue recognition adjustment value refers to the low value of billing in the second half of March, and the invoices pending to be delivered as on 31st Mar,2024.

	2024	**2023**
Accounts receivable	68,286	62,959
Other accounts receivable	76	94
(-) Provision for doubtful debts	(3,448)	(2,111)
(-) Adjustment for Revenue recognition	(5,325)	(16,316)
Total	**59,589**	**44,627**

On 31st March, 2024 the total gross value of invoices receivable by the company, distributed by their ageing as per due dates are as follows:

Not Due	**BRL**	
Within 30 days	23,921	
From 31 to 60 days	19,582	
From 61 to 90 days	16,972	
Over 91 days	4,559	
Subtotal	**65,034**	
Due		
Overdue from 91 within 180 days	1,304	
Overdue within 365 days	2	
Overdue over 365 days	1,947	
Subtotal		**3,253**
Overall Total		**68,286**

6 *Inventories*

	2024	**2023**
Products for Resale (a)	119,443	83,757
Adjustment Revenue Recognition -Cogs	4,368	11,668
Packing material	88	88
Goods in transit (b)	36,267	138,249
Taxes on imports	(1,196)	1,827
Customs Agent	1,348	1,846
Others	39	39
(-) Adjustment Net Val of Realization (c)	(5,333)	(23,380)
(-) Adjustment Stock write-off provision (d)	(53,046)	(8.942)
Total	**101,977**	**205,153**

(a) Values of Products for Resale and grew considering an increase in volume and sales forecast along with variation in purchase values from the parent company.

(b) Goods in Transit decreased exponentially due to one main factor: decrease in CIF in 2024.

(c) The decrease in the net realizable value is also a reflection of the decrease in the CIF (import cost) of the products

(d) The balances contained in the accounts above identified as (d) – expired stocks, due in the next 6 months and without movement for more than 1 year, in addition to stocks with no commercial value. Management made the adjustment and awaits authorization from regulatory bodies so that they can be incinerated.

7 *Current tax asset*

	2024	2023
ICMS tax (a)	42,393	44,672
ICMS ST	1,324	0
ICMS assets	0	0
IRPJ deferred tax (c)	2,151	0
CSLL deferred tax (c)	774	0
IRPJ recoverable (b)	20,791	4,866
CSLL recoverable (b)	5,338	716
TDS recoverable	592	605
Other Taxes	71	6
Total	**73,434**	**50,865**

(a) The high normal ICMS credit originated from imports at the full rate of the state of RJ since the state canceled the agreements that gave reduced base benefits to companies, in 2020, and replaced it with Rio Importa Mais. The expectation of liquidating this credit balance is 2.5 years, with action taken for minimizing the tax to be recovered upon entry/importation, thus avoiding further accumulation and billing at the ICMS rates prevalent.

(b) The amounts recorded as IRPJ and CSLL recoverable as on 31st March,2024 were advances made to the Income Tax deptt, which will be set-off throughout 2024-25.

(c) The deferred IRPJ and CSLL values were calculated based on the accumulated loss up to as on 31st March, 2024, shown in part B of the Income Tax return for 2022, with expected profit from the entity's operations projected on revenues and expenses for the next 5 years

8 Fixed assets

The company has conducted tests of impairment for all its assets and did not have any devaluation losses. With the adoption of CPC 06. W.e.f. April 2019, the company began to present its Assets - Right of Use (Net Present Value of the Lease Contract) and its Lease Liabilities (Net Present Value of the Lease Payable, restated by interest). The Right of Use is amortized over the term of the contract and its effects are reflected in the result.

	Machines and equipment	Furniture And utensils	Vehicles	Lease rental expenses	Total
Cost					
Balance as of March 31, 2023	3,682	2,085	2,009	6,233	14,009
Additions	0	44	0	0	44
Disposals and retirements	0	(8)	(125)	0	(133)
Transference	-	-	-	-	-
Balance as of March 31, 2024	3,682	2,122	1,884	6,233	14,008

Depreciation					
Balance as of March 31, 2023	(3,530)	(1,836)	(933)	(6,180)	(12,479)
Additions	(60)	(88)	(333)	(53)	(534)
Disposals and retirements		8	100		108
Balance as of March 31, 2024	(3,590)	(1,916)	(1,166)	(6,233)	(12,905)
Loss on assets devaluation					
Balance as of March 31, 2023	(17)	(1)	-	-	(18)
Additions	(0)	(0)	(0)	-	(0)
Disposals and retirements					
Balance as of March 31, 2024	(17)	(1)	(0)	-	(18)
Net fixed asset as at March 31, 2023	**152**	**248**	**1,076**	**53**	**1,511**
Net fixed asset as at March 31, 2024	**75**	**204**	**718**	**0**	**997**

(a) In the FY ended 31st March, 2023, impairment testing of fixed assets was carried out and realizable value evaluated, whereby it was identified that no loss due to devaluation on assets was identified in accordance with accounting standards. For this reason, we did not record the impact of impairment in the account.

9 *Suppliers*

	2024	**2023**
Intercompany – Principal	322,713	188,378
Intercompany – Unrealized exchange impact	1,173	1,304
Intercompany – In Transit	36,267	138,249
Intercompany – TP Adjustments	(81,207)	36,252
Intercompany – Insurance cross-charge	119	222
Intercompany – Expense Allocation (*)	59,785	34,731
Total	**338,847**	**399,135**

The outstanding in USD payable to Sun Pharmaceutical is USD 0.960, this amount consists of amount payable for finished goods imported, TP adjustment debit note (to comply with TP guidelines in India by foreign subsidiaries in terms of EBIT margins), and Insurance cross charge debit note. The company's exposure to the risk of currency and credit related to suppliers and other accounts payable are disclosed in Note 20 section (v).

(*) b) The company adopted the practice of issuance of Debit Notes to reallocate expenses between Sun Farmacêutica and Ranbaxy Farmacêutica, (being of the same economic group) aiming to represent better, the operational results of each of the entities. This amount is constituted of expenses for analyzing Ranbaxy's products by Sun's laboratory, in addition to direct and indirect selling & marketing and general administrative expenses. The direct allocation was based on expenses pertaining to the Generic/Retail division business of Ranbaxy, incurred by Sun. Indirect allocation was based on the proportion of sales of the two companies. The amount allocated between the entities is recorded in Sun in the asset and as credit to each expense account and in Ranbaxy in the liability and as debit to each corresponding expense account, both recording the value of R$ 59.785 for the current year and 34.731 in 2022-23

10 Loans and Financing

			2024		2023	
Loans and Financing	**Maturity**	**Charges**	**Current**	**Non Current**	**Current**	**Non Current**
Related Parties - Sun Pharma Netherlands B.V	2025/2027	5,02% a.a.	48,191	18,977	26,226	26,226
			48,191	**18,977**	**26,226**	**26,226**

The balance refers to two contracts with a principal value of USD 5 Mn each, whose maturity dates are January 2027 and March 2025.

Interest is accrued at 6months SOFR rates, calculated with a spread of 1.50% per year + SOFR 6 months, without contractual guarantees. In the year ended March 31, 2024, the total interest paid was R$2,353, and the balance payable was R$848.

11 Taxes and contributions payable

	2024	**2023**
Social contributions payable		
INSS payable on payroll	77	80
INSS withheld at source	1	6
FGTS payable on payroll	19	20
PIS on Sales	0	7
Cofins on Sales	0	39
Pis/Cofins/CSSL withheld at source	4	1
(-) Cut Off adjustment - Pis/Cofins (a)	0	0
Subtotal	**102**	**153**
Taxes payable		
Income tax IRPJ	0	1,830
Income tax CSLL	0	661
Income tax withheld at source	157	82
Services tax withheld at source	0	3
Service tax withheld at source sales	1	0
ICMS on Sales	54	1
ICMS on tax substitution	760	1.082
ICMS on rate differential	0	0
ICMS provision on goods destruction	9,497	1,572
(-) Cut Off adjustment – ICMS-ICMS St (a)	(333)	(866)
Subtotal	**10,136**	**4,365**
Total	**10,238**	**4,518**

The variation in ICMS provision on goods destruction is due to the high value of cost of purchasing finished goods from SPIL and the impact on the cost of destruction.

(b) The adjustment related to sales taxes, such as PIS/COFINS and ICMS-ICMS ST, refers to the impact of recognizing revenue from invoices that were invoiced, dispatched and as on 31st March, had not been received by the customers.

12 *Others accounts payable*

Others accouns payable	6,098	1,096
Total	**6,098**	**1,096**

The variation arises from the high value of finished goods purchased for resale in Brazil (Bisoprolol), from supplier Sanofi Medley.

13 *Other Provisions*

	2024	**2023**
Provision for Sales Commission (a)	368	5,492
Provision for performance bonus	714	1,147
Provision for Administrative Service Provider	1,051	1,643
Penalty	1,265	0
Provision for freight and warehouse cost	0	270
Provision for Margin of distributers	0	0
Provision for sales campaign (b)	18,340	16,348
Provision for sales return (c)	4,970	4,026
Provision for discounts and rebates	0	0
Market resource	47	0
Total	**26,754**	**28,928**

a) The company uses autonomous Commercial Representatives, hired in accordance with Law 4.886 of December 9, 1965, where they are remunerated through fixed percentages of primary and secondary sales. In order to reduce labor claims, legal settlements were made in the civil area, where 1/12 + 1/3 of the entire commission paid were paid. Accordingly, provisions have been made in 2018-2024, with balance likely to be paid over the course of the year 2024-25.

b) The value of Provision for sales expenses is given by the methodology applied to calculate OL. The provision consists of the OL accrued on value for primary sales for Mar, 2024, (+) stock held by distributors on 31st Mar, 2024 (+) secondary sales for the month of March (+) OL calculated for prior months, pending to be paid/settled.

c) The provision for returns changed due to the change in the recognition method, which was now based on the expected return value, in line with the trend of returns made on sales in the last 36 months. The recognition method up to the previous year consisted of recognition based on the return value of the current year versus the sales value corresponding to the same period of the previous year.

14 *Contingencies*

The company is defendant in lawsuits and in administrative proceedings before various courts and governmental bodies, arising from the normal course of operations, involving tax, labor, civil aspects and other matters.

Management, based on information from their legal advisors, analysis of lawsuits pending and, considering labor actions, based on previous experience relating to the amounts claimed, made provision for an amount considered sufficient to cover the probable estimated losses with the lawsuits in course, as follows:

	2024			**2023**
	Provision	**Judicial Deposit**	**Net**	**Net**
Labor	442	279	163	388
Civil	2,136	917	1,219	1,031
Tax	271	0	917	645
	2,849	**1,196**	**1,653**	**1,419**

Lawsuit movement during the period

	2024				
	Gross Opening Balance	**Provision addition**	**Write-off**	**Judicial Deposit**	**Net Closing Balance**
Labor	388	34	259	0	162
Civil	1,031	273	0	86	1,219
Tax	0	272	0	0	271
	1,419	**579**	**259**	**86**	**1,653**

There are other lawsuits assessed by the legal advisors as being of possible or remote risk, which, based on the claims of the claimants, our lawyers assessed for future settlements the amount of BRL 23,120 for possible loss for which no provision was made, considering that as per IFRS their value or timing is not determinable As of March 31, 2024, the Company had 10 cases of labor claims, which, according to legal advisors, are classified as a possible and remote risk of loss.

As of March 31, 2024, the Company had 5 cases classified as a risk of probable loss.

a. Summary of labor processes

As at 31st March, 2023, the Company had 7 cases of labor claims, which according to the legal advisors, are classified as possible and remote risk of loss.

There are no cases classified as a probable loss risk.

b. Summary of civil processes

As at 31st March, 2024, the Company had a total of 33 cases of complaints involving issues, infractions and/or questions from Anvisa. According to the legal advisors, 25 cases are classified as risk of possible and remote loss, which are not part of the provision. The estimate of loss made is in accordance with the opinion of the legal advisors, and is duly updated of interest and its respective taxes.

15 Net Equity

Share capital is composed of 14.971.089 shares, being 12.482.664 shares of "Class A" on the nominal value of BRL 1,00 each and 488.425 shares of "Class B" in the nominal value of BRL 10,00 each, according to the 46th amendment to the Articles of Association, dated of 25 September 2020, which are distributed as follows:

Quota Holder	**Quotas**	**BRL**
Sun Pharma Netherlands B.V. - Class A	12,482.663	12,483
Sun Pharma Netherlands B.V. - Class B	488,425	4,884
Ranbaxy Holdings UK Limited	1	-
	14,971.089	**17,367**

On 31st March, 2023, the foreign capital registered at the Central Bank of Brazil, the basis for remittance of dividends and repatriation of capital, totalized BRL 17.367 (equivalent to USD 12.467)

16 Operating Revenue (Net)

	2024	2023
Resale of goods	416,932	327,492
Resale of samples for bioequivalence	212	0
Gross revenue from sales	417,144	417,144
Taxes on sales and resales	(23,834)	(19,720)
Finance Discounts	(36,135)	(1,363)
Returns	(8,665)	(5,174)
(-) Sales Deductions	10,458	2,566
Operating Revenue (Net)	**358,967**	**303,801**

The company's sales in the domestic market are currently done to distributors, pharmacy chains, independent pharmacies, and distributors to hospitals.

The financial discount is related to hospital products that were not delivered timely, and customers received penalty in which, since we were co-responsible, hence we had to reimburse them.

We also had a significant increase in discounted values for OL (logistics operator), due to the increase in secondary sales, following the increase in the resale of goods

17 Expenses with sales

	2024	2023
Sales Campaign (a)	2,765	4,065
Promotional material	1,341	404
Congress and events	1,985	1,186
Market survey services	779	1,025
Travelling Expenses	1,689	835
Other promotion expenses	66	30
	8,625	**7,545**

(a) Ranbaxy is seeking to increase sales in pharmacies and pharmacy chains, and has developed commercial actions, called “focus molecules)”, which aim to reward in for sales achieved.

18 General and Administrative Expenses

	2024	2023
Personnel (a)	25,177	6,644
Equipment Maintenance	863	115
Expenses with rents	341	417
Expenses with electricity	406	73
Services Provided (b)	11,183	6,538
Regulatory	3,970	664
Quality Control	2,780	754
Taxes and Fees	665	1,614
Expenses with Sales Commission	16,930	14,654
Expenses with freight and warehouse	6,899	4,229
Other administrative expenses (c)	6,287	38,584
Depreciation and Amortization	532	566
	76,032	**74,852**

(a) The personnel cost variation is because of the allocation of expenses between Sun and Ranbaxy, adding up to a total of 18,725.

(b) The variation in services provided refers to the allocation of expenses between Sun and Ranbaxy.

(c) The company adopted the practice of issuance of Debit Notes to reallocate expenses between Sun Farmacêutica and Ranbaxy Farmacêutica, (being of the same economic group) aiming to represent better, the operational results of each of the entities. This amount is constituted of expenses for analyzing Ranbaxy's products by Sun's laboratory, in addition to direct and indirect selling & marketing and general administrative expenses. The direct allocation was based on expenses pertaining to the Generic/Retail division business of Ranbaxy, incurred by Sun. Indirect allocation was based on the proportion of sales of the two companies. The amount allocated between the entities is recorded in Sun in the asset and as credit to each expense account and in Ranbaxy in the liability and as debit to each corresponding expense account, both recording the value of R$ 59.785Mn for the current year and 34.731Mn in 2022-23.

19 Other Operating revenue (expenses)

	2024	**2023**
Provision for Contingencies	39	(1.420)
Tax credit benefit	150	(1)
Other Operating revenues (expenses)	5,176	1,125
	5,365	**(296)**

20 Net financial (expenses) revenue

	2024	**2023**
Financial expenses		
Interest - Intercompany	(3,235)	(1,978)
Interest on Operational Lease	(6)	(7)
Realized exchange gain/loss	36	(44)
Unrealized Exchange gain/loss	1,006	(3,840)
Penalties on Taxes and contributions	(2,281)	(9)
Others	(2,456)	(605)
	(6,937)	(6,483)
Financial revenues		
Interests	206	45
Interest on financial investments	8,319	5,552
Unrealized exchange gain/loss	0	0
Others	104	153
	8,629	5,750
	1,693	**(733)**

21 Insurance coverage

The company has contracted Allianz Seguros no. 5177202353960000094, a property insurance, which aims to guarantee covers for possible claims, together with all the addresses of the Sunpharma group companies in the Brazilian territory. The amounts contracted are considered sufficient to cover possible claims, considering the nature of their activity.

As of 31st March, 2024, insurance coverage against operational risks comprises R$ 199.096, for Sun group in Brazil.

22 Financial Instruments

(i) Identification and valuation of financial instruments

The accounting balances of financial instruments such as cash, accounts receivable, taxes, loans and financing, when compared with the values that could be obtained on their negotiation in an active market or, in its absence, with its net present value is adjusted based on the prevailing rate of interest in the market approach, and is substantially approximate to their corresponding market values.

(ii) Credit risk

It arises from the possibility of the company suffering losses arising from defaults of their counterparts or depositary financial institutions of resources or financial investments. To mitigate these risks, the company adopts as a practice analysis of financial and equity status of its operations, as well as the definition of credit limits and permanent monitoring of open positions. Regarding financial institutions, the Management only carries out transactions with reputable financial institutions and of low risk, assessed by rating agencies.

(iii) Risk of price of the goods sold

It arises from the possibility of oscillation of market prices of products marketed by the company. These price fluctuations can cause substantial changes in their income and their costs. To mitigate these risks, Management permanently monitors the local and international markets, seeking to anticipate the price movements.

(iv) Interest rate risk

It arises from the possibility of the company suffering gains or losses arising from fluctuations in interest rates levied on its financial assets and liabilities. Aiming to mitigate this type of risk, Management seeks to diversify the acquisition of resources in terms of rates fixed or floating.

(v) Exchange rate risk

The associated risk arises from the possibility of the company coming to incur losses due regarding fluctuations in exchange rates, which increase the values obtained on the market. On March 31, 2019 the company had liabilities, denominated in foreign currency, there is no financial instrument to protect this exposure on that date.

	2024	**2023**
	USD	**USD**
Suppliers	960	991
Loans	10,170	10,324
	11,130	**11,315**

The following exchange rates were applied during the year:

Average Rate		**Closure Rate on the date of the Financial Statements**	
2024	**2023**	**2024**	**2023**
4.9333	5.1573	4.9962	5.0804

Exchange Rate Sensitivity Analysis

The Company has liabilities linked to foreign currency in the balance sheet as of 31st March, 2023, and for the purposes of analysis of sensitivity, adopted as a likely scenario the rate of BRL 5,20. Therefore, the table below shows the simulation of the effect of the exchange rate variation in the future outcome in scenarios of increases and reductions:

	Scenarios (increase)		
Exchange Rate Risk	**Likely**	**Possible**	**Remote**
Scenarios and price levels	5.20	5.40	5.60
Passive Position	57,875	61,101	62,327
Total net effect	(2)	(4)	7

	Scenarios (reduction)		
Exchange Rate Risk	**Likely**	**Possible**	**Remote**
Scenarios and price levels	4.80	4.60	4.50
Passive Position	53,423	51,197	50,084
Total net effect	(2)	(4)	(6)

(vi) Derivative financial instruments

The company has not used financial instruments in exchange operations of indices (SWAP) or involving operations in the modality of derivatives.

23 *Subsequent Events*

With regard to subsequent events, we analyzed possible impacts resulting from situations that occurred after 03/31/2024 and, except for the adjustments to revenues already recognized in the accounting on 03/31/2024 arising from extra orders at the end of March in order to meet future demand , there were no relevant subsequent events in the context of these Financial Statements.

24 Approval of the set of Financial Statements and Explanatory Notes

These financial statements were approved by the Management of Ranbaxy Farmacêutica Ltda., and authorized for issue on 3rd May, 2024

Walter Wiesmueller Coelho Filho
CFO - BRAZIL

Babita Roy
F&A and Planning Manager

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