

INDEPENDENT AUDITOR'S REPORT

To: The shareholder of Sun Pharmaceutical Industries (Europe) B.V.

A. Report on the audit of the financial statements for the year ended 31 March 2024 included in the annual report**Our opinion**

We have audited the financial statements for the year ended 31 March 2024 of Sun Pharmaceutical Industries (Europe) B.V. based in Hoofddorp.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Sun Pharmaceutical Industries (Europe) B.V. as at 31 March 2024 and of its result for the year then ended in accordance with Dutch Accounting Standards and Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 March 2024;
- The following statements for 2024: the profit and loss account for the year ended 1 April 2023 till 31 March 2024 and Cash flows; and
- The notes comprising of a summary of the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Dutch accounting standards and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

Independence

We are independent of Sun Pharmaceutical Industries (Europe) B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We have identified and assessed the risks of material misstatement of the financial statements due to fraud. We have asked the members of the board, as well as other relevant executives, whether they are aware of (suspected) fraud. This did not result in any signals of actual or suspected fraud that could lead to a material misstatement.

As part of our fraud risk identification process, we evaluated fraud risk factors related to financial reporting fraud, improper appropriation of assets and bribery and corruption. We assessed whether these factors indicated a risk of material misstatement due to fraud. We identified the following fraud risks and performed the following specific procedures:

| Identified fraud risks | Audit work performed and findings |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>Management override of controls</i></p> <p>As with all of our audits, we consider the risk that management may override internal controls. This includes assessing whether there is evidence of management bias that creates a risk of a material misstatement due to fraud.</p> <p>The main opportunities for management override of controls lie within the manual elements of the control environment, such as manual journal entries.</p> <p>Management may feel pressure to apply incorrect accounting treatment to achieve desired results.</p> | <p>Where relevant to our audit, in order to mitigate the aforementioned risk, we performed the following audit procedures: Journal entry testing:</p> <ul style="list-style-type: none"> • Obtain list of journal entries and review for unusual ones. Select a sample of journals, if necessary, and check the validity of these journals (to workings, etc.). • Obtain the manual adjustments and test the supporting workings for the same and approval (maker checker controls) • Risk based criteria selection of journal testing to be performed; and • Test the appropriateness of journal entries and other adjustments. <p>We have no specific evidence of fraud or suspected fraud related to management's override of internal controls.</p> |
| Identified high inherent risk | Audit work performed and findings |
| <p><i>Revenue recognition - Cut-off Procedures</i></p> <p>We addressed the risk of cut-off in revenue recognition. This relates to the assumed management incentive that exists to overstate revenues.</p> | <p>Our audit work includes following procedures:</p> <ul style="list-style-type: none"> • Assessed and tested the appropriateness of testing the controls over the cut-off of revenue sales. • For a specific period prior to and after the balance sheet date and validated the proper timing of recognizing movements of inventories and respective transfer of goods sold. <p>We have no specific evidence of fraud or suspected fraud related to the cut-off issues with respect to revenue recognition.</p> |

Audit approach going concern

Management has prepared the financial statements assuming the going concern basis of accounting for the 12-month period from the date of preparation of the financial statements.

Our procedures for evaluating the board's going concern assessment include:

- Considering whether the board's going concern assessment contains all relevant information known to us as a result of our audit and questioning the board on key assumptions and assumptions.
- Perusing the analysis of the company's financial position in its management report and additionally analyzing the financial position and relevant ratios as of the end of the fiscal year.
- Obtaining the (authorized) budget for fiscal year 2024 and evaluating what the budgeted operating results and cash flows are in lines with the actual figures.
- To determine whether the board has identified events or circumstances that may cast reasonable doubt on the entity's ability to continue as a going concern.

Our work indicates that the going concern assumption used by management is going concern assumption is acceptable and no going concern risks have been identified.

B. Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;

- Obtaining 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 entity's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

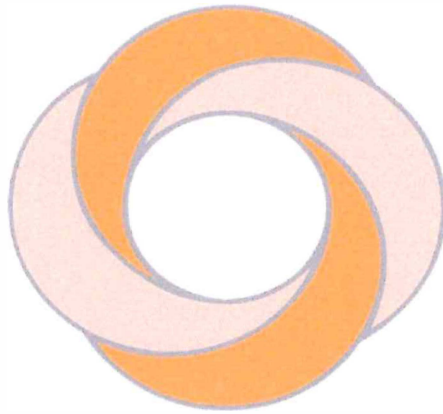
Haarlem, 8 May 2024

ETL Assurance en Overheidsaccountants B.V.

M. Güçlü RA

Stamp for identification:





SUN
PHARMA

*Sun Pharmaceutical Industries (Europe) B.V.
Statutory seat Hoofddorp*

08 May 2024

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Directors' report

Hoofddorp,
08 May 2024

Financial

The Directors present the Annual Report on the affairs of the Company, together with the financial statements and auditors' report for the period ended 31 March 2024.

Principal activities and structure of shares

The activities of the company Sun Pharmaceutical Industries (Europe) B.V. (the company) consists of wholesaling, importing, exporting, marketing, distribution and sales of medicines.

Sun Pharmaceutical Industries (Europe) B.V is wholly owned by Alkaloida Chemical Company Zrt.

Review of business

Fiscal year 2023-2024 was successful for Sun Pharmaceutical Industries (Europe) B.V. Despite the economy recovering slowly from a recession, we concluded the year with growth of the business. This confirms the adequacy of our business strategy and we will continue with high investments in all fields.

Sun Pharmaceutical Industries (Europe) B.V. won few new tenders in all the geographies it operates and also acquired some new B2B customers which is important for successful development of our business. We have increased sales and market share in the markets where we sell directly.

Sun Pharmaceutical Industries (Europe) B.V. has achieved total revenues (Net) of € 44,413,992 in FY2023-2024.

Sun Pharmaceutical Industries (Europe) B.V. reported € 749,244 profit after taxes in FY2023-2024, which represents a slight decrease compared to the previous year, when the result after taxes was a profit of € 769,516.

Business Outlook of the Company

The Company continue to focus on participating in more tenders in Dutch Medicine Markets with the goal of winning those tenders. While the company already has a high market share for the existing portfolio, the company will focus on retaining the existing tenders and winning more tenders, which will ensure good performance in the next year. The company is focused on growth opportunities for the future. As in previous years, the company will continue to focus on finding in-licensing opportunities for new molecules as a part of its inorganic growth objective in coming years. The company has as goal to benefit from high investments made by the group in building branded portfolio in the region and gearing up to be a reliable partner to be able to sell and distribute this new range of medicines.

Employee Involvement

During the year under review Employee engagement and development was a main focus area for the company. Various initiatives were taken to achieve these themes which included Birthday Celebration, Long Service Awards, Teambuilding events, Your Contribution Counts. Further, Office events such as Summer event, Diwali and Christmas event were organized.

Investments

As we are expected to grow our business in the coming years, investments will be made into employees and assets.

Dividends

No interim dividend was paid and the Directors recommend no dividend for the year ended 31 March 2024.

Potential risks of the company

Liquidity risks

Notwithstanding, the liquidity remains a significant focus, especially in ensuring the continued ability to finance working capital.

The company meets its working capital requirements through the funds generated from its operations, the working capital loan from the sister company was settled during the year along with interest. The company has no financial loan as at the end of the financial year.

Foreign exchange risks

Sun Pharmaceutical Industries (Europe) B.V. purchases their goods in the same currency as which we sell and thus has a very limited foreign exchange risks.

Credit risk

Credit risk is the risk that a party in the agreement will not be able to fulfil its obligations as set in the agreement and would cause financial damage to the company. Sun Pharmaceutical Industries (Europe) B.V. analyses the risk of non-payment from the customers by reviewing and setting credit limits for each individual customer.

Sun Pharmaceutical Industries (Europe) B.V. has no risk related to fulfilling its financial or business liabilities. The company has the intention to pay all liabilities in agreed timeline in FY2023 -2024 and was not in default at any time.

Sun Pharmaceutical Industries (Europe) B.V. regularly monitors all applicable legislation, especially tax legislation; therefore management is confident that the Company has no tax risk. The Company also monitors all legislation related to their operations.

The Company monitors all risks that might affect operations. Before sending a quote to the customer, detailed check of the customer as well as the market is performed in order to minimize all possible risks. On the other hand, the Company minimizes risk on purchase side of the business.

Based on the above stated risk analysis, the company is confident that it is organized in a way to minimize all potential risks.

Legal proceedings

Sun Pharmaceutical Industries (Europe) B.V. is not a defendant in any proceedings which the directors believe will have a material effect on either Company's financial position or profitability.

Going concern

The directors, having made appropriate enquiries, has assured herself that no material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified, and they have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis

Ratio's

| | 202324 | 202223 |
|---------------------|---------------|---------------|
| | € | € |
| Equity | 3,836,927 | 3,087,703 |
| Balance sheet total | 19,930,872 | 22,095,587 |
| Solvabiliteit | 19% | 14% |
| Current ratio | 1.89 | 1.39 |
| Quick ratio | 1.41 | 1.11 |

Prashant Savla
Director

Sun Pharmaceutical Industries (Europe) B.V., Hoofddorp

Financial statements

Balance sheet as at 31 March 2024

(after appropriation of results)

| | Ref. | 31 March 2024 | | 31 March 2023 | |
|----------------------------------------|------|---------------|-------------------|---------------|-------------------|
| | | € | € | € | € |
| Assets | | | | | |
| Intangible assets | | | | | |
| Gross Block | 1.1. | 334,179 | | 334,179 | |
| Less: Amortisation | | (333,889) | | (333,888) | |
| | | | 290 | | 291 |
| Intangible assets under development | 1.2. | | 240,216 | | 410,216 |
| Intangible assets | | | | | |
| Tangible fixed assets | | | | | |
| Gross Block | 2. | 456,810 | | 569,767 | |
| Less: Depreciation | | (180,118) | | (257,186) | |
| Tangible fixed assets | | | 276,692 | | 312,581 |
| Inventories | | | | | |
| Finished products and goods for resale | 3. | 4,955,576 | | 4,231,824 | |
| | | | 4,955,576 | | 4,231,824 |
| Receivables | | | | | |
| Trade Receivables | 4. | 4,498,855 | | 4,610,217 | |
| Receivables from shareholders | | 9,785 | | 17,448 | |
| Receivables from group companies | | 5,384,799 | | 5,128,079 | |
| Other Receivables and accrued income | | 870,787 | | 1,571,096 | |
| Taxes and Social security charges | | 10,391 | | 364,923 | |
| | | | 10,774,617 | | 11,691,763 |
| Cash at bank | 5. | 3,683,481 | | 5,448,912 | |
| | | | 3,683,481 | | 5,448,912 |
| | | | 19,930,872 | | 22,095,587 |

Balance sheet as at 31 March 2024 (Continued)

(after appropriation of results)

| | | 31 March 2024 | | 31 March 2023 | |
|----------------------------------------|----|---------------|-------------------|---------------|-------------------|
| | | € | € | € | € |
| Equity and Liabilities | | | | | |
| Equity (Capitals and reserves) | | | | | |
| Share Capital | 6. | 18,000 | | 18,000 | |
| Other reserves | | 3,818,927 | | 3,069,703 | |
| | | | 3,836,927 | | 3,087,703 |
| Provisions | | | | | |
| Other provisions | 7. | 5,772,347 | | 3,553,517 | |
| | | | 5,772,347 | | 3,553,517 |
| Long-term liability | | | | | |
| Deferred Income | 8. | 32,550 | | 37,200 | |
| | | | | | 37,200 |
| | | | 32,550 | | 37,200 |
| Current liabilities | | | | | |
| Loans from group companies | 9. | - | | 4,000,000 | |
| Account payables to group companies | | 5,721,186 | | 6,780,437 | |
| Debts to shareholders | | 282,177 | | 243,484 | |
| Trade Payables | | 1,010,108 | | 2,670,392 | |
| Taxes and Social security charges | | 685,151 | | 323,136 | |
| Other liabilities and accrued expenses | | 2,590,426 | | 1,399,719 | |
| | | | 10,289,048 | | 15,417,167 |
| | | | 19,930,872 | | 22,095,587 |

Profit and loss account for 01 April 2023-31 March 2024

| | | April 2023-March 2024 | | April 2022-March 2023 | |
|-----------------------------------------------------------------------|------|-----------------------|----------------|-----------------------|----------------|
| | Ref. | € | € | € | € |
| <i>Net Turnover</i> | 10. | | 44,413,922 | | 42,877,289 |
| Other Operating Income | | 37,825 | | 17,995 | |
| <i>Net Operating Income</i> | | | 37,825 | | 17,995 |
| | | | <hr/> | | <hr/> |
| | | | 44,451,747 | | 42,895,284 |
| Cost of Sales | | 26,416,589 | | 26,363,957 | |
| Wages and salaries | 11. | 8,949,695 | | 7,876,923 | |
| Social security premiums and pension contributions | 11. | 922,715 | | 834,850 | |
| Amortisation and depreciation of intangible and tangible fixed assets | 12. | 66,613 | | 43,327 | |
| Other operating expenses | 13. | 7,056,936 | | 6,729,173 | |
| | | | <hr/> | | <hr/> |
| <i>Total operating expenses</i> | | | 43,412,548 | | 41,848,230 |
| | | | <hr/> | | <hr/> |
| <i>Operating result</i> | | | 1,039,199 | | 1,047,054 |
| Interest expenses and similar expenses | 14. | | 50,892 | | 53,328 |
| | | | <hr/> | | <hr/> |
| <i>Result before tax</i> | | | 988,307 | | 993,725 |
| Tax on result (Net) | 15. | | 239,083 | | 224,209 |
| | | | <hr/> | | <hr/> |
| <i>Result after tax</i> | | | 749,224 | | 769,516 |

Cash flow statement for the year ended 31 March 2024

| | Note | 2023-2024 | | 2022-2023 | |
|-----------------------------------------------------|------|-------------|-----------|-------------|-----------|
| | | € | € | € | € |
| Cash flow from operating activities | | | | | |
| Operating profit | | | 1,039,199 | | 1,047,054 |
| Adjustments for: | | | | | |
| Depreciation, amortisation and other impairments | | 66,613 | | 43,327 | |
| Movement in provisions | | 2,218,830 | | (403,138) | |
| Interest on Loan | | | | | |
| | | | 2,285,442 | | (359,811) |
| Movements in working capital: | | | | | |
| Inventories | 3. | (723,752) | | (780,453) | |
| Receivables | 4. | 917,146 | | (3,501,478) | |
| Current liabilities (excluding borrowings) | 9. | (1,128,119) | | 7,179,292 | |
| | | | (934,725) | | 2,897,361 |
| Cash generated from operations | | | 2,389,916 | | 3,584,603 |
| Corporate income tax paid/accrued | | (239,083) | | (224,209) | |
| Interest paid | | (50,892) | | (53,328) | |
| | | | (289,975) | | (277,537) |
| Net cash generated from operating activities | | | 2,099,941 | | 3,307,066 |

Cash flow statement for the year ended 31 March 2024 (Continued)

| | Note | 2023-2024 | | 2022-2023 | |
|--------------------------------------------------------------------------|------|-----------|-------------|-----------|-----------|
| | | € | € | € | € |
| Cash flow from Investing activities | | | | | |
| Increase in Intangible assets | 1. | 85,000 | | 200,216 | |
| Decrease in Intangible assets | 1. | (255,000) | | - | |
| Increase in Tangible fixed assets | 2. | 30,723 | | 250,928 | |
| | | | | | |
| Net cash generated from/(Used in) Investing activities | | | 139,277 | | (451,144) |
| Cash flow from financing activities | | | | | |
| | | | | | |
| Repayment of borrowings | 9. | 4,000,000 | | - | |
| Non-current liability | 8. | (4,650) | | 37,200 | |
| | | | | | |
| Net cash (Used in)/generated from financing activities | | | (4,004,650) | | 37,200 |
| | | | | | |
| Net (decrease)/increase in cash at banks and in hand | | | (1,765,432) | | 2,893,122 |
| The movement in cash at banks and in hand can be broken down as follows: | | | | | |
| Balance as at 1 April 2023 | | | 5,448,912 | | 2,555,790 |
| Movements during the financial year | | | (1,765,432) | | 2,893,122 |
| | | | | | |
| Balance as at 31 March 2024 | | | 3,683,480 | | 5,448,912 |

Notes to the balance sheet and income statement

General notes

Activities

The activities of Sun Pharmaceutical Industries (Europe) B.V., having its legal seat at Hoofddorp, primarily consist of import, export, marketing, storage, distribution and selling of pharmaceuticals.

Registered office, legal form and registration number at the chamber of commerce

The registered and actual address of Sun Pharmaceuticals Industries (Europe) B.V. is Polarisavenue 87, 2132 JH, Hoofddorp in Registered place of business and is registered at the chamber of commerce under number 34277465.

Group structure

The company forms part of a group, headed by Sun Pharmaceutical Industries Ltd. in India.

Changes in accounting policies

There are no changes in the accounting policies for the financial year 2023-24.

Changes in accounting estimates

No changes in calculation of provisions during this financial year.

Estimate

In applying the principles and policies for drawing up the financial statements, the directors of Sun Pharmaceutical Industries (Europe) B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered to be a related party. In addition, statutory directors, other key management of Sun Pharmaceutical Industries (Europe) B.V. or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

Accounting policies for the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Interest paid and received and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash are not recognised in the cash flow statement.

General accounting policies

General

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant notes.

Foreign currency

Functional currency

Items included in the financial statements are made up in euros, which is the functional and presentation currency of Sun Pharmaceutical Industries (Europe) B.V.

Transactions, receivables and liabilities

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Operational leasing

The company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

Accounting policies applied to the valuation of assets and liabilities

Intangible assets

Intangible assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realisable value.

With regard to the determination as to whether an intangible asset is subject to an impairment, please refer to note 3.5 “Impairment of fixed assets”.

Concessions, licenses and intellectual property

Costs of intangible assets other than those internally generated, including patents and licenses, are valued at acquisition cost and amortised on a straight-line basis over their estimated future useful lives, with a maximum of 20 years. Currently they are amortized at a 20% rate.

Tangible fixed assets

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Impairment of fixed assets

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

For tangible and intangible assets, depreciation is only taken into account if it is expected to be sustainable.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realizable value are based on the estimated costs that are directly attributable to the sale and are necessary to realize the sale.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

Inventories

Inventories for own use and sales

Inventories (stocks) are valued at historical price based on the FIFO method (first in, first out) or lower realisable value.

The historical cost consist of all costs relating to the acquisition or production and the costs incurred in order to bring the inventories to their current location and current condition.

The realisable value is the estimated sales price less directly attributable sales costs. In determining the realisable value the obsolescence of the inventories is taken into account.

Accounts receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost which is equal to nominal value. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. These provisions are determined by individual assessment of the receivables.

Cash at bank

Cash at bank represent bank balances and deposits with terms of less than twelve months. Overdrafts at bank are recognised as part of debts to lending institutions under current liabilities. Cash at bank is carried at nominal value.

Provisions

General

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

Provision for trade discount

A provision for trade discount is recognised for the expected claims to be received in the following financial year from the insurance companies and wholesalers which relate to sales made during the financial year 2023-2024.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This is at the nominal value.

Principles for the determination of the result

General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realized.

Revenue recognition

General

Net turnover comprises the income from the supply of goods and services after deduction of discounts and such like and of taxes levied on the turnover.

Sales of goods

Revenues from the goods supplied are recognised when all significant risks and rewards in respect of the goods have been transferred to the buyer.

Other Operating income

In other operating income results are recognized which are not directly linked to the supply of goods or services as part of the normal, non-incidental operations.

Cost of sales

Cost of sales represents the direct and indirect expenses attributable to revenue, purchase expenses related to the goods sold.

Employee cost (employee benefits)

General

Employee costs (wages, salaries, social security contributions, etc.) are presented as a separate item in the income statement. These costs are included in other components of the income statement.

Short-term employee cost

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

Pensions

Sun Pharmaceutical Industries (Europe) B.V. has a defined contribution (DC) pension scheme to which the provisions of the Dutch Pension Act ('Pensioenwet') are applicable. Sun Pharmaceutical Industries (Europe) B.V. pays premiums based on (legal) requirements, a contractual or voluntary basis to pension funds. Premiums are recognised as employee cost when they are due.

Amortisation of intangible assets and depreciation of tangible fixed assets

Amortisation and depreciation costs are not presented as a separate item in the income statement. These costs have been recognised in other components of the income statement.

Intangible assets and tangible fixed assets are amortised and depreciated from the date of when they are available for use, based on the estimated economic life / expected future useful life of the asset.

Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of property, plant or equipment are shown separately in the notes to the financial statements.

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur."

Income tax

Tax on the result is calculated based on the result before tax in the income statement and exempt profit components and after the addition of non-deductible costs.

Financial instruments and risk management

Currency risk

Sun Pharmaceutical Industries (Europe) B.V. mainly operates in the European Union. Sun Pharmaceutical Industries (Europe) B.V. has no currency risk as sales is done in the same currency as the purchase of the finished goods (mainly EUR and CHF)

Credit risk

Sun Pharmaceutical Industries (Europe) B.V. does not have any significant concentrations of credit risk. Sales are made to customers that meet the company's credit rating. Goods and services are sold subject to payment deadlines ranging between eight and sixty days.

Liquidity risk

Sun Pharmaceutical Industries (Europe) B.V. has no liquidity risk as any working capital requirement is funded by the parent company Alkaloida Chemical Company Zrt.

1. Intangible assets

1.1 Intangible assets

| | Concessions, licenses and intellectual property |
|----------------------------------------------|-------------------------------------------------------|
| | € |
| Gross value | 544,179 |
| Cumulative depreciation | (333,356) |
| Book value 1 April 2022 | <u>210,823</u> |
| Additions | - |
| Disposals | - |
| Depreciation on disposal | - |
| Depreciation | (532) |
| Reclass During the year | (210,000) |
| Mutation 2022-2023 | <u>(210,532)</u> |
| Gross value | 334,179 |
| Cumulative depreciation | (333,889) |
| Book value 1 April 2023 | <u>290</u> |
| Additions | - |
| Depreciation | - |
| Transfer of Intellectual Property - Licences | - |
| Mutation 2023-2024 | <u>-</u> |
| Gross value | 334,179 |
| Cumulative depreciation | (333,889) |
| Book value 31 March 2024 | <u>290</u> |
| Depreciation % | 20% |

1.2 Intangible assets under development

| | 31-mrt-2024 | 31-mrt-2023 |
|---------------------------------------------------------|----------------|----------------|
| | € | € |
| Intellectual Property - Licences Pending Capitalisation | 240,216 | 410,216 |
| The movement is as follows: | | |
| Balance as at 1 April 2023 | 410,216 | - |
| Additions | 85,000 | 200,216 |
| Capitalisation/Transfer | (255,000) | 210,000 |
| Balance as at 31 March 2024 | <u>240,216</u> | <u>410,216</u> |

2. Tangible fixed assets

| | Other fixed assets |
|------------------------------|--------------------|
| | € |
| Gross value | 318,839 |
| Cumulative depreciation | (214,392) |
| Book value 1 April 2022 | 104,447 |
| Additions | 250,928 |
| Depreciation | (42,794) |
| Mutation 2022-2023 | 208,134 |
| Gross value | 569,767 |
| Cumulative depreciation | (257,186) |
| Book value 1 April 2023 | 312,581 |
| Additions for the year | 40,370 |
| Disposals/Retirement | (153,328) |
| Depreciation on disposal | 143,681 |
| Depreciation | (66,612) |
| Mutation 2023-2024 | (35,889) |
| Gross value | 456,810 |
| Cumulative depreciation | (180,118) |
| Net Book value 31 March 2024 | 276,692 |
| Depreciation % | 20% |

3. Inventories

| | 31-mrt-2024 | 31-mrt-2023 |
|----------------------------------------|-------------|-------------|
| | € | € |
| Finished products and goods for resale | 4,520,279 | 4,231,824 |
| Raw Materials | 435,297 | - |
| | 4,955,576 | 4,231,824 |

4. Receivables

| | 31-mrt-2024 | | 31-mrt-2023 | |
|--------------------------------------------------|-------------------|----------------------------|-------------------|----------------------------|
| | Total | Remaining term > 1 year | Total | Remaining term > 1 year |
| | € | € | € | € |
| Trade Receivables (Refer 4.1) | 4,498,855 | - | 4,610,217 | - |
| Receivables from participating interests | 9,785 | - | 17,448 | - |
| Receivables from Group companies (Refer 4.2) | 5,384,799 | - | 5,128,079 | - |
| Other receivables and accrued income (Refer 4.3) | 870,787 | - | 1,571,096 | - |
| Tax and social security charges (Refer 4.4) | 10,391 | - | 364,923 | - |
| | <u>10,774,617</u> | <u>-</u> | <u>11,691,763</u> | <u>-</u> |

The fair value of the receivables approximates the carrying amount due to their short-term character and the fact that the provisions for bad debts are recognized, where necessary.

4.1. Trade Debtors

| | 31-mrt-2024 | 31-mrt-2023 |
|------------------------------|------------------|------------------|
| | € | € |
| Trade debtors | 4,500,526 | 4,611,888 |
| Less: provision for bad debt | (1,671) | (1,671) |
| | <u>4,498,855</u> | <u>4,610,217</u> |

There are no Trade debtors, with a remaining maturity of more than one year

4.2. Receivables from Group companies

An interest rate of 0% per annum applies to the intercompany balances. In respect of repayment and securities provided, no agreements have been made.

4.3. Other receivables and accrued income

| | 31-mrt-2024 | 31-mrt-2023 |
|-------------------------------|----------------|------------------|
| | € | € |
| Other receivables | 83,461 | 83,461 |
| Deposits | 75,526 | 75,526 |
| Advances to Suppliers | 1,370 | 1,332 |
| Accrued Income | - | 853,119 |
| To invoice to Group companies | 377,643 | 107,999 |
| Prepayments | 332,787 | 449,660 |
| | <u>870,787</u> | <u>1,571,096</u> |

4.4. Tax and Social Security charges

| | 31-mrt-2024 | 31-mrt-2023 |
|---------------------------------|---------------|----------------|
| | € | € |
| Corporate income tax receivable | 10,391 | - |
| Value added tax Netherlands | - | 364,923 |
| | <u>10,391</u> | <u>364,923</u> |

VAT payable for the current year is reflected in Note 9. Current Liabilities under the note 3 for tax and social security charges.

5. Cash at banks

Cash at bank includes deposits to the amount of € 71,862. Therefore cash at bank to the extent of, € 71,862 is not at the company's free disposal.

6. Equity

| | Share Capital | Other Reserves | Total |
|------------------------------------|---------------|----------------|-----------|
| | € | € | € |
| Balance as at 1 April 2022 | 18,000 | 2,300,187 | 2,318,187 |
| Movements | | | |
| Profit appropriation | - | 769,516 | 769,516 |
| Balance as at 31 March 2023 | 18,000 | 3,069,703 | 3,087,703 |
| Balance as at 1 April 2023 | 18,000 | 3,069,703 | 3,087,703 |
| Movements | | | |
| Profit appropriation | - | 749,224 | 749,224 |
| Balance as at 31 March 2024 | 18,000 | 3,818,927 | 3,836,927 |

The authorised share capital of Sun Pharmaceutical Industries (Europe) B.V. amounts to € 90.000, divided into 900 ordinary shares of € 100. Issued share capital consists of 180 ordinary shares

In 2022-2023, no shares were issued.

Profit appropriation

Following the appropriation of result proposed by the general meeting and pursuant to article 23 of the articles of association, none of the profits for 2023-2024 will be distributed to the holders of ordinary shares. The proposal for the remaining profit is to add € 749,224 to the other reserves.

7. Provisions

Provision refers to the provision of trade discount. The movement in provisions is as follows :

| | 31-mrt-2024 | 31-mrt-2023 |
|-------------------------------------|------------------|------------------|
| | € | € |
| Balance as at 1 April 2023 | 3,553,517 | 3,921,744 |
| Additions | 12,442,530 | 9,268,837 |
| Release of over accruals in FY23-24 | 776,231 | 393,686 |
| Utilisation* | 9,447,468 | 9,243,378 |
| Balance as at 31 March 2024 | <u>5,772,347</u> | <u>3,553,517</u> |

All provisions have a maturity of less than 1 year.

*Includes prepayment amounting to € 52,284 (2023 - € 27,284)

8. Long term liabilities

| | 31-mrt-2024 | 31-mrt-2023 |
|----------------------------------------------------|---------------|---------------|
| | € | € |
| Deferred Income - rental incentives | 32,550 | 37,200 |
| | <u>32,550</u> | <u>37,200</u> |
| The movement is as follows: | | |
| Balance as at 1 April 2023 | 37,200 | - |
| Additions | - | 37,200 |
| Utilisation | (4,650) | - |
| Balance as at 31 March 2024 | <u>32,550</u> | <u>37,200</u> |
| Maturity of the long-term liability is as follows: | | |
| less than 1 year | 4,650 | 4,650 |
| between 1 to 5 years | 23,250 | 23,250 |
| more than 5 years | 4,650 | 9,300 |
| | <u>32,550</u> | <u>37,200</u> |

9. Current liabilities

| | 31-mrt-2024 | 31-mrt-2023 |
|------------------------------------------------|-------------------|-------------------|
| | € | € |
| Loans from group companies (refer Note 1) | - | 4,000,000 |
| Payables to Group companies (refer Note 2) | 5,721,186 | 6,780,437 |
| Debts to Shareholders | 282,177 | 243,484 |
| Trade payables | 1,010,108 | 2,670,392 |
| Tax and social security charges (refer Note 3) | 685,151 | 323,136 |
| Other liabilities and accrued expenses | 2,590,426 | 1,399,719 |
| | <u>10,289,048</u> | <u>15,417,167</u> |

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

Notes

1. Loans from group companies

Loans from group companies were paid off during the year along with interest @0.5% per annum

2. Payables to group companies

An interest rate of 0% is applicable to the intercompany balances. In respect of repayment and securities, no agreements have been made.

3. Tax and social security charges

| | 31-mrt-2024 | 31-mrt-2023 |
|-----------------------------|----------------|----------------|
| | € | € |
| Value added tax Netherlands | 348,404 | - |
| Wage tax | 279,160 | 233,484 |
| Social security premiums | 57,587 | 59,550 |
| Corporate income tax | - | 30,102 |
| | <u>685,151</u> | <u>323,136</u> |

Value added tax was recoverable for the year ended 31st March 2023 due to change in tax law in the previous year, in the current year there is a payable position.

Operational leasing

At the end of the financial year, the obligations under operating lease can be specified as follows:

Assets and liabilities not recognised in balance sheet

The obligations from operational leases at the end of the reporting period can be specified as follows:

| | € |
|----------------------------|------------------|
| <i>Obligations to pay:</i> | |
| Within one year | 278,805 |
| Between one and five years | 1,219,677 |
| After five years | 60,984 |
| Total | <u>1,559,466</u> |

According to the contract, the company has an obligation to rent for another 8 years (30-06-2032).

10. Net turnover

| | 202324 | 202223 |
|--------------------|-------------------|-------------------|
| | € | € |
| The Netherlands | 14,529,253 | 13,692,204 |
| Other EU countries | 15,611,619 | 16,691,782 |
| Dubai | 384,032 | - |
| | <u>30,524,904</u> | <u>30,383,986</u> |

The breakdown of revenue by category is as follows:

| | 202324 | 202223 |
|---------------------------------------|-------------------|-------------------|
| | € | € |
| Trade activities | 30,524,904 | 30,383,986 |
| Professional services and consultancy | 13,889,018 | 12,493,303 |
| | <u>44,413,922</u> | <u>42,877,289</u> |

11. Wages and salaries

| | 202324 | 202223 |
|-------------------------|------------------|------------------|
| | € | € |
| Wages and salaries | 8,482,585 | 7,433,682 |
| Social security charges | 640,748 | 583,823 |
| Pension contributions | 281,967 | 251,028 |
| Other employee costs | 467,110 | 443,241 |
| | <u>9,872,410</u> | <u>8,711,773</u> |

Average number of employees 60

During 2023-24, 65 employees were employed on a full-time basis (2022-23: 51).

12. Amortisation and depreciation and impairment on intangible and tangible fixed assets

| | 202324 | 202223 |
|---------------------------------------|---------------|---------------|
| | € | € |
| Amortisation of intangible assets | - | 533 |
| Depreciation of tangible fixed assets | 66,613 | 42,794 |
| | <u>66,613</u> | <u>43,327</u> |

13. Other Operating Expenses

| | 202324 | 202223 |
|---------------------------------------|------------------|------------------|
| | € | € |
| Rent | 310,481 | 296,646 |
| Insurance | 15,995 | 13,475 |
| Selling and Distribution | 2,926,316 | 2,942,350 |
| Repairs and Maintenance | 31,963 | 22,194 |
| Printing and stationery | 4,731 | 6,645 |
| Travelling and conveyance | 397,265 | 332,491 |
| ●overseas travel and export promotion | 372,794 | 310,441 |
| Communication | 57,994 | 42,014 |
| Professional, legal and consultancy | 2,103,727 | 2,115,580 |
| Payments to auditors | 19,000 | 27,700 |
| Miscellaneous expenses | 816,670 | 619,637 |
| | <u>7,056,936</u> | <u>6,729,173</u> |

14. Interest income and expense

| | 202324 | 202223 |
|-------------------------------|---------------|---------------|
| | € | € |
| Exchange differences | 45,670 | 31,178 |
| Interest and similar expenses | 5,222 | 22,150 |
| | <u>50,892</u> | <u>53,328</u> |

15. Tax on result

The tax on the result from ordinary business activities, amounting to € 239,083 (2023 : € 224,209) can be specified as follows:

| | 202324 | 202223 |
|-----------------------------------------------|----------------|----------------|
| | € | € |
| Result before tax | 988,308 | 993,725 |
| Corporate income tax current financial year | 242,671 | 222,928 |
| Corporate income tax previous financial years | (3,588) | 1,281 |
| Tax on result | <u>239,083</u> | <u>224,209</u> |
| Income Tax rate | | |
| 2023/2024 (2022/2021) First 200,000 | 19.0% | 19.0% |
| 2023/2024 (2022/2021) Above 200,000 | 25.8% | 25.8% |
| 2022/2021 First 395,000 | | 15.0% |
| 2022/2021 Above 395,000 | | 25.8% |
| Effective Tax Rate | <u>24.2%</u> | <u>22.6%</u> |

17. Related parties

| | Year ended 31st March 2024 | Year ended 31st March 2023 |
|-------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| | € | € |
| Sales of Goods | | |
| Sun Pharma ANZ Pty Ltd. | - | 16,039 |
| Sun Pharmaceuticals Germany GmbH | 13,888 | - |
| SunPharma UK Ltd | 68,108 | - |
| Sun Pharma France | 199,053 | - |
| Sun Pharma Laboratorios SLU | - | 30,950 |
| Sun Pharma Italia Srl | 138,381 | - |
| Sun Pharmaceutical Industries DMCC | 384,032 | - |
| Taro Pharmaceutical Industries Israel | 871,054 | 246,994 |
| | <u>1,674,516</u> | <u>293,982</u> |
| Other Income (incl Management Fees) | | |
| Sun Pharmaceutical Industries DMCC | 6,177,965 | 5,810,102 |
| Sun Pharmaceutical Industries Ltd | 415,960 | 641,037 |
| Sun Pharmaceuticals Germany GmbH | 1,005,741 | 888,323 |
| Sun Pharma Advanced Research Co. Ltd. | 587,907 | 179,216 |
| Alkaloida Chemical Company Zrt. | 105,985 | 77,501 |
| Basics GmbH | 1,545,776 | 1,256,206 |
| Sun Pharma Laboratorios SLU | 429,348 | 533,099 |
| Sun Pharma Italia Srl | 727,501 | 1,115,408 |
| Sun Pharma France | 1,073,235 | 656,369 |
| SunPharma UK Ltd | 1,433,534 | 1,031,931 |
| Terapia SA | 386,066 | 304,111 |
| | <u>13,889,018</u> | <u>12,493,303</u> |
| <i>Other Income from SPIL DMCC includes an accrual of €63,029 (2023 : €95,063).</i> | | |
| Purchase of Goods | | |
| Sun Pharmaceutical Industries DMCC | 2,699,220 | 3,048,515 |
| Sun Pharmaceutical Industries Ltd | 23,637,810 | 23,319,920 |
| Terapia SA | 32,338 | 28,601 |
| Sun Pharma Laboratorios SLU | - | 5,024 |
| Taro Pharmaceutical Industries Ltd | 51,108 | 209,116 |
| Basics GmbH | - | 11,980 |
| Sun Pharma Italia Srl | - | 10,248 |
| | <u>26,420,476</u> | <u>26,633,403</u> |
| Interest Expense | | |
| Basics GmbH | 5,222 | 12,556 |
| | <u>5,222</u> | <u>12,556</u> |

Other Expenses (incl Management Fees)

| | | |
|---------------------------------|------------------|------------------|
| Alkaloida Chemical Company Zrt. | 1,803,355 | 1,458,426 |
| Basics GmbH | 270,260 | 263,671 |
| Terapia SA | 2,609,492 | 2,402,140 |
| Sun Pharma Italia Srl | 34,774 | - |
| Sun Pharma France | 905,884 | 700,980 |
| Sun Pharma Switzerland | 239,387 | 565,995 |
| Ranbaxy UK Ltd | 576,720 | 638,996 |
| Ranbaxy Poland Sp Zoo | 5,424 | 5,151 |
| Sun Pharma Laboratorios SLU | 106,202 | 16,620 |
| | 6,551,498 | 6,051,979 |

Trade Receivables

| | | |
|-----------------------------------------|------------------|------------------|
| Sun Pharmaceutical Industries Ltd | 1,413,575 | 1,602,076 |
| Sun Pharmaceuticals Germany GmbH | 93,287 | 229,289 |
| Sun Pharmaceutical Industries Australia | 6,948 | 6,948 |
| Sun Pharma ANZ PTY Ltd | 1,538 | 11,291 |
| Alkaloida Chemical Company Zrt. | 9,785 | 17,448 |
| Sun Pharma Italia Srl | 549,050 | 322,835 |
| Sun Japan | 17,451 | - |
| Sun Pharma US | 8,971 | - |
| Sun Pharmaceutical Industries DMCC | 1,716,777 | 1,629,518 |
| Sun Pharma (Netherlands) BV | 69,639 | 25,949 |
| Basics GmbH | 142,607 | 310,746 |
| Sun Pharma Laboratorios SLU | 146,739 | 164,657 |
| Sun Pharma France | 285,930 | 252,136 |
| Ranbaxy (U.K.) Ltd. | 374,746 | 271,055 |
| Terapia S.A. | 86,145 | 103,427 |
| Sun Pharma Laboratories Ltd. | 2,544 | 2,544 |
| Sun Pharmaceutical Medicare Ltd. | 454 | 454 |
| Sun Pharma Advance Research Co Ltd. | 468,194 | 187,784 |
| Taro Pharmaceutical Industries Israel | 204 | 7,370 |
| | 5,394,584 | 5,145,526 |

Loans Taken

| | | |
|-------------|----------|------------------|
| Basics GmbH | - | 4,000,000 |
| | - | 4,000,000 |

Trade Payable

| | | |
|------------------------------------|------------------|------------------|
| Alkaloida Chemical Company Zrt. | 282,177 | 243,484 |
| Sun Pharmaceutical Industries DMCC | 930,052 | 1,132,376 |
| Sun Pharmaceutical Industries Ltd | 3,869,461 | 4,584,430 |
| Terapia SA | 366,165 | 410,174 |
| Taro Pharmaceutical Industries Ltd | - | 209,116 |
| Basics GmbH | 67,012 | 48,813 |
| Sun Pharma Italia Srl | - | 6,048 |
| Ranbaxy (U.K.) Ltd. | 58,884 | 149,916 |
| Sun Pharma Switzerland Ltd. | 17,340 | 17,682 |
| Sun Pharma France | 396,665 | 204,836 |
| Sun Pharma Laboratorios SLU | 15,129 | 16,620 |
| Ranbaxy Poland Sp Zoo | 477 | 426 |
| | 6,003,362 | 7,023,921 |

18. Previous year numbers have been regrouped/ reclassified wherever necessary.

19. Other information

19.1. Articles of association governing profit appropriation

Article 23 of the articles of association states the following regarding profit appropriation:

1. The profits of the Company shall be at disposal of the General Meeting.
2. The Company may distribute profits only if and to the extent that its shareholders' equity is greater than the sum of the paid and called-up part of the issued capital and the reserves which must be virtue of the law.
3. Dividends may me paid only after approval and adoption of the annual accounts which show that they are justified.
4. For the purpose of determining the allocation of profits any shares of depository receipts held by the Company and any shares or depository receipts of which the Company has a usufruct shall not be taken into account.
5. The General Meeting may resolve to declare interim dividends. A resolution to declare an interim dividend from the profits realised in the current financial year may also be passed by the Board of Directors. Dividend payments as referred to in this paragraph may be made only if the provision in paragraph 2 has been met.
6. A general Meeting declaring a dividend may direct that it is to be satisfied wholly or partly by the distribution of assets.

19.2. Independent Auditor's report

For the independent auditors report please refer to the next page.