

Independent Auditor's Report on compliance with conditions of the Proposed
Preferential Issue

To
The Board of Directors
Sun Pharma Advanced Research Company Limited
17B, Mahal Industrial Estate, Mahakali Caves
Road, Andheri-East, Mumbai - MH 400093

1. This Report is issued in accordance with the terms of our service scope letter dated May 14, 2021 read with Master Engagement Agreement dated October 12, 2017 with Sun Pharma Advanced Research Company Limited (hereinafter the "Company").
2. In connection with the proposed preferential issue by the Company of upto 67,470,203 Convertible Warrants (the "Warrants"), the Company is required to obtain a Report from the Statutory Auditors with regard to compliance with conditions to be met under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations").
3. The accompanying statement contains details of compliance with the conditions required to be met under the ICDR Regulations, by the Company, (the "Statement"), which we have initialed for identification purposes only.

Managements' Responsibility for the Statement

4. The preparation of the accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is also responsible for ensuring that the Company complies with the requirements of the ICDR Regulations listed below:
 - i. Determine the relevant date, being the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.
 - ii. Determination of the minimum conversion price of Warrants per equity share being higher of:
 - (a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty-six weeks preceding the relevant date;
 - (b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date
 - iii. compliance with the requirements of the ICDR Regulations.

Auditor's Responsibility

6. Pursuant to the requirements of Sub para 2 of para 163 of Part III of chapter V of the ICDR Regulations, it is our responsibility to provide limited assurance and conclude as to whether the details of the proposed preferential issue provided in the Statement is in accordance with the requirements of the ICDR Regulations applicable to preferential issue of Warrants on the date of issue of the certificate.
7. The ICDR Regulations applicable to preferential issue of Warrants require many conditions which are to be complied with subsequent to the issue of warrants. This certificate does not cover those conditions.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Reports in Company Prospectuses (Revised 2019) both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 6 above. The procedures performed vary in nature, timing and extent from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
 - a) Noted the relevant date, being the date thirty days prior to the date on which the resolution shall be deemed to be passed, i.e. June 07, 2021 which is last date specified for e-voting in the Notice of the Extra-ordinary General Meeting (the "Notice") of the Company dated May 17, 2021.;
 - b) Verified the calculation of the minimum conversion price of Warrants per equity shares to be allotted in preferential issue in accordance with pricing formula given in 5(ii) above;
 - c) Obtained and read a copy of Board of Directors resolution dated May 12, 2021 approving proposed preferential issue.
 - d) Obtained and read the copy of Notice dated May 17, 2021 for seeking approval of shareholder for approving the proposed preferential issues of Warrants by way of special resolution.
 - e) Obtained confirmation from the share registrar of the Company confirming the pre-preferential holding of the proposed allottees are held in dematerialized form and all the equity shares of the Company are fully paid up.
 - f) Obtained confirmation from the management that the Company has met with the conditions of continuous listing as required under the listing agreement as on May 07, 2021.
 - g) Performed necessary inquiries with the management and obtained necessary representation from management.

Conclusion

10. Based on our examination as above, and the information, explanations and management representations provided to us, nothing has come to our attention that causes us to believe that the details of the proposed preferential issue provided in the Statement are not in accordance with the requirements of the ICDR Regulations as applicable to the preferential issue of Warrants, applicable on the date of issue of certificate.

Restriction on Use

11. This Report is addressed to and provided to the Board of Directors of the Company solely for the purpose of further submission to the extraordinary general meeting of shareholders considering the proposed preferential issue of Warrants and stock exchanges and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & C O L L P
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 21105754AAAACY3071

Place of Signature: Pune
Date: May 28, 2021

STATEMENT CONTAINING DETAILS OF THE PROPOSED PREFERENTIAL ISSUE

This is to certify that the **Sun Pharma Advance Research Company** (CIN: L73100GJ2006PLC047837) (the 'Company') is proposing to Issue of upto 6,74,70,203 warrants ('convertible securities') each convertible into, or exchangeable for, one equity share of the Company having face value of ₹ 1 , by way of Preferential Issue ('Preferential Issue') under Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('ICDR Regulations').

1. Details of Proposed allottees:

Sr. No	Name of Proposed Allottee(s)	Category of Proposed Allottee(s)	PAN of Proposed Allottee(s)	Ultimate Beneficial Owners (If applicable)	No. of securities to be allotted	No. of securities to be allotted	Pre-preferential shareholding (No of shares)	Whether pre-preferential shareholding in physical/ demat	Post-preferential shareholding (No of shares)
Refer Annexure A									

2. The tenure of the convertible securities issued by the company should be a maximum of eighteen months from the date of allotment;
3. The shares issued by way of exercising the warrants issued, will be allotted in dematerialised form and approval of the shareholders by special resolution is sought to be taken in Extraordinary General Meeting ('EGM') to be held on June 08, 2021.
4. The Relevant Date for the purpose of calculating the floor price for the issue of equity shares of the Company pursuant to the exercise of conversion of the Warrants is determined to be 7th May, 2021, which is working day thirty days prior to the date on which the resolution is deemed to have been passed i.e. June 08, 2021;
5. The entire pre-preferential holding of the proposed allottees is in dematerialised form;
6. The Company is in compliance with the conditions for continuous listing of Equity Shares as specified in the listing agreement with the stock exchanges where the Equity Shares of the Company are listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended, and any circular or notification issued by the Board thereunder.
7. The Company has obtained the Permanent Account Number of the proposed allottees mentioned above.
8. The Equity Shares shall be listed on the National Stock Exchange of India Limited and BSE Limited and that the Equity Shares so issued shall rank part passu with the existing shares of the Company in all respects including dividend.
9. The Preferential Issue of Equity Shares is being made in compliance with the provisions of Chapter V of the SEBI ICDR Regulations and the amendments thereof, pertaining to conditions for the preferential issue.
10. Consideration for the warrants, shall be received from the respective proposed allottees' bank account.
11. The promoters or the directors of the Company are not fugitive economic offender as defined under Section 12 of the Fugitive Economic Offenders Act, 2018.

12. Pre-preferential shareholding of the proposed allottees:

Name of the Proposed Allottee	Pre-Preferential Holding (No. of Shares)	Lock-in Start date	Lock-in end date	Pledged with	Pledge end date
Refer Annexure B					

13. Details of the beneficial owners of the proposed allottees: Refer **Annexure A**

14. The computation of the Floor Price of the Equity Shares proposed to be allotted arising on conversion of warrants calculated in accordance with Regulation 164(1) of SEBI ICDR Regulations has been enclosed as **Annexure C**

For **Sun Pharma Advance Research Company**

Debashis Dey
Company Secretary

Annexure A:

Sr.No.	Name of the Proposed Allottee	Category (Promoter/ Non - Promoter)	Permanent Account Number (PAN)	Ultimate Beneficial Owners (If applicable)	No. of securities to be allotted	Pre-preferential shareholding (No. of shares)	Whether pre-preferential shareholding in physical/ demat	Post-preferential shareholding (No of shares)
1	Dilip Shantilal Shanghvi	Promoter	AMPPS4862F	Not Applicable	3,37,07,865	2,81,02,795	Demat	6,18,10,660
2	Rekha Jhunjhunwala	Non-Promoter	AAEPJ2191B	Not Applicable	62,92,134	0	NA	62,92,134
3	Authum Investment & Infrastructure Limited	Non-Promoter	AADCS2471H	Allottee is a Listed Company, hence not applicable	45,50,561	0	NA	45,50,561
4	Enam Securities Private Limited	Non-Promoter	AABCE6756F	1. Nemish Shantilal Shah 2. Lata Bhanshali	33,70,786	0	NA	33,70,786
5	ITI Holdings and Investment Private Limited	Non-Promoter	AABCR6577K	Majority stake of the Allottee is held by Quadrant eleventures Limited, a Listed Company	28,08,988	0	NA	28,08,988
6	Minosha India Limited	Non-Promoter	AAACR4151J	Kalpraj DamjiDharamshi	16,85,393	0	NA	16,85,393
7	University of Notre Dame DU Lac	Non-Promoter	AABCU6782D	Not Applicable*	15,38,033	0	NA	15,38,033
8	Abakkus Growth Fund - 1	Non-Promoter	AAGTA6549L	1. Sunil Singhanian [#] 2. Biharilal Deora [#]	14,04,494	0	NA	14,04,494
9	Cohesion MK Best Ideas Sub-Trust	Non-Promoter	AACTC7026Q	Spike Hughes	14,04,494	0	NA	14,04,494
10	Winro Commercial (India) Limited	Non-Promoter	AAACW2748Q	Allottee is a Listed Company, hence not applicable	12,92,134	0	NA	12,92,134
11	Amal N. Parikh	Non-Promoter	AADPP9378H	Not Applicable	11,23,595	0	NA	11,23,595
12	Sigularity Holdings Limited	Non-Promoter	AAACJ0259M	1. Ashwin Kumar Kothari 2. Rohit Kothari	9,55,056	0	NA	9,55,056
13	Trishakti Power Holdings Private Limited	Non-Promoter	AADCT8291N	Paresh Rajnikant Doshi	7,02,247	0	NA	7,02,247
14	Arun Nahar	Non-Promoter	ABNPN8096M	Not Applicable	5,61,797	0	NA	5,61,797
15	Fortune Financial & Equities Services Private Limited	Non-Promoter	AACCF1589L	Nimish C Shah	5,61,797	0	NA	5,61,797
16	Jash Choraria	Non-Promoter	ARTPC6629B	Not Applicable	5,61,797	0	NA	5,61,797
17	Ketan Chhotalal Sheth	Non-Promoter	AADPS9601E	Not Applicable	5,61,797	50,000	Demat	6,11,797
18	Pivotal Enterprises Private Limited	Non-Promoter	AAACJ0263D	1. Hina Jayesh Parekh 2. Nalini Dhirajlal Parekh 3. Malika Bimal Parekh	5,61,797	0	NA	5,61,797
19	Dovetail India Fund Class 11 Shares	Non-Promoter	AAGCD0792B	1. Chandra Kumar Gujadhur 2. Manju Kumari Gujadhur	5,33,707	0	NA	5,33,707

Annexure A:

Sr.No.	Name of the Proposed Allottee	Category (Promoter/ Non - Promoter)	Permanent Account Number (PAN)	Ultimate Beneficial Owners (If applicable)	No. of securities to be allotted	Pre-preferential shareholding (No. of shares)	Whether pre-preferential shareholding in physical/ demat	Post-preferential shareholding (No of shares)
20	The Ram Fund, L.P.	Non-Promoter	AAGAT8590H	1. William I. Lee # 2. Nancy C. Evertt #	4,74,269	0	NA	4,74,269
21	GP Emerging Markets Strategies, L.P.	Non-Promoter	AACAG7973M	Not Applicable*	4,41,123	0	NA	4,41,123
22	Sanjana Cryogenic Storages Limited	Non-Promoter	AADCS5093D	1. Sanjay Ramavtar Goenka 2. Rachana Sanjay Goenka	3,37,078	0	NA	3,37,078
23	GeeCee Ventures Limited	Non-Promoter	AAACG3914A	Allottee is a Listed Company, hence not applicable	2,80,898	0	NA	2,80,898
24	Shruti Gagan Chaturvedi	Non-Promoter	AAGPC7198F	Not Applicable	2,80,898	0	NA	2,80,898
25	Amit Goela	Non-Promoter	ADSPG7342L	Not Applicable	2,01,123	0	NA	2,01,123
26	The TIFF Keystone Fund, L.P.	Non-Promoter	AAKFT6469L	Allottee is an Alternative Investment Fund / FPI with no single natural person's stake being more than the threshold limit.	1,92,191	0	NA	1,92,191
27	Catholic Endowment Fund, L.P.	Non-Promoter	AAEACO198G	Allottee is an Alternative Investment Fund / FPI with no single natural person's stake being more than the threshold limit.	1,90,561	0	NA	1,90,561
28	Massachusetts Institute of Technology	Non-Promoter	AADCM8931A	Allottee is an Alternative Investment Fund / FPI with no single natural person's stake being more than the threshold limit.	1,79,775	0	NA	1,79,775
29	Pragma Fund SPC- Equities Segregated Portfolio	Non-Promoter	AAKCP6078L	Antonio Luiz da Chunha Saebra	1,71,235	0	NA	1,71,235
30	Avinash Sudhir Sule	Non-Promoter	AAKPS3654A	Not Applicable	1,66,292	0	NA	1,66,292
31	Nipa Sheth	Non-Promoter	AALPS0117R	Not Applicable	1,00,561	0	NA	1,00,561
32	Utpal Sheth	Non-Promoter	AISPS7583C	Not Applicable	1,00,561	0	NA	1,00,561
33	Ashish Maheshwari	Non-Promoter	AHTPM3754H	Not Applicable	84,269	0	NA	84,269
34	TIFF Global Equity Fund, L.P.	Non-Promoter	AAHAT6530G	Richard J. Flannery #	62,808	0	NA	62,808
35	Dovetail India Fund - Class 6 Shares	Non-Promoter	AAGCD0792B	1. Chandra Kumar Gujadhur 2. Manju Kumari Gujadhur	28,089	0	NA	28,089
	TOTAL				6,74,70,203	2,81,52,795		9,56,22,998

* Allottee is an Alternative Investment Fund / FPI with no single natural person's stake being more than the threshold limit.

Name of Senior managing Official(s)/Designated Partner(s) (since Allottee is a FPI – Category 2/ AIF registered with SEBI, with no single natural person's stake being more than the threshold limit)

Annexure B:

Name of the Proposed Allottee	Category (Promoter/ Non - Promoter)	Pre-preferential shareholding (No. of shares)	Whether pre-preferential shareholding in physical/ demat	Lockin Details		PLEDGE DETAILS	
				FROM	TO	FROM	TO
Dilip Shantilal Shanghvi	Promoter	2,81,02,795	Demat	20-05-2021/ 21-05-2021	31-01-2022	NA	NA
Rekha Jhunjhunwala	Non-Promoter	0	NA	NA	NA	NA	NA
Authum Investment & Infrastructure Limited	Non-Promoter	0	NA	NA	NA	NA	NA
Enam Securities Private Limited	Non-Promoter	0	NA	NA	NA	NA	NA
ITI Holdings and Investment Private Limited	Non-Promoter	0	NA	NA	NA	NA	NA
Minosha India Limited	Non-Promoter	0	NA	NA	NA	NA	NA
University of Notre Dame DU Lac	Non-Promoter	0	NA	NA	NA	NA	NA
Abakkus Growth Fund – 1	Non-Promoter	0	NA	NA	NA	NA	NA
Cohesion MK Best Ideas Sub-Trust	Non-Promoter	0	NA	NA	NA	NA	NA
Winro Commercial (India) Limited	Non-Promoter	0	NA	NA	NA	NA	NA
Amal N. Parikh	Non-Promoter	0	NA	NA	NA	NA	NA
Sigularity Holdings Limited	Non-Promoter	0	NA	NA	NA	NA	NA
Trishakti Power Holdings Private Limited	Non-Promoter	0	NA	NA	NA	NA	NA
Arun Nahar	Non-Promoter	0	NA	NA	NA	NA	NA
Fortune Financial & Equities Services Private Limited	Non-Promoter	0	NA	NA	NA	NA	NA
Jash Choraria	Non-Promoter	0	NA	NA	NA	NA	NA
Ketan Chhotalal Sheth	Non-Promoter	50,000	Demat	21-05-2021	31-01-2022	NA	NA
Pivotal Enterprises Private Limited	Non-Promoter	0	NA	-	NA	NA	NA
Dovetail India Fund Class 11 Shares	Non-Promoter	0	NA	NA	NA	NA	NA

Annexure B:

Name of the Proposed Allottee	Category (Promoter/ Non - Promoter)	Pre-preferential shareholding (No. of shares)	Whether pre-preferential shareholding in physical/ demat	Lockin Details		PLEDGE DETAILS	
				FROM	TO	FROM	TO
The Ram Fund, L.P.	Non-Promoter	0	NA	NA	NA	NA	NA
GP Emerging Markets Strategies, L.P.	Non-Promoter	0	NA	NA	NA	NA	NA
Sanjana Cryogenic Storages Limited	Non-Promoter	0	NA	NA	NA	NA	NA
GeeCee Ventures Limited	Non-Promoter	0	NA	NA	NA	NA	NA
Shruti Gagan Chaturvedi	Non-Promoter	0	NA	NA	NA	NA	NA
Amit Goela	Non-Promoter	0	NA	NA	NA	NA	NA
The TIFF Keystone Fund, L.P.	Non-Promoter	0	NA	NA	NA	NA	NA
Catholic Endowment Fund, L.P.	Non-Promoter	0	NA	NA	NA	NA	NA
Massachusetts Institute of Technology	Non-Promoter	0	NA	NA	NA	NA	NA
Pragma Fund SPC- Equities Segregated Portfolio	Non-Promoter	0	NA	NA	NA	NA	NA
Avinash Sudhir Sule	Non-Promoter	0	NA	NA	NA	NA	NA
Nipa Sheth	Non-Promoter	0	NA	NA	NA	NA	NA
Utpal Sheth	Non-Promoter	0	NA	NA	NA	NA	NA
Ashish Maheshwari	Non-Promoter	0	NA	NA	NA	NA	NA
TIFF Global Equity Fund, L.P.	Non-Promoter	0	NA	NA	NA	NA	NA
Dovetail India Fund - Class 6 Shares	Non-Promoter	0	NA	NA	NA	NA	NA
TOTAL		2,81,52,795					

Annexure C:

CALCULATION OF PREFERENTIAL ISSUE PRICE

(In INR.)

A] Average of 26 weeks high low of the VWAP	176.30
B] Average of 2 weeks high low of the VWAP	177.09
Applicable Minimum Price (Higher of the A or B)	177.09

A] Average of weekly high & low of the volume weighted average price (VWAP) of the equity shares of Sun Pharma Advanced Research Company Limited quoted on the National Stock Exchange of India Limited during the last twenty six weeks preceding the relevant date (considering the relevant date as Friday, May 7, 2021)

Weeks	From	To	High	Low	Average
1	May 6, 2021	April 30, 2021	184.02	173.08	178.55
2	April 29, 2021	April 23, 2021	179.16	172.10	175.63
3	April 22, 2021	April 16, 2021	175.27	161.05	168.16
4	April 15, 2021	April 9, 2021	167.32	162.18	164.75
5	April 8, 2021	April 2, 2021	164.55	155.02	159.79
6	April 1, 2021	March 26, 2021	149.26	144.45	146.86
7	March 25, 2021	March 19, 2021	156.28	144.98	150.63
8	March 18, 2021	March 12, 2021	166.21	155.57	160.89
9	March 11, 2021	March 5, 2021	171.45	164.90	168.18
10	March 4, 2021	February 26, 2021	174.55	165.91	170.23
11	February 25, 2021	February 19, 2021	176.75	168.96	172.86
12	February 18, 2021	February 12, 2021	186.55	177.97	182.26
13	February 11, 2021	February 5, 2021	191.02	183.13	187.08
14	February 4, 2021	January 29, 2021	191.88	181.16	186.52
15	January 28, 2021	January 22, 2021	185.24	182.17	183.71
16	January 21, 2021	January 15, 2021	193.29	187.56	190.43
17	January 14, 2021	January 8, 2021	200.73	194.19	197.46
18	January 7, 2021	January 1, 2021	205.31	195.86	200.59
19	December 31, 2020	December 25, 2020	195.16	181.99	188.58
20	December 24, 2020	December 18, 2020	185.15	174.10	179.63
21	December 17, 2020	December 11, 2020	189.62	186.02	187.82
22	December 10, 2020	December 4, 2020	194.29	189.48	191.89
23	December 3, 2020	November 27, 2020	186.53	181.20	183.87
24	November 26, 2020	November 20, 2020	176.89	166.24	171.57
25	November 19, 2020	November 13, 2020	168.84	166.67	167.76
26	November 12, 2020	November 6, 2020	172.06	164.12	168.09
					176.30

B] Average of weekly high & low of the volume weighted average price (VWAP) of the equity shares of Sun Pharma Advanced Research Company Limited quoted on the National Stock Exchange of India Limited during the last two weeks preceding the relevant date (considering relevant date as Friday, May 7, 2021)

Weeks	From	To	High	Low	Average
1	May 6, 2021	April 30, 2021	184.02	173.08	178.55
2	April 29, 2021	April 23, 2021	179.16	172.10	175.63
					177.09

Notes:

1. The minimum issue price / conversion price for the proposed preferential issue based on the pricing formula prescribed under Regulation 164 of Chapter V of the ICDR Regulations has been worked out at Rs.177.09/- (Rupees One hundred seventy seven and nine paise);
2. The relevant "Stock Exchange" is the National Stock Exchange of India Limited (NSE) since the average trading volume in respect of the equity shares of SEL quoted in NSE during the preceding six months prior to the Relevant Date was 113,489,528 shares as against 182,917 shares traded in BSE Limited during the said period.