

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty-first Annual General Meeting of the Members of Sun Pharmaceutical Industries Limited will be held on Monday, September 30, 2013, at 11.30 a.m or immediately after the conclusion of the Twentieth Adjourned Annual General Meeting, being held on the same day, whichever is later at Sir Sayajirao Nagargruh, Akota, Vadodara – 390 020, Gujarat to transact the following business:

ORDINARY BUSINESS:

- To consider and adopt the Balance Sheet as at March 31, 2013, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
- To consider declaration of dividend on Equity Shares.*
- To appoint a Director in place of Mr. Dilip S. Shanghvi, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Mr. Sailesh T. Desai, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Mr. Hasmukh S. Shah who retires by rotation and being eligible, offers himself for reappointment.
- To re-appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, having ICAI Registration No.117366W, as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification(s), the following resolution, a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, the Company hereby approves, in partial modification of Resolution No.8 passed at the Sixteenth Annual General Meeting of the Company held on September 6, 2008, the revision in the remuneration of Mr. Sudhir V. Valia, Whole-time Director of the Company with effect from April 1, 2013 for remaining period upto March 31, 2014 as set out in the draft agreement submitted for approval to this Meeting and initialled by the Chairman for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or Agreement, in such manner as may be agreed to between the Board of Directors and Mr. Sudhir V. Valia within and in

accordance with the limits prescribed in Schedule XIII of the Companies Act, 1956 or any amendment thereto and if necessary, as may be agreed to between the Central Government and the Board of Directors and acceptable to Mr. Sudhir V. Valia;

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid draft agreement between the Company and Mr. Sudhir V. Valia be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this Resolution."

 To consider and, if thought fit, to pass with or without modification(s), the following resolution, a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, Mr. Sudhir V. Valia, be and is hereby re-appointed as the Whole-time Director of the Company for a further period of five years effective from April 1, 2014 to March 31, 2019, on the terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the draft agreement submitted for approval to this Meeting and for identification initialled by the Chairman, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or Agreement, in such manner as may be agreed to between the Board of Directors and Mr. Sudhir V. Valia within and in accordance with the limits prescribed in Schedule XIII of the Companies Act, 1956 or any amendment thereto and if necessary, as may be agreed to between the Central Government and the Board of Directors and acceptable to Mr. Sudhir V. Valia:

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the

aforesaid draft agreement between the Company and Mr. Sudhir V. Valia be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this Resolution."

 To consider and, if thought fit, to pass with or without modification(s), the following resolution, a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, Mr. Sailesh T. Desai, be and is hereby re-appointed as the Whole-time Director of the Company for a further period of five years effective from April 1, 2014 to March 31, 2019, on the terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the draft agreement submitted for approval to this Meeting and for identification initialled by the Chairman, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or Agreement, in such manner as may be agreed to between the Board of Directors and Mr. Sailesh T. Desai within and in accordance with the limits prescribed in Schedule XIII of the Companies Act, 1956 or any amendment thereto and if necessary, as may be agreed to between the Central Government and the Board of Directors and acceptable to Mr. Sailesh T.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid draft agreement between the Company and Mr. Sailesh T. Desai be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this Resolution."

 To consider and, if thought fit, to pass with or without modification(s), the following resolution, as a Special Resolution:

"RESOLVED FURTHER THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time read with the Directors' Relatives (Office or Place of Profit) Rules, 2011 and on the recommendation/ approval by the Selection Committee and the Board of Directors at their respective Meetings held on August 9, 2013 and subject to such approvals including the approval of the Central Government, as may be required, the consent of the Company be and is hereby accorded to Mr. Aalok D. Shanghvi, who is a relative of a Director to hold an office or place of profit under the Company with his present designation as Senior General Manager -International Business or with such designation as the Board of Directors of the Company may, from time to time, decide, for his appointment and remuneration for a period of five years from April 1, 2014, upto a maximum remuneration (excluding reimbursement of expenses, if any) of ₹1,50,00,000/- (Rupees One Crore Fifty Lacs only) per annum as set out in the explanatory statement attached hereto which shall be deemed to form part hereof with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration from time to time."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to promote him to higher cadres and/or to sanction him increments and/or accelerated increments within the said cadre or higher cadre as and when the Board of Directors deem fit, subject, however, to the rules and regulations of the Company, in force, from time to time, including with the approval of the Central Government, as may be required, pursuant to the provisions of Section 314(1B) and other applicable provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT any of Directors of the Company, the Company Secretary and the Compliance Officer of the Company be and are hereby authorized severally to make such applications to the Central Government or such statutory authorities as required, to agree to such modification and/or variation as may be suggested by the regulatory authorities while granting the approval, and further authorised severally to execute and perform such further steps, acts, deeds, matters and things as may be necessary, proper and expedient and to take all such actions and to give such directions as may be desirable and to settle any questions or difficulties that may arise in giving effect to this resolution."



11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force and subject to such approvals, permissions and sanctions, consents and /or permissions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and of such other appropriate authorities, Institutions or Bodies, as the case may be, and subject also to such terms, conditions and modifications as may be prescribed or imposed while granting such approvals, sanctions, permissions and agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to issue, offer and allot from time to time in one or more tranches and in consultation with the Lead Managers and/or Underwriters and/or other Advisors, Convertible Bonds, Debentures and/or Securities convertible into Equity Shares at the option of the Company or the holders thereof and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares and/or Bonds or Foreign Currency Convertible Bonds or Securities through Global Depository Receipts, American Depository Receipts or Bonds or Financial Derivatives (hereinafter collectively referred to as "the Securities") to such Indian or Foreign Institutional Investors/Foreign Mutual Funds/Overseas Corporate Bodies/Foreigners/other Foreign parties/ Indian Financial Institutions/Alternative Investment Funds/Qualified Institutional Buyers/ Companies/individuals/other persons or investors, whether or not they are members of the Company and/or by any one or more or a combination of the above modes/methods or otherwise by offering the Securities in the international market comprising one or more countries or domestic market or in any other approved manner through Prospectus and/or Offering Letter or Circular and/or on private placement basis as may be deemed appropriate by the Board such offer, issue and allotment to be made at such time or times at such, issue price, face value, premium amount on issue/ conversion of securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, listing on one or more stock exchange in India and/or abroad and in such manner and on such terms and conditions as the Boards may think fit, for an aggregate amount (inclusive of such premium as may be fixed on the securities) not exceeding ₹120 Billions (Rupees One Hundred Twenty Billions only), of incremental funds for the Company with

power to the Board to settle details as to the form and terms of issue of the Securities, and all other terms, conditions and matters connected therewith or difficulties arising therefrom.

RESOLVED FURTHER THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the provisions of of the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and the provisions of Foreign Exchange Management Act, 2000 & Regulations thereunder, the Board of Directors may at their absolute discretion, issue, offer and allot equity shares for up to the amount of ₹120 Billions (Rupees One Hundred Twenty Billions only) inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI ICDR Regulations) pursuant to a qualified institutional placements, as provided under Chapter VIII of the SEBI ICDR Regulations".

RESOLVED FURTHER THAT in case of QIP Issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be -

- In case of allotment of Equity Shares, the date of meeting in which the Board decides to open the proposed issue.
- ii) In case of allotment of eligible convertible securities, either the date of the meeting in which the board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as may be determined by the Board.

RESOLVED FURTHER THAT in the event that Non Convertible Debentures (NCDs) with or without warrants with a right exercisable by the warrant holder to exchange with Equity Shares of the Company are issued, the relevant date for determining the price of equity shares of the Company, to be issued upon exchange of the warrants, shall be the date of the Meeting in which the Board (which expression includes any committee thereof constituted or to be constituted) decides to open the issue of NCDs in accordance with the SEBI ICDR Regulations as mentioned above.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded, in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all other necessary approvals, to the Board to secure, if necessary, all or any of the above mentioned Securities to be issued, by the creation of a mortgage and/or charge on all or any of the Company's immovable and/or moveable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of additional equity shares as may be required in pursuance of the above issue and that the additional equity shares so allotted shall rank in all respects paripassu with the existing equity shares of the Company save that such additional equity shares shall carry the right to receive dividend as may be provided under the terms of the issue/offer and/or in the offer documents.

RESOLVED FURTHER that for the purpose of giving effect to the above resolution, the Board or a committee thereof or any of the working Directors of the Company, be and is hereby authorised to accept any modifications in the proposal as may be required by the authorities/parties involved in such issues in India and/or abroad and to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary or desirable including, if necessary, for creation of such mortgage and/or charges in respect of the securities on the whole or in part of the undertaking of the Company under Section 293(1)(a) of the Companies Act,1956 and to execute such documents or writing as may consider necessary or proper and incidental to this resolution and to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities as it may deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution including for issue of any related securities as a condition of the issue of the said securities as also for securing the said Securities."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions the Board be and is hereby authorised and empowered to delegate all or any of the powers herein conferred to any Committee of Directorsand/or any Whole-time Director(s) and/or any Officer(s) of the Company."

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in supersession of all earlier resolutions passed and in terms of Section 293(1)(d) of the Companies Act, 1956 and all other enabling provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) exceed the aggregate paid up capital of the Company and its free reserve, that is to say reserve not set apart for any specific purpose provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹500 Billions (Rupees Five Hundred Billions only)."

 To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 372A and any other applicable provisions, if any, of the Companies Act, 1956, ('the Act') including any statutory modification or re- enactment thereof for the time being in force, the Board of Directors of the Company be and is hereby authorised to agree to at its discretion to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to and to make investments in Shares, Debentures and/or any other Securities of other body corporates, whether Indian or overseas and/or in various schemes of Mutual Funds or such other funds, in their absolute discretion deem beneficial and in the interest of the Company in excess of 60% of the paid up Share Capital and Free Reserves of the Company or 100% of Free Reserves of the Company whichever is more, as prescribed under section 372A of the Companies Act, 1956 from time to time, in one or more tranches, upto maximum amount of ₹500 Billions (Rupees Five Hundred Billions only), notwithstanding that investments along with Company's existing loans or guarantee/ security or investments shall be in excess of the limits prescribed under Section 372A aforesaid.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above investment including the timing, amount and other terms and conditions of such investment and varying the same through transfer, sale, disinvestments or otherwise either in part or in full as it may deem appropriate, and to do and perform all such acts, deeds, matters and things, as may be necessary or expedient in this regard and to exercise all the rights and powers which would vest in the Company in pursuance of such investment."

By order of the Board of Directors For **SUN PHARMACEUTICAL INDUSTRIES LTD.**

Place : Mumbai Sunil R. Ajmera
Date : August 9, 2013 Company Secretary

Registered Office: SPARC, Tandalja Vadodara - 390 020.

*The actual equity dividend to be declared by the shareholders at the 21st Annual General Meeting will be for only equity shares other than the equity shares in respect of which the equity shareholder(s) has/have waived/forgone his/their right to receive the dividend for the financial year ended March 31, 2013 in accordance with the Rules framed by the Board as per Note No.6 hereinafter appearing.



NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED
 TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF
 HIMSELF AND A PROXY NEED NOT BE A MEMBER
 The Proxy form duly completed must reach the Registered
 Office of the Company not later than forty-eight hours
 before the time appointed for holding the Meeting.
- 2. Re-appointment of Directors:

At the ensuing Annual General Meeting Mr. Dilip S. Shanghvi, Mr. Sailesh T. Desai and Mr. Hasmukh S. Shah retire by rotation and being eligible offer themselves for re-appointment as Directors liable to retire by rotation. The information or details to be provided for the aforesaid Directors under Corporate Governance Code are as under:

(a) Mr. Dilip S. Shanghvi (57years) is a graduate in commerce from the Kolkatta University and had launched Sun Pharmaceutical Industries in 1982. He is the Managing Director of the Company and Chairman & Managing Director of Sun Pharma Advanced Research Company Ltd. He has also been appointed as the Chairman & Director of Taro Pharmaceutical Industries Ltd. He has extensive experience in the pharmaceutical industry. Under his leadership, Sun Pharmaceutical Industries Ltd., has recorded an all-round growth in business. He is a Director in the following companies:

Sun Pharma Advanced Research Company Ltd., Taro Pharmaceutical Industries Ltd., Sun Petrochemicals Pvt. Ltd., ShantilalShanghvi Foundation, Aditya Thermal Energy Pvt. Ltd., Alfa Infraprop Pvt. Ltd., Caraco Pharmaceutical Laboratories Ltd., SunPharma De Mexico SA DE CV, SPIL De Mexico SA DE CV, Sun Pharma Laboratories Ltd., Taro Research Institute Ltd. & MSD-Sun FZ-LLC.

(b) Mr. Sailesh T. Desai (59 years) is a science graduate from Kolkata University and is a successful entrepreneur with more than three decades of wide industrial experience including more than two decades in the pharmaceutical industry itself. He is a Director on the Board of the following companies:

Sun Pharmaceutical (Bangladesh) Ltd., SPIL De Mexico SA DE CV, Shantilal Shanghvi Foundation, M.J. Pharmaceuticals Ltd., Universal Enterprises (P) Ltd., Sun Pharma Laboratories Ltd., Shree Hi Tech Clinics Pvt. Ltd., New Vision Laser Center (Kolkata) Pvt. Ltd., Othello Projects Pvt. Ltd., & Othello Developers Pvt. Ltd. He is a trustee of Shree Uvasaggahar Sadhna Trust, Kalpataru Sadhha Kendra Trust & Nirmalaben Trambaklal Desai Trust.

(c) Mr. Hasmukh S. Shah (78) is a Director of the Company since March 22, 2001. Mr. Hasmukh Shah is a B.A. Economics (Hons) and M.A. with Sociology with first

rank in the University. He is the Chairman of Gujarat Gas Company Ltd. Mr. Hasmukh Shah is also a Director in the following companies:

Supreme Petrochem Ltd., Atul Ltd., Micro Inks Ltd. and Flexican Bellows & Hoses Pvt. Ltd.

Mr. Hasmukh Shah is a former Chairman of Indian Petrochemicals Corporation Ltd. and Gujarat Industrial Investment Corporation. He has held senior positions in Government of India including that of Joint Secretary to the Prime Minister.

He also serves as the Chairman of Audit Committee of Micro Inks Ltd., Chairman of Remuneration Committee of Atul Ltd. & Supreme Petrochem Ltd.

He is presently holding 12,000 Equity Shares of the Company. (including shares held jointly, if any).

(d) Mr. Sudhir V. Valia (57 years) is a Chartered Accountant with more than two decades of experience in Finance and Taxation, representing the Board since January 31, 1994 and at present, he is the Whole-time Director of the Company. He is also a Director in the following companies.

Sun Pharma Advanced Research Company Ltd., Caraco Pharmaceutical Laboratories Ltd., Sun Petrochemicals Pvt. Ltd., Shantilal Shanghvi Foundation, Sun Pharma De Mexico SA DE CV, SPIL De Mexico SA DE CV, Lakshdeep Investments & Finance Pvt. Ltd., Karad Chemicals & Allied Products Pvt. Ltd., Minaxi Fiscal Services Pvt. Ltd., Nisha Capital Services Ltd., Sejraj Financial Services Ltd., Universal Enterprises (P) Ltd., Eklavya Securities Ltd., Alkaloida Chemical Company Exclusive Group Ltd., Aditya Acquisition Company Ltd., Taro Development Corporation USA, Sun Pharma Industries Eurpoe BV, Suraksha Realty Ltd., Sun Pharmaceuticals (SA) (PTY) Ltd., Chattem Chemicals Inc., Sun Global Canada Pty Ltd., Aditya Thermal Energy Pvt. Ltd., Alfa Infraprop Pvt. Ltd., Caraco Pharma Inc., Taro Pharmaceutical Industries Ltd., Taro Pharmaceutical North America Inc, Taro Pharmaceuticals Inc, Taro Pharmaceuticals USA Inc, Taro International Ltd., Sun Pharma Laboratories Ltd., Telewings Communications Services Pvt. Ltd. & Krishna Vrundavan Pratishthan

He also serves as the Chairman of Investors Grievance Committee and Member of Executive Committee & Fund Mobilising Committee of Sun Pharma Advanced Research Co. Ltd.

3. The Register of Members and Share Transfer Books of the Company will be closed from Monday, September 23, 2013 to Monday, September 30, 2013 (both days inclusive) for the purpose of the Twenty-first Annual General Meeting of the Company and for the payment of Dividend.

- 4. The Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms, subject to availability of such facility at the respective location of such shareholders. The Company is also providing the facility of National Electronic Clearing Service (NECS) introduced by Reserve Bank of India, to all shareholders holding shares in electronic and physical forms with the data available/provided by shareholders with 15 digit bank account number for ECS, which offers all India coverage and enable the sponsor bankers to upload the data files more efficiently and effectively.
- 5. The Board of Directors at their Meeting held on May 28, 2013, recommended a Dividend @ ₹5.00 per Equity Share of ₹1/- each of the Company (pre bonus) i.e. a Dividend @ ₹2.50 per Equity Share of ₹1/- each of the Company post bonus for the year ended March 31, 2013 and the same if declared at the Meeting will be paid on or after October 4, 2013 to the Company's Equity Shareholders whose name stand on the Register of Members as beneficial owners at the close of business as on September 22, 2013 as per the list provided by NSDL & CDSL in respect of shares held in electronic form and as Members in the Register of Members of the Company after given effect to valid transfers in physical form lodged with the Company on or before September 22, 2013.
- 6. At the Extra Ordinary General Meeting of the members of the Company held on Monday, September 1, 2003, the Members had approved, by way of Special Resolution, certain amendments to the Articles of Association of the Company relating to enabling the Company to implement any instruction from a Member(s) of the Company to waive/forgo his/their right to receive the dividend (interim or final) from the Company for any financial year. Thus the Members of the Company can now waive/forgo, if he/they so desire(s), his/their right to receive the dividend (interim or final) for any financial year effective from the dividend recommended by the Board of Directors of the Company for the year ended March 31, 2003 on a year to year basis, as per the rules framed by the Board of Directors of the Company from time to time for this purpose. The Shareholder, if so wishes to waive/forgo the right to receive Dividend for the year ended March 31, 2013 shall fill up the form and send it to the Company's Registrars on or before September 22, 2013. The form prescribed by the Board of Directors of the Company for waiving/forgoing the right to receive Dividend for any year shall be available by downloading from the Company's website www. sunpharma.com under section "Investor - Shareholders Information-Statutory Communications - 2013") or can also be obtained from the Company's Registrars and Transfer Agents, Link Intime India Pvt. Limited.

THE BOARD OF DIRECTORS OF THE COMPANY AT ITS MEETING HELD ON SEPTEMBER 1, 2003 HAVE FRAMED THE FOLLOWING RULES UNDER ARTICLE 190 A OF THE ARTICLES OF ASSOCIATION OF THE COMPANY FOR EQUITY SHAREHOLDERS WHO WANT TO WAIVE/FORGO THE RIGHT TO RECEIVE DIVIDEND IN RESPECT OF FINANCIAL YEAR 2002-2003 OR FOR ANY YEAR THEREAFTER.

- I. A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the Equity Shares held by him in the Company as on the Record Date/Book-closure Date fixed for determining the names of Members entitled for such dividend. However, the shareholders cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on share(s).
- II. The Equity Shareholder(s) who wish to waive/forgo the right to receive the dividend for any year shall inform the Company in the form prescribed by the Board of Directors of the Company only.
- III. In case of joint holders holding the Equity Shares of the Company, all the joint holders are required to intimate to the Company in the prescribed form their decision of waiving/forgoing their right to receive the dividend from the Company.
- IV. The Shareholder, who wishes to waive/forgo the right to receive the dividend for any year shall send his irrevocable instruction waiving/ forgoing dividend so as to reach the Company before the Record Date / Book Closure Date fixed for the payment of such dividend. Under no circumstances, any instruction received for waiver/forgoing of the right to receive the dividend for any year after the Record Date / Book Closure Date fixed for the payment of such dividend for that year shall be given effect to.
- V. The instruction once given by a Shareholder intimating his waiver/forgoing of the right to receive the dividend for any year for interim, final or both shall be irrevocable and can not be withdrawn for that particular year for such waived/ forgone the right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Record Date/Book Closure Date fixed for the payment of such dividend, the instruction once exercised by such earlier Shareholder intimating his waiver/forgoing the right to receive dividend will be invalid for the next succeeding Shareholder(s) unless such next succeeding Shareholder(s) intimates separately in the prescribed form, about his waiving/ forgoing of the right to receive the dividend for the particular year.



- VI. The Equity Shareholder who wish to waive/forgo their right to receive the dividend for any year can inform the Company in the prescribed form only after the beginning of the relevant financial year for which the right to receive the dividend is being waived/forgone by him.
- VII. The instruction by a Shareholder to the Company for waiving/ forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholder. There is a no interference with a Shareholder's Right to receive the dividend, if he does not wish to waive/forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.
- VIII. The decision of the Board of Directors of the Company or such person(s) as may be authorised by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and/or implementation of these Rules.
- IX. These Rules can be amended by the Board of Directors of the Company from time to time as may be required.
- 7. Pursuant to Section 205A and Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEP Fund). The Company will be transferring the unclaimed dividends during the financial years ending March 31, 2014 to March 31, 2016 as given below:

Dividend for Financial Year Ended	Date of Declaration of Dividend entitled	Rate of Dividend	Last date for claiming unpaid Dividend	Due Date for transfer to IEP Fund
2005-06	20.09.2006	110% Equity/ 6% Preference	19.09.2013	18.10.2013
2006-07	10.03.2007	135% Equity/ 6% Preference	09.03.2014	08.04.2014
2007-08	25.10.2007	6% Preference (Pro-rata)	24.10.2014	23.11.2014
2007-08	06.09.2008	135% Equity	05.09.2015	04.10.2015

Members who have not encashed their dividend warrants, for the financial year ended March 31, 2006 and onwards may approach the Company's Registrar & Transfer Agents,

- M/s. Link Intime India Pvt. Ltd., C-13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078 for revalidating the warrants or for obtaining duplicate warrants. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim can be made by the respective shareholders for the same. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has unloaded the details of unpaid and unclaimed amounts (as referred to in Section 205C(2)) lying with the Company as on November 8, 2012 (date of the last Annual General Meeting of the Company) on the website of the Company viz., www.sunpharma.com under head "Investor" sub-head "Shareholder Information" as well as on the website of the Ministry of Corporate Affairs viz., www.iepf.gov.in.
- 8. The Members of erstwhile Tamilnadu Dadha Pharmaceuticals Limited, erstwhile Gujarat Lyka Organics Limited and erstwhile Phlox Pharmaceuticals Limited, who have yet not sent their share certificates of erstwhile Tamilnadu Dadha Pharmaceuticals Limited, Chennai, erstwhile Gujarat Lyka Organics Limited and erstwhile Phlox Pharmaceuticals Limited respectively for exchange with the share certificates of Sun Pharmaceutical Industries Limited are requested to do so at the earliest, since share certificates of the erstwhile Tamilnadu Dadha Pharmaceuticals Limited, erstwhile Gujarat Lyka Organics Limited and erstwhile Phlox Pharmaceuticals Limited held by them are no longer tradable/ valid.
- 7. The Members may be aware that the Equity Shares of the Company had been subdivided from equity share of ₹5/- each to 5 equity shares of ₹1/- each on November 29, 2010 based on the Record Date of November 26, 2010 in terms of the Resolutions passed by the Shareholders of the Company by way of postal ballot conducted during November, 2010, the results of which were announced on November 12, 2010. The Members who have yet not sent their share certificates of ₹5/- each of the Company for exchange with new equity shares of ₹1/- each shall send the same to the Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd. since the old share certificates of ₹5/- each are no longer tradable.
- 10. Please note that as per the Notification of SEBI, Sun Pharmaceutical Industries Limited's shares are under compulsory Demat trading with effect from 29th November, 1999 for all the investors. You may, therefore, demat your equity share holdings if not already dematted, to avoid any inconvenience.

- 11. The Company has implemented the "Green Initiative" as per Circular Nos.17/ 2011 & 18/2011 dated April 21, 2011 & April 29, 2011 respectively issued by the Ministry of Corporate Affairs (MCA), to enable electronic delivery of Notices/Documents and Annual Reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) Accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving Notices/Documents including those covered under Section 219 of the Companies Act, 1956. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrars & Shares Transfer Agent, Messrs. Link Intime India Pvt. Ltd., Mumbai.
- 12. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the business under Item Nos. 7 to 13 of the accompanying Notice dated August 9, 2013.

ITEM Nos. 7 & 8:

Mr. Sudhir V. Valia was initially appointed as the Whole-time Director of the Company by the Shareholders at the Second Annual General Meeting of the Company for a period of five years from April 1, 1994 and was thereafter re-appointed from time to time. At the Sixteenth Annual General Meeting of the Company held on September 6, 2008, the shareholders had approved the re-appointment of Shri Sudhir V. Valia as Wholetime Director of the Company for a further period of five years, effective from April 1, 2009 to March 31, 2014. As the existing actual remuneration payable to Mr. Sudhir V. Valia has almost reached the maximum upper limit approved by the Shareholders, the Board of Directors decided to revise the upper remuneration limit of Mr. Sudhir V. Valia. Your Directors recommend the approval of the increase in upper remuneration limit of Mr. Sudhir V. Valia to be effective from April 1, 2013 for the remaining period upto March 31, 2014.

The revised remuneration of Mr. Sudhir V. Valia shall be as under:

The remuneration payable shall be determined by the Board of Directors, from time to time within, however, the maximum limits set forth below:

 Salary (including bonus) up to ₹22,00,000/- (Rupees Twenty Two Lacs only) per month.

b. Perquisites:

He will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, telephone and such other perquisites in accordance with the Company's Rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹40,00,000/- (Rupees Forty Lacs only) per annum;

c. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule XIII of the Companies Act, 1956.

The Board shall have the discretion and authority to modify the forgoing terms and remuneration within, however, the limit prescribed under Schedule XIII of the Companies Act, 1956.

The appointment will be for a period of five years from April 1, 2009 which may be terminated by either party giving to the other thirty days notice in writing or upon Mr. Sudhir V. Valia's ceasing to be a Director of the Company.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of remuneration payable to Mr. Sudhir V. Valia are placed before the members, in general meeting, for their approval by way of a Special Resolution.

The terms and conditions of Mr. Sudhir V. Valia's appointment as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr. Sudhir V. Valiaand the Company under Section 302 of the Companies Act, 1956.

Further, the present term of Mr. Sudhir V. Valia as the Whole-time Director shall expire on March 31, 2014. Mr. Sudhir V. Valia has provided dedicated and meritorious services and significant contribution to the growth of the Company. The Board of Directors at their meeting held on August 9, 2013, re-appointed Mr. Sudhir V. Valia, as the Whole-time Director of the Company for a further period of five years effective from April 1, 2014 to March 31, 2019, subject to the approval of the Shareholders.

The main terms and conditions of Mr. Sudhir V. Valia's re-appointment shall be as under:



 Mr. Sudhir V. Valia to perform such duties and exercise such powers as are entrusted to him by the Board and/or the Chairman and/or the Managing Director. He is further authorized to do all such acts, deeds, things and matters as he may be required to do, as the Whole-time Director.

II. REMUNERATION:

The remuneration payable shall be determined by the Board of Directors, from time to time within, however, the maximum limits set forth below:

 a. Salary (including bonus) up to ₹33,50,000/-(Rupees Thirty Three Lacs Fifty Thousand only) per month.

b. Perquisites:

He will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, telephone and such other perquisites in accordance with the Company's Rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹60,00,000/- (Rupees Sixty Lacs only) per annum;

c. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule XIII of the Companies Act, 1956.

The Board shall have the discretion and authority to modify the forgoing terms and remuneration within, however, the limit prescribed under Schedule XIII of the Companies Act, 1956.

The appointment will be for a period of five years from April 1, 2014 which may be terminated by either party giving to the other thirty days notice in writing or upon Mr. Sudhir V. Valia's ceasing to be a Director of the Company.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of remuneration payable to Mr. Sudhir V. Valia are placed before the members, in general meeting, for their approval by way of a Special Resolution.

The terms and conditions of Mr. Sudhir V. Valiai's appointment as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr. Sudhir V. Valiaand the Company under Section 302 of the Companies Act, 1956.

Mr. Sudhir V. Valia himself and Mr. Dilip S. Shanghvi, being his relative are concerned or interested in the resolution at Item Nos. 7 & 8 of the Notice.

The Board of Directors recommends the passing of the resolutions at Item Nos. 7 & 8 of the Notice convening the meeting for the approval of the members.

The draft of the agreements to be entered into with Mr. Sudhir V. Valia is available for inspection by any member of the Company at the Registered Office of the Company on any working day (except Sundays and Public Holidays) between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and at the venue of the Annual General Meeting on the date of the Meeting during the Meeting hours.

ITEM No. 9:

Mr. Sailesh T. Desai was initially appointed as the Whole-time Director of the Company by the Shareholders at the Seventh Annual General Meeting of the Company for a period of five years from April 1, 1999 and was thereafter re-appointed from time to time. At the Sixteenth Annual General Meeting held on September 6, 2008, the Shareholders approved the re-appointment of Mr. Sailesh T. Desai as the Whole-time Director of the Company for a further period of five years from April 1, 2009. The present term of Mr. Sailesh T. Desai as the Whole-time Director shall expire on March 31, 2014. Mr. Sailesh T. Desai has provided dedicated and meritorious services and significant contribution to the growth of the Company. The Board of Directors at their meeting held on August 9, 2013, re-appointed Mr. Sailesh T. Desai, as the Whole-time Director of the Company for a further period of five years effective from April 1, 2014 to March 31, 2019, subject to the approval of the Shareholders.

The main terms and conditions of Mr. Sailesh T. Desai's re-appointment shall be as under:

- I. Mr. Sailesh T. Desai to perform such duties and exercise such powers as are entrusted to him by the Board and/or the Chairman and/or the Managing Director. He is further authorized to do all such acts, deeds, things and matters as he may be required to do, as the Whole-time Director.
- II. REMUNERATION:

The remuneration payable shall be determined by the Board of Directors, from time to time within, however, the maximum limits set forth below:

 Salary (including bonus) up to ₹8,35,000/- (Rupees Eight Lacs Thirty Five Thousand only) per month.

b. Perquisites:

He will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹18,00,000/- (Rupees Eighteen Lacs only) per annum;

c. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule XIII of the Companies Act, 1956.

The Board shall have the discretion and authority to modify the forgoing terms and remuneration within, however, the limit prescribed under Schedule XIII of the Companies Act, 1956.

The appointment will be for a period of five years from April 1, 2014 which may be terminated by either party giving to the other thirty days notice in writing or upon Mr. Sailesh T. Desai ceasing to be a Director of the Company.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of remuneration payable to Mr. Sailesh T. Desai are placed before the members, in general meeting, for their approval by way of a Special Resolution.

The terms and conditions of Mr. Sailesh T. Desai's appointment as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr. Sailesh T. Desai and the Company under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Sailesh T. Desai is concerned or interested in the resolution at Item No. 9 of the Notice.

The Board of Directors recommends the passing of the resolutions at Item No. 9 of the Notice convening the meeting for the approval of the members.

The draft of the agreement to be entered into with Mr. Sailesh T. Desai is available for inspection by any member of the Company at the Registered Office of the

Company on any working day (except Sundays and Public Holidays) between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and at the venue of the Annual General Meeting on the date of the Meeting during the Meeting hours.

ITEM No. 10:

As you are aware, Mr. Aalok Shanghvi, relative (son) of the Managing Director of your Company, is presently employed as Senior General Manager – International Business in your Company and his appointment and remuneration payable upto a maximum of ₹1,00,00,000/- (Rupees One Crore only) per annum along with Director's remuneratiion from Taro Pharmaceutical Industries Ltd., the Company's subsidiary Company had been approved by the Selection Committee and the Board of Directors at their respective Meetings held on May 28, 2011 and by the Members by way of a special resolution passed at the Nineteenth Annual General Meeting held on September 6, 2011 for the period April 1, 2011 to remaining period upto March 31, 2014. However, as against his salary of ₹45,58,008/- for the year 2012-2013 , the actual amount paid to him by Sun Pharmaceutical Industries Ltd. during the financial years 2011-2012 & 2012-2013 was restricted to ₹30,00,000/per annum which does not require the approval of the Central Government pursuant to section 314 (1B) of The Companies Act, 1956. He has resigned as the Director of Taro Pharmaceutical Industries Ltd. with effect from July 18, 2013 so he does not now receive any Director's remuneration from Taro Pharmaceutical Industries Ltd.

Also, the Board of Directors and the Selection Committee of the Company have at their respective Meeting approved the increase in upper limit of remuneration payable to Mr. Aalok Shanghvi from ₹1,00,00,000/- (Rupees One Crore only) per annum to ₹1,50,00,000/- (Rupees One Crore Fifty Lacs only) per annum, subject to the approval of the Shareholders and as per the provisions of Section 314(1B) of the Companies Act, 1956 for a further period of five years from April 1, 2014, approval of the Members of the Company is required by way of a special resolution.

The Board of Directors recommends the passing of the resolution at Item No.10 of the Notice convening the Meeting for the approval of the Members under Section 314 of the Companies Act, 1956 by way of a special resolution.

The Company shall file appropriate application(s) with the Central Government for Approval.

Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia being relatives are concerned or interested in the resolution at Item No.10 of the Notice.

ITEM No. 11:

The Company in order to enhance its presence in global markets as also to expand existing business lines in drugs, pharmaceuticals and/or to take over any potential target so as



to capture emerging business opportunities for growth, has to strengthen its financial position and net worth by augmenting long term resources substantially from time to time.

Taking into account the significant liquidity, low interest rates, consistent performance of your Company, positive outlook for the Pharmaceutical Industry and particularly, for your Company, the Board recommends raising of resources from domestic and/or international capital markets in one or more tranches, by issue of appropriate instruments as stated in the Special Resolution. The issue of securities will be in accordance with the appropriate guidelines for the same and the price of the securities shall be fixed at the time of actual offer depending upon the then prevailing market conditions in consultations with the Lead Managers/Advisors and other such intermediaries and as per the applicable regulations.

Section 81(1A) of the Companies Act, 1956 provides inter alia that the Company in the first instance should offer all Convertible Bonds, Debentures and/or Securities convertible into Equity Shares and/or Securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares and/or Bonds or Foreign Currency Convertible Bonds or Securities through Global Depository Receipts, American Depository Receipts or Bonds or Financial Derivatives to be issued by the Company for subscription, pro-rata to the existing Equity Shareholders unless decided otherwise in a General Meeting by a Special Resolution and accordingly consent of the shareholders is being sought pursuant to provisions of the said section to issue and allot the said securities, to the members or other persons as may be decided by the Board of Directors.

The Members at the Twentieth Annual General Meeting held on November 8, 2012, by way of a special resolution authorised the Board to issue, offer and allot from time to time in one or more tranches and in consultation with the Lead Managers and/or Underwriters and/or other Advisors, Convertible Bonds, Debentures and/or Securities convertible into Equity Shares and/or Bonds or Foreign Currency Convertible Bonds or Securities through Global Depository Receipts, American Receipts or Bonds or Financial Derivates to such Indian or Foreign Institutional Investors/Foreign Mutual Funds/ Overseas Corporate bodies/Foreigners/other Foreign parties/ Indian Financial Institutions/ Alternative Investment Funds/ Qualified Institutional Buyers/Companies/ Individuals for an aggregate amount (inclusive of such premium as may be fixed on the securities) not exceeding ₹80 Billions (Rupees Eighty Billions only)

The Board subsequently decided to increase the upper limit from ₹80 Billion to ₹120 Billion. Accordingly the required consent of the shareholders is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and also in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges at BSE Ltd. (BSE), Mumbai and National Stock

Exchange of India Ltd. (NSE), Mumbai where the Company's Securities are presently listed, by way of a special resolution authorised the Board to issue, offer and allot from time to time in one or more tranches and in consultation with the Lead Managers and/or Underwriters and/or other Advisors, Convertible Bonds, Debentures and/or Securities convertible into Equity Shares and/or Bonds or Foreign Currency Convertible Bonds or Securities through Global Depository Receipts, American Receipts or Bonds or Financial Derivates to such Indian or Foreign Institutional Investors/Foreign Mutual Funds/ Overseas Corporate bodies/Foreigners/other Foreign parties/Indian Financial Institutions/ Alternative Investment Funds/Qualified Institutional Buyers/Companies/ Individuals for an aggregate amount (inclusive of such premium as may be fixed on the securities) not exceeding ₹120 Billion (Rupees One Hundred Twenty Billion only).

The said securities may be secured by way of first mortgage/hypothecation of the Company's assets in favour of the security holders. As the documents to be executed between the security holders and the Company may contain, as per normal practice, the power to take over the management of the Company in certain events' of default, it is necessary for the Company to obtain shareholders' approval through a resolution under Section 293(1)(a) of the Act, before creation of the said mortgage or charge.

The proposed Special Resolution is intended to give authority to the Board of Directors for the issue of such securities in terms of the Resolution.

Your Directors recommend the passing of the Resolution in item No. 11 of the Notice as a Special Resolution.

None of the Directors of the Company is in any way concerned or interested in this Resolution except the Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of securities that may be subscribed by the companies/institutions of which they are Directors and/or Members.

ITEM No. 12:

Pursuant to the provisions of clause (d) of Sub-section (1) of Section 293 of the Companies Act, 1956 approval of Members by way of Ordinary Resolution is required for borrowings by a Company in excess of paid up capital and free reserves of the Company. At the Twentieth Annual General Meeting of the Company held on November 8, 2012, approval of the Members by way of an ordinary resolution, authorising the Board of Directors to borrow upto a maximum of ₹300 Billions (Rupees Three Hundred Billions only) was obtained. In view of the continuous expansion and growth of the business of the Company, and enabling proposal to issue the Securities which includes Debentures/Bonds as per Item No. 11 above, the Borrowings of the Company may exceed the paid up capital and free reserves of your Company. Therefore your Directors place before you the resolution to increase the maximum borrowing limit upto ₹500 Billions (Rupees Five Hundred Billions only).

The Resolution as set out in item No. 12 of the Notice will be placed before the Meeting for the approval of the Members.

Your Directors recommend the approval of the proposed resolution by the Members.

None of the Directors of the Company is concerned or interested in the proposed resolution.

ITEM No. 13:

The Company is actively contemplating to acquire at an opportune time Overseas Corporate/bodies engaged in the pharmaceutical business which necessitates financial flexibility as to investment in the area of business besides best utilisation of surplus funds available with the Company from time to time and to achieve substantial inorganic growth and to capture emerging business opportunities for growth, it is proposed to authorise the Board of Directors of the Company to invest into securities of any bodies corporate and/or make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made upto ₹500 Billions (Rupees Five Hundred Billions only).

The Members at the Twentieth Annual General Meeting held on November 8, 2012, by way of a special resolution authorised the Board of Directors to make investment in shares, debentures, securities of other body corporates and/or various schemes of mutual funds and/or other funds in excess of 60% of the paid up Share Capital and Free Reserves of the Company or 100% of Free Reserves of the Company whichever is more as prescribed under Section 372A of the Companies Act, 1956, from time to time in one or more tranches upto a maximum amount of ₹300 Billions (Rupees Three Hundred Billions only) notwithstanding that investments along with company's existing loans or guarantee(s)/security(ies) or investments shall be in excess of the limits prescribed under Section 372A aforesaid.

Pursuant to section 372A of the Companies Act, 1956, in case of loans to any other body corporate or to give any guarantee or provide security, in connection with a loan made by any other

person to, or to any other person by, anybodies corporate and to make investments in shares and Securities of other body corporate in excess of 60% of the paid up Share Capital and Free Reserves of the Company or 100% of Free Reserves of the Company whichever is more, requires the approval of Members by way of a special resolution passed through Postal Ballot pursuant to Section 192A of the Companies Act, 1956.

In case loans to any other body corporate or guarantee or security, in connection with a loan made by any other person to or to any other person by, any bodies corporate and investments in shares and securities of other body corporate along with existing investments, loans provided or guarantees given is expected to exceed the limit fixed pursuant to Section 372A of the Companies Act, 1956, of 60% of the paid-up share capital and free reserves of the Company or 100% of free reserves of the Company whichever is more, at any point of time in future, the Company shall obtain the approval of the Members by way of a special resolution passed through Postal Ballot pursuant to Section 192A of the Companies Act, 1956.

The Resolution as set out in item No. 13 of the Notice will be placed before the Meeting for the approval of the Members.

Your Directors recommend the approval of proposed resolution by the Members by way of a Special Resolution.

None of the Directors of the Company is concerned or interested in the proposed resolution.

By order of the Board of Directors For SUN PHARMACEUTICAL INDUSTRIES LTD.

Place : Mumbai Date : August 9, 2013 Sunil R. Ajmera Company Secretary

Registered Office: SPARC, Tandalja Vadodara - 390 020.

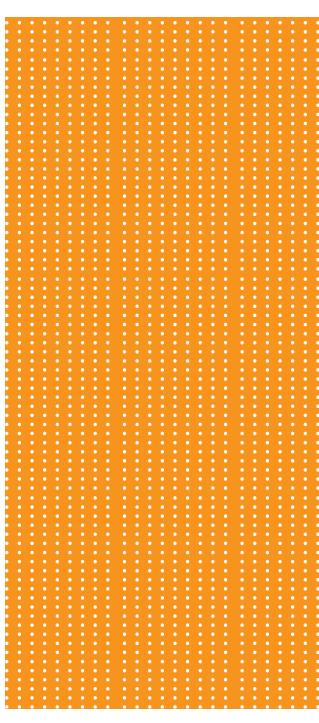






CONTENTS

Key Performance Indicators02Ten Year Financial Highlights03Management Discussion and Analysis Report04Directors' Report34Corporate Governance38Standalone Financial Statements50Consolidated Financial Statements92





In FY 2012-13, we increased our commitment towards specialty products and launch of complex technology products to the market. We introduced products that make a difference to the lives of patients.

We sharpened our specialty intent, building strengths with new people, new skills and new technologies. We are a part of the industry, yet unique in our own way. We have adopted the differentiated route not by accident, but by choice. We feel that this pursuit will help us be better prepared to capitalize on future opportunities.

At Sun Pharma, we have structured ourselves differently through our unique approach to business, financial parameters, focus on creating stakeholder value and so on. Our differentiated strategies are the ones that have allowed us to reach where we are today. Our focus on specialty and differentiation are the core drivers of our business.

KEY PERFORMANCE INDICATORS



* During the financial year 2002-03, each Equity share of ₹ 10/- was split into two equity shares of ₹ 5/- each.

03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12 12-13

* During the financial year 2010-11, each Equity share of ₹ 5/- was split into five equity shares of ₹ 1/- each.

03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12 12-13

TEN YEAR FINANCIAL HIGHLIGHTS



Consolidated (₹ in million)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Performance										
Income from Operations	9,847	11,983	17,372	22,373	34,606	43,751	38,086	57,279	80,195	112,999
Total Income	9,995	12,301	18,042	23,745	35,017	44,808	42,123	60,827	84,910	116,880
Profit for the year (after minority interest)	3,446	4,002	5,730	8,402	15,509	18,780	13,470	18,161	26,567	29,831
R&D Expenditure	1,268	1,427	2,015	2,787	2,859	3,320	2,242	3,313	4,449	7,042
a) Capital	598	418	481	347	134	222	159	236	362	427
b) Revenue	670	1,009	1,534	2,440	2,725	3,098	2,083	3,077	4,088	6,616
c) % of Turnover	13%	12%	12%	13%	9%	8%	6%	6%	6%	6%
Financial Position										
Equity Share Capital	464	928	929	967	1,036	1,036	1,036	1,036	1,036	1,036
Reserve and Surplus	7,540	10,366	14,959	26,747	48,879	69,414	77,254	93,798	121,322	148,862
Gross Block	6,232	7,806	12,342	14,252	15,960	21,476	23,340	45,473	54,269	75,763
Net Block	4,518	5,719	8,563	9,514	10,354	14,625	15,328	25,214	29,295	45,145
Investments	1,765	6,485	3,541	2,543	6,565	18,595	31,664	26,557	22,129	24,116
Net Current Assets	4,808	16,360	23,006	26,843	33,995	35,485	28,542	58,622	76,749	86,618
Stock Information										
Number of Shares (million)	93	185	186	193	207	207	207	1,036	1,036	1,036
Earnings per Share - Basic (In ₹)*	35.4	21.3	30.9	41.7	74.7	87.8	65.2	17.5	25.7	28.8
Earning per Share - Diluted (In ₹)*	17.7	20.7	27.7	38.9	71.8	87.8	65.2	17.5	25.7	28.8

^{*} During the financial year 2002-03, each Equity share of ₹ 10/- was split into two equity shares of ₹ 5/- each.

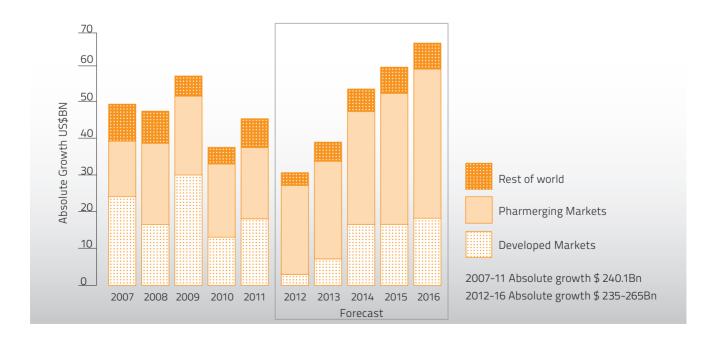
^{*} During the financial year 2010-11, each Equity share of ₹ 5/- was split into five equity shares of ₹ 1/- each.



GLOBAL PHARMACEUTICAL INDUSTRY

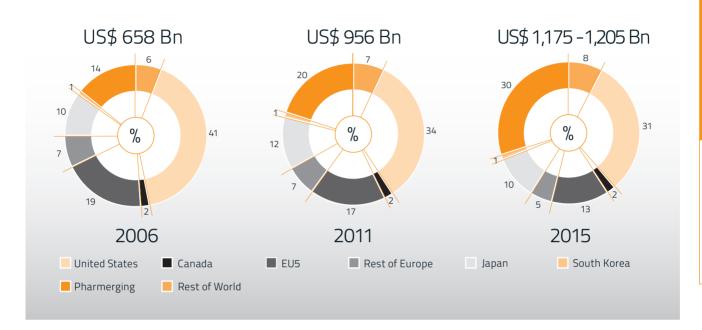
The global pharmaceutical market was valued at US\$ 956 billion^[1] in 2011, with an estimated annual incremental spending of US\$ 30 billion in 2012. The pharmaceutical markets are likely to witness a CAGR of 3-6% over 2012-16, to reach a market value of US\$1.2 trillion. The key growth drivers for future include an increasing shift to the use of generics medicines, accompanied by patent expiries in the US and volume-driven growth in pharmerging markets.^[1]

Spending by markets¹¹





Global pharma market - Spending by geography



GROWTH DRIVERS[2]

Growing and ageing population: By 2020, the world's population is projected to be over 7.6 billion. Around 13% of this population is likely to be 60 years or older. The growing ageing population will drive the demand for medicines and increase pharmaceutical spending.

Changing lifestyle: Rising prevalence of lifestyle diseases, led by rapid urbanization, enhanced access and affordability for healthcare services, will drive pharmaceutical spending.

Rising incidence of non-communicable diseases: World Health Organization (WHO) forecasts that by 2020, the non-communicable diseases will account for 44 million deaths a year, increasing by 15% from 2010.

Higher affordability: By 2020, it is estimated that over 40% of all households in China and India will fall under the 'middle class' bracket, with an annual income of US\$ 5,000-1,50,000. Rising per capita income will bring quality healthcare under everybody's access.

Improving access in pharmerging market: Growth in pharmerging markets will increase primarily due to increased access to medicines as infrastructure and health systems evolve.

OUTLOOK [1]

Developed markets: The pharmaceutical contribution of developed markets is likely to decline from 73% in 2006 to 57% by 2016 due to expiring patents, decreasing spend on branded products, and higher cost containment measures by payers.

USA: Global share of spending on medicines from the US is expected to decrease from 41% in 2006 to 31% by 2016.

EU5*: Global share of spending on medicines by EU5 is likely to fall from 19% in 2006 to 13% by 2016, due to a slowdown in economic growth and aggressive cost containment measures

Pharmerging markets**: Pharmaceutical spending from the pharmerging markets is estimated to jump from 14% in 2006 and contribute 30% to the global pharmaceutical spending by 2016. This growth will be facilitated by rising population, rising per-capita income, improving medical infrastructure and economic growth.

(*Germany, France, Italy, Spain and UK)

(**China, Brazil, India, Venezuela, Poland, Argentina, Turkey, Mexico, Vietnam, South Africa, Thailand, Indonesia, Romania, Egypt, Pakistan, Ukraine and Russia.)

Global pharmaceutical spending 11

Market	2012-2016 CAGR (%)	Market value by 2016 (US\$ in billion)		
Global	3-6	1,175-1,205		
Developed	1-4	660-690		
EU5	(-1) – 2	135-165		
Pharmerging	12-15	345-375		
RoW*	2-5	140-170		

RoW* - Rest of the world

GLOBAL GENERICS

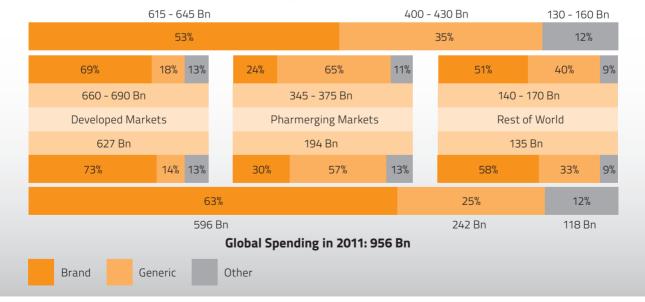
The global generic spending on medicines is projected to increase from US\$ 242 billion in 2011 to US\$ 400-US\$ 430 billion by 2016. Of the total increase in generics spending, around US\$ 224-US\$ 244 billion of increase is expected to arise from low-cost generics in pharmerging markets.

Moreover, increased generics spending in the developed markets over the next five years will be fuelled by patent expiries, with some additional increases due to expanded generic use for off-patent molecules.



Global pharma spending (US\$) ••

Global Spending in 2016: 1,175-1,205 Bn





Branded drugs vs. Generics [13]

Key Areas	Branded Drugs	Generics
Spending	Accounted for 63% of total global pharma spending in 2011, the share is expected to decline to 53% in 2016	Accounted for 25% of the global pharma spending in 2011, the share is expected to rise to 35% in 2016
Market Value	Value of branded market to rise from US\$ 596 billion in 2011 to US\$ 615-645 billion in 2016	Value of generics market to rise from US\$ 242 billion in 2011 to US\$ 400-430 billion in 2016
Opportunity	The next decade will witness significant changes to pharmaceutical industry with several drugs going off-patent	On one hand the developed nations are curtailing their healthcare expenditure, whereas the developing nations are focusing on increasing healthcare expenditure and affordable drugs.
US	New brand contribution to spending will increase to US\$ 10-12 billion every year as the number of approvals are growing	Around 44% of 2011 brand spend will shift to generics by 2016

OUTLOOK [1]

Global: Spending on generics is likely to increase from 25% of overall spend in 2011 to 35% in 2016.

Developed markets: Spending on generics is estimated to rise from 14% in 2011 to 18% of overall developed market spend in 2016, reaching a market value of US\$ 119-124 billion by 2016.

Pharmerging markets: Generic spending is estimated to rise to 65% of overall pharmerging market spend in 2016 from 57% in 2011, reaching a market size of US\$ 224-244 billion by 2016.

Rest of World (RoW) markets: Spending on generics is likely to go up from 33% of overall RoW market spend to 40% by 2016, reaching a market size of US\$ 56-68 billion.

ACTIVE PHARMACEUTICAL INGREDIENT (API) [4]

The global API market is highly fragmented and is valued at close to US\$ 100 billion. It is likely to grow by around 8-10%

over the next few years. The API industry is expected to witness consolidation, as big pharma companies continue to scale down manufacturing and outsource molecules in order to curtail costs. The growth will be fuelled by patent expiries, increase in outsourcing and demand for potent and biogeneric APIs.

DEVELOPED PHARMACEUTICAL MARKETS

USA^[5]

The US pharmaceutical market was valued at US\$ 322 billion in 2011. It is projected to grow at a CAGR of around 1-4% during 2012-16 to reach \$350-380 billion by 2016. However, US's share of global pharmaceutical spending is expected to decline from 41% in 2006 to 31% in 2016. The reason for decline is attributed to patent expiries and slow growth for the branded products.

US pharmaceutical spending and growth, 2007-2016



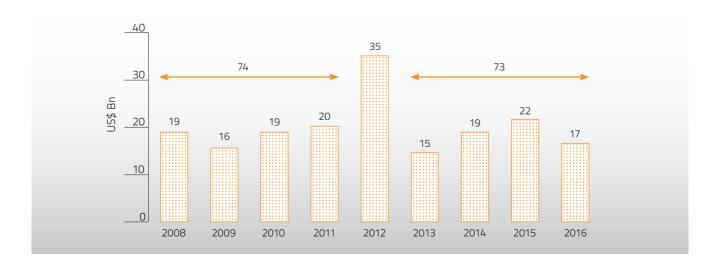
GROWTH DRIVERS

Value of patent expiries

Patent expiries contribute to the incremental growth of the generic industry. There may be moderation in the patent expiry cycle as the pharmaceutical industry witnessed high patent expiries (in terms of value) in 2012. However, the relatively low share of Indian companies in the US generics market implies good long-term potential.

US - Drugs going off-patent [6]

(US\$ billion)

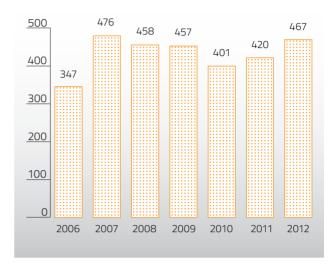




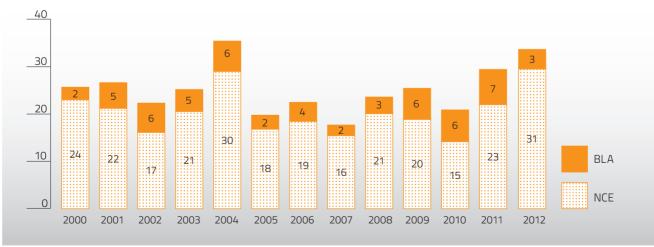
PACE OF ANDA APPROVALS [3]

The rate of ANDA approvals at the US FDA has remained stagnant over the past five years with some improvement over a period of last three years. The US FDA's recently implemented 'Generic Drug User Fee Amendments of 2012 (GDUFA)' is designed to speed access to safe and effective generic drugs. The law requires generic applicants to pay user fees to supplement the costs of reviewing ANDA applications and inspecting facilities. The additional monetary resources will enable the US FDA to reduce the current backlog of pending applications and cut the average time required to review ANDA applications. The impact of this change is likely to be visible over the next 2-3 years. The year 2012 saw a sharp increase in new drug application (NDA) approvals – highest in 8 years. It is expected that the new brands contribution to spending will reach US\$ 10-12 billion annually with increasing approvals.

Total ANDA approvals [3]



Total NDA approvals [3]



NCE: New Chemical Entities, BLA: Biologic License Application

US HEALTHCARE INSURANCE REFORM

The introduction of The Patient Protection and Affordable Care Act in the US will lead to a further increase in the proportion of the US population to be covered under medical insurance. It is expected to increase volumes for the generic pharmaceutical industry in the long-term.

CHANGING TREND

Developed markets are witnessing patent expiries and persistent impact of the economic crisis (particularly the EU region). The U.S. is expected to witness a decline in the global pharmaceutical spending, but would continue to contribute significantly among the developed markets. The policies are focusing on the shifting of usage to generics and restricted use of new brands.

ObamaCare: officially known as 'The Patient Protection and Affordable Care Act'

- To provide affordable health coverage to all the US citizens and targets to reduce the growth in healthcare spending.
- ObamaCare intends to prevent discrimination in right to healthcare, irrespective of gender, income and health issues.
- ObamaCare deals with sensitive needs of seniors by providing free preventive care and cheaper drugs under Medicare Advantage, a health insurance programme.
- Pre-existing conditions for granting health insurance have been removed till 2017.

Preventive services should be covered by all insurance plans. Around 54 million Americans with private health insurance coverage have access to such services with no cost sharing.





Contribution to developed market growth (US\$) [5]

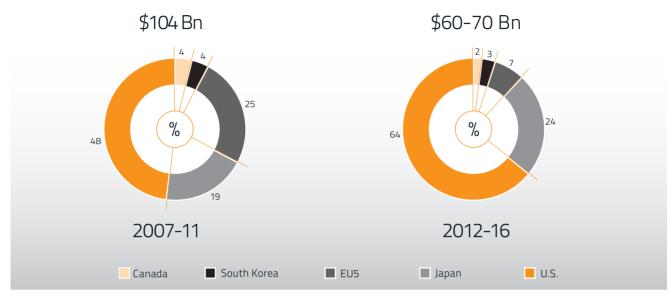
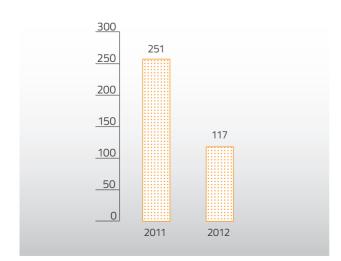


Chart note: figures may not add to 100% due to rounding off.

DRUG SHORTAGES [7]

Drug shortage is the result of manufacturing deficiencies and production shutdowns owing to quality issues. The US Food and Drug Administration (USFDA) tightened its belt to counter drug shortages. An improvement over the last year shows its unwavering focus to address the concern. Drug shortages reduced to half of what it was during 2011.

US-Number of drug under shortages [7]



Significant improvement in prevention was also witnessed during 2012. The number of drugs prevented from shortage has increased from 195 in 2011 to 282 in 2012. USFDA is striving hard continuously to prevent and mitigate drug shortages. As per the Food and Drug Administration Safety and Innovation Act, an internal drug shortages task force was formed by USFDA. The responsibility of the task force will be to formulate a strategic plan to address and prevent drug shortages. The strategic plan lays down:

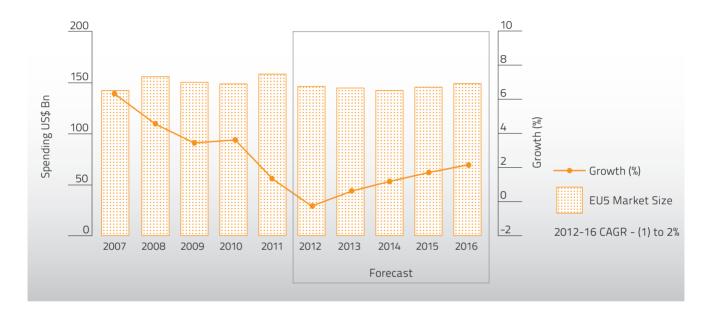
- Blueprints for enhancing communication, decision-making and coordination within FDA and other federal agencies
- Authority to be alerted about drug shortages
- Dissemination of information to be shared



EUROPE [1]

As per IMS, the EU5 market was valued at US\$ 159.1 billion in 2011. Further, pharmaceutical spending will decline by 4% by 2016. In Europe, growth is expected to be range bound and is anticipated to be in the bandwidth of -1 to 2% through 2016, compared to 3.8% in 2007-2011. The European growth, due to rising fiscal deficit, is likely to be tempered through austerity programmes and healthcare cost containment.

EU5 global pharmaceutical spending "



OUTLOOK

EU5 share of pharmaceutical spending is likely to decline from 17% in 2011 to 13% in 2016, due to aggressive cost containment

The per capita pharmaceutical spend in EU5 nations is likely to be at US\$ 375*, with population to touch 320 million by 2016.

The EU5 nations are likely to register a CAGR of -1-2% over 2012-2016, taking the market value to US\$ 135 -165 billion by 2016.

*(Real spending in 2005 US\$ at variable exchange rates, adjusted for purchasing power parity).

EU5 country-wise spending [1]

Country	2012-2016 CAGR (%)	Market value by 2016 (US\$ in billion)
France	(2)-1	32-42
Germany	0-3	39-49
Italy	0-3	23-33
Spain	(4)-(1)	13-23
UK	0-3	18-28



IAPAN [1]

The Japanese pharmaceutical market size was US\$ 111.2 billion in 2011. It is estimated to grow at a CAGR of 1-4% over 2011-16. The slow growth is attributed to the biennial price cuts in 2012 and those expected in 2014 and 2016. Reforms adopted in 2010 will boost the increase in the adoption of new medicines and also aid in shift from patented products to generics. In addition, Japan's ageing population will lead to increased demand for medicines.

OUTLOOK

- Brand spending in Japan is likely to reduce by US\$ 103 billion by 2016
- The country's share in global pharmaceutical spending is likely to decline from 12% in 2011 to 10% by 2016
- The per capita pharmaceutical spend is expected to be US\$ 644, with population to touch 124 million by 2016
- The pharmaceutical market is estimated to reach US\$ 105-135 billion by 2016

 Successive governments, over the past few years, have adopted a pro-generic stance to reduce the country's overall healthcare cost. This has led to a gradually changing regulatory framework in favor of generic medicines.

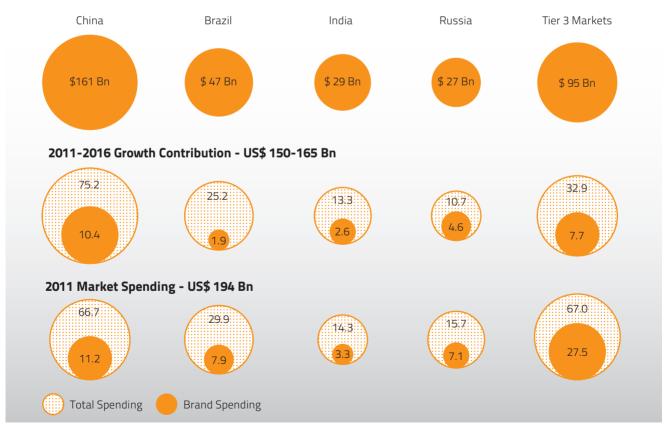
PHARMERGING ECONOMIES [9]

The pharmerging economies are expected to grow at a CAGR of 12–15% to reach US\$ 345–375 billion in 2016 from US\$ 193.6 billion in 2011. The market size is expected to almost double during 2012–16. Most of the emerging markets will contribute significantly to the global growth. The key contributing countries will be Brazil, Russia, China, India, Mexico and South Africa.

Rising income and increased access to medicines will drive the growth trajectory higher. The government lends support in providing more access to medicines by funding and supporting programmes.

Pharmerging markets spending and growth (US\$ Bn)®

2016 Market Spending - US\$ 345-375 Bn



Pie not to scale

Market size and growth of pharmerging economies over 2012-16 11

Faces	Market Size (CAGR (%)	
Economy	2011	2016	CAGR (%)
Pharmerging	193.6	345-375	12-15
China	66.7	155-165	15-18
Tier 2	59.9	100-110	12-15
Brazil	29.9	42-52	12-15
Russia	15.7	23-33	10-13
India	14.3	24-34	14-17
Tier 3	67.0	90-100	7-10

China

- China's healthcare industry is set to become the world's second largest by 2016, compared to third rank in 2011.
- The market size is expected to reach around US\$ 155-165 billion by 2016, growing at a CAGR of 15-18% from US\$ 66.7 billion in 2011.
- The contributing key factors accelerating the pace of growth will be ageing population, urbanization and extensive healthcare coverage.
- The Chinese government allotted US\$ 6.3 billion to healthcare in the Twelfth Five Year Plan (2011-2015) and plans to spend US\$11.8 billion in the Thirteenth Five Year Plan.
- Chinese government has identified pharmaceutical industry as one of the seven industries to lend support till 2020 in the development plan of Twelfth Five Year Plan.

Brazil

- It is the largest healthcare market in Latin America.
- Brazil is expected to grow at 12-15% CAGR to US\$ 42-52 billion by 2016 from US\$ 29.9 billion in 2011.
- Rising per capita income and increasing number of pharmacies are driving growth in Brazil.
- Brazilian government has initiated measures to reduce product approval time-lines and improving the operational capacity of national health surveillance agency, ANVISA.

Mexico

- Mexico represents Latin America's second largest pharmaceutical market after Brazil.
- Mexican drug regulator (COFEPRIS) is expediting drug approval to propel the pharmaceutical industry forward.
- The Government's industry-friendly measures will boost foreign participation and facilitate industry growth.

Russia

 The Russian healthcare industry is continuously evolving with government support and international cooperation.

- It is estimated to reach a market size of US\$ 23-33 billion in 2016 from US\$ 15.7 billion in 2011.
- The Russian government took several initiatives in 2010 for the development of healthcare industry.
- A target to produce around 90% of essential medicines and boosting exports by 8 times by 2020 has been set by the government.
- Ageing population and prevalent lifestyle diseases will be the growth drivers.





South Africa

- Despite being home to 11% of the total population, South Africa shares 24% of the global disease burden.
- Rising income, expanding middle class and economic strength will be the leading drivers for the healthcare industry.
- Introduction of national health insurance will add to the demand for generics.

INDIAN PHARMACEUTICALS SECTOR

As per IMS, India's pharmaceutical market size is expected to rise from about US\$14 billion in 2011 to US\$24–34 billion by 2016.

India's pharmaceuticals market is: [9]

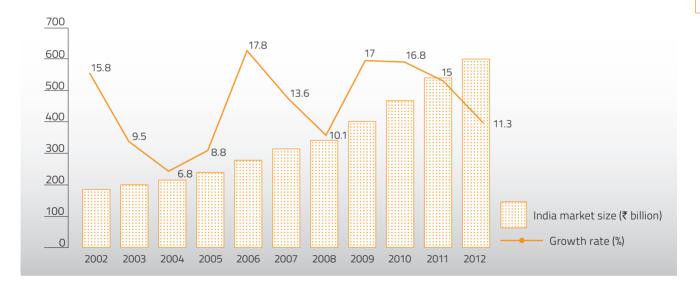
- Among the world's top five pharmerging markets
- Expected to grow at a CAGR of 14-17% from 2012 to 2016
- World's third largest market in terms of volume and tenth in value

As per the Department of Industrial Policy & Promotion (DIPP), the pharmaceutical sector attracted Foreign Direct Investment (FDI) investments of approximately US\$10 billion between April 2000 and November 2012.

Over the past decade, India's pharmaceuticals sector witnessed sustainable growth, driven by:

- Enhanced drugs volumes
- New drug launches
- Minor price increases

India pharmaceuticals market and growth [10]



NATIONAL PHARMACEUTICAL PRICING POLICY, 2013

To regulate and control the pricing of the National List of Essential Medicines (NLEM), the Government of India, released the National Pharmaceutical Pricing Policy (NPPP) in 2013. The provisions are in accordance with the regulatory pricing framework of essential drugs, based on their strengths and dosages. These drugs satisfy the healthcare needs of a majority of the population. Further, any new combination of two NLEM products or an NLEM combination will require

Government approval (to be covered under the Department of Pharmaceuticals, which will monitor the quality and production of the NLEM drugs).

Pricing control

The NPPP brings 348 essential medicines, as specified in NLEM, under price control. The prices of these drugs are based on the fixing of a Ceiling Price (CP) on the market-based pricing (MBP) basis. The manufacturers of these drugs will have to fix a price for their products equal to or below CP. The policy will be applicable for the imported drugs as well.

Annual price increments

An automatic annual price adjustment, linked to the Wholesale Price Index, will be allowed for the products under price control. The CP will go through a revision every five years and as and when there is a revision in the NLEM.

Existing DPCO drugs

The existing DPCO products which are also a part of NLEM will attract the provisions of the NPPP after completing one year from the date on which the current prices were notified under the existing policy. The existing DPCO products which are not a part of NLEM will not attract price controls.

Original research products

Original research products, having either process or product patents registered in their names, will not be covered under the purview. Moreover, New Drug Delivery System (NDDS) products are exempted from the purview for five years.

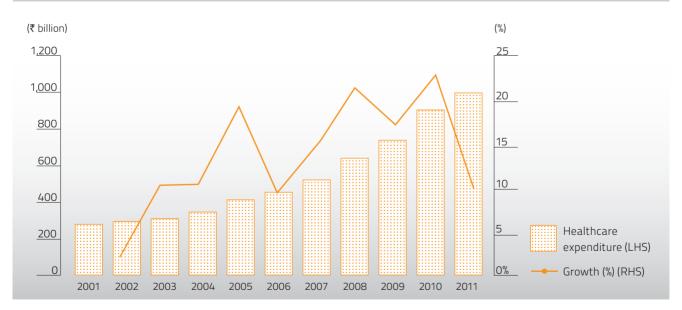
GROWTH DRIVERS

Despite the strong growth recorded over the last decade, the domestic pharmaceutical market remains highly underpenetrated. According to media reports, about 60% of the market is underpenetrated due to the lack of primary healthcare facilities. However, it is expected to increase in future with higher allotment towards healthcare and infrastructure improvements. According to the Planning Commission's Approach paper, the healthcare spend is estimated to increase to 2.5% of the GDP by the end of the Twelfth Five Year Plan. The growth is also likely to be propelled by factors, such as increasing number of people being covered under the healthcare insurance, as well as a rise in the number of India's medical students.

Increased healthcare spending [11]

Despite a rise in the Government's healthcare spending over the last decade, the overall expenditure on healthcare remains low, compared to those in some of the developed markets. The Government has set very high targets for the country's healthcare expenditure to drive the sector's development. Besides, it has also collaborated with the private sector to plan adequate steps to offer quality healthcare services at subsidized costs to the poor.

India - Rising spend on healthcare 🖽



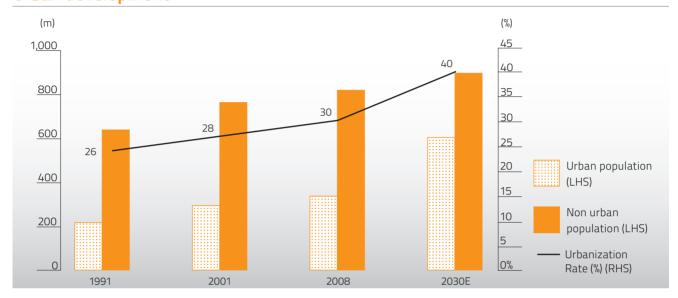
In addition to the Government's enhanced impetus, the urban middle class is also expected to shift focus from basic necessities, like food and apparel, to healthcare expenditure, thus driving average household healthcare spending.



RAPID URBANIZATION [12]

McKinsey and BNP Paribas estimate India's urbanization to accelerate at a rate and scale comparable only to China, reaching 40% by 2030. This will propel the pharmaceutical industry growth with better accessibility.

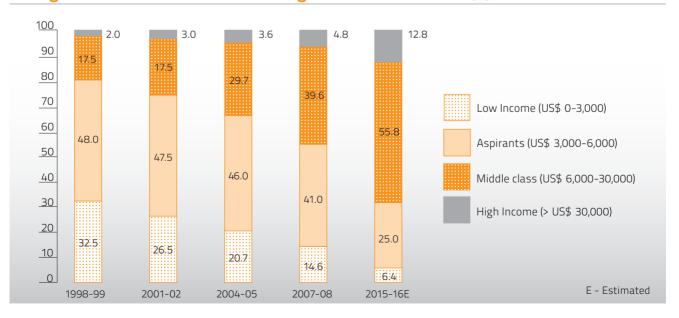
Urban development [12]



RISING INCOME LEVELS [13]

India's higher working age population implies a rise in the country's average household income levels. This subsequently reduced the proportion of the country's low-income households from 32.5% in 1998-99 to 14.6% in 2007-08. It is expected to diminish further to reach about 6.4% by 2015-16. India is expected to witness a decrease in its 'Aspirants Class', even as the country's middle income and high income groups are expected to rise significantly.

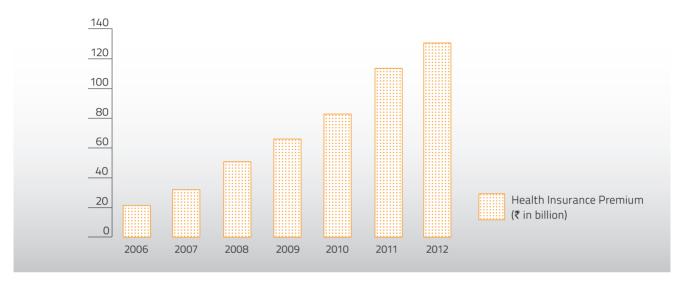
Rising income levels in India - Average household income (%) [13]



INCREASING HEALTHCARE INSURANCE PENETRATION [14]

Although, India's medical insurance penetration is marginal it is likely to be a vital long-term driver for the pharmaceutical industry's growth. The health insurance penetration, driven by various regulatory reforms and Government policies has been increasing in the past few years.

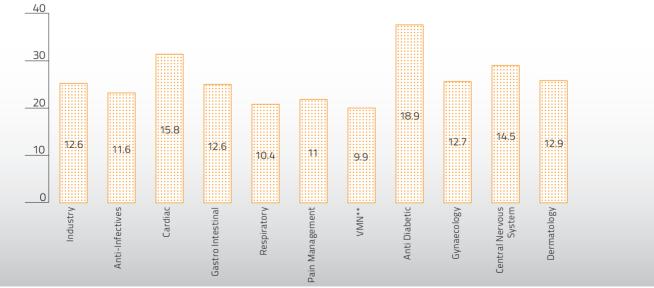
Rising health insurance penetration in India [14]



GROWING INCIDENCE OF CHRONIC DISEASES [10]

India's acute therapy segment has a high market share. Lifestyle diseases in the country are expected to increase over the next few years due to rapid urbanization, commercialization and lifestyle changes. This, coupled with average patient's increased ability to afford medication, will provide enough traction for India's pharmaceutical and biotech products market. The chronic segment, however, is growing at a faster pace compared to the acute segment. This segment is likely to occupy about 50% of India's market share by 2020. [8]

Growth in Therapeutic segment, CAGR over 2002-12 (%) [10]





SUN PHARMACEUTICAL INDUSTRIES LIMITED (SUN PHARMA)

Sun Pharmaceutical Industries is an international, integrated, specialty pharmaceutical company. It manufactures and markets a large basket of pharmaceutical formulations as branded generics, as well as generics in India, US and several other global markets. In India, the Company is a leader in niche therapy areas of psychiatry, neurology, cardiology, nephrology, gastroenterology, orthopedics and ophthalmology. The Company has strong skills in product development, process chemistry and manufacture of complex API, as well as dosage forms









STRATEGY AND APPROACH

Sun Pharma's strategy and approach to business is underpinned by the following:

Create sustainable revenue and cash flow stream – The Company strives to achieve this objective through its focus on commercializing differentiated products in key markets, focus on fast-growing chronic therapies in India and other emerging markets and ensuring timely product launches.

Balance profitability and future investments – The Company strives to strike a reasonable balance between current profitability and investments needed for future. This is achieved through its focus on complex and differentiated products coupled with a conservative approach towards inorganic initiatives.

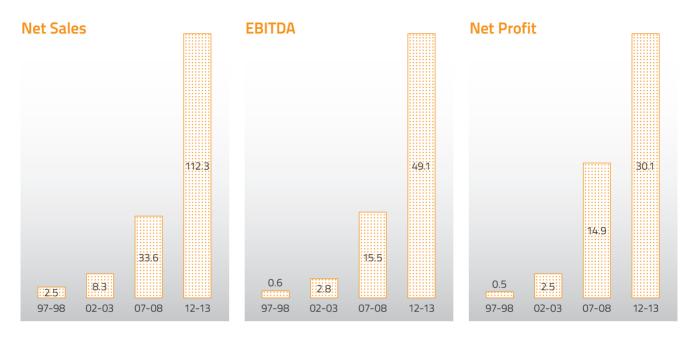
Cost leadership – The Company seeks to achieve this through its vertical integration capabilities and focus on optimizing operational expenses.

Sun Pharma – Strategy & Approach

Create sustainable revenue streams • Focus: Chronic therapies • Differentiation: Technically complex products • Speed to market Crossed US\$:1 Bn sales = 27th year Crossed US\$:2 Bn sales = 30th year Seek cost leadership • Vertical integration: Development throug manufacturing (API and finished dosage) marekting • Optimize operational costs Balance profitability and investments for future • Acquisitions yield high ROI • Development of complex generics

Key Financial indicators

(Figures in ₹ billion)



ROUND UP OF 2012-13

Successful acquisition of DUSA:

Acquired DUSA Pharmaceuticals, with all cash deal of approximately US\$ 230 million. DUSA provides access to Levulan® (aminolevulinic acid HCI) photodynamic therapy for the treatment of non-hyperkeratotic actinic keratoses or AKs of the face or scalp. Additionally, DUSA's BLU-U® treatment has been approved by USFDA for the treatment of moderate inflammatory acne vulgaris and general dermatological conditions. This acquisition denotes Sun Pharma's first major initiative in establishing its presence in the US specialty pharma market.

Caraco - USFDA clearance: The USFDA gave clearance to Caraco (a wholly-owned subsidiary of Sun Pharma) for manufacturing three products, post inspection and confirmed that its facility is now in compliance with USFDA cGMP requirements.

Successful acquisition of URL: Caraco entered into a definitive agreement with Takeda pharmaceuticals Inc to buy URL Pharma's non-colcrys business. URL was formerly a privately-held Philadelphia-based pharmaceutical company which was acquired by Takeda America Holdings, Inc. (TAH) in June, 2012. This acquisition expands Sun Pharma's product basket in the US generics market.

Approvals: Received a total of 20 ANDA approvals from the US FDA during the year, including that for Doxorubicin Liposomal Injection.

Prandin judgment: The US courts ruled in favor of Caraco Pharmaceuticals Laboratories in its patent litigation against Novo Nordisk over Caraco's generic version of Prandin®, Repaglinide Tablets. The final US FDA approval for this product was received in Jun-2013. Being the First-to-File Para-IV filer, Sun Pharma is entitled to 180 days of marketing exclusivity for this product in the US market.

Merger termination: Sun Pharma and Taro mutually agreed to terminate their merger agreement in the best interest of respective companies and shareholders.

Strengthened top management: Mr. Israel Makov was appointed as the Chairman of the Company. Mr. Makov is the former President and CEO of Teva Pharmaceutical Industries Ltd (2002-2007). He is among Israel's most respected corporate leaders, and is widely credited with Teva's emergence as a global enterprise and a world leader in generic pharmaceuticals.



Financial scoreboard

(Figures in ₹ million)

Particulars	For year ended 31st March, 2013	For year ended 31st March, 2012	Growth (%)
N . 6 .	442.200	00.055	
Net Sales	112,389	80,057	40
EBITDA	49,063	32,507	51
PBT before Exceptional Item	49,428	33,554	47
Exceptional Item*	5,836	-	-
PBT after Exceptional Item	43,149	33,554	29
Net profit after Minority Interest	30,081	26,567	13
EPS (₹)	28.8	25.7	13

^{*} Pertains to provision related to generic Protonix litigation in US

MAJOR BUSINESS SEGMENTS

- US Generics
- Indian Branded Generics
- International Branded Generics (Rest of the world, except the US and India)
- Active Pharmaceutical Ingredients (API)

Revenue Break-up

(%)

Particulars	For year ended 31st March, 2013	For year ended 31st March, 2012
US Generics	54	43
Indian Branded Generics	26	36
International Branded Generics (Rest of the world, except the US)	13	14
Active Pharmaceutical Ingredients (API) & Others	7	7

Revenues across business segments

(₹ in million)

Particulars		For year ended 31st March, 2013
US Generics		61,537
Indian Branded Generics		29,657
International Branded Generics (Rest of the world, except the US)		15,271
Active Pharmaceutical Ingredients (API) & Others	\prod	7,622

BUSINESS SEGMENTAL REVIEW

US GENERICS



54%

Revenue contribution from US geography

As of 31-March-2013

449
Cumulative
ANDAs filed

311

Cumulative ANDAs approved 34%

5 year revenue CAGR

DIVISIONAL HIGHLIGHTS

Financial

Revenues increased from ₹ 34,716 million in FY12 to ₹ 61,537 million in FY13, a growth of 77%. This growth was driven by favorable pricing for some products, part contribution from the DUSA and URL acquisitions and a favorable currency.

Revenue contribution from this geography increased to 54% in FY13 compared to 43% for FY12.

Operational

As on 31st Mar-13, ANDAs for 138 products await approval, including 17 tentative approvals.

Of the total 138 ANDAs awaiting approval; Sun Pharma has applied for 93 products (including nine tentative approvals), Caraco has applied for 24 products (including 5 tentative approvals) and Taro has applied for 21 products (including 3 tentative approvals).

The URL acquisition adds ANDAs corresponding to 107 products to the Company's US generics portfolio.

Taro

Taro's performance has been quite strong in FY13. Taro's topline grew by 24% to US\$ 671 million, while the net profit surged by 30% to US\$ 266 million. Most of the increase is catalyzed by better pricing environment, while volumes declined marginally. Taro enjoyed the benefits from favorable sale prices throughout the year.

Caraco

In Aug-2012, Caraco's manufacturing facility and packaging sites in Detriot and Wixom, Michigan (USA) were cleared by the US FDA and allowed to resume manufacturing. With this,

Caraco's facility becomes compliant with US FDA cGMP norms. While the US FDA cleared the manufacturing of two products also, resumption of manufacturing of other products will have to undergo rigorous approval procedure. As a result, the increase in production at these sites and resultant revenue contribution is expected to be gradual.

Acquisition of DUSA Pharmaceuticals

The acquisition of DUSA marks Sun Pharma's entry into the specialty dermatology segment through a differentiated product. Sun Pharma (through Caraco) has acquired DUSA in an all cash deal, valued at US\$ 230 million.

DUSA is a fully integrated specialty pharma company focusing primarily on the development and marketing of its Levulan®photodynamic therapy (PDT) technology platform. It has a patent protected drug device treatment for curing skin lesions. The US alone has over 5 million treatments annually with DUSA having 5% share of it. A drug device combination is difficult to copy for a generic company.

Acquisition of URL Pharma

Sun Pharma (through Caraco) acquired the generic business of URL Pharma from Takeda Pharmaceuticals USA. URL has a generic product basket of 107 US FDA approved products. The acquisition will lead to addition of large portfolio of products, two US FDA compliant manufacturing facilities and three delivery system technologies to Sun Pharma's US presence.

Generic Doxil®

The approval for the generic version of Doxil® (Doxorubicin Liposomal Injection, an anti-cancer product) by the USFDA in February 2013 was a milestone in Sun Pharma's journey towards developing differentiated and complex products. The targeted delivery of the product to the tumour cells is achieved



through a complex structuring of the product, viz. across different layers, making the product synthesis very challenging. The successful approval and commercialization of this product is a culmination of painstaking effort, spanning several years and scaling up the right technology for achieving the above objective.

In Feb-2012, Sun Pharma was allowed by the US FDA to supply an unapproved version of the product in the US market to meet the acute shortage of the product. Post the ANDA approval for generic Doxil® in Feb-2013, Sun Pharma has commenced the supply of the approved product to the US market.

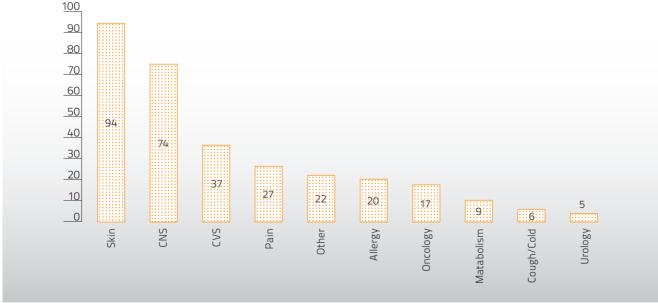
Generic Protonix®

In Jun-2013, Sun Pharma together with its subsidiaries (Sun Pharma), have settled the ongoing litigation pending in the US District Court, District of New Jersey regarding Sun Pharma subsidiary's generic pantoprazole. Under the terms of the litigation settlement between Sun Pharma, and Wyeth, (now a division of Pfizer Inc.) and Altana Pharma AG, (now known as Takeda GmbH) the parties have dismissed all their claims. Sun Pharma will pay a lump-sum US\$ 550 million as a part of this settlement.

Pillars of growth

- Wide product basket, including a prudent mix of normal generics, Para-IV filings and limited competition products.
- Over the years, Sun Pharma has launched technically complex and differentiated products at regular intervals, such as Sumatripan auto injector, Diltiazem CD, Azelastine nasal spray. The recently launched generic Doxil® is also a step in this direction.
- Sun Pharma, along with its subsidiaries, currently has 12
 US FDA, approved formulation facilities 6 in the US, 3 in
 India and one facility each in Canada, Israel and Hungary.
 This is one of the largest US FDA approved manufacturing infrastructure amongst Indian companies.
- The Company's patents together with those of Taro have reached 814 filings and 457 granted patents.

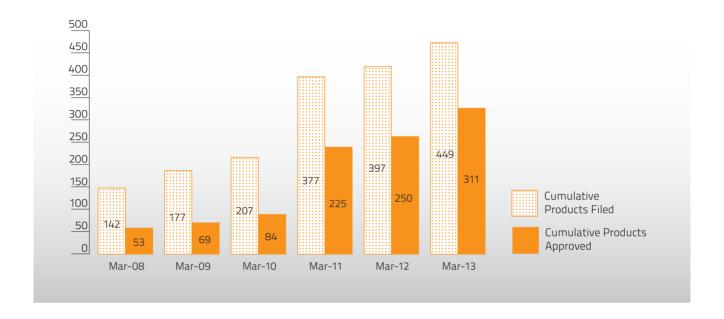
US - Therapy-wise ANDA approvals



As at 31-March-2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

US - ANDA Pipeline



Road ahead

- Future focus will be on building a differentiated specialty product basket
- DUSA and URL acquisitions will strengthen the Company's US presence, an important market. The Company will focus on growing these acquired businesses and enhancing its profitability
- Focus on complex generics, including injectables and differentiated dosage forms
- Significant portion of this pipeline will be backward integrated through in-house API capabilities
- Capability for manufacturing across dosage forms, viz. tablets, capsules, liquids, injectables, ointments, nasal sprays and aerosols – should enable the Company to tap multiple opportunities





INDIAN BRANDED GENERICS

26%

Revenue contribution from Indian geography

TOP 3

In over 50% of more than 500 brands

3rd

Largest domestic drug maker by market share

15%

Last five year revenue CAGR

DIVISIONAL HIGHLIGHTS

Financial

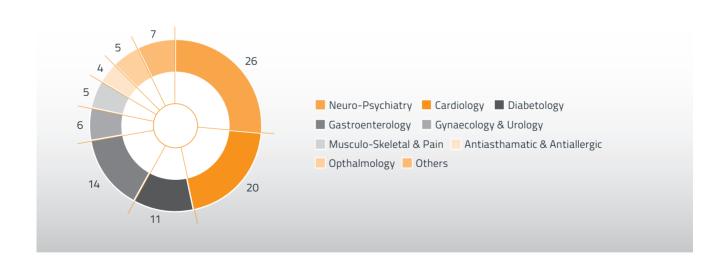
- Revenues increased from ₹ 29,154 million in FY12 to ₹ 29,657 million in FY13
- Revenue contribution decreased to 26% in FY13 from 36% in FY12 due to significant growth in the US business, partly driven by acquisitions
- Market share on moving annual total (MAT) basis increased from 4.6% for Mar-12 to 4.8% in Mar-13 according to AIOCD AWACS

Operational

- The Company currently has over 4,000-member sales force team, including managers, covering 140,000 specialist doctors
- Launched 25 products in FY13 including several technology-based products
- Enjoys strong positioning in chronic segments like CNS, CVS and diabetology, together accounting for more than 50% of Sun Pharma's India formulation revenues.
- For FY13, the top 10 brands contributed about 20% to domestic formulation sales

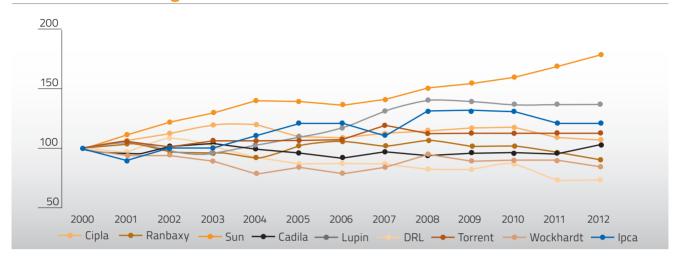
India Formulations - Therapeutic Break-up [15]

(%)



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Sun Pharma - Strong Increase in India Market Share [10]



SPIN-OFF OF DOMESTIC FORMULATIONS

The Company had proposed spinning off its domestic formulations business to a wholly-owned subsidiary with effect from 31-Mar-2012. This move was initiated to enhance business focus and facilitate faster response to competitive market conditions. Post the closure of the financial year FY13, the Company has received the requisite regulatory approvals for this scheme.

Pillars of growth

- Ranked number one, based on the share of prescriptions by seven classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopaedics, nephrologists and gastroenterologists.
- Market leader in chronic segments. These segments are expected to grow faster than the acute segments given the changing life-style of the Indian population.
- Extensive chronic area coverage from older molecules to the latest molecules for relevant therapeutic segments

Top 10 brands contribute about 20% of the sales in India

Brands	Therapies
Pantocid	Proton pump inhibitor/ antiulcerant
Aztor	CVS, cholesterol reducing
Gemer	Agent
Glucored Group	Oral antidiabetic
Pantocid-D	Oral antidiabetic
Susten	Proton pump inhibitor/ antiulcerant
Levipil	Women's healthcare
Clopilet	CNS
Oxetol	CVS, anti clotting agent
Rozavel	CNS

Sun Pharma – Prescription Rankings [16]

Therapeutic segments	Ranking
Psychiatrists	1
Neurologists	1
Cardiologists	1
Orthopedic	1
Ophthalmologists	1
Gastroenterologists	1
Nephrologists	1
Diabetologists	3
Oncologists	6
Chest Physicians	5
Consultant Physicians	7
Gynaecologists	7
Urologists	10
ENT Specialists	19

Road ahead

Sun Pharma is sharpening its focus on building brands and strengthening customer relationships. It continues to strengthen its product portfolio and increase more inlicensing products. Going ahead, the Company will continue to concentrate on the chronic segments, which offer stable returns and ensure competitive long-term stability.



INTERNATIONAL GENERICS (EX-US)

45

Countries market presence

900

Products in pipeline

+008

Sales representatives

47%

5 year revenue CAGR

DIVISIONAL HIGHLIGHTS

Financial

- Revenues increased from ₹ 11,124 million in FY12 to ₹ 15,271 million in FY13, recording a growth of 37%.
- Overall revenue contribution from these geographies declined marginally to 13% in FY13 due to strong growth in US revenues.

Operations

- In addition to US, Sun Pharma supplies its products to 45 international markets, including emerging markets and Western Europe.
- Some of the focus markets for future include emerging markets like, Latin America, Russia & CIS, China, South Africa, etc
- The Company plans to replicate its specialty product basket in these markets, including technology-based products.

Advancing with partnership

In April 2011, Sun Pharma and Merck had established a joint venture for emerging markets excluding India. This JV shall identify new combinations and formulations of incrementally innovative branded generics products to be developed and marketed in emerging markets.

The JV will facilitate to utilize partners infrastructure for development, manufacturing, regulatory and commercialization. The joint venture will provide prospect to use SPARC Proprietary Delivery Technologies. The joint venture progress is on schedule with on-going product evaluation and development.

Pillars of growth

The Company's product portfolio spans over 45 countries.
 It plans to replicate its specialty pipeline, including technologically complex products in some of these markets to tap the potential of these markets.

- Major markets include primary pharmerging markets, such as Mexico, Brazil, Russia & CIS, China, and South Africa.
- The markets are penetrated by products manufactured at the Company's approved plants in India; Sun Pharma has also set up manufacturing facilities in Brazil, Mexico and Bangladesh to comply with local regulatory requirements.

Road Ahead

The focus ahead will be enhancing our presence in key emerging markets led by chronic therapies like metabolic syndrome, diabetes, neurology and cardiology. In addition, the Company is focusing on expanding its presence to new geographies.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

API



DMF/ CEP files

8

World class facilities, accredited by ISO 14001 and ISO 9002

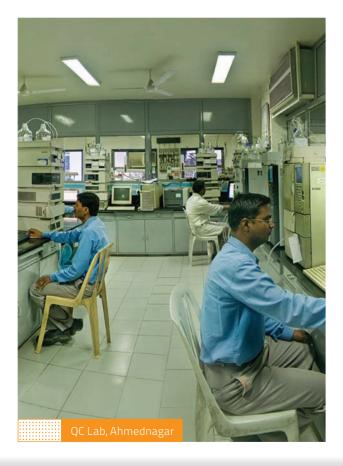
17%

5 year revenue CAGR

DIVISIONAL HIGHLIGHTS

Financial

- Revenues increased from ₹ 6,147 million in FY12 to ₹ 7,549 million in FY13, a growth of 23%
- Revenue contribution from the division remained stable at 7% for FY13.
- Our API business continues to be largely used for vertical integration on key products. External sales of API, account for a fraction of the total API production.



Operational

- Filed 239 DMF/ CEPs
- 168 DMF approved
- Currently have a total of 8 API facilities, of which 6 are US FDA approved.
- Our India-based manufacturing facilities have dedicated units for peptides, anti-cancer, steroids and sex hormones. Our API facility in Hungary has the capability to manufacture controlled substances.

Pillars of growth

- The Company markets products across more than 56 countries; products are sold to large generic companies or innovator companies
- Manufactures over 170 APIs; most of these are used inhouse to manufacture formulations, thus imparting a high degree of business competitiveness.
- Most facilities have in-place approvals from USFDA/ Europe/Australia
- Scaling up over 25 API processes annually

Road Ahead

- Focus on ensuring long-term competitiveness of the formulations business through strong backward integration
- Establish long-term contracts with customers in regulated markets for sustainable revenue growth and margins



RESEARCH & DEVELOPMENT DRIVE

Sun Pharma's R&D efforts are directed towards creating a product pipeline to enable sustainable and profitable growth. This is achieved by consistent focus on developing differentiated specialty products across multiple dosage forms. The Company's R&D expertise provides crucial support to strategies for manufacturing new products.

Most of the product and process development is undertaken at the Company's R&D centres at Vadodara and Mumbai. In addition, Taro has R&D centres in Israel and Canada for the development of generics, mainly dermatologicals, and for API development. The Company has a strong 900-member team of scientists across locations.

Sun Pharma's formulation development team has the technological acumen to handle differentiated products, such as liposomal products, inhalers, lyophilised injections, nasal sprays, besides developing several kinds of controlled release dosage forms.

At the Vadodara R&D centre, the Company develops complex APIs and dosage forms for India, the US, Europe and ROW markets. The Mumbai R&D centre develops differentiated dosage forms and generics for developed markets like the US and Europe. Taro's R&D group at Brampton works on formulation development, and the group at Haifa Bay (Israel centre) works on API and product development.

Research and Development Investment

(₹ in million)

Particulars	FY09	FY10	FY11	FY12	FY13
Expenditure on R&D	3,320	2,242	3,313	4,449	7,042
R&D Expenditure as % of Revenue	8	6	6	6	6

449

Cumulative ANDAs filed

311

Cumulative ANDAs Approved 239

DMF / CEP cumulative applications filed

168

DMF / CEP cumulative applications approved

814

Total patent applications Submitted

457

Total patents granted

22

ANDAs filed in FY13

20

ANDAs approved in FY13

16

DMFs filed in FY13

14

DMFs approved in FY13

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBALLY INTEGRATED MANUFACTURING INFRASTRUCTURE

Sun Pharma has a global manufacturing infrastructure spanning across continents. We currently have 25 manufacturing units including 17 formulation units and 8 API units spread across US, India and other geographies.

This manufacturing infrastructure enables us to manufacture high quality products at optimal costs and gives us the flexibility of a quick market entry across the geographies.

Sun Pharma - Global Manufacturing Infrastructure



Map not to scale



OUALITY PROTOCOL

In the pharmaceutical business, ensuring highest quality standards is an imperative. Sun Pharma's operations are driven by best-in-class technology and processes, abiding by all major stringent regulatory approvals. The Company's global Quality Management Team ensures that every product manufactured and distributed complies with internationally accepted standards of quality, purity, efficacy and safety.

The Company has put in place systems and procedures to ensure that each product batch conforms to highest quality standards. To maintain quality standards, each plant has well defined procedures and systems in compliance with cGMP requirements. This focus ensures that the Company's operating procedures continue to meet demanding regulatory standards, comprising USFDA, EMEA, MHRA and TGA, among others.

Quality systems are well defined and validated to ensure consistency in deliveries. Quality units across plants are independent from manufacturing and other support functions, such as warehousing and engineering support. Each site has a team of well trained quality personnel, comprising dedicated people on quality assurance, quality engineering, quality control and regulatory affairs departments, ensuring strict adherence to quality systems and procedures. The site quality teams at manufacturing locations are guided by a Corporate Quality Unit (CQU). CQU ensures that latest updates in GMP are being translated into Guidelines, SOPs and Protocols. The team also ensures that these guidelines, SOPs and protocols are implemented to deliver quality products consistently.

In addition, an independent Corporate Compliance department audits all the sites to ensure continual compliance/improvement of systems in line with regulatory requirements for advanced quality and safety.

HUMAN CAPITAL

Human resources continue to be one of the critical assets of the organization. Attracting relevant talent remains the Company's key focus. It pays special attention to training, welfare and safety of its people, strengthening human capabilities. The total employee strength as of March 31, 2013 stood at over 14,000.

Growth across markets will need the right talent. The Company has initiated a 'Speed Programme' in partnership with the SP Jain Institute of Management and Research. This is an education development programme, where managers from various departments are selected for an intensive Executive MBA course.

INTERNAL CONTROLS

Sun Pharma's defined organizational structure, documented policy guidelines and adequate internal controls ensure efficiency of operations, compliance with internal policies, applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions.

The Company continuously upgrades these systems in line with best available practices. The internal control system is supplemented by extensive internal audits, conducted by independent firms of Chartered Accountants to cover various operations on a continuous basis.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

DISCLAIMER

Statements in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, and competitors' pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labor unrest or other difficulties. The Company assumes no responsibility to publicly update, amend, modify or revise any forward looking statements, on the basis of any subsequent development, new information or future events or otherwise except as required by applicable law. Unless the context otherwise requires, all references in this document to "we", "us" or "our" refers to Sun Pharmaceutical Industries Limited and consolidated subsidiaries.

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[13]	NCAER
[14]	IRDA
[15]	AIOCD AWACS – MAT March-2013
[16]	SMSRC prescription audit, Feb-2013
®	Registered trademark of respective companies











STATUTORY REPORTS

34-48

Directors' Report 34

Corporate Governance 38

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Twenty-First Annual Report and Audited Accounts for the year ended March 31, 2013

FINANCIAL RESULTS

(₹in million except dividend per share and book value)

Particulars	Year ended March 31, 2013*	Year ended March 31, 2012
Total Income	26,683	43,584
Profit after tax	5,166	16,975
Dividend on Equity Shares	5,178	4,401
Corporate Dividend tax	880	714
Transfer to various Reserves	520	2,000
Amount of dividend per equity share of ₹1/- each	2.50	4.25
Book value per equity share of ₹1/- each	75	76

^{*}Previous year figures are not comparable since they include the figures with respect to the Domestic Formulation undertaking which got transferred to and /or vested in Sun Pharma Laboratories Limited, the Company's wholly onwed subsidiary company as a going concern as on March 31, 2012.

DIVIDEND

Your Directors have recommended an equity dividend of ₹2.50 per equity share of face value ₹1/- each (equivalent to ₹5.00 per equity share pre-bonus) (previous year ₹4.25 per equity share) for the year ended March 31, 2013.

BONUS SHARES

The Company on August 3, 2013 allotted 1,035,581,955 Equity Shares of ₹1/- each as Bonus Shares to the Equity Shareholders of the Company in the ratio of 1 (One) Equity Share of ₹1/- each for every 1(One) Equity Share of ₹1/- each held on the Record Date, July 30, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis on the operations of the Company is provided in a separate section and forms part of this report.

HUMAN RESOURCES

Your Company considers its employees as most valuable resource and ensures strategic alignment of Human Resource practices to business priorities and objectives. The Company has a dedicated team of over 13000 employees at various

locations across our corporate office, various R&D Centers & 23 plant locations (including associate companies) spread across three continents. The Company strives to inculcate the culture where its employees are motivated and their performance is aligned with values. Your Company has achieved this present level of excellence through the commitment and dedication exhibited by its employees. The focus on improving productivity and adoption of best practices in every area are being pursued relentlessly. Efforts for active participation, nurturing creativity and innovation and ensuring a climate of synergy and enthusiasm has been at the core of Human Resource initiatives and interventions. Management Development Programmes (MDPs) are organised at regular intervals in the form of workshops to nurture, enhance and retain the top talent.

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, is available at the registered office of your Company. However, as per the provisions of Section 219(1) (b) (iv) of the said Act, the Report and Accounts are being sent to all shareholders of the Company and others entitled thereto excluding the aforesaid information. Any shareholder interested in obtaining a copy of this statement may write to the Company Secretary/Compliance Officer at the Corporate Office or Registered Office address of the Company.



INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

The additional information relating to energy conservation, technology absorption, foreign exchange earnings and outgo, pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure and forms part of this Report.

CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate of the auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges, are annexed.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of the Company for the year ended March 31, 2013, in line with Green initiative, is made available on the website of the Company www.sunpharma.com and forms part of the Annual Report, and is kept at the Registered Office of the Company for inspection. A copy of the aforesaid report shall be made available to such of those shareholders who are desirous and interested, upon receipt of a written request from them.

CONSOLIDATED ACCOUNTS

In accordance with the requirements of Accounting Standard AS-21 prescribed by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiaries is annexed to this Report.

SUBSIDIARIES

The Ministry of Corporate Affairs, Government of India, New Delhi has issued direction under Section 212(8) of the Companies Act, 1956 vide general circular No.2/2011 dated February 8, 2011 and in accordance with the same, the Balance Sheet, the Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The information relating to each subsidiary including subsidiaries of subsidiaries, as required by the aforesaid circular, is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company and its subsidiaries who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor at the Registered Office & Corporate / Head Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies also.

FINANCE

CRISIL continued to reaffirm its highest rating of "AAA/ Stable" and "A1+", for your Company's Banking Facilities throughout the year enabling your Company to avail facilities from banks at attractive rates. The Company does not offer any Fixed Deposit Scheme.

CORPORATE SOCIAL RESPONSIBILITY

Your company has identified health, education, disaster relief and civic utilities as the areas where assistance is provided on a need-based and case-to-case basis. Your company persisted with participation in such activities at the local, grassroots level during the year. In the past, support has been offered towards disaster relief as well as participation in the facilitation of civic utilities around the plants/research centers. Your Company remains interested in these contributions.

DIRECTORS

Shri, Dilip S. Shanghvi, Shri Sailesh T. Desai and Shri Hasmukh S. Shah retire by rotation and being eligible offer themselves for re-appointment. The terms of appointment of Shri Sudhir V. Valia and Shri Sailesh T. Desai as Whole-time Director will expire on March 31, 2014. Both of these Directors have made significant contribution to overall growth of the Company's business. Your Directors recommend the re-appointment of both Directors for a further period of five years from April 1, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected appropriate accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and on the profit of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and,
- (iv) that the Directors have prepared the annual accounts for the financial year ended March 31, 2013 on a 'going concern' basis.

DIRECTORS' REPORT

AUDITORS

Your Company's auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, retire at the conclusion of the forthcoming Annual General Meeting. Your Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the provisions of Section 224(1-B) of the Companies Act, 1956.

COST AUDITORS

The Company has appointed Messrs.Kailash Sankhlecha & Associates, Cost Accountants, Vadodara as Cost Auditors of our Company for conducting Cost Audit in respect of Bulk Drugs & Formulations of your Company for the year ended March 31, 2013.

ACKNOWLEDGEMENTS

Your Directors wish to thank all stakeholders and business partners, your Company's bankers, financial institutions, medical profession and business associates for their continued support and valuable co-operation. The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

For and on behalf of the Board of Directors

Israel Makov Chairman

August 9, 2013 Mumbai

ANNEXURE (1) TO DIRECTORS' REPORT

CONSERVATION OF ENERGY

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit (in '000 KWH)	54,412	38,915
Total Amount (₹ in Millions)	383	251
Rate (₹ /Unit)	7.0	6.5
(b) Own Generation through		
Diesel Generator		
Units (in '000 KWH)	2,881	3,882
Units per Litre of Diesel Oil	3.1	2.9
Cost (₹/Unit)	15.0	14.8
(c) Own Generation through Gas		
Units (in '000 KWH)	40,801	44,772
Units per M3 of Gas	3.7	3.7
Cost (₹/Unit)	8.7	6.4
2. Furnace Oil		
Quantity (in '000 Litres)	747	568

	Year ended 31st March, 2013	Year ended 31st March, 2012
Total Amount (₹in Millions)	32.4	22.8
Average Rate	43.4	40.2
3 Gas (for Steam)		
Gas Units (in '000 M3)	8,513	6,874
Total Amount (₹in Millions)	195.9	120.6
Average Rate (₹/Unit)	23.0	17.5
4 Wood / Briquitte		
Quantity (in '000 Kgs)	30,196	19,146
Total Amount (₹in Millions)	145.6	92.1
Average Rate (₹/Unit)	4.8	4.8

B. Consumption per unit of production

It is not feasible to maintain product category-wise energy consumption data, since we manufacture a large range of formulations and bulk drugs having different energy requirements.

C. Energy conservation measures

- Replacement of incandescent lamps with more efficient CFL and LED lamps
- 2 Installation of temperature controller on cooling tower fan
- 3 Alteration of electricity usage pattern Using more power in night time to take advantage of low tariffs
- 4 Improve power factor close to Unity by replacement and addition of capacitor bank
- 5 Improving condensate recovery to increase boiler efficiencies
- 6 Open access trading for electricity to avail cheap electricity through open market

TECHNOLOGY ABSORPTION

A. Research and Development

 Specific areas in which R&D is carried out by the Company

We continue to make fairly large investments for generic-related pharmaceutical research and technology. This research supports our generic business across all the markets we're present in, and ensures we have a healthy pipeline for future growth. At our four modern R&D centres, expert scientist teams are engaged in complex developmental research projects in process chemistry and dosage forms, including complex generics based on drug delivery systems. This work across formulations and API supports the short, medium and long term business needs of the company, in India and world markets

Projects in formulation development and process chemistry help us introduce a large number of new



and novel products to the Indian and rest of the world markets including products with complexity or a technology edge. Expertise in medicinal/ process chemistry equips us to be integrated right up to the API stage, for important products, or products where the API is difficult to source. Strong new product capability is an important part of our strategy, and R&D expertise helps us maintain our leadership position in the Indian and ROW market with specialty formulations.

The team also works on products that are based on complex drug delivery systems. Complex API like steroids, sex hormones, peptides, carbohydrates and taxanes which require special skills and technology, are developed and scaled up for both API and dosage forms. This complete integration for some products works to the company's advantage. These projects may offer higher value addition and revenues.

2. Benefits derived as a result of the above R&D

In 2012-13, 25 formulations were introduced across marketing divisions in India. All of these were based on technology developed in-house. Technology for 25 APIs was commercialised. For some of the important APIs that we already manufacture, processes were streamlined or altered so as to have more energy efficient or cost effective or environment friendly processes. Some of the new processes were developed to be non-infringing, so as to support our plans for ANDA filings for the US. A large part of our external API sales is to the regulated markets of US / Europe, and earns valuable foreign exchange, as also a reputation for quality and dependability. The company's formulation brands are exported to over 45 international markets where a local field force promotes the same. In addition, Taro's formulation development capability supports the filing and scale up of ANDAs for the US and other markets where it is present.

The Department of Scientific and Industrial Research, Ministry of Science and Technology of Government of India has granted approval to the in house research and development facility of your Company under the provision of the Income Tax Act, 1961.

3. Future plan of action

We will continue to invest in people, capability development, equipments and infrastructure to compete effectively across world markets. Taro is likely to invest more in R&D as it ramps up its product pipeline.

			_		_	
4.	Expenditure on R&D			Year ended		Year ended
	·			31st March,		31st March,
				2013		2012
				₹ in Million		₹ in Million
	a)	Capital		377.2		352.1
	ь)	Revenue		2,725.0		1,831.9
	c)	Total		3,102.2		2,184.0
	d)	Total R&D		13.8%		9.1%
		expenditure as %				
		of Total Turnover				

B. Technology Absorption, Adaptation and Innovation

 Efforts in brief, made towards technology absorption, adaptation and innovation

Year afer year, your company continues to invest on R&D, both as revenue expenses as well as capex. A large part of the spend is for complex products, ANDA filings for the US, and API technologies that are complex and may require dedicated manufacturing sites. Investments have been made in creating research sites, employing scientifically skilled and experienced manpower, adding equipment and upgrading continuously the exposure and research understanding of the scientific team in the technologies and therapy areas of our interest.

- Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution
 - (a) Market leader for several complex products. Offers complete baskets of products under speciality therapeutic classes. Strong pipeline of products for future introduction in India, emerging markets, as well as US and European generic market. Ability to challenge patents in the US market, and earn exclusivity.
 - (b) Not dependent on imported technology, can make high cost products available at competitive prices by using indigenously developed manufacturing processes and formulation technologies.
 - (c) Offer products which are convenient and safe for administration to patients, products with a technology advantage.
 - (d) We are among the few selected companies that have set up completely integrated manufacturing capability for the production of anticancer, hormones, peptide, cephalosporins and steroidal drugs.
 - (e) The Company has benefited from reduction in cost due to import substitution and increased revenue through higher exports.
- Your company has not imported technology during the last 5 years reckoned from the beginning of the financial year.

C. Foreign Exchange Earnings and Outgo

		Year ended	Year ended
		31st March, 2013	31st March, 2012
		₹ in Million	₹ in Million
1.	Earnings	19,615.2	14,645.9
2.	Outgo	7,876.6	6,368.6

CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreements with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause and lists the practices followed by the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Sun Pharmaceutical Industries Limited's philosophy on corporate governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

Sun Pharmaceutical Industries Limited is committed to learn and adopt the best practices of corporate governance.

2. BOARD OF DIRECTORS

The present strength of the Board of Directors of your Company is eight Directors.

Composition and category of Directors is as follows:

Category	Name of the Directors	Inter-se Relationship between Directors
Non – Executive and Non – Independent Director	Mr.Israel Makov # (Chairman)	-
Promoter Executive Director	Mr. Dilip S. Shanghvi (Managing Director*)	Brother-in-law of Mr. Sudhir V. Valia
Non-Promoter Executive Directors	Mr. Sudhir V. Valia (Whole-time Director)	Brother-in-law of Mr. Dilip S. Shanghvi
	Mr. Sailesh T. Desai (Whole-time Director)	-
Non -Executive Independent	Mr. S. Mohanchand Dadha	-
Directors	Mr. Hasmukh S. Shah	-
	Mr. Keki M. Mistry	-
	Mr. Ashwin S. Dani	-

[#] Appointed as Director and Chairman with effect from May 29, 2012.

Number of Board Meetings held during the year ended March 31, 2013 and the dates on which held: 4 Board meetings were held during the year, as against the minimum requirement of 4 Meetings.

The dates on which the meetings were held during the year ended March 31, 2013 are as follows: May 29, 2012, August 10, 2012, November 8, 2012 and February 8, 2013.

Attendance of each Director at the Board meetings, last Annual General Meeting (AGM), and number of other Directorships and Chairmanships/Memberships of Committee of each Director, is given below:

Name of the Director	Particula year	Particulars for the and Co		of other Directorships mmittee Memberships / hairmanships as of March 31, 2013		
	Board Meetings	Last AGM held on November 8, 2012	Other Director- ships	Committee Member- ships**	Committee Chairman- ships**	
Mr. Israel Makov	3	Yes				
Mr. Dilip S. Shanghvi	3	Yes	2			
Mr. Sudhir V. Valia	4	Yes	6		1	
Mr. Sailesh T. Desai	4	Yes	2			
Mr. S. Mohanchand Dadha	4	Yes	2		1	
Mr.Hasmukh S. Shah	4	Yes	4		1	
Mr.Keki M. Mistry	4	Yes	13	6	3	
Mr.Ashwin S. Dani	3	Yes	6	1	2	

^{*} was also the Chairman of the Company till May 29, 2012.



- * The above list of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private,Limited, Foreign and Section 25 Companies.
- ** The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Shareholders'/ Investors' Grievance Committee only.

3. CODE OF CONDUCT

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. During the year under review, the Code was made applicable to all the employees of the Company. All the Directors and senior management of the Company have affirmed compliance with the code of conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Managing Director has been annexed to the Corporate Governance Report. The code of conduct has been posted on the website of the Company www.sunpharma.com.

4. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of four independent non-executive Directors viz. Mr. Keki M. Mistry, Mr. S. Mohanchand Dadha, Mr. Hasmukh S. Shah and Mr.Ashwin S. Dani . Mr. Keki M. Mistry is the Chairman of the Committee. The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Audit Committee.

The Audit Committee was reconstituted by the Board at its Meeting held on November 8, 2012 wherein Mr. Ashwin S. Dani has been appointed as a Member of the Audit Committee.

The terms of reference of the Audit Committee interalia include overseeing the Company's financial reporting process, reviewing the quarterly/ half-yearly/ annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, management letters issued by the statutory auditor, recommending the appointment/ re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/ related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations and also statutory compliance issues. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

Executives from the Finance Department, Representatives of the Statutory Auditors and Internal Auditors are also invited to attend the Audit Committee Meetings.

The Committee has discussed with the external auditors their audit methodology, audit planning and significant observations/ suggestions made by them.

In addition, the Committee has discharged such other role/function as envisaged under Clause 49 of the Listing Agreement of the Stock Exchange and the provisions of Section 292A of the Companies Act, 1956.

Four Audit Committee Meetings were held during the year ended March 31, 2013. The dates on which Meetings were held are as follows: May 29, 2012, August 10, 2012, November 8, 2012 and February 8, 2013. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member of the Committee	No. of Audit Committee Meetings attended
Mr. Keki M. Mistry	Chairman	4
Mr. S. Mohanchand Dadha	Member	4
Mr. Hasmukh S. Shah	Member	4
Mr. Ashwin S. Dani*	Member	-

 After his appointment to Audit Committee, only one meeting of Audit Committee was held during the year under reference.

5. REMUNERATION OF DIRECTORS

The Company has not formed any Remuneration Committee of Directors. The Whole - time Directors' remuneration is approved by the Board within the overall limit fixed by the shareholders at their meetings. The payment of remuneration by way of commission to the Non- Executive Directors of the Company is within the total overall maximum limit of quarter percent of net profits as worked under the provisions of sections 349 & 350 of the Companies Act, 1956 as approved by the Shareholders of the Company. This will be in addition to the sitting fees of ₹5,000/- payable to the Non Executive Directors for attending each meeting of the Board and/or of Committee thereof. The actual commission payable to the Non- Executive Directors of our Company severally and collectively as below mentioned has been decided by the Board of Directors of the Company at their Meeting held on February 13, 2012 which is within the overall limit fixed as above by the Members of the Company.

CORPORATE GOVERNANCE

The details of the remuneration paid/payable to the Directors during the year 2012 - 2013 are given below:

(Amount in ₹)

Directors	Salary *	Bonus	Perquisites** / Benefits	Commission	Sitting Fees	Total
Mr. Israel Makov	-	-	-	-	14,793.07	14,793.07
Mr. Dilip S. Shanghvi	1,67,28,000	33,45,600	23,08,041	-	-	2,23,81,641
Mr. Sudhir V. Valia	1,67,28,000	33,45,600	22,19,537	-	-	2,22,93,137
Mr. Sailesh T. Desai	64,44,000	12.88.800	8,30,591	-	-	85,63,391
Mr. S.Mohan chand Dadha	-	-	-	12.50,000	60,000	13,10,000
Mr. Hasmukh S. Shah	-	-	-	12,50,000	60,000	13,10,000
Mr. Keki M. Mistry	-	-	-	12,50,000	40,000	12,90,000
Mr. Ashwin S. Dani	-	-	-	12,50,000	15,000	12,65,000

^{*} Salary includes Special Allowance.

Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Directors.

Besides this, all the Whole - time Directors are also entitled to encashment of leave and Gratuity at the end of tenure, as per the rules of the Company.

Notes: -

- a) The Agreement with Mr.Dilip Shanghvi, Mr.Sudhir V. Valia and Mr.Sailesh T.Desai, the Executive Directors are for a period of 5 years. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days notice in writing.
- The Company presently does not have a scheme for grant of stock options either to the Executive Directors or employees.
- There is no separate provision for payment of severance fees to Whole-time Director(s).
- d) The details of Equity Shares held by Non-Executive Directors as on March 31, 2013.

Director	No. of Shares held (including shares held jointly)	
Mr.Israel Makov	Nil	
Mr.S.Mohanchand Dadha	37,140	
Mr.Hasmukh S. Shah	6,000	
Mr.Keki M. Mistry	25,000	
Mr.Ashwin S. Dani	Nil	

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board of the Company had constituted a Shareholders'/Investors' Grievance Committee, comprising of Mr. S. Mohanchand Dadha, Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia with Mr. Hasmukh S. Shah as the Chairman. The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities. The Committee looks into shareholders' complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividends, etc. The Committee oversees the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services. The Board of Directors has delegated the power of approving transfer of securities to M/s. Link Intime India Pvt. Ltd, and/or the Company Secretary of the Company.

The Board has designated severally, Mr. Sunil R. Ajmera, Company Secretary and Mr. Ashok I. Bhuta, D.G.M (Legal & Secretarial) as Compliance Officers.

Four Meetings of the Shareholders'/Investors' Grievance Committee were held during the year ended March 31, 2013. The dates on which Meetings were held are as follows: May 29, 2012, August 10, 2012, November 8, 2012 and February 8, 2013. The attendance of each Member of the Committee is given below:

^{**} Perquisites include House Rent Allowance, Leave Travel



Name of the Director	Chairman / Member of the Committee	No. of Shareholders'/ Investors' Grievance Committee Meetings attended
Mr.Hasmukh S. Shah	Chairman	4
Mr.Sudhir V. Valia	Member	4
Mr.Dilip S. Shanghvi	Member	3
Mr.S.Mohanchand Dadha	Member	4

Investor Complaints

The total number of complaints received and resolved to the satisfaction of shareholders during the year under review, were 5.

7. COMMITTEE OF DIRECTORS (ALLOTMENT)

The Board of Directors of the Company, at their Board Meeting held on May 28, 2013, recommended the issue of Bonus Shares in the ratio of 1 (One) Equity Share of Re.1/each for every 1 (One) Equity Share of Re.1/each as on the Record Date July 30, 2013, have constituted the Committee of Directors (Allotment) comprising of Mr.Sailesh T. Desai, Mr.Hasmukh S. Shah and Mr.S.MohanchandDadha with Mr.Sudhir V. Valia as the Chairman. Mr.Sunil R. Ajmera, Company Secretary & Compliance Officer acted as the Secretary and Compliance Officer of the Committee and Mr.Ashok I. Bhuta, DGM (Legal & Secretarial & Compliance Officer acted as the Compliance Officer acted as the Committee.

The Committee inter alia had the powers to decide all matters relating to fixing of record date for determining the names of eligible shareholders of the company who shall be entitled to receive the Bonus Shares and to issue

and allot Equity Shares of Re.1/- each of the Company as bonus shares, to credit the equity shares so allotted through NSDL/CDSL/ other depository to the concerned beneficiary account and to issue the share certificates to the shareholders holding the shares in physical form, to obtain approval of RBI for such issue and allotment under FEMA, as may be applicable, to file listing application with the listed stock exchanges in India and to perform any or all of the acts, deeds, things and matters as may be required in connection with such issue, allotment and listing of bonus equity shares of Re.1/- each.

The said Committee of Directors (Allotment) was discontinued and dissolved at the Board Meeting held on August 9, 2013.

8. SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary company whose turnover or net worth (i.e., paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

The financial statements including investments made by the unlisted subsidiaries were placed before and reviewed by the Audit Committee of the Company.

Copies of the Minutes of the Board Meetings of the unlisted subsidiary Companies were placed at the Board Meetings of the Company held during the year.

The Board of Directors of the Company, reviewed periodically, the statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

9. GENERAL BODY MEETINGS

(i) Location and time of the last three Annual General Meetings held are as follows:

Year	Meeting	Location	Date	Time
2009-10	Eighteenth	Prof. Chandravadan Mehta	September 24, 2010	10.30 A.M.
	AGM	Auditorium, General Education Centre,The Maharaja Sayajirao		
		University of Baroda, Pratapgunj, Vadodara – 390 002.		
2010-11	Nineteenth	Prof. Chandravadan Mehta	September 16, 2011	10.30 A.M.
	AGM	Auditorium, General Education Centre,The Maharaja Sayajirao		
		University of Baroda, Pratapgunj, Vadodara – 390 002.		
2011-12	Twentieth	Sir Sayajirao Nagargruh	November 8, 2012	2.30 P.M.
	AGM*	Akota		
		Vadodara – 390 020		

^{*}Which was adjourned sine die for consideration of revised accounts.

CORPORATE GOVERNANCE

- (ii) Special Resolutions passed during the previous three Annual General Meetings:
 - a) At the Eighteenth Annual General Meeting:

Appointment of Mr. Subramanian Kalyanasundaram as the Chief Executive Officer (CEO) & Whole-time Director of the Company for a period of five years effective from April 1, 2010 to March 31, 2015 and remuneration payable to him.

b) At the Nineteenth Annual General Meeting:

Increase in the upper limit of remuneration payable to Mr.Aalok D.Shanghvi, who is a relative of a Director under Section 314(1B) of the Companies Act, 1956 and remuneration in the form of annual fee, sitting fees per meeting of the Board of Directors and any committee thereof and an annual discretionary bonus by Taro Pharmaceutical Industries Ltd. (TARO), a subsidiary of our Company as Non-Executive Director of TARO upto USD 650,000/- per annum for a period of four years from September 20, 2010.

- c) At the Twentieth Annual General Meeting:
- Re-appointment of Mr.Dilip S.Shanghvi, Managing Director and approval of terms and conditions of appointment including remuneration;
- 2. Approval for payment of commission to Non-Executive Directors of the Company.
- Approval for issue of FCCBs/GDRs/ADRs or any other securities upto an amount as specified in the resolution and authority for creation of mortgage and/or charge in respect of the securities on the whole or in part of the undertaking of the Company under Section 293(1) (a) of the Companies Act, 1956..
- 4. Approval for investment in shares and securities of other body corporate under Section 372A of the Companies Act, 1956 upto the limits specified in the resolution.
- 5. Approval for insertion of Articles 163A under the head 'Meeting of Directors" of the Articles of Association of the Company giving effect to a Director participating in the Board/Committee Meeting through Video conferencing or such mode as may be permitted by the Govt. of India or concerned authorities.

(iii) Postal Ballot During the year under reference, the Company did not pass any resolution by postal ballot and does not have any business that requires postal ballot.

10. DISCLOSURES

- No transaction of a material nature has been entered into by the Company with Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transaction with the related parties are disclosed in the Annexure A attached to the Annual Accounts.
- There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties/ strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority during the last 3 financial years.
- In the preparation of the financial statements, the Company has followed the Accounting Standards as notified by Companies (Accounting Standard) Rules, 2006.
- The Company has laid down procedures to inform Board members about the risk assessment and its minimization, which are periodically reviewed to ensure that risk control is exercised by the management effectively.
- During the year under review, the Company has not raised funds through any public, rights or preferential issue.
- Adoption/ Non Adoption of the Non- mandatory requirements:
 - The Company has not fixed a period of nine years as the tenure of Independent Directors on the Board of the Company.
 - (ii) The Company has not formed a remuneration committee of its Board of Directors.
 - (iii) The Company does not send half-yearly financial results to the household of each shareholder as the same are published in the newspapers and also posted on the website of the Company and the websites of the BSE and NSE.
 - (iv) The Company's Board comprise of perfect mix of Executive and Non Executive Independent Directors who are Company Executives and



- Professionals having in depth knowledge of pharmaceutical industry and/ or expertise in their area of specialisation.
- (v) The Company's Board of Directors endeavor to keep themselves updated with changes in global economy and legislation. They attend various workshops and seminars to keep themselves abreast with the changes in business environment.
- (vi) At present the Company does not have a mechanism for evaluating its Non-Executive Directors by peer group.
- (vii) The Company has not adopted whistle blower policy. However the Company has not denied access to any employee to approach the management on any issue. The Company has adopted a Code of Conduct for its Board of Directors and senior management which contains the requirements of the Whistle Blower Policy.

11. MEANS OF COMMUNICATION

- Website: The Company's website www.sunpharma.
 com contains a separate dedicated section 'INVESTOR'
 where shareholders information is available. Full
 Annual Report is also available on the website in a
 user friendly and downloadable form. Apart from this,
 official news releases, detailed presentations made to
 media, analysts etc., and the transcript of the
 conference calls are also displayed on the Company's
 website.
- Financial Results: The annual, half-yearly and quarterly results are regularly posted by the Company on its website www.sunpharma.com. These are also submitted to the Stock Exchanges in accordance with the Listing Agreement and published in leading newspapers like 'The Economic Times', 'Business Standard' and Gujarati Edition of 'Financial Express'.
- Annual Report: Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- Chairman's Communique: The Chairman's Speech is placed on the website of the Company.

- Reminder to Investors: Reminders for unpaid dividend or redemption amount on preference shares are sent to shareholders as per records every year.
- Corporate Filing and Dissemination System (CFDS): The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by the listed companies. All disclosures and communications to BSE & NSE are filed electronically through the CFDS portal. Hard copies of the said disclosures and correspondence are also filed with the Exchanges. Announcements, Quarterly Results, Shareholding Pattern etc. of the Company regularly filed by the Company, are also available on the website of BSE Ltd. www.bseindia.com, National Stock Exchange of India Ltd. www. nseindia.com, and Corporate Filing & Dissemination System website www.corpfiling.co.in.

12. GENERAL SHAREHOLDER INFORMATION

12.1 Annual General Meeting:

Date and Time	Monday, September 30, 2013 at 11.30 a.m. or immediately after the conclusion of the adjourned Twentieth Annual General Meeting whichever is later.
Venue	Sir Sayajirao Natyagriha Akota, Vadodara – 390020, Gujarat

12.2 Financial Calendar (tentative):

Results for quarter ending September 30, 2013 – Second week of November 2013.
Results for quarter ending December 31, 2013 – Second week of February 2014 .
Audited Results for year ended March 31, 2014 – 3rd or 4th week of May 2014

12.3 Details of Book-closure for Equity Shareholders:

From Monday, September 23, 2013
to Monday, September 30, 2013
(both days inclusive)

12.4 Dividend Payment Date:

On or after October 4, 2013

CORPORATE GOVERNANCE

12.5 (i) Listing of Equity Shares on Stock Exchanges

At BSE Limited (BSE) and National
Stock Exchange of India Limited
(NSE)

(ii) Payment of Listing Fee

<u>. </u>
Listing Fees for the financial year 2013-14 have been paid to BSE Limited and National Stock Exchange of India Limited, where the Company's Equity Shares continue to be listed.

12.6 Stock Code:

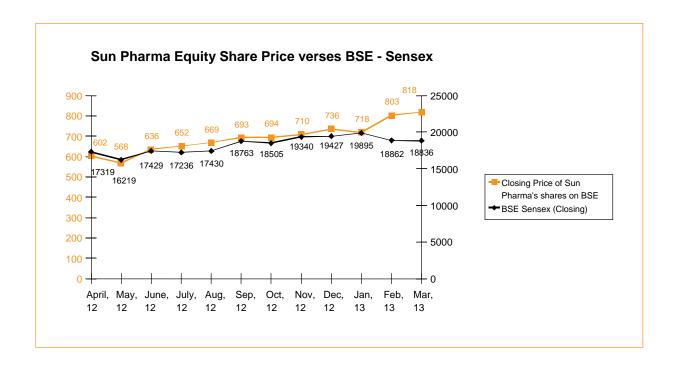
Equity Shares

(a)	Trading Symbol BSE Ltd. (Demat Segment	SUN PHARMA 524715
	Trading Symbol National Stock Exchange (Demat Segment)	SUNPHARMA
(b)	Demat ISIN Numbers in NSDL and CDSL for Equity Shares of ₹1/- each	ISIN No.INE044A01036

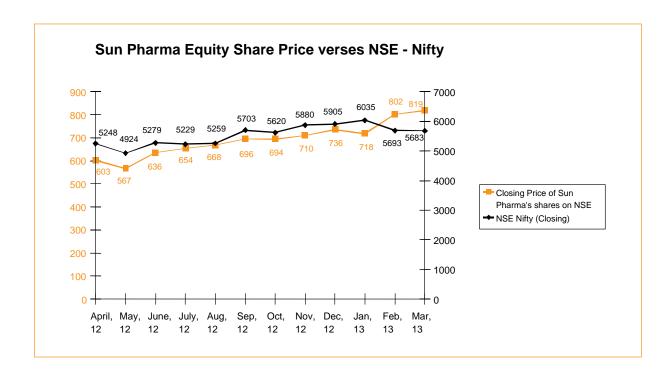
12.7 Stock Market Data Equity Shares of ₹1/- paid-up value:

	BSE Ltd. (BSE) (in ₹) Month's Month's High Price Low Price		National Stock Exchange of India Ltd. (NSE) (in ₹)		
			Month's High Price	Month's Low Price	
April, 2012	610.00	555.00	608.80	554.50	
May, 2012	610.00	560.30	610.75	559.25	
June, 2012	643.00	554.00	644.80	553.00	
July, 2012	655.00 605.55 690.00 646.30		657.00	605.75	
August, 2012			689.90	646.40	
September, 2012	697.50	642.35	699.80	641.35	
October, 2012	728.95	675.00	728.90	580.00	
November, 2012	714.95	656.00	714.95	656.00	
December, 2012	775.90	693.60	775.90	692.90	
January, 2013	765.55	694.20	766.65	694.00	
February, 2013	766.00	714.05	826.00	715.00	
March, 2013	848.00	786.70	848.80	785.65	

(Source: BSE and NSE website)







12.8 Share price performance in comparison to broad-based indices – BSE Sensex and NSE Nifty.

Share price performance relative to BSE Sensex based on share price on March 31, 2013.

	% Change in				
Period	Sun Pharma Share Price	Bse Sensex	Sunpharma Relative To Sensex		
Year-on-Year	43.70%	8.23%	35.47%		
2 years	85.23%	-3.13%	88.36%		
3 years	128.64%	7.46%	121.18%		
5 years	232.28%	20.40%	211.88%		
10 years	2925.32%	517.83%	2407.49%		

Share price performance relative to Nifty based on share price on March 31, 2013

% Change in						
Period	Sun Pharma Share Price	Nifty	Sunpharma Relative To Nifty			
Year-on-Year	43.69%	7.31%	36.38%			
2 years	85.07%	-2.59%	87.66%			
3 years	128.50%	8.26%	120.24%			
5 years	233.08%	20.02%	213.06%			
10 years	2917.50%	480.92%	2436.58%			

(Source: Compiled from data available on BSE and NSE website)

CORPORATE GOVERNANCE

12.9 Registrars & Transfer Agent

communication regarding share certificates, dividends and change of address)

(Share transfer and Ms.Trupti Parab/Ms.Sujata Poojary Link Intime India Pvt. Ltd. C-13, Kantilal Maganlal Estate Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West), Mumbai - 400 078.

> E-Mail: sunpharma@linkintime.co.in rnt.helpdesk@linkintime.co.in Tel: 022-25946970, Fax: 022-25946969

12.10 Share Transfer System

Presently, the share transfers which are received in physical form are processed and transferred by Registrar and Share Transfer Agents and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

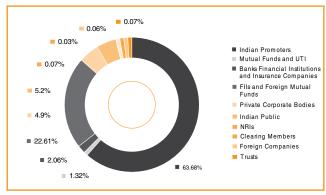
12.11 Distribution of Shareholding as on March 31, 2013

No. of Equity Shares held	No. of Accounts		Shares of face value ₹1 each/-		
	Numbers	% to total accounts	Number	% to total shares	
Upto 5000	58143	83.05	5479479	0.53	
5001 - 10000	3255	4.65	2530129	0.25	
10001 - 20000	3046	4.35	4279419	0.41	
20001 - 30000	1283	1.83	3445468	0.33	
30001 - 40000	626	0.89	2308289	0.22	
40001 - 50000	508	0.73	2397419	0.23	
50001 - 100000	1919	2.74	12056471	1.17	
100001 and above	1233	1.76	1003085281	96.86	
Total	70013	100.00	1035581955	100.00	

12.12 Shareholding Pattern as on March 31, 2013 of Equity Shares as per Clause 35 of the Listing Agreement

Par	ticulars	Percentage	No. of Shares
A.	Indian Promoters and Persons acting in Concert	63.68%	659478200
B.	Mutual Funds and UTI	1.32%	13632085
C.	Banks Financial Institutions and Insurance Companies	2.06%	21323553
D.	FIIs and Foreign Mutual Funds	22.61%	234100940
E.	Private Corporate Bodies	4.90%	50697515
F.	Indian Public	5.20%	53872952
G.	NRIs	0.07%	773184

Particulars		Percentage	No. of Shares
Н.	Clearing Members	0.03%	322777
l.	Foreign Companies	0.06%	646450
J.	Trusts	0.07%	734299
Tota	al	100.00	1035581955



12.13 Dematerialisation of Shares

About 99.29% of the outstanding Equity shares have been de-materialised up to March 31, 2013. Trading in Shares of the Company is permitted only in dematerialised form w.e.f. November 29, 1999 as per notification issued by the Securities and Exchange Board of India (SEBI).

Liquidity:

Your Company's equity shares are fairly liquid and are actively traded on National Stock Exchange of India Ltd., (NSE) and The BSE Ltd.(BSE) Relevant data for the average daily turnover for the financial year 2012-2013 is given below:

	BSE	NSE	BSE + NSE
In no. of share (in Thousands)	64.74	788.78	853.52
In value terms (₹ Millions)	43.70	544.92	588.62

(Source: Compiled from data available on BSE and NSE website)

12.14 Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ ADRs / warrants or any other convertible instruments during the year and there are no FCCBs outstanding as at March 31, 2013.



- Survey No.214 and 20, Govt. Industrial Area, Phase-II, Piparia, Silvassa - 396 230, U.T. of D & NH.
- 2. Plot No.24/2 and No.25,GIDC, Phase- IV,Panoli - 395 116, Dist. Bharuch, Gujarat.
- 3. A-7 & A-8, MIDC Industrial Area, Ahmednagar - 414 111, Maharashtra.
- 4. Plot No. 4708, GIDC, Ankleshwar 393 002, Gujarat.
- Sathammai Village, Karunkuzhi Post, Maduranthakam T.K. Kanchipuram Dist. Tamilnadu - 603 303.
- Halol-Baroda Highway, Near Anand Kendra, Halol, Dist. Panchmahal – 389350, Gujarat.
- Plot No. 817/A, Karkhadi, Taluka: Padra, Distt. Vadodara – 391 450, Gujarat.

12.16 Investor Correspondence

(a) For transfer/ dematerialisation of Shares, Poojary payment of dividend on Company

For Shares held in Physical Form

Ms.Trupti Parab/Ms.Sujata Link Intime India Pvt. Ltd. Shares, and any other query C-13, Kantilal Maganlal Estate relating to the shares of the Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai - 400 078. E-Mail: sunpharma@linkintime. rnt.helpdesk@linkintime.co.in

Fax: 022-25946969

Tel: 022-25946970,

To the Depository Participant.

(b) E-mail id designated by the Company for Investor Complaints

(c) Any query on Annual Report

secretarial@sunpharma.com

Mr. Sunil R. Ajmera/ Mr. Ashok I. Bhuta/ Mr. Nimish Desai/ Ms. Mira Desai, 17-B, Mahal Industrial Estate Mahakali Caves Road Andheri (East), Mumbai - 400 093. sunil.ajmera@sunpharma.com ashok.bhuta@sunpharma.com nimish.desai@sunpharma.com mira.desai@sunpharma.com secretarial@sunpharma.com

For and on behalf of the Board

DILIP S. SHANGHVI Managing Director

SUDHIR V. VALIA Whole-time Director

SAILESH T. DESAI Whole-time Director

Mumbai, 9th August, 2013

ANNEXURE TO CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2013

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Dilip S. Shanghvi, Managing Director of Sun Pharmaceutical Industries Limited ("the Company") hereby declare that, to the best of my information, all the Board Members and Senior Management Personnel of the Company have affirmed their compliance and undertaken to continue to comply with the Code of Conduct laid down by the Board of Directors of the Company for Board Members and all employees.

For Sun Pharmaceutical Industries Ltd.,

Dilip S. Shanghvi Managing Director

Date: August 9, 2013.

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of Sun Pharmaceutical Industries Limited,

We have examined the compliance of the conditions of Corporate Governance by Sun Pharmaceutical Industries Limited ("the Company") for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with relevant stock exchanges (hereinafter referred to as Clause 49).

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in Clause 49.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants (Firm Registration No.117366W)

Rajesh K. Hiranandani

Partner (Membership No.36920)

Mumbai, 9th August, 2013







FINANCIAL STATEMENTS

50-127

Standalone Financial Statements

Auditors' Report	50
Balance Sheet	54
Statement of Profit and Loss Account	55
Cash Flow Statement	56
Notes	58

Consolidated Financial Statements

Consolidated Financial Statements	
Auditors' Report	92
Balance Sheet	94
Statement of Profit and Loss Account	95
Cash Flow Statement	96
Notes	98

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SUN PHARMACEUTICAL INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS

Chartered Accountants (Firm Registration No. 117366W)

Rajesh K Hiranandani

Partner (Membership No. 36920)

MUMBAI, 28th May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses vi, x, xiii, xiv, xviii, xix and xx of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals.

 According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us:
 - (a) The Company has granted loans, including interest accrued thereon converted into loans as per the terms and conditions of loans, aggregating ₹813.4 Million to one party during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹738.4 Million (number of parties one) and the maximum amount involved during the period was ₹738.4 Million (number of parties one).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.

- (c) The receipts of principal amounts and interest have been regular as per stipulations.
- (d) There are no overdue principal amounts and interest remaining outstanding as at the year-end.

The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of a special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered into the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
- (vii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Customs Duty and Excise Duty which have not been deposited as at 31st March, 2013 on account of disputes, are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ In Million)
Income-tax Act, 1961	Income tax, Interest and Penalty	Commissioner	1997-98, 1998-99, 2002- 03, 2005-06, 2007-08 and 2008-09	1,203.1
		Tribunal	1995-96	0.2
Sales Tax Act (Various States)	Sales Tax, Interest and Penalty	Assistant / Deputy / Joint Commissioner	1998-99 to 2000-01, 2003- 04, 2004-05, 2006-07 and 2008-09	8.9



Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ In Million)
		Tribunal	1998-99 to 2004-05, 2006- 07, 2007-08 and 2009-10	8.2
		High Court	1999-00, 2001-02 to 2003- 04, 2005-06 to 2010-11	21.2
Wealth Tax Act, 1957	Wealth tax	Commissioner	2007-08 to 2009-10	0.4
		Tribunal	2002-03 and 2003-04	0.1
Customs Act, 1962	Custom Duty, Penalty and Interest	Settlement Commission	2000-01	13.9
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Assistant / Deputy / Joint Commissioner	2000-01 to 2012-13	151.5
		Tribunal	1997-98 to 2010-11	360.4
		High Court	1998-99 and 2001-02 to 2003-04	11.2
		Supreme Court	1995-96 to 2003-04	18.6

There were no unpaid disputed dues in respect of service tax during the year.

- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company does not have any dues to financial institutions and has not issued any debentures.
- (xi) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares. The Company has not granted any loans and advances on the basis of security by way of pledge of debentures and other securities.
- (xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions, are not prima facie prejudicial to the interests of the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants (Firm Registration No. 117366W)

Rajesh K Hiranandani

Partner (Membership No. 36920)

MUMBAI, 28th May, 2013

BALANCE SHEET

as at 31st March, 2013

₹ in Million

	Note No.	As at 31st N	March, 2013	As at 31st N	March, 2012
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,035.6		1,035.6	
Reserves and Surplus	2	76,853.2	77,888.8	77,745.6	78,781.2
Non-current Liabilities					
Long-term Borrowings	3	46.4		-	
Deferred Tax Liabilities (Net)	4	1,654.1		1,339.1	
Other Long-term Liabilities	5	10.1		20.3	
Long-term Provisions	6	1,314.9	3,025.5	986.2	2,345.6
Current Liabilities					
Short-term Borrowings	7	384.9		403.0	
Trade Payables	8	3,632.7		4,001.9	
Other Current Liabilities	9	1,451.5		625.4	
Short-term Provisions	10	6,081.5	11,550.6	5,154.9	10,185.2
TOTAL			92,464.9		91,312.0
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets	11A	11,347.6		9,759.3	
Intangible Assets	11B	10.3		13.7	
Capital Work-in-Progress		3,480.4		2,488.7	
		14,838.3		12,261.7	
Non-current Investments	12	33,764.9		35,928.0	
Long-term Loans and Advances	13	4,910.9		3,385.4	
Other Non-current Assets	14	78.3	53,592.4	28.3	51,603.4
Current Assets					
Current Investments	15	9,410.5		8,449.8	
Inventories	16	8,687.6		6,400.7	
Trade Receivables	17	7,375.3		7,134.8	
Cash and Cash Equivalents	18	4,311.2		13,277.1	
Short-term Loans and Advances	19	8,495.0		3,906.1	
Other Current Assets	20	592.9	38,872.5	540.1	39,708.6
TOTAL			92,464.9		91,312.0

See accompanying notes forming part of the Financial Statements

In terms of our report attached					
For DELOITTE HASKINS & SELLS	For and on behalf of the Board				
Chartered Accountants					
RAJESH K. HIRANANDANI	DILIP S. SHANGHVI	SUDHIR V. VALIA	SAILESH T. DESAI		
Partner	Managing Director	Wholetime Director	Wholetime Director		
	SUNIL R. AJMERA				
	Company Secretary				
Mumbai, 28th May, 2013			Mumbai, 28th May, 2013		

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013



₹ in Million

	Note No.	Year e 31st Marc		Year e 31st Mar	
Revenue from Operations	21	25,184.9		40,804.9	
Less: Excise Duty		863.5		649.3	
		24,321.4		40,155.6	
Other Income	22	2,361.7		3,428.5	
Total Revenue			26,683.1		43,584.1
Expenses					
Cost of Materials Consumed	23	7,057.9		9,517.1	
Purchases of Stock-in-Trade	32	2,009.6		1,874.8	
Changes in Inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	24	(105.3)		(817.3)	
Employee Benefits Expense	25	2,348.7		3,165.6	
Depreciation and Amortisation Expense	11	858.2		757.2	
Other Expenses	26	7,883.7		8,829.2	
Total Expenses			20,052.8		23,326.6
Profit Before Exceptional Item and Tax			6,630.3		20,257.5
Exceptional Item	49		-		(2,999.2)
Profit Before Tax			6,630.3		17,258.3
Tax Expense					
Current Tax	47	1,149.8		229.4	
Deferred Tax		315.0	1,464.8	54.0	283.4
Profit for the Year			5,165.5		16,974.9
Earnings per Share					
Basic and Diluted (₹) Face Value per Equity share - ₹1	39		5.0		16.4

See accompanying notes forming part of the Financial Statements

In terms of our report attached				
For DELOITTE HASKINS & SELLS	For and on behalf of th	For and on behalf of the Board		
Chartered Accountants				
RAJESH K. HIRANANDANI	DILIP S. SHANGHVI	SUDHIR V. VALIA	SAILESH T. DESAI	
Partner	Managing Director	Wholetime Director	Wholetime Director	
	SUNIL R. AJMERA			
	Company Secretary			
Mumbai, 28th May, 2013			Mumbai, 28th May, 2013	

CASH FLOW STATEMENT

for the year ended 31st March, 2013

₹ in Million

		Year ended 31st March, 2013	Year ended 31st March, 2012
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Tax	6,630.3	17,258.3
	Adjustments for:		
	Depreciation and Amortisation Expense	858.2	757.2
	Loss on Sale of Fixed Assets (net)	6.0	36.9
	Finance Costs	4.4	4.3
	Interest Income	(2,029.6)	(1,626.9)
	Dividend Income	(0.2)	(0.2)
	Net Gain on Sale of Investments	(307.2)	(1,742.0)
	Provision for Doubtful Trade Receivable / Advances	91.5	9.6
	Net Loss / (Gain) on Cancellation of Forward Exchange Contracts	190.7	(50.1)
	Net Unrealised Foreign Exchange Loss	450.5	732.3
	Exceptional Item (Refer Note 49)	-	2,999.2
	Operating Profit Before Working Capital Changes	5,894.6	18,378.6
	Changes in working capital:		
	Adjustments for (Increase) / Decrease in Operating Assets:		
	Inventories	(2,286.9)	(1,678.9)
	Trade Receivables	(277.1)	(2,943.1)
	Loans and Advances	(641.5)	(487.6)
	Other Assets	(150.4)	22.1
	Adjustments for Increase / (Decrease) in Operating Liabilities:		
	Trade Payables	(355.7)	1,280.1
	Other Liabilities	731.9	109.7
	Provisions	(162.5)	155.2
	Cash Generated from Operations	2,752.4	14,836.1
	Net Income Tax Paid	(1,687.6)	(1,444.3)
	Net Cash Flow from Operating Activities (A)	1,064.8	13,391.8
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Capital Expenditure on Fixed Assets, including Capital Advances	(4,295.4)	(3,882.4)
	Proceeds from Sale of Fixed Assets	10.9	30.9
	Short-term Loans / Inter Corporate Deposits		
	Given / Placed	(9,931.4)	(8,285.3)
	Received back / Matured	8,620.8	8,799.1
	Purchase of Investments		
	Subsidiary Companies	(13,164.9)	(3,806.9)
	Others	(153,628.7)	(134,659.1)

CASH FLOW STATEMENT for the year ended 31st March, 2013





₹ in Million

		Year ended	Year ended
		31st March, 2013	31st March, 2012
	Proceeds from Sale of Investments	147,725.4	131,844.7
	Net realisation from Investment in erstwhile Partnership Firms	17,880.8	-
	Bank Balances not considered as Cash and Cash Equivalents		
	Fixed Deposits Placed	(1,974.3)	(12,097.3)
	Fixed Deposits Matured	11,497.2	12,843.1
	Margin Money Placed	(21.4)	(21.2)
	Net Gain on Cancellation of Forward Exchange Contracts	(190.7)	50.1
	Interest Received	2,076.9	1,447.2
	Dividend Received	0.2	0.2
ľ	Net Cash Flow from / (used in) Investing Activities (B)	4,605.4	(7,736.9)
C. (CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings	46.4	-
	Net Decrease in Working Capital Borrowings	(18.1)	(102.3)
	Finance Costs	(3.0)	(4.3)
	Dividends Paid	(4,401.2)	(3,523.7)
	Tax on Dividend	(714.0)	(571.8)
ľ	Net Cash Flow used in Financing Activities (C)	(5,089.9)	(4,202.1)
ľ	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	580.3	1,452.8
	Cash and Cash Equivalents at the Beginning of the Year	1,687.2	203.8
	Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	(49.4)	30.6
	Cash and Cash Equivalents at the end of the Year (Refer Note 18)	2,218.1	1,687.2

See accompanying notes forming part of the Financial Statements

For DELOITTE HASKINS & SELLS	For and on behalf of th	For and on behalf of the Board		
Chartered Accountants				
RAJESH K. HIRANANDANI	DILIP S. SHANGHVI	SUDHIR V. VALIA	SAILESH T. DESAI	
Partner	Managing Director	Wholetime Director	Wholetime Director	
	SUNIL R. AJMERA			
	Company Secretary			
Mumbai, 28th May, 2013			Mumbai, 28th May, 2013	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

	As at 31st N	As at 31st March, 2013	
	Number of Equity Shares	₹ in Million	Eq
SHARE CAPITAL			
Authorised			
Equity Shares of ₹ 1 each	1,500,000,000	1,500.0	1,5
	1,500,000,000	1,500.0	1,5
Issued, Subscribed and Fully Paid Up			
Equity Shares of ₹ 1 each (Refer Note 29)	1,035,581,955	1,035.6	1,0
	1,035,581,955	1,035.6	1,0

As at 31st March, 2012				
Number of Equity Shares	₹ in Million			
1,				
1,500,000,000	1,500.0			
1,500,000,000	1,500.0			
1,035,581,955	1,035.6			
1,035,581,955	1,035.6			

₹ in Million

	As at 31st M	1arch, 2013	As at 31st M	1arch, 2012
RESERVES AND SURPLUS				
Capital Reserve				
As per Last Balance Sheet		259.1		259.1
Capital Redemption Reserve				
As per Last Balance Sheet		154.5		154.5
Securities Premium Account				
As per Last Balance Sheet		15,099.1		15,099.1
General Reserve				
Opening Balance	28,740.0		26,740.0	
Add: Transferred from Surplus in Statement of Profit and Loss	520.0		2,000.0	
Closing Balance		29,260.0		28,740.0
Surplus in Statement of Profit and Loss				
Opening Balance	33,492.9		23,517.0	
Add: Profit for the Year	5,165.5		16,974.9	
Proposed Dividend Written Back (on waiver)	-		100.0	
Corporate Dividend Tax Written Back (on waiver)	-		16.2	
	5,165.5		17,091.1	
Less: Dividend proposed to be distributed to equity Shareholders [₹ 5.00 (Previous Year ₹ 4.25) per Share]	5,177.9		4,401.2	
Corporate Dividend Tax	880.0		714.0	
Transferred to General Reserve	520.0		2,000.0	
	6,577.9		7,115.2	
Closing Balance		32,080.5		33,492.9
		76,853.2		77,745.6



for the year ended 31st March, 2013

					₹ in Million
		As at 31st M	larch, 2013	As at 31st N	/larch, 2012
3	LONG-TERM BORROWINGS				
	Loans Repayable on Demand (Secured): Department of Biotechnology (Secured by hypothecation of Assets and Goods pertaing to the project)		46.4		-
			46.4		-
	[Repayable in 10 (Previous Year Nil) half-yearly installments installment is due on 30th September, 2021.]	s of ₹ 4.6 Million ea	ach commencing t	from 31st March	, 2017, Last
4	DEFERRED TAX LIABILITIES (NET)				
	Deferred Tax Liability				
	Depreciation on Fixed Assets	1,744.0		1,392.9	
	Others	-	1,744.0	11.1	1,404.0
	Less:				
	Deferred Tax Assets				
	Unpaid Liabilities Allowable on payment basis U/s 43B of the Income Tax Act,1961	41.0		49.6	
	Others	48.9	89.9	15.3	64.9
			1,654.1		1,339.1
5	OTHER LONG-TERM LIABILITIES				
	Interest accrued but not due on borrowings		1.4		-
	Trade / Security Deposits Received		8.7		20.3
	, .		10.1		20.3
5	LONG-TERM PROVISIONS				
	Employee Benefits - Compensated Absences		87.0		103.4
	Product Returns (Refer Note 43)		-		130.0
	MTM Loss on outstanding Forward Contracts		1,227.9		752.8
	This cost of octavariang forward contracts		1,314.9		986.2
7	SHORT-TERM BORROWINGS				
	Loans Repayable on Demand (Secured):				
	Cash Credit Facility from Banks		384.9		403.0
	(Secured by hypothecation of Inventories and Trade Receivables)		۷.+۰۷		403.0

403.0

for the year ended 31st March, 2013

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		As at 31st March, 2013	As at 31st March, 2012
3	TRADE PAYABLES		
	Due to Micro and Small Enterprises (Refer Note 37)	66.2	39.4
	Other Payables	3,566.5	3,962.5
		3,632.7	4,001.9
9	OTHER CURRENT LIABILITIES		
	Investor Education and Protection Fund shall be credited		
	by Unpaid Dividends (not due)	45.1	40.4
	Statutory Remittances	288.5	231.3
	Payables on Purchase of Fixed Assets	366.7	288.8
	Advances from Customers	65.3	56.9
	Payable to a Subsidiary Company	678.0	-
	Others	7.9	8.0
		1,451.5	625.4
0	SHORT-TERM PROVISIONS		
	Employee Benefits - Compensated Absences	23.6	39.7
	Dividend proposed to be distributed to equity Shareholders	5,177.9	4,401.2
	Corporate Dividend Tax	880.0	714.0
		6.081,5	5,154.9

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31st March, 2013

11 FIXED ASSETS

Description of Assets			Gross Block (At Cost)	Cost			Danraciat	ion / Amortica	Denreciation / Amortisation / Impairment		Net Block	llock
משפפר וס ווסוולוויסים				רט של ו			חבאוברומר	מכוחות / ווסו	non / mipaminem		ואבר ו	NOCI
	Asat	Additions		Transferred on	As at	As at	For the year	On Deletions	Transferred on	As at	As at	As at
	01.04.2012	during the year	Adjustments during the year	spin off during the year (Refer Note 49)	31.03.2013	01.04.2012		for the year	spin off during the year (Refer Note 49)	31.03.2013	31.03.2013	31.03.2012
A. Tangible Assets												
Freehold Land	173.4	15.3	1		188.7	1	1	1		1	188.7	173.4
	(38.7)	(134.7)	(-)	-	(173.4)	(-)	(-)	(-)	(-)	(-)	(173.4)	(38.7)
Leasehold Land	137.8	,	1	1	137.8	7.3	2.1		•	9.6	128.4	130.5
	(39.2)	(98:6)	(-)	-	(137.8)	(4.4)	(2.9)	(-)	(-)	(7.3)	(130.5)	(34.8)
Buildings	2,745.5	176.2	1	1	2,921.7	(i) 533.1	76.7	1	•	8.609	2,311.9	2,212.4
	(2,334.9)	(412.6)	(2.0)	(-)	(2,745.5)	(465.3)	(67.8)	(-)	(-)	(533.1)	(2,212.4)	(1,869.6)
Buildings - Leased *	193.6	•	1		193.6	43.5	6.2	•	1	49.7	143.9	150.1
	(193.6)	(-)	(-)	-)	(193.6)	(37.3)	(6.2)	(-)	(-)	(43.5)	(150.1)	(156.3)
Plant and Equipment	10,651.2	2,146.5	27.2	1	12,770.5	9'.40'7	706.9	12.9	•	4,741.6 (ii)	8,028.9	6,603.6
	(8,856.2)	(1,952.6)	(157.6)	*	(10,651.2)	(3,549.3)	(596.2)	(67.6)	(-)	(4,047.6)	(6,603.6)	(5,306.9)
Plant and Equipment -Leased *	25.3	•	1	1	25.3	1.7	1.2	1	•	2.9	22.4	23.6
	(25.3)	(-)	(-)	<u>-</u>)	(25.3)	(0.5)	(1.2)	(-)	(-)	(1.7)	(23.6)	(24.8)
Vehicles	183.1	51.6	1.6		225.6	97.6	18.4	6.7	•	66.3	159.3	128.5
	(156.1)	(70.8)	(14.9)	(58.9)	(183.1)	(22:0)	(16.5)	(9.2)	(7.7)	(24.6)	(128.5)	(101.1)
Office Equipment	321.6	31.9	2.2		351.3	184.9	21.8	2.0	ı	204.7 (ii)	146.6	136.7
	(311.6)	(37.8)	(5.1)	(22.7)	(321.6)	(175.2)	(20.7)	(4.7)	(6.3)	(184.9)	(136.7)	(136.4)
Furniture and Fixtures	344.1	38.5	4.0	'	382.2	143.6	21.5	0.4	1	164.7 (ii)	217.5	200.5
	(587.4)	(57.6)	(0.2)	(0.7)	(344.1)	(124.2)	(19.8)	(0.2)	(0.2)	(143.6)	(200.5)	(163.2)
Total Tangible Assets	14,775.6	2,460.0	38.9	'	17,196.7	5,016.3	824.8	22.0	1	5,849.1	11,347.6	9,759.3
Previous Year	(12,243.0)	(2,764.7)	(179.8)	(52.3)	(14,775.6)	(4,411.2)	(731.3)	(112.0)	(14.2)	(5,016.3)	(9,759.3)	
B. Intangible Assets												
Trademarks, Designs and Other Intangible Assets	54.7	1	I	I.	24.7	41.0	3.4	1	1	(ii) 4.44	10.3	13.7
	(9'44'9)	(149.4)	(-)	(539.3)	(24.7)	(332.5)	(25.9)	(-)	(317.4)	(41.0)	(13.7)	(112.1)
Total Intangible Assets	24.7	•	•		54.7	41.0	3.4	•	•	44.4	10.3	13.7
Previous Year	(9'44'9)	(149.4)	(-)	(539.3)	(24.7)	(332.5)	(25.9)	(-)	(317.4)	(41.0)	(13.7)	
Total Fixed Assets	14,830.3	2,460.0	38.9	1	17,251.4	5,057.3	858,2	22.0	•	5,893.5	11,357.9	9,773.0
Previous Year	(12,687.6)	(2,914.1)	(179.8)	(591.6)	(14,830.3)	(4,743.7)	(757.2)	(112.0)	(331.6)	(5,057.3)	(9,773.0)	

^{*} Refer Note 42 (a) ** Refer Note 48

- (i) Buildings include ₹8620 (Previous Year ₹8,620) towards cost of shares in a Co-operative Housing Society,
- (ii) Includes Impairment of ₹ 29.1 Million (Previous Year ₹ 29.1 Million). Nil (Previous Year ₹ 1.7 Million) transferred on spin off. (Refer Note 49)
- (iii) Previous Year figures are in brackets

for the year ended 31st March, 2013

	As at 31st March, 20	As at 31st March, 201
NON-CURRENT INVESTMENTS		
Long-term Investments (At Cost)		
A) Trade Investments - Unquoted		
a) In Equity Instruments		
i) In Subsidiary Companies		
Caraco Pharmaceutical Laboratories Ltd.	304.2	303.9
8,387,666 (Previous Year 8,382,666) fully paid Common Shares of No Par Value		
Zao Sun Pharma Industries Ltd.	0.2	0.2
1,000 (Previous Year 1,000) Shares of Rubbles 20 each fully paid		
Sun Pharma Global Inc. BVI	9,628.9	9,628.9
2,471,515 (Previous Year 2,471,515) Shares of US \$ 1 each fully paid		
TKS Farmaceutica Ltda.	18.3	18.3
829,288 (Previous Year 829,288) quota of Capital Stock of Real (R\$) 1 each fully paid		
Sun Pharma De Mexico, S.A. DE C.V.	3.3	3.3
750 (Previous Year 750) Common Shares of no Face Value		
Sun Pharmaceutical Industries Inc. (merged with Caraco Pharmaceutical Laboratories Ltd.) Nil (Previous Year 5,000) fully paid Common Stock of \$ 1 Par Value	-	0.2
Sun Pharmaceutical (Bangladesh) Ltd.		
434,469 (Previous Year 434,469) Ordinary Shares of 100 Takas each fully paid	36.5	36.5
Share Application Money	31.6	31.6
Sun Pharmaceutical Peru S.A.C.	0.0	0.0
[₹ 21,734 (Previous Year ₹ 21,734)]		
149 (Previous Year 149) Ordinary Shares of Soles 10 each fully paid		
SPIL DE Mexico SA DE CV	0.2	0.2
100 (Previous Year 100)		
Nominative and free Shares of \$500 Mexican Pesos each fully paid		
000 Sun Pharmaceutical Industries Ltd	0.1	0.1
Par value stock of 49,500 Rubbles (Previous Year 49,500 Rubbles)		
Green Eco Development Centre Ltd	1.0	1.0
100,000 (Previous Year 100,000) Shares of ₹ 10 each fully paid		
Sun Pharma De Venezuela, C.A.	0.5	0.5
1,000 (Previous Year 1,000) Shares of Bolivars (Bs.F.) 100 each fully paid		



for the year ended 31st March, 2013

	N = = + 24 = + N	1	0+ 24 -+ N	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
	As at 31st N	/larch, 2013	As at 31st M	larch, 2012
Sun Pharma Laboratories Limited (formerly Sun Resins & Polymers Pvt Ltd)	1.5		1.2	
50,000 (Previous Year 9,000) Shares of ₹ 10 each fully paid				
Faststone Mercantile Company Pvt Ltd	0.1		-	
10,000 (Previous Year Nil) Shares of ₹ 10 each fully paid				
Neetnav Real Estate Pvt Ltd.	0.1		-	
10,000 (Previous Year Nil) Shares of ₹ 10 each fully paid				
Realstone Multitrade Private Limited	0.1		-	
10,000 (Previous Year Nil) Shares of ₹ 10 each fully paid				
Skisen Labs Pvt Ltd.	0.1		-	
10,000 (Previous Year Nil) Shares of ₹ 10 each fully paid				
Softdeal Trading Private Limited	0.1		-	
10,000 (Previous Year Nil) Shares of ₹ 10 each fully paid				
Sun Pharma Drugs Pvt. Ltd	200.0		-	
20,000,000 (Previous Year Nil) Shares of ₹ 10 each fully paid				
Sun Pharma Medication Pvt. Ltd	200.0		-	
20,000,000 (Previous Year Nil) Shares of ₹ 10 each fully paid				
	10,426.8		10,025.9	
ii) In Other Company				
Enviro Infrastructure Co. Ltd.	1.0		1.0	
100,000 (Previous Year 100,000) Shares of ₹ 10 each fully paid				
		10,427.8		10,026.9
b) In Preference Shares				
In Subsidiary Company				
Sun Pharma Laboratories Limited (formerly Sun Resins & Polymers Pvt Ltd)	-		0.0	
Nil (Previous Year ₹ 10,000)				
Nil (Previous Year 100) 12% Redeemable Preference Shares of ₹ 100 each fully paid				
Sun Pharma Global Inc. BVI				
83,750,000 (Previous Year Nil) 2% Redeemable Optionally Convertible Preference Shares of \$ 1 each fully paid	3,805.7		-	
41,250,000 (Previous Year Nil) 5% Redeemable Preference Shares of \$ 1 each fully paid	2,252.1		-	
Share Application Money	10,912.0		3,805.7	
		16,969.8		3,805.7
c) In Partnership Firms				
Sun Pharmaceutical Industries *	-		8,998.8	
Sun Pharma Sikkim **	-		11,979.3	
Sun Pharma Drugs *** ₹ 94 (Previous Year ₹ 94)	0.0		0.0	
		0.0		20,978.1
d) In Government Securities				
National Savings Certificates ₹ 10,000 (Previous Year ₹ 10,000)		0.0		0.0
(Deposited with Government Authorities)				
TOTAL (A)		27,397.6		34,810.7

for the year ended 31st March, 2013

	As at 31st I	March, 2013	As at 31st N	Aarch, 2012
B) OTHER INVESTMENTS	7 13 de 3 13e 1	, , , , , , , , , , , , , , , , , , ,	7.15 46 5 156 1.	
a) In Debentures				
Quoted				
Housing Development Finance Corporation Ltd - 9.9% Secured Redeemable NCD 23DC18		250.0		250.0
250 (Previous Year 250) Debentures of ₹ 1,000,000 each fully paid				
Market Value ₹ 267.4 Million (Previous Year ₹ 258.2 Million)				
b) In Bonds				
Quoted				
National Highways Authority of India	61.8		61.8	
61,809 (Previous Year 61,809) Bonds of ₹ 1,000 each fully paid				
Market Value ₹ 67.6 Million (Previous Year ₹ 63.9 Million)				
Power Finance Corporation Ltd Tax Free Bonds	142.4		142.4	
142,393 (Previous Year 142,393) Bonds of ₹ 1,000 each fully paid				
Market Value ₹ 155.3 Million (Previous Year ₹ 144.7 Million)				
Indian Railway Finance Corporation Ltd -8/8.15 LOA 23FB22	163.1		163.1	
163,131 (Previous Year 163,131) Bonds of ₹ 1,000 each fully paid				
Market Value ₹ 175.7 Million (Previous Year ₹ 165.9 Million)				
		367.3		367.3
c) In Mutual Funds (Unquoted)				
Units of Face Value of ₹ 10 Each				
Axis Mutual Fund- AXIS Fixed Term Plan - Series 34 (392) Days Direct Growth	200.0		-	
20,000,000 (Previous Year Nil) Units				
Baroda Pioneer Mutual Fund- Baroda Pioneer FMP- Series B Plan B (378 Days)-Growth Plan	100.0		-	
10,000,000 (Previous Year Nil) Units				
Deutsche Mutual Fund-DWS Fixed Maturity Plan- Series - 26 Direct Plan-Growth	400.0		-	
40,000,000 (Previous Year Nil) Units	500.0			
DSP BlackRock Mutual Fund -DSP BlackRock FMP -Series- 12.5M-Direct-Growth	500.0		-	
50,000,000 (Previous Year Nil) Units				
DSP BlackRock Mutual Fund -DSP BlackRock -FMP - Series 89 -12M-Direct-Growth	500.0		-	
50,000,000 (Previous Year Nil) Units				
HSBC Global Asset Management-HSBC Fixed Term Series 90- Growth Direct Plan- Tenure 375 DAYS	100.0		-	
10,000,000 (Previous Year Nil) Units				
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 66 - 420 Days Plan A Direct Plan Cumulative	250.0		-	
25,000,000 (Previous Year Nil) Units				



for the year ended 31st March, 2013

	As at 31st M	larch, 2013	As at 31st N	/larch, 2012
JP Morgan Asset Management -JP Morgan India Fixed Maturity Plan Series 16-Direct Growth	350.0		-	
35,000,000 (Previous Year Nil) Units				
Kotak Mutual Fund-Kotak FMP Series 97 -Direct Growth	500.0		-	
50,000,000 (Previous Year Nil) Units				
L&T Mutual Fund-L&T FMP - VII (March 381D A) Direct Plan Growth	200.0		-	
20,000,000 (Previous Year Nil) Units				
Reliance Mutual Fund-Reliance Fixed Horizon Fund -XXIII- Series 5-Direct Plan-Growth Plan (8M-AG)	1,000.0		-	
100,000,000 (Previous Year Nil) Units				
Religare Mutual Fund- Religare Fixed Maturity Plan - Series XVII - Plan A (17 months)-Direct Plan-Growth	140.0		-	
14,000,000 (Previous Year Nil) Units	350.0			
Religare Mutual Fund- Religare Fixed Maturity Plan - Series XVII - Plan F (392 days)-Direct Plan-Growth 25,000,000 (Previous Year Nil) Units	250.0		-	
Religare Mutual Fund- Religare Fixed Maturity Plan - Series XVIII - Plan B (386 days)-Direct Plan-Growth	160.0		-	
16,000,000 (Previous Year Nil) Units				
SBI Mutual Fund-SBI Debt Fund Series - 13 Months -15-Direct Plan-Growth	250.0		-	
25,000,000 (Previous Year Nil) Units				
Tata Mutual Fund- TATA Fixed Maturity Plan Series 42 Scheme B-Direct Plan-Growth	200.0		-	
20,000,000 (Previous Year Nil) Units				
Units of Face Value of ₹ 1,000 each				
Pramerica Mutual Fund-Pramerica Fixed Duration Fund-Series 5-Direct Plan-Growth	150.0		-	
150,000 (Previous Year Nil) Units				
		5,250.0		-
d) In Deposit				
Unquoted				
Housing Development Finance Corporation Ltd		500.0		500.0
Total (B)		6,367.3		1,117.3
TOTAL (A+B)		33,764.9		35,928.0

for the year ended 31st March, 2013

₹ in Million

	As at 31st N	March, 2013	As at 31st N	Aarch, 2012
AGGREGATE VALUE OF INVESTMENTS	Book	Market	Book	Market
	Value	Value	Value	Value
Quoted	617.3	666.0	617.3	632.7
Unquoted	33,147.6		35,310.7	
* During the year converted into Part IX Company w.e.f 31st August, 2012	Share	Capital	Share	Capital
Partners				
Sun Pharmaceutical Industries Limited	-	-	97.5%	8,998.8
Sun Pharmaceutical Industries Key Employees' Benefit Trust	-	-	2.5%	194.3
** During the year converted into Part IX Company w.e.f 31st August, 2012	Share	Capital	Share	Capital
Partners				
Sun Pharmaceutical Industries Limited	-	-	97.5%	11,979.3
Sun Pharmaceutical Industries Key Employees' Benefit Trust	-	-	2.0%	542.1
Sun Pharma Advanced Research Company Limited Key Employees' Benefit Trust	-	-	0.5%	81.7
***Partners	Share	Capital	Share	Capital
Sun Pharmaceutical Industries Limited ₹ 94 (Previous Year ₹ 94)	98.0%	0.0	98.0%	0.0
Sun Pharmaceutical Industries Key Employees' Benefit Trust ₹ (94) (Previous Year ₹ (94))	2.0%	(0.0)	2.0%	(0.0)
LONG-TERM LOANS AND ADVANCES				
(Unsecured – Considered Good)				
Capital Advances		1,765.1		843.5
Security Deposits		138.3		135.9
Loans and Advances to Related Parties (Refer Notes 38 and 44)		77.4		71.3
Loans and Advances to Employees / Others		50.9		34.6
Prepaid Expenses		17.8		3.5
		2,397.7		1,860.1
Advance Fringe Benefit Tax [Net of Provisions Nil (Previous Year ₹ 15.0 Million)]		0.2		-
Balances with Government Authorities		463.5		436.5
		4,910.9		3,385.4
		1	<u> </u>	
OTHER NON-CURRENT ASSETS				
(Unsecured – Considered Good)				
Interest Accrued on Investments		77.0		26.7
Unamortised Premium on Investments		1.3		1.6
		78.3		28.3

14

13



for the year ended 31st March, 2013

	As at 31st March, 2013	As at 31st March, 2012
CURRENT INVESTMENTS		
A) Current Portion of Long-term Investments (At Cost)		
a) In Debentures		
Quoted		
L&T Finance Ltd - 8.4 NCD 08MR13	-	122.5
Nil (Previous Year 122,464) Debentures of ₹ 1,000 each fully paid		
Market Value Nil (Previous Year ₹ 120.9 Million)		
b) In Bonds		
Unquoted		
Rural Electrification Corporation Ltd	-	5.0
Nil (Previous Year 500) Bonds of ₹ 10,000 each fully paid		
c) In Mutual Funds (Units of Face Value of ₹ 10 each)		
Unquoted		
Baroda Pioneer Mutual Fund-Baroda Pioneer Fixed Maturity Plan- Series A Plan B Growth	150.0	-
15,000,000 (Previous Year Nil) Units		
BNP Paribas Mutual Fund-BNP Paribas Fixed Term Fund Series 25 A Direct	200.0	-
20,000,000 (Previous Year Nil) Units		
Deutsche Mutual Fund-DWS Fixed Maturity Plan- Series - 27 Direct Plan-Growth	300.0	-
30,000,000 (Previous Year Nil) Units		
DSP BlackRock Mutual Fund -DSP BlackRock FMP -Series 84 - 12M-Dir-Growth	250.0	-
25,000,000 (Previous Year Nil) Units		
HDFC Mutual Fund-HDFC FMP 369D December 2012(1) -	200.0	-
Growth		
19,999,990 (Previous Year Nil) Units		
HDFC Mutual Fund-HDFC FMP 372D January 2013 (2)-Direct -Growth	100.0	-
10,000,000 (Previous Year Nil) Units		
HDFC Mutual Fund-HDFC Annual Interval Fund Series 1 Plan A-Direct-Growth	250.0	-
25,000,000 (Previous Year Nil) Units		
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 65-367 Days Plan H Cumulative	200.0	-
19,999,990 (Previous Year Nil) Units		
ICICI Prudential Mutual Fund-ICICI Prudential Interval Fund Series VI Annual Interval Plan C-Direct Plan-Cumulative	250.0	-
25,000,000 (Previous Year Nil) Units		
ICICI Prudential Mutual Fund-ICICI Prudential Interval Fund Series VI-Annual Interval Plan D-Direct Plan-Cumulative	100.0	-
10,000,000 (Previous Year Nil) Units		

for the year ended 31st March, 2013

	As at 31st N	March, 2013	As at 31st M	larch, 2012
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 67 - 366 Days Plan B Direct Plan Cumulative	200.0		-	
20,000,000 (Previous Year Nil) Units				
IDFC Mutual Fund-IDFC Fixed Maturity Plan-Yearly Series 57	-		250.0	
Nil (Previous Year 25,000,000) Units				
JP Morgan Asset Management -JP Morgan India Fixed Maturity Plan Series 17-Direct Growth	400.0		-	
40,000,000 (Previous Year Nil) Units				
L&T Mutual Fund-L&T FMP - VII (March 367D A) Direct Plan Growth	250.0		-	
25,000,000 (Previous Year Nil) Units				
Reliance Mutual Fund-Reliance Fixed Horizon Fund -XXII- Series 35-Growth Plan (8D-GP)	200.0		-	
19,999,990 (Previous Year Nil) Units				
Reliance Mutual Fund-Reliance Yearly Interval Fund Series 1 -Direct Plan-Growth (Y1-AG)	200.0		-	
20,000,000 (Previous Year Nil) Units				
Reliance Mutual Fund-Reliance Yearly Interval Fund Series 4 -Direct Plan-Growth (Y4-AG)	250.0		-	
25,000,000 (Previous Year Nil) Units				
Religare Mutual Fund-Religare FMP Series XVI Plan D (370 Days) Growth	100.0		-	
10,000,000 (Previous Year Nil) Units				
Religare Mutual Fund- Religare Fixed Maturity Plan - Series XVII - Plan E (369 days)-Direct Plan-Growth	200.0		-	
20,000,000 (Previous Year Nil) Units				
Religare Mutual Fund- Religare Fixed Maturity Plan - Series XVIII - Plan A (369 days)-Direct Plan-Growth	150.0		-	
15,000,000 (Previous Year Nil) Units				
SBI Mutual Fund-SBI Debt Fund Series - 366 Days -23-Direct Plan-Growth	250.0		-	
25,000,000 (Previous Year Nil) Units				
UTI Mutual Fund-UTI Fixed Term Income Fund Series XIV-V (366 Days) Direct-Growth	400.0		-	
40,000,000 (Previous Year Nil) Units				
		4,600.0		250.0
d) In Deposits				
Unquoted				
Housing Development Finance Corporation Ltd	500.0		4,500.0	
SICOM Limited	250.0	750.0	760.0	5,260.0
TOTAL (A)		5,350.0		5,637.5



for the year ended 31st March, 2013

	As at 31st Mar	rch 2012	₹ in Millior t March, 2012
A Other Current Investments (Unqueted)	AS at 31St Mai	AS at 515	L IVIdICII, 2012
) Other Current Investments (Unquoted)			
a) In Mutual Funds			
Units of Face Value of ₹ 10 each			
BNP Mutual Fund - BNP Paribas Overnight-Inst Growth	-	250.0)
Nil (Previous Year 15,159,967) Units			
JPMorgan Mutual Fund-JP Morgan Liquid Super IP - Growth	-	250.0)
Nil (Previous Year 17,992,212) Units	122.0		
JM Financial Mutual Fund-JM High Liquidity Fund-Growth Option (13)	120.0		-
3,756,339 (Previous Year Nil) Units			
Religare Mutual Fund-Religare Credit Opportunities Fund-Inst Growth	-	250.0)
Nil (Previous Year 20,697,591) Units			
Units of Face Value of ₹ 100 each			
ICICI Prudential Mutual Fund - ICICI Prudential Money Market Fund Cash Option Growth	-	250.0)
Nil (Previous Year 1,686,038) Units			
ICICI Prudential Mutual Fund-ICICI Prudential Money Market	200.0		-
Fund Regular Plan Growth			
1,233,984 (Previous Year Nil) Units			
Units of Face Value of ₹ 1,000 each			
Axis Mutual Fund - Axis Liquid Fund-Institutional Growth	-	250.0)
Nil (Previous Year 210,385) Units			
Axis Mutual Fund - Axis Liquid Fund- Direct Plan Growth	120.0		-
92,395 (Previous Year Nil) Units			
Daiwa Mutual Fund-Daiwa Liquid Fund-Inst Plan-Growth	-	250.0)
Nil (Previous Year 208,291) Units			
IDBI Mutual Fund-IDBI Liquid Fund - Growth	-	250.0)
Nil (Previous Year 217,297) Units			
Indiabulls Mutual Fund- Indiabulls Liquid Fund -Direct Plan- Growth	200.0		-
175,447 (Previous Year Nil) Units			
Morgan Stanley Mutual Fund-Morgan Stanley Liquid Fund- Growth Plan	150.0	250.0)
130,335 (Previous Year 237,514) Units			
Pramerica Mutual Fund-Pramerica Dynamic Bond Fund-	-	100.0	כ
Growth			
Nil (Previous Year 99,824) Units			
Pramerica Mutual Fund-Pramerica Liquid Fund-Growth	150.0	250.0	ס
119,904 (Previous Year 218,551) Units			
Religare Mutual Fund-Religare Liquid Fund-Direct Plan-Growth	150.0		-
93,096 (Previous Year Nil) Units			
		1,090.0	2,350.0

for the year ended 31st March, 2013

₹ in Million

As at 31st March, 2012

	/ 13 ac 3 13c 1	viai ci i, 2013	715 46 51561	viai cii, 2012
b) In Commercial Paper				
Morgan Stanley India Capital Pvt Ltd - 272D CP 290T12	-		462.3	
Nil (Previous Year 1,000) Units of ₹ 500,000 each fully paid				
Morgan Stanley India Capital Pvt Ltd - 180D CP 14AG13	238.1		-	
500 (Previous Year Nil) Units of ₹ 500,000 each fully paid				
Morgan Stanley India Capital Pvt Ltd - 270D CP 12NV13	232.4		-	
500 (Previous Year Nil) Units of ₹ 500,000 each fully paid				
		470.5		462.3
c) In Deposits				
Unquoted				
Housing Development Finance Corporation Ltd.	2,000.0		-	
SICOM Limited	500.0		-	
		2,500.0		-
TOTAL (B)		4,060.5		2,812.3
TOTAL (A+B)		9,410.5		8,449.8
AGGREGATE VALUE OF INVESTMENTS	Book	Market	Book	Market
	Value	Value	Value	Value
Quoted	-	-	122.5	120.9
Unquoted	9,410.5		8,327.3	
111/11/11/11				
INVENTORIES				
Raw Materials and Packing Materials	4,907.7		4,171.2	
Goods-in-Transit	25.6		27.5	
	4,933.3		4,198.7	
Less : Transferred on spin-off (*)	_	4,933.3	(857.1)	3,341.6
Work-in-Progress	2,072.6		1,977.1	
Less : Transferred on spin-off (*)	-	2,072.6	(146.5)	1,830.6
Finished Goods	1,461.2		1,266.6	
Goods-in-Transit	-		22.8	
	1,461.2		1,289.4	
Less : Transferred on spin-off (*)	-	1,461.2	(295.2)	994.2
Stock-in-Trade	-		162.0	
Less : Transferred on spin-off (*)	-	-	(162.0)	-
Other Materials and Consumables	220.3		234.2	
Goods-in-Transit	0.2	220.5	0.1	234.3
(*) Refer Note 49				
		8,687.6		6,400.7

16



for the year ended 31st March, 2013

₹ in Million

		As at 31st March, 2013		As at 31st March, 201	
17	TRADE RECEIVABLES				
	(Unsecured – Considered Good unless stated otherwise)				
	Outstanding for a period exceeding Six Months from the date they are due for payment				
	Considered Good	661.4		538.0	
	Doubtful	131.7		42.4	
		793.1		580.4	
	Less: Provision for Doubtful Trade Receivables	131.7	661.4	42.4	538.0
	Other Trade Receivables		6,713.9		6,596.8
			7,375.3		7,134.8

CASH AND CASH EQUIVALENTS				
Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statements				
Cash on Hand		4.7		5.4
Cheques, Drafts on Hand		-		3.3
Balances with Banks				
In Current Accounts	155.5		50.4	
In Deposit Accounts with Original Maturity less than 3 Months	140.0		430.4	
In EEFC Accounts	1,917.9	2,213.4	1,197.7	1,678.5
		2,218.1		1,687.2
Other Bank Balances				
In Deposit Accounts (Refer Footnote)	1,974.5		11,497.4	
In Earmarked Accounts				
Unpaid Dividend Accounts	42.4		37.7	
Balances held as Margin Money or Security against Guarantees and Other Commitments (Refer Footnote)	76.2	2,093.1	54.8	11,589.9
		4,311.2		13,277.1

Footnote

Other Bank Balances include Deposits amounting to ₹ 252.7 Million (Previous Year ₹ 1,539.1 Million) and Margin Monies amounting to ₹ 76.2 Million (Previous Year ₹ 54.8 Million) which have an Original Maturity of more than 12 Months.

for the year ended 31st March, 2013

₹ in Million

		As at 31st March, 2013		As at 31st March, 2012	
19	SHORT-TERM LOANS AND ADVANCES				
	(Unsecured – Considered Good unless stated otherwise)				
	Loans and Advances to Related Parties (Refer Notes 38 and 44)		3,435.7		-
	Loans and Advances to Employees / Others				
	Secured	252.5		300.0	
	Unsecured	2,783.4		2,158.6	
	Considered Doubtful	4.5		4.5	
		3,040.4		2,463.1	
	Less: Provision for Doubtful Loans and Advances	4.5	3,035.9	4.5	2,458.6
	Prepaid Expenses		76.2		68.5
	Balances with Government Authorities		1,639.9		976.5
	Advances for Supply of Goods and Services		307.3		402.5
			8,495.0		3,906.1
20	OTHER CURRENT ASSETS				
	(Unsecured – Considered Good)				
	Interest Accrued on Investments		239.1		336.7
	Unamortised Premium on Investments		0.3		0.3
	Export Incentives		353.5		203.1
			592.9		540.1

₹ in Million

			Year ended 31st March, 2013		ended rch, 2012
21	REVENUE FROM OPERATIONS				
	Sale of Products		23,297.5		24,631.0
	Other Operating Revenues				
	Share of Income from Partnership Firms	1,002.7		16,081.4	
	Others	884.7	1,887.4	92.5	16,173.9
			25,184.9		40,804.9

OTHER INCOME			
Net Interest Income			
Interest Income on:			
Deposits with Banks	1,484.9	782.9	
Loans and Advances	428.4	255.4	
Current Investments	46.3	426.0	
Long-term Investments	67.9	160.8	
Others	2.1	1.8	
	2,029.6	1,626.9	

22



for the year ended 31st March, 2013

		Year ended 31st March, 2013		Year ended 31st March, 2012	
Less : Finance Costs					
Interest Expense on:					
Borrowings	4.2		3.0		
Others	0.2		1.3		
	4.4	2,025.2	4.3	1,622.6	
Dividend Income on Long-term Investments		0.2		0.2	
Net Gain on Sale of:					
Current Investments	283.0		1,272.0		
Long-term Investments	24.2	307.2	470.0	1,742.0	
Insurance Claims		6.7		18.4	
Lease Rental and Hire Charges		13.8		13.8	
Miscellaneous Income		8.6		31.5	
		2,361.7		3,428.5	
COST OF MATERIALS CONSUMED					
Raw and Packing Materials					
Inventory at the beginning of the year		4,198.7		3,415.9	
Purchases during the year		7,792.5		10,299.9	
Inventory (Previous year - prior to spin off) at the end of the year		(4,933.3)		(4,198.7)	
		7,057.9		9,517.1	
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE					
Inventories at the beginning of the year		3,428.5		2,611.2	
Inventories (Previous year - prior to spin off) at the end of the year		(3,533.8)		(3,428.5)	
		(105.3)		(817.3)	
EMPLOYEE BENEFITS EXPENSE					
Salaries and Wages		1,826.8		2,708.8	
Contribution to Provident and Other Funds		200.3		170.5	
Staff Welfare Expenses		321.6		286.3	
		2,348.7		3,165.6	

for the year ended 31st March, 2013

	Year ended 31st March, 2013			Year ended 31st March, 2012	
OTHER EXPENSES					
Consumption of Materials, Stores and Spare Parts		1,711.2		1,186.C	
Conversion and Other Manufacturing Charges		497.2		541.3	
Power and Fuel		934.0		687.6	
Rent		29.3		24.5	
Rates and Taxes		88.8		68.0	
Insurance		63.1		42.5	
Selling and Distribution		57.3		2,424.3	
Commission and Discount		215.0		467.9	
Repairs					
Buildings	87.2		43.9		
Machinery	442.2		348.6		
Others	201.2	730.6	120.7	513.2	
Printing and Stationery		50.5		47.4	
Travelling and Conveyance		133.3		237.5	
Overseas Travel and Export Promotion		1,288.3		1,115.1	
Communication		71.9		58.3	
Provision for Doubtful Trade Receivables / Advances					
Provision for Doubtful Trade Receivables	90.6		15.5		
Sundry Balances / Trade Receivables written off (Net)	2.2		48.1		
Less : Adjusted out of Provision of earlier year	1.3	91.5	54.0	9.6	
Professional and Consultancy		1,182.5		558.4	
Donations		22.1		0.1	
Loss on Sale of Fixed Assets (Net)		6.0		36.9	
Increase / (Decrease) of Excise Duty on Inventory		26.1		73.5	
Net Loss on Foreign Currency Transactions and Translation		522.1		549.3	
Payments to Auditors (Net of Service Tax)					
As Auditors [includes ₹ Nil (Previous Year ₹ 0.4 Million) in respect of Previous Year]	7.8		7.0		
For Other Services	1.5		1.7		
Reimbursement of Expenses	0.1	9.4	0.2	8.9	
Miscellaneous Expenses		493.6		337.5	
		8,223.8		8,987.8	
Less:					
Receipts from Research Activities		(340.1)		(158.6	
		7,883.7		8,829.2	



for the year ended 31st March, 2013

₹ in Million

	Year ended 31st March, 2013		Year e 31st Ma	ended rch, 2012
Note: Research and Development Expenditure included in note 22 to 26				
Salaries and Wages		620.9		502.4
Contribution to Provident and Other Funds		29.4		25.7
Staff Welfare Expenses		61.3		48.0
Consumption of Materials, Stores and Spare Parts		1,101.9		707.6
Power and Fuel		65.0		55.3
Rent		0.1		0.0
Rates and Taxes		4.4		5.0
Insurance		1.9		1.6
Repairs				
Buildings	15.4		9.2	
Machinery	39.9		36.5	
Others	39.2	94.5	30.0	75.7
Printing and Stationery		14.9		11.6
Travelling and Conveyance		37.6		24.9
Communication		14.1		9.4
Professional and Consultancy		440.2		203.0
Loss on Sale of Fixed Assets (Net)		0.2		0.8
Miscellaneous Expenses		238.6		160.9
		2,725.0		1,831.9
Less:				
Net Interest Income [net of Interest expense on borrowings ₹ 1.4 Million (Previous year Nil)]	1.4		1.6	
Receipts from Research Activities	340.1		158.6	
Miscellaneous Income	25.0	366.5	15.1	175.3
		2,358.5		1,656.6

27 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India and the Accounting Standards (AS) as notified under the Companies (Accounting Standards) Rules, 2006.

II Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

for the year ended 31st March, 2013

III Fixed Assets and Depreciation / Amortisation

Fixed Assets including intangible assets are stated at historical cost (net of cenvat credit) less accumulated depreciation/ amortisation thereon and impairment losses, if any. Depreciation on tangible assets is provided on Straight Line Method at the rates specified in Schedule XIV to The Companies Act, 1956. Assets costing ₹ 5,000/- or less are charged off as expense in the year of purchase. Intangible assets consisting of trademarks, designs, technical knowhow, non-compete fees and other intangible assets are amortised on Straight Line Method from the date they are available for use, over the useful lives of the assets (10/20 years), as estimated by the Management considering the terms of agreement. Leasehold land is amortised over the period of lease.

IV Leases

Lease rental for assets taken / given on operating lease are charged / credited to the Statement of Profit and Loss in accordance with Accounting Standard 19 on Leases.

V Revenue Recognition

Sale of products are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on despatch of products. Export sales are recognised on the basis of Bill of lading / Airway bill. Sales includes delayed payment charges and are stated net of returns including provision made on account of estimated Breakages and Expiry based on past experience and VAT / Sales Tax, if any.

VI Investments

Investments are classified into Current and Long Term Investments. Current Investments are valued at lower of cost and fair value. Long Term Investments are stated at cost less provision, if any, for other than temporary diminution in their value.

VII Inventories

Inventories consisting of raw and packing materials, other materials and consumables including R&D materials, work-in-progress, stock-in-trade and finished goods are stated at lower of cost (raw and packing materials and stock-in-trade - specific identification method; other materials and consumables - FIFO basis; work-in-progress and finished goods - weighted average method) and net realisable value.

VIII Research and Development

The research and development cost is accounted in accordance with Accounting Standard – 26 'Intangible Assets'. All related revenue expenditure incurred on original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding up to the time when it is possible to demonstrate probable future economic benefits, is recognised as research expenses and charged off to the Statement of Profit and Loss, as incurred. All subsequent expenditure incurred for product development on the application of research findings or other knowledge upon demonstration of probability of future economic benefits, prior to the commencement of production, to the extent identifiable and possible to segregate are accumulated and carried forward as development expenditure under Capital Work in Progress, to be capitalised as an intangible asset on completion of the project. In case a project does not proceed as per expectations / plans, the same is abandoned and the amount classified as development expenditure under Capital Work in Progress is charged off to the Statement of Profit and Loss.

IX Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate that approximates the actual rate prevailing at the date of the transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items, which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life of the forward contract. The exchange differences arising on settlement / translation are recognised in the Statement of Profit and Loss.



for the year ended 31st March, 2013

X Derivative Accounting:

Forward Contracts in the nature of highly probable forecasted transactions / firm commitments entered into for hedging the risk of foreign currency exposure are accounted for on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies". Pursuant to this, losses, if any, on Mark to Market basis, are recognised in the Statement of Profit and Loss and gains are not recognised on prudent basis.

XI Taxes on Income

Provision for taxation comprises of Current Tax and Deferred Tax. Current Tax provision has been made on the basis of reliefs and deductions available under the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted in accordance with Accounting Standard 22 (AS-22) "Accounting for taxes on income" notified under the Companies (Accounting Standards) Rules, 2006, using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance sheet date.

XII Employee Benefits

- (a) The Company's contribution in respect of provident fund is charged to the Statement of Profit and Loss each year.
- (b) With respect to gratuity liability, Company contributes to Life Insurance Corporation of India (LIC) under LIC's Group Gratuity policy. Gratuity liability as determined on actuarial basis by the independent valuer is charged to the Statement of Profit and Loss.
- (c) Liability for accumulated compensated absences of employees is ascertained for on actuarial valuation basis and provided for as per the Company rules.

XIII Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

XIV Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognised in the financial statements, since this may result in the recognition of income that may never be realised.

XV Government Grants / Subsidy

Government grants, if any, are accounted when there is reasonable assurance that the enterprise will comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made. Capital Subsidy in nature of Government Grants related to specific fixed assets is accounted for where collection is reasonably certain and the same is shown as a deduction from the gross value of the asset concerned in arriving at its book value and accordingly the depreciation is provided on the reduced book value.

XVI Impairment of Assets

The Company assesses, at each Balance Sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss being recognised.

for the year ended 31st March, 2013

₹ in Million

		As at 31st March, 2013		As at 31st March, 2012	
	ONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT ROVIDED FOR)				
i	Contingent Liabilities				
Α	Claims against the Company not acknowledged as debts		34.6		23.6
В	Guarantees:				
	Guarantees Given by the bankers on behalf of the Company		227.4		226.9
	Corporate Guarantees		149.2		157.5
С	Others:				
	Letters of Credit for Imports		463.2		243.3
	Liabilities Disputed - Appeals filed with respect to :				
	Income Tax on account of Disallowances / Additions		2,771.2		2,134.4
	Sales Tax on account of Rebate / Classification		48.4		22.9
	Excise Duty on account of Valuation / Cenvat Credit		322.2		319.4
	ESIC Contribution on account of applicability		0.2		0.2
	Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, including interest thereon, enjoyed by the Company		14.0		14.0
	Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme		13.9		12.0
ii	Commitments				
a	Estimated amount of contracts remaining to be executed on capital account [net of advances].		2,647.0		2,647.5
b	Derivative related Commitments - Forward Foreign Exchange Contracts		4,342.4		2,034.8

29 DISCLOSURES RELATING TO SHARE CAPITAL

i Rights, Preferences and Restrictions attached to Equity Shares

The Equity Shares of the Company, having par value of ₹ 1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

ii Equity Shares held by each shareholder holding more than 5 percent Equity Shares in the Company are as follows:

	As at 31st Ma	rch, 2013	As at 31st Ma	rch, 2012
Name of Shareholders	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dilip Shantilal Shanghvi	115,570,240	11.2	115,570,240	11.2
Viditi Investments Pvt. Ltd.	100,692,660	9.7	100,692,660	9.7
Tejaskiran Pharmachem Inds. Pvt. Ltd.	97,671,880	9.4	97,671,880	9.4
Family Investment Pvt. Ltd.	91,463,720	8.8	91,463,720	8.8
Quality Investment Pvt. Ltd.	91,434,320	8.8	91,434,320	8.8



for the year ended 31st March, 2013

33

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₹	in	Million

		Year ended 31st March, 2013	Year ended 31st March, 2012
30	RESEARCH AND DEVELOPMENT EXPENDITURE		
	Revenue (Excluding Depreciation)	2,358.5	1,656.6
	Capital	377.2	352.1
	TOTAL	2,735.7	2,008.7

		Year ended 31st March, 2013		Year ended 31st March, 2012	
31	INFORMATION RELATING TO CONSUMPTION OF MATERIALS				
	Raw and Packing Materials				
	Raw Materials		5,839.0		8,328.1
	Packing Materials		1,218.9		1,189.0
	TOTAL		7,057.9		9,517.1
	None of the items individually account for more than 10% of total con	sumption.			
	Imported and Indigenous	%		%	
	Raw and Packing Materials				
	Imported	54.47	3,844.5	39.93	3,800.2
	Indigenous	45.53	3,213.4	60.07	5,716.9
	TOTAL	100.00	7,057.9	100.00	9,517.1
	Stores and Spare Parts and Other Materials				
	Imported	30.74	526.0	30.30	359.4
	Indigenous	69.26	1,185.2	69.70	826.6
	TOTAL	100.00	1,711.2	100.00	1,186.0

32	INFORMATION RELATING TO PURCHASES OF STOCK-IN-TRADE		
	Formulations	1,922.1	1,828.4
	Bulk Drugs	48.7	27.4
	Others	38.8	19.0
	TOTAL	2,009.6	1,874.8

INFORMATION RELATING TO SALE OF PRODUCTS		
Formulations	16,580.2	19,413.8
Bulk Drugs	6,618.8	5,181.9
Others	98.5	35.3
TOTAL	23,297.5	24,631.0

for the year ended 31st March, 2013

34 INFORMATION RELATING TO INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Million

	As at 31st March, 2013			As at 31st March, 2012		
	Finished Goods	Work-in-	Stock-in-Trade	Finished Goods	Work-in-	Stock-in-
		Progress			Progress	Trade
Formulations	297.2	497.7	-	410.0	434.6	162.0
Bulk Drugs	1,164.0	1,574.9	-	879.4	1,542.5	-
TOTAL	1,461.2	2,072.6	-	1,289.4	1,977.1	162.0

₹ in Million

		Year ended	Year ended
		31st March, 2013	31st March, 2012
35	INCOME/EXPENDITURE IN FOREIGN CURRENCY		
	Income		
	Exports (FOB basis)	19,238.0	14,628.2
	Interest	4.1	-
	Royalty	3.3	3.0
	Others	369.8	14.7
	Expenditure		
	Raw Materials (CIF basis)	2,692.0	2,895.2
	Packing Materials (CIF basis)	944.4	669.0
	Capital Goods (CIF basis)	1,217.6	907.8
	Spares and Components (CIF basis)	498.6	347.1
	Professional Charges	1,025.6	452.8
	Overseas Travel	110.0	50.2
	Others	1,388.4	1,046.4

The net Exchange Loss of ₹ 39.9 Million (Previous Year ₹ 618.5 Million) is included under Revenue from Operations, Other Income, Cost of Materials Consumed and Other Expenses in the Statement of Profit and Loss.

37 DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

- (a) An amount of ₹ 66.2 Million (Previous Year ₹ 39.4 Million) and ₹ NIL (Previous Year ₹ NIL) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.
- (b) No interest was paid during the year.
- (c) No interest is payable at the end of the year under Micro, Small and Medium Enterprises Development Act, 2006.
- (d) No amount of interest was accrued and unpaid at the end of the accounting year.

The above information and that given in Note 8 "Trade Payables" regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

38 RELATED PARTY DISCLOSURE (AS-18) - AS PER ANNEXURE 'A'



for the year ended 31st March, 2013

39 ACCOUNTING STANDARD (AS-20) ON EARNINGS PER SHARE

₹ in Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
Profit After Tax - used as Numerator for calculating Earnings per share	5,165.5	16,974.9
Weighted Average number of Shares used in computing basic and diluted earnings per share	1,035,581,955	1,035,581,955
Nominal Value Per Share (in ₹)	1	1
Basic and Diluted Earnings Per Share (in ₹)	5.0	16.4

ACCOUNTING STANDARD (AS-17) ON SEGMENT REPORTING (a) Primary Segment The Company has identified "Pharmaceuticals" as the only primary reportable business segment. (b) Secondary Segment (by Geographical Segment) India J,318.9 9,898.5 Outside India 19,978.6 14,732.5 Sale of Products 23,297.5

In view of the interwoven/intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

41 ACCOUNTING STANDARD (AS-15) ON EMPLOYEE BENEFITS

Contributions are made to Recognised Provident Fund, Family Pension Fund, ESIC and other Statutory Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 94.8 Million (Previous year ₹ 132.1 Million)

₹ in Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
Contribution to Provident Fund	87.6	125.5
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	7.1	6.5
Contribution to Labour Welfare Fund	0.1	0.1

In respect of Gratuity, Contributions are made to LIC's Recognised Group Gratuity Fund Scheme based on amount demanded by LIC of India. Provision for Gratuity is based on actuarial valuation done by independent actuary as at the year end. Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 75.5 Million (Previous Year ₹ 52.0 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Category of Plan Assets: The Company's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India.

for the year ended 31st March, 2013

₹ in Million

	Year ended	Year ended
	31st March, 2013	31st March, 2012
In respect of gratuity (funded):		
Reconciliation of liability / (asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	256.9	299.2
Fair value of plan assets	(249.3)	(333.4)
Net liability / (asset) in the Balance sheet	7.6	(34.2)
Movement in net liability / (asset) recognised in the Balance sheet		
Net liability / (asset) as at the beginning of the year	(34.2)	(25.9)
Net plan assets transferred	12.1	-
Net expense recognised in the Statement of Profit and Loss	66.5	36.9
Contribution during the year	(36.8)	(45.2)
Net liability / (asset) in the Balance sheet	7.6	(34.2)
Expense recognised in the Statement of Profit and Loss		
Current service cost	20.1	29.4
Interest cost	15.0	20.5
Expected return on plan assets	(16.9)	(22.6)
Actuarial loss	48.3	9.6
Expense charged to the Statement of Profit and Loss	66.5	36.9
Return on plan assets		
Expected return on plan assets	16.9	22.6
Actuarial gain	4.7	6.4
Actual return on plan assets	21.6	29.0
Reconciliation of defined-benefit commitments		
Commitments as at the beginning of the year	299.2	248.3
Commiments transferred	(122.3)	_
Current service cost	20.1	29.4
Interest cost	15.0	20.5
Paid benefits	(8.1)	(15.0)
Actuarial loss	53.0	16.0
Commitments as at the year end	256.9	299.2
Reconciliation of plan assets		
Plan assets as at the beginning of the year	333.4	274.2
Plan assets transferred	(134.4)	-
Expected return on plan assets	16.9	22.6
Contributions during the year	36.8	45.2
Paid benefits	(8.1)	(15.0)
Actuarial gain	4.7	6.4
Plan assets as at the year end	249.3	333.4

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

Discount rate	8.25%	8.50%
Expected return on plan assets	8.25%	8.50%
Expected rate of salary increase	7.00%	6.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate

SUN

for the year ended 31st March, 2013

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

	₹ in Million					
		Year ended				
	31st March,	31st March, 31st March, 31st March, 31st March, 31st March,				
	2013	2012	2011	2010	2009	
Experience adjustment						
On plan liabilities	20.2	25.2	17.5	56.5	5.2	
On plan assets	4.7	6.4	3.3	3.3	3.9	
Present value of benefit obligation	256.9	299.2	248.3	212.7	142.4	
Fair value of plan assets	(249.3)	(333.4)	(274.2)	(228.5)	(187.2)	
Excess of obligation over plan assets /	7.6	(34.2)	(25.9)	(15.8)	(44.8)	
(plan assets over obligation)						

The contribution expected to be made by the Company during financial year ending 31st March, 2014 is ₹ 48.1 Million (Previous Year ₹ 32.7 Million).

42 ACCOUNTING STANDARD (AS-19) ON LEASES

- (a) The Company has given certain premises for its operations and Plant and Machinery under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licence, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has received refundable interest free security deposits where applicable in accordance with the agreed terms. (b) The Company has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licence, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. (c) Lease receipts / payments are recognised in the Statement of Profit and Loss under "Rent" in Note 22 and 26 respectively.
- As per the best estimate of the management, provision has been made towards breakages and expiry of products return, as per Accounting Standard (AS) 29 notified under the Companies (Accounting Standards) Rules, 2006.

₹ in Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
Opening balance	130.0	-
Add: Provision for the year	-	130.0
Less: Utilisation / Settlement	130.0	-
Closing balance	-	130.0

44 LOANS / ADVANCES DUE FROM SUBSIDIARIES

	As at 31st	Maximum	As at 31st	Maximum
	March, 2013	Balance 2012-13	March, 2012	Balance 2011-12
Loans				
Green Eco Development Centre Ltd	4.4	4.4	2.9	2.9
Sun Pharma Drugs Private Limited	1,865.5	7,879.1	-	-
Sun Pharma Medication Private Limited	831.8	7,302.4	-	-
Sun Pharma Laboratories Ltd.	-	507.1	-	-
Sun Pharma De Venezuela, C.A.	-	-	-	1.2
Sun Pharma Global Inc. BVI	-	-	-	2,125.4
Advances: Share Application Money to				
Sun Pharma De Mexico, S.A. DE C.V.	73.0	73.0	68.4	68.4
	2,774.7		71.3	

for the year ended 31st March, 2013

Intangible assets consisting of trademarks, designs, technical knowhow, non compete fees and other intangible assets are stated at cost of acquisition based on their agreements and are available to the Company in perpetuity. The depreciable amount of intangible assets is arrived at based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Company.

46 LEGAL PROCEEDINGS

The Company and / or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims and other regulatory matters relating to conduct of its business. The Company carries product liability insurance / is contractually indemnified by the manufacturer, in an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters will not have material adverse effect on its Financial Statements.

- 47 Current Tax is net of write back of Provision for Fringe Benefit Tax (net) of ₹ 0.2 Million (Previous Year ₹ 0.6 Million) pertaining to earlier year.
- During the year, the Company has received Government Grant of Nil (Previous Year ₹ 2.0 Million) and Nil (Previous Year ₹ 3.0 Million) in respect of Building and Plant and Equipment respectively.
- Pursuant to the scheme of arrangement in the nature of spin off and transfer of Domestic Formulation undertaking of the Company to its wholly owned subsidiary, Sun Pharma Laboratories Ltd (SPLL formerly known as Sun Resins & Polymers Private Ltd.) as approved by the Hon'ble High Court of Gujarat and the Hon'ble High Court of Bombay vide their Orders dated 3rd May, 2013, on and with effect from the close of the business hours on 31st March 2012, the appointed date, all the specified assets, movable, tangible and intangible assets, without any liabilities, pertaining to the Domestic Formulation undertaking stands transferred to and /or vested in the SPLL as a going concern without consideration. The scheme has been given effect to in the financial statements for the previous year ended 31st March, 2012 and accordingly, specified intangible assets, tangible and other assets of the Domestic Formulation undertaking having book value of ₹ 2,999.2 Million have been transferred to SPLL with corresponding debit to the Statement of Profit and Loss as an Exceptional Item.
- 50 The Company enters into Forward Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.
 - A) The following are the outstanding Forward Exchange Contracts entered into by the Company as on 31st March, 2013

Amount in Million

Currency	Buy/Sell	Cross Currency	31st March, 2013	31st March, 2012
US Dollar	Sell	₹	\$250.0	\$260.0

- B) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:
- a) Amounts receivable in foreign currency on account of the following:

Amount in Million

	Currency	As at 31st N	March, 2013	As at 31st N	/larch, 2012
Exports of Goods and Services	US Dollar	\$17.6	₹955.6	\$73.2	₹3,725.1
	Euro	€ 3.9	₹269.3	€ 5.4	₹369.4
	British Pound	£0.7	₹56.5	£0.8	₹61.5
CHF 15,000 (Previous Year CHF 15,000)	Swiss Franc	CHF 0.0	₹0.9	CHF 0.0	₹0.8
	Russian Rubble	RUB 321.9	₹566.6	RUB 21.3	₹37.0

for the year ended 31st March, 2013



b) Amounts payable in foreign currency on account of the following:

Amount in Million

	Currency	As at 31st M	larch, 2013	As at 31st N	March, 2012
Import of Goods and Services	US Dollar	\$7.5	₹407.6	\$8.0	₹406.8
	Euro	€ 0.8	₹57.0	€ 0.8	₹56.0
	British Pound	£0.1	₹8.4	£0.2	₹16.8
CHF 33,214 (Previous Year CHF 315, ₹ 17,811)	Swiss Franc	CHF 0.0	₹1.9	CHF 0.0	₹0.0
ILS 30,191	Israel Shakel	ILS 0.0	₹0.3	-	-
	Japanese Yen	JPY 52.3	₹30.2	-	-
Commission Payable	US Dollar	\$6.0	₹323.6	\$4.4	₹222.4
	Euro	€ 0.9	₹62.2	€ 2.0	₹134.7

51 Previous years' figures are regrouped wherever necessary. Further, current years' figures are not comparable with those of the previous year in view of the spin off as stated in Note 49.

ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE "

ANNEXURE 'A'

Names of related parties and description of relationship

1 Subsidiaries

Alkaloida Chemical Company Zrt.

Caraco Pharmaceutical Laboratories Ltd.

Chattem Chemicals Inc

Green Eco Development Centre Ltd.

000 "Sun Pharmaceutical Industries" Ltd.

TKS Farmaceutica Ltda

Sun Pharma De Mexico S.A. DE C.V.

Sun Pharma De Venezuela, CA.

Sun Pharma Global Inc.

Sun Pharmaceutical (Bangladesh) Ltd.

Sun Pharmaceutical Industries (Europe) B.V.

Sun Pharmaceutical Industries Inc.

(merged with Caraco Pharmaceutical Laboratories Ltd. w.e.f. 28th February, 2013)

Sun Pharmaceutical Spain, SL.

Sun Pharmaceuticals France

Sun Pharmaceuticals Germany GmbH

Sun Pharma Global (FZE)

Sun Pharmaceuticals Italia S.R.L.

Sun Pharmaceutical UK Ltd.

Taro Pharmaceutical Industries Ltd.

Sun Pharmaceutical Industries (Australia) Pty. Ltd.

Aditya Acquisition Company Ltd.

Sun Pharmaceuticals (SA) (Pty) Ltd.

Sun Global Canada Pty. Ltd.

Sun Pharmaceutical Peru S.A.C.

Taro Development Corporation

for the year ended 31st March, 2013

ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE "

ANNEXURE 'A'

Names of related parties and description of relationship

ZAO Sun Pharma Industries Ltd.

SPIL De Mexico S.A. DE C.V.

Caraco Pharma Inc

3 Skyline LLC

One Commerce Drive LLC

Taro Hungary Intellectual Property Licensing LLC.

Taro International Ltd.

Taro Pharmaceuticals Inc.

Taro Pharmaceutical India Private Ltd.

Taro Pharmaceutical Laboratories INC

Taro Pharmaceuticals U.S.A., Inc.

Taro Pharmaceuticals Europe B.V.

Taro Pharmaceuticals Ireland Ltd.

Taro Pharmaceuticals North America, Inc.

Taro Pharmaceuticals UK Ltd.

Taro Research Institute Ltd

(merged with Taro Pharmaceutical Industries Ltd. w.e.f. 31st March , 2012)

Tarochem Ltd.

Morley and Company Inc

Sun Laboratories FZE

Taro Pharmaceuticals Canada, Ltd.

Sun Global Development FZE

Sun Pharmaceuticals Korea Ltd.

Sun Pharma Philippines Inc.

Caraco Pharmaceuticals Pvt. Ltd

Sun Pharma MEA JLT

Sun Pharma Healthcare FZE

Sun Pharma Japan Ltd

Sun Pharma Laboratories Ltd.(Formerly, Sun Resin & Polymers Pvt Ltd)

- * Sun Pharma Medication Pvt Ltd.
- * Sun Pharma Drugs Pvt Ltd.

Universal Enterprise Pvt Ltd (w.e.f. 31st August, 2012)

- ** Faststone Mercantile Company Private Limited
- ** Neetnav Real Estate Private Limited
- ** Realstone Multitrade Private Limited
- ** Skisen Labs Private Limited
- ** Softdeal Trading Company Private Limited
- ** Orta Ltd.
- ** Sun Universal Ltd
- ** Khyati Realty ME Ltd
- ** Aditya Pharma limited Liability Company

STATUTORY REPORTS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



for the year ended 31st March, 2013

ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE "

ANNEXURE 'A'

Names of related parties and description of relationship

- ** Alkaloida Sweden AB
- ** Dusa Pharmaceuticals Inc
- ** Dusa Pharmaceuticals New York Inc.
- ** Sirius Laboratories Inc
- ** URL Pharma Inc
- ** AR Scientific.Inc
- ** Mutual Pharmaceutical Company, Inc.
- ** United Research Laboratories, Ltd.
- ** Dungan Mutual Associates, LLC
- ** URL PharmPro, LLC
- 2 Controlled Entity
- * Sun Pharmaceutical Industries
- * Sun Pharma Sikkim Sun Pharma Drugs
 - Universal Enterprise Pvt Ltd (upto 31st August, 2012)
- 3 Key Management Personnel
- Mr. Dilip S. Shanghvi Managing Director
 Mr. Sudhir V. Valia Wholetime Director
 Mr. Sailesh T. Desai Wholetime Director
 Mr. S. Vehanasundaran (unto 21st March 2012) Chief Everyting Office
- Mr. S. Kalyanasundaram (upto 31st March, 2012)

 Chief Executive Officer and
 - Wholetime Director

- 4 Relatives of Key Management Personnel
- Mr. Aalok Shanghvi
- Ms. Vidhi Shanghvi (w.e.f. 9th November, 2012)
- Son of Managing Director

 Daughter of Managing Director

- 5 Enterprise under significant Influence of Key Management Personnel or their relatives
- Sun Petrochemicals Pvt Ltd Navjivan Rasayan (Gujarat) Pvt Ltd
- Sun Pharma Advanced Research Company Ltd
- * Controlled entities converted into private limited companies under Part IX of the Companies Act, 1956 w.e.f. 31st August, 2012.
- ** Incorporated / Acquired during the year

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31st March, 2013

ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE "

	Subsid	Subsidiaries	Controlled Entity	Entity	Key Management Personnel	nent II	Relatives of Key Management Personnel	of Key Dersonnel	Enterprise under significant Influence of Key Management Personnel or their relatives	Lance of Key Jersonnel or atives	lota	er.
	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12
Purchases of goods	1,198.8	42.5	668.1	515.2	1	1	T	1	ı	2.0	1,866.9	559.7
Sun Pharma Medication Pvt. Ltd.	1,031.6	1	1	1	1	ı	ı	1	ı	1	1,031.6	1
Sun Pharmaceutical Industries	1	'	650.7	487.5	1	1	ı	'	ı	,	650.7	487.5
Others	167.2	42.5	17.4	27.7	1	ı	ı	1	1	2.0	184.6	72.2
Purchase of Fixed Assets	27.9	19.2	1	1.44.1	1	1	ı	1	4.0	1	28.3	63.3
Sun Pharma Medication Pvt. Ltd.	25.4	1	1	1	1	1	1	1	1	1	25.4	ı
Taro Pharmaceutical Industries Ltd	2.5	17.7	1	'	1	ı	1	'	1	'	2.5	17.7
Sun Pharma Sikkim	1	•	1	42.7	1	'	1	'	1	•	1	42.7
Others	1	1.5	1	1.4	1	1	I	1	0.4	1	0.4	2.9
Sale of goods	12,154.6	8,937.5	652.6	1,277.6	1	1	T	1	23.5	7.8	12,830.7	10,222.9
Caraco Pharmaceutical Laboratories Ltd	6,333.2	6,004.1	1	1	1	1	1	1	ı	1	6,333.2	6,004.1
Sun Pharma Global (FZE)	3,389.1	2,092.7	1	'	1	'	1	'	1	•	3,389.1	2,092.7
Others	2,432.3	840.7	652.6	1,277.6	1	1	1	1	23.5	7.8	3,108.4	2,126.1
Sale of Fixed Assets	6.7	ı	1	4.3	1	1	I	1	ı	1	6.7	4.3
Sun Pharmaceutical Industries	1	1	1	4.3	1	1	1	1	1	1	1	4.3
Alkaloida Chemical Company Zrt	6.7	1	1	1	1	1	1	1	1	1	6.7	1
Receiving of Service												
Services	1	1	1	7.6	1	ı	ı	1	31.0	35.4	31.0	43.0
Sun Pharma Advanced Research	ı	1	ı	ı	1	ı	1	ı	31.0	35.4	31.0	35.4
Sun Dharmaceutical Industries	1	1	1	76	-1	1	1	1	1		1	76
Reimbursement of Expenses	386.6	209.8	1	2	1	1	1	1	L)	1	387.9	209.8
Caraco Pharmaceutical Laboratories Ltd	250.9	134.4	1	1	1	ı	1	1	1	1	250.9	134.4
Sun Pharmaceutical Industries (Europe) B.V.	78.1	45.3	I	I	1	Ī	I	I	I	ı	78.1	45.3
Taro Pharmaceutical Industries Ltd	43.8	1	1	1	1	1	1	1	1	ı	43.8	1
Others	13.8	30.1	1	1	1	1	1	1	1.3	1	15.1	30.1
Rendering of Service												
Services	337.0	ı	ı	ı	ı	1	1	ı	ı	ı	337.0	ı
Sun Pharma Laboratories Ltd.(Formerly, Sun Resin & Polymers Pvt Ltd)	273.6	1	1	1	1	1	I	ı	I	1	273.6	1
Sun Pharmaceutical (Bangladesh) Ltd	63.4	1	1	1	1	1	1	1	1	1	63.4	ı

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31st March, 2013

ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE "

₹ in Million

Particulars			clienter	1 T 1 L 1 L 1 L 1	The state of the s			a transfer	- T - T	-
	JISONC	Subsidia	כסוות סוופת בוותר)	מ בוומרא	ney Maliageilleilt Personnel	Relauves of Ney Management Personnel	significant Influence of Key	e under uence of Key	10	<u>.</u>
						ò	Management Personnel or their relatives	Personnel or atives		
	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13 31/03/12	31/03/13 31/03/12	31/03/13	31/03/12	31/03/13	31/03/12
Reimbursement of Expenses	159.6	113.4	9.0	0.2	1	1	35.9	31.4	196.0	145.0
Sun Pharma Global (FZE)	151.4	110.6	1	1	1	1	1	1	151.4	110.6
Sun Pharma Advanced Research Company Ltd	ı	ı	ı	1	1	1	35.9	31.4	35.9	31.4
Others	8.2	2.8	0.5	0.2	1	1	ı	1	8.7	3.0
Finance (including loans, Investment and equity contributions)										
Capital Contribution / (Withdrawal)	13,175.0	5,932.3	(21,969.5)	(3,206.2)	1	1	1	T	(8,794.5)	2,726.1
Sun Pharma Global Inc	13,164.1	5,931.2	ı	1	1	1	1	ı	13,164.1	5,931.2
Sun Pharma Sikkim	-1	1	(12,884.0)	(2'897)	1	1	1	1	(12,884.0)	(5,468.5)
Sun Pharmaceutical Industries	ı	1	(6'085.5)	2,278.2	1	1	1	i	(9'085.5)	2,278.2
Others	10.9	<u></u>	1	(15.9)	1	1	1	i	10.9	(14.8)
Loans given	1,512.2	2.8	1	1	1	1	780.0	1	2,292.2	2.8
Sun Pharma Advanced Research Company Ltd	ı	ı	1	I	1	1	780.0	1	780.0	ı
Sun Pharma Laboratories Ltd.(Formerly, Sun Resin & Polymers Pvt Ltd)	508.2	ı	ı	1	'	1	ı	I	508.2	ı
Green Eco Development Centre Ltd	1.5	2.8	1	1	1	1	1	ı	1.5	2.8
Others	1,002.5	1	1	1	1	1	1	i	1,002.5	1
Loans Received back	1,507.9	2,178.6	1	1		1	75.0	1	1,582.9	2,178.6
Sun Pharma Laboratories Ltd.(Formerly, Sun Resin & Polymers Pvt Ltd)	505.4	I	ı	1	1	1	ı	1	505.4	i
Softdeal Trading Private Limited	200.9	1	ı	1	1	1	ı	i	200.9	İ
Faststone Mercantile Company Pvt Ltd	200.4	1	1	ı	1	1	ı	i	200.4	ı
Neetnav Real Estate Pvt Ltd.	200.4	1	ı	1	1	1	ı	i	200.4	İ
Realstone Multitrade Private Limited	200.4	1	1	ı	'	'	ı	i	200.4	İ
Skisen Labs Pvt Ltd.	200.4	ı	ı	ı	1	1	1	İ	200.4	1
Sun Pharma Global Inc	ı	2,178.6	1	ı	1	1	ı	ı	ı	2,178.6
Others	1	1	ı	1	1	1	75.0	1	75.0	1



for the year ended 31st March, 2013 Accounting STANDARD (AS-18)" RELATED PARTY DISCLOSURE"

Particulars	Subsidiaries	iaries	Controlled Entity	J Entity	Key Management Personnel	gement inel	Relatives of Key Management Personnel	s of Key t Personnel	Enterprise under significant Influence of Key Management Personnel or their relatives	e under Jence of Key Personnel or atives	Total	<u> </u>
	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12
Corporate Guarantees Given / (Released) on behalf of	3.6	(133.6)	1	1	1	1	ı	1	ı	1	3.6	(133.6)
Sun Pharmaceuticals Italia S.R.L.	156.2	1	1	1	1	1	1	1	1	1	156.2	1
Sun Pharma De Mexico S.A. DE C.V.	1	(133.6)	1	1	1	ı	ı	1	1	1	ı	(133.6)
Sun Pharmaceutical (Bangladesh) Ltd	(152.6)		1	'	1	1	1	1	1	'	(152.6)	
Interest Income	1.4	1	4.2	2.2	1	1	ı	1	37.1	1	42.4	2.2
Sun Pharma Advanced Research Company Ltd	1	1	1	1	1	1	1	1	37.1	1	37.1	1
Sun Pharmaceutical Industries	1	'	2.1	<u></u>	1	1	1	1	1	1	2.1	<u> </u>
Sun Pharma Sikkim	1	1	2.1	7.	1	1	1	ı	ı	1	2.1	7.
Others	4.1	'	1	'	1	1	1	1	ı	1	4.1	1
Rent Income	1.5	1	1.3	3.0	1	1	1	1	1.5	1.4	4.3	4.4
Sun Pharma Drugs Pvt. Ltd.	0.8	1	1	1	1	1	1	1	ı	1	0.8	1
Sun Pharma Medication Pvt. Ltd.	0.7	1	1	,	1	1	ı	1	I	1	0.7	1
Sun Pharmaceutical Industries	ı		0.7	1.6	ı	ı	ı	1	ı	'	0.7	1.6
Sun Pharma Sikkim	1		9.0	1.4	1		ı	1	1	'	9.0	1.4
Sun Pharma Advanced Research	ı	ı	1	ı	1	1	1	1	1.4	1.3	1.4	1,3
Company Ltd												
Others	I	ı	1	ı	ı	1	1	1	0.1	0.1	0.1	0.1
Director's Remuneration	1	1	I	I	53.0	78.7	ı	1	ı	I	53.0	78.7
Mr. Dilip S. Shanghvi	1	1	1	1	22.3	23.3	1	ı	ı	1	22.3	23.3
Mr. Sudhir V. Valia	1	•	1	'	22.2	23.4	1	1	1	'	22.2	23.4
Mr. Sailesh T. Desai	1	1	1	1	8.5	7.5	1	1	1	1	8.5	7.5
Mr. S. Kalyanasundaram	1	1	1	1	1	24.5	1	ı	1	1	1	24.5
Apprenticeship Stipend / Remuneration	ı	ı	ı	1	T.	T.	3.3	3.0	I	ı	3.3	3.0
Mr. Aalok Shanghvi	1	1	1	'	1	1	3.1	3.0	1	'	3.1	3.0
Ms. Vidhi Shanghvi	1	1	1	1	1	1	0.5	-	1	1	0.2	1
Remuneration received from Partnership Firms	ı	ı	82.9	2,012.3	ı	1	I	1	T	1	82.9	2,012.3
Sun Pharma Sikkim	1	1	7.97	1,829.2	1	1	1	1	1	1	7.97	1,829.2
Sun Pharmaceutical Industries	1	1	36.5	183.1	1	1	1	1	1	1	36.5	183.1
Share of profit from Partnership Firms	1	1	919.8	14,069.0	1	1	1	ı	1	1	919.8	14,069.0
Sun Pharma Sikkim	1	1	441.9	11,523.9	1	1	1	1	1	1	441.9	11,523.9
Sun Pharmaceutical Industries	1		477.9	2,545.1	ı	ı	ı	1	I	'	477.9	2,545.1
Others Nil (Previous Year ₹ (2,123))	1	1	1	(0:0)	1	1	ı	1	1	1	1	(0.0)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31st March, 2013

ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE "

₹ in Million

Particulars	Subsidiaries	iaries	Controlled Entity	d Entity	Key Management	gement	Relatives of Key	s of Key	Enterprise under	e under	Total	la:
					Personnel	ınel	Management Personnel	t Personnel	significant Influence of Key Management Personnel or their relatives	uence of Key Dersonnel or atives		
	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12
Exceptional Item	1	2,999.2	1	1	1	ı	ı	1	1	1	1	2,999.2
Sun Pharma Laboratories Limited (formerly Sun Resins & Polymers Pvt. Ltd.) (Refer Note 49)	ı	2,999.2	1	1	ı	ī	ī	1	ı	1	1	2,999.2
Outstanding Corporate Guarantee to Bank	774.0	170.4	1	0.009	ı	1	1	T .	T.	T.	774.0	770.4
Sun Pharma Medication Pvt. Ltd. {Actual Utilised ₹ 98.2 Million (Previous Year Nil)}	0.004	ı	1	I	1	1	1	1	1	1	400.0	I
Sun Pharma Drugs Pvt. Ltd. {Actual Utilised ₹ 83.3 Million (Previous Year Nil)}	200.0	ı	1	ı	1	ı	1	1	ı	ı	200.0	I
Sun Pharmaceuticals Italia S.R.L. {Actual Utilised Nil (Previous Year Nil)}	174.0	17.8	1	ı	1	ı	1	1	ı	ı	174.0	17.8
Sun Pharmaceutical Industries {Actual Utilised Nil (Previous Year ₹ 67.1 Million)}	I	1	1	400.0	1	ı	ı	ı	ı	I	I	70000
Sun Pharma Sikkim {Actual Utilised Nil (Previous Year₹ 90.4 Million)}	ı	ı	ı	200.0	ı	ı	ı	ı	ı	ı	I	200.0
Sun Pharmaceutical (Bangladesh) Ltd {Actual Utilised ₹ Nil (Previous Year ₹ Nil)}	I	152.6	1	ı	1	ı	1	1	ı	ı	I	152.6
Outstanding Receivables / Payables (Net) as on	4,879.7	3,966.1	ı	(0.1)	(15.1)	(14.7)	(0.8)	(0.4)	755.6	60.2	5,619.4	4,011.1
Sun Pharma Drugs Pvt. Ltd.	1,670.5	1	'	ı	1	1	1	1	1	1	1,670.5	1
Sun Pharma Medication Pvt. Ltd.	1,026.8	1	1	ı	1	ı	1	1	ı	'	1,026.8	ı
Caraco Pharmaceutical Laboratories Ltd	928.8	2,518.6	1	ı	1	ı	1	1	ı	'	928.8	2,518.6
000 "Sun Pharmaceutical Industries" Ltd	768.4	516.9	1	1	I	ı	1	1	I	1	768.4	516.9
Sun Pharma Advanced Research Company Ltd	I	ı	I	ı	I	ı	ı	ı	755.6	60.2	755.6	60.2
Sun Pharma Global (FZE)	718.0	662.7	1	ı	1	ı	1	1	1	1	718.0	662.7
Sun Pharma Laboratories Ltd.(Formerly, Sun Resin & Polymers Pvt Ltd)	(678.0)	ı	ı	ı	I	ı	ı	1	ı	ı	(678.0)	ı
Others	415.2	267.9	ı	(0.1)	(15.1)	(14.7)	(0.8)	(0.4)	ı	1	399.3	252.7



INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SUN PHARMACEUTICAL INDUSTRIES LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India read together with our remarks in paragraph (b) under the 'Emphasis of Matter' section below. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / consolidated financial statements / financial information of the subsidiaries, jointly controlled entities and a partnership firm and based on the consideration of the unaudited financial statements / financial information of the subsidiaries and jointly controlled entities, referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

(a) The consolidated financial statements of the Company for the year ended 31st March, 2013 were earlier approved by the Board of Directors at their meeting held on 28th May, 2013 which were audited by us and our report dated 28th May, 2013, addressed to the Board of Directors, expressed an unqualified opinion on those financial statements. Consequent to the Order dated 26th July, 2013 of the Hon'ble High Court of Bombay sanctioning the Scheme of arrangement for amalgamation of two of the wholly

INDEPENDENT AUDITORS' REPORT



owned subsidiaries of the Company, namely, Sun Pharma Medication Private Limited and Sun Pharma Drugs Private Limited into another wholly owned subsidiary of the Company, namely, Sun Pharma Laboratories Limited, the financial statements of Sun Pharma Laboratories Limited were revised to give effect to the said amalgamation, effective from 1st September, 2012, the appointed date. In view of the above, the earlier approved consolidated financial statements are revised by the Company to incorporate the revised financial statements of Sun Pharma Laboratories Limited. (Refer Note 56).

(b) Apart from the foregoing event, the attached consolidated financial statements do not take into account any events subsequent to the date on which the consolidated financial statements were earlier approved by the Board of Directors and reported upon by us as aforesaid.

Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements / consolidated financial statements / financial information of 71 subsidiaries, 2 jointly controlled entities and a partnership firm [listed in Note 31 (a) to the consolidated financial statements], whose financial statements / consolidated financial statements / financial information reflect total assets of ₹ 128,234.6 Million as at 31st March, 2013, total revenues of ₹ 74,368.1 Million and net cash inflows amounting to ₹ 118.3 Million for the year ended on that date, as considered in the Consolidated Financial Statements, comprising:

- (a) Total assets of ₹ 125,990.7 Million as at 31st March, 2013, total revenues of ₹ 72,243.7 Million and net cash inflows amounting to ₹ 98.4 Million for the year ended on that date in respect of 65 subsidiaries, a jointly controlled entity and a partnership firm, whose financial statements / consolidated financial statements / financial information have been audited by other auditors and their reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and partnership firm is based solely on the reports of the other auditors.
- (b) Total assets of ₹ 2,238.4 Million as at 31st March, 2013, total revenues of ₹ 2,124.4 Million and net cash inflows amounting to ₹ 34.0 Million for the year ended on that date in respect of 6 subsidiaries, whose reporting date is of 31st December, 2012 and different from the reporting date of the Company and the financial statements / financial information have been audited by other auditors. In terms of Accounting Standard 21, adjustments have been made for significant transactions of these subsidiaries for the periods from 1st January, 2013 to 31st March, 2013 and 1st January, 2012 to 31st March, 2012, on the basis of their unaudited financial statements / financial information for the said periods. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors furnished to us and the unaudited financial statements / financial information as aforesaid.
- (c) Total assets of ₹ 5.5 Million as at 31st March, 2013, total revenues of ₹ Nil and net cash outflows amounting to ₹ 14.1 Million for the year ended on that date in respect of a jointly controlled entity, whose financial statements / financial information have not been audited. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity, is based solely on such unaudited financial statements / financial information.

Our opinion is not qualified in respect of these matters.

For DELOITTE HASKINS & SELLS

Chartered Accountants (Firm Registration No. 117366W)

Rajesh K Hiranandani

Partner (Membership No. 36920)

MUMBAI, 28th May, 2013 (9th August, 2013 as to effect the amendment discussed in the 'Emphasis of Matter' paragraph above)

CONSOLIDATED BALANCE SHEET

as at 31st March, 2013

	llion

					₹ Million
	Note No.	As at 31st	March, 2013	As at 31st	March, 2012
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,035.6		1,035.6	
Reserves and Surplus	2	148,861.7	149,897.3	121,322.2	122,357.8
Minority Interest			16,350.8		11,614.5
Non-current Liabilities					
Long-term Borrowings	3	1,152.6		1,554.2	
Deferred Tax Liabilities (Net)	4	2,053.5		1,552.0	
Other Long-term Liabilities	5	89.4		89.3	
Long-term Provisions	6	7,870.6	11,166.1	1,387.3	4,582.8
Current Liabilities					
Short-term Borrowings	7	829.5		1,095.7	
Trade Payables	8	13,565.3		9,927.2	
Other Current Liabilities	9	2,186.5		3,636.6	
Short-term Provisions	10	14,816.6	31,397.9	11,525.4	26,184.9
TOTAL			208,812.1		164,740.0
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets	11A	31,604.3		26,135.1	
Intangible Assets	11B	13,540.9		3,160.3	
Capital Work-In-Progress		5,626.1		3,446.5	
•		50,771.3		32,741.9	
Goodwill on Consolidation	36	11,329.5		10,218.1	
Non-current Investments	12	11,063.5		5,889.6	
Deferred Tax Assets (Net)	13	9,175.9		6,835.1	
Long-term Loans and Advances	14	8,377.6		5,947.5	
Other Non-current Assets	15	78.6	90,796.4	174.1	61,806.3
Current Assets					
Current Investments	16	13,052.2		16,239.1	
Inventories	17	25,777.6		20,869.8	
Trade Receivables	18	27,107.7		20,787.4	
Cash and Cash Equivalents	19	40,587.1		33,671.9	
Short-term Loans and Advances	20	10,796.0		10,426.7	
Other Current Assets	21	695.1	118,015.7	938.8	102,933.7
TOTAL			208,812.1		164,740.0

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS For and on behalf of the Board

Chartered Accountants

RAJESH K. HIRANANDANI DILIP S. SHANGHVI SUDHIR V. VALIA SAILESH T. DESAI
Partner Managing Director Wholetime Director Wholetime Director

SUNIL R. AJMERA

Company Secretary

Mumbai, 09th August, 2013 Mumbai, 09th August, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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for the year ended 31st March, 2013

₹ Million

	Note No	Year e 31st Mar		Year e 31st Mar	
Revenue from Operations	22	114,696.8		81,269.4	
Less: Excise Duty		1,698.2		1,074.5	
		112,998.6		80,194.9	
Other Income	23	3,880.9		4,715.1	
Total Revenue			116,879.5		84,910.0
Expenses					
Cost of Materials Consumed	24	19,499.8		18,516.0	
Purchases of Stock-in-Trade		3,518.4		2,372.0	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(2,284.8)		(4,488.7)	
Employee Benefits Expense	26	15,345.3		11,877.3	
Finance Costs	27	431.6		282.0	
Depreciation and Amortisation Expense	11	3,361.7		2,911.6	
Other Expenses	28	27,957.5		19,875.1	
Total Expenses			67,829.5		51,345.3
Profit Before Exceptional Item and Tax			49,050.0		33,564.7
Exceptional Item	32 (IV)		5,835.8		-
Profit Before Tax			43,214.2		33,564.7
Tax Expense:					
Current Tax	46	8,131.3		4,051.5	
Deferred Tax (Credit) / Charge		324.2	8,455.5	(919.6)	3,131.9
Profit from Continuing Operations			34,758.7		30,432.8
Loss from Discontinuing Operations	51		(65.3)		(11.1)
Profit after tax before Minority Interest			34,693.4		30,421.7
Minority Interest			4,862.8		3,854.8
Profit for the Year			29,830.6		26,566.9
Earnings Per Share	38				
Basic and Diluted (₹) Face Value per Equity share - ₹ 1			28.8		25.7

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS For and on behalf of the Board

Chartered Accountants

RAJESH K. HIRANANDANI DILIP S. SHANGHVI SUDHIR V. VALIA SAILESH T. DESAI
Partner Managing Director Wholetime Director Wholetime Director

SUNIL R. AJMERA

Company Secretary

Mumbai, 09th August, 2013 Mumbai, 09th August, 2013

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2013

₹ In Million

			₹ In Million
		Year ended 31st March, 2013	Year ended 31st March, 2012
A.	Cash Flow from Operating Activities		
	Profit Before Tax	43,148.9	33,553.6
	Adjustments for:		
	Depreciation and Amortisation Expense	3,361.7	2,911.6
	(Profit) / Loss on Sale of Fixed Assets (net)	(2.4)	95.8
	Finance Costs	431.6	282.0
	Interest Income	(2,368.9)	(1,977.6)
	Dividend Income	(24.3)	(0.2)
	Net Gain on Sale of Investments	(1,118.1)	(2,415.2)
	Provision for Doubtful Trade Receivable / Advances	116.8	39.5
	Net Loss / (Gain) on Cancellation of Forward Exchange Contracts	190.7	(50.1)
	Net Foreign Exchange Gain	1,075.6	2,225.4
	Operating Profit Before Working Capital Changes	44,811.6	34,664.8
	Changes in working capital:		
	Adjustments for (Increase) / Decrease in Operating Assets:		
	Inventories	(3,902.2)	(5,975.0)
	Trade Receivables	(6,479.7)	(9,308.4)
	Loans and Advances	(673.8)	(1,043.4)
	Other Assets	133.5	92.8
	Adjustments for Increase / (Decrease) in Operating Liabilities:		
	Trade Payables	2,142.4	2,991.1
	Other Liabilities	(1,770.1)	1,391.1
	Provisions	10,101.6	1,799.3
	Cash Generated from Operations	44,363.3	24,612.3
	Net Income Tax Paid	(10,734.8)	(2,267.7)
	Net Cash Flow from Operating Activities (A)	33,628.5	22,344.6
B.	Cash Flow from Investing Activities		
	Capital Expenditure on Fixed Assets, including Capital Advances	(8,454.5)	(7,129.1)
	Proceeds from Sale of Fixed Assets	136.4	107.9
	Short-term Loans / Inter Corporate Deposits		
	Given / Placed	(10,194.1)	(7,798.2)
	Received back / Matured	10,413.8	6,672.4
	Purchase of Investments	(156,719.0)	(131,751.0)
	Proceeds from Sale of Investments	156,249.0	134,501.8
	Bank Balances not considered as Cash and Cash Equivalents		
	Fixed Deposits / Margin Money Placed	(30,119.3)	(22,637.2)
	Fixed Deposits / Margin Money Matured	26,674.3	20,442.5
	Net (Loss) / Gain on Cancellation of Forward Exchange Contracts	(190.7)	50.1

CONSOLIDATED CASH FLOW STATEMENT



for the year ended 31st March, 2013

₹ In Million

			V III WIIIIIOII
		Year ended	Year ended
		31st March, 2013	31st March, 2012
	Acquisition of Subsidiaries	(16,414.6)	(2,740.4)
	Interest Received	2,572.1	1,653.9
	Purchase of Assets Given under Finance Lease	(331.0)	-
	Receipt of rental on Assets Given under Finance Lease	2.8	-
	Dividend Received	24.3	0.2
	Net Cash Flow used in Investing Activities (B)	(26,350.5)	(8,627.1)
C.	Cash Flow from Financing Activities		
	Proceeds from Borrowings	141.8	570.8
	Repayment of Borrowings	(1,109.3)	(521.6)
	Net Increase / (Decrease) in Working Capital Borrowings	219.0	(1,097.8)
	Proceeds from issue of shares to Minority by Subsidiary	357.4	-
	Payment to Minority	(767.0)	(14.3)
	Finance Costs	(439.3)	(285.5)
	Dividends Paid	(4,401.2)	(3,523.7)
	Tax on Dividend	(714.0)	(571.8)
	Net Cash Flow used in Financing Activities (C)	(6,712.6)	(5,443.9)
	Net Increase in Cash and Cash Equivalents (A+B+C)	565.4	8,273.6
	Cash and Cash Equivalents taken over on acquisition of Subsidiaries	1,607.3	-
	Cash and Cash Equivalents at the Beginning of the Year	17,526.7	8,104.9
	Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	991.7	1,148.2
	Cash and Cash Equivalents at the end of the Year (Refer Note 19)	20,691.1	17,526.7

See accompanying notes forming part of the Consolidated Financial Statements

See accompanying notes forming part of the	ie consolidated i manciai state	illelits	
In terms of our report attached			
For DELOITTE HASKINS & SELLS	For and on behalf of th	ie Board	
Chartered Accountants			
RAJESH K. HIRANANDANI	DILIP S. SHANGHVI	SUDHIR V. VALIA	SAILESH T. DESAI
Partner	Managing Director	Wholetime Director	Wholetime Director
	SUNIL R. AJMERA		
	Company Secretary		
Mumbai, 09th August, 2013			Mumbai, 09th August, 2013

for the year ended 31st March, 2013

		As at 31st N	larch, 2013	As at 31st N	larch, 2012
		Number of	₹ Million	Number of	₹ Million
		Equity Shares		Equity Shares	
1	Share Capital				
	Authorised				
	Equity Shares of ₹ 1 each	1,500,000,000	1,500.0	1,500,000,000	1,500.0
		1,500,000,000	1,500.0	1,500,000,000	1,500.0
	Issued, Subscribed and Fully Paid Up				
	Equity Shares of ₹ 1 each (Refer Note 34)	1,035,581,955	1,035.6	1,035,581,955	1,035.6
		1,035,581,955	1,035.6	1,035,581,955	1,035.6

	As at 31st M	arch, 201 <u>3</u>	As at 31st Ma	rch, 2012
Reserves and Surplus				
Capital Reserve				
As per Last Balance Sheet		259.1		259.
Capital Redemption Reserve				
As per Last Balance Sheet		154.5		154.
Securities Premium Account				
As per Last Balance Sheet		15,099.1		15,099.
General Reserve				
Opening Balance	30,521.2		28,521.2	
Add: Transferred from Surplus in Statement of Profit and Loss	520.0		2,000.0	
Closing Balance		31,041.2		30,521.
Legal Reserve (Refer Note 50)				
Opening Balance	-		-	
Add: Transferred from Surplus in Statement of Profit	0.9		-	
and Loss				
Closing Balance		0.9		
Foreign Currency Translation Reserve				
Opening Balance	8,560.6		2,603.9	
Add/(Less): Effect of Foreign Exchange rate	3,766.8		5,956.7	
variations during the year				
Closing Balance		12,327.4		8,560
Surplus in Statement of Profit and Loss				
Opening Balance	66,727.7		47,159.8	
Add: Profit for the Year	29,830.6		26,566.9	
Proposed Dividend Written Back (on waiver)	-		100.0	
Corporate Dividend Tax Written Back (on waiver)	-		16.2	
	29,830.6		26,683.1	
Less: Dividend proposed to be distributed to equity Shareholders	5,177.9		4,401.2	
[₹5 (Previous Year ₹ 4.25) per share]				
Corporate Dividend Tax	880.0		714.0	
Transferred to Legal Reserve	0.9		_	
Transferred to General Reserve	520.0		2,000.0	
	6,578.8		7,115.2	
Closing Balance		89,979.5		66,727
-		148,861.7		121,322.



for the year ended 31st March, 2013

Provision for Exceptional Item (Refer Note 32 IV)

Provision for Income Tax (Net of Advance Income Tax)

	П	li		
			O	Г

		As at 31st	March, 2013	As At 31st	March, 2012
3	Long-term Borrowings				
	Secured Borrowings				
	Term Loans				
	From Banks	372.6		456.1	
	From Other Parties	46.4	419.0	40.4	496.5
	Unsecured Borrowings				
	Debentures (Matures in November 2014 - Rate of Interest 5.8% Plus CPI)		571.2		1,037.7
	Long-Term Maturities of Finance Lease Obligation		1.9		-
	Term Loans				
	From Banks	-		19.0	
	From Other Parties	160.5	160.5	1.0	20.0
			1,152.6		1,554.2
4	Deferred Tax Liabilities (Net)				
	Deferred Tax Liability				
	Depreciation on Fixed Assets	2,129.9		1,591.0	
	Others	24.3	2,154.2	26.6	1,617.6
	Less:				
	Deferred Tax Assets				
	Unpaid Liabilities	51.8		50.3	
	Others	48.9	100.7	15.3	65.6
			2,053.5		1,552.0
5	Other Long-term Liabilities				
,	Trade Payables		_		1.3
	Trade / Security Deposits Received		88.0		20.3
	Interest accrued but not due on borrowings		1.4		20.5
	Others		1.4		67.7
	Others		89.4		89.3
			05.4		03.3
6	Long-term Provisions				
	Employee Benefits:				
	Compensated Absences	166.1		108.2	
	Severance / Pension Pay (Refer Note 43)	7.4	173.5	4.1	112.3
	Product Returns, Rebates, Medicaids etc (Refer Note 53)		592.4		517.4
	MTM Loss on outstanding Forward Contracts		1,293.4		752.8
	-				

4.8

1,387.3

5,808.0

7,870.6

3.3

for the year ended 31st March, 2013

₹ Million

	As at 31st I	March, 2013	As At 31st I	March, 2012
Short-Term Borrowings				
Secured Borrowings				
Loans Repayable on Demand				
From Banks:				
Cash Credit Facility	630.2		403.0	
Others	50.1	680.3	419.6	822.6
Unsecured Borrowings				
Loans Repayable on Demand				
From Banks:				
Cash Credit Facility		149.2		157.5
Other Loans and Advances				
From Other than Banks				115.6
Trom outer than banks		829.5		1,095.7
		023.3		1,05517
Trade Payables				
Acceptances		76.6		9.0
Other than Acceptances:				
Due to Micro and Small Enterprises		760.8		45.2
Other Payables		12,727.9		9,873.0
		13,565.3		9,927.2
Other Current Liabilities		C1F 0		FF7 /
Current Maturities of Long-term Debt		615.0		557.4
Interest Accrued but not Due on Borrowings		26.5		35.6
Investor Education and Protection Fund shall be credited by Unpaid Dividends (not due)		45.1		40.4
Statutory Remittances		607.2		712.7
Payables on Purchase of Fixed Assets		613.6		431.5
Trade / Security Deposits Received		9.5		13.8
Advances from Customers		87.8		1,323.5
Temporary Overdrawn Bank Balance as per books		24.0		37.4
Others		157.8		484.3
		2,186.5		3,636.6
Short-term Provisions				
Employee Benefits:				
Compensated Absences	906.5		278.0	
Provision for Gratuity (Refer Note 42)	13.6		0.3	
Severance / Pension Pay (Refer Note 43)	-	920.1	260.6	538.9
Product Returns, Rebates, Medicaids etc (Refer Note 53)		6,310.6		2,359.8
MTM Loss on outstanding Forward Contracts		71.5		12.1
Provision for Income Tax [Net of Advance Income Tax]		1,456.5		3,499.4
Proposed Equity Dividend		5,177.9		4,401.2
Corporate Dividend Tax		880.0		714.0
		14,816.6		11,525.4

for the year ended 31st March, 2013

Consolidation Consolidatio	Additions Deletions / During Additions and buring a buring buring the Year During the Year 15.3 32.7 (146.7) (-) (161.6) (-) (629.5) (883) (14.6) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-	As at 101.04.12 (-) 114.8 (87.8) (3.138.9) (5.5) (5.5) (5.5) (12.642.9)	on / An	Amortisation / Impai over on year (c) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-	Impairment orthe Deletions year For the year (-) (-) (-) (14.6) (-) 451.4 55.5 456.0) (66.6) (25) (-)	As at 31.03.13	As at As at As at 1,021.9 (824.4) (824.4) (947.9) (12,943.0 (10,910.9) 98.2 (94.8) (277.9) (277.9) (15,283.3 12	As at 31.03.12 824.4 (609.7) 947.9 (711.9) 10,810.9 (94.6) 27.9.5
Targible Assets	Additions Deletions / During the Year During the Year During the Year 15.3 32.7 (146.7) (-) (161.6) (-) (629.5) (883) (11 (-) (-) (-) (-) (-) (-) (-) (-) (-) (-)	As at 101.04.12 (-) 114.8 (87.8) (3.138.9) (5.5) (5.5) (5.5) (5.5) (12.642.9)	acqui		۵	As at 31.03.13 (-) 137.0 (114.8) 4,517.3 (3,883.9) (10.1) 79.5 (67.6)	, 5	As at 11.03.12 824.4 (609.7) 947.9 947.9 9,508.3 94.8 (84.6) 279.5 279.5
Tangble Assets	the Year Adjustments B the Year the Year 15.3 32.7 (146.7) (-) (161.6) 94.8 1 556.7 94.8 (829.5) (883) (1-) (-) (-) 3,325.6 (3,327.6) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-	(-) 114.8 (87.8) (87.8) (87.8) (3,138.9) (1.13.89) (6.5) (6.5) (6.5) (7.6) (7.6) (12,13)	acqui	(1)		3103.13 - (-) 137.0 (114.8] 4,577.3 (3,883.9] (10.1) 73.5 (67.6]	, 5	(609.7) 947.9 947.9 (711.9) 0,810.9 94.8 (84.6) 279.5
Freehold Land (609.7) (88.0) (-) (146.7) (1.6 Feb. 1.021.9 (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.8) (-) (146.7) (-) (146.7) (-) (-) (146.8) (-) (146.7) (-) (-) (146.8) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-	15.3 32.7 (146.7) (-) (-) (161.6) 566.7 94.8 1 (283.9.5) (883.9) (1.0.6) (-) (-) (-) 3.356.6 (182.7.6) (3.227.6) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-	(a) 3,8 (3,1 (3,1 (3,1 (3,1 (3,1 (3,1 (3,1 (3,1		(45)	9	(-) 137.0 (114.8] 4,517.3 (3,883.9] 13.7 (10.1) 79.5 (67.6)	, 5	824.4 (609.7) 947.9 (711.9) 0,810.9 9,508.3) 94.8 (84.6) 279.5
Freehold Land (6927) (880) (-) (146.7) (-) (874.9 (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.7) (-) (146.7) (-) (14.8 (-) (-) (146.7) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-	15.3 32.7 (146.7) (-) (-) (-) (161.6) 566.7 94.8 1 (283.9) (1.0 (2.0) (-) (-) (-) (-) (3.227.6) (3.227.6) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-	(a) 3,8 (3,1) (3,1) (12,5)		(1)	•	(-) 137.0 (114.8) 4,517.3 (3,883.9) 13.7 (10.1) 79.5 (67.6)	, 5	824.4 (609.7) 947.9 (711.9) 0810.9 95.08.3 94.8 (84.6) 279.5
Freenon Land (6927) (1928) (1927) (1928)	(146.7) (-) (-) (-) (161.6) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-	(a) 3,8 (3,1) (3,1) (12,5)		(11)	<u> </u>	(-) 137.0 (114.8) 4,517.3 (3,883.9) 13.7 (10.1) 79.5 (67.6)	, 5	824.4 (609.7) 947.9 (711.9) 0,810.9 9,508.3) 94.8 (84.6) 279.5
1,002.7 54,5 - 1,146.7 - 1,146.7 - 1,146.1 - 1,117.2 - 1,114.6 - 1,117.2 - 1,114.6 - 1,117.2 - 1,114.6 - 1,114.6 - 1,114.6 - 1,114.6 - 1,114.6 - - 1,117.2 - 1,114.6 - 1,114.6 - 1,114.6 - 1,114.6 - 1,114.6 - 1,114.6 - 1,114.6 -	(161.6) (-) (161.6) (-) (161.6) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-	(a) 3,8 (3,1 (3,1)		(1)	<u> </u>	(-) 137.0 (114.8) 4,517.3 (3,883.9) 13.7 (10.1) 79.5 (67.6)	, 5	(609.7) 947.9 (711.9) 0,508.3) 94.8 (84.6) 279.5
Leasehold Land 1,062.7 54.5 - 1,117.2 114.8 (11.8) Buildings ** (1564.2) (101.4) (101.4) (1.6) (1.6) (1.7) (1062.7) (101.4) (101.4) (1.6) (1.6) (1.6) (1.6) (1.6) (1.6) (1.8)	(1616) (-) 94.8 (8295) (883) ((208) (-) (-) (-) (-) (3,2276) (3,2276) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-	(a) 3,8 (3,1 (3,1)		(1)	9	137.0 (114.8) 4,517.3 (3,883.9) 13.7 (10.1) 79.5 (67.6)	, 5	947.9 (711.9) 0,810.9 9,508.3) 94.8 (84.6) 279.5
1,10,10,10,10,10,10,10,10,10,10,10,10,10	(161.6) (-) 94.8 566.7 94.8 (883) (7 (9.8) (1.9	(a) 3.8 (3,1) (3,1) (15,3)		(45)	••• 	(114.8) 4,517.3 (3,883.9) 13.7 (10.1) 79.5 (67.6)	, = ,	(711.9) 0,810.9 94.8 (84.6) 279.5 (272.8)
Buildings ** 14,694,8 677,6 1,616,0 566,7 94,8 17,460,3 (a) 3883,9 15 Leasehold Improvement on Building 104,9 17,1306,4 (c) (c) (6295) (6883) (14,694,6) (a) (351) (a) (12,647.2) (13,064,4 (c) (c) (a) (c) (c) (c) (c) (c) (c) (c) (c) (c) (c	566.7 94.8 (823.5) (823.5) (823.5) (823.5) (823.5) (1.) (1.) (1.) (1.) (1.) (1.) (1.) (1.	(a) 3,8 (3,1)		(45)	<u> </u>	(3,883.9) (10.1) (10.1) 79.5 (67.6)) E	0,810.9 9,508.3) 94.8 (84.6) 279.5 (272.8)
Leasehold Improvement on Building 104,9 (1364,12) (1364,12) (1370,4 (-) (1370) (-) (-) (0.8) (-) (110,49) (5.5) (13138.9) (35 (1410)) (104,9)	(825) (883) (146 - (08) (-) (-) (-) (32276) (3512) (276 - (-) (-) (32276) (3612) (276 - (-) (-) (-) (-) (-) (-)	(3,1) (12,6)		(45		(3,883.9) 13.7 (10.1) 79.5 (67.6)		9,508.3) 94.8 (84.6) 279.5 (272.8)
Leasehold Improvement on Building (91.1) (13.0) (-) (-) (0.8) (-) (104.9) (6.5) (6.5) (6.5) (9.1) (104.9) (9.1) (13.0) (1.3) ((08) (-) (-) (32276) (3512) (276) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-) 15,3 (12,6				13.7 (10.1) 79.5 (67.6)	,	94.8 (84.6) 279.5 (272.8)
Buildings Given under operating lease * 347.1 10.3	(08) (-) (-) (-) (-) (3227.6) (-) (-) (-) (-) (-) (-) (-) (-) (-) (-) 15,3 (12,6				(10.1) 79.5 (67.6)		(84.6) 279.5 (272.8)
Buildings Given under operating lease * 347.1 10.3	(-) (-) (5 3.356.6 (182.7) 33 (3.22.76) (361.2) (27.6 (-) (-)) 15,3 (12,6				79.5	`	279.5 (272.8)
Plant and Equipment ** 27.694.3 989.1 1,706.4 3,356.6 182.7 33.563.7 15,333.3 66 Plant and Equipment Leased * 27.5694.3 (17.27.0) (1.7.27.0) (1.7.27.0) (1.7.27.0) (1.7.27.0) (1.2.27.6) (1.2.2.2.3) (12.64.2.9) (12.7.694.3) (12.64.2.9) (12.7.694.3) (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.3.4 (12.2.2.2.3.4 (12.2.2.3 (12.2	(-) (-) (3.227.6) (3.227.6) (-) (3.227.6) (3.227.6) (-) (-) (-) (-) (-)					(67.6)	`	(272.8)
Plant and Equipment *** 27,694,3 989.1 1,706.4 3,356.6 1827 33,563.7 15333.3 66 Plant and Equipment Leased ** 25.3 (1,727.0) (-) (3,227.6) (361.2) (27,694.3) (12,642.9) (11,717.0) Plant and Equipment Leased ** 25.3 (-) (-	3,356.6 182.7 33,5 (3,227.6) (361.2) (27,68 (-) (-)			6) (-)	(9.8)			
Plant and Equipment Leased * 25.3 (1,727.0) (-) (3,227.6) (361.2) (75694.3) (12,42.9) (1,21) Plant and Equipment Leased * 25.3 (1,727.0) (-) (-) (-) (-) (-) (25.3) (10.5) Vehicles Vehicles (260.6) (9.1) (-) (-) (-) (-) (25.3) (10.5) Office Equipment 4.108 (9.1) (-) (10.7) (46.8) (324.6) (105.0) (105.0) Furniture and Fixtures (357.6) (5.3) (7.4) (7	(3,227.6) (361.2) (27,66	(12,64	(1,218.8)	478.0 1,918.2	3.2 129.3	18,280.4 (b)		12,361.0
Plant and Equipment Leased * 25.3 - - - - 25.3 1.7 1.7 Vehicles (25.3) (-) (-) (-) (-) (-) (0.5) (0.5) Vehicles 324.6 7.7 0.4 117.8 32.3 4182 115.7 Office Equipment 410.8 6.1 (-) (-) (-) (25.3) (10.90) (10.90) Office Equipment 410.8 5.1 (-) (-) (-) 2.9 67.2 234.6 (10.90) (10.90) Furniture and Fixtures (35.4) (-) (10.17) (4.62.3) (40.8 (20.25) (25.4 (25.4) <td>- (-)</td> <td></td> <td></td> <td>(-) (1,684.7)</td> <td>7) (213.1)</td> <td>(15,333.3)</td> <td>(12,361.0)</td> <td>(10,458.0)</td>	- (-)			(-) (1,684.7)	7) (213.1)	(15,333.3)	(12,361.0)	(10,458.0)
Vehides (-5.3) (-1) (-1) (-1) (5.3) (0.5) Vehides 324.6 7.7 0.4 117.8 32.3 4/18.2 115.7 Office Equipment 4.10.8 5.1 (-1) (10.7) (46.8) (324.6) (109.0) (105.0) Furniture and Fixtures (357.6) (5.3) (-1) (10.7) (46.8) (324.6) (105.2) (109.0) (109.0) Furniture and Fixtures (357.6) (5.3) (-1) (10.7) (4.6 (5.2) (40.8) (202.5) (224.6) (109.0) (100.0)	(-)		ı	1	1.2	2.9	22.4	23.6
Vehides 324,6 7.7 0.4 117.8 32.3 418.2 115.7 Office Equipment 4.08 (3.1) (-) (10.7) (46.8) (324.6) (109.0) (109.0) Office Equipment 4.108 5.1 (-) (10.7) (46.8) (324.6) (109.0) (109.0) Furniture and Fixtures (357.6) (5.3) (-) (10.1) (1.3 (1.08) (202.5) (40.8) Furniture and Fixtures (908.4) (74.9) (-) (101.4) (31.3) (1,034.4) (55.0) (45.5) Furniture and Fixtures (908.4) (74.9) (7.4) (-) (101.4) (31.3) (1,033.4) (55.0) (55.0) Furniture and Fixtures (45.42.3) (74.9) (-) (10.4) (31.3) (10.32.4) (55.0) (45.5) (155.0) (155.0) (155.0) (155.0) (155.0) (155.0) (155.0) (155.0) (155.0) (155.0) (155.0) (155.0) (155.0) (155			(-)	(-)	(1.2)	(1.7)	(23.6)	(24.8)
Office Equipment (260.6) (9.1) (-) (101.7) (46.8) (32.4.6) (109.0) (109.0) (109.0) Office Equipment 410.8 5.1 195.5 67.7 2.9 676.2 234.6 (109.0) <td>117.8 32.3</td> <td></td> <td>3.7</td> <td>0.1</td> <td>45.0 24.9</td> <td>139.6</td> <td>278.6</td> <td>208.9</td>	117.8 32.3		3.7	0.1	45.0 24.9	139.6	278.6	208.9
Office Equipment 4108 5.1 195.5 67.7 2.9 676.2 234.6 (7.02.4) Furniture and Fixtures 1,053.4 40.4 80.0 101.5 1.7 1,73.6 645.5 1 Furniture and Fixtures 1,053.4 40.4 80.0 101.5 1.7 1,73.6 645.5 3 Total Tangible Assets 4654.3 1827.4 3,77.5 4,225.6 347.1 56,02.7 20,407.2 91 Previous Year 10.384.3 (3,324.3) (-) (4,622.5) (532.9) (4,654.2.3) (16,794.2) 71,165 Intangible Assets 7,726.2 4,726.2 1,399.8 9.3 19,737.0 4,565.9 27 Intangible Assets (5,344.6) (6,344.6) (7,126.2 (-) (590.7) (-) (4,652.5) (530.7) (4,565.9 27	(101.7) (46.8)		(5.2)	(-)	(32.0)	(115.7)	(508.9)	(151.6)
Furniture and Fixtures 1,053.4 (-3) (-3) (5.3) (4108) (202.5) (202.5) (4108) (202.5) (4108) (202.5) (4108) (202.5) (4108) (202.5) (4108) (202.5) (4108) (202.5) (4108) (202.5) (4108) (4	67.7		3.3	171.6 4′	41.7 2.6	(p) 9:8†/	227.6	176.2
Furniture and Fixtures 1,053.4 40.4 80.0 101.5 1.7 1,273.6 645.5 (551.0) (1 Total Tangible Assets 465.42.3 1/32.4 (7.4.9) (-) (101.4) (31.3) (1,053.4) (551.0) (6 Previous Year (337.28.3) (3324.3) (-) (4,622.5) (46,542.3) (16,794.2) (116,794.2)	(53.2) (5.3)		(4.1)	(-)	(32.8) (4.8)	(234.6)	(176.2)	(155.1)
Total Tangible Assets 46542.3 (74.9) (-) (101.4) (31.3) (1.053.4) (551.0) Trademarks, Designs and Other 7,726.2 4,622.5 347.1 56,025.7 20,407.2 3,777.5 4,622.5 347.1 56,025.7 20,407.2 3,777.5 4,622.5 347.1 1,659.2 1,167.94.2 <td< td=""><td>101.5</td><td></td><td>30.4</td><td>99 8.99</td><td>60.5 0.8</td><td>802.4 (b)</td><td>471.2</td><td>6'.04</td></td<>	101.5		30.4	99 8.99	60.5 0.8	802.4 (b)	471.2	6'.04
Total Tangible Assets 46542.3 1,827.4 3,777.5 4,225.6 347.1 56,025.7 20,407.2 Previous Year Intangible Assets (-) (4,622.5) (532.9) (46,542.3) (16,794.2) (16,794.2) Trademarks, Designs and Other 7,726.2 474.2 10,236.1 1,309.8 9.3 19,737.0 4,565.9 Intangible Assets (6344.6) (836.2) (-) (550.7) (5.3) (7,726.2) (3465.0) (4	(101.4) (31.3)		(26.5)	(-)	(50.7) (12.7)	(645.5)	(407.9)	(357.4)
Previous Year (391284) (3,324.3) (-) (4,622.5) (46,542.3) (16,794.2) Intangible Assets Trademarks, Designs and Other 7,726.2 474.2 10,236.1 1,309.8 9.3 19,737.0 4,565.9 Intangible Assets (6,344.6) (836.2) (-) (550.7) (5.3) (7,726.2) (3,465.0)	4,225.6 347.1			761.2 2,546.4	5.4 213.1	24,421.4	31,604.3	26,135.1
Intangible Assets Trademarks, Designs and Other 7,726.2 4,74.2 10,236.1 1,309.8 9.3 19,737.0 4,565.9 (1,776.2) (6,344.6) (836.2) (-) (550.7) (5.3) (7,726.2) (3,465.0) (4,665.9)	(4,622.5) (532.9)		(1,656.4)	(-) (2,285.8)	(329.2)	(20,407.2)	(26,135.1)	(22,334.2)
7,726.2 474.2 10,236.1 1,309.8 9.3 19,737.0 4,565.9 (6,344.6) (836.2) (-) (550.7) (5.3) (7,726.2) (3,465.0) (4								
(6,344.6) (836.2) (-) (550.7) (5.3) (7,726.2) (3,465.0) (4	1,309.8			547.1 815.3	5.3 9.3	(a) (b) (b)	13,540.9	3,160.3
	(550.7) (5.3)		(480.4)	(-) (625.8)	.8) (5.3)	(4,565.9)	(3,160.3)	(2,879.6)
1,309.8 9.3 19,737.0 4,565.9	10,236.1 1,309.8 9.3 19,73	6'292'9	277.1 5	547.1 815.3	5.3 9.3	6,196.1	13,540.9	3,160.3
Previous Year (6,344,6) (836.2) (-) (550.7) (5.3) (7,726.2) (3,465.0) (480.4)	(550.7) (5.3)		(480.4)	(-) (625.8)	(5.3)	(4,565.9)	(3,160.3)	(2,879.6)
Total Fixed Assets 54,268.5 2,301.6 14,013.6 5,535.4 356.4 75,762.7 24,973.1 1,196.8	5,535.4 356.4		1,196.8	1,308.3 3,361.7	1.7 222.4	30,617.5	45,145.2	29,295.4
Previous Year (45,473.0) (4,160.5) (-) (5,173.2) (54,268.5) (20,259.2) (2,136.8)	(5,173.2) (538.2)		(2,136.8)	(-) (2,911.6)	(334.5)	(24,973.1)	29,295.4	(25,213.8)

Footnotes:

- Buildings include ₹8,620 (Previous Year ₹8,620) towards cost of shares in a Co-operative Housing Society.
- Includes Impairment of ₹ 64.9 Million (Previous Year ₹ 64.9 Million) including ₹ Inil (Previous Year ₹ 34.1 Million) on account of Impairment for the year.
 - Represents assets and accumulated depreciation of DUSA Pharmaceuticals Inc. and URL Pharma Inc. which became subsidiaries during the year.
- Excludes Fixed Assets Held for Sale (Refer Note 21)
- Previous Year figures are in brackets

for the year ended 31st March, 2013

₹ Million

		As at 31st I	March, 2013	As At 31st N	1arch, 2012
12	Non-Current Investments				
	Long Term Investments (At Cost)				
	Quoted				
	In Equity Instruments		4,174.9		1,398.8
	In Debentures		250.0		250.0
	In Bonds		367.3		426.9
	Unquoted				
	In Equity Instruments		405.6		163.0
	In Government Security ₹ 10,000 (Previous Year ₹ 10,000)		0.0		0.0
	In Debentures		115.7		115.7
	In Deposits		500.0		500.0
	In Mutual Funds		5,250.0		3,035.2
			11,063.5		5,889.6
	AGGREGATE VALUE OF INVESTMENTS	Book	Market	Book	Market
		Value	Value	Value	Value
	Quoted	4,792.2	6,855.4	2,075.7	3,680.0
	Unquoted	6,271.3		3,813.9	
13	Deferred Tax Assets (Net)				
	Deferred Tax Assets				
	Depreciation on Fixed Assets	-		104.7	
	Unpaid Liabilities	4,356.7		4,011.1	
	Unabsorbed Loss (Refer Note 49)	1,622.3		1,015.6	
	Intangibles	1,415.1		1,257.2	
	Others	1,781.8	9,175.9	664.4	7,053.0
	Less:				
	Deferred Tax Liability				
	Depreciation on Fixed Assets		-		217.9
			9,175.9		6,835.1
14	Long-term Loans and Advances				
	(Unsecured - Considered Good)				
	Capital Advances		2,097.9		1,132.1
	Security Deposits		158.6		153.2
	Loans and Advances to Employees / Others		2,811.2		38.4
	Receivable on Account of Assets under Finance Lease (Refer Note 41 (e))		327.1		-
	Prepaid Expenses		24.9		14.6
	Advance Income Tax [Net of Provisions]		2,448.0		4,162.8
	Balances with Government Authorities		509.9		446.4
			8,377.6		5,947.5



for the year ended 31st March, 2013

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		As at 31st	March, 2013	As At 31st	March, 2012
15	Other Non-current Assets				
	(Unsecured – Considered Good)				
	Interest Accrued on Investments		77.0		26.7
	Contractually Reimbursable		-		145.8
	Unamortised Premium on Investments		1.6		1.6
			78.6		174.1

Current Investments				
A) Current Portion of Long-term Investments (At Cost)				
Quoted				
In Debentures		-		122.5
Unquoted				
In Bonds	-		5.0	
In Mutual Funds	7,860.0		7,600.1	
In Deposits	750.0	8,610.0	5,260.0	12,865.1
B) Other Current Investments				
Quoted				
In Bonds		-		249.9
Unquoted				
In Government Securities	381.6		148.6	
In Mutual Funds	1,090.1		2,351.2	
In Deposits	2,500.0		39.5	
In Commercial Paper	470.5	4,442.2	462.3	3,001.6
		13,052.2		16,239.1
AGGREGATE VALUE OF INVESTMENTS	Book	Market	Book	Market
	Value	Value	Value	Value
Quoted	_	-	372.4	373.9
Unquoted	13,052.2		15,866.7	

17	Inventories				
	Raw and Packing Materials	9,806.1		8,247.8	
	Goods-in-Transit	311.4	10,117.5	284.1	8,531.9
	Work-in-Progress		4,657.5		4,118.5
	Finished Goods	8,470.4		5,994.9	
	Goods-in-Transit	345.6	8,816.0	820.3	6,815.2
	Stock-in-trade	1,505.8		816.6	
	Goods-in-Transit	135.2	1,641.0	52.4	869.0
	Other Materials and Consumables	525.0		519.0	
	Goods-in-Transit	20.6	545.6	16.2	535.2

20,869.8

25,777.6

for the year ended 31st March, 2013

₹ Million

As At 31st March, 2012

37.7

899.4

16,145.2

33,671.9

18	Trade Receivables				
	(Unsecured – Considered Good unless stated otherwise)				
	Outstanding for a period exceeding Six Months from the date they are due for payment				
	Considered Good	2,013.0		2,674.6	
	Doubtful	137.3		44.5	
		2,150.3		2,719.1	
	Less: Provision for Doubtful Trade Receivables	137.3	2,013.0	44.5	2,674.6
	Other Trade Receivables		25,094.7		18,112.8
			27,107.7		20,787.4
19	Cash and Cash Equivalents				
15	Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statement				
	Cash on Hand		7.5		8.4
	Cheques, Drafts on Hand		89.4		150.0
	Balance with Banks				
	In Current Accounts	5,577.8		3,421.3	
	In Deposit Accounts with Original Maturity of 3 Months or less	13,095.5		12,613.7	
	In EEFC Accounts	1,920.9	20,594.2	1,333.3	17,368.3
			20,691.1		17,526.7
	Other Bank Balances				
	In Deposit Accounts (Refer Footnote)	19,271.9		15,208.1	

Footnote

In Earmarked Accounts:

Unpaid Dividend Accounts

and Other Commitments (Refer Footnote)

Other Bank Balances include Deposits amounting to ₹2,256.2 Million (Previous Year ₹1,548.5 Million) and Margin Monies amounting to ₹536.7 Million (Previous Year ₹94.8 Million) which have an Original Maturity of more than 12 months.

42.4

581.7

19,896.0

40,587.1

Balances held as Margin Money or Security against Guarantees



for the year ended 31st March, 2013

₹ Million

	As at 31st	March, 2013	As At 31st	March, 2012
Short-term Loans and Advances				
(Unsecured – Considered Good unless stated otherwise)				
Security Deposits		775.1		40.2
Loans and Advances to Employees / Others				
Secured	261.8		300.0	
Unsecured	2,882.5		5,790.0	
Considered Doubtful	4.5		4.5	
	3,148.8		6,094.5	
Less: Provision for Doubtful Loans and Advances	4.5	3,144.3	4.5	6,090.0
Prepaid Expenses		1,266.7		659.6
Balances with Government Authorities		2,653.6		1,981.6
Advance Income-Tax [net of Provisions]		2,273.8		-
Advances for Supply of Goods and Services		678.9		1,655.3
Receivable on Account of Assets under Finance Lease (Refer Note 41 (e))		3.6		-
		10,796.0		10,426.7

21	Other Current Assets
	Other Current Assets

Other Current Assets				
(Unsecured – Considered Good)				
Interest Accrued on Investments		311.3		547.8
Unamortised Premium on Investments		0.3		0.3
Export Incentives		353.5		204.0
Others:				
Insurance Claim	26.3		23.7	
Fixed Assets Held for Sale	3.7		3.6	
Contractually Reimbursable	-	30.0	159.4	186.7
		695.1		938.8

for the year ended 31st March, 2013

₹ Million

		Year ended 31st March, 2013		Year ended 31st March, 2012	
22	Devenue from Occuptions	3 ISCIVIA	ICH, 2013	31St Iviai	C11, 2012
22	Revenue from Operations Sale of Products	 	117.007.1		01 120 5
			114,087.1		81,128.5
	Other Operating Revenues:	F4.0		7.0	
	Sale of Scrap	51.0		7.0	
	Processing Charges Recovered	35.3	C00.7	29.5	1/00
	Others	523.4	609.7 114,696.8	104.4	140.9 81,269.4
			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		0.1/2001.1
23	Other Income				
	Interest Income:				
	Deposits with Banks	1,759.3		854.7	
	Loans and Advances	421.7		336.0	
	Current Investments	46.9		426.8	
	Long-term Investments	75.3		169.0	
	Others	65.7	2,368.9	191.1	1,977.6
	Dividend Income on Long-term Investments		24.3		0.2
	Net Gain on Sale of:				
	Current Investments	283.1		1,272.6	
	Long-term Investments	835.0	1,118.1	1,142.6	2,415.2
	Profit on Sale of Fixed Assets		7.8		3.8
	Sundry Balances Written Back		9.1		0.3
	Insurance Claims		61.2		43.4
	Lease Rental and Hire Charges		89.2		82.3
	Miscellaneous Income		202.3		192.3
			3,880.9		4,715.1
24	Cost of Materials Consumed				
24	Raw and Packing Materials	 			
	Inventory at the beginning of the year		8,531.9		7,158.9
	Purchases during the year		20,901.8		19,889.0
	Foreign currency translation difference (Refer Note 54)		183.6		19,009.0
	Inventories at the end of the year		(10,117.5)		(8,531.9)
	inventiones at the end of the year		19,499.8		18,516.0
			-		
25	Changes in Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade				
	Inventories at the beginning of the year		11,802.7		7,314.0
	Inventories Acquired on Acquisition		557.4		-
	Foreign currency translation difference (Refer Note 54)		469.6		-
	Inventories at the end of the year		(15,114.5)		(11,802.7)
			(2,284.8)		(4,488.7)



for the year ended 31st March, 2013

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	₹Million					
			Year ended 31st March, 2013		nded ch, 2012	
26	Employee Benefits Expense					
	Salaries and Wages		12,568.8		9,810.7	
	Contribution to Provident and Other Funds		1,432.1		1,088.6	
	Expense on Employee Stock Option (ESOP) Scheme		-		21.4	
	Staff Welfare Expenses		1,344.4		956.6	
			15,345.3		11,877.3	
27	Finance Costs					
	Interest Expense on:					
	Borrowings		318.6		235.6	
	Others		50.3		46.4	
	Net Loss on Foreign Currency Transactions and Translation (considered as Finance Costs)		62.7		-	
			431.6		282.0	
28	Other Expenses					
	Consumption of Materials, Stores and Spare Parts		2,814.2		1,821.7	
	Conversion and Other Manufacturing Charges		1,792.4		1,598.3	
	Power and Fuel		1,871.0		1,456.5	
	Rent		314.5		260.4	
	Rates and Taxes		496.0		289.9	
	Insurance		336.6		210.4	
	Selling and Distribution		5,937.2		4,204.0	
	Commission and Discount		1,692.9		961.5	
	Repairs					
	Buildings	234.7		134.6		
	Machinery	978.2		748.6		
	Others	364.8	1,577.7	323.3	1,206.5	
	Printing and Stationery		155.4		121.5	
	Travelling and Conveyance		496.1		386.9	
	Overseas Travel and Export Promotion		1,678.2		1,680.4	
	Communication		211.7		165.0	
	Provision for Doubtful Trade Receivable / Advances					
	Provision for Doubtful Trade Receivable	94.1		15.4		
	Sundry Balances / Trade receivable Written Off	33.1		78.4		
	Less: Adjusted out of Provision for earlier years	(1.3)	125.9	(54.0)	39.8	
	Professional and Consultancy		4,175.5		3,083.8	
	Donations		47.6		52.5	
	Loss on Sale / Write Off of Fixed Assets		5.4		99.6	

for the year ended 31st March, 2013

₹ Million

	Year ended 31st March, 2013		Year ended 31st March, 2012	
Net Loss on Foreign Currency Transactions and Translation		786.4		632.9
Increase / (Decrease) of Excise Duty on Inventory		30.2		76.8
Payment to Auditors				
As Auditors includes ₹ Nil (Previous Year ₹ 0.4 Million) in respect of Previous Year	52.0		93.5	
For Taxation Matters	7.9		0.5	
For Other Services	0.7		2.2	
Reimbursement of Expenses	9.2	69.8	0.3	96.5
Miscellaneous Expenses		3,682.9		1,588.8
·		28,297.6		20,033.7
Less:				
Receipts from Research Activities		(340.1)		(158.6)
		27,957.5		19,875.1
Note : Research And Development Expenditure included in notes 23 to 28				
Salaries and Wages		1,961.1		1,508.5
Contribution to Provident and Other Funds		202.5		165.5
Staff Welfare Expenses		130.4		93.8
Consumption of Materials, Stores and Spare Parts		1,744.6		978.4
Power and Fuel		97.6		81.3
Rates and Taxes		148.2		26.9
Rent		22.6		5.1
Insurance		8.2		8.8
Repairs				
Buildings	27.2		19.5	
Machinery	79.9		59.5	
, Others	59.7	166.8	37.7	116.7
Printing and Stationery		21.9		15.2
Travelling and Conveyance		62.4		36.7
Communication		21.1		13.3
Professional and Consultancy		1,486.1		690.4
Loss on Sale of Fixed Assets (Net)		0.2		0.9
Miscellaneous Expenses		541.8		345.5
'		6,615.5		4,087.0
Less:				
Interest Income	1.4		1.6	
Receipts from Research activities	340.1		158.6	
Miscellaneous Expenses	25.0	366.5	35.1	195.3
·		6,249.0		3,891.7



for the year ended 31st March, 2013

30 SIGNIFICANT ACCOUNTING POLICIES:

I Basis of Consolidation:

The Consolidated Financial Statements relate to Sun Pharmaceutical Industries Limited ('the Company'), its Subsidiaries and Jointly Controlled Entities (together constitute 'the Group'). The Consolidated Financial Statements have been prepared on the following basis:

- (a) The financial statements of the Company and its Subsidiaries have been consolidated on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 'Consolidated Financial Statements', as notified by the Companies (Accounting Standards) Rules, 2006. These financial statements have been prepared using uniform accounting policies for like transactions and other events in the similar circumstances.
 - Interests in Jointly Controlled Entities has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27- "Financial Reporting of Interests in Joint Venture".
- (b) In case of foreign Subsidiaries / Jointly Controlled Entities, being non-integral foreign operations, translation of financial statements for consolidation is done in accordance with the policy stated in Note X below.
- (c) The Consolidated Financial Statements of the Group include financial statements of certain subsidiaries prepared as of a different date from that of the Company's financial statements. Adjustments for effects of significant transactions and events that have occurred between the date of the financial statements of these subsidiaries and the date of the Parent Company's financial statements are made in the Consolidated Financial Statements.
- (d) The excess of cost of investment in Subsidiaries / Jointly Controlled Entities over the share of equity in Subsidiaries / Jointly Controlled Entities as at the date of making the investment is recognised in the financial statements as Goodwill. Goodwill arising out of consolidation is not amortised. However, the same is tested for impairment at each Balance Sheet date. The excess of share of equity of subsidiaries / Jointly Controlled Entities over the cost of acquisition of the respective investments as at the date of making the investment is treated as Capital Reserve. For this purpose, share of equity is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.
- (e) Minority Interest in the net assets of Subsidiaries consists of :
 - i. the amount of equity attributable to the minorities at the date on which investment in Subsidiary is made, and
 - ii. the minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

II Basis of Accounting

The financial statements have been prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) as notified under the Companies (Accounting Standards) Rules, 2006.

III Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the year. Difference between the actual result and estimates are recognised in the year in which the results are known / materialised.

IV Fixed Assets and Depreciation / Amortisation

Fixed Assets including Intangible assets are stated at historical cost (Net of cenvat credit) less accumulated depreciation / amortization thereon and impairment losses, if any. Depreciation on tangible assets is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 except for Caraco Pharmaceutical Laboratories Ltd. (Caraco), Taro Pharmaceutical Industries Ltd.(Taro), Alkaloida Chemical Company Zrt., Sun Pharmaceutical Industries (Australia) Pty. Ltd., Sun Pharmaceutical Industries (Europe) B.V., Sun Pharma Global (FZE), Sun Pharmaceutical Spain, SL., Sun Pharmaceuticals Italia S.R.L., Sun Pharmaceuticals Germany GmbH, Sun Pharmaceuticals France, TKS Farmaceutica Ltda., Sun Pharmaceutical UK Ltd., Sun Pharmaceutical Peru S.A.C., Sun Pharmaceutical (Bangladesh) Ltd., Sun Pharma Philippines Inc, Sun Pharma Global Inc, Sun Pharma MEA JLT, 000 "Sun Pharmaceutical Industries" Ltd., Sun Pharma De Mexico S.A De C.V and Alkaloida Sweden AB depreciation is computed using the Straight Line Method over the estimated useful lives of the related assets, which ranges from 3 to 100 years. In case of the Company, Sun Pharmaceutical Industries, Sun Pharma Sikkim and Sun Pharma Laboratories

for the year ended 31st March, 2013

Limited assets costing ₹ 5,000 or less and in case of Sun Pharmaceutical Spain, SL. and Sun Pharmaceuticals Italia S.R.L assets costing Euro 601 and Euro 516.4 or less respectively are charged off as expense in the year of purchase. Leasehold land is amortised over the period of lease. At Taro, Leasehold improvements are depreciated using the Straight Line Method over the shorter of their useful lives or the terms of leases generally 5 - 10 years.

Intangible assets consisting of trademarks, designs, technical know-how, non compete fees and other intangible assets are amortised on Straight Line Method from the date they are available for use, at the rates as estimated by the Management considering the terms of agreement, which ranges from 3 to 20 years.

V Leases

Lease rental for assets taken / given on operating lease are charged / credited to the Statement of Profit and Loss in accordance with Accounting standard (AS) 19 - "Leases". For assets given under finance lease, amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment in accordance with Accounting Standard (AS) 19 - "Leases".

VI Revenue Recognition

Sale of products are recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of products. Export sales are recognized depending on the terms of customer arrangements, which is recognized either when the product is received by the customer at the destination point or at the time of shipment. Sales include delayed payment charges, and are stated net of returns, VAT /sales tax, provision for chargeback's, medicaid, rebates, shelf stock adjustments, breakages and expiry and other sales deductions, made on the basis of management expectation taking into account past experience, customer experience, third-party prescription data, industry and regulatory changes and other relevant information which are revised as necessary.

VII Investments

Investments are classified into Current and Long-term Investments. Current Investments are valued at lower of cost and fair value. Long-term Investments are stated at cost less provision, if any, for other than temporary diminution in their carrying amount.

VIII Inventories

Inventories consisting of raw and packing materials, other materials and consumables including R&D materials, work in progress, stock in trade and finished goods are stated at lower of cost (raw and packing materials and stock in trade – specific identification method; other materials and consumables – FIFO basis; work-in-progress and finished goods – weighted average method) and net realisable value. In respect of Caraco, cost is determined on specific identification basis, in respect of Alkaloida Chemical Company Zrt, cost is determined on FIFO basis, in respect of Taro Pharmaceutical Industries Ltd, cost is determined on Average cost basis.

IX Research and Development

The research and development cost is accounted in accordance with Accounting Standard – 26 'Intangible Assets'. All related revenue expenditure incurred on original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding up to the time when it is possible to demonstrate probable future economic benefits, is recognised as research expenses and charged off to the Statement of Profit and Loss, as incurred. All subsequent expenditure incurred for product development on the application of research findings or other knowledge upon demonstration of probability of future economic benefits, prior to the commencement of production, to the extent identifiable and possible to segregate are accumulated and carried forward as development expenditure under Capital Work in Progress, to be capitalised as an intangible asset on completion of the project. In case a project does not proceed as per expectations / plans, the same is abandoned and the amount classified as development expenditure under Capital Work-in-Progress is charged off to the Statement of Profit and Loss.

X Foreign Currency Transactions and Translation

Transactions denominated in foreign currencies are recorded at the exchange rates that approximates the actual rate prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life of the forward contract. The exchange differences arising on settlement / translation are recognised in the Statement of Profit and Loss.



for the year ended 31st March, 2013

The translation of the financial statements of non integral foreign operations is accounted for as under:

- a) All revenues and expenses are translated at average rate.
- b) All monetary and non-monetary assets and liabilities are translated at the rate prevailing on the balance sheet.
- c) Resulting exchange difference is accumulated in Foreign Currency Translation Reserve on Consolidation until the disposal of the net investment in the said non integral foreign operation.

XI Derivative Accounting

Forward Contracts in the nature of highly probable forecasted transactions / firm commitments entered into for hedging the risk of foreign currency exposure and other derivative contracts are accounted for on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies". Pursuant to this, losses, if any, on Mark to Market basis, are recognised in the Statement of Profit and Loss and gains are not recognised on prudent basis.

XII Taxes on Income

Provision for taxation comprises of Current Tax and Deferred Tax. Current Tax provision has been made on the basis of reliefs and deductions available under relevant Tax laws. Minimum Alternate Tax (MAT) credit entitlement available under the relevant tax laws is recognized to the extent that there is convincing evidence that the Company will pay normal income tax during the specified future period. The Company reviews the carrying amount of MAT credit entitlement at each balance sheet date and writes-down the carrying amount to the extent there is no longer convincing evidence that Company will pay normal income tax during the specified future period. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date.

XIII Employee Benefits

- (a) The Group's contribution in respect of provident fund and other funds is charged to the Statement of Profit and Loss each year.
- (b) With respect to gratuity liability, some of the entities in group contributes to Life Insurance Corporation of India (LIC) under LIC's Group Gratuity policy. Gratuity liability as determined on actuarial basis by the independent valuer is charged to the Statement of Profit and Loss.
- (c) Liability for accumulated compensated absences of employees is ascertained for on actuarial valuation basis and provided for as per group rules.

XIV Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

XV Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

XVI Government Grants / Subsidy

Government grants, if any, are accounted when there is a reasonable assurance that the enterprise will comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made. Capital Subsidy in the nature of Government Grants related to specific fixed assets is accounted for where collection is reasonably certain and the same is shown as a deduction from the gross value of the asset concerned in arriving at its book value and accordingly the depreciation is provided on the reduced book value.

for the year ended 31st March, 2013

XVII Impairment of Assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised.

a) The Consolidated Financial Statements present the consolidated accounts of Sun Pharmaceutical Industries Limited with its following Subsidiaries / Jointly Controlled Entities.

Name	e of Subsidiaries	Country of Incorporation	Proportion of own for the	'
			Year ended	Year ended
			31st March,	31st March,
			2013	2012
Direc	t Subsidiaries			
1	Green Eco Development Centre Ltd.	India	100.00%	100.00%
2	Sun Pharma Global Inc.	British Virgin Islands	100.00%	100.00%
3	ZAO Sun Pharma Industries Ltd. (See Note e)	Russia	100.00%	100.00%
4	Sun Pharmaceutical (Bangladesh) Ltd.	Bangladesh	72.50%	72.50%
5	Caraco Pharmaceutical Laboratories Ltd. (Caraco)	United States of America	100.00%	100.00%
6	TKS Farmaceutica Ltda	Brazil	100.00%	100.00%
7	Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%
8	Sun Pharmaceutical Industries Inc.	United States of America	(See Note f)	100.00%
9	SPIL De Mexico S.A. DE C.V.	Mexico	100.00%	100.00%
10	Sun Pharmaceutical Peru S.A.C.	Peru	99.33%	99.33%
11	000 "Sun Pharmaceutical Industries" Ltd.	Russia	99.00%	99.00%
12	Sun Pharma de Venezuela, CA.	Venezuela	100.00%	100.00%
13	Sun Pharma Laboratories Limited (Formerly Known	India	100%	100.00%
	as Sun Resins and Polymers Private Limited)		(See Note h)	
14	Faststone Mercantile Company Private Limited	India	100.00%	-
15	Neetnav Real Estate Private Limited	India	100.00%	-
16	Realstone Multitrade Private Limited	India	100.00%	-
17	Skisen Labs Private Limited	India	100.00%	-
18	Softdeal Trading Company Private Limited	India	100.00%	-
Step	down Subsidiaries			
19	Caraco Pharma Inc	United States of America	100.00%	100.00%
20	Chattem Chemicals Inc	United States of America	100.00%	100.00%
21	Taro Development Corporation	United States of America	100.00%	100.00%
22	Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%
23	Sun Pharmaceutical UK Ltd.	United Kingdom	100.00%	100.00%
24	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	Australia	100.00%	100.00%
25	Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%
26	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	100.00%	100.00%
27	Sun Pharmaceuticals Italia S.R.L.	Italy	100.00%	100.00%
28	Sun Pharmaceutical Spain, S.L.U	Spain	100.00%	100.00%
29	Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%
30	Sun Pharmaceuticals France	France	100.00%	100.00%

SUN PHARMA

for the year ended 31st March, 2013

Name of Subsidiaries		Country of Incorporation	Proportion of own for the	
			Year ended	Year ended
			31st March, 2013	31st March, 2012
31	Sun Pharma Global (FZE)	United Arab Emirates	100.00%	100.00%
32	Sun Pharmaceuticals (SA) (Pty) Ltd.	South Africa	100.00%	100.00%
33	Sun Global Canada Pty. Ltd.	Canada	100.00%	100.00%
34	Sun Pharma Philippines Inc.	Philippines	100.00%	100.00%
35	Sun Pharmaceuticals Korea Ltd.	Korea	100.00%	100.00%
36	Sun Global Development FZE	United Arab Emirates	100.00%	100.00%
37	Caraco Pharmaceuticals Pvt. Ltd	India	100.00%	100.00%
38	Sun Pharma Japan Ltd	Japan	100.00%	100.00%
39	Sun Pharma HealthCare FZE	United Arab Emirates	100.00%	100.00%
40	Sun Pharma MEA JLT	United Arab Emirates	100.00%	100.00%
41	Morley and Company Inc	United States of America	100.00%	100.00%
42	Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%
43	Taro Pharmaceutical Industries Ltd. (TARO)	Israel (See note I)	65.89%	66.30%
44	Taro Pharmaceuticals Inc.	Canada	65.89%	66.30%
45	Taro Pharmaceuticals U.S.A., Inc.	United States of America	65.89%	66.30%
46	Taro Research Institute Ltd.	Israel	(See Note g)	66.30%
47	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British west Indies	65.89%	66.30%
48	Taro Pharmaceuticals Europe B.V.	Netherlands	65.89%	66.30%
49	Taro Pharmaceuticals Ireland Ltd.	Ireland	65.89%	66.30%
50	Taro International Ltd.	Israel	65.89%	66.30%
51	Taro Pharmaceuticals UK Ltd.	United Kingdom	65.89%	66.30%
52	Taro Hungary Intellectual Property Licensing LLC.	Hungary	65.89%	66.30%
53	3 Skyline LLC	United States of America	65.89%	66.30%
54	One Commerce Drive LLC	United States of America	65.89%	66.30%
55	Tarochem Ltd.	Israel	65.89%	66.30%
56	Taro Pharmaceutical Laboratories INC	United States of America	65.89%	66.30%
57	Taro Pharmaceuticals Canada, Ltd.	Canada	65.89%	66.30%
58	Taro Pharmaceutical India Private Ltd.	India	65.89%	66.30%
59	Orta Ltd.	Israel	65.89%	-
60	Sun Universal Ltd	United Arab Emirates	100.00%	-
61	Khyati Realty ME Ltd	United Arab Emirates	100.00%	-
62	Aditya Pharma Private limited	Hungary	100.00%	-
63	Alkaloida Sweden AB	Sweden	100.00%	-
64	Dusa Pharmaceuticals Inc	United States of America	100.00%	-
65	Dusa Pharmaceuticals New York Inc	United States of America	100.00%	-
66	Sirius Laboratories Inc	United States of America	100.00%	-
67	URL Pharma Inc	United States of America	100.00%	-
68	AR Scientific.Inc	United States of America	100.00%	-
69	Mutual Pharmaceutical Company, Inc.	United States of America	100.00%	-
70	United Research Laboratories, Ltd.	United States of America	100.00%	-
71	Dungan Mutual Associates, LLC	United States of America	100.00%	-
72	URL PharmPro, LLC	United States of America	100.00%	-

for the year ended 31st March, 2013

Name of Subsidiaries		Country of Incorporation	Proportion of ownership interest for the year	
			Year ended	Year ended
			31st March,	31st March,
			2013	2012
73	Universal Enterprises (Pvt) Ltd.	India	100.0%	(See Note h)
74	Sun Laboratories Inc.	United States of America	-	(See Note i)
75	Taro Laboratories Ltd	United States of America	-	(See Note j)
76	Taro Healthcare Limited	United Kingdom	-	(See Note j)
77	Taro Industries Limited	United Kingdom	-	(See Note j)
78	Taro Manufacturing Limited	United Kingdom	-	(See Note j)
79	Taro International Limited	United Kingdom	-	(See Note j)
Nam	e of Partnership Firm			
80	Sun Pharmaceutical Industries	India	(See Note h)	97.50%
81	Sun Pharma Sikkim	India	(See Note h)	97.50%
82	Sun Pharma Drugs	India	98.00%	98.00%
83	Sun Pharma Exports	India	-	(See Note k)
Nam	e of controlled Entity			
84	Universal Enterprises (Pvt) Ltd.	India	(See Note h)	97.50%
Joint	ly Controlled Entity			
85	MSD - Sun LLC	United States of America	50.00%	50.00%
Subs	idiary of Jointly Controlled Entity			
86	MSD - Sun FZ LLC	United Arab Emirates	50.00%	50.00%

- b The Financial Statements of the Company, subsidiary company at Sr. no. 13 and Partnership Firms at Sr.no. 80 and 81 are audited by Deloitte Haskins & Sells. The Financial Statements in respect of all other Subsidiaries, a Partnership Firm and a Jointly Controlled Entity are audited by other auditors except in respect of a subsidiary of Jointly Controlled Entity at Sr.No.86 are unaudited and are consolidated on the basis of management accounts.
- c In respect of entities at Sr. No. 3, 6, 7, 9, 10 and 11, the reporting date is as of 31st December, 2012 and different from the reporting date of the Parent Company and the financial statements have been audited by other auditors. In terms of Accounting Standard 21, adjustments have been made for significant transactions of these subsidiaries for the periods from 1st January, 2012 to 31st March, 2012 and 1st January, 2013 to 31st March, 2013, on the basis of their management accounts for the said periods.
- d Entities at Sr. No.14 to 18 and at 59 to 72 have been incorporated / acquired during the year ended 31st March, 2013.
- e ZAO Sun Pharma Industries Ltd. is in the process of Liquidation and has appointed Official Liquidator as per the terms of Resolution passed at the General Meeting of the Subsidiary held on 29th October, 2002.
- f With effect from 28th February, 2013 Sun Pharmaceutical Industries Inc. has merged with Caraco.
- g Taro Research Institute Ltd. has merged with TARO with effect from 31st March, 2012.
- h With effect from 31st August, 2012, Partnership firms viz Sun Pharmaceutical Industries and Sun Pharma Sikkim have been converted into Pvt. Ltd. companies viz. Sun Pharma Medication Pvt. Ltd. and Sun Pharma Drugs Pvt. Ltd. respectively, under Part IX of the Companies Act, 1956 and accordingly, Universal Enterprises (Pvt) Ltd has become a subsidiary company from 31st August, 2012. With effect from 1st September, 2012, Sun Pharma Medication Pvt. Ltd. and Sun Pharma Drugs Pvt. Ltd has amalgamated into Sun Pharma Laboratories Limited. (Refer Note 56).
- i With effect from 14th June, 2011 Sun Laboratories Inc has been merged with Caraco.
- j With effect from 31st January, 2012 the entities at Sr. No. 75 to 79 have been dissolved.
- k With effect from 27th January, 2012 Sun Pharma Exports has been dissolved .
- I The Group holds 65.89% and 77.30% of beneficial ownership and voting power respectively in the share capital of TARO.



for the year ended 31st March, 2013

M Significant Accounting Policies and other Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding of the consolidated position of the Group. Recognising this purpose, the Group has disclosed only such policies and notes from the individual financial statements which fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the individual financial statements.

₹ In Million

Con	tingent Liabilities and Commitments (to the extent not provided for)	As at 31st March, 2013	As at 31st March, 2012
A)	Contingent Liabilities		
	1) Claims against the Group not acknowledged as debts	653.5	834.4
	II) Guarantees Given by the bankers on behalf of the Group	571.5	303.8
	III) Others:		
	Letters of Credit for Imports	548.8	250.0
	Liabilities Disputed - Appeals filed with respect to:		
	Income Tax on account of Disallowances / Additions	7,624.0	5,091.9
	Sales Tax on account of Rebate / Classification	48.4	22.9
	Excise Duty on account of Valuation / Cenvat Credit	466.7	340.2
	ESIC Contribution on account of applicability	0.2	0.2
	Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, including interest thereon, enjoyed by the Group	14.0	14.0
	Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme	13.9	12.0

IV) Sun Pharma Global Inc. / Sun Pharma Global FZE (Sun Global) along with Teva and others have sold pantoprazole tablets in the United States. Wyeth and Nycomed (Plaintiffs) have instituted case against Sun Global and their parent Sun Pharmaceutical Industries Ltd, (collectively Sun) and Teva and others (Defendants) claiming damages in the form of lost profits, including price erosion damages, for the sales Plaintiffs lost as a result of Defendants i.e Teva and Sun Global's sales of pantoprazole tablets in the United States. Wyeth's experts have estimated the purported damages from Sun to be \$ 960 million (₹ 52,108.8 Million). Wyeth's experts have also claimed that Teva may be liable for some of Sun Global's damages and vice versa. The claim for damages will require Wyeth and Nycomed to meet the burden to prove the amount of damages it claims. In the yet to be scheduled Jury trial in the U.S District Court for the district of New Jersey, a jury will determine the appropriate level of damages assessable against Sun and Teva. After this decision, the previous ruling on the validity of the patent as well as the ruling on the quantum of damages will become appealable before United States Court of Appeals of the Federal Circuit. Sun maintains that the patent is invalid and unenforceable and will pursue all available legal remedies including appeals until a final non-appealable decision ensues, however, as a matter of prudence and as estimated by management a sum of \$ 107 million (₹ 5,835.8 million) have been provided towards potential damages in this regard and disclosed as exceptional item in statement of Profit and Loss.

	·		
B)	Commitments		
	Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	3,051.1	4,349.0
	II) Derivative related Commitments - Forward Foreign Exchange Contracts	4,342.4	2,034.8
	III) Lease related commitments [Refer Note : 41 (d) (i)]		

33 Legal Proceedings

The Company and / or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims and other regulatory matters relating to conduct of its business. The Company records a provision in the financial statements to the extent that it concludes that a liability is probable and estimable based on the status of these cases,

for the year ended 31st March, 2013

advise of the counsel, management assessment of the likely damages etc. The Group carries product liability insurance / is contractually indemnified by the manufacturer, for an amount it believes is sufficient for its needs. In respect of other claims, the Group believes, these claims do not constitute material litigation matters and with its meritorious defenses the ultimate disposition of these matters will not have material adverse effect on its Financial Statements.

34 Disclosures relating to Share Capital

Rights, Preferences and Restrictions attached to Equity Shares

The Equity Shares of the Company, having par value of ₹ 1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

ii Equity Shares held by each shareholder holding more than 5 percent Equity Shares in the Company are as follows:

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
	held		held	
Dilip Shantilal Shanghvi	115,570,240	11.2	115,570,240	11.2
Viditi Investments Pvt. Ltd.	100,692,660	9.7	100,692,660	9.7
Tejaskiran Pharmachem Inds. Pvt. Ltd.	97,671,880	9.4	97,671,880	9.4
Family Investment Pvt. Ltd.	91,463,720	8.8	91,463,720	8.8
Quality Investment Pvt. Ltd.	91,434,320	8.8	91,434,320	8.8

₹ In Million

		Year ended	Year ended
		31st March, 2013	31st March, 2012
35	Research and Development Expenditure		
	Revenue (Excluding Depreciation)	6,249.0	3,891.7
	Capital	426.8	361.5
	Total	6,675.8	4,253.2

God	odwill on consolidation (Net) comprises of:		
A)	Goodwill in respect of :		
	Caraco Pharmaceutical Laboratories Ltd.	6,778.0	5,981.0
	TKS Farmaceutica Ltda	421.5	417.8
	Sun Pharma Japan Ltd	75.0	75.4
	Universal Enterprises (Pvt) Ltd.	7.5	7.5
	Taro Pharmaceutical Industries Ltd.	4,930.0	4,618.9
	Total (A)	12,212.0	11,100.6
	Less:		
B)	Capital Reserve in respect of :		
	Alkaloida Chemical Company Zrt.	882.5	882.5
	Total (B)	882.5	882.5
	Total (A-B)	11,329.5	10,218.1

37 Related Party Disclosure (AS-18) - as per Annexure 'A'

38	Accounting Standard (AS-20) on Earnings Per Share		
	Profit for the year - used as Numerator for calculating Earnings Per Share	29,830.6	26,566.9
	Weighted Average number of Shares used in computing basic and diluted Earnings Per Share	1,035,581,955	1,035,581,955
	Nominal value per share (in ₹)	1.0	1.0
	Basic and Diluted Earnings Per Share (in ₹)	28.8	25.7

36



₹ In Million

for the year ended 31st March, 2013

	C III T IIIII G II			
		Year ended	Year ended	
		31st March, 2013	31st March, 2012	
39	Accounting Standard (AS-17) on Segment Reporting			
	a) Primary Segment			
	The Group has identified "Pharmaceuticals" as the only primary reportable			
	business segment.			
	b) Secondary Segment (By Geographical Segment)			
	India	32,020.9	30,506.1	
	Outside India	82,066.2	50,622.4	
	Sale of Products	114,087.1	81,128.5	

In view of the interwoven / intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

- Intangible assets consisting of trademarks, designs, technical knowhow, non compete fees and other intangible assets are stated at cost of acquisition based on their agreements and are available to the Group in perpetuity. The depreciable amount of intangible assets is arrived at, based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Group.
- 41 (a) The Group has given certain premises and Plant and Machinery under operating lease or leave and license agreements.

 These are generally not non-cancellable and range between 11 months to 5 years under leave and license, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Group has received refundable interest free security deposits, where applicable, in accordance with agreed terms
 - (b) The Group has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licenses, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Group has given refundable interest free security deposits in accordance with the agreed terms.
 - (c) Lease receipts/payments are recognised in the Statement of Profit and Loss under "Rent" in Note 23 and Note 28.
 - (d) Operating lease
 - (i) Group as lessee

The future minimum lease payments under non-cancellable operating lease

- not later than one year ₹ 256.7 Million (Previous year ₹ 240.8 Million)
- later than one year and not later than five years ₹ 463.4 Million (Previous year ₹ 498.6 Million)
- later than five years ₹ Nil (Previous year ₹ 74.6 Million)
- (ii) Group as lessor

The future minimum lease payments under non-cancellable operating lease

- not later than one year ₹ 50.7 Million (Previous year ₹ 66.4 Million)
- later than one year and not later than five years ₹ 78.0 Million (Previous year ₹ 118.4 Million)
- later than five years ₹ Nil (Previous year ₹ Nil)
- (e) Finance lease

Group as lessor

The future minimum lease payments under non-cancellable finance lease aggregate ₹843.8 Million.

- not later than one year ₹ 33.9 Million (Previous year ₹ Nil); later than one year and not later than five years ₹ 169.3 Million (Previous year ₹ Nil); later than five years ₹ 640.7 Million (Previous year ₹ Nil).

Less: Unearned finance income ₹ 513.1 Million (Previous year ₹ Nil).

Present Value of minimum lease payment receivable aggregate ₹ 330.7 Million (Previous year ₹ Nil).

- not later than one year ₹ 3.6 Million (Previous year ₹ Nil); later than one year and not later than five years ₹ 23.9 Million (Previous year ₹ Nil); later than five years ₹ 303.1 Million (Previous year ₹ Nil).

for the year ended 31st March, 2013

42 Accounting Standard (AS-15) on Employee benefits

Contributions are made to Recognised Provident Fund/ Government Provident Fund, Family Pension Fund, ESIC and other Statutory Funds which covers all regular employees. While both the employees and the Group make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 175.9 Million (Previous year ₹ 142.4 Million)

₹ in Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
Contribution to Provident Fund	162.0	130.9
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	8.5	7.3
Contribution to Labour Welfare Fund	0.1	0.1
Employer's Contribution to Family Pension Fund	5.3	4.1

In respect of Gratuity, Contributions are made to LIC's Recognised Group Gratuity Fund Scheme based on amount demanded by LIC of India. Provision for Gratuity is based on actuarial valuation done by independent actuary as at the year end. Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 112.4 Million (Previous Year ₹ 56.2 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Category of Plan Assets: The Group's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India.

₹ in Million

	Year ended	Year ended
	31st March, 2013	31st March, 2012
In respect of gratuity (funded):		
Reconciliation of liability / (asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	457.9	311.6
Fair value of plan assets	(436.6)	(347.6)
Net liability / (asset) in the Balance sheet	21.3	(36.0)
Movement in net liability / (asset) recognised in the Balance sheet		
Net liability / (asset) as at the beginning of the year	(36.0)	(26.9)
Net expense recognised in the Statement of Profit and Loss	124.0	39.2
Contribution during the year	(66.7)	(48.3)
Net liability / (asset) in the Balance sheet	21.3	(36.0)
Expense recognised in the Statement of Profit and Loss		
Current service cost	38.1	31.3
Interest cost	26.5	21.2
Expected return on plan assets	(29.7)	(23.4)
Actuarial loss	89.1	10.1
Expense charged to the Statement of Profit and Loss	124.0	39.2
Return on plan assets		
Expected return on plan assets	29.7	23.4
Actuarial gain	8.2	6.8
Actual return on plan assets	37.9	30.2



for the year ended 31st March, 2013

₹ in Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
Reconciliation of defined-benefit commitments		
Commitments as at the beginning of the year	311.6	257.3
Current service cost	38.1	31.3
Interest cost	26.5	21.2
Paid benefits	(15.6)	(15.1)
Actuarial loss	97.3	16.9
Commitments as at the year end	457.9	311.6
Reconciliation of plan assets		
Plan assets as at the beginning of the year	347.6	284.2
Expected return on plan assets	29.7	23.4
Contributions during the year	66.7	48.3
Paid benefits	(15.6)	(15.1)
Actuarial gain	8.2	6.8
Plan assets as at the year end	436.6	347.6

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense.

Discount rate	8.25%-8.50%	8.50%
Expected return on plan assets	8.25%-8.50%	8.50%
Expected rate of salary increase	6.00%-7.00%	6.00%
Mortality	Indian Assured Lives	LIC (1994-96)
	Mortality (2006-08)	Ultimate
	Ultimate	

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

₹ in Million

			Year ended		
	31st March,	31st March,	31st March,	31st March,	31st March,
	2013	2012	2011	2010	2009
Experience adjustment					
On plan liabilities	32.1	26.5	18.1	57.2	5.4
On plan assets	8.2	6.8	3.4	3.4	4.1
Present value of benefit obligation	457.9	311.6	257.3	219.5	148.1
Fair value of plan assets	(436.6)	(347.6)	(284.2)	(236.3)	(194.3)
Excess of obligation over plan assets / (plan assets over obligation)	21.3	(36.0)	(27.0)	(16.8)	(46.2)

The contribution expected to be made by the Group during financial year ending 31st March, 2014 is ₹88.5 Million (Previous Year ₹38.0 Million).

Note:

The above disclosure are provided to the extent applicable and available from the individual Financial Statements of subsidiaries and Jointly Controlled Entities

for the year ended 31st March, 2013

- a) Taro Pharmaceutical Industries Ltd and its Israeli subsidiaries are required to make severance or pension payments to dismissed employees and to employees terminating employment under certain other circumstances. Deposits are made with a pension fund or other insurance plans to secure pension and severance rights for the employees in Israel.
 - b) In terms of Collective bargaining agreement dated April 06, 2011, between Taro Pharmaceutical Industries Ltd (employer) with it's employees at Israel, a one time provision of ₹81.42 Million (Previous Year ₹76.3 Million) has been made, which is to be divided among Taro Israeli Employees.
- Stock-based compensation is accounted at Taro Pharmaceutical Industries Ltd (Taro) based on the estimated fair value of stock options granted using the Black-Scholes model. Taro recognize compensation expense for the value of its awards granted subsequent to January 1, 2006, based on the straight-line method over the requisite service period of each of the awards, net of estimated forfeitures. The fair value of an award is affected by the stock price on the date of grant and other assumptions, including the estimated volatility of stock price over the term of the awards and the estimated period of time that Taro expect employees to hold their stock options.

A summary of Taro stock activity and related information for the year ended March 2013

	No. of Options	Exercise price (In USD)	Weighted Average Exercised Price (In USD)	Weighted Average remaining Contractual Terms (in Years)	Aggregate Intrinsic Value (In USD)
Outstanding at the beginning of	329,055	2.4 - 68.5	26.0		
the year	(435,705)	(2.4 - 68.5)	(25.2)		
Exercised during the year	-291,555	2.4 - 54.5	22.6		
	(-32,400)	(2.4 - 14.1)	(9.3)		
Forfeited during the year	-12,000	39.0 - 68.5	52.6		
	(-74,250)	(11.9 - 68.5)	(28.9)		
Outstanding at the end of the	25,500	24.7 - 68.5	52.3	0.9	220.0
year	(329,055)	(2.4 - 68.5)	(25.9)	(1.8)	(4,800.0)
Exercisable at the end of the year	25,500		52.3	0.9	220.0
	(329,055)		(25.9)	(1.8)	(4,800.0)
Vested and expected to vest at	25,500		52.3	0.9	220.0
the end of the year	(329,055)		(25.9)	(1.8)	(4,800.0)

Previous Year figures are in brackets.

- During the year, the Group has received Government Grant of ₹ Nil (Previous Year ₹ 2.0 Million) and ₹ Nil (Previous Year ₹ 7.5 Million) in respect of Building and Plant and Equipment respectively.
- Current Tax includes Write back of Provision for Fringe Benefit Tax (net) of ₹ 0.2 Million (Previous Year ₹ 0.6 Million) pertaining to earlier year.
- The following are the outstanding Derivative Contracts entered by the Company and some of its Subsidiaries as on 31st March, 2013.

Nature of Derivative Contract	Currency	Buy / Sell	Cross Currency	As at 31st March, 2013	As at 31st March, 2012
				Amount In Million (USD)	Amount In Million (USD)
Forward Contracts	US Dollar	Sell	RUPEES	300.0	330.0
Forward Contracts	US Dollar	Sell	HUF	-	5.0
Forward Contracts	US Dollar	Sell	NIS	41.0	45.0
Forward Contracts	US Dollar	Sell	CAD	96.0	96.0
Cross Currency Swaps	Israeli New Shekel	Buy	US Dollar	18.8	29.1
Interest Rate Swaps (Floating to Fixed)	US Dollar	Sell	US Dollar	9.1	10.2



for the year ended 31st March, 2013

- As a result of the FDA action in September 29, 2009 Caraco Pharmaceutical Laboratories Ltd (Caraco) had voluntarily ceased manufacturing operations. In accordance with the Consent Decree, Caraco engaged/constituted a consulting firm which comprised of current Good Manufacturing Practice ("cGMP") experts and after taking corrective measures and required remedial measures, submitted a work plan to the FDA, in October 2009 leading to resumption of its manufacturing operations. The FDA approved this workplan on 17 March, 2010 and the protocol in third party certification submitted on 5 May, 2010 was accepted by FDA on June 24, 2010. On May 9, 2011 Caraco received written notification that its cGMP consultants had submitted written certification to FDA pursuant to paragraph 21 F of the consent decree with respect to two products that it in decided to manufacture. FDA subsequently inspected the facility and on 27 August, 2012 notified that Caraco appears to be in compliance with the consent decree and it may resumes operations. On conduct of Independent audit in February 2013 and completion of verification by Independent Auditors in May 2013 Caraco is currently manufacturing three products.
- Deferred tax asset on net operating losses is mainly relating to one of the subsidiaries acquired during the year. Such operating losses had arisen prior to the date of acquisition of the subsidiary and were incurred mainly on account of expenses on research and development activities including preclinical and clinical trials prior to approval and commercial launch of underlying products. Having regard to the recent history of profitability, growth in operations and revenue, favourable business environment, underlying products having exclusivity period in the Unites States of America and consolidation of the said subsidiary with other profitable entities in the United States, the Management believes that such events represents virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- Legal reserve has been created in accordance with the requirement of Mexican General Corporation Law out of the Reserves of earlier year.
- Taro Pharmaceutical Industries Ltd had closed during 2010, i.e., prior to acquiring control by the Company, the manufacturing facility of its subsidiary in Ireland and decided to sell the facility. The management of the group is of the view that the closure does not have material impact on the group's financials. The related assets of ₹ 118.7 Million (Previous Year ₹ 140.6 Million), Liabilities of ₹ 3.8 Million (Previous Year ₹ 4.5 Million), Revenues of ₹ 22.6 Million (Previous Year ₹ 11.1 Million) attributable to its Irish Subsidiary has been considered in the Consolidated Financial Statements.
- a) Alkaloida Chemical Company Zrt., a subsidiary of the Company holds 43.2% in the capital of Reanal Ltd. However, as Alkaloida does not have any 'Significant Influence' in Reanal Ltd, as is required under AS 23-" Accounting for Investments in Associates in Consolidated Financial Statements", the said investment in Reanal Ltd is not consolidated as an "Associate Entity". Accordingly, the investment in Reanal Ltd is accounted in accordance with Accounting Standard 13-"Accounting for Investments".
 - b) Sun Pharma Global FZE, a subsidiary of the Company holds 23.35% in the capital of Enceladus Pharmaceutical B.V. However, as Sun Pharma Global FZE does not have any 'Significant Influence' in Enceladus Pharmaceutical B.V., as is required under AS 23-" Accounting for Investments in Associates in Consolidated Financial Statements", the said investment in Enceladus Pharmaceutical B.V. is not consolidated as an "Associate Entity". Accordingly, the investment in Enceladus Pharmaceutical B.V. is accounted in accordance with Accounting Standard 13- "Accounting for Investments"
- As per the best estimate of the management, provision has been made as per Accounting Standard (AS) 29, as notified by Companies (Accounting Standards) Rules, 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

₹ In Million

	As at	As at
	31st March, 2013	31st March, 2012
Provision*		
Opening balance	6,805.1	4,735.3
Add: Provision for the year	7,068.4	4,368.6
Less: Utilisation / Settlement	(4,587.3)	(2,390.3)
Add/ (Less): Foreign currency translation Difference	(3.1)	91.5
Closing balance	9,283.1	6,805.1

^{*} The above includes provisions for Product returns, Chargebacks, Medicaid, cash discount and rebates and Pending Lawsuits, penalties and fines.

for the year ended 31st March, 2013

Provisions for returns, Medicaid (provision at TARO made during the year includes \$ 30 Million (₹ 1628.4 Million) towards claim under state medicaid programme) and indirect rebates are included in short and long term provisions. All other sales deductions allowances are recorded as accounts receivable reserves/provisions and reduced from trade receivable. The provisions for returns is included in short and long term provisions as substantially all of these returns will not be realized until after the year-end accounts receivable balances are settled. Medicaid and indirect rebates are included in short and long term provisions because the Group does not have direct customer relationships with any of the payees.

- During the Current Year, there has been a refinement in the basis of computing the cost of materials consumed and changes in inventories. For this purpose, the effect on account of difference between average cross currency exchange rate and closing cross currency exchange rate with respect to changes in inventories of overseas subsidiaries has been transferred to foreign currency translation reserve. But for this change, the profit for the year ended 31st March, 2013 would have been higher by ₹ 653.2 million
- Dusa Pharmaceuticals Inc (Dusa) and URL Pharma Inc. (URL), pharmaceutical companies, both being incorporated in United States of America became subsidiaries of the Company on 20th December, 2012 and 5th February, 2013 respectively. Accordingly, these consolidated financial statements includes total assets of ₹ 13,263.9 Million and ₹ 5,832.0 Million and total liabilities of ₹ 13,310.4 Million and ₹ 2,253.0 Million as on 31st March, 2013, respectively and total revenues of ₹ 977.2 Million and ₹ 1,768.8 Million, Profit / (Loss) before Tax of ₹ (90.2) Million and ₹ 425.2 Million and Profit / (Loss) after Tax of ₹ (47.1) Million and ₹ 255.4 Million for the period from 20th December, 2012 and 5th February, 2013 respectively to 31st March 2013.
- The consolidated financial statements of the Company for the year ended 31st March, 2013 were earlier approved by the Board of Directors at their meeting held on 28th May, 2013 on which the Statutory Auditors of the Company had issued their report dated 28th May, 2013. Consequent to the Order dated 26th July, 2013 of the Hon'ble High Court of Bombay sanctioning the scheme of arrangement u/s 391 and 394 of the Companies Act 1956 for amalgamation, with effect from 1st September, 2012, the appointed date, of Sun Pharma Medication Private Ltd and Sun Pharma Drugs Private Ltd into Sun Pharma Laboratories Limited (SPLL), all wholly owned subsidiaries of the Company, the financial statements of SPLL were revised only to give effect to the said scheme of arrangement, effective from 1st September, 2012. In view of the above, the earlier approved consolidated financial statements are revised only to incorporate the revised financial statements of SPLL.
- 57 Statement regarding subsidiary companies as required under 212 (8) of the Companies Act,1956 pursuant to General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs As per Annexure 'B'.
- 58 Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements.
- 59 Previous years' figures are regrouped wherever necessary.



for the year ended 31st March, 2013

ACCOUNTING STANDARD (AS-18) "RELATED PARTY DISCLOSURE"

ANNEXURE 'A'

Names of related parties and description of relationship	Names of related	parties and d	escription of	relationshi	ai
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1.	Key Management Personnel	Mr. Dilip S. Shanghvi	Managing Director (also Chairman upto 29th May, 2012)
		Mr. Sudhir V. Valia	Wholetime Director
		Mr. Sailesh T. Desai	Wholetime Director
		Mr. S. Kalyanasundaram	Wholetime Director (upto 31st March, 2012)
2.	Relatives of Key Management	Mr. Aalok Shanghvi	Son of Managing Director
	Personnel	Ms. Vidhi Shanghvi	Daughter of Managing Director (w.e.f. 9th November, 2012)

 Enterprise under significant Influence of Key Management Personnel or their relatives Sun Petrochemicals Pvt Ltd Navjivan Rasayan (Gujarat) Pvt Ltd

Sun Pharma Advanced Research Company Ltd

Shantilal Shanghvi Foundation Sugandh Management Consultancy (till 28th February, 2013)

for the year ended 31st March, 2013

ACCOUNTING STANDARD (AS-18) " RELATED PAR	ED PARTY DISCLOSURE "	"ш					A	ANNEXURE 'A'
								₹ In Million
Particulars	Key Management Personnel	gement nnel	Relatives of Key Management Personnel	of Key Personnel	Enterprise under significant Influence of Key Management Personnel or their relatives	e under Jence of Key Personnel or atives	Total	la la
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Purchases of goods / DEPB	T	I	1	1	ı	2.0	ı	2.0
Sun Petrochemicals Pvt Ltd	1	ı	I	1	I	2.0	1	2.0
Purchase of Fixed Assets	-1	ı	ı	1	795.1	1	795.1	1
Sun Pharma Advanced Research Company Ltd	I	I	I	ı	795.1	ı	795.1	I
Sale of goods / DEPB	1	1	T	1	24.1	8.	24.1	8.7
Sun Pharma Advanced Research Company Ltd	ı	I	I	I	24.1	6.7	24.1	6.7
Sun Petrochemicals Pvt Ltd	I	1	1	1	1	1.4	ı	1.4
Receiving of Service								
Services	1	ı	I	1	176.3	122.1	176.3	122.1
Sun Pharma Advanced Research Company Ltd	I	1	I	1	176.3	122.1	176.3	122.1
Reimbursement of Expenses	1	ı	1	ı	1.3	1	1.3	T
Sun Pharma Advanced Research Company Ltd	I	ı	I	ı	1.3	ı	1.3	I
Loans given / Share Application Money	1	1	1	ı	812.9	10.3	812.9	10.3
Sugandh Management Consultancy	1	ı	I	1	32.9	10.3	32.9	10.3
Sun Pharma Advanced Research Company Ltd	I	ı	I	ı	780.0	ı	780.0	I
Loans Received back / share Application Money Refund	I	ı	T	ı	75.0	ı	75.0	I
Sun Pharma Advanced Research Company Ltd	I	ı	1	ı	75.0	ı	75.0	1
Rendering of Service								
Reimbursement of Expenses	T	ı	ı	T	36.9	31.4	36.9	31.4
Sun Pharma Advanced Research Company Ltd	ı	I	ı	I	36.9	31.4	36.9	31.4
Donation Given	1	1	T	1	1	20.0	T	50.0
Shantilal Shanghvi Foundation	1	1	ı	1	ı	50.0	ı	50.0



for the year ended 31st March, 2013

ACCOUNTING STANDARD (AS-18) " RELATED PAR	ED PARTY DISCLOSURE "	, H					A	ANNEXURE 'A'
								₹ In Million
Particulars	Key Management Personnel	gement nnel	Relatives of Key Management Personnel	of Key : Personnel	Enterprise under significant Influence of Key Management Personnel or their relatives	e under Jence of Key Personnel or atives	Total	la la
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Interest Income					37.1	I	37.1	I
Sun Pharma Advanced Research Company Ltd	I	ı	ı	1	37.1	ı	37.1	ı
Rent Income	I	1	1	ı	1.5	1.4	1.5	1.4
Sun Pharma Advanced Research Company Ltd	ı	ı	ı	ı	1.4	1.3	1.4	1.3
Navjivan Rasayan (Gujarat) Pvt Ltd	1	ı	1	1	0.1	0.1	0.1	0.1
Director's Remuneration	70.6	174.8	ı	1	ı	1	70.6	174.8
Mr. Dilip S. Shanghvi	10.3	82.3	I	1	I	ı	10.3	82.3
Mr. Sudhir V. Valia	51.8	60.5	I	I	I	ı	51.8	60.5
Mr. S. Kalyanasundaram	I	24.5	ı	ı	I	ı	I	24.5
Mr. Sailesh T. Desai	8.5	7.5	1	1	ı	ı	8.5	7.5
Apprenticeship Stipend / Remuneration	1	I	32.8	39.8	1	ı	32.8	39.8
Mr. Aalok Shanghvi	ı	ı	32.6	39.8	1	I	32.6	39.8
Ms. Vidhi Shanghvi	ı	I	0.2	ı	ı	ı	0.2	I
Outstanding Receivables / (Payables) (Net)	(25.3)	(42.7)	(82.3)	(37.7)	731.1	34.4	623.5	(0.94)
as on 31/03/2013								
Sun Pharma Advanced Research Company Ltd	I	I	I	I	731.1	34.4	731.1	34.4
Mr. Dilip S. Shanghvi	(6.2)	(22.4)	I	ı	I	I	(6.2)	(22.4)
Mr. Sudhir V. Valia	(16.4)	(15.3)	1	ı	ı	ı	(16.4)	(15.3)
Mr. Aalok Shanghvi	1	ı	(82.3)	(37.7)	1	1	(82.3)	(37.7)
Ms. Vidhi Shanghvi ₹ (24,115)	1	ı	(0.0)	ı	1	1	(0.0)	I
Mr. S. Kalyanasundaram	1	(3.1)	_	ı	1	ı	1	(3.1)
Mr. Sailesh T. Desai	(2.7)	(1.9)	1	1	1	1	(2.7)	(1.9)

for the year ended 31st March, 2013

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	General Circular no.2/2011 dated February 8th 2011 issued by the Ministry of Corporate Affairs	General Circular no.2/2011 dated February 8th 2011 issued by the Ministry of Corporate Affairs	dated	as require February	8th 2011	issued by	the Minis	try of Corp	orate Aff	airs	2		
% S	Name of the Subsidiary Company	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Propose Dividen
~	Green Eco Development Center Ltd.	INR	1.00	1.0	(0.2)	5.2	7'7	1	1	(0:0)	1	(0:0)	
7	Sun Pharma Global Inc.	USD	54.28	6,919.2	36,767.7	76,938.2	33,251.3	4,172.1	1	620.7	1	620.7	
m	Zao Sun Pharma Industries Ltd.	RRU	1.75	0:0	(0:0)	1	1	1	1	-	1	1	
7	Sun Pharmaceutical (Bangladesh) Ltd	TAKA	0.70	41.7	289.3	592.1	261.1	1	577.8	101.5	47.2	54.3	
2	Caraco Pharmaceutical Laboratories Ltd	USD	24.28	11,597.4	(5,568.2)	46,688.5	40,659.3	1	27,892.8	19.8	(1,46)	113.9	
9	TKS Farmaceutica Ltda	Brazilian reais	26.80	149.4	(6:069)	706.4	1,247.9	1	784.6	(354.0)	1	(354.0)	
7	Sun Pharma De Mexico S.A. DE C.V.	Mexican Pesos	14.41	4.4	181.1	614.7	429.2	1	767.6	124.5	32.4	92.1	
ω	Sun Pharmaceutical Industries Inc. (Till 28th February, 2013)	nsp	54.28	0.3	(6,222.3)	8,188.3	14,410.3	I	1,137.0	(1,803.2)	(612.4)	(1,190.8)	
6	SPIL De Mexico S.A. DE C.V.	Mexican Pesos	14.41	0.2	1	0.2	1	1	1	1	1	1	
9	Sun Pharmaceutical Peru S.A.C	Soles	20.97	0.0	(51.6)	3.3	54.9	ı	1	(10.7)	1	(10.7)	
Ξ	000 "Sun Pharmaceutical Industries" Ltd.	RRU	1.75	0.1	(38.3)	765.6	803.8	1	628.5	13.4	0.4	9.6	
12	Sun Pharma de Venezuela, CA.	Venezuelan Bolivan Fuerte (VEF)	8.64	0.4	(182.3)	20.6	202.5	ı	ı	(106.7)	1	(106.7)	
13	Caraco Pharma Inc.	OSD	54.28	ı	1	1	1	1	ı	1	1	1	
14	Chattem Chemicals Inc	USD	54.28	1,869.0	814.4	2,841.3	157.9	1	1,491.8	281.3	67.1	214.2	
15	Taro Development Corporation	OSD	24.28	0.0	(0.3)	1,078.1	1,078.4	1	1	1	1	1	
16	Alkaloida Chemical Company Zrt.	USD	24.28	4,784.8	(3,646.2)	43,948.7	42,810.1	161.4	1,313.1	(1,302.9)	1	(1,302.9)	
17	Sun Pharmaceutical UK Ltd.	GBP	82.53	0.1	(117.9)	378.6	7967	1	477.2	(7.2)	1	(7.2)	
18	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	AUD	56.54	0.0	(2.1)	175.2	180.3	ı	221.0	0.3	1	0.3	
19	Aditya Acquisition Company Ltd.	Israeli New Shekel,NIS	14.91	0.0	(0.1)	1	0.1	ı	1	1	1	1	
70	Sun Pharmaceutical Industries (Europe) B.V.	EURO	69.58	1.3	(179.1)	444.3	622.1	1	558.9	(8.2)	ı	(8.2)	
71	Sun Pharmaceuticals Italia S.R.L.	EURO	69.58	0.7	(288.3)	501.2	788.8	ı	317.5	(19.1)	1	(1.62)	
22	Sun Pharmaceutical Spain, SL.	EURO	69.58	0.2	(212.7)	144.2	356.7	ı	92.5	(41.4)	1	(41.4)	
23	Sun Pharmaceuticals Germany GmbH	EURO	69.58	1.7	(193.8)	195.4	387.5	ı	316.9	(6.64)	1	(49.3)	
77	Sun Pharmaceuticals France	EURO	69.58	2.6	(18.8)	193.1	209.3	1	199.8	88.2	ı	88.2	
25	Sun Pharma Global (FZE)	USD	54.28	223.9	9,861.9	20,640.8	10,555.0	243.2	20,440.7	8,108.5	ı	8,108.5	
56	Sun Pharmaceuticals (SA) (Pty) Ltd.	ZAR	5.86	0.0	(0:0)	0.0	0.0	1	ı	(0:0)	ı	(0:0)	
27	Sun Global Canada Pty. Ltd.	USD	54.28	0.1	(0.7)	1	9:0	1	1	1	1	1	
78	Sun Laboratories FZE	USD	54.28	0.599	(423.0)	242.0	ı	ı	1	(0.5)	ı	(0.5)	
59	Sun Global Development Fze	USD	54.28	155.2	(42.0)	113.2	0.0	1	ı	(0.5)	ı	(0.5)	
8	Sun Pharma Japan Itd	ЈРҮ	0.58	34.6	(104.6)	26.0	0.96	1	ı	(65.8)	0.1	(62.9)	
31	Sun Pharma Philippines Inc	PESO	1.31	11.3	(23.6)	47.77	89.7	1	19.6	(22.4)	ı	(22.4)	
32	Sun Pharma MEA JLT	USD	54.28	147.8	(112.9)	300.7	265.8	1	ı	(88.7)	ı	(88.7)	
33	Sun Pharma Health Care FZE	USD	54.28	155.2	(1.5)	744.4	90.7	ı	1	(1.5)	1	(1.5)	
34	Sun Pharmaceuticals Korea Limited	KRW	0.05	4.9	(0.9)	4.9	0.9	ı	1	(0.0)	1	(0:0)	
32	Caraco Pharmaceuticals Private Limited	INR	1.00	0.1	(0.1)	0.1	0.1	1	1	(0.1)	1	(0.1)	
36	Sun Pharma Laboratories Limited (Formely Known as Sun Resins and Polymers Private Limited) (Refer Note 3 below)	NR N	1:00	400.5	183,467.3	189,392.5	5,524.7	3,375.7	27,394.9	(1,356.1)	831.9	(2,188.0)	



for the year ended 31st March, 2013

ANNEXURE 'B'

1. No.		Statement regardin General	ig Subsidiary Companies as required under section 212 (8) of the Companies Act, 1956 pursuant to Circular no.2/2011 dated February 8th 2011 issued by the Ministry of Corporate Affairs	panies a	as require February	ed under s 8th 2011	section 21 issued by	2 (8) of the the Minis	e Compani try of Corp	es Act, 19 oorate Aff	56 pursua airs	nt to		
According south of the control of the contr	s S O	Name of the Subsidiary Company	Reporting Currency	Rate	Capital	Reserve	Total	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend
Composition of the properties of the proper	37	Morley and Company Inc	nsp	54.28	0.2	(0.1)	0.2	0.1	1	1	1	1	1	1
Text Polymanochologic (m. 2) CD 51354 CD 1210A-31 220A-35 1,586 (750) 1772 27580 83165 77 37580 177 1778 37580 178 37580 37580 37580 37580 37580 37580 37580 37580 37580 37580 37580 37580 37580 37580 37580 37580 37580	88	Taro Pharmaceutical Industries Ltd.(TARO)	USD	24.28	36.9	48,074.1	51,264.9	3,153.9	2.8	9,723.7	3,578.1	13.8	3,564.3	1
Total Pharmacerobale Mode, Ancherobale Mode	39	Taro Pharmaceuticals Inc.	CAD	53.36	0.0	21,064.3	22,626.1	1,561.8	1	16,010.5	11,052.3	2,735.8	8,316.5	1
The Phermaceticid Sturnible Wirth Meerica, Inc. 1930	04	Taro Pharmaceuticals U.S.A.,Inc.	USD	24.28	7.9	(2,519.2)	20,342.5	22,853.8	172.8	31,688.6	1,859.7	706.3	1,153.4	1
The Pharmaceutical Fundage R.W. 1810 639 113 1230 1350 670 - 1181 670 670 670 670 670 670 670 670 670 670	14	Taro Pharmaceuticals North America, Inc.	nsp	24.28	0.0	6,670.7	6,968.7	298.0	1	2,700.3	681.6	1	681.6	1
The Phenomentalide Mediral Light	42	Taro Pharmaceuticals Europe B.V.	EURO	69.58	1.3	(23.0)	3.3	25.0	1	1	(1.8)	1	(1.8)	1
Trach relational Little Control Litt	43	Taro Pharmaceuticals Ireland Ltd.	EURO	69.58	34.9	(87.8)	119.3	177.2	1	1	(9.79)	1	(9.79)	1
Trace-Phermaceucias (M. I. 1967) Table Phermaceucias M. I. 1967) Table Phermaceucia (M. I. 1967) Table Phermacoucia (M. I.	#	Taro International Ltd.	nsp	54.28	0:0	(28.4)	744.1	302.5	1	389.0	0.8	(0.8)	1.6	1
The physical property (terosing LLC OLS) 63.5 55.00 0.05 6.533 6.130 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	45	Taro Pharmaceuticals UK Ltd.	GBP	82.53	0:0	(285.7)	346.5	932.2	1	743.0	(15.9)	1	(15.9)	1
	9†	Taro Hungary Intellectual Property Licensing LLC.	USD	24.28	5,520.0	0.5	5,533.5	13.0	1	1	208.4	27.5	180.9	180.5
	47	Taro Pharmaceuticals Canada, Ltd.	CAD	53.36	0.0	(0.0)	0.1	0.1	1	1	•	1	1	1
	84	Taro Pharmaceutical India Private Ltd.	INR	1.00	0.1	1.0	1.1	0.0	1	1	0.0	0.0	0.0	1
	67	Sun Universal Ltd	nsp	24.28	0.2	(0.2)	0.3	0.3	1	1	(0.1)	1	(0.1)	1
	20	Khyati Realty ME Ltd	nsp	24.28	0.2	(0.7)	0.1	9.0	1	1	(0.2)	1	(0.2)	1
	51	Aditya Pharma Private limited	nsp	24.28	0.2	1	0.1	(0.1)	1	1	•	1	1	1
	52	Alkaloida Sweden AB	SEK	8.32	0.4	(0.9)	1.9	7.5	1	1	(0.9)	1	(0.9)	1
	53	Dusa Pharmaceuticals Inc	nsp	24.28	0.5	(0.94)	13,263.9	13,309.4	1	975.8	(100.1)	(43.0)	(47.1)	1
	24	URL Pharma Inc	nsp	54.28	1	3,323.9	3,628.8	304.9	1	1	•	1	1	1
	22	AR Scientific.Inc	USD	54.28	1	(82.5)	(88.2)	(5.7)	1	36.3	(15.6)	(2.9)	(6.7)	1
	26	Mutual Pharmaceutical Company, Inc.	USD	54.28	1	3,640.1	4,691.9	1,051.8	1	1,838.2	564.6	225.2	339.4	1
	22	United Research Laboratories, Ltd.	USD	54.28	1	386.4	1,209.4	823.0	1	(81.0)	(83.8)	(32.8)	(21.0)	1
	28	Dungan Mutual Associates, LLC	USD	54.28	1	224.6	224.2	(0.4)	1	1	(2.4)	(0.4)	(2.0)	1
	29	URL PharmPro, LLC	OSD	54.28	1	(318.3)	(312.1)	6.2	1	1	(43.1)	(16.5)	(26.6)	1
	90	Dusa Pharmaceuticals New York Inc	USD	54.28	1	(10.0)	(7.0)	3.0	1	1	(10.7)	1	(10.7)	1
	61	Sirius Laboratories Inc	USD	54.28	1	(6.0)	1	6.0	1	1	5.5	1	5.5	1
	62	Faststone Mercantile Company Private Limited	INR	1.00	0.1	9.1	9.5	0.0	1	1	9.5	1	9.5	1
	63	Neetnav Real Estate Private Limited	INR	1.00	0.1	9.5	9.3	0.0	1	1	9.5	1	9.5	1
	97	Realstone Multitrade Private Limited	INR	1.00	0.1	9.1	9.5	0.0	1	1	9.5	1	9.5	1
	65	Skisen Labs Private Limited	INR	1.00	0.1	8.9	9.5	0.2	1	1	9.5	1	9.5	1
	99	Softdeal Trading Company Private Limited	INR	1.00	0.1	8.7	8.8	0.0	1	1	9.5	1	9.5	1
	29	Universal Enterprises (Pvt) Ltd.	INR	1:00	4.5	0.8	5.3	0:0	1	1	0:0	0.0	0:0	1
		Note:												
	—	'0.0' represents amount less than 0.05 million and roun	ded off.											
	7	The above does not include 3 Skyline LLC, One Commer	ce Drive LLC, Tarochem Ltd, Financial Year	Orta Ltd an	d Taro Pharm	aceutical Labo	ratories INC be	ing subsidiaries	s of Taro Pharm	aceutical Indus	tries Ltd as the	y have no op	eration and doe	s not have
	ر	MILY MODELLS, EMBOTTERED OF EQUITY & CO. OF THE COOL OF COOL	I III alleian rean.	modo Je	academan ju -	mlama noj ta	and it may							

NOTES

CORPORATE INFORMATION

Board of Directors

Israel Makov

Chairman (w.e.f. May 29, 2012)

Dilip S. Shanghvi

Chairman & Managing Director (Upto May 28, 2012) Managing Director (w.e.f. May 29, 2012)

Sudhir V. Valia

Whole-time Director

Sailesh T. Desai

Whole-time Director

S. Mohanchand Dadha

Director

Hasmukh S. Shah

Director

Keki M. Mistry

Director

Ashwin Dani

Director

Company Secretary

Sunil R. Ajmera

email: secretarial@sunpharma.com

Auditors

Deloitte Haskins & Sells

Chartered Accountants, Mumbai

Bankers

Bank of Baroda Bank of Nova Scotia Citibank N.A. ICICI Bank Ltd Kotak Mahindra Bank Ltd Standard Chartered Bank State Bank of India

Registrars & Share Transfer Agents

Link Intime India Pvt. Ltd.

C/13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai – 400 078 Tel: (022)-25946970 Fax: (022)-25946969 E-mail: sunpharma@linkintime.co.in rnt.helpdesk@linkintime.co.in

Plants

Survey No. 214, Plot No. 20, Govt. Industrial Area, Phase II, Piparia. Silvassa - 396 230, U.T. of D & NH.

Halol-Baroda Highway, Near Anand Kendra, Halol, Dist. Panchmahal -389350, Gujarat.

Plot No. 24/2 & 25, GIDC, Phase-IV, Panoli - 394 116. Dist. Bharuch, Gujarat.

A-7 & A-8, MIDC Ind. Area, Ahmednagar - 414 111, Maharashtra.

Plot No. 4708, GIDC. Ankleshwar - 393 002, Gujarat.

Sathammai Village, Karunkuzhi Post, Maduranthakam TK, Kanchipuram District. Tamil Nadu - 603 303.

Plot No. 817/A, Karkhadi, Taluka Padra, Dist. Vadodara - 391 450, Gujarat.

Sun Pharma Drugs Pvt. Ltd, Plot No. 754, Nandok Block, Setipool, P.O. Ranipool, Sikkim – 737135.

Sun Pharma Medication Pvt. Ltd., Survey No. 259/15, Dadra - 396 191, U.T. of D. & NH.

Sun Pharma Medication Pvt. Ltd., 6-9 Export Promotion Industrial Park (EPIP), Kartholi, Bari Brahmana, Jammu - 181 133, J & K.

Sun Pharma Medication Pvt. Ltd., I.G.C. Phase-I, Samba 184121 - J & K.

Sun Pharmaceutical Industries Inc., 705, E. Mulberry Street, Bryan, Ohio – 43506, USA.

Sun Pharmaceutical Industries Inc., 270 Prospect Plains Road, Cranbury, New Jersey – 08512, USA.

Caraco Pharmaceutical Laboratories Ltd., 1150 Elijah McCoy Drive, Detroit – 48202, Michigan, USA.

Sun Pharmaceutical (Bangladesh) Ltd., Chandana, Joydevpur, Gazipur, Bangladesh.

Alkaloida Chemical Company Zrt, H-4440 Tiszavasvari , Kabay, Janos u.29, Hungary.

TKS Farmaceutica, Rodovia GO-080, Km 02, Chacaras 01/02, Jardim Pompeia, Goiania/GO, Brazil CEP: 74690-170.

Sun Pharma de Mexico S.A. de C.V, Av. Rio Churubusco No. 658, Col. El Sifon, Del. Iztapalapa, C.P 09400 Mexico, Distrito Federal.

Chattem Chemicals, Inc., 3708, St. Elmo Avenue, Chattanooga, TN 37409, USA

Taro Pharmaceuticals Inc., 130 East Drive, Brampton, Ontario L6T 1C1, Canada.

Taro Pharmaceutical Industries Ltd., 14 Hakitor Street, P.O. Box 10347 Haifa Bay 26110, Israel.

Dusa Pharmaceuticals Inc., 25, Upton Drive, Wilmington, Massachusetts, 01887, USA

URL Pharmaceuticals Inc., 1100 Orthodox Street, Philadelphia, PA 19124, USA

URL Pharmaceuticals Inc., 2500 Molitor Road, Aurora, IL 60502, USA

Offices

Registered

Sun Pharma Advanced Research Centre (SPARC), Tandalja, Vadodara – 390 020, Gujarat.

Corporate

Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra.

Research Centres

Sun Pharma Advanced Research Centre (SPARC), Akota Road, Akota, Vadodara – 390 020, Gujarat.

F.P.27, Part Survey No. 27, C.S. No. 1050, TPS No. 24, Village Tandalja, District Vadodara - 390 020, Gujarat.

17-B, Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Maharashtra.

Chemistry and Discovery Research Israel, 14 Hakitor Street, P.O. Box 10347 Haifa Bay 26110, Israel.





Acme Plaza,

Andheri - Kurla Rd, Andheri (E),

Mumbai - 400 059.

Tel: 91-22-66969696

Fax: 91-22-28212010

www.sunpharma.com



SUN PHARMACEUTICAL INDUSTRIES LIMITED

Registered Office: SPARC, Tandalja, Vadodara - 390 020.

Corporate Office: Acme Plaza, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059.

ATTENDANCE SLIP

TWENTIETH ADJOURNED ANNUAL GENERAL MEETING

		Monday, September 30, 2013	at 10.45 a.m.	
		e TWENTIETH ADJOURNED ANN ayajirao Nagargruh, Akota, Vad		
			SIGNATURE OF THE A	TTENDING MEMBER/PROXY
NOTES: (1) Shareholder	r/Proxyholder wishing t	o attend the meeting must bring	ı the Δttendance Slin to th	e meeting and hand over at the
entrance du	ıly signed.		•	-
(2) Shareholder at the meeti		o attend the meeting should bring	g his/her copy of the Notice	e & Annual Report for reference
at the mooti	-	Cuthere -	@ <i>/</i> /	
		Gutnere -		
SUN PHARMA	Registered Office	ACEUTICAL INDUSTRIE e : SPARC, Tandalja, Vadodara - : Acme Plaza, Andheri-Kurla Ro	· 390 020.	bai - 400 059.
		PROXY FORM	И	
				of the above named Company,
		us and on my / our behalf at the TW		WILLIAL GENERAL MEETING of the
	Sayajirao Nagargruh, A	akota, Vadodara - 390 020, Gu		
- '				Affix
Signed this		day of	2013.	30 paise

Note: The Proxy form must be returned so as to reach the Registered Office of the Company at SPARC, Tandalja, Vadodara-390 020, not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

Folio / D.P & Client I.D.No._____

No. of Equity shares held



SUN PHARMACEUTICAL INDUSTRIES LIMITED

Registered Office: SPARC, Tandalja, Vadodara - 390 020.

Corporate Office: Acme Plaza, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059.

ATTENDANCE SLIP

TWENTY-FIRST ANNUAL GENERAL MEETING

Monday, September 30, 2013 at 11.30 a.m. or immediately after the conclusion of the Twentieth Adjourned Annual General			
Meeting, being held on the same day, whichever is later.			

- 1
- 1
- 1
- 1
- 1

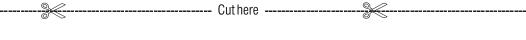
I/We hereby record my presence at the TWENTY-FIRST ANNUAL GENERAL MEETING of the Company held on Monday, September 30, 2013 at 11.30 a.m. or immediately after the conclusion of the Twentieth Adjourned Annual General Meeting, being held on the same day, whichever is later, at Sir Sayajirao Nagargruh, Akota, Vadodara - 390 020, Gujarat.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

NOTES:

Revenue Stamp Signature

- Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- Shareholder/Proxyholder desiring to attend the meeting should bring his/her copy of the Notice & Annual Report for reference at the meeting.





SUN PHARMACEUTICAL INDUSTRIES LIMITED

Registered Office: SPARC, Tandalja, Vadodara - 390 020.

Corporate Office: Acme Plaza, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059.

PROXY FORM

I/We			
of		being Member of	the above named Company,
hereby appoint		of	
or failing him,		of	
Company at Sir Sayajirao Nagargr	ote for me / us and on my / our behalf at ruh, Akota, Vadodara - 390 020, Gujarat, tieth Adjourned Annual General Meeting	on Monday, September 30, 2013	at 11.30 a.m. or immediately
Signed this	day of	2013.	30 paise
Folio / D.P & Client I.D.No			Revenue Stamp
No. of Equity shares held			Signature
Note: The Droyy form must be	roturned so as to reach the Pogister	ad Office of the Company at S	DADC Tandalia Vadadara

Note: The Proxy form must be returned so as to reach the Registered Office of the Company at SPARC, Tandalja, Vadodara 390 020, not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

BUSINESS RESPONSIBILITY REPORT, 2012-13

MESSAGE FROM THE DIRECTOR'S DESK

At Sun Pharma, responsibility resides in the nature of our business. We are in the 'Business of Wellness' with a vision to enhance the access and affordability of medicines.

In 1983, when Sun Pharma started its journey, the goal was singular "enhance accessibility and affordability of specialty medicines for chronic therapies". Today, 30 years later Sun Pharma is the largest specialty pharmaceutical company in India. The journey has been fulfilling as we have succeeded in introducing a wide range of therapies in India at sensible costs.

As part of natural progression, we realised that the time was right to take our 'Business of Wellness' to the next level. It was time to enhance lives beyond healthcare. Our sustainability initiatives were working in isolation and there was merit in weaving them together in a cohesive framework.

The National Voluntary Guidelines (NVG) became a perfect tool for us to streamline our sustainability processes. In line with the ethos of its nine principles, we introduced some new policies and revisited our existing policies as well as code of conduct to make them more inclusive.

Employee Wellness

We boosted our on-going interventions right from recruitment to retirement. While impetus on Human Rights was always a part of business conduct, we have translated the spirit into letter through our Human Rights policy to recognise, realise and respect the dignity of every individual. This sensitivity is being embedded not just within Sun Pharma but across our value chain and our sphere of influence.

Environment Wellness

Our Environment, Health & Safety (EHS) policy guides us to maintain high levels of environmental excellence in all our operations. Our focus on responsible waste management is demonstrated by the fact that 10 of our 11 operations have an in-house effluent treatment plant. Host of interventions have been incorporated in our manufacturing processes to save energy. We have also invested in wind energy and in FY12-13 around 36 Lac kWh was generated from this green investment.

Community Wellness

Our products are the agents of social change which ensure 'healthy lives for citizens'. Our medicines are disbursed at affordable prices. Certain critical life-saving medicines are also

made available at zero cost. Alongside aiding a healthy society, our aim is also to trigger a literate neighbourhood. The 10+2 residential training and pre-employment training for the local community is a regular feature at Sun Pharma.

Our Business Responsibility Report details out the new and on-going initiatives undertaken by Sun Pharma that fall under the ambit of each of the nine principles. Your constructive feedback is a vital input in our on-going endeavour to enhance our responsibility quotient.

Regards,

SUDHIR V. VALIA

Whole-time Director

OVERVIEW

For India's growth to transform into development, corporates must evolve from being plain profit-makers to 360° change-makers.

Profitability is at the heart of any business, but it cannot be the soul of it. While the primary purpose of a business is to maximize gains for its shareholders, it is equally responsible towards its other stakeholders – customers, employees, regulatory bodies, suppliers, the society and the planet.

At Sun Pharma, 'business' and 'responsibility' share a symbiotic chemistry. As one of the leading healthcare businesses in the world, with over 14,000 strong employee pool, operations in 20+ manufacturing sites, presence in 50+ global markets, and a portfolio of 1000+ marketed products - we touch lives of myriad stakeholders in varied ways. We, hence, assume ourselves accountable for our impact on the triple bottom-line - economy, ecology and equity.

Committed to highest standards of governance - we perform responsibly and disclose our progress on a regular basis and in line with the legislations of the land.

This year, we have initiated reporting on our Business Responsibility disclosures which are in line with SEBI's proposed index and follow the spirit of nine principles as charted by the Ministry of Corporate Affairs in the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business".

Section A: General	Information	about the	Company

1	Corporate Identity Number (CIN) of the Company	L24230GJ1993PLC019050
2	Name of the Company	SUN PHARMACEUTICAL INDUSTRIES LIMITED
3	Registered Address	SPARC, TANDALJA, VADODARA - 390 020, GUJARAT
4	Website	http://www.sunpharma.com/
5	E-mail id	secretarial@sunpharma.com
6	Financial Year reported	01-April-2012 to 31-March-2013
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	"Pharmaceuticals" is the primary reportable segment
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Liposomal Doxorubicin Pantoprazole Diltiazem
9	Total number of locations where business activity is undertaken by the Company	
	1. Number of International Locations (Provide details of major 5)	US, Russia, Mexico, Myanmar, Bangladesh
	2. Number of National Locations	Facilities - Halol, Panoli, Karkhadi, Ankleshwar (all in Gujarat), Ahmednagar (Maharashtra), Maduranthakam (Tamil Nadu), Silvassa, Jammu, Sikkim.
		R&D Centres – Vadodara (Gujarat) and Mumbai (Maharashtra). Registered and corporate offices - Vadodara (Gujarat) and Mumbai (Maharashtra) respectively.
		Pan-India Distribution Network.
10	Markets served by the Company – Local/State/National/	58 markets served across 4 continents -
	International	Asia, Americas, Europe and Africa

Section B: Financial Details of the Company

1	Paid up Capital	₹ 1,030 million
2	Total Turnover	₹ 24,320 million (Stand-alone)
3	Total profit after taxes	₹ 5,160 million (Stand-alone)
4	Total Spending on Corporate Social Responsibility (CSR)	₹ 45.5 million
5	List of activities in which the above expenditure has been	Refer Principle 8 'Equitable Development'
	incurred	

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	There is no direct participation
etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then		The Company has not yet instituted processes to monitor/verify whether any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company



Section D: BR Information

	# DIN Number		plementation of the BR (Business Responsibility) policy/policies 00005561							
	# Name		Mr. Sud	hir V. Va	lia					
	# Designation		Whole-	ime Dire	ctor					
	b. Details of the BR head					=				
	# DIN Number (if applicable)								arma ove es not ha	
	# Name # Designation			d as of no		lowever	the com	parry do	25 1101 114	ive a
	# Telephone number		5							
	# e-mail id									
	in C main a									
2	Principle-wise (as per NVGs) BR Policy/policies (Re	ply in Y/N	J)							
	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation						onsultat			
	with the relevant stakeholders?						roved by			
3	Does the policy conform to any national /	All the	policies a	are comp	liant wit	h respec	tive princ	iples of	NVG guic	delines
	international standards? If yes, specify? (50 words)									
4						ed by th	e Board a	and have	been sig	gned
	If yes, has it been signed by MD/owner/CEO/	by the Managing Director								
5	appropriate Board Director?	The Pe	ard bac	annointo	d Mr Cuc	hir Valia	Whole	imo Dire	octor Cu	ın.
5	·			The Board has appointed Mr.Sudhir Valia, Whole-time Director - Sun Pharma, to oversee policy implementation						
	implementation of the policy?	i narma, to oversee policy implementation								
6	Indicate the link for the policy to be viewed online?	Copies	will be m	ade avail	able on re	eceipt of	written re	quest fro	om Sharel	holders
7	Has the policy been formally communicated to all	The po	licies hav	e been f	ormally (ommun	icated to	internal	stakeho	lders.
	relevant internal and external stakeholders?	The ext	ternal sta	akeholde	rs will be	commu	inicated i	n due co	urse	
8	Does the company have in-house structure to implement the policy/policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	mechanism related to the policy/policies to									
	address stakeholders' grievances related to the									
10	policy/policies? Has the company carried out independent audit/	It will b	e done ii	due coi	Irco					
10	evaluation of the working of this policy by an	ic vviii c	ic donc n	r duc co	1130					
	internal or external agency?									
_	Commence male to the DD									
3 1	Governance related to BR Indicate the frequency with which the Board	Annua	l							
1	of Directors, Committee of the Board or CEO to	Allilua	l							
	assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More									
	assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year									
2	assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year Does the Company publish a BR or a Sustainability						ed throu		ık:	
2	assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year						ed throu _{ -docume		nk:	

Principle 1 – Ethics, Transparency and Accountability

'Growth through ethical and equitable governance' is at the heart of our business ethos. This guides us not just to generate fair value for all our stakeholders but also accelerate our sustainability efforts.

We are committed to learn and adopt the best practices of corporate governance. We also strive to encourage our stakeholders to follow fairness in governance in line with the Company's policy. Our corporate governance philosophy values the following principles:

- High levels of transparency
- Accountability
- Consistent value systems
- Delegation of responsibility across all facets of its operations

These principles in practice lead to sharply focused, operationally efficient and ethically conscious growth of the organisation. Guiding us on this journey are three enablers:

Leadership

Our Board of Directors is a strength of experience, enterprise and integrity. It remains at the helm of the governance, driving the organisation towards ethics, transparency and accountability.

Roard Committees

Dedicated Board Committees are led by top management to guard the efficiency of specific functions. These committees include Audit Committee, Remuneration Committee, Shareholders'/Grievance Committee, and Committee of Directors

Code of Conduct & Policy

A code of conduct guides all our employees on compliance of various standards of Corporate Governance. We have also instituted a plethora of policies towards our commitment to 360° business responsibility.

We remain positive in soliciting feedback from our stakeholders on our business conduct. In the reporting year, 6 stakeholder concerns were received. These concerns have been resolved.

Principle 2: Product Life Cycle Sustainability

While the prime purpose of our products is to heal lives - we do so in a manner which is socially responsible, environmentally sustainable, ethical as well as affordable. Our overarching aim is to add value to products such that it positively affects the society but also the environment and the Indian economy.

MORE POWER TO PATIENTS

Medicines account for a sizeable share of overall health expenditure in India. With virtually no social health insurance,

patients in India are increasingly bearing the burden of health expenditure. Not to forget the marginalized citizens for whom the expensive drugs are far from reach.

At Sun Pharma, the objective is to bridge this access gap. Our product responsibility mantra is "more the affordability of our products, more is our reachability to the patients". Going an extra mile, we also distribute life saving medicines, free of cost, to those in need. From our reachability product folio, following are our three key products of change.

Rilutor (Riluzole)

This medicine is distributed free of cost to all patients for treating Amyotrophic Lateral Sclerosis (a life threatening disease)

Decitabine

An enabler to oncology therapy, it is priced at a reasonable 1/10th of the innovator price.

stavel

A diabetes care drug, it is priced at 1/5th of the worldwide price.



MORE POWER TO NEIGHBOURHOOD

Over and above enhancing lives via our products, we also boost livelihoods via local sourcing. This helps us to reduce the logistics cost and also reduce our carbon footprint.

We are in a business where quality is elemental and hence we do not compromise with material sourcing. But, wherever possible,we encourage engagement with local vendors. Our facilities at Ahmednagar, Panoli and Sikkim have identified varied neighbourhood vendors. Beyond business, we also help them grow by empowering them with advances and short term credits to build their capacity and capability.

MORE POWER TO THE PLANET

We strive to ensure that our medicines do not impact the heath of the planet. Towards producing greener products we have innovated and introduced greener processes. For more details refer principle 6 of this report.

Owing to the nature of medicine production, with over a thousand products, measuring environmental performance per product is a challenge. Below is our total annual water and energy performance vis-à-vis our production value:

Production: 5,939 tonnes Water usage: 1,135,248 KL

Energy: Electricity-120,092,413 kWh, LDO-75,439 Lit,

HSD-70,248 Lit, Briquette-1,798 MT

Principle 3: Employee Well-being

Employees are our active agents of excellence. Healthy and happy workforce boosts productivity, builds on to the positive culture, assumes responsibility, and galvanizes innovative spirit.

At Sun Pharma, we have inked a plethora of policies for well-rounded development of our people.

Our talent management formula is a mix of myriad employeeempowerment endeavours right from recruitment to retirement.

CONTINUOUS LEARNING

Learning is a journey at Sun Pharma. Our talented workforce is conferred with competency enhancement platforms. Over and above conducting in-house training programs, we have a self development policy wherein we provide financial assistance to employees to undertake training in recognized educational institutes. This facility is given to select confirmed employees with a minimum of three years of continuous service.

EQUALITY OF OPPORTUNITY

Irrespective of age, gender, caste and cadre - employees at Sun Pharma are equals. Right from top floor to shop floor, everybody has the right to give opinions and get opportunities.

We regard the diversity of our employees as a tremendous asset and continuously seek to recruit, hire, promote, assign, compensate and train qualified persons from varied walks of life

Workforce Snapshot

Total number of permanent employees - 10,510

Total number of employees hired on temporary/contractual/casual basis - 4,500

Number of permanent women employees - 510 Number of permanent employees with disabilities - 25

FREEDOM OF ASSOCIATION

We respect employees' right to form association, and recognise their associations/unions through a code of disciplines and address various matters. Currently, the management recognized employee associations at two locations and approximately 2% of our employees are a member to these associations.

HEALTH AND SAFETY

Employee safety and well-being remain uncompromised at Sun Pharma. A dedicated EHS (Environment, Health and Safety) policy has been institutionalized towards our commitment to achieve zero damage to our people, processes and plants.

We conform to OHSAS 18001 standards and other applicable laws and regulations. Enhancing employee's safety quotient is a key ingredient of our 'workplace wellness' formula. Safety training programs are regularly conducted across the organisation. This year, approx. 80% of our employees were given safety & skill up-gradation training. These employees included permanent employees, Casual/Temporary/Contractual Employees as well as Employees with Disabilities. The workforce is also encouraged to follow safety and health practices and report accidents, injuries, or usage of unsafe equipment.

We constantly seed strategic interventions to ensure a positive, secure and healthy work environment through:

Safe Working Systems | Use of Personal Protective Equipment (PPE) | Safety Inspections & Audits | Emergency Preparedness | Safety Risk Management



RECOGNITION & RECREATION

Via multiple platforms at multiple occasions, we express our gratitude towards our people power. Some of the employee recognition and recreation initiatives include:

- Special celebration to accord due recognition to the retiring employee
- Long-service Award to recognize the loyalty and commitment of employees
- Family picnic for each department to foster camaraderie

Principle 4 – Stakeholder Engagement

Continuous and comprehensive improvement comes with an active assessment of oneself from diverse viewpoints. At Sun Pharma, we gauge our performance through the lenses of our diverse stakeholders.

It enables us to realize not just our responsibilities but also business opportunities. It helps us to build not just better future roadmaps but also stakeholder trust.

Our stakeholder engagement philosophy is driven by the principle of 'inclusivity', 'accountability' and 'responsibility'.

INCLUSIVITY

Different stakeholders have different concerns. Hence it is imperative to engage with all our stakeholders. We have identified all stakeholders that are directly and indirectly affected by our organisation.

Our key stakeholders include individuals and entities from all walks of work:

- 1. Employees
- 2. Neighbouring Communities
- 3. Patients
- 4. Healthcare Professionals
- 5. Investors & Shareholders
- 6. Vendors, Suppliers & Distributors
- 7. Government & Regulators

ACCOUNTABILITY

As important it is to engage with our stakeholders, it is equally important to act on the engagement outcomes. More importantly, it must also be communicated in a credible way.

Our Corporate Website is the first port of call for our

stakeholders. Additionally our annual reports, quarterly reports, investor presentations, and official press releases are effective sources of information. We have also put in place, dedicated portals each for employees, vendors and field staff.

RESPONSIBILITY

We respect the interests of all stakeholders, especially those from the lower strata of society who need strategic interventions. Depending on the need of the community, we chalk out specific interventions. A few of such interventions include:

- Set up a 48-bed hostel for students of MS University Medical College and Hospital, Vadodara
- Instituted 'Sudarsan Netralaya', an eye clinic at Amreli, Gujarat wherein we also trained the local girls to get employed as professional nurses in the clinic.
- Pioneered the Sun Pharma Award of Excellence to honour and encourage outstanding pharma professionals.
- Participated in Standard Chartered Marathon to support an NGO – Shrimad Rajchandra Love and Care, working for the underprivileged and contributing to the society in many areas such as Healthcare, Women Empowerment, Children & Tribal Community, Emergency Relief, Education, and Environment.
- Sponsored sports events such as Hockey and Football tournament
- Organised safety training workshops for school children in varied aspects like road safety, fire fighting and managing crisis in natural calamities.
- Sponsored competitions in the local schools
- Distribution of prizes, books, stationery and sweets for the underprivileged children

Principle 5 - Human Rights

Fundamental rights are inherent to all human beings and remain indivisible regardless of race, colour, religion, sex, national origin, ancestry, age, marital status, sexual orientation or disability.

At Sun Pharma, we truly uphold the spirit of human rights beyond the realms of compliance and beyond the premises of the organisation.

We have inked a comprehensive human rights policy keeping in mind various principles, ranging from freedom of association to freedom from harassment, to be implemented across our entire sphere of influence. We also comply with all applicable



human rights laws of the land. In the financial year, we did not receive any Human Rights violation complaints relating to child labour, forced labour, involuntary labour, sexual harassment or discriminatory employment, either from our workforce or from our stakeholders.

Principle 6 – Environment

The challenge of resource conservation comes with an opportunity of cost-optimization. Environmental stewardship, hence, lends the organisation double motivations:

- Contributing our bit towards preservation of the planet
- Reaching out to underprivileged patients by making costeffective medicines

We strive to create a culture of eco-consciousness. An Environment, Health and Safety Policy is in place at Sun Pharma that guides the workforce to go green. While the policy is applicable for our employees, our aim is to also cascade its ethos across our contractors. Around the year and across our operations, our teams remain vigilant to identify various big and small potential environmental risks and attempt to translate them into opportunities. We strive to:

- Ensure statutory compliance
- Innovate greener technologies and processes
- Optimize natural resources
- Spread green awareness across internal and external stakeholders
- Continuous improvement in environment management

WASTE MANAGEMENT

We focus on responsible waste management – be it prevention of waste at source or safe disposal; be it reusing recovered solvent or recycling multiple waste materials.

We recycle various waste materials such as – solvents, waste water, glass, plastic liners, fibre drums, metal drum sheets, HDPE sheets and waste oil. The recycling is conducted inhouse via solvent recovery and effluent treatment plants or is outsourced to registered recyclers. Additionally, other materials like paper, plastic & HDPE are sent to scrap vendors.

In India, we have in-house effluent treatment units at most of our facilities while a majority of these facilities dispose waste safely and responsibly at government approved sites. Some of our facilities also enjoy the status of being "zero liquid discharge sites".

ENERGY CONSERVATION

We find ways to conserve energy at every step - be it delving into renewal energy or embedding energy efficiency in manufacturing processes.

Green Investments

One of key green investments has been into clean energy generation. We own wind mills at Theni, Tamil Nadu with a power generation capacity of 2.4 MW. In FY 2012–13, we have generated around 36 Lac of kWh of clean power sourced by wind energy.

Greener Operations

To cut consumption of energy, we have altered our manufacturing processes in multiple ways. Some of them include:

- Installation of boiler economizers and air pre-heaters
- Use of fuel-efficient packaged boilers that use heat from waste gases of engine exhaust
- Steam generation from exhaust gas and hot water generation from jacket heat
- Introducing condensate recovery pump
- All AHUs are installed with VFD to save energy
- Use of energy efficient screw chillers and Rotory Air Compressor with VFD
- Replacing reciprocating type air compressors with two screw type air compressors
- Replacing reciprocating type chillers with two screw type chillers
- Recovery of gas super heater to make hot water
- Generating steam from the waste heat of the captive power plant
- Installation of motion sensors to reduce electricity wastage
- Collection of steam condensate and transferring it to Boiler feed water collection tank

CARBON EMISSION

As an environmentally concerned organization, we are switching from 'conventional' Furnace Oil /Light Diesel Oil boilers to 'eco-efficient' biomass briquette based boilers. This transformation will not only conserve the rapidly depleting natural resources, but also mitigate GHG emissions.

The project consists of biomass based steam generation at various industrial facilities in India. Currently, we have installed these biomass boilers at 7 facilities with a total capacity of 32.75 tph.

This CDM project was designed to meet a two-pronged objective:

- Social well-being: It will generate employment opportunities and a source of income for the local population
- Environmental well-being: It will replace fossil fuels by a carbon neutral fuel - biomass briquettes

In FY 2013, there has been one pending notice from CPCB.

Principle 7 – Policy Advocacy

Knowledge is meant to be shared at Sun Pharma. We engage with policy makers with utmost responsibility in crafting public policies that aim towards common good of the patients.

We are a member of several trade and industry associations and organisations such as:

- Indian Drug Manufacturing Association
- Indian Pharmaceutical Alliance
- Bombay Chamber of Commerce
- Confederation of Indian Industry
- Federation of Indian Chambers of Commerce and Industry

Principle 8 – Equitable Development

Economic growth is a necessary but not sufficient condition for nation's overall development. Equitable development also takes into account growth of human capital indexes, decrease in inequality figures, and structural changes that improve the general population's quality of life.

At Sun Pharma, we are committed to not only contribute to India's GDP but also enhance the socio-economic structure of

the nation. The aim is to balance out multiple community odds - social inequality, gender disparity, digital divide, healthcare inaccessibility, et al.

At the top of our social agenda is 'providing a long and healthy life' for the citizens - especially that of the disadvantaged, vulnerable and marginalised sections of society. We have adopted a multiple-intervention approach towards this end:

• The medicines that we produce are aimed at providing affordable healthcare access to the patients in need. Below are three of such examples:

Lipodox indicated for Ovarian cancer is priced at almost 80% lower compared to the innovator's price.

Rivastigmine 1.5/3 mg indicated for Alzheimer's Disease is available at about 85% lower price vis-à-vis the innovator price.

Prasugrel (Platelet Inhibitor), a long term therapy tablet for acute coronary syndromes, is sold at almost 90% lower than the innovator's price.

- Various disease awareness programs were conducted in India, across the year, to spread awareness about certain diseases.
- Time and again, we provide free-of-cost medicines to the patient at the base of pyramid. In the reporting year, we have been contributing medicines to a Sikkim monastery towards the welfare of approx. 200 patients per month. We have also contributed medicines at a few health camps organised by the Indian Army.
- We have collaborated with Concept Foundation, a notfor-profit organization to make Medabon®, a high quality, affordable product for the termination of early pregnancy.
- One of the critical areas that contribute to maternal mortality and morbidity in many countries is unsafe abortion and the lack of access to safe abortion services. Through Medabon®, we seek to improve and expand access to safe abortion services through medical abortion. The product is now registered in Cambodia, India and Nepal and empowers women in several countries with choice to safe abortion.
- Beyond providing healthcare interventions through our products, we also facilitated an X-Ray machine to the Sikkim Govt. Hospital.



Our second key enabler of community care is facilitating livelihood opportunities for our neighbourhood youth. We have established recruitment schemes such as 10+2 residential training, and pre-employment training wherein we not just

provide training to the students from the local community, but also facilitate boarding and lodging facility and then finally provide them employment at Sun Pharma. We also offer temporary employment for the local populace.

Type of Training	No. of people who received training	No. of locals employed	No. of non-locals employed
10+2 Residential	104	91	2
Pre-employment	76	62	4

We regularly gauge the impact of our initiatives by soliciting feedback via various engagement platforms. However, we do not conduct any formal impact assessment of our initiatives. Going ahead, efforts will be focussed on streamlining such systems.

We also contributed to Shrimad Rajchandra Love and Care by participating in the Standard Chartered Marathon - a charity

drive. This marathon motivated a cross section of corporates and individuals from all walks of life, to come together and support various NGOs.

To know about the company's direct contribution to community development projects, refer Section-B, point 4.

Principle 9 – Customer Value

Our customers are our first stakeholders. Guarding our customers' health is, therefore, our first responsibility. We realise that customer value does not stop at providing medicines which are competitively priced but also ensuring that they are safe, effective and easy to use. We hence seek

to build enduring bonds with our customers in more ways than one.

ACTIVE ENGAGEMENT

We share a healthy 'give' and 'take' relationship with our customers:

Give

Precise product information in-line with the relevant labelling codes and specifications.

Our Code of Conduct has set forth for all our employees, stringent standards to deal with the customers in an honest, ethical and fair manner. During the entire course of transaction, we ensure that none of our communication even hint at information which is inaccurate, misleading, or ambiguous.

Tak

Regular feedback, insights, suggestions and grievances which are addressed on a timely and responsive manner. While no formal consumer surveys were conducted in the reporting year, our medical representatives continued to solicit product feedback via one-on-one conversations with various doctors and pharmacists. Towards this end, we have also formalised a 'Customer Centricity Policy'.

During the last five years, no case has been filed by any stakeholder against Sun Pharma regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour which is pending.

PRODUCT SAFETY

At all times, our scientists remain on a vigil to adhere to globally-recognized safety benchmarks right from product development to end usage. We have put in practice Pharmacovigilance SoPs to systematically detect, assess, understand and prevent the adverse effects of medicines, if any at the design stage itself.

Towards 360° quality management, a comprehensive adverse event reporting database is maintained in order to ensure that the compliance regulations are met globally. The adverse impact reporting form is available on the company's website and the reporting is open to both healthcare professionals (Doctors, Dentists, Nurses, Pharmacists, etc.) and nonhealthcare professionals (Patient, relative, friend, etc.). The

patient's identity is held in strict confidence and protected to the fullest extent. The information generated on the basis of these reports helps in continuous assessment of the benefitrisk ratio of medicines.

SPECIALTY HEALTHCARE

We are committed to enhance the access to medicines to more people in more geographies. The objective is to betterfacilitate niche therapies such as psychiatry, neurology, cardiology, nephrology, gastroenterology, orthopaedics and ophthalmology.

While our energies are focussed on specialty medicines, we also aim to bring more value to customers by providing these medicines at affordable costs.

FORM A Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	Sun Pharmaceutical Industries Limited
2	Annual Standalone and Consolidated Financial statements for the year ended	31 st March, 2013
3	Type of Audit observation	Consolidated Financial Statements - Un-Qualified Consolidated Financial Statements - Emphasis of Matters: a) The consolidated financial statements of the Company for the year ended 31st March, 2013 were earlier approved by the Board of Directors at their meeting held on 28th May, 2013 which were audited by us and our report dated 28th May, 2013, addressed to the Board of Directors, expressed an unqualified opinion on those financial statements. Consequent to the Order dated 26th July, 2013 of the Hon'ble High Court of Bombay sanctioning the Scheme of arrangement for amalgamation of two of the wholly owned subsidiaries of the Company, namely, Sun Pharma Medication Private Limited and Sun Pharma Drugs Private Limited into another wholly owned subsidiary of the Company, namely, Sun Pharma Laboratories Limited, the financial statements of Sun Pharma Laboratories Limited were revised to give effect to the said amalgamation, effective from 1st September, 2012, the appointed date. In view of the above, the earlier approved consolidated financial statements are revised by the Company to incorporate the revised financial statements of Sun Pharma Laboratories Limited. (Refer Note 56). b) Apart from the foregoing event, the attached consolidated financial statements do not take into account any events subsequent to the date on which the consolidated financial statements were earlier approved by the Board of Directors and reported upon by us as aforesaid. Our opinion is not qualified in respect of these matters.

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		Note 56 to the Consolidated Financial Statements: The consolidated financial statements of the Company for the year ended 31st March, 2013 were earlier approved by the Board of Directors at their meeting held on 28th May, 2013 on which the Statutory Auditors of the Company had issued their report dated 28th May, 2013. Consequent to the Order dated 26th July, 2013 of the Hon'ble High Court of Bombay sanctioning the scheme of arrangement u/s 391 and 394 of the Companies Act 1956 for amalgamation, with effect from 1st September, 2012, the appointed date, of Sun Pharma Medication Private Ltd and Sun Pharma Drugs Private Ltd into Sun Pharma Laboratories Limited (SPLL), all wholly owned subsidiaries of the Company, the financial statements of SPLL were revised only to give effect to the said scheme of arrangement, effective from 1st September, 2012. In view of the above, the earlier approved consolidated financial statements are revised only to incorporate the revised financial statements of SPLL.
4	Frequency of observation	First time
5	To be signed by- • Managing Director • CFO	For Sun Pharmaceutical Industries Limited, Mr. Dilip S. Shanghvi (Managing Director) Mr. Sudhir V. Valia
	Audit Committee Chairman	(Wholetime Director) Mr. Keki-M. Mistry (Chairman of Audit Committee)
	Auditor of the Company	Refer our Audit Report dated 28 th May, 2013 on the standalone financial statements of the Company and Audit Report dated 28th May, 2013 (9th August, 2013 as to effect the amendment discussed in the 'Emphasis of Matter' paragraph) on the consolidated financial statements of the Company
		For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 117366W) Rajesh K Hiranandani Partner (Membership No. 36920) Mumbai, 09 th August, 2013