



Sun Pharmaceutical Industries Ltd.

Registered Office: SPARC, Tandalja, Vadodara – 390 020, India.

Tel Nos: 0265-6615500 / 600/700 Fax No: 0265-2354897

Corporate Office: Sun House, Plot No. 201 B/1, Western Express Highway,
Goregaon-East, Mumbai - 400 063, India Tel: 022-43244324 Fax: 022-43244343

CIN : L24230GJ1993PLC019050

Website: www.sunpharma.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty-Third Annual General Meeting** of the Members of **SUN PHARMACEUTICAL INDUSTRIES LIMITED** will be held on **Saturday, 31st October, 2015, at 9.45 a.m. at Prof. Chandravadan C. Mehta Auditorium - General Education Center, Maharaja Sayajirao University of Baroda, Near D. N. Hall, PratapGunj, Vadodara-390002, Gujarat** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2015 and the reports of the Board of Directors and Auditors thereon.
2. To consider declaration of dividend on Equity Shares.*
3. To appoint a Director in place of Mr. Sudhir V Valia (DIN:00005561), who retires by rotation and being eligible, offers himself for reappointment.
4. To ratify the appointment of Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, having Firm's registration no. 117366W/W-100018, as the Auditors of the Company from the conclusion of this Annual General Meeting, till the conclusion of the next Annual General Meeting, and to authorise the Board of Directors to fix their remuneration and in this regard to consider and if thought fit to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT further to the resolution passed by the members in the 22nd Annual General Meeting of the Company held on 27th September 2014 and pursuant to Section 139 of Companies Act, 2013 ('the Act') read with Companies (Audit and Auditors) Rules, 2014 and other provisions as may be applicable, if any, the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells LLP, having Firm's Registration No. 117366W/W-100018, as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till conclusion of the next Annual General

Meeting, at such remuneration as may be fixed by the Board of Directors of the Company in consultation with them."

SPECIAL BUSINESS:

5. **To consider and, if thought fit, to pass, the following resolution as an ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, including statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby ratifies the increase in remuneration as set out in the Explanatory Statement annexed to the Notice of this Meeting payable to M/s. Kailash Sankhlecha & Associates, Cost Accountants, appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2014-15.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

6. **To consider and, if thought fit, to pass, the following resolution as an ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, including statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby ratifies the remuneration as set out in the Explanatory Statement annexed to the Notice of this Meeting payable to M/s. Kailash Sankhlecha & Associates, Cost Accountants, appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2015-16.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

7. **To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the following Article 135(bb) of the Articles of Association be deleted:

(bb) **“As promptly as practicable following effectiveness of the Scheme, The Company shall cause to be duly appointed to its board of directors as a non-executive director 1 (one) individual designated in writing by Daiichi Sankyo Company Ltd. (“DSC”)**

From the Effective Date and for so long as DSC and its controlled affiliates continue to beneficially own an aggregate of at least 5% (the **“Minimum Percentage”**) of the outstanding equity shares of the Company, at each election of directors at which the term of the DSC nominated director will expire (or at each election of directors during which time no DSC nominated director sits on the board of the Company), the board of directors of the Company shall recommend for election to the board of directors of Sun one nominee who will be designated by DSC.

At the first instance that DSC and its controlled affiliates cease to own, in the aggregate, the Minimum Percentage of the outstanding equity shares of the Company, then DSC right to nominate the DSC Director pursuant to this Article shall terminate permanently. The individual nominated by DSC must be eligible for appointment in accordance with applicable Laws and must meet any general director qualification requirements applied to all director nominees on the Board of Directors of the Company on a consistent basis.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. **To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

“**RESOLVED THAT** in accordance with the provisions of Sections 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including 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 required under the Foreign Exchange Management Act, 1999, the Securities and Exchange Board of India (“SEBI”) regulations including Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (‘SEBI Regulations’), Listing Agreements entered into by the Company with the Stock Exchanges or any other applicable law or regulations 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, Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs) 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 Receipt and/ or Non-convertible Debentures (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 Board may think fit, 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), 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 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the provisions 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 or non-convertible debt instruments along with warrants and convertible securities other than warrants ("Eligible Securities") up to an amount of ₹ 120 Billion (Rupees One Hundred Twenty Billion 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 ("QIP"), 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 –

- i) 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 convertible Eligible 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 the 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 decides to open the issue of NCDs in accordance with the SEBI ICDR Regulations as mentioned above.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs"), pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993 and other applicable regulations, the relevant date for the purpose of pricing the Equity Shares to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorized committee of directors decides to open such issue after the date of this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADR, GDRs on the Stock Exchanges in India.

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 pari passu 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 the Company may apply for listing of the new Equity Shares as may be issued with the BSE Limited and National Stock Exchange of India Limited or any other Stock Exchange(s).

RESOLVED FURTHER that for the purpose of giving effect to the above resolution, the Board or a Committee thereof or any of the Whole-time Directors of the Company, be

and is hereby authorized 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 on all or any of the Company's immovable and/or movable assets in both present and future in respect of the securities on the whole or in part of the undertaking of the Company under Section 180(1)(a) of the Companies Act, 2013 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 authorized

to do all such acts, deeds, execute such documents, appoint such intermediaries, bankers, consultants in order to give effect to the aforesaid resolutions and is also empowered to delegate all or any of the powers herein conferred to any Committee of Directors and/or any Whole-time Director(s) and/or any Officer(s) of the Company."

By order of the Board
For **Sun Pharmaceutical Industries Ltd.**

Place: Mumbai
Date: 11th August, 2015

SUNIL R. AJMERA
Company Secretary

Registered Office:
SPARC, Tandalja, Vadodara - 390 020.
Tel Nos: 0265-6615500/600/700, Fax No.: 0265-2354897
CIN: L24230GJ1993PLC019050
Website: www.sunpharma.com

* The actual equity dividend to be declared by the shareholders at the 23rd 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 31st March, 2015 in accordance with the Rules framed by the Board as per Note No.10 herein after appearing.

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 relating to the Special Business to be transacted at the Meeting under Item Nos. 5 to 8 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreement, of the person seeking appointment/ re-appointment as Director is also annexed.
2. 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.
3. 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.
4. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of

the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

5. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 24th October, 2015, to Saturday, 31st October, 2015 (both days inclusive) for the purpose of the Twenty- Third Annual General Meeting of the Company and for the payment of Dividend.
6. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. A copy of the notice of the AGM along with the Annual Report is also available for download on the website of the Company www.sunpharma.com. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Link Intime (India) Private Limited / Depositories.

7. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office and copies thereof at the Corporate Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting and at the Meeting.
8. Corporate members intending to send their authorized representatives to attend and vote on their behalf at the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative(s) to attend along with specimen signature of authorised representative(s).
9. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.
10. The Proxies should carry their identity proof i.e. a Pan Card / Aadhaar Card / Passport / Driving License.
11. 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.
12. The Board of Directors at their Meeting held on 11th August, 2015, recommended a Dividend at ₹ 3/- (Rupees Three) per Equity Share of ₹ 1/- each of the Company for the year ended 31st March, 2015 and the same if declared at the Meeting will be paid on or before 4th November, 2015 to the Company's Equity Shareholders whose name stand on the Register of Members as beneficial owners at the close of business as on Friday, 23rd October, 2015 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 giving effect to valid transfers in physical form lodged with the Company on or before Friday, 23rd October, 2015.
13. At the Extra Ordinary General Meeting of the members of the Company held on Monday, 1st September, 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 31st March, 2004 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 31st March, 2015 shall fill up the form and send it to the Company's Registrars on or before 23rd October, 2015. 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 - Shareholder's Information- Statutory Communication") 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 1ST SEPTEMBER, 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 cannot be withdrawn for that particular year for such waived/ forgone 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 authorized 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.

14. 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 (IEPF Fund). The Company will be transferring the unclaimed dividends during the financial years ending 31st March, 2016 to 31st March, 2022 as given below:

Pertaining to Sun Pharmaceutical Industries Limited

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
2007-2008	06.09.2008	135% Equity	05.09.2015	04.10.2015
2008-2009	11.09.2009	275% Equity	10.09.2016	09.10.2016
2009-2010	24.09.2010	275% Equity	23.09.2017	22.10.2017
2010-2011	16.09.2011	350% Equity	15.09.2018	14.10.2018
2011-2012	10.08.2012	425% Equity	09.08.2019	07.09.2019
2012-2013	30.09.2013	250% Equity	26.09.2020	25.10.2020
2013-2014	27.09.2014	150% Equity	27.09.2021	26.10.2021

Pertaining to erstwhile Ranbaxy Laboratories Limited

Dividend for Calendar Year Ended	Date of Declaration of Dividend entitled	Rate of Dividend	Last date for claiming unpaid Dividend	Due Date for transfer to IEPF
2010	09.05.2011	40% Equity	08.05.2018	06.06.2018

Members who have not encashed their dividend warrants, for the financial year ended 31st March, 2008 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 uploaded the details of unpaid and unclaimed amounts

(as referred to in Section 205C(2)) lying with the Company as on 27th September, 2014 (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.

15. The Members of erstwhile Tamilnadu Dadha Pharmaceuticals Limited, erstwhile Gujarat Lyka Organics Limited and erstwhile Phlox Pharmaceuticals Limited, who have not yet sent their share certificates of erstwhile Tamilnadu Dadha Pharmaceuticals Limited, Chennai, 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 are no longer tradable/ valid. The Members of erstwhile Ranbaxy Laboratories Limited, who have not yet sent their share certificates of erstwhile Ranbaxy Laboratories Limited 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 Ranbaxy Laboratories Limited are no longer tradable/ valid.
16. 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 29th November, 2010 based on the Record Date of 26th November, 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 12th November, 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.
17. 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.
18. Voting through electronic mean (E-voting).
 - 1) In accordance with the applicable provisions of the Listing Agreement and Companies Act 2013, read with

Companies (Management and Administration) Rules, 2014 (the Rules) including the amendments thereto, the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 23rd Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide e-voting facility to its members.

- 2) The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut-off date 24th October, 2015.
- 3) The remote e-voting period begins on **Wednesday, 28th October, 2015 at 09.00 a.m.** and ends on **Friday, 30th October, 2015 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **24th October, 2015**, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- 4) The facility for voting by ballot or polling paper shall also be made available at the meeting and Members of the Company as of cut off date, attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 5) **Mr. Jatin N. Thakkar, Partner, M/s. S. H. Bathiya & Associates LLP, Chartered Accountants, Mumbai** has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 6) The Procedure and instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Wednesday, 28th October, 2015 at 09.00 a.m.** and ends on **Friday, 30th October, 2015 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **24th October, 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the Default PAN field. Any person who becomes a member of the Company after dispatch of the Notice and holds shares of the Company as on the cut off date ie. 24th October, 2015 and whose PAN is not registered with the Company may obtain the sequence number detail by writing to the Company at sunpharma@linkintime.co.in or secretarial@sunpharma.com or contact the Compliance Officer.

#Please enter any one of the details relating to DOB or Dividend Bank Details in order to login. In case both the details are not recorded with the depository or company, please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.

- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly

recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for **Sun Pharmaceutical Industries Limited** to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and send the scan copy of the Board resolution/ POA to scrutinizer@sunpharma.com.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. Any person having any grievances in connection with remote e-voting may write to:

Name : Mr. Wenceslaus Futardo
 Designation : Deputy Manager
 Address : Phiroze Jeejeebhoy Towers, 16th Floor,
 Dalal Street, Fort, Mumbai – 400001.
 Email id: helpdesk.evoting@cdslindia.com
 Phone number: 18002005533

- The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sunpharma.com and on the website of CDSL www.evotingindia.com. immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

PROFILE OF DIRECTOR BEING APPOINTED

As required by Clause 49 of the Listing Agreement, the particulars of the Director who is proposed to be appointed/ reappointed are given below.

Particulars	Mr. Sudhir V Valia
Date of Birth	26th July, 1956
Qualification & experience	Mr. Sudhir V. Valia is a Member of the Institute of Chartered Accountants of India and carries more than three decades of taxation and finance experience. He has been the Director of Sun Pharma since 1993 and is also on the Board of Taro Pharmaceutical Industries Ltd. Mr. Valia has won CNBC TV18's CFO of the Year in the Pharmaceutical and Healthcare Sectors for two consecutive years (2011 and 2012). He is actively involved in the field of social activities and he has also been awarded the Adivasi Sevak Puraskar (2008- 09) by the Government of Maharashtra for his contribution towards the welfare of tribals, particularly in the field of education in his capacity as visionary and Director of Shantilal Shanghavi Foundation. He is also a Director of Krishna Vrundavan Prathisthan.
Expertise in specific functional area	Wide experience in accountancy, finance and taxation field.
Directorship held in other companies (excluding foreign companies & section 8 companies)	Sun Pharma Advanced Research Company Limited Sun Pharma Laboratories Limited Sun Petrochemicals Pvt. Ltd. Karad Chemicals & Allied Products Pvt. Ltd. Lakshdeep Investments & Finance Pvt. Ltd. Universal Enterprises (P) Ltd Aditya Thermal Energy Pvt. Ltd Fasttrack Housing Finance Private Limited Alfa Infraprop Pvt. Ltd Kopta Estate Private Limited Aditya Clean Power Ventures Private Limited
Membership/ Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Member – Stakeholders Relationship Committee of Sun Pharma Advanced Research Company Limited Member – Audit Committee of Sun Pharma Laboratories Limited
No. of Shares held in the Company as on 31st March, 2015	14,384,000

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under Item Nos. 5 to 8 of the accompanying Notice dated 11th August, 2015.

Item Nos. 5:

The Board of Directors, on recommendation of the Audit Committee had appointed M/s. Kailash Sankhlecha & Associates, Cost Accountants, as the Cost Auditors for audit of cost accounting records pertaining to the formulations and bulk drugs activities of the Company for the financial year ended 31st March, 2015 at a remuneration ₹ 600,000/- (Rupees Six Lakhs Only) excluding reimbursement of out of pocket expenses and applicable service tax. The same was ratified by the members at the Twenty-Second Annual General Meeting held on 27th September, 2014.

However, pursuant to merger of erstwhile Ranbaxy Laboratories Limited ("Ranbaxy") with the Company, the erstwhile Ranbaxy locations being added, the scope of Cost Audit has increased and therefore on recommendation by the Audit Committee, the Board has increased the remuneration to be paid to Cost Auditors for the financial year ended 31st March, 2015 to ₹ 1,070,000/- (Rupees Ten Lakh Seventy Thousand Only) excluding reimbursement of out of pocket expenses and applicable service tax.

In terms of provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, members ratification is required for remuneration payable to the Cost Auditor.

Therefore, consent of the members of the Company is sought for passing of an Ordinary Resolution as set out in Item No. 5 for ratification of the increase in remuneration payable to the Cost Auditors for the financial years ending 31st March, 2015.

Your Directors recommend the passing of the Resolution in Item No. 5 of the Notice as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution. Your Directors recommend the passing of the Resolution in Item No. 5 of the Notice as an Ordinary Resolution.

Item No. 6:

M/s. Kailash Sankhlecha & Associates, Cost Accountants, have been appointed by the Board of Directors of the Company on recommendation of the Audit Committee for audit of cost accounting records pertaining to the formulations and bulk drugs activities of the Company for the financial year ending 31st March, 2016 at a remuneration of ₹ 1,552,000/- (Rupees Fifteen Lakh Fifty Two

Thousand Only) excluding reimbursement of out of pocket expenses and applicable service tax.

In terms of provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, members ratification is required for remuneration payable to the Cost Auditor.

Therefore, consent of the members of the Company is sought for passing of an Ordinary Resolution as set out in Item No. 6 for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

Your Directors recommend the passing of the Resolution in Item No. 6 of the Notice as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution.

Item No. 7

Pursuant to Clause 15.2 of the Scheme of Arrangement between erstwhile Ranbaxy Laboratories Limited and Sun Pharmaceutical Industries Limited, approved by the High Court of Gujarat, at Ahmedabad and High Court of Punjab & Haryana, Article 135(bb) was inserted in the Articles of Association of the Company as stated in the resolution.

Pursuant to merger of erstwhile Ranbaxy Laboratories Limited into the Company with effect from 24th March, 2015, the promoter of erstwhile Ranbaxy Laboratories Limited i.e. Daiichi Sankyo Company Ltd., ('DSC'), were allotted 214,969,058 equity shares of the Company on 10th April, 2015, in exchange of their shareholding in erstwhile Ranbaxy Laboratories Limited as on the record date i.e. 7th April, 2015.

As provided in the aforesaid Article 135 (bb), at the first instance when DSC and its controlled affiliates cease to own, in the aggregate, the Minimum Percentage of the outstanding equity shares of the Company, then DSC's right to nominate the DSC Director pursuant to this Article shall terminate permanently.

DSC sold its entire stake in the Company on 21st April, 2015. Due to sale of stake, the aforementioned article has been rendered redundant. Therefore, it is sought to delete Article 135(bb) from the Articles of Association of the Company.

The Articles of Association as on date along with the proposed amendments are available for inspection by the members at the Registered Office and copies thereof at the Corporate Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting and at the Meeting.

Your Directors recommend the passing of the Resolution in Item No. 7 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives of the Company are in anyway concerned or interested in this Resolution.

Item No. 8

The Company in order to enhance its presence in global markets and 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, it is thought prudent for the Company to have enabling approvals to raise full or a part of the funding requirements for the said purposes.

In this reference, 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 62 and of the Companies Act, 2013 provides inter alia that the Company in the first instance should offer all shares 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 Board of Directors at the Twenty-Second Annual General Meeting held on 27th September, 2014, had sought the consent of the shareholders as an enabling resolution pursuant to the provisions of Section 41, 42, 62, 71 and all other applicable provisions of the Companies Act, 2013 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 authorizing 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, such Securities (as defined in the resolution) 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 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). This resolution also enabled the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time within the aforementioned limits for a year from the conclusion of previous Annual General Meeting. As the validity of the resolution is only for a year, the consent of the shareholders is once again being sought.

The resolution also elaborates that in case of QIP Issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be –

- i) 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 be come entitled to apply for the Equity Shares, as may be determined by the Board.

The special resolution also authorizes the Board of Directors of the Company to undertake a Qualified Institutions Placement with Qualified Institutional Buyers (QIBs) in the manner as prescribed under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended (the "SEBI Regulations") for raising capital. The pricing of the such Securities to be issued to QIBs pursuant to the said SEBI Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the relevant provisions of the said SEBI Regulations.

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed, inter alia, under Section 42 of the Act deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 also states that incase of an offer or invitation to subscribe for non-convertible debentures on private placement, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year. Accordingly, consent

of the members is sought for passing a Special Resolution as set out in the resolution.

The said Securities may be secured by way of first mortgage/ hypothecation of the Company's assets in favor 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 180(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. 8 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution except that 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.

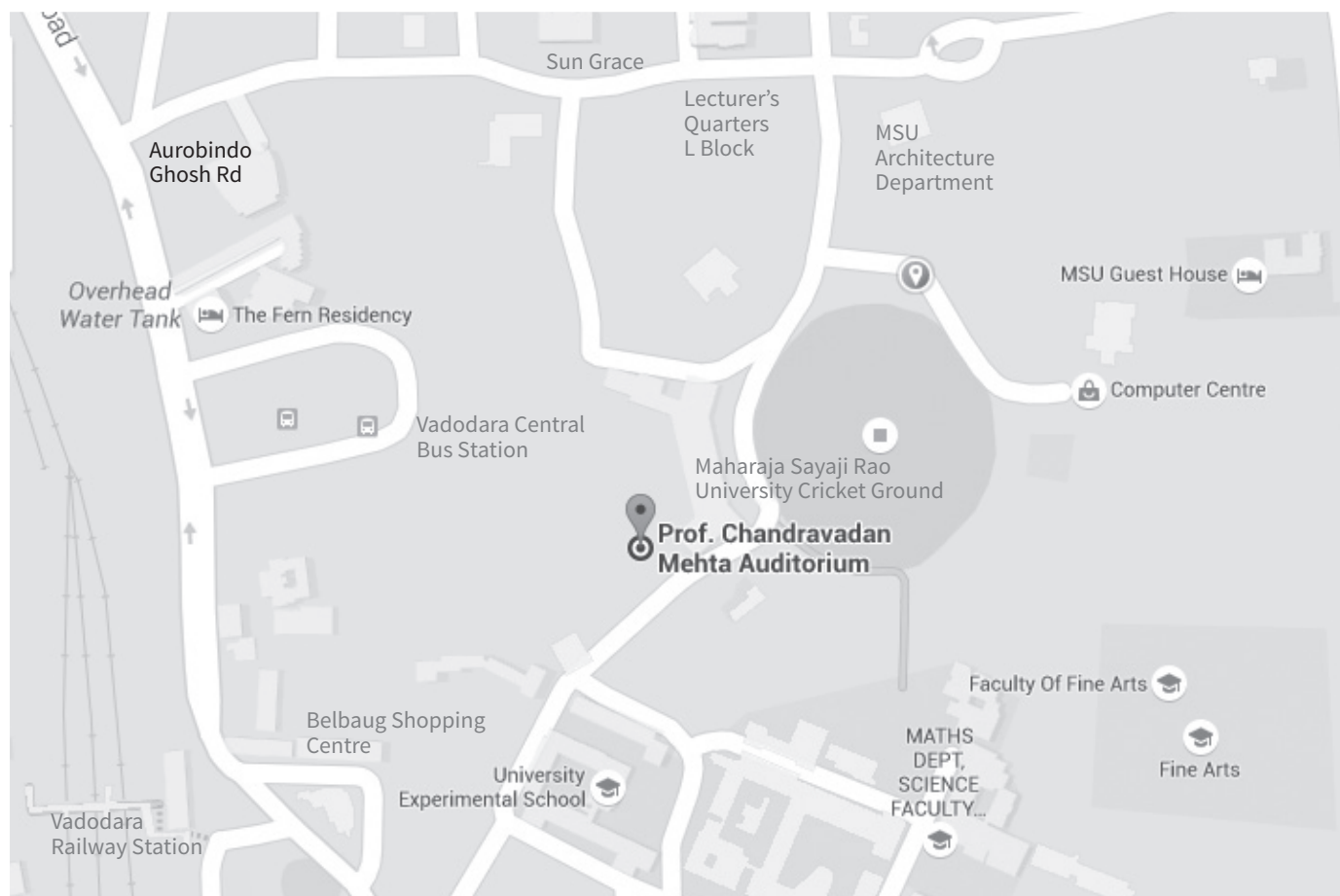
For **Sun Pharmaceutical Industries Ltd.**


Place: Mumbai
Date: 11th August, 2015

SUNIL R. AJMERA
Company Secretary

Registered Office:
SPARC, Tandalja, Vadodara - 390 020.
Tel Nos: 0265-6615500/600/700, Fax No.: 0265-2354897
CIN: L24230GJ1993PLC019050
Website: www.sunpharma.com

ROUTE MAP



 **SUN PHARMACEUTICAL INDUSTRIES LIMITED**
Prof. Chandravadan C. Mehta Auditorium



ATTENDANCE SLIP
TWENTY THIRD ANNUAL GENERAL MEETING ON SATURDAY, 31ST OCTOBER, 2015 AT 09.45 A.M.

Sr. No : Registered Folio/DP ID & Client ID : Name and address of the shareholder(s) Joint Holder 1 : Joint Holder 2 :	
---	--

I /We hereby record my presence at the **TWENTY THIRD ANNUAL GENERAL MEETING** of the Company at Prof. Chandravadan C. Mehta Auditorium – General Education Center, Maharaja Sayajirao University of Baroda Near D. N. Hall, Pratapgunj Vadodara-390002, Gujarat, **on Saturday, 31st October, 2015, at 09.45 a.m.**

Signature of the Attending Member: _____ Signature of Proxy : _____

NOTES:

- (1) Shareholder/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder/ Proxy holder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.
- (3) **PLEASE NOTE THAT NO COUPONS WOULD BE DISTRIBUTED AT THE MEETING.**

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	User ID	*Default PAN	Number of Shares

* Only Members who have not updated their PAN with the Company / Depository Participant shall use default PAN in the PAN field.

.....Cut here.....



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014 - Form MGT-11]

Name of the member(s) :	
Registered address :	
No. of Shares held :	
Folio No/ DP Id & Client Id :	
Joint Holder (s) :	
E-mail Id :	

I/We, being the holder (s) of _____ shares of Sun Pharmaceutical Industries Limited, hereby appoint:

- | | |
|----------------|---------------------------------|
| (1) Name | Address..... |
| Email Id:..... | Signature.....or failing him; |
| (2) Name | Address..... |
| Email Id:..... | Signature..... or failing him; |
| (3) Name | Address..... |
| Email Id:..... | Signature..... .or failing him; |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Twenty Third Annual General Meeting** of the company, to be held on the **Saturday, 31st October, 2015, at 09.45 a.m. at Prof. Chandravadan C. Mehta Auditorium – General Education Center, Maharaja Sayajirao University of Baroda Near D. N. Hall, Pratapgunj Vadodara-390002, Gujarat**, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolution
	ORDINARY BUSINESS:
1.	Adoption of audited financial statements of the Company and the reports of the Board of Directors and Auditors thereon
2.	Declaration of dividend on Equity Shares
3.	Re-appointment of Mr. Sudhir Valia, who retires by rotation and being eligible offers himself for re-appointment.
4.	Ratification of Appointment of Statutory Auditors
	SPECIAL BUSINESS:
5.	Ratification of Increase in Remuneration of Cost Auditor for the Financial Year 2014-15
6.	Ratification of Remuneration of Cost Auditor for the Financial Year 2015-16
7.	Special Resolution for deletion of Article 135(bb) of the Articles of Association of the Company
8.	Special Resolution under Section 41, 42, 62, 71 and other applicable provisions of the Companies Act, 2013 as an enabling resolution to offer and allot Convertible Bonds, Debentures and/or Securities etc.

Signature of Shareholder: _____ Signed this..... day of 2015

Signature of Proxy holder(s):

Affix
Revenue
Stamp of
Re.1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at SPARC, Tandalja, Vadodara - 390 020, not less than FORTY EIGHT HOURS before commencement of the Meeting.



**Growing
together**


2014-15
ANNUAL REPORT

SUN PHARMACEUTICAL INDUSTRIES LTD.

CONTENTS

02	Key Performance Indicators
03	Ten Year Financial Highlights
04	Managing Director's Letter
06	Management Discussion and Analysis
30	Board's Report
60	Corporate Governance
76	Standalone Financial Statements
130	Consolidated Financial Statements





We have embarked upon an exciting journey at Sun Pharma. Following the acquisition of Ranbaxy, we have enhanced our scale of operations and geographic reach. Coupled with a comprehensive, diverse and highly complementary portfolio of products and global talent pool, we are well-positioned for the future.

The combined entity will leverage emerging opportunities and will benefit from the targeted synergies. The coming together of Sun Pharma and Ranbaxy has helped create the world's fifth largest specialty generic pharmaceutical company; and the unrivalled leader in the Indian market with a significant lead in market share.

Across 150+ countries globally, we now offer a large basket of specialty, branded generic and pure generic products, encompassing a broad range of chronic and acute prescription drugs.

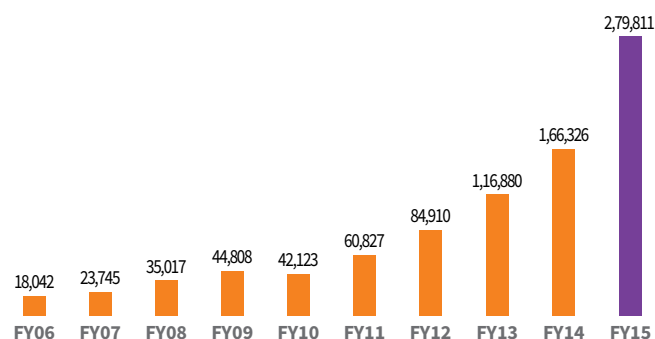
As we grow our capacity, capability, global presence and R&D expertise, the objective is to deliver innovative and difficult-to-make products at affordable prices. This vindicates our corporate philosophy of putting the health and welfare of patients first. At the same time, we are investing in people and systems and processes coupled with building a prudent cost structure, to ensure that the business is positioned to generate sustainable and profitable growth.

**Together we are growing
and enhancing our global
positioning for today,
tomorrow and beyond.**

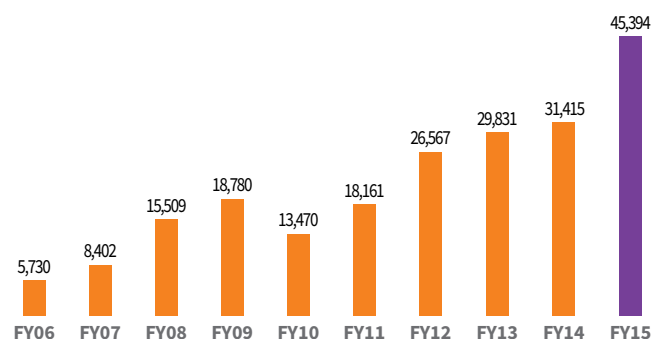


KEY PERFORMANCE INDICATORS (CONSOLIDATED)

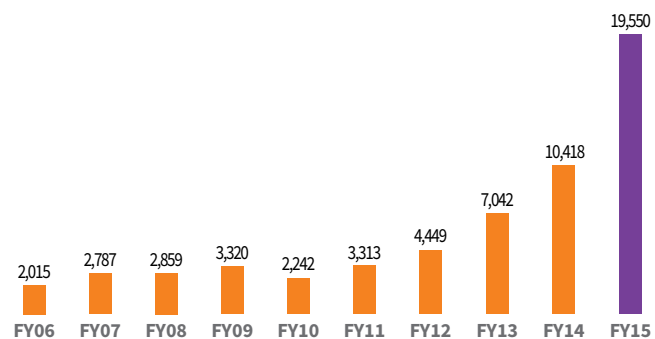
Total Income (₹ in million)



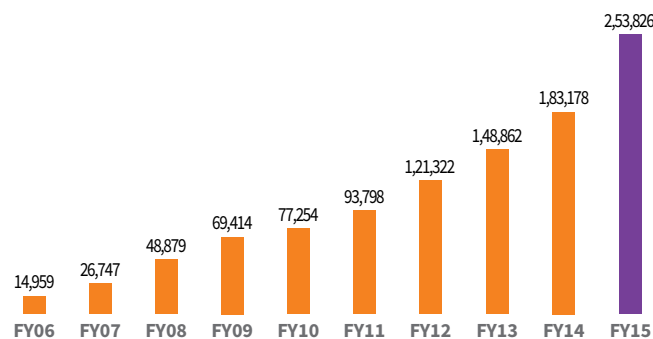
Net Profit (₹ in million)



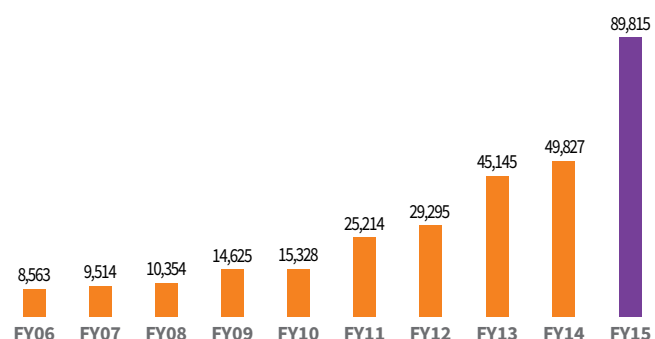
R&D Expenditure (₹ in million)



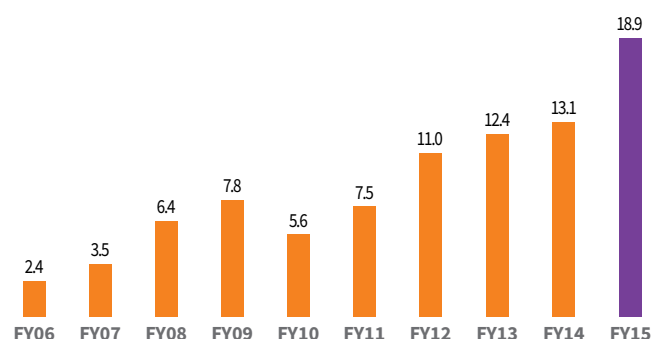
Reserve and Surplus (₹ in million)



Net Block (₹ in million)



Adjusted Earning per Share (post exceptional items)* (₹)



* During FY05, the Company issued bonus shares in the ratio of one equity share of ₹ 5/- for every share held.

* During FY11, each Equity share of ₹ 5/- was split into five equity shares of ₹ 1/- each.

* During FY14, the Company issued bonus shares in the ratio of one equity share of ₹ 1/- for every share held.

* During FY15, the Company completed the acquisition of erstwhile Ranbaxy Laboratories Ltd. (RLL). Post this, in April 2015, the Company's equity shares have increased to 2,406.2 million due to the merger of RLL with the Company, wherein 0.80 equity share of ₹ 1 each of the Company have been allotted to the shareholders of RLL for every 1.00 share of ₹ 5 each held by them.

TEN YEAR FINANCIAL HIGHLIGHTS

CONSOLIDATED										(₹ in million)
Particular	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Operating Performance										
Income from Operations	17,372	22,373	34,606	43,751	38,086	57,279	80,195	1,12,999	1,60,804	2,74,334
Total Income	18,042	23,745	35,017	44,808	42,123	60,827	84,910	1,16,880	1,66,326	2,79,811
Profit for the year (after minority interest)	5,730	8,402	15,509	18,780	13,470	18,161	26,567	29,831	31,415	45,394
R&D Expenditure	2,015	2,787	2,859	3,320	2,242	3,313	4,449	7,042	10,418	19,550
a) Capital	481	347	134	222	159	236	362	427	556	1,178
b) Revenue	1,534	2,440	2,725	3,098	2,083	3,077	4,088	6,616	9,862	18,373
c) % of Turnover	12%	13%	9%	8%	6%	6%	6%	6%	7%	7%
Financial Position										
Equity Share Capital	929	967	1,036	1,036	1,036	1,036	1,036	1,036	2,071	2,071
Reserve and Surplus	14,959	26,747	48,879	69,414	77,254	93,798	1,21,322	1,48,862	1,83,178	2,53,826
Gross Block	12,342	14,252	15,960	21,476	23,340	45,473	54,269	75,763	86,505	1,67,059
Net Block	8,563	9,514	10,354	14,625	15,328	25,214	29,295	45,145	49,827	89,815
Investments	3,541	2,543	6,565	18,595	31,664	26,557	22,129	24,116	27,860	27,163
Net Current Assets	23,006	26,843	33,995	35,485	28,542	58,622	76,749	86,618	1,26,969	1,27,689
Stock Information										
Number of Shares (million)	186	193	207	207	207	1,036	1,036	1,036	2,071	2,071
Adjusted Earning per Share (post exceptional items) (In ₹)*	2.4	3.5	6.4	7.8	5.6	7.5	11.0	12.4	13.1	18.9
Reported Earnings per Share-Basic (In ₹)*	30.9	41.7	74.7	87.8	65.2	17.5	25.7	28.8	15.2	18.9
Reported Earning per Share-Diluted (In ₹)*	27.7	38.9	71.8	87.8	65.2	17.5	25.7	28.8	15.2	18.9

* During FY05, the Company issued bonus shares in the ratio of one equity share of ₹ 5/- for every share held.

* During FY11, each Equity share of ₹ 5/- was split into five equity shares of ₹ 1/- each.

* During FY14, the Company issued bonus shares in the ratio of one equity share of ₹ 1/- for every share held.

* During FY15, the Company completed the acquisition of erstwhile Ranbaxy Laboratories Ltd. (RLL). Post this, in April 2015, the Company's equity shares have increased to 2,406.2 million due to the merger of RLL with the Company, wherein 0.80 equity share of ₹ 1 each of the Company have been allotted to the shareholders of RLL for every 1.00 share of ₹ 5 each held by them.

MANAGING DIRECTOR'S LETTER



Dear Shareholders,

The pharmaceutical industry is undergoing rapid changes and it has become crucial to continuously refine and sharpen our capabilities. While responding to these changes is imperative, response capability alone will not be sufficient to generate long term sustainable value for stakeholders. Anticipation of the future shape of the industry and taking steps today, to rightly position the Company, is extremely important.

Businesses of future will need to be more innovative but will have to be coupled with the nimbleness and efficiency of a generic business. Our success of the last decade was driven by our ability to develop and launch generic and branded generic products at a rapid pace with minimal costs. The key determinant for success in the future will be our ability to retain these capabilities and combine them with an engine of innovation leading to a pipeline of complex generics and specialty products. This should help us drive a stable and consistent growth in cash flows, which is a key objective of our corporate philosophy.

The fiscal year 2015 was a very eventful year for Sun Pharma. It presented its own set of opportunities and challenges for the Company. The opportunities reflect future growth potential, while the challenges will help the Company to further strengthen its foundations. During the year, we merged Ranbaxy into Sun Pharma and took a few strong initiatives towards strengthening our specialty pipeline. We also experienced some near-term challenges, specifically regarding cGMP compliance at the Halol facility, which we are confident of resolving. Our subsidiary, Taro has done well despite increased competition for some of its products. Our R&D efforts continue to be directed towards building a strong and differentiated product pipeline. These R&D efforts include a pragmatic mix of initiatives directed towards generating short-, medium- and long-term cash flows. During the year, we also took steps to strengthen our presence in the controlled substances segment and to further enhance our capabilities in the injectable segment.

Ranbaxy Merger

In March 2015, we completed the merger of Ranbaxy with Sun Pharma. This was a landmark transaction in the Indian pharmaceutical industry. This merger has further strengthened our positioning as the world's 5th largest specialty generic Company. It has made us the undisputed leader in the Indian pharmaceutical market with almost 9% market share and the no. 1 prescription ranking with 13 different doctor categories. The merger significantly enhances our presence in many markets including the US, emerging markets and Europe. It also gives us an entry point in the Over-the-Counter (OTC) business segment, a strategic strength, which we plan to leverage on, for establishing a global OTC business. The merger also significantly enhances our ability to invest further in R&D.

The key objective of this merger is to accelerate growth and create opportunities for all stakeholders. The combined organization will benefit from substantial synergies that lie in our technologies, combined pipeline and R&D expertise, wider product portfolio and enhanced manufacturing footprint, driven by our larger talent pool.

Our immediate challenge is to make this merger the success that we believe it can be and quickly capture the full value of this synergy. This merger gives us a unique opportunity to create an organization that is better and stronger than the individual entities. A detailed integration plan is in place to ensure that teams from both the entities 'Grow Together' to realize the full potential of this merger.

We utilized the time between the merger announcement and its closure to chart out a robust integration plan, while ensuring

that none of the existing businesses get adversely impacted by the integration process. The integration of the two entities commenced in March 2015 and remains on-track to achieve the long-term benefits from this merger. There are specific integration milestones, which have been identified to generate the targeted synergy benefits of US\$ 300 million from the merger. While, we will need to incur certain one-time integration charges to generate synergies, this objective has offered us the unique opportunity to analyze every aspect of our business to increase efficiencies and optimize operations, while focusing on where resources can be best utilized.

Enhancing our presence in the specialty segment

At Sun Pharma, we had embarked on a journey some years back to increase the share of complex generics and specialty products in our global portfolio. The overarching intent behind this is our objective of building a business, which can generate sustainable value for all our stakeholders. While we have covered some distance in this long journey, there are many milestones yet to be crossed to achieve this objective. In-licensing early-to-late stage clinical candidates, as well as getting access to on-market patented products are some of our initiatives in this journey.

Dermatology and Ophthalmic are the key segments targeted through these initiatives besides a few other segments.

Today, we are among the leading branded companies in the US dermatology segment driven by innovative products like Absorica, Kerastick and the Topicort range of products.

During the year, we took a step further towards strengthening this presence by entering into an exclusive worldwide in-licensing agreement for Merck's investigational therapeutic antibody candidate, tildrakizumab, (MK-3222), which is currently being evaluated in Phase 3 trials to treat chronic plaque psoriasis, a skin ailment.

Our joint venture with Intrexon Corporation for developing gene-based therapies for ocular diseases is also on-track.

Another key requirement of establishing a specialty business is having access to strong and capable talent. As a part of this objective, we have recently initiated the process of building specialty teams for MK-3222 and the ophthalmic segment in the US.

Global cGMP Compliance

Given the stringent cGMP requirements of global regulators, compliance to these standards has become a key determinant of future success for the pharmaceutical industry. In FY15, many of our manufacturing facilities underwent audits from multiple

regulatory agencies. While most of these audits were satisfactory, the US FDA audit at our Halol facility pointed out certain cGMP deviations. We immediately initiated a detailed action plan to address these deviations and relevant remediation steps are currently ongoing. This remediation process has temporarily impacted our supplies and product approvals from this facility, which we expect to improve, once the entire remediation process is completed and the facility gets recertified.

The remediation process at the erstwhile Ranbaxy facilities, which were found to be non-compliant in the past, also continues as per plan. While significant efforts to make these facilities compliant are on, this will be a time-consuming process.

We remain committed to 24x7 cGMP compliance and are working with reputed global consultants to ensure that all our facilities remain compliant. We have also significantly strengthened our capabilities by recruiting global talent with strong expertise in quality and compliance.

Overall Outlook

We expect Sun Pharma to evolve as a company with an interesting mix of high-value complex generics and branded products, persistently working for patients across the world. This evolution will entail taking multiple initiatives, both organic and inorganic as well as taking higher risks. While not all of these initiatives may give the desired results, we are gearing up the Company to maximize the odds of succeeding and minimize the disruption due to failures. Our specialty strategy coupled with the benefits from the Ranbaxy merger and the targeted productivity improvements, should favorably impact our profitability in the long term.

In the long term, we are targeting growing faster than the respective markets in which we are present. Our capable and committed employees will be the key drivers of this growth. They have played a very crucial role in the Ranbaxy merger and I appreciate their efforts.

Lastly, I would like to thank all of you, our shareholders, for your continued support and confidence in us over the past many years.

Warm regards,

Dilip Shanghvi

Managing Director

Sun Pharmaceutical Industries Ltd.

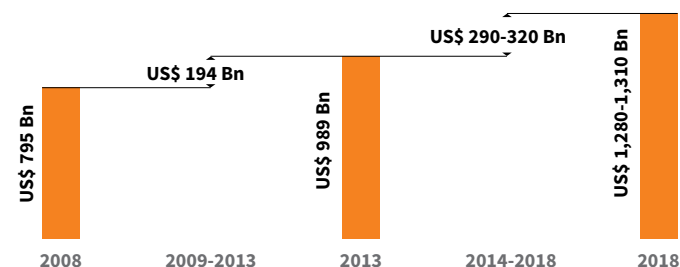
MANAGEMENT DISCUSSION & ANALYSIS

Global Pharmaceutical Industry¹

The global pharmaceutical market is estimated to reach US\$ 1.3 trillion by 2018, growing at a CAGR of 4-7% (between 2014 and 2018), an increase of US\$ 290-320 billion.

The growth of developed markets will be driven by the US, Japan and five major European markets (Germany, France, Italy, Spain and the UK). The contribution of pharmerging markets in the growth pie is expected to increase over the next five years; and account for nearly 50% of absolute growth in 2018.

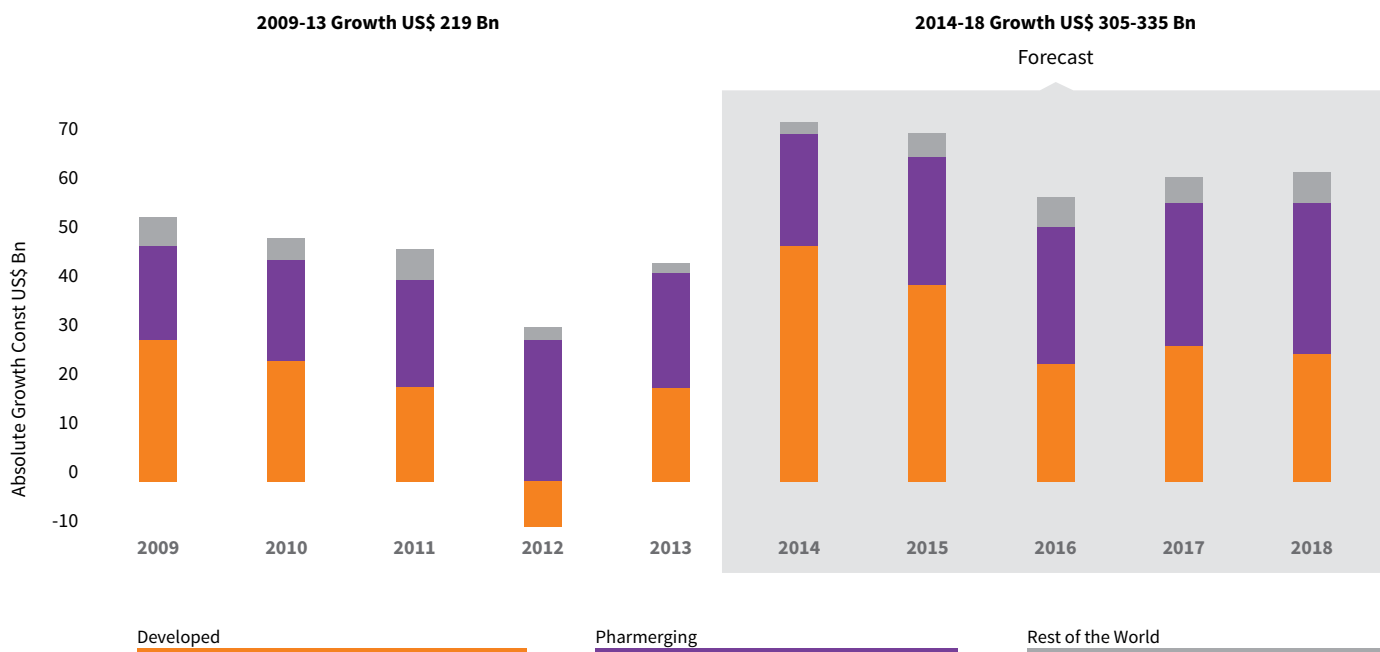
CHART 1: Global pharmaceutical spending and growth²



The key growth drivers for the global pharmaceutical industry are the following:

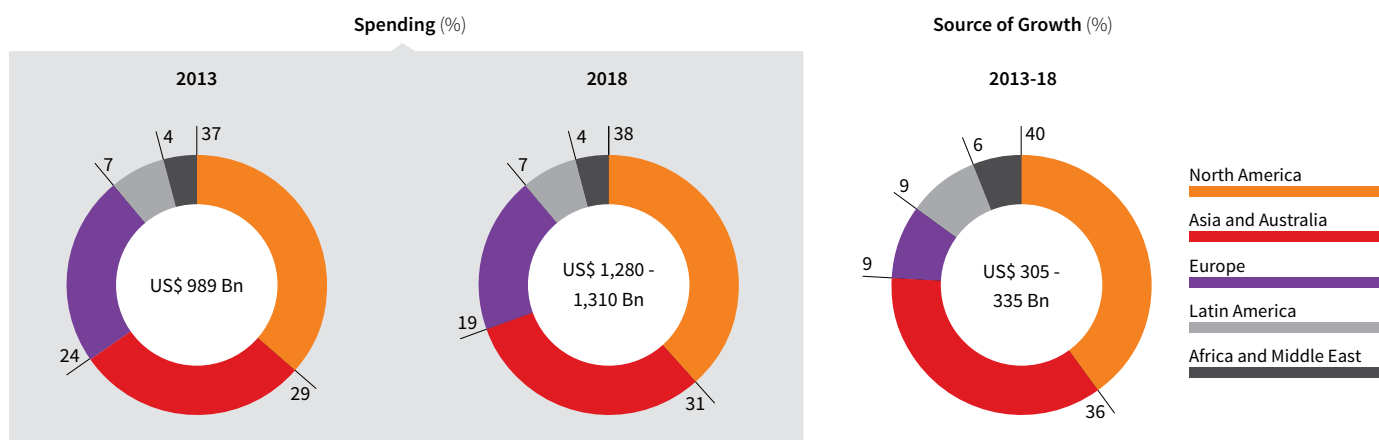
1. Rising share of emerging economies in global GDP
2. Aging population and rising life expectancy
3. Increasing access to modern healthcare
4. Improving healthcare awareness and improvement in medical practices

CHART 2: Spending distribution (Market-wise)²





R&D Centre

CHART 3: Spending distribution (Geography-wise)²

GLOBAL GENERICS

Generics are the largest driver of growth globally. Generic drugs take a much bigger market share in pharmerging countries, while branded drugs will continue to form almost two-thirds of global spending in the developed markets. Generics will account for over 50% of the incremental growth between 2013 and 2018.

Key drivers for demand for generic drugs include:

1. Aging global population
2. Pressure on global healthcare budgets
3. Patent expiries in developed markets
4. Increasing penetration of medicines in emerging markets

Global pharma industry - Growth drivers

Rising life expectancy³

Global life expectancy is projected to increase from an estimated 72.7 years in 2013 to 73.7 years by 2018. Much of the gain in life expectancy can be attributed to medical advancements, which further, would lead to enhanced need for pharmaceutical products.

Aging population¹

The global population aged 65 and over will grow faster than any other age segment, and will account for almost 30% of overall population growth in the next five years (2014-2018). This will drive demand for pharmaceutical products.

Rising income of households⁴

Rising per capita income in emerging economies provide a healthy prospect for the pharmaceutical industry. Household incomes in emerging economies will jump by more than US\$ 8.5 trillion between 2010 and 2020, accounting for nearly 60% of the global increase over this period, in real terms. Growth in incomes will directly increase consumption and demand, making medical services and healthcare facilities more affordable to the masses.

Improved healthcare access reforms

More than one billion people worldwide lack access to modern healthcare systems. Healthcare awareness has found the much required acceptance during recent times; following which several governments have announced subsidized health protection programs. Rising healthcare awareness means rising demand for pharmaceutical products.

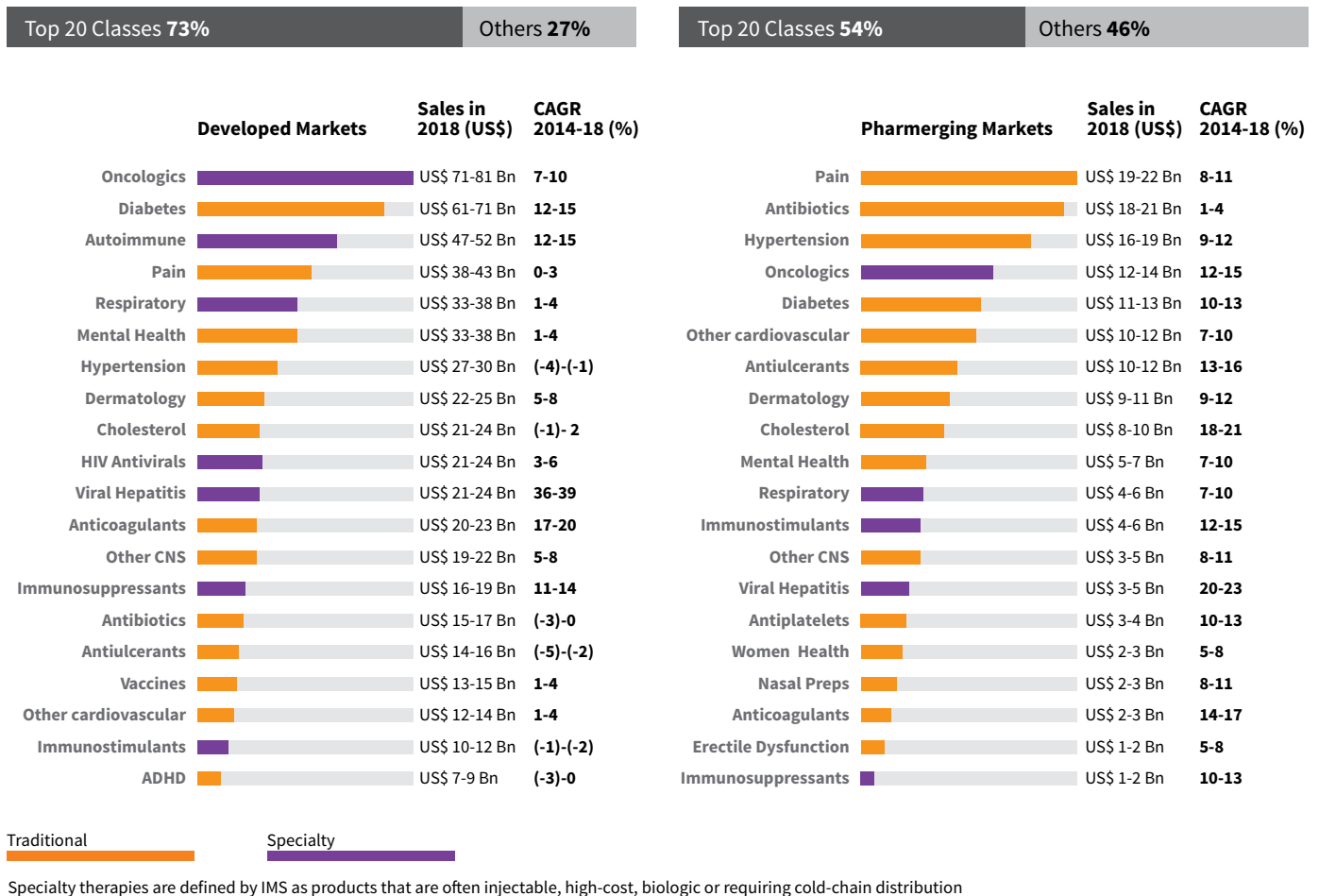
Regulatory and technological advancements

As drug compositions become more and more complex, the pharmaceutical industry is evolving fast to become highly technological and regulated. The latest regulatory and technological requirements of the industry mandates considerable investments in building critical capabilities and also higher capital investments leading to market consolidation and greater headroom for large organized participants.

Growing incidence of chronic diseases

Aging population increases the necessity for more healthcare spending. Besides, chronic diseases continue to be the major factors for mortality worldwide, with developing nations suffering from high levels of public health problems related to chronic diseases. As per WHO projections, by 2020, chronic diseases will account for almost three-quarters of all deaths worldwide.

CHART 4: Therapy area-wise spending in 2018⁵



Outlook¹

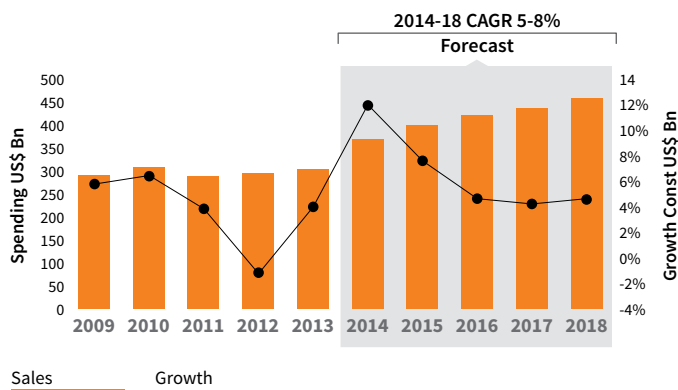
Demographic trends will be a significant driver of global demand for pharmaceuticals in the next five years. Increase in diagnosis and treatment of chronic conditions and an aging population will drive pharmaceutical demand in developed markets. In emerging markets, population growth, coupled with improved access to healthcare and rising per capita income will drive demand.

Developed markets: Pharmaceutical spending in the developed markets stood at approximately US\$ 620 billion in 2013. It is estimated to grow at a compound annual growth rate (CAGR) of 3-6% during 2014-2018 to reach US\$ 766-796 billion by 2018. Among the developed markets, the US will see the largest per capita spending increase from 2013 to 2018. Growth in the developed markets of Europe will be mixed as growth in some of the markets will be moderated by implementation of policies to control overall healthcare budget.

USA: It is the world's largest pharmaceutical market, with pharmaceutical spending at US\$ 340.0 billion in 2013. It is estimated to grow at a CAGR of 5-8% during 2014-18 to reach US\$ 450-480 billion by 2018.

Growth will be mainly driven by the launch of innovative specialty products and lower impact from patent expirations. The implementation of the Affordable Care Act may have a positive impact on demand for medicines, but may increase pressure on payers who fund medicine consumption.

CHART 5: USA pharmaceuticals spending growth²

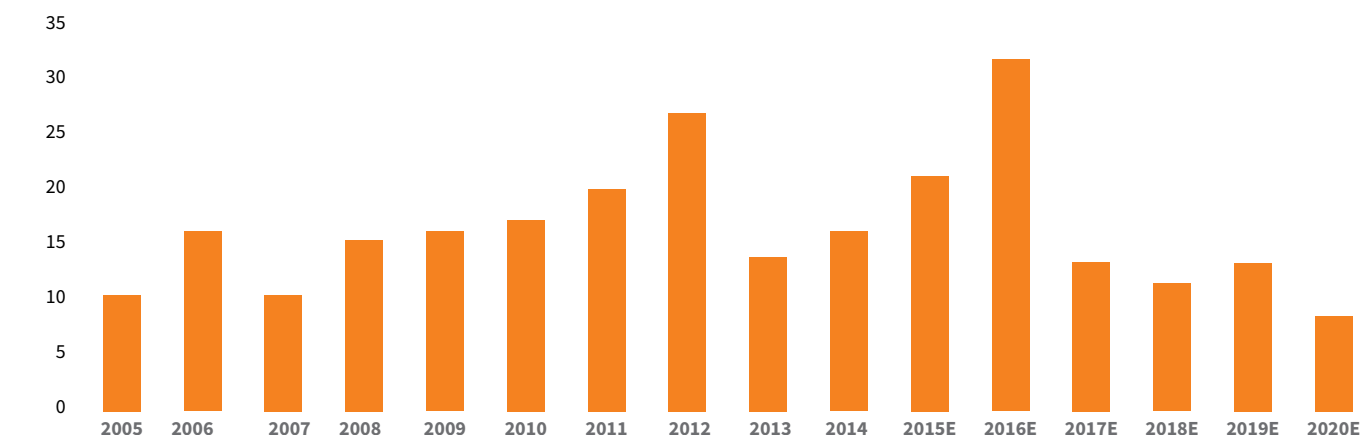


Patent expiries

After hitting a peak in 2012, patent expiries in the US have normalized to more moderate levels. Drugs going off-patent contribute to incremental growth of the US generic market. With

reducing patent expiries, global generic companies are focusing more on transitioning to specialty companies with a pragmatic mix of generics and specialty products.

CHART 6: Patent expiry trend (US\$ billion)¹⁰



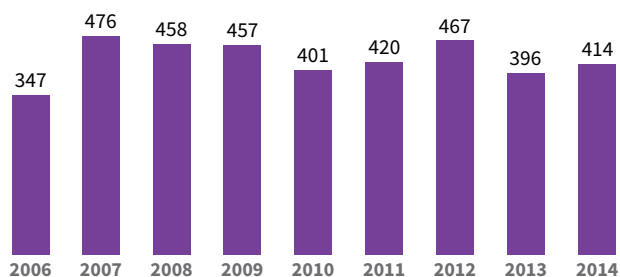
E - Estimates

ANDA approvals

The US FDA is targeting improvement in Abbreviated New Drug Application (ANDA) approval timelines under the Generic Drug User Fee Amendments (GDUFA) guidelines. By 2017, it intends to act on 90% of completed ANDA applications within 10 months of

submission. This should increase the pace of new approvals by 2017. However, the rate of ANDA approvals over the past few years has not witnessed any significant change as yet.

CHART 7: ANDA approvals (Nos.)¹⁰



EU5: The EU5 (Germany, France, Italy, Spain and the UK) markets are gradually emerging out of recession. However, in most of these markets, healthcare budgets remain under pressure. This may lead to measures for further price reductions, but will also encourage more shift towards generics from branded products.

The pharmaceutical spending for these markets stood at approximately US\$ 156 billion in 2013; and it is estimated to grow at a CAGR of 1-4% during 2014-2018 to reach US\$157-185 billion by 2018.

TABLE 1: EU5 pharmaceutical spending growth²

	Market Value by 2018 (US\$ billion)	CAGR Growth, 2014-18 (%)
Germany	48-58	2-5
France	30-40	(-2)-1
Italy	28-36	2-5
Spain	20-26	(-1)-2
UK	27-37	4-7

Japan: Japan's pharmaceutical spending stood at approximately US\$ 94 billion in 2013. It is estimated to grow at a CAGR of 1-4% during 2014-2018 to reach US\$ 99-114 billion by 2018. Innovative medicines will be a key driver of growth. Moreover, as the overall population is expected to decline, the number of retirees — already accounting for a quarter of all patients in Japan — continues to increase and is expected to drive up demand for medicines.

Pharmerging markets: Pharmaceutical spending in the pharmerging markets stood at approximately US\$ 243 billion in 2013. It is estimated to grow at a CAGR of 8-11% during 2014-2018 to reach US\$ 358-388 billion by 2018. Spending on medicines in pharmerging economies, especially those in Asia will be bolstered by a combination of rapid population growth due to falling infant mortality rates and increased longevity, along with improved access to healthcare and increasing per capita income.

TABLE 2: Pharmerging markets - Pharmaceutical spending²

	Market Value by 2018 (US\$ billion)	CAGR Growth, 2014-18 (%)
Tier 1 - China	155-185	10-13
Tier 2	88-98	9-12
Brazil	36-46	9-12
Russia	20-30	7-10
India	21-31	9-12
Tier 3 Markets	95-125	5-8

(Pharmerging markets: China, Brazil, Russia, India, Venezuela, Poland, Argentina, Turkey, Mexico, Vietnam, South Africa, Thailand, Indonesia, Romania, Egypt, Pakistan, Ukraine, Algeria, Colombia, Nigeria, Saudi Arabia and Russia)



R&D Centre

Global consumer healthcare industry⁶

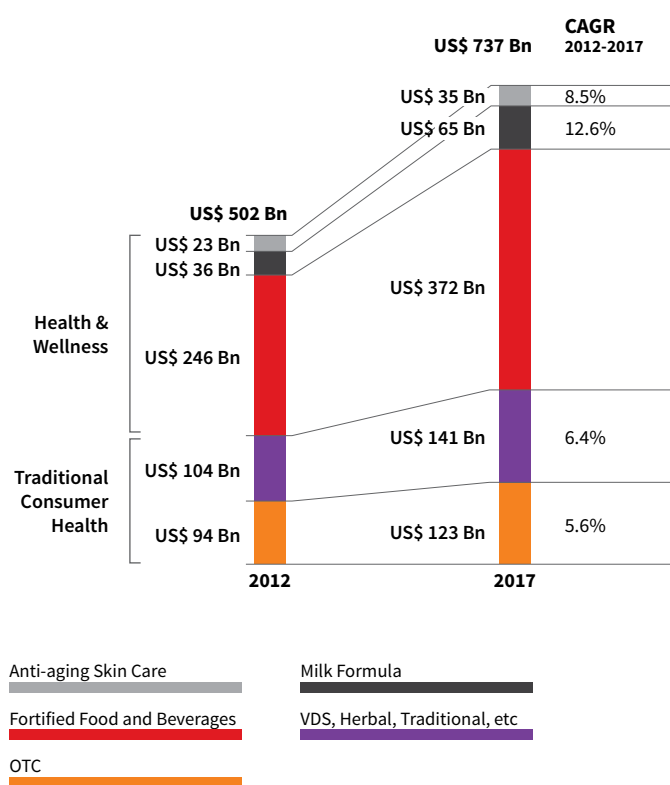
The global consumer healthcare market is expected to register 8% CAGR to touch US\$ 737 billion by 2017 from US\$ 502 billion in 2012.

The growth will primarily be driven by preventive health and wellness categories, such as vitamins, nutrition, weight management and fortified foods and beverages; and spurred on by demand from digitally-enabled, health-conscious consumers and the growing wealth of emerging market consumers.

About 12% (US\$ 29 billion) of this growth will be contributed by OTC products (pain, cough/cold/ stomach remedies, among others). The remaining 88% (US\$ 206 billion) growth will be accounted from related categories (vitamins and dietary supplements, nutrition, fortified foods and beverages).

Empowered by growing access to information and technology-enabled devices, the digitally enabled consumers of today want to be stakeholders in their own health and wellness. Consumers are realizing they have to take a more active role in managing their health as the industry moves towards improved health outcomes and payers are incentivizing healthier lifestyles.

CHART 8: Consumer health market 2012-2017⁶



Active Pharmaceutical Ingredients (API)⁷

The global API industry is expected to grow at a CAGR of 9.4% from 2013-2018. The global API market is witnessing good growth. This momentum is expected to continue considering patents expiring in the US and Europe, growth in emerging market and increasing demand for essential drugs.

Indian pharmaceutical industry^{1, 8}

India's pharmaceutical market accounts for about 1.4% of the global pharmaceutical industry in value terms and 10% in volume terms. It is the fourth largest market among pharmerging markets after China, Brazil and Russia. The market is estimated to grow at 9-12% CAGR to US\$ 21-31 billion between 2013 and 2018. Its global ranking is expected to improve from 13th position to 11th position during this period.

The key drivers of growth include:

1. Rising healthcare awareness leading to an increase in spending on medicines
2. Changing life-styles leading to growing incidence of chronic ailments
3. Improving health insurance coverage driven by various measures being planned/implemented by the Indian government to bring 80% of the population under health insurance cover
4. Increased access to modern medicines driven by rapid urbanization

INDUSTRY CHALLENGES

The key challenges for the Indian pharmaceutical industry include the following:

- Ensuring 24x7 compliance with global cGMP standards; this will involve continuous improvement in systems and processes as well as training of the workforce
- Government-mandated price controls on pharmaceutical products
- Consolidation among customers in the US market
- Increasing competition from smaller new entrants

Sun Pharmaceutical Industries Limited

Sun Pharma is a leading global specialty generic and India's top pharmaceutical company. A vertically integrated business, economies of scale and an extremely skilled team enable it to deliver quality products in a timely manner at affordable prices. It provides high-quality, affordable medicines trusted by customers and patients in over 150 countries, globally.

>150

Markets served

48

Manufacturing facilities across six continents

>30,000

Employees worldwide

>2,000

Products marketed

Largest

Indian pharmaceutical company in emerging markets

5th

Largest generic pharmaceutical company in the US

US\$ 4.5 billion

Global revenue for year ended 31st March, 2015

No. 1

Rank by prescriptions with 13 different doctor categories in India

Sun Pharma's global presence is supported by 48 manufacturing facilities spread across six continents, R&D centers across the globe and a multi-cultural workforce comprising over 50 nationalities.

Sun Pharma is the largest Indian company in the US with strong presence in the generics market and an expanding presence in the branded market. It has a wide basket of 159 products pending approval for the US market consisting of a pragmatic mix of complex, patent challenge and normal generic products. In India, the Company enjoys prescription leadership across 13 different classes of doctors with 30 brands featuring among top 300 pharmaceutical brands in India. Its footprint across emerging markets covers over 100 countries and all the important markets in Western Europe.

Its global consumer healthcare business is ranked among top 10 across four global markets. Its API business footprint is strengthened through 12 world-class API manufacturing facilities worldwide.

LONG-TERM GROWTH STRATEGIES

Sun Pharma focuses on building a sustainable business model for driving the long-term growth of the organization. The model encompasses four most-critical business aspects, which can be continuously streamlined to achieve higher efficiencies:

Creating sustainable revenue streams

- Enhancing share of speciality business globally
- Achieving differentiation by focusing on technically complex products
- Focusing on key markets –achieving critical mass
- Improvising speed to market
- Ensuring sustained compliance with global regulatory standards

Business development

- Using acquisitions to bridge critical capability gaps
- Focusing on access to products, technology and market presence
- Ensuring acquisitions yield high return on investment
- Focusing on payback timelines

Cost leadership

- Vertically integrated operations
- Optimize operational costs

Balance profitability and investments for future

- Increasing contribution of speciality and complex products
- Future investments directed towards differentiated products



Ohm Laboratories Inc.

BUSINESS SEGMENTS

- US Business
- Indian Branded Generics Business
- Emerging Markets
- Western Europe, Canada, Australia, New Zealand and Other Markets
- Global Consumer Healthcare Business
- Active Pharmaceutical Ingredients (APIs)

TABLE 3: Sun Pharma - Key acquisitions

Year	Deals	Country	Rationale
2015	Sun Pharma – Ranbaxy merger	Global markets	5th largest global specialty generic pharma company, No.1 pharma company in India and strong positioning in emerging markets
2015	Acquisition of GSK's Opiates business	Global markets	Vertical integration for controlled substances business
2014	In-licensing agreement with Merck for MK-3222, a biologic for psoriasis	Global markets	Strengthening the specialty product pipeline
2014	Acquired Pharmalucence	US	Sterile injectable capacity in the US, supported by strong R&D capabilities
2013	Formation of Sun-Intrexon JV	Global markets	JV for ocular therapies
2013	Acquired URL's generic business	US	Adds 107 products to the US portfolio
2012	Acquired DUSA Pharma, Inc.	US	Access to branded dermatology product
2011	Formation of Sun-MSD JV	Emerging markets	Develop and commercialize technology based combination products
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel	Access to dermatology and topical product development and manufacturing capabilities
2008	Acquired Chattem Chemicals, Inc.	Tennessee, US	Import registration with DEA, API plant approved by DEA in Tennessee, US
2005	Assets of Able Labs Formulation plant in Bryan	US	Dosage form plant (NJ, US) and IP Dosage form plant (Ohio, US)
1997	Acquired Caraco	Detroit, US	Entry into the US market



Top Spray Granulator

RANBAXY ACQUISITION - ONE PLUS ONE IS GREATER THAN TWO

Sun Pharma completed the acquisition of Ranbaxy Laboratories Limited – an integrated, research based, international pharmaceutical company in March 2015.

The combined entity will capitalize on the expanded global footprint and the enhanced positioning in the specialty generics landscape. The merger fortified Sun Pharma's position as the world's fifth largest specialty generic pharmaceutical company

and the top ranking Indian pharmaceutical company with significant lead in market share.

The combined entity's manufacturing footprint covers six continents with products sold in over 150 nations with a stronger presence in the US, India, Asia, Europe, South Africa, CIS and Russia and Latin America. Sun Pharma now offers a large basket of specialty and generic products encompassing a broad range of chronic and acute prescription drugs, as well as undertakes proactive forays into global consumer healthcare markets.

5th

Largest global generics player (for 12 months ended December 2014)

#1

US supplier of generic dermatology products

Leading

Specialty chronic company in India

Largest

Indian company in emerging markets

#1

In Indian pharma market

#1

In 13 doctor categories by prescriptions in India

30 Brands

In Top 300 Indian pharma brands

3rd

Largest US branded dermatology company

TOP 10

Consumer healthcare company in India and select RoW markets

Sun Pharma has identified the following key priority levers to drive growth in the combined entity:

- Achieving 100% compliance to global cGMP standards in line with regulator expectations
- Increasing R&D productivity and introduce innovative products to increase the share of value-added products
- Enhancing presence in the specialty segment, especially in the US market
- Targeting strong business growth across the US, India and rest of the world markets
- Target synergy benefits of US\$ 300 million by FY18 from the Ranbaxy acquisition

The integration will emphasize on productivity enhancement, aligning best functional requirements and employee talents in the combined entity. This merger strengthened Sun Pharma's foundation with a strong and multi-cultural team of over 30,000 people representing over 50 global cultures making the combined entity a truly global corporation in spirit and scale.

Sun Pharma is working with global consultants assisting its internal teams to achieve the above objectives. It has formalized an operational blueprint for realizing its US\$ 300 million synergy target by FY18 through significant value creation across functions. The integration will cover all functions and markets globally.

Leading the integration process will be Sun Pharma's leadership team comprising members from Sun Pharma and Ranbaxy. This team draws upon the expertise, collective industry experience and proven track record of Sun Pharma and Ranbaxy. The leadership

team is also responsible for leading Sun Pharma's next phase of growth as it deepens penetration into existing markets, while the merger enables it to enter new therapies and markets.

The combined entity's leadership structure design was guided by the following factors:

- Allow focus on priority areas and institutionalize imperatives in R&D and quality
- Support strong and sustainable revenue growth across the US, India and rest of the world
- Promote learning through best practices of Sun Pharma and Ranbaxy
- Create opportunities for talent to grow together
- Minimize disruptions by undertaking modification only in case of clear benefits

The combined entity comprises best intellectual capital, capability of nearly 2,000 scientists and the ability to invest significantly in R&D. The focus of R&D investments will be to harness multiple capabilities and technologies for developing complex products in addition to the combined entity's core business of offering affordable generic medicines. The combined entity will continue developing innovative and complex generics that have technical differentiators.

Post-merger, Daiichi Sankyo, which had 8.9% equity stake in Sun Pharma, decided to divest its investment in the Company. Daiichi Sankyo indicated that it undertook the divestment to enhance its own corporate value.



Tablet Imprinting Machine

Consolidated Key Financial Indicators

Net Sales (₹ Million)



Profit After Tax (₹ Million)



Book Value per Share (₹)



Net Worth (₹ Million)



EBITDA (₹ Million)



EBITDA = Net Sales - (Material Cost + Staff Cost + Other Expenses)

Adjusted Earning per Share (post exceptional items)* (₹)



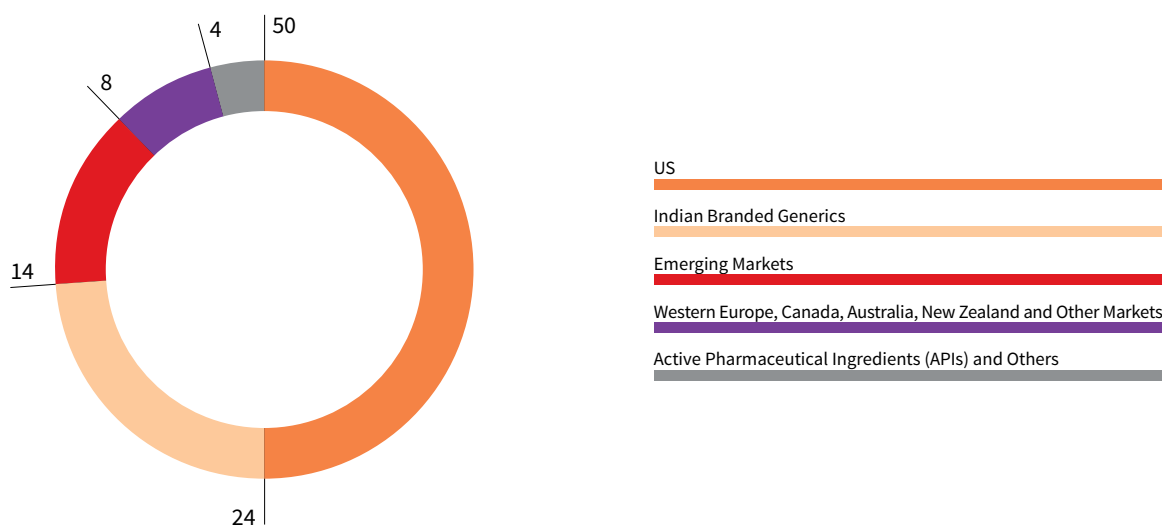
Market Capitalization (US\$ Billion as of 31st March)



Gross Block (₹ Million)



CHART 9: Business-wise Revenue Share in FY15 (%)





API Plant

FY15 operational highlights

The financials for FY15 include the full year impact of the Ranbaxy acquisition and hence are not strictly comparable to the financial numbers for FY14.

- Consolidated revenue from operations for FY15 grew 70% over FY14 to ₹ 277,178 million, while EBITDA increased 10% to ₹ 78,166 million. The revenue increase was primarily due to the acquisition of Ranbaxy, whose results were consolidated with effect from 1st April, 2014. It increased the total revenue substantially and also the proportion of revenues derived from international markets.
- Taro:** Taro reported good performance, despite increasing competition. For FY15, Taro's revenues grew by 14% to US\$ 863 million, while EBITDA grew by 22% to US\$ 545 million. EBITDA margins expanded by over 400 bps to 63.1% for the year. Taro's net profit for FY15 increased by 34% to US\$ 484 million. The good performance was catalyzed primarily by favorable sale prices throughout the year, which also witnessed a gradual increase in competition for certain products. The competition for some of Taro's products may intensify in the future.
- Ranbaxy acquisition:** In April, 2014, Sun Pharma announced the acquisition of Ranbaxy in one of India's largest M&A transactions. The acquisition was structured as an all-stock deal, wherein Ranbaxy shareholders received shares of Sun Pharma in the ratio of 0.8 share of Sun Pharma for each share of Ranbaxy. The transaction achieved closure in March, 2015 post the receipt of all regulatory approvals in relevant markets.
- Manufacturing consolidation:** In May, 2014, the Company announced the closure of its Detroit (USA) facility as a part of its manufacturing consolidation. All relevant products, which were being manufactured at this facility were shifted to Sun Pharma's other facilities.
- Strengthening injectable capability in the US:** In July, 2014, Sun Pharma announced the acquisition of Pharmedica Inc. (USA). This acquisition provides the Company access to sterile injectable facility supported by strong R&D capabilities.
- Enhancing the specialty pipeline:** In September, 2014, Sun Pharma and Merck & Co. Inc. entered into an exclusive worldwide licensing agreement for Merck's investigational therapeutic antibody candidate, tildrakizumab, (MK-3222), which is currently being evaluated in Phase 3 trials to treat chronic plaque psoriasis, a skin ailment. Under the terms of the agreement, Sun Pharma acquired worldwide rights to tildrakizumab for use in all human indications from Merck in exchange for an upfront payment of US\$ 80 million, milestone payments and tiered royalties. Merck will continue all clinical development and regulatory activities, which will be funded by Sun Pharma. Upon final approval for the product, Sun Pharma will be responsible for all subsequent activities. Another such step towards enhancing the specialty portfolio was the in-licensing of Xelpros (Latanoprost BAK-free) for the US market, from Sun Pharma Advanced Research Company Ltd (SPARC) in June, 2015.
- Strengthening presence in controlled substances:** In March, 2015, the Company entered into an agreement with GSK to acquire the latter's Opiates business in Australia, along with two manufacturing facilities. The acquisition provides Sun Pharma access to a product portfolio consisting of poppy-derived Opiate raw materials that are primarily used in the manufacture of analgesics for the treatment of moderate to



API Plant

severe pain. The global Opiates market holds good potential and the addition of GSK's Opiates business will strengthen the Company's positioning further. The acquisition is a part of strategy towards building our portfolio of Opiates and accessing strong capabilities in this segment. This acquisition is likely to close in August, 2015 and will contribute to Sun Pharma's financials for part of FY16.

- **In-licensing patented product for India business:** In June, 2015, Sun Pharma and AstraZeneca Pharma India Limited (AZPIL) entered into a distribution services agreement in India for AstraZeneca's brand 'Axcer®', a new brand of ticagrelor, a drug used to treat acute coronary syndrome (ACS). It strengthens Sun Pharma's cardiology portfolio with the addition of a new patented therapy.

Outlook

- **Investing for future:** Sun Pharma continues to strengthen and build leadership position in key markets and business segments. As a part of the focus towards enhancing share of specialty/branded business and targeting differentiated product offerings, the ophthalmic and OTC teams in the US have been strengthened. A dedicated team for MK-3222, the IL-23 anti-body, which is currently undergoing Phase-III clinical trials is also being formed. Significant resource allocation to R&D will continue in order to strengthen the specialty pipeline including patented products and complex generics. This will entail increased R&D investments including that for the development of MK-3222.
- **Global compliance:** A key priority will be to ensure continued 24x7 cGMP compliance by continuously enhancing systems, processes and human capabilities to meet global regulatory

standards at all manufacturing facilities. As a part of this process and to address the cGMP deviations at its Halol facility, the Company has undertaken various remedial measures. These remedial measures have resulted in supply constraints for some of the products. The remedial action at the Mohali, Dewas, Poanta Sahib and Toansa facilities is on track.

- **Ranbaxy integration:** The Company has commenced the integration of Ranbaxy from March 2015. As a part of the integration process, the Company expects to incur certain integration charges in order to generate long-term synergies from this merger. Also, as a part of the integration process, the Company may decide to discontinue certain non-strategic businesses.
- **FY16 outlook:** The factors indicated above are likely to adversely impact the overall revenues and profits of the Company for FY16, with consolidated revenues expected to remain flat or show a decline over FY15. Consolidated profits for FY16 may be adversely impacted due to lower revenues and due to certain expenses/charges arising out of Ranbaxy integration as well as remedial actions.
- **Long-term outlook:** Post the consolidation in FY16, the Company will be better placed to pursue higher than industry growth in subsequent years. The above initiatives will help the Company revert to a more sustainable growth trajectory.

Sun Pharma is a leading pharmaceutical company in the US generics market. It is the largest generic dermatology company and the 3rd largest branded dermatology company in the US. The Company's key focus areas include dermatology, oncology, controlled substances and ophthalmics, among others. It is one of the few global companies to have farm-to-market capabilities for controlled substances. It has firmly established itself as the No. 1 supplier of generic dermatology products in the US.

The Company has significant presence in generics, branded and OTC segments, with integrated manufacturing facilities. It has the flexibility to manufacture products, both onshore and offshore. As of 31st March, 2015, a total of 159 ANDAs were pending US FDA approval, including a combination of complex generics, Para-IV opportunities and pure generics. Efforts to strengthen Taro's R&D pipeline gained further momentum during the year. As of 31st March, 2015, Taro had a pipeline of 35 ANDAs awaiting US FDA approval, compared to 27 ANDAs a year back.

US business milestones

FY98

Entered the US through Caraco acquisition

FY98-FY10

Ramp-up in the US business

FY08 onwards

Launched many complex generics and few FTFs

FY10

Acquired Taro Pharma – Entered into the dermatology market

FY13

Acquired DUSA – Entered into the branded specialty market
Acquired URL's generic business

FY14

Acquired Pharmeducence – Gives access to sterile injectables capability

FY15

Expanded presence in the US due to the addition of Ranbaxy's US business

Business segment review

US BUSINESS

50%

Revenue contribution

₹ 137,195 million

Revenue from division

438

Cumulative ANDAs approved

597

Cumulative ANDAs filed

Divisional highlights, FY15

- Revenue from the US generics increased by 40% to ₹ 137,195.5 million in FY15. This increase was primarily due to the acquisition of Ranbaxy's US operations, partially offset by the on-going supply constraints at the Halol facility. These supply constraints are a result of the on-going remediation process at the Halol facility for addressing the cGMP deviations, which were pointed out by the U.S. FDA, during their inspection of this facility in September 2014.
- Revenue contribution from the US generics declined from 60% in FY14 to 50% in FY15, primarily due to Ranbaxy's acquisition.

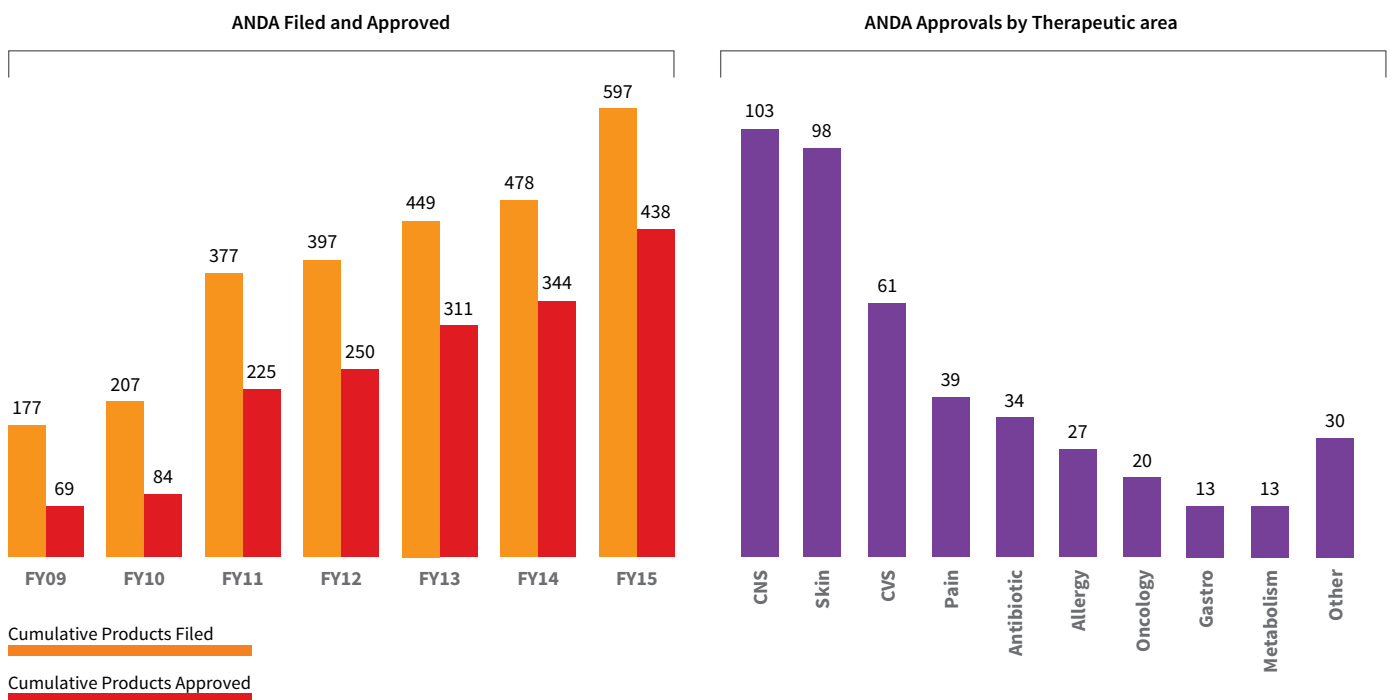
Future Focus

- Enhancing share of specialty/branded business
- Continue to focus on complex generics and high entry barrier segments
- Ensure broad product offerings to customers across multiple dosage forms
- Gain critical mass in key therapeutic segments



Scientists at a Quality Control Lab

CHART 10: ANDA pipeline



In India, Sun Pharma is the market leader in the chronic segment and offers a complete therapy basket with specialization in technically complex products. Among the country's top 300 pharmaceutical brands, Sun Pharma owns 30 brands – the highest by any single pharmaceutical company.

In India, Sun Pharma operates a strong 9,000+ marketing force, which promotes products to over 600,000 doctors across the country. The field force has well-trained sales representatives with a strong track record of performance.

Divisional highlights, FY15

- Revenue from Indian branded generics increased by 82% to ₹ 67,165.9 million in FY15. It was primarily due to the acquisition of Ranbaxy's India operations and increase in sales of the existing chronic illness pharmaceuticals products.
- Revenue contribution from Indian branded generics increased slightly from 23% in FY14 to 24% in FY15. Over 16 products were launched in the Indian market in FY15.

Ranbaxy's acquisition has further enhanced Sun Pharma's position in the Indian market. It became the largest player in India with 8.9% market share and No. 1 ranking by prescriptions with 13 different doctor categories.



Vial Labelling

INDIAN BRANDED GENERIC BUSINESS

24%

Revenue contribution

₹ 67,166 million

Revenue from division

#1

Ranked in Indian pharmaceutical industry, with 8.9% market share

#1

Ranked by prescriptions with 13 different classes of doctors

CHART 11: Therapeutic revenue break-up⁹ (%)

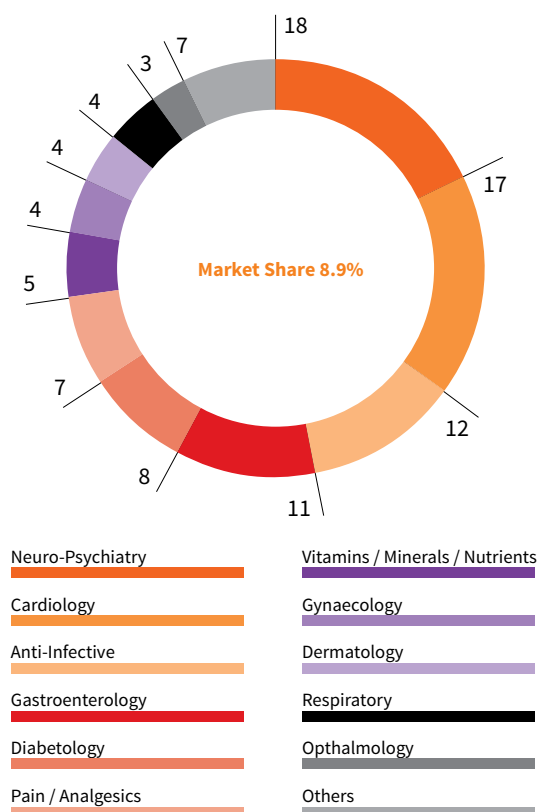


TABLE 4: Leadership in key therapeutic areas¹¹

Doctor Category	Prescription Rank (pre Ranbaxy acquisition as of October, 2014)	Doctor Category	Prescription Rank (post Ranbaxy acquisition as of June, 2015)
Psychiatrists	1	Psychiatrists	1
Neurologists	1	Neurologists	1
Cardiologists	1	Cardiologists	1
Orthopaedic	1	Orthopaedic	1
Ophthalmologists	1	Ophthalmologists	1
Gastroenterologists	1	Gastroenterologists	1
Nephrologists	1	Nephrologists	1
Diabetologists	2	Diabetologists	1
Consulting Physicians	5	Consulting Physicians	1
Dermatologists	6	Dermatologists	1
Urologists	6	Urologists	1
Chest Physicians	5	Chest Physicians	1
Oncologists	8	Oncologists	1

↑
Improved
rankings
due to
Ranbaxy
acquisition

Future Focus

- Improve productivity of Indian business
- Maintain leadership position in a fiercely competitive market
- Continuously innovate to ensure high brand equity with doctors
- Continue to evaluate in-licensing opportunities to access latest generation products



Dissolution testing in Quality Control Lab



API Plant

EMERGING MARKETS

14%

Revenue contribution

100+

Presence across emerging markets

₹ 37,326 million

Revenue from division

The Company has an extensive basket of branded products, and it maintains a strong relationship with doctors and medical practitioners in the emerging markets. After Ranbaxy's acquisition, the Company's international footprint across emerging markets has increased significantly. It has 11 manufacturing facilities across various countries in emerging markets.

A team of over 2,300 sales representatives cross-sell products of Sun Pharma as well as Ranbaxy, catering to the demands for the products from both the portfolios.

Divisional highlights, FY15

- Sun Pharma's presence in emerging markets expanded significantly due to Ranbaxy's acquisition. The sales of emerging markets increased by 260% to ₹ 37,326 million in FY15, but were partly moderated by currency volatility in few markets of this region.
- Revenue contribution from emerging markets increased to 14% in FY15.

Future Focus

- Gain critical mass in key emerging markets
- Enhance product basket and market presence
- Focus on improving business profitability

REST OF WORLD - WESTERN EUROPE, CANADA, ANZ AND OTHER MARKETS

8%

Revenue contribution

₹ 23,320 million

Revenue from division

Market presence

Across Western Europe, Canada, ANZ and Other Markets

Sun Pharma has a strong presence across all major markets in Western Europe, Canada, ANZ and few other markets. Across these geographies, the Company offers a wide range of products, including injectable and hospital products, as well as products for retail market. Development and commercialization of complex generics and differentiated products are the primary focus areas to drive sustainable and profitable growth. The Company has adopted a distribution-led business model to penetrate deep into the market. It caters these markets through manufacturing plants at Canada, Hungary, Ireland and India.

Divisional highlights, FY15

- Revenue in Rest of World (RoW) markets increased significantly by 166% to ₹ 23,320 million in FY15, primarily driven by Ranbaxy's acquisition. Revenue contribution from this geographic region increased to 8% in FY15.

Future Focus

- Improve profitability in developed European markets
- Focus on differentiated product offerings to ensure sustained profitability

ACTIVE PHARMACEUTICAL INGREDIENTS (API) BUSINESS

4%

Revenue contribution

₹ 10,702 million

Revenue from division

12

API manufacturing units

270

DMF/CEP approvals

396

DMF/CEP filings

Sun Pharma manufactures over 300 APIs across 12 locations. Around 25 APIs are added to the Company portfolio annually. The Company focuses on backward integration to harness cost competitiveness and strengthen supply reliability. Moreover, large generic and innovator companies comprise the clientele for the Company's API business.

Divisional highlights, FY15

- Revenue from APIs and other sources increased by 31% to ₹ 10,701.7 million in FY15. This increase was primarily due to the acquisition of Ranbaxy's business. Revenue contribution from this division decreased slightly from 5% in FY14 to 4% in FY15.
- The India-based manufacturing facilities have dedicated units for peptides, anti-cancer, steroids and sex hormones. The API facility in Tennessee, USA has the capability to manufacture controlled substances. The acquisition of GSK's Opiates business in Australia will add two more facilities, capable of manufacturing Opiate raw materials. This will help the Company achieve strong backward integration in this important product segment.

Future Focus

- Ensure backward integration and supply reliability to drive long-term competitiveness of the formulations business
- Focus on developing and sustaining long-term supply relationships with global customers



Bottle Packing Line

GLOBAL CONSUMER HEALTHCARE BUSINESS

14

Key brands

2,500+

Distributors and sales representatives in India

5

Core markets (India, Russia, Romania, Nigeria and Myanmar)

4

Growth markets (Ukraine, Poland, South Africa and Sri Lanka)

100,000+

Outlets in India

5

Category brand leaders

10,000+

Retail pharmacies across Russia

7,000

Pharmacies across Romania

Sun Pharma ranks among the top 10 consumer healthcare companies in India. Globally, the Company operates in about 20 countries, of which the core markets comprise India, Russia, Romania, Nigeria and Myanmar. Ukraine, Poland, South Africa and Sri Lanka hold out significant growth opportunities for the Company.

Sun Pharma is represented by a dedicated sales force in every market. Also, the Company, ranks among the top 10 consumer healthcare companies in India, Romania, Nigeria and Myanmar.

RESEARCH AND DEVELOPMENT

Being one of the world's leading pharmaceutical companies, Sun Pharma has consistently invested in Research & Development (R&D) for sustainable value creation. The R&D centers are supported by around 2,000 research scientists, and equipped with cutting-edge technologies. These scientists have expertise in developing generics, difficult to make technology intensive products, APIs and Novel Drug Delivery Systems (NDDS).

Sun Pharma's R&D capabilities include the development of differentiated products, such as liposomal products, inhalers, lyophilised injections and nasal sprays. Besides, it is also engaged in developing controlled release dosage forms.

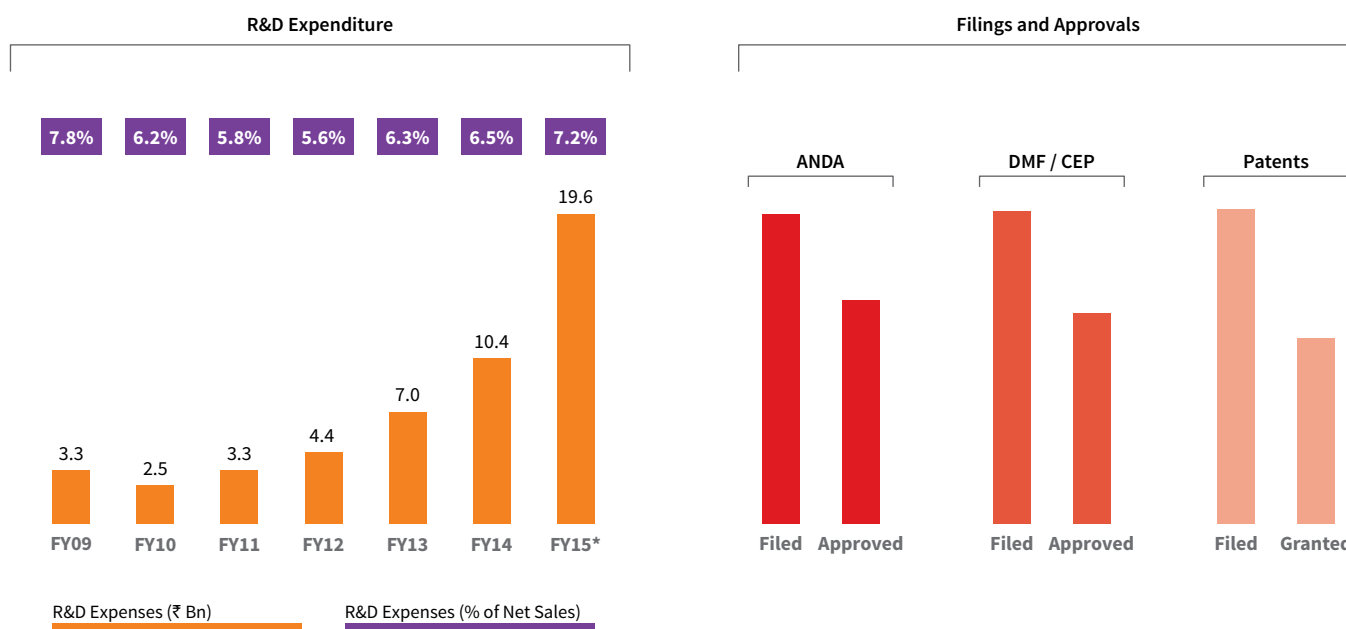
Its knowledge in pharmaceutical research allows a rapid ramp-up of a diverse range of immediate and novel delivery systems, spanning oral, parenteral, topical and inhalation dosage forms. The Company's formulation expertise lies in the areas of taste masking, spray-drying, drug-layering, nano-milling, lyophilisation and other pharmaceutical unit operations that enable it to cater

to various formulation design needs and concepts. The ability to develop difficult-to-make APIs, by using the latest technologies is the key differentiating factor of the Company's research.

The erstwhile Ranbaxy (now merged with Sun Pharma) identified and developed arterolane maleate, India's first New Chemical Entity (NCE), which was launched in India in 2012. Synriam™, a fixed

dose combination of arterolane maleate (150 mg) and Piperaquine phosphate (750 mg) is a new-age cure for Malaria. The synthetic anti-malarial combination is a non-artemisinin drug that simplifies the treatment of malaria to an effective, once-daily tablet, with a three-day regimen. During the year under review, Sun Pharma spent over 7% of its turnover into research and development.

CHART 12: Research and Development investment



FY09-FY14 numbers exclude Ranbaxy financials

* FY15 numbers include the impact of Ranbaxy merger

597

Cumulative ANDAs filed

438

Cumulative ANDAs Approved

396

DMF / CEP cumulative applications filed

270

DMF / CEP cumulative applications approved

1,598

Total patent applications submitted

951

Total patents granted

19

ANDAs filed in FY15

14

ANDAs approved in FY15

18

DMFs filed in FY15

6

DMFs approved in FY15

MANUFACTURING FACILITIES

The Company's key priority is to ensure world-class quality in design, equipment and operations in all its manufacturing facilities, globally. It has 48 (API and finished dosages) state-of-the-art manufacturing sites, spanning across six continents. These manufacturing units are located in India, the US, Brazil, Canada, Hungary, Israel, Bangladesh, Mexico, Romania, Ireland, Morocco, Nigeria, South Africa and Malaysia. These units ensure that the Company is able to provide best-in-class products to patients across 150 countries worldwide.

The manufacturing operations are focused on producing generics, branded generics, specialty products, over-the-counter (OTC) products, anti-retroviral (ARVs) and APIs. They also produce the full range of dosage forms, including tablets, capsules, injectable, ointments, creams and liquids. The Company also manufactures specialty APIs, including controlled substances, steroids, peptides and anti-cancer products.

The Company has a highly skilled team of regulatory affairs specialists, who are well versed with regulatory policies and

procedures around the world. They are experienced in timely filing of dossiers, as well as handling regulatory queries of both authorities and customers.

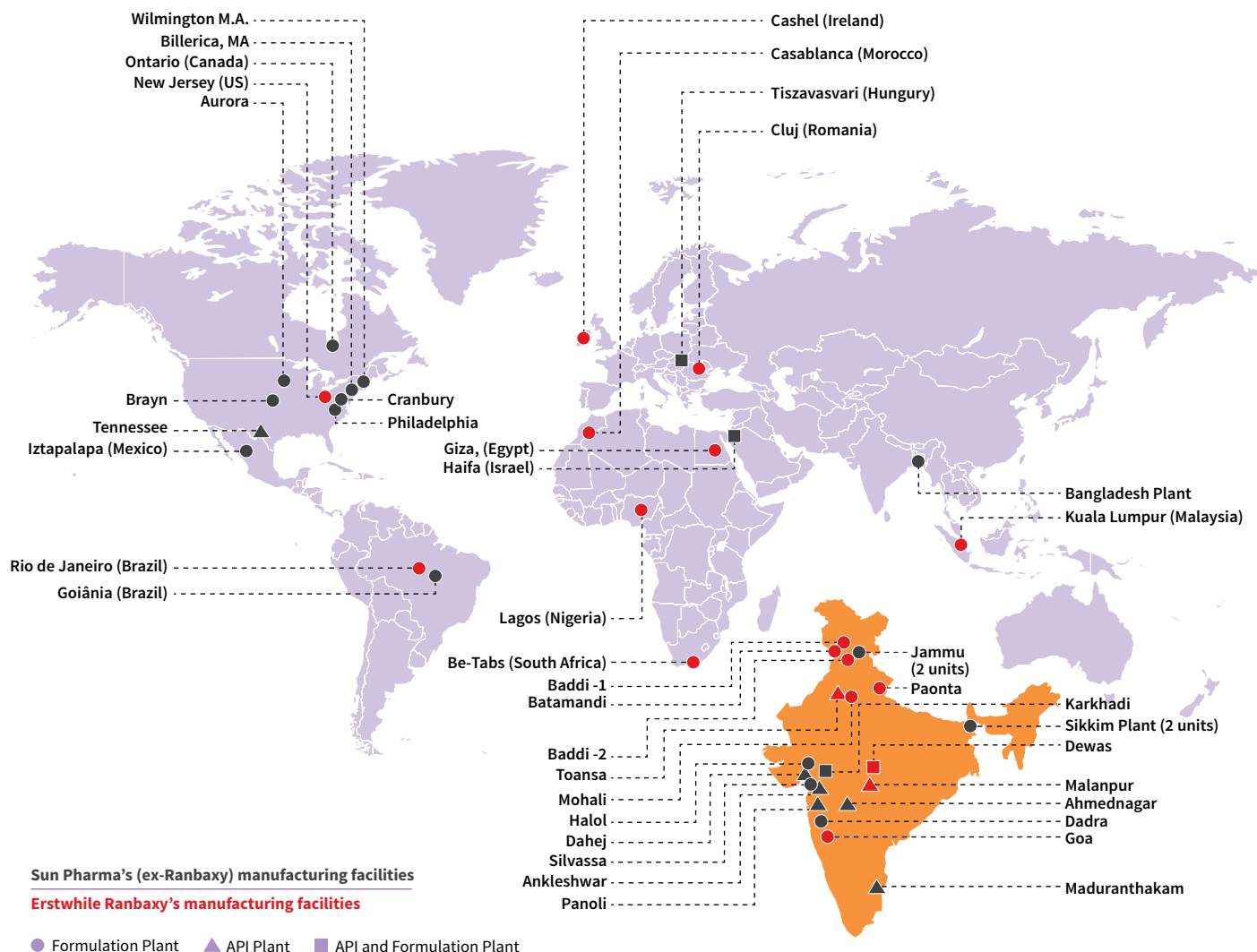
A wide range of regulatory agencies routinely conduct stringent audits of the Company's manufacturing facilities for compliance with Current Good Manufacturing Practices (cGMP). Several regulatory agencies, including US FDA, EMEA-Europe, MHRA-UK, MCC-South Africa, TGA-Australia, ANVISA-Brazil, WHO-Geneva, BfArM-Germany, KFDA-Korea and PMDA-Japan, have certified the Company's facilities.

In September 2014, the US FDA undertook an inspection of the Company's Halol facility in Gujarat. The US FDA identified certain deviations from cGMP norms at this facility. Subsequently, the Company initiated remedial actions to address such deviations through a detailed corrective action plan. This remedial action is currently on-going, which has resulted in temporary supply constraints at this facility. These supply constraints are expected to continue till all the remedial measures are completed, post which supplies are likely to improve gradually.



V Blender with online material loading provision

Global manufacturing footprint



HUMAN ASSETS

Operating in a knowledge intensive industry, human resource is of prime importance for Sun Pharma. With an eclectic mix of youth and experience, the Company has nurtured its business through a transformational leadership approach, rather than transactional. As of 31st March, 2015, its total employee strength was over 30,000. It continues to invest in building critical talent in various segments of its business to drive future growth and profitability.

During the year, the Company initiated several training and self-development activities to enhance and enrich employee knowledge and capabilities. It also ensured inclusive growth of every employee, which motivated them irrespective of their designation.

QUALITY ADHERENCE

Adherence to quality standards is imperative for a global pharmaceutical company, and is a priority for Sun Pharma. The primary objective of the Company's Quality Management Team is to meet quality standards of global regulatory agencies, viz., US FDA, EMEA, MHRA and TGA, among others.

Our quality units are independent of any other business division. Each manufacturing facility is equipped with teams of well-trained personnel, guided by a Corporate Quality Unit (CQU). The CQU works along with the regulatory affairs department. CQU ensures that the latest updates in cGMP are being translated into guidelines, SOPs and protocols.

In addition, an independent Corporate Compliance Department audits the sites to strengthen all procedures and ensure 24x7 compliance. Systems and processes are continuously evaluated and improved in line with regulatory requirements.

INTERNAL CONTROL

Sun Pharma believes that internal control is a necessary prerequisite of the principle of Governance and that freedom should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

An independent and empowered Global Internal Audit Function at the Corporate level carries out risk focused audits across all businesses (both in India and Overseas), which actively identifies areas where business process controls are ineffective or may need enhancement. These reviews include financial, operational, compliance controls and risk mitigation plans. The Audit Committee of the Board periodically reviews key findings and provides strategic guidance. The Operating Management of the Company closely monitors the internal control environment and ensures that the recommendations are effectively implemented.

DISCLAIMER

Statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events are 'forward looking statement' 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, competitors' pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic conditions 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 'Sun Pharma', 'the Company', 'we', 'us' or 'our' refers to Sun Pharmaceutical Industries Limited and consolidated subsidiaries.

Bibliography

1. IMS: Global Outlook for Medicines Through 2018
2. IMS Market Prognosis, September 2014
3. Deloitte: 2015 Global Life Sciences Outlook
4. Accenture: Fast forward to growth
5. IMS Institute for Healthcare Informatics, October 2014
6. Accenture Research, 2013
7. Global API Market Outlook 2018
8. IBEF.ORG
9. AIOCD-AWACS MAT for March-2015
10. Broker Reports
11. SMSRC Report

BOARD'S REPORT

Your Directors take pleasure in presenting the Twenty-Third Annual Report and Audited Financial Statements for the year ended 31st March, 2015.

FINANCIAL RESULTS

Particulars	(₹ in million except dividend per share and book value)			
	Standalone		Consolidated	
	Year ended 31st March, 2015*	Year ended 31st March, 2014*	Year ended 31st March, 2015*	Year ended 31st March, 2014*
Total Revenue	82,287.7	30,065.5	279,811.0	166,325.9
(Loss) / Profit after tax	(14,741.3)	(28,285.2)	45,393.8	31,414.7
Dividend on Equity Shares	7,219.5	3,106.7	7,219.5	3106.7
Corporate Dividend tax	1,469.7	528.0	1,469.7	528.0
Transfer to Various Reserves	0	0	1.9	0
Amount of dividend per equity share of ₹ 1/- each	3.0	1.5	3.0	1.5
Book value per equity share ₹ 1/- each**	95	36	107	89

***Previous year figures are not comparable, since current year standalone and consolidated figures include the effect of merger of erstwhile Ranbaxy Laboratories Ltd into the Company with effect from 1st April, 2014, and current year standalone figures also include effect of merger of Sun Pharma Global Inc., into the Company with effect from 1st January, 2015.**

**** including Share Suspense Account**

DIVIDEND

Your Directors are pleased to recommend an equity dividend of ₹ 3.00 per equity share of face value ₹ 1 each (previous year ₹ 1.50 per equity share) for the year ended 31st March, 2015.

MERGERS

1) Ranbaxy Laboratories Limited ("Ranbaxy")

Pursuant to the approval of Hon'ble High Court of Gujarat, at Ahmedabad vide its order dated 14th November, 2014, and amended orders dated 28th November, 2014 and 24th December, 2014 and the approval of the Hon'ble High Court of Punjab & Haryana at Chandigarh vide its order dated 9th March, 2015 erstwhile Ranbaxy merged into the Company effective from 24th March, 2015. The appointed date for the merger was 1st April, 2014.

Pursuant to the merger of erstwhile Ranbaxy into the Company, 334,956,764 (Thirty Three Crore Forty Nine Lakh Fifty Six Thousand Seven Hundred and Sixty Four) equity shares of the Company, were allotted on 10th April, 2015 to the shareholders of erstwhile Ranbaxy in the ratio of 8 (eight) equity shares of ₹ 1 each of the Company for every 10 (ten) equity shares of ₹ 5 each of erstwhile Ranbaxy held by them as on the record date i.e. 7th April, 2015. After the said allotment the total number of equity shares of the Company has aggregated to 2,406,120,674 of ₹ 1 each. Further 5,000 (Five

Thousand) Secured Rated Redeemable 9.20% Non-Convertible Debentures (NCD) of the Face Value of ₹ 1,000,000/- each were allotted to the NCD holders of erstwhile Ranbaxy in the ratio of 1 (One) NCD of ₹ 1,000,000/- each of the Company for every 1 (One) NCD of ₹ 1,000,000/- each held in erstwhile Ranbaxy as on the record date i.e. 7th April, 2015. After allotment the total number of NCDs of the Company is 5,000 Secured Rated Redeemable 9.20% Non-Convertible Debentures of the Face Value of ₹ 1,000,000/- each. For further details on merger, you may refer the Management Discussion and Analysis Report, which forms a part of this Report.

Further, the merger of erstwhile Ranbaxy with the Company had resulted in owning 46.84% of the voting rights held by erstwhile Ranbaxy in Zenotech Laboratories Ltd. (Zenotech). By virtue of this indirect acquisition, the Company made an open offer under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the shareholders of Zenotech, except Daiichi Sankyo Company, Ltd., to acquire up to 9,693,332 equity shares of Zenotech (representing 28.16% of the paid-up equity share capital of Zenotech).

As a part of the open offer process, the Company had issued Detailed Public Statement (DPS) with respect to the offer on 30th March 2015 and Letter of Offer on 18th June 2015. The offer was

opened on 30th June 2015 and closed on 13th July 2015. The total number of shares that were tendered in the offer were 785 shares representing 0.002% of voting share capital of Zenotech.

2) Sun Pharma Global Inc.

The Hon'ble High Court of Gujarat, at Ahmedabad vide its order dated 30th July, 2015 approved the Scheme of Amalgamation of Sun Pharma Global Inc., wholly-owned subsidiary of the Company, into the Company, effective from 6th August, 2015. The appointed date for the said merger was 1st January, 2015.

The Company intended to reorganize, consolidate and integrate Sun Pharma Global Inc's operations with the activities of the Company as a part of group restructuring and hence Sun Pharma Global Inc has been merged into the Company. Sun Pharma Global Inc., being a wholly owned subsidiary, it was merged into the Company without any consideration.

CHANGES IN CAPITAL STRUCTURE

Pursuant to merger of erstwhile Ranbaxy Laboratories Limited into the Company, the Authorized Share Capital of the Company has increased to 5,990,000,000 Equity Shares of ₹ 1/- each amounting to ₹ 5,990,000,000/- and 100,000 Preference Shares of face value of ₹ 100/- each amounting to 10,000,000/- aggregating to ₹ 6,000,000,000/-.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in prescribed form MGT-9 is enclosed as Annexure - A to this Report.

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

The statement containing salient features of the financial statements of the Company's subsidiaries/joint ventures/associate companies is given in Form AOC-1, which forms part of this Annual Report. Details pertaining to companies that became subsidiaries/joint ventures/associates and those that ceased to be subsidiaries/joint ventures/associate of the Company during the year are provided in Note 31 of the notes to the Consolidated Financial Statements.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Sudhir Valia, Whole-time Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. Uday Baldota was appointed as Chief Financial Officer of the Company with effect from 12th August, 2014.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

For the purpose of selection of any Director, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, appointment and remuneration of Directors & Senior Management. The summary of Remuneration Policy of the Company is disclosed in the Corporate Governance Report, which forms a part of this Report.

FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of the Clause 49 of the Listing Agreement, the Company has put in place a Familiarization Program for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarization Program is available on the website of the Company www.sunpharma.com and may be accessed through the web link :<http://www.sunpharma.com/policies>.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met six times during the previous financial year on 6th April, 2014, 29th May, 2014, 12th August, 2014, 27th September, 2014, 13th November, 2014 and 14th February, 2015. The particulars of attendance of the Directors at the said meetings are detailed in the Corporate Governance Report of the Company, which forms a part of this Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors have laid down the manner for carrying out an annual evaluation of its own performance, its various Committees and individual directors pursuant to the provisions of the Act and

relevant Rules and the Corporate Governance requirements as prescribed under Clause 49 of the Listing Agreement.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as Board Composition, process, dynamics, quality of deliberations, strategic discussions, effective reviews, committee participation, governance reviews etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as Committee composition, process, dynamics, deliberation, strategic discussions, effective reviews etc.

The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as Transparency, Analytical Capabilities, Performance, Leadership, Ethics and ability to take balanced decisions regarding stakeholders etc.

In a separate meeting of Independent Directors, performance of Non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-executive Directors.

HUMAN RESOURCES

Your Company considers its employees as most valuable resource and ensures strategic alignment of Human Resource practices to meet business objectives. Spread across globally the Company has a dedicated resource of over 30,000 employees at various locations across Corporate Office, R & D Centers & 40 plus manufacturing locations and dedicated Sales Professionals across the various geographies (including subsidiary and associate companies). Our constant endeavor is to invest in people and people processes, building capability and enhance our quality through key initiative of personal ownership & communication with an objective to improve our service delivery to the Customers. Attracting the right talent and engaging them for high performance is our focus. We strive to provide a great place to work to our human resources through challenging and learning environment.

Information as per Section 197 (12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is provided in a separate annexure forming part of this Report. Further, pursuant to the proviso to Section 136 (1) of the Companies Act, 2013, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary/Compliance Officer at Corporate office or Registered office address of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavor of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. During the year ended 31st March, 2015, no complaints pertaining to sexual harassment was received by the Company.

AUDITORS

Statutory Auditors

The Company's Auditors, Messrs. Deloitte Haskins & Sells LLP Chartered Accountants (Firm's Regn No. 117366W/W-100018), at the 22nd Annual General Meeting of the Company, were appointed as the Statutory Auditors of the Company for a period of three years, upto the conclusion of the 25th Annual General Meeting of the Company, subject to ratification by members at every Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs C J Goswami & Associates, Practicing Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure - B.

Cost Auditors

The Company has appointed Messrs. Kailash Sankhlecha & Associates, Cost Accountants, Vadodra as Cost Auditors of the Company for conducting Cost Audit in respect of Bulk Drugs & Formulations of the Company for the year 2015-16.

Pursuant to merger of erstwhile Ranbaxy Laboratories Limited with the Company, the erstwhile Ranbaxy locations being added, the scope of Cost Audit has increased and therefore on recommendation by the Audit Committee, the Board has proposed to increase the remuneration to be paid to Cost Auditors for the financial year ended 31st March, 2015 and for the financial year

ended 31st March, 2016. Accordingly the resolution for ratification of increase in remuneration has been proposed for approval of the shareholders at the ensuing Annual General Meeting. Your Directors recommend the resolution for ratification of increase in remuneration of the Cost Auditors.

LOANS, GUARANTEES & INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

RELATED PARTY TRANSACTIONS

The policy on Related Party Transactions as approved by the Board is available on the website of the Company and can be accessed through the web link <http://www.sunpharma.com/policies>. All contracts/arrangements entered by the Company during the previous financial year with the related parties were in the ordinary course of business and on arm's length basis.

No material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

AUDIT COMMITTEE COMPOSITION

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report which forms a part of this Report.

RISK MANAGEMENT

The Company has developed & implemented an integrated Enterprise Risk Management Framework through which it identifies monitors, mitigates & reports key risks that impacts its ability to meet the strategic objectives. During the year, the Board of Directors have constituted a Risk Management Committee which is entrusted with the responsibility of overseeing various strategic, operational and financial risks that the organization faces, along with the adequacy of mitigation plans to address such risks. A Risk Management Policy was also reviewed and approved by the Board.

The Company also has a Risk Management Committee and the details are mentioned in the Corporate Governance Report.

INTERNAL FINANCIAL CONTROLS

The Company has in place well defined and adequate internal financial control framework. During the year, such controls were tested and no material weaknesses in their design or operation were observed.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted

a Corporate Social Responsibility Committee. The details of membership of the Committee & the meetings held are detailed in the Corporate Governance Report forming part of the Annual Report.

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the Corporate Social Responsibility Committee is available on the website of the Company and can be accessed through the web link: <http://www.sunpharma.com/policies>.

Consequent to the loss incurred by the Company in the immediately preceding financial year, the average net profits of the Company for last three financial years is negative, therefore the Company was not required to spend on CSR activities during the previous year. However, the Company has voluntarily spent on CSR activities and the Annual Report on CSR activities containing details of voluntary expenditure incurred by the Company including that of erstwhile Ranbaxy and brief details on the CSR activities are given in Annexure - C.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the Public during the year under review, under the provisions of the Companies Act, 2013 and the rules framed thereunder.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis on the operations of the Company as prescribed under Clause 49 of the Listing Agreement is provided in a separate section and forms a part of this Report.

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance and Certificate of the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, are enclosed as a separate section which forms a part of this Report.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as Annexure - D.

EMPLOYEES' STOCK OPTION SCHEMES

Erstwhile Ranbaxy had two Employees' Stock Option Schemes, one by direct allotment and another through Trust route. Pursuant to the merger of erstwhile Ranbaxy Laboratories Limited into the Company, both the Schemes were adopted by the Company with requisite amendments and titled as SUN Employee Stock Option Scheme-2015 and SUN Employee Stock Option Plan-2015.

These Schemes are applicable only to the employees of erstwhile Ranbaxy and would continue till the time of expiry/ exercise of all the earlier granted stock options. No further options would be granted by the Company under these Schemes. Disclosures with respect to the Employees' Stock Option Schemes are enclosed as Annexure - E.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has a 'Whistle Blower Policy' for Sun Pharmaceutical Industries Limited (SPIL) and its Indian subsidiaries and post merger of erstwhile Ranbaxy, the Company has also adopted a "Global Whistle Blower Policy" for its Global subsidiaries (excluding listed companies and their subsidiaries), in addition to the existing code of conduct that governs the actions of its employees. The Corporate Governance Report contains disclosure on the vigil mechanism of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) read with Section 134(3) (c) of the Companies Act, 2013, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the financial year ended 31st March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and

- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSOLIDATED ACCOUNTS

In accordance with the requirements of the Companies Act, 2013 and Listing Agreement, the Consolidated Accounts of the Company and its subsidiaries, form a part of this Annual Report.

CREDIT RATING

ICRA rating agency has reaffirmed the highest credit rating of 'ICRA A1+' for the commercial paper programs and bank facilities of the Company. Further, CARE rating agency has also reaffirmed the highest credit ratings of 'CARE A1+' for the bank facilities and 'CARE AAA' for the outstanding 9.20% Secured, Redeemable, Non-Convertible Debentures of the Company.

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Report of the Company for the year ended 31st March, 2015, 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.

ACKNOWLEDGEMENTS

Your Directors wish to thank all stakeholders and business partners, Company's bankers, 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

11th August, 2015
Mumbai

Annexure - A

FORM MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2015
Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)
of the Companies (Management and Administration) Rules, 2014

I REGISTRATION AND OTHER DETAILS:

i) CIN:	L24230GJ1993PLC019050
ii) Registration date:	1st March, 1993
iii) Name of the Company:	Sun Pharmaceutical Industries Limited
iv) Category/ Sub-category of the Company:	Company Limited By Shares
v) Address of the Registered Office and Contact details:	SPARC, Tandalja, Vadodara 390020, Gujarat
Contact no:	0265-6615500
vi) Whether listed company:	Yes
vii) Name, Address, and Contact details of Registrar and Transfer Agent:	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai- 400078

II PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. no	Name and Description of main products/services	NIC code of the Product/ Service	% to total turnover of the Company
1	Pharmaceuticals	210	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON 31ST MARCH, 2015

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
1	Green Eco Development Centre Ltd.	India	U90009GJ2010PLC062892	Subsidiary	100.00%	2(87)(ii)
2	Sun Pharmaceutical (Bangladesh) Ltd.	Bangladesh	N.A	Subsidiary	72.50%	2(87)(ii)
3	Sun Pharmaceutical Industries, Inc. (Previously Known as Caraco Pharmaceutical Laboratories Ltd)	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
4	Sun Farmaceutica Do Brasil Ltda (Previously Known as TKS Farmaceutica Ltda)	Brazil	N.A	Subsidiary	100.00%	2(87)(ii)
5	Sun Pharma De Mexico S.A. DE C.V.	Mexico	N.A	Subsidiary	75.00%	2(87)(ii)
6	SPIL De Mexico S.A. DE C.V.	Mexico	N.A	Subsidiary	100.00%	2(87)(ii)
7	Sun Pharmaceutical Peru S.A.C.	Peru	N.A	Subsidiary	99.33%	2(87)(ii)
8	OOO "Sun Pharmaceutical Industries" Ltd.	Russia	N.A	Subsidiary	99.00%	2(87)(ii)
9	Sun Pharma de Venezuela, CA.	Venezuela	N.A	Subsidiary	100.00%	2(87)(ii)
10	Sun Pharma Laboratories Limited	India	U25200MH1997PLC240268	Subsidiary	100.00%	2(87)(ii)
11	Faststone Mercantile Company Private Limited	India	U51900MH2006PTC159266	Subsidiary	100.00%	2(87)(ii)
12	Neetnav Real Estate Private Limited	India	U45200MH2010PTC201611	Subsidiary	100.00%	2(87)(ii)
13	Realstone Multitrade Private Limited	India	U51900MH2006PTC158889	Subsidiary	100.00%	2(87)(ii)
14	Skisen Labs Private Limited	India	U73100MH2005PTC150606	Subsidiary	100.00%	2(87)(ii)
15	Softdeal Trading Company Private Limited	India	U51900MH2006PTC159237	Subsidiary	100.00%	2(87)(ii)
16	Ranbaxy Pharmacie Generiques SAS	France	N.A	Subsidiary	100.00%	2(87)(ii)

Annexure - A

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
17	Ranbaxy Drugs Limited	India	U24232PB1984PLC005725	Subsidiary	100.00%	2(87)(ii)
18	Vidyut Investments Limited	India	U67120PB1988PLC008444	Subsidiary	100.00%	2(87)(ii)
19	Gufic Pharma Limited	India	U24231GJ1983PLC006323	Subsidiary	100.00%	2(87)(ii)
20	Ranbaxy Malaysia Sdn. Bhd.	Malaysia	N.A	Subsidiary	71.22%	2(87)(ii)
21	Ranbaxy Nigeria Limited	Nigeria	N.A	Subsidiary	85.31%	2(87)(ii)
22	Ranbaxy (Netherlands) B.V.	Netherlands	N.A	Subsidiary	100.00%	2(87)(ii)
23	Caraco Pharma Inc	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
24	Chattem Chemicals Inc	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
25	Taro Development Corporation	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
26	Alkaloida Chemical Company Zrt.	Hungary	N.A	Subsidiary	99.99%	2(87)(ii)
27	Sun Pharmaceutical UK Ltd.	United Kingdom	N.A	Subsidiary	100.00%	2(87)(ii)
28	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	Australia	N.A	Subsidiary	100.00%	2(87)(ii)
29	Aditya Acquisition Company Ltd.	Israel	N.A	Subsidiary	100.00%	2(87)(ii)
30	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	N.A	Subsidiary	100.00%	2(87)(ii)
31	Sun Pharmaceuticals Italia S.R.L.	Italy	N.A	Subsidiary	100.00%	2(87)(ii)
32	Sun Pharmaceutical Spain, S.L.U	Spain	N.A	Subsidiary	100.00%	2(87)(ii)
33	Sun Pharmaceuticals Germany GmbH	Germany	N.A	Subsidiary	100.00%	2(87)(ii)
34	Sun Pharmaceuticals France	France	N.A	Subsidiary	100.00%	2(87)(ii)
35	Sun Pharma Global (FZE)	United Arab Emirates	N.A	Subsidiary	100.00%	2(87)(ii)
36	Sun Pharmaceuticals (SA) (Pty) Ltd.	South Africa	N.A	Subsidiary	100.00%	2(87)(ii)
37	Sun Global Canada Pty. Ltd.	Canada	N.A	Subsidiary	100.00%	2(87)(ii)
38	Sun Pharma Philippines Inc.	Philippines	N.A	Subsidiary	100.00%	2(87)(ii)
39	Sun Pharmaceuticals Korea Ltd.	Korea	N.A	Subsidiary	100.00%	2(87)(ii)
40	Sun Global Development FZE	United Arab Emirates	N.A	Subsidiary	100.00%	2(87)(ii)
41	Caraco Pharmaceuticals Pvt. Ltd	India	U24100MH2012FTC225970	Subsidiary	100.00%	2(87)(ii)
42	Sun Pharma Japan Ltd	Japan	N.A	Subsidiary	100.00%	2(87)(ii)
43	Sun Pharma HealthCare FZE	United Arab Emirates	N.A	Subsidiary	100.00%	2(87)(ii)
44	Morley and Company Inc	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
45	Sun Laboratories FZE	United Arab Emirates	N.A	Subsidiary	100.00%	2(87)(ii)
46	Taro Pharmaceutical Industries Ltd. (TARO)	Israel	N.A	Subsidiary	68.87%	2(87)(ii)
47	Taro Pharmaceuticals Inc.	Canada	N.A	Subsidiary	68.87%	2(87)(ii)
48	Taro Pharmaceuticals U.S.A., Inc.	United States of America	N.A	Subsidiary	68.87%	2(87)(ii)
49	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	N.A	Subsidiary	68.87%	2(87)(ii)
50	Taro Pharmaceuticals Europe B.V.	Netherlands	N.A	Subsidiary	68.87%	2(87)(ii)
51	Taro Pharmaceuticals Ireland Ltd.	Ireland	N.A	Subsidiary	68.87%	2(87)(ii)
52	Taro International Ltd.	Israel	N.A	Subsidiary	68.87%	2(87)(ii)
53	Taro Pharmaceuticals UK Ltd.	United Kingdom	N.A	Subsidiary	68.87%	2(87)(ii)
54	Taro Hungary Intellectual Property Licensing LLC.	Hungary	N.A	Subsidiary	68.87%	2(87)(ii)
55	3 Skyline LLC	United States of America	N.A	Subsidiary	68.87%	2(87)(ii)

Annexure - A

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
56	One Commerce Drive LLC	United States of America	N.A	Subsidiary	68.87%	2(87)(ii)
57	Taro Pharmaceutical Laboratories Inc	United States of America	N.A	Subsidiary	68.87%	2(87)(ii)
58	Taro Pharmaceuticals Canada Ltd.	Canada	N.A	Subsidiary	68.87%	2(87)(ii)
59	Taro Pharmaceutical India Private Ltd.	India	U51397MH2004PTC144179	Subsidiary	68.87%	2(87)(ii)
60	Alkaloida Sweden AB	Sweden	N.A	Subsidiary	100.00%	2(87)(ii)
61	Dusa Pharmaceuticals Inc	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
62	Dusa Pharmaceuticals New York Inc	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
63	Sirius Laboratories Inc	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
64	URL Pharma Inc	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
65	AR Scientific. Inc	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
66	Mutual Pharmaceutical Company, Inc.	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
67	United Research Laboratories, Ltd.	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
68	Dungan Mutual Associates, LLC	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
69	URL PharmPro, LLC	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
70	Universal Enterprises (Pvt) Ltd.	India	N.A	Subsidiary	100.00%	2(87)(ii)
71	Sun Pharma Switzerland Ltd.	Switzerland	N.A	Subsidiary	100.00%	2(87)(ii)
72	Sun Pharma Holdings (Previously Known as Nogad Holdings)	Mauritius	N.A	Subsidiary	100.00%	2(87)(ii)
73	Silverstreet Developers LLP	India	N.A	Subsidiary	100.00%	2(87)(ii)
74	Sun Pharma East Africa Limited	Kenya	N.A	Subsidiary	100.00%	2(87)(ii)
75	Pharmalucence Inc.	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
76	PI Real Estate Ventures, LLC	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
77	Ranbaxy Australia Proprietary Ltd.	Australia	N.A	Subsidiary	100.00%	2(87)(ii)
78	Ranbaxy Belgium N.V.	Belgium	N.A	Subsidiary	100.00%	2(87)(ii)
79	Ranbaxy Farmaceutica Ltda.	Brazil	N.A	Subsidiary	100.00%	2(87)(ii)
80	Ranbaxy Pharmaceuticals Canada Inc.	Canada	N.A	Subsidiary	100.00%	2(87)(ii)
81	Ranbaxy Egypt (L.L.C.)	Egypt	N.A	Subsidiary	100.00%	2(87)(ii)
82	Rexcel Egypt (L.L.C.)	Egypt	N.A	Subsidiary	100.00%	2(87)(ii)
83	Office Pharmaceutique Industriel et Hospitalier SARL	France	N.A	Subsidiary	100.00%	2(87)(ii)
84	Basics GmbH	Germany	N.A	Subsidiary	100.00%	2(87)(ii)
85	Ranbaxy GmbH	Germany	N.A	Subsidiary	100.00%	2(87)(ii)
86	Ranbaxy Ireland Limited	Ireland	N.A	Subsidiary	100.00%	2(87)(ii)
87	Ranbaxy Italia S.p.A	Italy	N.A	Subsidiary	100.00%	2(87)(ii)
88	Ranbaxy PRP (Peru) SAC.	Peru	N.A	Subsidiary	100.00%	2(87)(ii)
89	Ranbaxy Poland S.P. Zoo	Poland	N.A	Subsidiary	100.00%	2(87)(ii)

Annexure - A

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
90	Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda	Portugal	N.A	Subsidiary	100.00%	2(87)(ii)
91	S.C Terapia S.A.	Romania	N.A	Subsidiary	96.70%	2(87)(ii)
92	ZAO Ranbaxy	Russia	N.A	Subsidiary	100.00%	2(87)(ii)
93	Ranbaxy South Africa Proprietary Limited	South Africa	N.A	Subsidiary	100.00%	2(87)(ii)
94	Ranbaxy Pharmaceuticals (Pty) Ltd. (Previously known as Be-Tabs Pharmaceuticals (Proprietary) Ltd.	South Africa	N.A	Subsidiary	100.00%	2(87)(ii)
95	Be-Tabs Investments (Proprietary) Ltd.	South Africa	N.A	Subsidiary	100.00%	2(87)(ii)
96	Sonke Pharmaceuticals (Proprietary) Ltd.	South Africa	N.A	Subsidiary	70.00%	2(87)(ii)
97	Laboratorios Ranbaxy, S.L.	Spain	N.A	Subsidiary	100.00%	2(87)(ii)
98	Ranbaxy (UK) Limited.	United Kingdom	N.A	Subsidiary	100.00%	2(87)(ii)
99	Ranbaxy Holdings (UK) Ltd.	United Kingdom	N.A	Subsidiary	100.00%	2(87)(ii)
100	Ranbaxy Europe Limited	United Kingdom	N.A	Subsidiary	100.00%	2(87)(ii)
101	Ranbaxy Inc.	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
102	Ranbaxy Pharmaceuticals, Inc.	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
103	Ranbaxy (Thailand) Co., Limited	Thailand	N.A	Subsidiary	100.00%	2(87)(ii)
104	Ohm Laboratories, Inc.	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
105	Ranbaxy Laboratories, Inc.	United States of America	N.A	Subsidiary	100.00%	2(87)(ii)
106	Ranbaxy Signature LLC	United States of America	N.A	Subsidiary	67.50%	2(87)(ii)
107	Ranbaxy Morocco LLC	Morocco	N.A	Subsidiary	100.00%	2(87)(ii)
108	Ranbaxy Pharmaceuticals Ukraine LLC	Ukraine	N.A	Subsidiary	100.00%	2(87)(ii)
109	Zenotech Laboratories Limited	India	L27100AP1989PLC010122	Associate	46.84%	2(6)
110	Daiichi Sankyo (Thailand) Limited	Thailand	N.A	Associate	26.90%	2(6)

*directly or indirectly

Annexure - A

IV SHARE HOLDING PATTERN (Equity Share Breakup as percentage of total Equity as on 31st March, 2015, excluding Share Suspense account)

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoter*									
1) Indian									
a) Individual/HUF	304,042,200	0	304,042,200	14.68%	302,192,200	0	302,192,200	14.59%	(0.09%)
b) Central Government/ State Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporate	1,013,024,000	0	1,013,024,000	48.91%	1,013,024,000	0	1,013,024,000	48.91%	0.00%
d) Financial Institutions/ Bank	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other (Trusts)	1,280,200	0	1,280,200	0.06%	1,280,200	0	1,280,200	0.06%	0.00%
Sub total (A) (1)	1,318,346,400	0	1,318,346,400	63.65%	1,316,496,400	0	1,316,496,400	63.56%	(0.09%)
2) Foreign									
a) Individuals (NRIs)	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Financial Institutions/ Bank	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub total (A) (2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total shareholding of Promoter* (A)=(A)(1)+(A)(2)	1,318,346,400	0	1,318,346,400	63.65%	1,316,496,400	0	1,316,496,400	63.56%	(0.09%)
B Public Shareholding									
1) Institutions									
a) Mutual Funds	22,448,284	2,495,320	24,943,604	1.20%	19,961,069	2,495,320	22,456,389	1.08%	(0.12%)
b) Financial Institutions/ Bank	36,595,791	2,840	36,598,631	1.77%	32,983,936	2,840	32,986,776	1.59%	(0.18%)
c) Central Government/ State Government	1,296,420	0	1,296,420	0.06%	1,382,146	0	1,382,146	0.07%	0.01%
d) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Insurance Companies	51,985,309	0	51,985,309	2.51%	37,575,160	0	37,575,160	1.81%	(0.70%)
f) FIIs	466,225,186	12,000	466,237,186	22.51%	413,514,367	12,000	413,526,367	19.97%	(2.54%)
g) Foreign Venture Capital	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Qualified Foreign Investors	31,600	0	31,600	0.00%	0	0	0	0.00%	0.00%
i) Any other (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub total (B) (1)	578,582,590	2,510,160	581,092,750	28.06%	505,416,678	2,510,160	507,926,838	24.52%	(3.54%)
2) Non- Institutions									
a) Bodies Corporate	52,220,479	201,510	52,421,989	2.53%	55,673,274	189,150	55,862,424	2.70%	0.17%
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	65,610,089	10,543,455	76,153,544	3.68%	67,563,422	9,503,244	77,066,666	3.72%	0.04%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	32,477,698	125,000	32,602,698	1.57%	30,243,098	125,000	30,368,098	1.47%	(0.11%)
c) Qualified Foreign Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Others (specify)									

Annexure - A

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Non Resident Indians(Repat)	1,078,774	143,570	1,222,344	0.06%	1,402,051	131,430	1,533,481	0.07%	0.01%
ii) Non Resident Indians(Non-Repat)	760,610	0	760,610	0.04%	1,023,184	0	1,023,184	0.05%	0.01%
iii) Foreign Companies	617,160	0	617,160	0.03%	0	0	0	0.00%	(0.03%)
iv) Clearing Member	2,172,188	0	2,172,188	0.10%	207,850	0	207,850	0.01%	(0.09%)
v) Directors/ Relatives	3,866,650	0	3,866,650	0.19%	3,792,370	0	3,792,370	0.18%	0.01%
vi) Trusts	1,861,577	0	1,861,577	0.09%	1,998,490	0	1,998,490	0.10%	0.01%
vii) Foreign Portfolio Investor (Corporate)	0	0	0	0.00%	74841129	0	74841129	3.61%	3.61%
viii) Overseas Corporate Bodies	46,000	0	46,000	0.00%	46,000	0	46,000	0.00%	0.00%
ix) Foreign Nationals	0	0	0	0.00%	980	0	980	0.00%	0.00%
Sub total (B) (2)	160,711,225	11,013,535	171,724,760	8.29%	236,791,848	9,948,824	246,740,672	11.91%	3.62%
Total Public shareholding	739,293,815	13,523,695	752,817,510	36.35%	742,208,526	12,458,984	754,667,510	36.44%	0.09%
Public Group (B)= (B)(1)+(B)(2)									
C Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A)+(B)+(C)	2,057,640,215	13,523,695	2,071,163,910	100.00%	2,058,704,926	12,458,984	2,071,163,910	100.00%	0.00%

* includes Promoter Group

ii) Shareholding of Promoters as on 31st March, 2015

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Dilip Shanghvi	231,140,480	11.16	0	231,140,480	11.16	0	NIL

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
	For Each of the top 10 shareholders	No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company	
1	Dilip S. Shanghvi	At the beginning of the year	231,140,480	11.16	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Changes				
		At the end of the year	N.A	N.A	231,140,480	11.16

Annexure - A

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. no	For Each of the top 10 shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1	VIDITI INVESTMENT PRIVATE LIMITED	At the beginning of the year	201,385,320	9.72	N.A	N.A
		At the end of the year	NA	NA	201,385,320	9.72
2	TEJASKIRAN PHARMACHEM INDUSTRIES PVT LTD	At the beginning of the year	195,343,760	9.43	N.A	N.A
		At the end of the year	NA	NA	195,343,760	9.43
3	FAMILY INVESTMENT PRIVATE LIMITED	At the beginning of the year	182,927,440	8.83	N.A	N.A
		At the end of the year	NA	NA	182,927,440	8.83
4	QUALITY INVESTMENT PRIVATE LIMITED	At the beginning of the year	182,868,640	8.83	N.A	N.A
		At the end of the year	NA	NA	182,868,640	8.83
5	VIRTUOUS FINANCE PVT. LIMITED	At the beginning of the year	97,104,040	4.69	N.A	N.A
		At the end of the year	NA	NA	97,104,040	4.69
6	VIRTUOUS SHARE INVESTMENTS PVT. LTD.	At the beginning of the year	83,976,000	4.05	N.A	N.A
		At the end of the year	NA	NA	83,976,000	4.05
7	GENESIS INDIAN INVESTMENT COMPANY LIMITED -GENERAL SUB FUND	At the beginning of the year	48,048,089	2.32		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	24/10/2014	(601,153)	(0.03)	47,446,936	2.29
		31/10/2014	(3,957,553)	(0.19)	43,489,383	2.10
		07/11/2014	(254,360)	(0.01)	43,235,023	2.09
		14/11/2014	(1,272,755)	(0.06)	41,962,268	2.03
		21/11/2014	(1,393,371)	(0.07)	40,568,897	1.96
		05/12/2014	(176,232)	(0.01)	40,392,665	1.95
		12/12/2014	(900,909)	(0.04)	39,491,756	1.91
		19/12/2014	(896,659)	(0.04)	38,595,097	1.86
		31/12/2014	(1,027,373)	(0.05)	37,567,724	1.81
		02/01/2015	(269,159)	(0.01)	37,298,565	1.80
		09/01/2015	(380,408)	(0.02)	36,918,157	1.78
		16/01/2015	(416,711)	(0.02)	36,501,446	1.76
		20/03/2015	(373,771)	(0.02)	36,127,675	1.74
		At the end of the year	NA	NA	36,127,675	1.74
8	ADITYA MEDISALES LIMITED	At the beginning of the year	40,203,960	1.94	NA	NA
		At the end of the year	NA	NA	40,203,960	1.94
9	RAKSHA SUDHIR VALIA	At the beginning of the year	34,772,000	1.68		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	29/01/2015	(200,000)	(0.01)	34,572,000	1.67
		30/01/2015	(80,000)	0.00	34,492,000	1.67
		02/02/2015	(50,000)	0.00	34,442,000	1.66
		03/02/2015	(520,000)	(0.03)	33,922,000	1.64
		At the end of the year	NA	NA	33,922,000	1.64
10	LAKSHDEEP INVESTMENTS AND FINANCE PRIVATE LIMITED	At the beginning of the year	30,786,000	1.49		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	17/10/2015	3,200,000	0.15	33,986,000	1.64
		21/11/2015	70,000	0.00	34,056,000	1.64
		At the end of the year	NA	NA	34,056,000	1.64

v) Shareholding of Directors and Key Managerial Personnel (held singly or jointly as first holder):

Sr. no	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1	Israel Makov	At the beginning of the year	0	0.00	N.A	N.A
		At the end of the year	NA	NA	0	0.00
2	Dilip S. Shanghvi	At the beginning of the year	231,140,480	11.16	N.A	N.A
		At the end of the year	NA	NA	231,140,480	11.16

Annexure - A

v) Shareholding of Directors and Key Managerial Personnel (held singly or jointly as first holder): (Contd.)

Sr. no	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
3	Sudhir V. Valia	At the beginning of the year	15,384,000	0.74		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	22/01/2015	(1,000,000)	(0.05)	14,384,000	0.69
		At the end of the year	NA	NA	14,384,000	0.69
4	Sailesh T. Desai	At the beginning of the year	3,751,020	0.18	N.A	N.A
		At the end of the year	NA	NA	3,751,020	0.18
5	S. Mohanchand Dadha	At the beginning of the year	74,280	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	14/10/2014	(74,280)	0.00	0	0
		At the end of the year	NA	NA	0	0.00
6	Hasmukh S. Shah	At the beginning of the year	0	0.00	N.A	N.A
		At the end of the year	NA	NA	0	0.00
7	Keki M. Mistry	At the beginning of the year	41,350	0.00	N.A	N.A
		At the end of the year	NA	NA	41,350	0.00
8	Ashwin S. Dani	At the beginning of the year	0	0.00	N.A	N.A
		At the end of the year	NA	NA	0	0.00
9	Rekha Sethi	At the beginning of the year	0	0.00	N.A	N.A
		At the end of the year	NA	NA	0	0.00
10	Uday Baldota	At the beginning of the year	22,700	0.00	N.A	N.A
		At the end of the year	NA	NA	22,700	0.00
11	Sunil R. Ajmera	At the beginning of the year	0	0.00	N.A	N.A
		At the end of the year	NA	NA	0	0.00

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits ⁽²⁾	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	88.10	24,002.00	11.00	24,101.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due ⁽¹⁾	2.80	-	-	2.80
Total (i+ii+iii)	90.90	24,002.00	11.00	24,103.90
Addition at the beginning on account of merger of Ranbaxy				
i) Principal Amount	10,117.53	51,710.94	120.26	61,948.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due ⁽¹⁾	192.46	61.44	-	253.90
Total (i+ii+iii)	10,309.99	51,772.38	120.26	62,202.63
Change in Indebtedness during the financial year ⁽³⁾				
Addition	30.90	144,800.76	9.00	144,840.66
Reduction	(2,420.23)	(160,223.16)	-	(162,643.39)
Net Change	(2,389.33)	(15,422.40)	9.00	(17,802.73)
Indebtedness at the end of the financial year				
i) Principal Amount	7,816.30	60,290.54	140.26	68,247.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due ⁽¹⁾	170.65	54.48	-	225.13
Total (i+ii+iii)	7,986.95	60,345.02	140.26	68,472.23

Notes: (1) Interest accrued but not due on borrowings. (2) Deposits are Trade/ Security Deposits Received. The change during the year has been shown on net basis.

(3) Change in the Working Capital facility viz. CC, OD, WCDL and PCFC facilities, forming part of Secured and Unsecured Loans, have been shown on net basis.

Annexure - A

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager for the year ended 31st March, 2015
(As per Form 16, on actual payment basis)

					(₹)
Sr. no.	Particulars of Remuneration	Dilip Shanghvi	Sudhir V Valia	Sailesh T Desai	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,316,354	30,053,722	9,229,920	68,599,996
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	468,389	282,156	32,400	782,945
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as a % of profit				0
	others (specify)				0
5	Others, please specify	0	0	0	0
	Total (A)	29,784,743**	30,335,878**	9,262,320	69,382,941
	Ceiling as per the Act	₹ 1.84 crores as computed as per Part - A, Section II of Schedule V of the Companies Act, 2013. **The remuneration paid over and above the ceiling limits, is subject to approval of Central Government, for which the Company has made the requisite application to the Central Government.			

B) Remuneration to other directors for the year ended 31st March, 2015:

								(₹)
Sr. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Keki Mistry	Rekha Sethi	Hasmukh Shah	S Mohanchand Dadha	Ashwin Dani	Israel Makov	
	Independent Directors							
1	Fee for attending board committee meetings	550,000	550,000	900,000	850,000	600,000	0	3,450,000
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	550,000	550,000	900,000	850,000	600,000	0	3,450,000
2	Other Non-Executive							
	Directors	0	0	0	0	0	499835	499835
	Fee for attending board committee meetings	0	0	0	0	0	0	0
	Commission							
	Others, please specify							
	Total (2)	0	0	0	0	0	499,835	499,835
	Total (B)=(1+2)	550,000	550,000	900,000	850,000	600,000	499,835	3,949,835
	Overall Ceiling as per the Act	Not applicable since no commission was paid during the year						
	Total Managerial Remuneration (A+B)							73,332,776

Annexure - A

C) Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Sunil Ajmera (Company Secretary)	Uday Baldota (CFO)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,114,552	24,991,474	33,106,026
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	52,826	89,603	142,429
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	as % of profit			0
	others (specify)			0
5	Others, please specify	0	0	0
	Total	8,167,378	25,081,077	33,248,455

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Sr. no.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY						
	Penalty					
	Punishment					
	Compounding					
B. DIRECTORS						
	Penalty					
	Punishment					
	Compounding					
C. OTHER OFFICERS IN DEFAULT						
	Penalty					
	Punishment					
	Compounding					

- NIL -

Annexure - B

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
Sun Pharmaceutical Industries Limited,
Vadodara, Gujarat.

We were appointed by the Board of Directors of Sun Pharmaceutical Industries Limited (hereinafter called "the Company") to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2015.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practice by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Management's Responsibility for Secretarial Compliances

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Auditor's Responsibility

Our responsibility is to express an opinion on secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Opinion

We have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, according to the provisions of:

- | | |
|--|---|
| <ul style="list-style-type: none"> i. The Companies Act, 2013 (the Act) and the rules made thereunder; ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; | <ul style="list-style-type: none"> iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): <ul style="list-style-type: none"> a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable to the Company for the year under review; d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the Company for the year under review; e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable to the Company for the year under review; f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not applicable to the Company; g. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable to the Company for the year under review; |
|--|---|

Annexure - B

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013 **(Not applicable for the year under review as the same was not notified)**; and
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (hereinafter called as "Listing Agreement");

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above, to the extent applicable:

Based on information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.
2. Adequate notices were given to all the directors to schedule the Board Meetings and Meetings of Committees. Agenda and detailed notes on agenda were sent in advance before the meetings. There exists a system for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

Based on the compliance mechanism established by the Company and on the basis of the compliance certificate(s) issued by the Respective Plant Heads of the Company and taken on records by the Board of Directors at their meeting(s), we are of the opinion that the management has:

- a) Adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and
- b) Complied with the provisions of the following laws applicable to the Company:
 - i. Drugs and Cosmetics Act, 1940 and rules made thereunder;
 - ii. The Narcotic Drugs & Psychotropics Substances Act, 1985;

We further report that during the year under review:

- a. The Company has obtained approval of the members under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013

by way of Special Resolution for borrowings and for creation of charges/mortgages/hypothecation for the borrowings respectively; which may exceed the aggregate paid-up share capital of the Company and its free reserves, (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 Billion (Rupees Five Hundred Billion only) or limits so prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher.

- b. The Company has purchased business undertaking of Sun Pharma Laboratories Limited (wholly owned subsidiary) situated at Dadra on slump sale basis.
- c. The Specified Undertaking of Sun Pharma Global (FZE) was merged into Company under Section 391 to 394 of the Companies Act, 1956 on 10th August, 2014 (Effective date), the appointed date for the said arrangement being 1st May, 2013.
- d. Ranbaxy Laboratories Limited was amalgamated into Company under Section 391 to 394 of the Companies Act, 1956 on 24th March, 2015 (Effective date), the appointed date for the said amalgamation being 1st April, 2014.
- e. The Company has formulated 2 (Two) Employee Stock Option Schemes (ESOS) namely SUN Employee Stock Option Scheme – 2015 and SUN Employee Stock Option Plan – 2015 for the employees of erstwhile Ranbaxy Laboratories Limited pursuant to Scheme of Amalgamation for merger of Ranbaxy Laboratories Limited with the Company.

We further report that, pursuant to Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956, Sun Pharma Global Inc. (wholly owned subsidiary) amalgamated into Company on 6th August, 2015 (Effective date) as sanctioned by Hon'ble High Court, Gujarat. The appointed date for the said amalgamation being 1st January, 2015.

For C. J. GOSWAMI & ASSOCIATES,
Practicing Company Secretaries

CHINTAN J. GOSWAMI

Proprietor

Mem No. - 33697

C. P. No. - 12721

Date: 11th August, 2015.

Place: Mumbai.

This report is to be read with our letter of even date which is annexed as **Annexure - I** and forms an integral part of this report.

Annexure I to the Secretarial Audit Report

To,

The Members,
Sun Pharmaceutical Industries Limited,
Vadodara, Gujarat.

Our report of even date is to be read along with this letter.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For C. J. GOSWAMI & ASSOCIATES,
Practicing Company Secretaries

CHINTAN J. GOSWAMI
Proprietor
Mem No. - 33697
C. P. No. - 12721

Date: 11th August, 2015.
Place: Mumbai.

Annual Report on CSR activities for the financial year 2014-15

Details	
1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken	<p>The CSR policy of the Company encompasses its philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.</p> <p>The Company has identified health, education & livelihood, environment protection, water management and disaster relief 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, grass-root level during the year.</p>
Reference to the web-link to the CSR policy and projects or programs:	http://www.sunpharma.com/policies
Composition of the CSR Committee:	Mr. Dilip Shanghvi, Mr. Sudhir Valia and Ms. Rekha Sethi
Average net profit of the Company for last three financial years:	Consequent to the loss incurred by the Company in the immediately preceding financial year, the average net profits of the Company for the last three financial years was negative, therefore the Company was not required to spend on CSR activities during the previous year. However, the Company has voluntarily spent on CSR activities.
Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	Not Applicable
Details of CSR spend for the financial year:	
a) Total amount spent for the financial year :	₹ 46.7 Million
b) Amount unspent, if any:	Nil

Amount spent during the financial year 2014-15 on CSR activities (As per CSR Rules 2014)

								(₹ in Million)
Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the State and District where projects or programs were undertaken	Amount Outlay (Budget) Project or Programwise	Amount spent on the projects or programs		Cumulative expenditure upto to the reporting period	Amount spent Directly or through implementing agency
					Direct Expenditure on projects or programs	Overhead Expenditure		
1	Sanitation Project - Panoli	Health	Village - Panoli, Taluka - Ankleshwar, District - Bharuch	2.41	1.31	0.20	1.51	Direct
2	Mobile Medical Unit - Nagar	Health	10 neighbouring villages of Ahmednagar Plant area. District - Ahmednagar	8.99	1.12	0.11	1.23	HelpAge - India
3	Jaipur Foot Project	Health	Karnataka, Tamilnadu and A.P. States	1.00	1.00	-	1.00	Sahchari Foundation
4	Promotion of Education by School Infrastructure Development	Education	Village - Panoli, Taluka - Ankleshwar, District - Bharuch	0.74	0.74	-	0.74	The Sanjali Welfare and Education Trust
5	Model School Development Project - Pudupattu	Education	Village - Pudupattu, Taluka - Madurantakkam, District - Kanchipuram	1.33	0.13	0.07	0.20	Direct
6	Strengthening PDS Systems - Sathammai	Rural Development	Village - Sathammai, Taluka - Madurantakkam, District - Kanchipuram	0.64	0.12	0.07	0.19	Direct

(Contd.)

Annexure - C

Amount spent during the financial year 2014-15 on CSR activities (Contd.)

(₹ in Million)								
Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the State and District where projects or programs were undertaken	Amount Outlay (Budget) Project or Programwise	Amount spent on the projects or programs		Cumulative expenditure upto to the reporting period	Amount spent Directly or through implementing agency
					Direct Expenditure on projects or programs	Overhead Expenditure		
7	Model School Development Project - Sathammai	Education	Village - Sathammai, Taluka - Madurantakkam, District - Kanchipuram	1.13	0.10	0.07	0.17	Direct
8	CSR Policy Formulation and Community Needs Assessment at various locations	Overall CSR Policy	Sikkim, Jammu, Samba, MKM, Halol, Baska, Karkhadi, Panoli, Ankleshwar	2.81	2.81	-	2.81	Samhita Social Ventures
9	Project on "Eye Care Situation Analysis" - Study	Healthcare	Plant Locations at Halol, Baroda, Bharuch, Silvassa, Nagar, Madurantakkam, Sikkim, Jammu Districts	0.14	0.04	-	0.04	Direct
10	Core RCHS Project (Ranbaxy Community Healthcare Society)	Primary healthcare	Mohali, Toansa & Beas (Punjab), Paonta Sahib (Himachal Pradesh), Gurgaon (Haryana) and Dewas (Madhya Pradesh)	13.40	12.39	-	12.39	Ranbaxy Community Health Care Society
11	Ranbaxy Sanjeevan Swasthya Sewa (RSSS)- Public Private Partnership between our Company & Punjab State Govt.	Primary healthcare	Dist. Bathinda, Muksar, Mansa, Nawanshehar & Mohali of Punjab	26.16	19.77	-	19.77	Ranbaxy Community Health Care Society
12	Maatra Shishu Swasthya Sewa (MSSS) - A joint CSR initiative between our Company & Daiichi Sankyo	Primary healthcare	Vijayganj Mandi & Sunwani Gopal (Dist. Dewas, Madhya Pradesh)	7.62	6.62	-	6.62	Ranbaxy Community Health Care Society
Grand Total :					46.15	0.52	46.67	

For and on behalf of the Board of Directors

DILIP S. SHANGHVI
*Managing Director and
 Chairman - CSR Committee*
 (DIN:00005588)

SUDHIR V. VALIA
*Whole-Time Director and
 Member - CSR Committee*
 (DIN:00005561)

11th August, 2015
 Mumbai

CSR ACTIVITIES

For sustained growth, economic progress and equitable development both need to go hand-in-hand. Unlike a prevalent narrative, both can actually fuel each other.

In fact, when more people are well educated, enjoying good health and have access to more opportunities, growth is accelerated and continuous. At Sun Pharma, our social responsibility programs are designed to improve the quality of life of the people as well as contribute towards a strong economy.

All our CSR efforts stem from our well-articulated CSR Policy which has been posted on our website.

A wide gamut of our CSR efforts are aimed towards the 'bottom-of-the-pyramid', socio-economically marginalized and opportunity-challenged section of the society. Detailed below are a select few:

1. Financially challenged patients continue to gain our assistance in the form of free-of-cost medicines. In the reporting period, we continued to dispense free Riluzole which is used in the treatment of Amyotrophic Lateral Sclerosis (a life-threatening disease) to all patients.
2. We have also been regularly distributing medicines to monasteries in Sikkim.
3. We held blood donation camps at our Halol and Samba facilities, in which 147 employees participated.

Beyond Medicines:

Other than providing medicines, we also undertake a host of initiatives like healthcare, building infrastructure, modernizing education facilities, and ensuring sanitation, to elevate deprived sections of the society.

HEALTHCARE PROJECTS

Core RCHS Program

Initiated in 1979 and implemented by the Ranbaxy Community Healthcare Society (RCHS), the main objective of the project is

- Reduction of infant and maternal mortality rate
- Improve health of adolescent girls
- Prevention & control of communicable diseases (with a focus on malaria, tuberculosis) and non-communicable / other prevalent diseases
- Promote awareness on HIV / AIDS

In 2014-15, ₹ 12.4 million was contributed towards the program covering 68 villages across the following locations - Mohali, Toansa and Beas in Punjab, Paonta Sahib in Himachal Pradesh, Gurgaon in Haryana and Dewas in Madhya Pradesh. The total number of beneficiaries were 253,384.

Ranbaxy Sanjeevan Swasthya Sewa (RSSS)

A Public Private Partnership (PPP) project between our Company and the Punjab State Government for delivery of primary

healthcare services i.e. preventive, promotive & curative, RSSS also focusses on early detection of common cancers through 10 mobile vans.

In operation since 6 years, it saw an investment of ₹ 19.8 million this year across 142 villages of Dist. Bathinda, Muktsar, Mansa, Nawanshehar and Mohali in Punjab. The total no. of beneficiaries were 417,951.

Maatra Shishu Swasthya Sewa

A joint CSR initiative between our Company and Daiichi Sankyo, the program aims to reduce both the Maternal Mortality Rate and Infant Mortality Rate by 50% in 5 years.

Flagged off in November 2011, this financial year saw an amount of ₹ 6.6 million being spent in 82 villages of Vijayganj Mandi & Sunwani Gopal (Dist. Dewas, Madhya Pradesh) benefiting 85,647 persons.

Mobile Medical Unit - Ahmednagar (Maharashtra)

Mobile Medical Unit (MMU) is a primary healthcare project that provides free doorstep health facilities for the marginalized and financially backward section of the society. A full-time dedicated health van, visits the target areas at a regular frequency. It is manned by a dedicated team of qualified experienced doctor, pharmacist and special protection officer, who provide medical check-ups, medicines, expert counselling and referral services for free.

The Ahmednagar MMU is yet to commence service for people residing in 10 neighbouring villages of the plant in Maharashtra and ₹ 1.2 million was invested in FY15 towards this project. The project has been implemented by HelpAge India.

Jaipur Foot Project

The project helps rehabilitation of the physically challenged, especially the economically challenged, by providing them aids that can restore their mobility. The aids include the famous Jaipur Foot, which can enable them to run, climb trees, pedal bicycles and carry on other normal activities as well, plus hand-pedalled tricycles and crutches.

Implementation partners were Bhagwan Mahavir Viklang Sahayata Samiti and Sahachari Foundation Events. Approximately, ₹ 1.0 million was spent across over 100 villages in Karnataka, Andhra Pradesh and Tamil Nadu States covering about 300 beneficiaries.

Study Project on 'Eye Care Situation Analysis'

The aim of the program was to understand the ground situation on Eye Care providers / hospitals, for planning a project on Ophthalmology. Executed by the Company's CSR Department from 1st February, 2014 to 30th April, 2014 at an expense of ₹ 42,500 it covered locations at Halol, Baroda, Bharuch, Silvassa, Nagar, Maduranthakam, Sikkim and Jammu.

Annexure - C

EDUCATIONAL PROJECTS

Promotion of Education by School Infrastructure Development

To facilitate quality education, we contributed towards construction of a classroom with all required fixtures and furniture. The project has been undertaken through 'The Sanjali Welfare & Education Trust' of Bharuch. Its implementation period is from 1st March, 2015 to 30th August, 2016, and the project cost was ₹ 0.7 million. This project will benefit 50 students of Panoli village in Ankleshwar.

Model School Development Project – Pudupattu & Sathammai

Approximately, ₹ 0.37 million was invested in FY15 to provide proper infrastructure and carry out various educational activities at schools situated in the vicinity of Sun Pharma's plant at Maduranthakam.

This was an initiative implemented by the CSR Department of Sun Pharma and will benefit a total of 164 students.

OTHER PROJECTS

CSR Policy Formulation and Community Need Assessment at Various Locations

The objective of the project was:

- To draft the CSR Policy by incorporating the feedback of all the internal and external stakeholders
- To take-up 'Community Need Assessment Exercise' for better planning by evaluating the exact needs of community

A detailed CSR Policy has been outlined and the same has been posted on our website as per the statutory requirement. Community Need Assessment Study was undertaken to strategize and implement need-based CSR projects in identified villages, so as to reach the poorest of the poor, disadvantaged, BPL and weaker sections of society.

'Sector Research' was taken up to detail out interventions in Ophthalmology, Oncology, Epilepsy, Mental Health and Water,

where Sun Pharma already possesses deep domain knowledge and can play a major role.

The project was implemented with Samhita Social Ventures, from 1st March, 2014 to 31st August, 2014. Over, 100 villages were covered in Sikkim, Jammu, Samba, Maduranthakam, Halol, Baska, Karkhadi, Panoli and Ankleshwar at an investment of ₹ 2.8 million.

Sanitation Project – Panoli

Implemented by the CSR Department of Sun Pharma, the aim of this program was two-pronged:

- To construct 328 toilets for the community and thereby provide 100% coverage in Panoli village
- To conduct intensive Information, Education and Communication (IEC) campaign about sanitation with the involvement of PRIs, Co-operatives, ASHAs, Anganwadi workers, Women Groups, Self Help Groups, NGOs etc.

The project cost was ₹ 1.5 million and it benefited 200 households of Panoli village in Ankleshwar.

Strengthening PDS Systems - Sathammai

Implemented by the CSR Department of Sun Pharma, the aim of this program is two-pronged:

- To provide good infrastructure facility to keep the essential commodities safe and secure
- To facilitate the local governing body in distributing the material on time by providing required infrastructure facilities

Construction of the 'Public Distribution Centre' has commenced in Sathammai village of Maduranthakam from 1st February, 2015 and is expected to be completed by 31st May, 2015. The expense in FY15 was ₹ 0.19 million. It will benefit 250 households of the village.

Annexure D
Conservation of Energy

	2014-15	2013-14
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit (in '000 KWH)	251,624.2	68,825.0
Total Amount (₹ in Millions)	1,713.1	507.2
Rate (₹ /Unit)	6.8	7.4
(b) Own Generation through Diesel Generator		
Units (in '000 KWH)	8,102.4	2,605.7
Units per Litre of Diesel Oil	3.4	3.3
Cost (₹ /Unit)	16.5	19.2
(c) Own Generation through Gas		
Units (in '000 KWH)	16,695.7	35,637.6
Units per M3 of Gas	3.4	3.8
Cost (₹ /Unit)	12.7	11.1
2. Furnace Oil		
Quantity (in '000 Litres)	7,928.3	1,147.2
Total Amount (₹ in Millions)	319.6	48.1
Average Rate	40.3	41.9
3 Gas (for Steam)		
Gas Units (in '000 M3)	17,091.4	8,746.9
Total Amount (₹ in Millions)	692.0	237.1
Average Rate (₹ /Unit)	40.5	27.1
4 Wood / Briquette		
Quantity (in '000 Kgs)	37,237.3	30,446.7
Total Amount (₹ in Millions)	180.5	146.9
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.

collected from equipment and diverted to Boiler Feed water.

C. Energy conservation measures

- 1 Improvisation and continuous monitoring of Power Factor and replacement of weak capacitors. Able to maintain the Power Factor near to unity (above 0.99) and thereby availing the rebate in electricity charges.
- 2 Use of alternative energy sources like steam in place of electricity for heating of De-mineralized water, fluid bed dryers for producing hot air systems for coating department and for making starch paste, condensate

- 3 Optimised use of energy resources and taken adequate steps to avoid wastage, used latest production technology, equipments and utilities.
- 4 Various measures have been taken for reduction of water consumption, like checking and preventing leakages, Recycling of RO reject water etc.
- 5 Utilized Screw Chillers instead of Vam & Reciprocation Chiller.
- 6 Used Screw compressor instead of reciprocation air compressor.

Annexure - D

TECHNOLOGY ABSORPTION

A. Research and Development

1. 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. Additionally, patient friendly presentations like auto injectors for existing molecules are being pursued for getting regulatory approval. This research supports our generic business across all the markets we are present in, and ensures we have a healthy pipeline for future growth.

At our 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. These efforts 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 in the Indian and rest of the world markets that includes differentiated products with high technology barriers that limits competition and thus helps counter price erosion. Expertise in medicinal/ process chemistry equips us to be integrated right up to the API stage, for important products, advanced intermediates or products where the API is difficult to source. Strong new product development capability is an important part of our strategy, and R&D expertise helps us maintain our leadership position in the Indian and global markets with niche formulations.

The team also works on products that are based on complex drug delivery systems. Complex products like steroids, sex hormones, peptides, carbohydrates immunosuppressant, carbapenems, taxanes anticancer, antidiabetic, cardiovascular and antivirals, which require special skills and technology are developed and scaled up for both API and dosage forms. This complete integration for some products helps to deliver advanced products to the market faster at competitive pricing. These projects may offer higher value addition and revenues.

The API process development is focused on developing and transferring commercially viable, non-infringing and patentable novel API technologies. The development grid selection for APIs is based on the difficult-to-make API molecules and also novel polymorphic forms of certain APIs for creating value addition. Newer areas of interest include developing differentiated particle size for APIs as per the requirement.

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

In 2014-15, 26 formulations were developed for the Indian market. All of these were based on technology developed in-house. Technology for 10 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. Non-infringing processes were developed to gain early market entry in many regulated markets. 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 150 international markets. 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.

During the year, the Company filed 81 Drug Master Files comprising of 29 APIs across various countries. 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 continue to invest in people, capability development, equipment and infrastructure to compete effectively across world markets. Our subsidiary Taro is likely to continue to invest in R&D as it ramps up its product pipeline.

Annexure - D

4. Expenditure on R&D

₹ in Million		
	Year ended 31st March, 2015	Year ended 31st March, 2014
a) Capital	789.4	471.6
b) Revenue	8,302.9	3,752.3
c) Total	9,092.3	4,223.9
d) Total R&D expenditure as % of Total Turnover	11.8%	15.5%

B. Technology Absorption, Adaptation and Innovation

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

Year after year, the Company continues to invest in 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 blocks. Investments have been made in creating research sites, employing scientifically skilled and experienced manpower, adding equipments, sponsored research and in accessing world class consultants to continuously upgrade the research understanding of the scientific team in the technologies and therapy areas of our interest.

There has been thrust on the development of novel technologies like use of green reagents for chemical transformations in API synthesis and sono crystallisation for achieving required particle size. Product Life cycle management has been undertaken for key products. Backward integration is also in-progress for some products.

Process robustness has been implemented for wide range of products which has resulted in positive outcomes with respect to cost and increase in process capability.

2. 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 basket of products under specialty 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) Offers technologically advanced differentiated products which are convenient and safe for administration to patients.
 - (d) We are among the few selected companies that have set up completely integrated manufacturing capability for the production of anticancer, hormones, peptide, cephalosporins, immunosuppressant and steroidal drugs.
 - (e) The Company has benefited from reduction in cost due to import substitution and increased revenue through higher exports.
 - (f) Clinical studies of important products (complex and difficult to formulate) have been carried out at our in-house clinical pharmacology units. This has helped to maintain R&D quality and regulatory compliance with significantly reduced cost.
3. 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

₹ in Million		
	Year ended 31st March, 2015	Year ended 31st March, 2014
1. Earnings	48,705.5	23,168.0
2. Outgo	25,563.6	12,628.6

Annexure - E

Employees' Stock Option Schemes (ESOS)

- I. Information regarding Employees' Stock Option Schemes and Plan (As on 31st March, 2015)
- A. Erstwhile Ranbaxy Laboratories Limited ("Ranbaxy") has been merged into Sun Pharmaceutical Industries Limited ("Sun Pharma") effective 24th March, 2015 through a Scheme of Merger as approved by the Hon'ble High Courts of Punjab & Haryana and Hon'ble High Court of Gujarat. Pursuant to the Scheme of Merger, Employee Stock Option Schemes and Plan of erstwhile Ranbaxy have been adopted by Sun Pharma with suitable modifications w.e.f. 24th March, 2015 and formulated SUN Employee Stock Option Scheme-2015 and SUN Employee Stock Option Plan-2015. These Schemes are applicable only to the employees of erstwhile Ranbaxy, and would continue till the time of expiry/exercise of all the earlier granted stock options. No further options would be granted by the Company under these schemes.

- A (i) SUN Employee Stock Option Scheme - 2015 (which was earlier Employees Stock Option Schemes (Granted prior to year 2011) of erstwhile Ranbaxy)(Through Direct Allotment Route):

Sr. No.	Particulars	Employees Stock Option Schemes of erstwhile Ranbaxy	SUN Employee Stock Option Scheme-2015												
(a)	Date of shareholders' approval	25th June, 2003 & 30th June, 2005	Adopted pursuant to the Scheme of Merger as approved by the shareholders and the High Courts												
(b)	Total number of options approved under ESOS	4,000,000 (Forty lacs) stock options on 25th June, 2003 & 4,000,000 (Forty lacs) stock options on 30th June, 2005	1,200,000 (Twelve lacs) stock options (Being the balance options of erstwhile Ranbaxy, for which Sun Pharma has obtained the in principle approval from the Stock Exchanges)												
(c)	Vesting requirements	<p>“Vesting” means the process by which the employee is given the right to apply for Equity Shares of the Company against the options granted.</p> <p>Vesting period shall commence on the expiry of one year from the date of grant of options and the entitlement of an employee will be in the following graduated scale :</p> <table><tr><th>Period of service from the date of grant of options</th><th>Percentage of options that shall vest</th></tr><tr><td>End of 12 months</td><td>20%</td></tr><tr><td>End of 24 months</td><td>20%</td></tr><tr><td>End of 36 months</td><td>20%</td></tr><tr><td>End of 48 months</td><td>20%</td></tr><tr><td>End of 60 months</td><td>20%</td></tr></table>		Period of service from the date of grant of options	Percentage of options that shall vest	End of 12 months	20%	End of 24 months	20%	End of 36 months	20%	End of 48 months	20%	End of 60 months	20%
Period of service from the date of grant of options	Percentage of options that shall vest														
End of 12 months	20%														
End of 24 months	20%														
End of 36 months	20%														
End of 48 months	20%														
End of 60 months	20%														
(d)	Exercise price or pricing formula	Closing price of the Equity Shares of erstwhile Ranbaxy Laboratories Limited (“Ranbaxy”) prior to the date of meeting of the Compensation Committee in which stock options were granted, on the stock exchange with highest trading volume on which the shares of erstwhile Ranbaxy were listed.	Exercise price per option shall be 1.25 times the exercise price for every Ranbaxy Option.												
(e)	Maximum term of options granted	The options granted shall be exercisable till expiry of ten years from the date of their grant and shall lapse upon such expiry.													
(f)	Source of shares (primary, secondary or combination)	Primary													
(g)	Variation in terms of options	Pursuant to the Clause 8.11(c) of the Scheme of Merger of Ranbaxy with Sun Pharma, the Employees Stock Option Scheme of erstwhile Ranbaxy was amended providing for immediate and full accelerated vesting of all stock options of those employees whose employment is terminated by Sun Pharma within 12 (twelve) months from the effective date of the merger provided completion of a minimum period of 1 (one) year from the date of grant of the options.	N.A.												

Annexure - E

- A (ii) Option movement during the year under SUN Employee Stock Option Scheme-2015 (which was earlier Employees Stock Option Schemes (Granted prior to year 2011) of erstwhile Ranbaxy):

Sr. No.	Particulars	Nos.
Erstwhile Ranbaxy		
1.	Number of options outstanding at the beginning of the year	3,579,582
2.	Number of options granted during the year	Nil
3.	Number of options forfeited and lapsed during the year	683,217
4.	Number of options vested during the year	144,756
5.	Number of options exercised during the year	1,434,434
6.	Number of shares arising as a result of exercise of options during the year	1,434,434
7.	Money realized by exercise of options (₹), if scheme is implemented directly by the Company	₹ 601,345,192.50
8.	Loan repaid by the Trust during the year from exercise price received	N.A.
9.	Number of options outstanding at the end of the year	1,461,931*
10.	Number of options exercisable at the end of the year	1,461,931*
Post-merger of erstwhile Ranbaxy with Sun Pharma		
	Number of options outstanding at the end of the year	1,169,545*
	Number of options exercisable at the end of the year	1,169,545*

*Pursuant to Scheme of merger of erstwhile Ranbaxy with Sun Pharma, for every stock option held by an eligible employee of erstwhile Ranbaxy became eligible for 0.80 equity share of ₹ 1/- each and any fraction thereof rounded off to the next higher whole number under ESOP Scheme of Sun Pharma formulated for this purpose.

- B (i) SUN Employee Stock Option Plan-2015 (which was earlier Ranbaxy Employee Stock Option Plan-2011 (Granted from the year 2011 onwards) of erstwhile Ranbaxy) (through Trust route):

Sr. No.	Particulars	Ranbaxy Employee Stock Option Plan-2011	SUN Employee Stock Option Plan-2015
(a)	Date of shareholders' approval	9th May, 2011	Adopted pursuant to the Scheme of Merger as approved by the shareholders and High Courts
(b)	Total number of options approved under ESOS	3,000,000 (Thirty lacs) stock options	300,000 (Three lacs) stock options (Being the balance options of erstwhile Ranbaxy, for which Sun Pharma has obtained the in principle approval from the Stock Exchanges)
(c)	Vesting requirements	Options granted would vest not less than one year and not more than three years from the date of grant of such options. The vesting will start at the first anniversary of grant.	
(d)	Exercise price or pricing formula	Exercise Price per option was ₹ 5/-	Exercise price per option is ₹ 6.25/- pursuant to the Scheme of Merger of Ranbaxy with Sun Pharma.
(e)	Maximum term of options granted	Options granted would vest not less than one year and not more than three years from the date of grant of such options.	
(f)	Source of shares (primary, secondary or combination)	Primary	
(g)	Variation in terms of options	Pursuant to the Clause 8.11(c) of the Scheme of Merger of Ranbaxy with Sun Pharma, the Employee Stock Option Plan - 2011 of erstwhile Ranbaxy was amended providing for immediate and full accelerated vesting of all stock options of those employees whose employment is terminated by Sun Pharma within 12 (twelve) months from the effective date of the merger provided completion of a minimum period of 1 (one) year from the date of grant of the options.	N.A.

Annexure - E

- B (ii) Option movement during the year under SUN Employee Stock Option Plan-2015 (which was earlier Ranbaxy Employee Stock Option Plan-2011 (Granted from the year 2011 onwards) of erstwhile Ranbaxy):

Sr. No.	Particulars	Nos.
Erstwhile Ranbaxy		
1.	Number of options outstanding at the beginning of the year	986,905
2.	Number of options granted during the year	481,766
3.	Number of options forfeited and lapsed during the year	231,761
4.	Number of options vested during the year	484,504
5.	Number of options exercised during the year	675,123
6.	Number of shares arising as a result of exercise of options during the year	675,123
7.	Money realized by exercise of options (₹), if scheme is implemented directly by the Company	₹ 3,375,615
8.	Loan repaid by the Trust during the year from exercise price received	No
9.	Number of options outstanding at the end of the year	561,787*
10.	Number of options exercisable at the end of the year	52,434*
Post-merger of erstwhile Ranbaxy with Sun Pharma		
	Number of options outstanding at the end of the year	449,430*
	Number of options exercisable at the end of the year	41,948*

*Pursuant to Scheme of merger of erstwhile Ranbaxy with Sun Pharma, for every stock option held by an eligible employee of erstwhile Ranbaxy became eligible for 0.80 equity share of ₹ 1/- each and any fraction thereof rounded off to the next higher whole number under ESOP Plan of Sun Pharma formulated for this purpose.

Voting rights of shares held by Ranbaxy ESOP Trust*

(a)	The name of the employees who have not exercised the voting rights directly	Shares were allotted to the Ranbaxy ESOP Trust. The employees holding stock options had no voting right till the allocation of shares to them on exercise of stock options.
(b)	The reasons for not voting directly	Stock Options granted to the employees were not exercised. Hence shares were not held by the employees.
(c)	The name of the person who is exercising such voting rights	Mr. Navneet Raghuvanshi, Trustee of the Ranbaxy ESOP Trust
(d)	The number of shares held by or in favour of, such employees and the percentage of such shares to the total paid-up share capital of the Company	186,360 Equity Shares of ₹ 5 each of erstwhile Ranbaxy Laboratories Limited (Ranbaxy) were held by ESOP Trust, constituting 0.04% of the total paid-up share capital of erstwhile Ranbaxy.
(e)	The date of the general meeting in which such voting power was exercised;	28th July, 2014 (Date of AGM of erstwhile Ranbaxy)
(f)	The resolution on which votes have been cast by persons holding such voting power	Votes had been cast on all the resolutions put to vote at the AGM
(g)	The percentage of such voting power to the total voting power on each resolution	0.04% of the total voting power of each resolution
(h)	Whether the votes were cast in favour of or against the resolution	Votes were cast in favour of all the resolutions

*Note: Post merger, the name of Ranbaxy ESOP Trust has been changed to Sun Pharma ESOP Trust.

Annexure - E

II. Options granted of erstwhile Ranbaxy during the year to Senior Managerial Personnel of erstwhile Ranbaxy® at exercise price ₹ 5/- each:

Name	Designation in erstwhile Ranbaxy	Nos.
Mr. Arun Sawhney	CEO & Managing Director	20,790
Mr. Govind K. Jaju	President and Global Head-Technical Operations, Supply Chain, Procurement & API Marketing	7,800
Mr. Indrajit Banerjee	President & Chief Financial Officer	10,920
Mr. S. K. Patawari	Company Secretary & Head – Legal	5,460
Mr. Uma Rajeshwara R. Aysola	Vice President & Head-Global Internal Audit	5,460
Mr. Manjeet Bindra	Chief Data Reliability Officer	5,422

@ Excludes the Senior Managerial Personnel who ceased to be in employment with the Company.

III.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	: Nil
IV.	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	: Nil
V.	Diluted earnings per share (EPS)	: ₹ (6.1)
VI.	(a) Method used to account for ESOS - Intrinsic or fair value	The Company has calculated the employee compensation cost using the Fair value of the stock options
	(b) Difference between the employee compensation cost so computed at (a) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options	: Nil
	(c) The impact of this difference on profits and on EPS of the Company	: Loss after tax: ₹ (14,741.3)Mn Less: additional employee compensation cost based on fair value (net of tax) : Nil Adjusted Loss After Tax: ₹ (14,741.3) Mn Adjusted EPS(diluted): ₹ (6.1)

VII. Weighted-average exercise price and fair value of Stock Options granted : (Post split adjusted price)

[All details given below pertain to Erstwhile Ranbaxy]

Stock options granted on	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Closing market price at NSE on the previous day of the grant (in ₹)
12.01.2001	336.50	145.00	324.15
03.12.2001	297.50	188.50	369.48
01.04.2002	372.50	226.00	449.48
07.02.2003	283.50	132.50	317.45
22.01.2004	496.00	212.50	503.10
17.01.2005	538.50	215.68	534.33
17.01.2006	392.00	194.07	391.15
17.01.2007	430.00	232.57	429.65
16.01.2008	391.00	107.06	390.75
11.06.2008	561.00	172.89	560.75
19.12.2008	219.00	63.31	218.60
21.01.2009	216.00	92.97	215.15
24.02.2010	450.00	218.64	449.60

Annexure - E

[All details given below pertain to Erstwhile Ranbaxy]

Stock options granted on	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)			Closing market price at NSE on the previous day of the grant (in ₹)
		Term of Option			
01.07.2011	5.00	1.25 years	2.25 years	3.25 years	541.35
		534.36	532.74	531.09	
21.01.2012	5.00	1.25 years	2.25 years	3.25 years	468.35
		464.49	462.86	461.20	
22.02.2012	5.00	1.25 years	2.25 years	3.25 years	449.20
		441.92	440.29	438.63	
20.01.2013	5.00	1.25 years	2.25 years	3.25 years	482.15
		475.12	473.47	471.81	
25.02.2013	5.00	1.25 years	2.25 years	3.25 years	413.55
		426.83	425.19	423.53	
08.05.2014	5.00	1.25 years	2.25 years	3.25 years	472.15
		462.39	460.79	459.16	

VIII. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Information/ assumptions used are given in table below
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	

The following table summarizes the assumptions used in calculating the grant date fair value for instrument granted in the period 31st March, 2015:

[All details given below pertain to Erstwhile Ranbaxy]

Particulars	Year ended 31st March, 2015
Grant Date	8th May, 2014
Dividend yield	0.43%
Expected life of options from the date(s) of grant	1.25, 2.25 and 3.25 years
Risk free interest rate	8.57% (1.25 years)
	8.65% (2.25 years)
	8.71% (3.25 years)
Expected volatility	40.47%
Grant date fair value	₹ 462.39 (1.25 years)
	₹ 460.79 (2.25 years)
	₹ 459.16 (3.25 years)

The Black – Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materially affect fair value of the options. The options pricing models do not necessarily provide a reliable measurable of fair value of options. The volatility in the share price is based on volatility of historical stock price of the Division for last 60 months.

CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreements with Stock Exchanges, the Company submits the report for the year ended 31st March, 2015 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 nine 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 Directors	Mr. S. Mohanchand Dadha	-
	Mr. Hasmukh S. Shah	-
	Mr. Keki M. Mistry	-
	Mr. Ashwin S. Dani	-
	Ms. Rekha Sethi	-

Number of Board Meetings held during the year ended 31st March, 2015 and the dates on which held:

Six Board meetings were held during the year. The dates on which the meetings were held during the year ended 31st March, 2015 are as follows: 6th April, 2014, 29th May, 2014, 12th August, 2014, 27th September, 2014, 13th November, 2014 and 14th February, 2015.

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	Attendance Particulars for the year ended 31st March, 2015		*No. of other Directorships and Committee Memberships / Chairmanships as of 31st March, 2015		
	Board Meetings	Last AGM held on 27th September, 2014	Other Directorships	Committee Memberships**	Committee Chairmanships**
Mr. Israel Makov	6	Yes	--	--	--
Mr. Dilip S. Shanghvi	6	Yes	2	--	--
Mr. Sudhir V. Valia	6	Yes	3	--	--
Mr. Sailesh T. Desai	6	Yes	2	--	--
Mr. S. Mohanchand Dadha	6	Yes	3	1	1
Mr. Hasmukh S. Shah	6	Yes	2	--	--
Mr. Keki M. Mistry	4	No	9	5	2
Mr. Ashwin S. Dani	5	Yes	6	2	2
Ms. Rekha Sethi	5	Yes	2	1	--

* The above list of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private Limited, Foreign and Section 8 Companies.

** The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Stakeholders' Relationship 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 have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors and a declaration to the 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. Ashwin S. Dani and Mr. Hasmukh S. Shah. Mr. Keki M. Mistry is the Chairman of the Committee. The constitution of Audit Committee also meets with the requirements under Section 177 of the Companies Act, 2013. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Audit Committee.

The terms of reference of the Audit Committee inter alia 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, approval of related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations, scrutiny of inter-corporate loans, review of internal financial control and risk management review functioning of Whistle Blower/ Vigil Mechanism, approval of appointment of CFO, and also statutory compliance issues etc.

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, whenever necessary.

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 177 of the Companies Act, 2013.

Seven Audit Committee Meetings were held during the year ended 31st March, 2015. The dates on which Meetings were held are as follows: 6th April, 2014, 29th May, 2014, 12th August, 2014, 27th September, 2014, 13th November, 2014, 7th February, 2015 and 14th February, 2015. 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	5
Mr. S. Mohanchand Dadha	Member	6
Mr. Hasmukh S. Shah	Member	7
Mr. Ashwin S. Dani	Member	6

5. NOMINATION & REMUNERATION COMMITTEE

The Company formed the Nomination & Remuneration Committee on 29th May, 2014 as per applicable requirements. The Committee comprises of three Directors viz. Mr. Keki Mistry, Mr. Israel Makov and Ms. Rekha Sethi. Mr. Keki M. Mistry is the Chairman of the Committee. The constitution of the Nomination & Remuneration Committee also meets with the requirements under Section 178 of the Companies Act, 2013. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee.

The terms of reference of the Nomination & Remuneration Committee inter alia include to determine the Company's policy on specific remuneration packages for executive directors, to review, recommend and/or approve remuneration to Whole-time Directors, to review and approve the Remuneration Policy of the Company, to formulate criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time.

Four Nomination & Remuneration Committee Meetings were held during the year ended 31st March, 2015. The dates on which the meetings were held are as follows: 12th August, 2014, 27th September, 2014, 13th November, 2014 and 14th February, 2015. The attendance of each Member of the

Committee is given below:

Name of the Director	Chairman / Member of the Committee	No. of Nomination and Remuneration Committee Meetings attended
Mr. Keki M. Mistry	Chairman	2
Mr. Israel Makov	Member	4
Ms. Rekha Sethi	Member	4

The Nomination and Remuneration Committee, have approved and recommended the Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company which has also been approved by the Board of Directors. The Key highlights of the said Policy are as follows:

- A. Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like, positive outlook, team work, loyalty etc.
- B. Components of Remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.
 - a. Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
 - b. Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.
 - c. Share based payments: The Board may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
 - d. Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance / credit facility, rent

free accommodation, Company cars with or without chauffeur's, share and share price related incentive, reimbursement of electricity and telephone bills etc.

- e. Gratuity/group insurance: Personnel may also be awarded to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel.
 - f. Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorize the Board to declare commission to be paid to any director of the Board.
- C. Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation / Class	To be determined by
Director	Members on recommendation of Nomination and Remuneration Committee and the Board of Directors.
Key Managerial Personnel	Board of Directors on recommendation of the Nomination and Remuneration Committee
Other employees	Human Resources Head

The details of the remuneration paid/payable to the Directors for the year 2014-2015 are given below:

Directors	Salary *	Bonus	Perquisites** / Benefits	Commission	Sitting Fees	(Amount in ₹)
						Total
Mr. Israel Makov	-	-	-	-	499,835	499,835
Mr. Dilip S. Shanghvi	22,121,400	4,424,280	4,980,670	-	-	31,526,350
Mr. Sudhir V. Valia	22,121,400	4,424,280	4,794,437	-	-	31,340,117
Mr. Sailesh T. Desai	7,797,240	1,559,448	1,632,579	-	-	10,989,267
Mr. S. Mohanchand Dadha	-	-	-	-	850,000	850,000
Mr. Hasmukh S. Shah	-	-	-	-	900,000	900,000
Mr. Keki M. Mistry	-	-	-	-	550,000	550,000
Mr. Ashwin S. Dani	-	-	-	-	600,000	600,000
Ms. Rekha Sethi	-	-	-	-	550,000	550,000

* Salary includes Special Allowance.

** Perquisites include House Rent Allowance, Leave Travel 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

6. DIRECTORS' REMUNERATION

The Whole-time Directors' remuneration is approved by the Board, as per recommendation of the Nomination and Remuneration Committee within the overall limit fixed by the shareholders at their meetings.

The Non-Executive Directors of the Company are entitled to commission of 1% as approved by the members, in addition to the sitting fees of ₹ 50,000/- payable to the Non Executive Directors for attending each meeting of the Board and/or of Committee thereof. During the year the sitting fees were increased from ₹ 5,000 to ₹ 50,000 with effect from 1st April, 2014. No commission was paid to Non Executive Directors for the year 2014-15.

The remuneration to Whole-time Directors was paid for the financial year 2014-15 in accordance with the limits approved by the Members. However, in view of loss during the year the remuneration to the Managing Director and the Whole-time Director of the Company, for the year ended 31st March, 2015 has exceeded the limits specified under Schedule V of the Companies Act, 2013 by ₹ 20.7 million. The approval from Central Government in respect of the aforesaid amount is awaited.

is entitled to terminate the Agreement by giving to the other party 30 days notice in writing.

- b) The Company has formulated two Schemes for grant of stock options to the employees of erstwhile Ranbaxy Laboratories Ltd., pursuant to the Scheme of Arrangement for merger of Ranbaxy Laboratories Ltd., into the Company. None of the Directors are entitled to stock options.

- c) There is no separate provision for payment of severance fees to Whole-time Director(s).
- d) The remuneration of Whole-time Directors consists only of fixed components.
- e) The details of Equity Shares held by Non-Executive Directors as on 31st March, 2015

Director	No. of Shares held (held singly or jointly as first holder)
Mr. Israel Makov	Nil
Mr. S. Mohanchand Dadha	Nil
Mr. Hasmukh S. Shah	Nil
Mr. Keki M. Mistry	41,350
Mr. Ashwin S. Dani	Nil
Ms. Rekha Sethi	Nil

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of the Company has constituted a Stakeholders' Relationship Committee. The name of the Committee was changed to Stakeholders' Relationship Committee w.e.f 12th August, 2014. The Committee, comprises of Mr. S. Mohanchand Dadha, Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia with Mr. Hasmukh S. Shah as the Chairman. The constitution of the Stakeholders' Relationship Committee meets the requirements of Section 178 of the Companies Act, 2013. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. 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 terms of reference of the Committee inter alia includes the following: To look into redressal of grievances of shareholders, debenture holders and other security holders of the Company, to consider and resolve grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc, to approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities, to oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services, to investigate any activity within its terms of reference, to seek information from share transfer agents, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary and have full access to the information contained in the records of the Company.

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

Four Meetings of the Stakeholders' Relationship Committee were held during the year ended 31st March, 2015. The dates on which Meetings were held are as follows: 29th May, 2014, 12th August, 2014, 13th November, 2014 and 14th February, 2015. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member of the Committee	No. of Stakeholders' Relationship Committee Meetings attended
Mr. Hasmukh S. Shah	Chairman	4
Mr. Sudhir V. Valia	Member	4
Mr. Dilip S. Shanghvi	Member	4
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 18.

8. COMMITTEE OF DIRECTORS (ALLOTMENT)

The Board of Directors of the Company, at their Board Meeting held on 14th February, 2015 constituted a Committee of Directors (Allotment) comprising of Mr. Dilip Shanghvi, Mr. Sudhir V. Valia, Mr. Sailesh T. Desai, Mr. S. Mohanchand Dadha and Mr. Hasmukh Shah. Mr. Sudhir Valia is the Chairman of the Committee and Mr. Sunil R. Ajmera, Company Secretary is the Secretary of the Committee.

Two meetings of the Committee of Directors' (Allotment) were held on 24th March, 2015 at 2 pm and on 24th March, 2015 at 6 pm, during the year ended 31st March, 2015. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member of the Committee	No. of Committee of Directors (Allotment) Committee Meetings attended
Mr. Hasmukh S. Shah	Member	-
Mr. Sudhir V. Valia	Chairman	2
Mr. Sailesh Desai	Member	-
Mr. S. Mohanchand Dadha	Member	-
Mr. Dilip Shanghvi	Member	2

The Committee of Directors (Allotment) inter alia has the following powers: To fix / take note of the record date for determining the names of the eligible shareholders of the

Ranbaxy who shall be entitled to receive Equity shares of the Company pursuant to the Scheme of Arrangement for merger of Ranbaxy Laboratories Ltd. into the Company, in the ratio of 4 Equity Share of ₹ 1/- each of the Company for every 5 Equity Shares of ₹ 1/- each held in Ranbaxy as on such record date which may be fixed for the purpose, and for issue of Non Convertible Debentures, if any, to decide all matters relating to the issue and allotment of equity shares of ₹ 1/- each and Non Convertible Debentures, to credit the equity shares/ debenture holders so allotted through NSDL/ CDSL/ Other depository to the concerned beneficiary account and to issue the equity share certificates to the shareholders holding the shares in physical form, 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 Equity Shares of ₹ 1/- each and of debentures and to allot shares pursuant to ESOP Scheme etc.

9. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of the Company constituted a Corporate Social Responsibility Committee on 29th May, 2014 comprising of Mr. Sudhir V. Valia, Ms. Rekha Sethi with Mr. Dilip Shanghvi as the Chairman. The constitution of the Corporate Social Responsibility Committee meets the requirements of Section 135 of the Companies Act, 2013. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee.

The terms of reference of the Corporate Social Responsibility Committee include to formulate and recommend to the Board, a Corporate Social Responsibility Policy, to monitor the Corporate Social Responsibility Policy of the company from time to time, to recommend the amount of expenditure to be incurred on the activities, to monitor amount spent on the CSR initiatives of the Company as per the CSR policy, to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time. The contents of the CSR Policy of the Company can be accessed through the web link <http://www.sunpharma.com/policies>.

One Corporate Social Responsibility Committee Meeting was held on 12th August, 2014, during the year ended 31st March, 2015. The attendance of each Member of Committee is as follows:

Name of the Director	Chairman / Member of the Committee	No. of Corporate Social Responsibility Committee Meetings attended
Mr. Dilip Shanghvi	Chairman	1
Mr. Sudhir V. Valia	Member	1
Ms. Rekha Sethi	Member	1

10. RISK MANAGEMENT COMMITTEE

The Board constituted the Risk Management Committee on 27th September, 2014 comprising of Mr. Dilip Shanghvi, Mr. Sudhir V. Valia and Mr. Uday Baldota, CFO. The Chairman of the Committee is Mr. Dilip Shanghvi. The constitution of the Committee also meets the requirements of Clause 49 (VI) of the Listing Agreement. The terms of reference of the Committee inter alia include: to formulate and recommend to the Board a Risk Management Plan/Policy, to implement, monitor and review the risk management plan for the Company, to recommend and implement procedures for risk assessment and minimization, to monitor the Risk Management Policy of the Company from time to time, to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee.

Two Risk Management Committee Meetings were held during the year ended 31st March, 2015. The dates on which the meetings were held are as follows: 13th November, 2014 and 14th February, 2015. The attendance of each member of Committee is as follows:

Name of the Director	Chairman / Member of the Committee	No. of Risk Management Committee Meetings attended
Mr. Dilip S. Shanghvi	Chairman	2
Mr. Sudhir V. Valia	Member	2
Mr. Uday Baldota	Member	2

11. SUBSIDIARY COMPANIES

In accordance with Clause 49(V) of the Listing Agreement with Stock Exchanges, Sun Pharma Laboratories Limited is a 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 Company and its subsidiaries in the immediately preceding accounting year.

Mr. S. Mohanchand Dadha and Ms. Rekha Sethi, Independent Directors of the Company are also Directors on the Board of Sun Pharma Laboratories Limited.

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

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

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.

Policy for determining material subsidiaries of the Company is available on the website of the Company and can be accessed at <http://www.sunpharma.com/policies>.

12. GENERAL BODY MEETINGS

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

Year	Meeting	Location	Date	Time
2011-2012	Twentieth AGM*	Sir Sayajirao Nagargruh, Akota, Vadodara – 390 020, Gujarat	8th November, 2012	2.30 p.m.
2011-2012	Adjourned Twentieth AGM	Sir Sayajirao Nagargruh, Akota, Vadodara – 390 020, Gujarat	30th September, 2013	10.45 a.m.
2012-2013	Twenty First AGM	Sir Sayajirao Nagargruh, Akota, Vadodara – 390 020, Gujarat	30th September, 2013	11.30 a.m.
2013-2014	Twenty Second AGM	Sir Sayajirao Nagargruh, Akota, Vadodara- 390 020, Gujarat	27th September, 2014	12.00 noon

* Twentieth AGM which was adjourned sine die for consideration of revised accounts.

(ii) Special Resolutions passed during the last previous three Annual General Meetings:

a) At the Twentieth Annual General Meeting which was adjourned sine die for consideration of Revised Accounts:

1. 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.
3. 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 other mode as may be permitted by the Govt. of India or concerned authorities.

b) At the Adjourned Twentieth Annual General Meeting: No Special Resolutions were passed.

c) At Twenty-First Annual General Meeting:

1. Approval for increase in upper limit of remuneration payable to Mr. Sudhir V. Valia, Whole-Time Director of the Company, with effect from 1st April, 2013 up to the remaining period of his tenure, i.e 31st March, 2014.
2. Approval for reappointment of Mr. Sudhir V. Valia as Whole-Time Director of the Company for further period of five years on such terms and conditions including remuneration with effect from 1st April, 2014 up to 31st March, 2019.
3. Approval for reappointment of Mr. Sailesh T. Desai as Whole-Time Director of the Company for further period of five years on such terms and conditions including remuneration with effect from 1st April, 2014 up to 31st March, 2019.
4. Approval for appointment and remuneration payable to Mr. Aalok Shanghvi, being a relative of a Director, to hold office/ place of profit for the period from 1st April, 2014 up to 31st March, 2019.
5. Approval for raising funds by the Company by issue of Convertible bonds, debentures, equity shares, Global Depository Receipts, American Depository Receipts, etc not exceeding ₹ 120 Billion (Rupees One Hundred Twenty Billion only).

6. Approval for increase in the borrowing limit of the Company not exceeding ₹ 500 Billion (Rupees Five Hundred Billion only)
 7. Approval for increase in the limit of inter-corporate loans, guarantees and investments to be made by the Company not exceeding ₹ 500 Billion (Rupees Five Hundred Billion only)
- d) At Twenty-Second Annual General Meeting:**
1. Approval under Section 186 of the Companies Act, 2013 upto a maximum limit of ₹ 500 Billion (Rupees Five Hundred Billion only).
 2. Approval under Section 180 (1)(c) of the Companies Act, 2013 to borrow money on behalf of the Company upto a maximum limit of ₹ 500 Billion (Rupees Five Hundred Billion only).
 3. Approval for further issue of securities 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)
 4. Approval by members of the Company accorded for remuneration paid to Mr. Dilip S. Shanghvi, Managing Director, (DIN:00005588), of the Company for the financial year 2013-14 which is in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 in view of the absence of profits for the financial year 2013-14.
 5. Approval by members of the Company accorded for remuneration paid to Mr. Sudhir V. Valia, Whole-time Director (DIN: 00005561) of the Company for the financial year 2013-14 which is in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 in view of the absence of profits for financial year 2013-14.
 6. Approval by members of the Company accorded for remuneration paid to Mr. Sailesh T. Desai, Whole-time Director, (DIN:00005543), of the Company for the financial year 2013-14 which is in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 in view of the absence of profits for financial year 2013-14.
 7. Approval by members of the Company accorded for Commission paid to the Non-Executive Directors of the Company (other than the Managing Director and/or Whole-time Directors) for the financial year 2013-14 which is in excess of the limits prescribed under Companies Act, 1956 in view of the absence of profits for financial year 2013-14.
 8. Approval for the payment of Commission to Non-Executive Directors of the Company for each financial year over a period of five years from the current financial year ending on 31st March, 2015 up to and including financial year of the Company ending on 31st March, 2019 to be calculated in accordance with the provisions of Section 198 of the Act.
 9. Approval to Mr. Aalok D. Shanghvi, who is relative of Director to hold office or place of profit under the Company for a period of five years from 1st April, 2014, and remuneration (excluding reimbursement of expenses, if any) of ₹ 15,000,000/- (Rupees One Crore Fifty Lakhs Only) per annum.
- (iii) Postal Ballot**
- There were no resolutions passed through Postal Ballot during the year ended 31st March, 2015.
- 13. 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 Standalone Financial Statements.
 - 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.
 - 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.
 - The Board of Directors of the Company have approved a whistle blower policy/vigil mechanism to monitor the actions taken on complaints received under the said policy. This policy also outlines the reporting procedure and investigation mechanism to be followed in case

an employee blows the whistle for any wrong-doing in the Company. Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that Employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. An ombudsperson/s has been appointed to receive the complaints through portal or email or letters who would investigate the complaints with an investigating committee. The final decision would be taken by the Ombudsperson in consultation with the management and the Audit Committee. The Policy is expected to help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organization or for those affected by its functions. The details of establishment of vigil mechanism are available on the website of the Company. No personnel has been denied access to the Audit Committee.

- Details of the familiarization programme of the independent directors are available on the website of the Company at <http://www.sunpharma.com/policies>.
- During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole.
- Adoption/ Non Adoption of the Non- mandatory requirements for the year ended 31st March, 2015 :
 - (i) The Chairman of the Company is a Non-Executive Director
 - (ii) The Company does not send half-yearly financial results including summary of the significant events in the last six months to the household of each shareholder as the financial results are published in the newspapers and also posted on the website of the Company and the websites of BSE and NSE.
 - (iii) The Financial statements of the Company have not been qualified by the Auditors.
 - (iv) The Company has separate position for Chairman & Managing Director

- (v) The Internal Auditor reports their findings to the Audit Committee of the Company.

14. MEANS OF COMMUNICATION

Website: The Company's website www.sunpharma.com contains a separate dedicated section 'INVESTOR' where shareholders information is available. The 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: Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with the Stock Exchanges and are available on the website of BSE Ltd. - www.bseindia.com, National Stock Exchange of India Ltd. - www.nseindia.com.

15. GENERAL SHAREHOLDER INFORMATION

15.1 Annual General Meeting:

Date and Time	Saturday, 31st October, 2015 at 9.45 a.m.
Venue	Prof. Chandravan C. Mehta Auditorium - General Education Center, Maharaja Sayajirao University of Baroda, Near D. N. Hall, PratapGunj, Vadodara-390002, Gujarat

15.2 Financial Calendar (tentative):

Results for quarter ending 30th September,
2015 – Second week of November 2015.

Results for quarter ending 31st December,
2015– Second week of February 2016.

Audited Results for year ended 31st March, 2016– 3rd
or 4th week of May 2016.

15.3 Details of Book-closure for Equity Shareholders:

From Saturday, 24th October, 2015 to Saturday, 31st
October, 2015 (both days inclusive)

15.4 Dividend Payment Date:

On or before 4th November, 2015

15.5 (i) Listing of Equity Shares on Stock Exchanges

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

15.5 (ii) Payment of Listing Fee

Listing Fees for the financial year 2015-16 have been
paid to BSE Limited and National Stock Exchange of
India Limited, where the Company's Equity Shares
continue to be listed.

15.6 Stock Code: Equity Shares

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

NON CONVERTIBLE DEBENTURES

(issued consequent to the merger of Ranbaxy into the
Company)

(b) Demat ISIN Number in NSDL and CDSL for Secured Rated Redeemable 9.20% Non- Convertible Debentures of face value of ₹ 10 lakhs each, listed on NSE	ISIN No.: INE044A01036
--	---------------------------

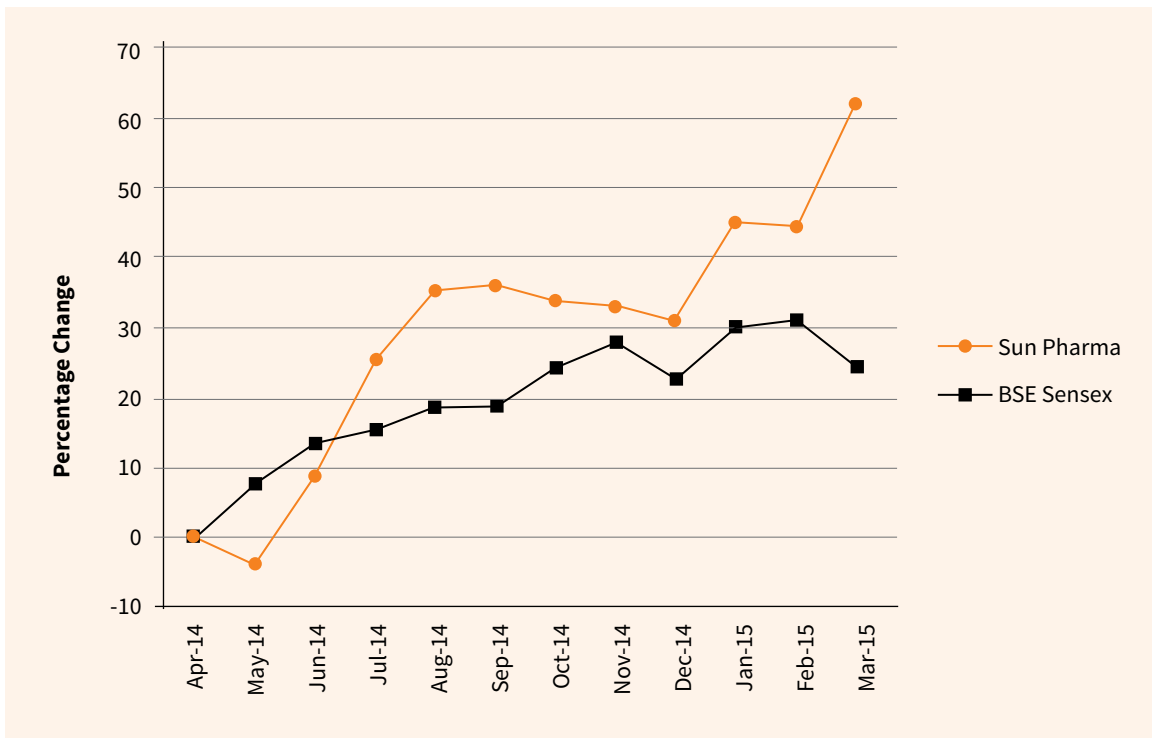
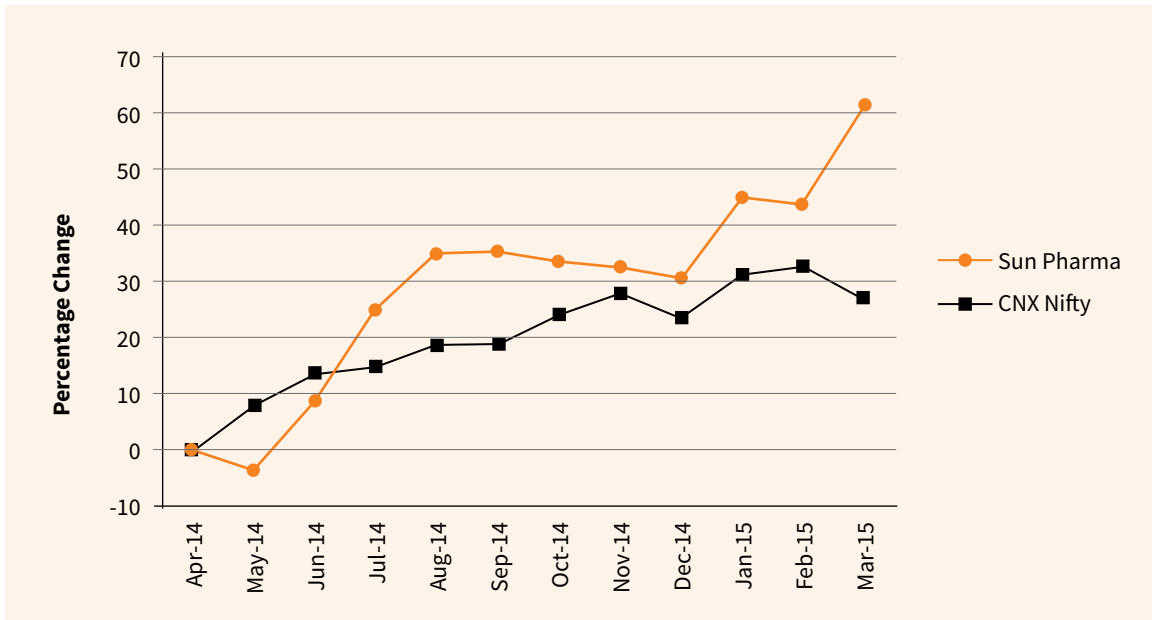
15.7 Stock Market Data

Equity Shares of ₹ 1/- paid-up value:

	BSE Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2014	644.05	570.35	643.95	570.10
May, 2014	641.30	572.15	641.40	572.00
June, 2014	688.00	593.95	689.90	593.00
July, 2014	799.45	678.00	800.00	677.90
August, 2014	875.00	743.25	875.45	743.30
September, 2014	877.40	748.15	878.40	748.00
October, 2014	868.00	792.00	868.80	790.00
November, 2014	932.00	831.95	932.50	832.30
December, 2014	856.15	798.80	856.50	798.35
January, 2015	939.05	800.30	939.95	800.00
February, 2015	965.90	861.10	965.95	860.20
March, 2015	1,074.05	910.00	1,075.00	909.40

(Source: BSE and NSE website)

15.8 Share price performance in comparison to broad-based indices – BSE Sensex and NSE Nifty for the year 2014-15.



(Source: BSE and NSE website)

Share price performance relative to BSE Sensex based on share price on 31st March, 2015.

Period	% Change in		
	Sun Pharma Share Price	BSE Sensex	Sun Pharma Relative to Sensex
Year-on-year	78.29%	24.89%	53.41%
2 years	149.83%	48.43%	101.40 %
3 years	259%	60.64%	198.36%
5 years	471.22%	59.50%	411.71%
10 years	2068.54%	330.59%	1737.95%

* Note: Prices have been adjusted for Bonus Issue in 2013-14.

Share price performance relative to Nifty based on share price on 31st March, 2015

Period	% Change in		
	Sun Pharma Share Price	Nifty	Sunpharma Relative to Nifty
Year-on-Year	78.15%	26.65%	51.50%
2 Years	400.10%	49.42%	350.68%
3 Years	259.29%	60.34%	198.95%
5 Years	471.37%	61.76%	409.61%
10 Years	2094.86%	317.11%	1777.74%

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

* Note: Prices have been adjusted for Bonus Issue in 2013-14.

15.9 Registrars & Transfer Agent

(Share transfer and communication regarding share certificates, dividends and change of address)	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
--	--

15.10 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.

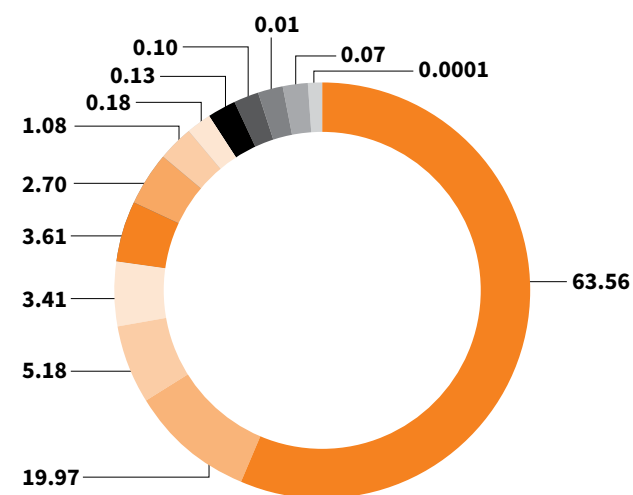
15.11 Distribution of Shareholding as on 31st March, 2015

No. of Equity Shares held	No. of Accounts		Shares of face value ₹ 1 each/-	
	Numbers	% to total accounts	Number	% to total shares
Upto 5,000	162,940	96.95	36,157,856	1.75
5,001 – 10,000	2,011	1.20	14,621,364	0.71
10,001 – 20,000	1,755	1.04	22,093,921	1.07
20,001 – 30,000	258	0.15	6,330,236	0.30
30,001 – 40,000	118	0.07	4,185,871	0.20
40,001 – 50,000	93	0.05	4,250,159	0.20
50,001 – 100,000	227	0.14	16,180,957	0.78
100,001 and above	666	0.40	1,967,343,546	94.99
Total	168,068	100.00	2,071,163,910	100.00

15.12 Shareholding Pattern as on 31st March, 2015 of Equity Shares as per Clause 35 of the Listing Agreement

Particulars	Percentage	No. of Shares
A. Indian Promoters and Persons acting in Concert	63.56%	1,316,496,400
B. Mutual Funds and UTI	1.08%	22,456,389
C. Banks/ Financial Institutions and Insurance Companies	3.41%	70,561,936
D. Foreign Institutional Investors	19.97%	413,526,367
E. Private Corporate Bodies	2.70%	55,862,424
F. Indian Public	5.18%	107,434,764
G. Directors & Relatives	0.18%	3,792,370
H. NRIs /OCBs	0.13%	2,602,665
I. Clearing Members	0.01%	207,850
J Trusts	0.10%	1,998,490
K. Central Government/ State Government	0.07%	1,382,146
L. Foreign Portfolio Investor(Corporate)	3.61%	74,841,129
M. Foreign National	0.00%	980
Total	100%	2,071,163,910

Shareholding Pattern as on 31st March 2015 (%)



Indian Promoters and Persons acting in Concert

Foreign Institutional Investors

Indian Public

Banks/ Financial Institutions and Insurance Companies

Foreign Portfolio Investor (Corporate)

Private Corporate Bodies

Mutual Funds and UTI

Directors & Relatives

NRIs /OCBs

Trusts

Clearing Members

Central Government/ State Government

Foreign National

Not to scale

15.13 Dematerialization of Shares

About 99.39% of the outstanding Equity shares have been de-materialized up to 31st March, 2015. Trading in Shares of the Company is permitted only in dematerialized form w.e.f. 29th November, 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 BSE Ltd.(BSE), Relevant data for the **average daily turnover** for the financial year 2014-2015 is given below:

	BSE	NSE	BSE + NSE
In no. of share (in Thousands)	203.02	2,340.33	2,543.35
In value terms (₹ Millions)	161.60	1,837.19	1,998.79

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

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

The Company has not issued any Global Depository Receipts (GDRs)/American Depository Receipts(ADRs)/warrants or any other convertible instruments during the year ended 31st March, 2015.

Global Depository Shares ("GDS") of erstwhile Ranbaxy Laboratories Limited were delisted from the Luxembourg Stock Exchange (where GDS of the erstwhile Ranbaxy were listed) on 15th December,

2014, in view of the termination of the underlying GDR programme and Deposit Agreements dated 7th July, 1994 (under which the Rule 144A Global Depository Shares/Regulation S Global Depository Shares had been issued) on 15th December, 2014 through the Bank of New York Mellon.

Outstanding Stock Options

The details of Number of Stock Options outstanding as on 31st March, 2015 are provided in the Board's Report.

Outstanding Unclaimed Shares

The status of outstanding unclaimed shares in the Unclaimed Share Suspense Account of Erstwhile Ranbaxy Laboratories Limited (Ranbaxy) is as under:-

Particulars	No. of Shareholders	No. of equity shares of ₹ 5/- each of Erstwhile Ranbaxy
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1st April, 2014.	1,148	511,448
Number of shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from 1st April, 2014 up to 31st March, 2015.	23	10,422
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period.	23	10,422
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 24th March, 2015	1,125	501,026 *

*501,026 outstanding Equity shares were converted in the ratio of 8 (eight) equity shares of ₹ 1 each of the Company for every 10 (ten) equity shares of ₹ 5 each of erstwhile Ranbaxy on 10th April, 2015 pursuant to the merger of erstwhile Ranbaxy into the Company. Thereafter, status of outstanding unclaimed shares in the Suspense Account of Sun Pharma is as under:

Particulars	No. of Shareholders	No. of equity shares of ₹ 1/- each of Sun Pharma
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account post merger of erstwhile Ranbaxy into the Company	1,125	400,820

15.15 Plant locations as on 31st March, 2015:

- Survey No.214 and 20, Govt. Industrial Area, Phase-II, Piparia, Silvassa – 396 230, U.T. of D & NH.
- Plot No.24/2 and No.25, GIDC, Phase- IV, Panoli – 395 116, Dist. Bharuch, Gujarat.
- A-7 & A-8, MIDC Industrial Area, Ahmednagar – 414 111, Maharashtra.
- Plot No. 4708, GIDC, Ankleshwar – 393 002, Gujarat.
- Sathammai Village, Karunkuzhi Post, Maduranthakam T.K. Kanchipuram Dist. Tamil Nadu – 603 303.
- Halol-Baroda Highway, Near Anand Kendra, Halol, Dist. Panchmahal- 389350 Gujarat.
- Plot No. 817/A, Karkhadi – 391 450, Taluka: Padra, Dist. Vadodara, Gujarat.
- Survey No. 259/15, Dadra - 396 191, U.T. of D. & NH.
- Plot No.Z/15, Sez-1, Po.Dahej, Taluko Vagra, Dist. Bharuch, Gujarat
- Village Toansa, P.O. Railmajra Dist. Nawansahar-144533 (Punjab)
- A-41, Industrial Area, Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160071 (Punjab)
- Plot No. K - 5,6,7, Ghirongi Industrial Area, Malanpur, Dist. Bhind, M P.
- Pharma Manufacturing Industrial Area 3 A.B. Road, Dewas-455001, Madhya Pradesh
- Plot No. B-2 Madkaim Industrial Estate, Ponda, Goa
- Plot No. 1341 & 1342 EPIP-1, Hill Top Industrial Area, Village Bhatolikalan (Barotiwal), Baddi – 174103 (H.P.)
- Village & PO Ganguwala, Tehsil Paonta Sahib-173025, Dist. Sirmour (H.P.)
- Village Batamandi, Tehsil Paonta Sahib-173025, Dist. Sirmour (H.P.).

15.16 Investor Correspondence

(a) For transfer/dematerialization of Shares, payment of dividend on Shares, and any other query relating to the shares of the Company	For Shares held in Physical Form: 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
(b) E-mail id designated by the Company for Investor Complaints	For Shares held in Demat Form: To the Depository Participant. secretarial@sunpharma.com
(c) Any query on Annual Report	Mr. Sunil R. Ajmera/Mr. Ashok I. Bhuta/ Mr. Nimish Desai, Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon-East, Mumbai - 400 063 sunil.ajmera@sunpharma.com ashok.bhuta@sunpharma.com nimish.desai@sunpharma.com secretarial@sunpharma.com

For and on behalf of the Board

11th August, 2015
Mumbai

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Whole-Time Director

SAILESH T. DESAI
Whole-Time Director

ANNEXURE TO CORPORATE GOVERNANCE FOR THE YEAR ENDED 31st MARCH, 2015

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 Sun Pharmaceutical Industries Ltd.,

DILIP S. SHANGHVI
Managing Director

Date: 11th August, 2015

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

To The Members of Sun Pharmaceutical Industries Ltd

We have examined the compliance of the conditions of Corporate Governance by SUN PHARMACEUTICAL INDUSTRIES LTD ("the Company") for the year ended on 31st March, 2015, 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 LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Mumbai, 11th August, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SUN PHARMACEUTICAL INDUSTRIES LIMITED (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the financial information of erstwhile Ranbaxy Laboratories Limited, now a division of the Company (hereinafter referred to as "erstwhile Ranbaxy" or "amalgamating company") for the year ended on that date, consequent to its amalgamation into the Company which has been effected on 24th March, 2015, with the appointed date of 1st April, 2014, audited by other auditors (division / component auditors), referred in the 'Other Matter' section below.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act read together with our remarks in paragraph 2 of 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 standalone 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 the 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 financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors (division / component auditors) of the amalgamating company in terms of their report referred in the 'Other Matter' section below is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

report of the other auditors (division / component auditors) on the financial information of the amalgamating company referred in the 'Other Matter' section below, and read together with paragraphs 1 and 2 of the 'Emphasis of Matter' section below, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

1. We draw attention to Note 51 to the standalone financial statements. As referred to in the said Note, the financial statements of the Company for the year ended 31st March, 2015 were earlier approved by the Board of Directors at their meeting held on 29th May, 2015 which were subject to revision by the Management of the Company so as to give effect to the Scheme of Arrangement for amalgamation of Sun Pharma Global Inc., a wholly owned subsidiary, into the Company w.e.f 1st January, 2015. Those financial statements were audited by us and our report dated 29th May, 2015, addressed to the Members of the Company, expressed an unqualified opinion on those financial statements and included an Emphasis of Matter paragraph drawing attention to the foregoing matter. Consequent to the Company obtaining the required approvals, the aforesaid financial statements are revised by the Company to give effect to the said Scheme of Arrangement.
2. Apart from the foregoing matter and the provision for proposed dividend, the attached financial statements do not take into account any events subsequent to the date on which the financial statements referred to in paragraph 1 above were earlier approved by the Board of Directors and reported upon by us as aforesaid.
3. a) We draw attention to Note 55 to the standalone financial statements. As referred to in the said Note, remuneration to the Managing Director and the Whole-time Directors for the previous year ended 31st March, 2014 is in excess of the limits specified under Schedule XIII to the Companies Act, 1956 by ₹ 44.7 Million and commission of ₹ 6.4 Million for the previous year ended 31st March, 2014 to the Non-Executive Directors is in excess, since there is absence of net profits for the previous year under section 309(4) read with section 309(5) of the Companies Act, 1956. In this regard, the Company has made necessary applications to the Central Government for the waiver of the excess remuneration and commission for the previous year ended 31st March, 2014. The Company is awaiting Central Government approval in respect of the said applications.
- b) We draw attention to Note 55 to the standalone financial statements. As referred to in the said Note, remuneration to the Managing Director and the Whole-time Director for the year is in excess of the limits specified under Schedule V to the Companies Act, 2013 by ₹ 20.7 Million. In this regard, the Company has made necessary applications to the Central Government for approving the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. The Company is awaiting Central Government approval in respect of the said applications.

Our opinion is not modified in respect of these matters.

Other Matter

The standalone financial statements include the financial information of erstwhile Ranbaxy consequent to its amalgamation into the Company which has been effected on 24th March, 2015, with the appointed date of 1st April, 2014 (Refer Note 48 to the standalone financial statements). We did not audit the financial information of erstwhile Ranbaxy, included in the standalone financial statements of the Company, whose financial information reflect total assets of ₹ 88,083.7 Million as at 31st March, 2015, total revenue of ₹ 55,867.3 Million and net cash outflow of ₹ 4,674.2 Million for the year ended on that date, as considered in the standalone financial statements. This financial information of erstwhile Ranbaxy has been audited by other auditors (division / component auditors) whose report has been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in respect of erstwhile Ranbaxy and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to erstwhile Ranbaxy is based solely on the report of such other auditors (division / component auditors).

Our opinion on the standalone financial statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors (division / component auditors).

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, based on our comments and in terms of the comments in the report of the other auditors (division / component auditors) in respect of the amalgamating Company referred in the 'Other Matter' section above, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and 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 and the financial information adequate for the purpose of our audit have been received in respect of the amalgamating company audited by the other auditors (division / component auditors) referred in the 'Other Matter' section above.
 - (c) The report on the financial information of the amalgamating company audited by the other auditors (division / component auditors) referred in the 'Other Matter' section above has been sent to us and has been properly dealt with by us in preparing this report.
 - (d) 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 and the financial information in respect of the amalgamating company audited by the other auditors (division / component auditors) referred in the 'Other Matter' section above.
 - (e) In our opinion, and based on the consideration of the report of the other auditors (division / component auditors) on the financial information of the amalgamating company referred in the 'Other Matter' section above, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and in terms of the report of the other auditors (division / component auditors) in respect of the amalgamating company referred in the 'Other Matter' section above:
 - i. The standalone financial statements disclose the impact of pending litigations on the financial position of the company – Refer Notes 28(a) and 28(c) to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6 and Note 10 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place of Signature: Mumbai

Date: 29th May, 2015 [11th August, 2015 as to effect the matters discussed under paragraphs 1 and 2 of the 'Emphasis of Matter' section above]

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to In Paragraph 1 Under 'Report on Other Legal and Regulatory Requirements' Section of Our Report of Even Date)

Our reporting on the Order includes erstwhile Ranbaxy which has been audited by other auditors (division / component auditors) referred in the 'Other Matter' section of our report of even date and our report in respect of the division (erstwhile Ranbaxy) is based solely on the report of the other auditors (division / component auditors), to the extent considered applicable for reporting under the Order in the case of the standalone financial statements.

- (i) 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 Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion and the opinion of the other auditors (division / component auditors), is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us and the other auditors (division / component auditors), no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
 - (a) As explained to us and the other auditors (division / component auditors), the inventories, except for goods in transit, were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors (division / component auditors) and according to the information and explanations given to us and the other auditors (division / component auditors), 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 the opinion of the other auditors (division / component auditors) and according to the information and explanations given to us and the other auditors (division / component auditors), the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and the other auditors (division / component auditors), the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 (hereinafter referred to as "the Act"), where:
 - (a) In respect of loans granted to an associate:
 - (I) There is no receipt of the principal amount of ₹ 512.0 Million and the interest thereon of ₹ 88.8 Million.
 - (II) There is no evidence of reasonable steps having been taken for the recovery of the principal outstanding or interest receivable. As represented to us by the Management of the Company, the Company is evaluating various options to recover its dues in respect of the principal amount and the interest thereon.

Refer Note 45 to the Financial Statements.

- (b) In respect of the other loans:
 - (I) The receipts of the principal amounts have been regular / as per stipulations. No interest was due during the year in respect of such loans.
 - (II) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and the opinion of the other auditors (division / component auditors) and according to the information and explanations given to us and the other auditors (division / component auditors), 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 and that some of the items sold are of a special nature where there are no similar transactions with other parties, 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 and the other auditors (division / component auditors) audit, we and the other auditors (division / component auditors) have not observed any continuing failure to correct major weakness in such internal control system.

- (v) According to the information and explanations given to us and the other auditors (division / component auditors), the Company has not accepted any deposit from the public during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act.
- (vi) We and the other auditors (division / component auditors) have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and the Cost Accounting Records (Pharmaceutical Industry) Rules, 2011 prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We and the other auditors (division / component auditors) have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and the other auditors (division / component auditors), in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities, though there have been slight delays in few cases.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 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, Service Tax, Customs Duty, Excise Duty and Value added Tax which have not been deposited as at 31st March, 2015 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	1998-99, 2005-06, 2006-07 and 2008-09 to 2010-11	3,202.4
		Income Tax Appellate Tribunal (ITAT)	1995-96, 2007-08 and 2009-10	2,912.4
Sales Tax Act/ VAT (Various States)	Sales Tax, Interest and Penalty	Assistant / Deputy / Joint Commissioner	1998-99 to 2000-01, 2003-04, 2004-05 and 2008-09	3.1
		Tribunal	1999-2000 to 2001-02	1.8
		Appellate Authority	2008-09	1.4
		High Court	1999-2000, 2001-02 to 2003-04 and 2005-06 to 2010-11	24.0
	Entry Tax	Madhya Pradesh Commercial Tax Appellate Board	2009-10	2.5
Wealth Tax Act, 1957	Wealth Tax	Commissioner	2010-11	0.1
		Tribunal	2007-08 to 2009-10	0.3
The Central Excise Act, 1944	Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Delhi	2006 to 2011	4.4

Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ In Million)
Customs Act, 1962	Custom Duty, Penalty and Interest	High Court	2000-01	15.4
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Assistant / Deputy / Joint Commissioner	1995-96 to 1998-99 and 2000-01 to 2014-15	892.0
		Tribunal	1999-00 to 2013-14	594.3
		High Court	1989-90 to 1998-99 and 2002-03 to 2004-05	60.5
		Supreme Court	1995-96 to 2003-04	21.5
Sales Tax Act (Various States)	Value Added Tax	Additional / Assistant / Deputy / Joint/ Senior Joint Commissioner	2005-06 to 2008-09 and 2010-11 to 2012-13	17.7
		Tribunal	2008-09	1.2
		High Court	2009-10 and 2010-13	94.0

There were no dues of Cess which have not been deposited as on 31st March, 2015 on account of disputes.

- (d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses of the Company at the end of the financial year, however the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors (division / component auditors) and according to the information and explanations given to us and the other auditors (division / component auditors), the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and the opinion of the other auditors (division / component auditors) and according to the information and explanations given to us and the other auditors (division / component auditors), the terms and conditions of the guarantees given and letters of comfort issued by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.
- (xi) In our opinion and the opinion of the other auditors (division / component auditors) and according to the information and explanations given to us and the other auditors (division / component auditors), except for term loans lying unutilised as at 31st March, 2015, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our and the other auditors (division / component auditors) knowledge and according to the information and explanations given to us and the other auditors (division / component auditors), no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place of Signature: Mumbai

Date: 29th May, 2015 [11th August, 2015 as to effect the matters discussed under paragraphs 1 and 2 of the 'Emphasis of Matter' section above]

BALANCE SHEET

AS AT 31ST MARCH, 2015

₹ in Million

	Note No.	As at 31st March, 2015		As at 31st March, 2014	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	2,071.2		2,071.2	
Share Suspense Account	48	334.8		-	
Reserves and Surplus	2	225,307.7	227,713.7	72,007.6	74,078.8
Share application money pending allotment			149.0		-
Non-current Liabilities					
Long-term Borrowings	3	11,703.2		46.4	
Deferred Tax Liabilities (Net)	4	-		1,928.4	
Other Long-term Liabilities	5	143.7		13.8	
Long-term Provisions	6	24,225.1	36,072.0	25,241.9	27,230.5
Current Liabilities					
Short-term Borrowings	7	42,528.1		24,043.7	
Trade Payables	8	14,850.3		3,800.6	
Other Current Liabilities	9	32,475.5		7,610.1	
Short-term Provisions	10	20,666.9	110,520.8	6,880.3	42,334.7
Total			374,455.5		143,644.0
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets	11A	31,152.9		12,575.6	
Intangible Assets	11B	699.8		96.1	
Capital Work-in-Progress		10,863.2		4,804.6	
Intangible Assets under Development		42.7		-	
		42,758.6		17,476.3	
Non-current Investments	12	257,822.3		61,557.3	
Long-term Loans and Advances	13	18,952.3		7,614.9	
Other Non-current Assets	14	419.5	319,952.7	1.1	86,649.6
Current Assets					
Current Investments	15	939.3		8,600.0	
Inventories	16	21,892.5		9,183.8	
Trade Receivables	17	18,028.2		9,801.5	
Cash and Cash Equivalents	18	4,164.6		1,414.8	
Short-term Loans and Advances	19	6,966.9		3,093.2	
Other Current Assets	20	2,511.3	54,502.8	24,901.1	56,994.4
Total			374,455.5		143,644.0
See accompanying notes forming part of the Financial Statements					

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

Mumbai, 11th August, 2015

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director

UDAY V. BALDOTA
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director

Mumbai, 11th August, 2015

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	Note No.	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from Operations	21	81,687.4	29,282.5
Less: Excise Duty		1,515.5	994.6
		80,171.9	28,287.9
Other Income	22A	2,115.8	1,777.6
Total Revenue		82,287.7	30,065.5
Expenses			
Cost of Materials Consumed	23	22,611.1	8,946.2
Purchases of Stock-in-Trade	32	9,342.2	1,850.4
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	3,181.0	(145.3)
Employee Benefits Expense	25	14,866.8	2,796.3
Finance Cost	22B	5,512.5	183.8
Depreciation and Amortisation Expense	11	6,606.8	1,019.4
Other Expenses	26	35,757.0	14,669.6
Total Expenses		97,877.4	29,320.4
(Loss) / Profit Before Exceptional Item and Tax		(15,589.7)	745.1
Exceptional Item	47	-	(28,756.0)
Loss Before Tax		(15,589.7)	(28,010.9)
Tax Expense:			
Current Tax	50	1,080.0	-
Deferred Tax / (Credit)		(1,928.4)	(848.4)
			274.3
Loss for the Year		(14,741.3)	(28,285.2)
Earnings per Share (Face Value per Equity share - ₹ 1)	39		
Basic (in ₹)		(6.1)	(13.7)
Diluted (in ₹)		(6.1)	(13.7)
See accompanying notes forming part of the Financial Statements			

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

Mumbai, 11th August, 2015

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director
UDAY V. BALDOTA
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director
SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director

Mumbai, 11th August, 2015

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	Year ended 31st March, 2015	Year ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Tax	(15,589.7)	(28,010.9)
Adjustments for:		
Depreciation and Amortisation Expense	6,606.8	1,019.4
Loss on Sale of Fixed Assets (net)	64.8	21.1
Finance Costs	5,512.5	183.8
Interest Income	(849.8)	(890.6)
Dividend Income	(0.2)	(0.2)
Net Gain on Sale of Investments	(988.9)	(813.2)
Investment Written off	-	0.2
Provision for Doubtful Trade Receivable / Advances / Sundry balance written off (Net)	353.3	97.7
Expense on Employee Stock Option Scheme	205.0	-
Reversal for diminution in value of current investments	(70.3)	-
Provision for other-than-temporary diminution in value of non-current investment in an associate	306.4	-
Provision for other-than-temporary diminution in value of non-current investment in a subsidiary	467.4	-
Net Unrealised Foreign Exchange (Gain) / Loss	(5,771.1)	813.7
Operating Loss Before Working Capital Changes	(9,753.8)	(27,579.0)
Changes in working capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	4,242.7	(496.2)
Trade Receivables	2,795.0	(1,868.8)
Loans and Advances	(521.1)	(932.9)
Other Assets	28,356.5	(24,397.1)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	1,189.7	168.8
Other Liabilities	(22,978.2)	6,157.6
Provisions	89.9	26,384.7
Cash Generated from Operations	3,420.7	(22,562.9)
Net Income Tax Paid / (Refunded)	(1,934.8)	(1,487.7)
Net Cash Flow from / (used in) Operating Activities (A)	1,485.9	(24,050.6)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets, including Capital Advances	(10,279.8)	(4,343.2)
Proceeds from Sale of Fixed Assets	148.4	20.6
Loans / Inter Corporate Deposits		
Given / Placed	(1,411.5)	(6,694.1)
Received back / Matured	11,307.7	9,796.0
Received back / Matured from Subsidiary Companies	1,135.6	-
Purchase of Investments		
Subsidiary Companies	(3.1)	(6,162.2)
Others	(103,605.0)	(194,538.7)
Proceeds from Sale of Investments		
Subsidiary Companies	8,950.1	-

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Others	112,962.5	201,912.7
Net realisation from Investment in erstwhile Partnership Firms	-	2,697.4
Bank Balances not considered as Cash and Cash Equivalents		
Fixed Deposits Placed	(3,529.9)	(535.4)
Fixed Deposits Matured	4,964.2	1,971.6
Margin Money Placed	(7.4)	(7.4)
Margin Money Matured	3.5	17.5
Interest Received	892.6	1,056.4
Dividend Received	0.2	0.2
Net Cash Flow from Investing Activities (B)	21,528.1	5,191.4
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from allotment of equity shares on exercise of stock options	748.7	-
Proceeds from Borrowings	49,296.3	24,002.0
Repayment of Borrowings	(65,805.3)	-
Net Decrease in Working Capital Borrowings	(4,028.0)	(343.2)
Finance Costs	(3,319.8)	(182.4)
Dividends Paid	(3,104.8)	(5,175.4)
Tax on Dividend	(528.0)	(880.0)
Net Cash Flow used in Financing Activities (C)	(26,740.9)	17,421.0
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(3,726.9)	(1,438.2)
Cash and Cash Equivalents at the Beginning of the Year	763.2	2,218.1
Pursuant to the Scheme of Amalgamation (Refer note 48)	4,879.3	-
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	16.4	(16.7)
Cash and Cash Equivalents at the end of the Year (Refer Note 18)	1,932.0	763.2
See accompanying notes forming part of the Financial Statements		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

Mumbai, 11th August, 2015

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director

UDAY V. BALDOTA
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director

Mumbai, 11th August, 2015

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015		As at 31st March, 2014	
1 SHARE CAPITAL	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Authorised				
Equity Shares of ₹ 1 each	5,990,000,000	5,990.0	3,000,000,000	3,000.0
Cumulative Preference Shares of ₹ 100 each	100,000	10.0	-	-
	5,990,100,000	6,000.0	3,000,000,000	3,000.0
Issued, Subscribed and Fully Paid Up				
Equity Shares of ₹ 1 each (Refer Note 29)	2,071,163,910	2,071.2	2,071,163,910	2,071.2
	2,071,163,910	2,071.2	2,071,163,910	2,071.2

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
2 RESERVES AND SURPLUS (*)		
Capital Reserve		
Opening Balance	28,369.0	259.1
Addition during the Year (Refer note 48 and 51)	8,291.2	28,109.9
Closing Balance	36,660.2	28,369.0
Capital Redemption Reserve		
Opening Balance	-	154.5
Less : Utilised for issue of bonus shares	-	154.5
Closing Balance	-	-
Securities Premium Account		
Opening Balance	14,218.0	15,099.1
Add: Pursuant to the Scheme of Amalgamation (Refer note 48)	3,079.7	-
Add: Received during the year	594.2	-
Add : Transferred from employee stock options outstanding account on exercise of options	328.4	-
Less : Utilised for issue of bonus shares	-	881.1
Closing Balance	18,220.3	14,218.0
Debenture Redemption Reserve		
Opening Balance	-	-
Add: Transferred from General Reserve	750.0	-
Closing Balance	750.0	-
Share Options Outstanding Account		
Opening Balance	-	-
Add: Pursuant to the Scheme of Amalgamation (Refer note 48)	205.5	-
Add: Amortisation during the year (Employee stock option expense, net of options forfeited and lapsed during the year)	205.0	-
Less: Transferred to Securities premium on account of exercise of options	328.4	-
Closing Balance	82.1	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
Amalgamation Reserve		
Opening Balance	-	-
Add: Pursuant to the Scheme of Amalgamation (Refer note 48)	43.8	-
Closing Balance	43.8	-
General Reserve		
Opening Balance	29,260.0	29,260.0
Add: Pursuant to the Scheme of Amalgamation (Refer note 48)	5,519.3	-
Less: Transferred to Debenture Redemption Reserve	750.0	-
Closing Balance	34,029.3	29,260.0
Surplus in Statement of Profit and Loss		
Opening Balance	160.6	32,080.5
Add: Pursuant to the Scheme of Amalgamation (Refer note 51)	158,791.9	-
Add: Loss for the Year	(14,741.3)	(28,285.2)
Less: Dividend proposed to be distributed to equity Shareholders [₹ 3.0 (Previous Year ₹ 1.5) per Share]	7,219.5	3,106.7
Corporate Dividend Tax	1,469.7	528.0
Closing Balance	135,522.0	160.6
	225,307.7	72,007.6

(*) Pursuant to the scheme of arrangement duly approved by the relevant Hon'ble High Courts, the debit balance in the Statement of Profit and Loss of ₹ 34,102.7 Million in the books of the Transferor Company on the close of 31st March, 2014 has been adjusted by the Transferor Company by reduction of its Capital Reserve and Securities Premium Account of ₹ 1,762.0 Million and ₹ 32,340.7 Million respectively. The remaining balance of ₹ 3,079.7 Million in the Securities Premium Account of the Transferor Company as at close of 31st March, 2014 has been taken over by the Company (Transferee Company) and included in Securities Premium Account, as on 1st April, 2014, being the appointed date of the amalgamation referred in Note 48.

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
3 LONG-TERM BORROWINGS		
Secured		
Term Loan from Department of Biotechnology (Secured by hypothecation of assets and goods pertaining to the project) [Repayable in 10 (Previous Year 10) half- yearly instalments of ₹ 7.7 Million (Previous Year ₹ 4.6 Million) each commencing from 31st March, 2017, Last installment is due on 31st December, 2021]	77.3	46.4
Unsecured		
Term Loans from Bank		
External Commercial Borrowing (ECBs) (Refer Note 57)	11,625.9	-
	11,703.2	46.4

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	As at 31st March, 2015	As at 31st March, 2014
4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
Depreciation on Fixed Assets	3,727.2	2,043.5
Others	165.9	-
Less :		
Deferred Tax Assets		
Unpaid Liabilities Allowable on payment basis u/s 43B of the Income Tax Act, 1961	426.9	66.9
Unabsorbed Depreciation / Carried forward Losses (*)	2,820.6	-
Others	645.6	48.2
(*) restricted to the extent of deferred tax liability.	-	115.1
		1,928.4
5 OTHER LONG-TERM LIABILITIES		
Interest accrued but not due on borrowings	3.4	2.8
Trade / Security Deposits Received	140.3	11.0
	143.7	13.8
6 LONG-TERM PROVISIONS		
Employee Benefits	1,610.6	95.4
MTM Loss on outstanding Forward Contracts / Derivative Instruments	212.5	1,984.6
Others (Refer Notes 47 and 58)	22,402.0	23,161.9
	24,225.1	25,241.9
7 SHORT-TERM BORROWINGS		
Loans Repayable on Demand		
Secured		
from Banks (*)	708.0	41.7
Unsecured		
from Bank	4,496.7	-
Other Loans and Advances		
Secured		
from Bank (*)	2,031.0	-
Unsecured		
from Bank	22,726.7	24,002.0
Commercial Paper	12,500.0	-
(*)Secured by first charge, on a pari passu basis by hypothecation of Inventories, Trade Receivables, Outstanding Money Receivables, Claims and Bills and Other receivables included under Loans and Advances and Other Assets.		
Deposits (Unsecured)		
Inter-corporate Deposit	65.7	-
	42,528.1	24,043.7

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
8 TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer Note 37)	94.0	69.7
Other Payables	14,756.3	3,730.9
	14,850.3	3,800.6
9 OTHER CURRENT LIABILITIES		
Current maturities of Long term debt (Refer Note 57)	13,875.5	-
Interest Accrued but not due on borrowings	221.7	-
Investor Education and Protection Fund shall be credited by Unpaid Dividends (not due)	65.7	52.4
Statutory Remittances	1,196.4	295.0
Payables on Purchase of Fixed Assets	699.1	362.7
Advances from / Payable to Subsidiary Companies / Customers (Refer Note 38)	5,635.3	6,892.2
Others (*)	10,781.8	7.8
	32,475.5	7,610.1
(*) Includes product settlement, claims, recall charges and trade commitments		
10 SHORT-TERM PROVISIONS		
Employee Benefits	404.6	95.4
MTM Loss on outstanding Forward Contracts / Derivative Instruments	4,939.9	-
Dividend proposed to be distributed to equity Shareholders	7,219.5	3,106.7
Corporate Dividend Tax	1,469.7	528.0
Provision in respect of losses of subsidiaries	1,286.6	-
Others (Refer Notes 47 and 58)	5,346.6	3,150.2
	20,666.9	6,880.3

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

11 FIXED ASSETS

Description of Assets	Gross Block (At cost)			Depreciation / Amortisation / Impairment			Net Block	
	As at 01.04.2014	Pursuant to Amalgamation #	Additions / adjustments during the year	Deletions / Adjustments during the year	As at 31.03.2015	As at 01.04.2014	Pursuant to Amalgamation #	As at 31.03.2015
A. TANGIBLE ASSETS								
Freehold Land	192.1	250.0	88.8	-	530.9 (iii)	-	-	530.9
	(188.7)	(-)	(3.4)	(-)	(192.1)	(-)	(-)	(188.7)
Leasehold Land	137.8	478.7	-	6.8	609.7 (iv)	11.5	28.9	562.4
	(137.8)	(-)	(-)	(-)	(137.8)	(9.4)	(-)	(126.3)
Buildings	3,298.1	6,177.8	1,731.0	2.9	11,204.0 (i)	742.2	1,610.9 (ii)	8,571.5
	(3,090.8)	(-)	(207.3)	(-)	(3,298.1)	(652.9)	(-)	(2,555.9)
Buildings - Leased *	24.5	-	-	-	24.5 (i)	7.1	-	16.9
	(24.5)	(-)	(-)	(-)	(24.5)	(6.6)	(-)	(17.4)
Plant and Equipment	14,573.8	23,944.9	3,381.0	445.7	41,454.0	5,535.9	10,867.3 (ii)	19,955.9
	(12,770.5)	(-)	(1,878.3)	(75.0)	(14,573.8)	(4,741.6)	(-)	(9,037.9)
Plant and Equipment - Leased *	25.3	-	-	-	25.3	4.1	-	19.4
	(25.3)	(-)	(-)	(-)	(25.3)	(2.9)	(-)	(21.2)
Vehicles	289.7	514.0	120.1	164.0	759.8	83.5	167.1	466.2
	(225.6)	(-)	(73.1)	(9.0)	(289.7)	(66.3)	(-)	(206.2)
Office Equipment	416.2	538.4	195.8	26.9	1,123.5	231.7	209.8	386.7
	(351.3)	(-)	(65.7)	(0.8)	(416.2)	(204.7)	(-)	(184.5)
Furniture and Fixtures	421.1	813.4	188.4	27.4	1,395.5 (iv)	187.0	372.7 (ii)	643.0
	(382.2)	(-)	(39.0)	(0.1)	(421.1)	(164.7)	(-)	(234.1)
Total Tangible Assets (A)	19,378.6	32,717.2	5,705.1	673.7	57,127.2	6,803.0	13,256.7	31,152.9
Previous Year	(17,196.7)	-	(2,266.8)	(84.9)	(19,378.6)	(5,849.1)	-	(12,575.6)
B. INTANGIBLE ASSETS								
Computer Software	-	1,499.7	142.9	3.2	1,639.4	-	865.1 (ii)	591.8
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Trademarks, Designs and Other Intangible Assets	356.7	795.7	31.7	-	1,184.1	260.6	769.4 (ii)	108.0
	(54.7)	(227.0)	(75.0)	(-)	(356.7)	(44.4)	(193.9)	(96.1)
Total Intangible Assets (B)	356.7	2,295.4	174.6	3.2	2,823.5	260.6	1,634.5	699.8
Previous Year	(54.7)	(227.0)	(75.0)	(-)	(356.7)	(44.4)	(193.9)	(96.1)
Total Fixed Assets (A) + (B)	19,735.3	35,012.6	5,879.7	676.9	59,950.7	7,063.6	14,891.2	31,852.7
Previous Year	(17,251.4)	(227.0)	(2,341.8)	(84.9)	(19,735.3)	(5,893.5)	(193.9)	(12,671.7)

Footnotes:

- Buildings include ₹ 8,620 (Previous Year ₹ 8,620) towards cost of shares in a Co-operative Housing Society and includes ₹ 1.1 Million (Previous Year - Nil) and ₹ 1,133.0 Million (Previous Year - Nil) towards cost of non-convertible Preference shares of face value of ₹ 10/- each and compulsorily convertible Debentures of face value of ₹ 10,000/- each respectively in a Company.
- Includes impairment of ₹ 400.1 Million (Previous Year ₹ 29.1 Million) including impairment of ₹ 371.0 Million on fixed assets acquired pursuant to the Scheme of amalgamation (Refer Note 48).
- Freehold land includes land valued at ₹ 25.5 Million pending registration in the name of the Company.
- Include Leasehold improvements
- Deletions / Adjustments during the year includes refund received from authorities in respect of dismantling charges.
- Previous Year figures are in brackets

* Refer Note 42(a)

Refer Note 48

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
12 NON-CURRENT INVESTMENTS		
Long-term Investments (*)		
A) Trade Investments		
a) In Equity Instruments		
Quoted		
Zenotech Laboratories Limited an Associate (**)	2,463.5	-
Less : Provision for other than temporary Diminution in Value of Non Current Investment	(2,463.5)	-
16,127,293 (Previous Year Nil) Shares of ₹ 10 each fully paid	-	-
Unquoted		
a) In Equity Instruments		
i) In Subsidiary Companies / Associates		
Sun Pharmaceutical Industries Inc (formerly known as Caraco Pharmaceutical Laboratories Ltd.)	304.2	304.2
8,387,666 (Previous Year 8,387,666) fully paid Common Shares of no Par Value		
Sun Pharma Global Inc. BVI	-	9,628.9
Nil (Previous Year 2,471,515) Shares of US \$ 1 each fully paid		
Sun Farmaceutica Do Brazil Ltda (formerly known as 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 (Bangladesh) Ltd.		
434,469 (Previous Year 434,469) Ordinary Shares of 100 Takas each	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		
OOO "Sun Pharmaceutical Industries" Ltd	8.8	8.8
Par value stock of 5,249,500 Rubbles (Previous Year 5,249,500 Rubbles) fully paid		
Green Eco Development Centre Ltd	1.0	1.0
100,000 (Previous Year 100,000) Shares of ₹ 10 each fully paid		

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
Sun Pharma De Venezuela, C.A.	0.5	0.5
1,000 (Previous Year 1,000) Shares of Bolivars (Bs.F.) 100 each,		
Bolivars (Bs.F.) 50 per share paid		
Sun Pharma Laboratories Limited	1.5	1.5
50,000 (Previous Year 50,000) Shares of ₹ 10 each fully paid		
Faststone Mercantile Company Pvt Ltd	0.1	0.1
10,000 (Previous Year 10,000) Shares of ₹ 10 each fully paid		
Neetnav Real Estate Pvt Ltd.	0.1	0.1
10,000 (Previous Year 10,000) Shares of ₹ 10 each fully paid		
Realstone Multitrade Private Limited	0.1	0.1
10,000 (Previous Year 10,000) Shares of ₹ 10 each fully paid		
Skisen Labs Pvt Ltd.	0.1	0.1
10,000 (Previous Year 10,000) Shares of ₹ 10 each fully paid		
Softdeal Trading Private Limited	0.1	0.1
10,000 (Previous Year 10,000) Shares of ₹ 10 each fully paid		
Sun Pharma Holdings (formerly Nogad Holdings)	54,031.5	-
855,199,716 (Previous Year Nil) Shares of USD 1		
Share Application Money	3.1	-
Vidyut Investments Limited	250.1	-
Less: Provision for other-than-temporary diminution in value of non-current investment	(239.0)	-
25,008,400 (Previous Year Nil) Shares of ₹ 10 each fully paid	11.1	-
Ranbaxy Drugs Limited	31.0	-
3,100,020 (Previous Year Nil) Shares of ₹ 10 each fully paid		
Gufic Pharma Limited	535.2	-
4,900 (Previous Year Nil) Shares of ₹ 100 each fully paid		
Ranbaxy (Netherlands) B.V.	39,839.4	-
5,473,340 (Previous Year Nil) Ordinary Shares of Euro 100 each fully paid		
Ranbaxy Pharmacie Generiques SAS	4,709.1	-
Less: Provision for other-than-temporary diminution in value of non-current investment	(4,709.1)	-
24,116,505 (Previous Year Nil) Ordinary Shares of Euro 1 each fully paid	-	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
Ranbaxy Malaysia Sdn. Bhd. 3,189,248 (Previous Year Nil) Ordinary Shares of RM 1 each fully paid	36.6	-
Ranbaxy Nigeria Limited 13,070,648 (Previous Year Nil) Ordinary Shares of Naira 1 each fully paid	7.4	-
Daiichi Sankyo (Thailand) Limited an Associate (formerly known as Ranbaxy Unichem Co. Ltd.) 206,670 (Previous Year Nil) Ordinary Shares of Bahts 100 each fully paid	21.2	-
ii) In Other Companies		
Enviro Infrastructure Co. Ltd. 100,000 (Previous Year 100,000) Shares of ₹ 10 each fully paid	1.0	1.0
Shimal Research Laboratories Limited Less: Provision for other-than-temporary diminution in value of non-current investment	934.0 (934.0)	- -
9,340,000 (Previous Year Nil) Shares of ₹ 10 each fully paid	-	-
Shivalik Solid Waste Management Limited 20,000 (Previous Year Nil) Shares of ₹ 10 each fully paid	0.2	-
Biotech Consortium India Limited Less: Provision for other-than-temporary diminution in value of non-current investment	0.5 (0.5)	- -
50,000 (Previous Year Nil) Shares of ₹ 10 each fully paid	-	-
Nimbua Greenfield (Punjab) Limited 140,625 (Previous Year Nil) Shares of ₹ 10 each fully paid	1.4	-
b) In Preference Shares		
In Subsidiary Companies		
Sun Pharma Laboratories Limited 4,000,000 (Previous Year 4,000,000) 10% Redeemable Preference Shares of ₹ 100 each fully paid	400.0	400.0
Ranbaxy Drugs Limited 250 (Previous Year Nil) Non Convertible Redeemable Preference Shares of ₹ 10 each fully paid. (₹ 2,500)	0.0	-
Alkalodia Chemical Company Zrt. 150,000 (Previous Year 3,000,000) 2% Redeemable Preference Shares of \$ 15 each fully paid at a premium of \$ 35 per share	402.6	8,052.0

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million				
	As at 31st March, 2015		As at 31st March, 2014	
Sun Pharma Holdings (formerly Nogad Holdings)	162,094.2		-	
2,565,593,148 (Previous Year Nil) 2% Preference Share of USD 1				
Sun Pharma Global Inc. BVI				
Nil (Previous Year 83,750,000) 2% Redeemable Optionally Convertible Preference Shares of \$ 1 each fully paid	-		3,805.7	
Nil (Previous Year 700,000,000) 5% Redeemable Cumulative Preference Shares of \$ 1 each fully paid	-		38,535.0	
Share Application Money	-	162,896.8	111.0	50,903.7
c) In Government Securities				
National Savings Certificates ₹ 10,000 (Previous Year ₹ 10,000)	0.0		0.0	
(Deposited with Government Authorities)				
Total (A)	257,822.3		60,940.0	
B) Other Investments				
a) In Debentures				
Quoted				
Housing Development Finance Corporation Ltd - 9.9% Secured Redeemable NCD 23DC18	-		250.0	
Nil (Previous Year 250) Debentures of ₹ 1,000,000 each fully paid				
b) In Bonds				
Quoted				
National Highways Authority of India	-		61.8	
Nil (Previous Year 61,809) Bonds of ₹ 1,000 each fully paid				
Power Finance Corporation Ltd Tax Free Bonds	-		142.4	
Nil (Previous Year 142,393) Bonds of ₹ 1,000 each fully paid				
Indian Railway Finance Corporation Ltd -8/8.15 LOA 23FB22	-		163.1	
Nil (Previous Year 163,131) Bonds of ₹ 1,000 each fully paid	-		367.3	
Total (B)	-		617.3	
Total (A+B)	257,822.3		61,557.3	
Aggregate Value of Investments	Book Value	Market Value	Book Value	Market Value
Quoted	2,463.5	729.8	617.3	639.7
Unquoted	263,704.9		60,940.0	
Provision for diminution in value	8,346.1		-	
(*) At Cost less provision for other than temporary diminution in value, if any.				
(**) The shares of this entity are thinly traded and therefore, this has not been considered for the purpose of assessment of other than temporary diminution in the value of its non-current investment in Zenotech Laboratories Limited.				

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
13 LONG-TERM LOANS AND ADVANCES		
(Unsecured – Considered Good unless stated otherwise)		
Capital Advances	2,827.6	2,438.3
Security Deposits	427.8	138.0
Loans and Advances to Related Parties (Refer Notes 38 and 44)	4.4	441.1
Loans and Advances to Employees / Others		
Secured	40.3	-
Unsecured	115.8	46.3
Prepaid Expenses	61.1	15.8
Advance Income Tax [Net of Provisions ₹ 10,894.5 Million (Previous Year ₹ 2,600.7 Million)]	6,589.5	3,885.4
MAT Credit Entitlement (Refer Notes 50)	7,517.0	-
Advance Fringe Benefit Tax	0.2	0.2
Balances with Government Authorities	839.6	649.8
Others Loans and Advances	529.0	-
	18,952.3	7,614.9
14 OTHER NON-CURRENT ASSETS		
(Unsecured – Considered Good)		
Receivable towards forward contracts / derivative instruments	418.5	-
Deposits Account - Pledged with Government Authorities	1.0	-
Unamortised Premium on Investments	-	1.1
	419.5	1.1
15 CURRENT INVESTMENTS		
A) Current Portion of Long-term Investments (At Cost)		
a) 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
Nil (Previous Year 20,000,000) Units		
Birla Sun Life Fixed Term Plan-Series HL(366 days)-Growth Direct	-	250.0
Nil (Previous Year 25,000,000) Units		
Baroda Pioneer Mutual Fund- Baroda Pioneer FMP- Series B Plan B (378 Days)-Growth Plan	-	100.0
Nil (Previous Year 10,000,000) Units		
Deutsche Mutual Fund-DWS Fixed Maturity Plan- Series - 26 Direct Plan-Growth	-	400.0
Nil (Previous Year 40,000,000) Units		
DSP BlackRock Mutual Fund -DSP BlackRock FMP -Series 88-12.5M-Direct-Growth	-	500.0
Nil (Previous Year 50,000,000) Units		
DSP BlackRock Mutual Fund -DSP BlackRock -FMP - Series 89 -12M-Direct-Growth	-	500.0
Nil (Previous Year 50,000,000) Units		

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	As at 31st March, 2015	As at 31st March, 2014
DSP BlackRock Mutual Fund -DSP BlackRock -FMP - Series 110 -12M-Reg-Growth	-	250.0
Nil (Previous Year 25,000,000) Units		
HSBC Global Asset Management-HSBC Fixed Term Series 90-Growth Direct Plan- Tenure 375 DAYS	-	100.0
Nil (Previous Year 10,000,000) Units		
HSBC Global Asset Management-HSBC Fixed Term Series 94-Growth Direct Plan- Tenure 371 DAYS	-	150.0
Nil (Previous Year 15,000,000) Units		
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 66 - 420 Days Plan A Direct Plan Cumulative	-	250.0
Nil (Previous Year 25,000,000) Units		
JP Morgan Asset Management - JP Morgan India Fixed Maturity Plan Series 16-Direct Growth	-	350.0
Nil (Previous Year 35,000,000) Units		
Kotak Mutual Fund-Kotak FMP Series 97 -Direct Growth	-	500.0
Nil (Previous Year 50,000,000) Units		
L&T Mutual Fund-L&T FMP - VII (March 381D A) Direct Plan Growth	-	200.0
Nil (Previous Year 20,000,000) Units		
Reliance Mutual Fund-Reliance Fixed Horizon Fund -XXIII- Series 5-Direct Plan-Growth Plan - 8MAG	-	1,000.0
Nil (Previous Year 100,000,000) Units		
Religare Invesco Mutual Fund- Religare Fixed Maturity Plan - Series XVII - Plan A (17 months)-Direct Plan-Growth	-	140.0
Nil (Previous Year 14,000,000) Units		
Religare Invesco Mutual Fund- Religare Fixed Maturity Plan - Series XVII - Plan F (392 days)-Direct Plan-Growth	-	250.0
Nil (Previous Year 25,000,000) Units		
Religare Invesco Mutual Fund- Religare Fixed Maturity Plan - Series XVIII - Plan B (386 days)-Direct Plan-Growth	-	160.0
Nil (Previous Year 16,000,000) Units		
SBI Mutual Fund-SBI Debt Fund Series - 13 Months -15-Direct Plan-Growth	-	250.0
Nil (Previous Year 25,000,000) Units		
Tata Mutual Fund- TATA Fixed Maturity Plan Series 42 Scheme B-Direct Plan-Growth	-	200.0
Nil (Previous Year 20,000,000) Units		
BNP Paribas Mutual Fund- 618DG/BNP Paribas Fixed Term Fund Series 26 C DirectPlan Growth	-	150.0
Nil (Previous Year 15,000,000) Units		
Deutsche Mutual Fund-DWS Fixed Maturity Plan- Series - 32 Direct Plan-Growth	-	400.0
Nil (Previous Year 40,000,000) Units		

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million			
	As at 31st March, 2015		As at 31st March, 2014	
HDFC Mutual Fund-HDFC FMP 370D Aug 2013 (3) series 27-Regular -Growth	-		500.0	
Nil (Previous Year 50,000,000) Units				
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 69 - 366 Days Plan G Direct Plan Cumulative	-		250.0	
Nil (Previous Year 25,000,000) Units				
JP Morgan Asset Management -JP Morgan India Annual Interval Fund-Direct Growth	-		150.0	
Nil (Previous Year 15,000,000) Units				
Reliance Mutual Fund-Reliance Fixed Horizon Fund -XXIV- Series 11-Growth Plan -9GAG	-		250.0	
Nil (Previous Year 25,000,000) Units				
Religare Invesco Mutual Fund- Religare Fixed Maturity Plan - Series XIX - Plan F (370 days)-Direct Plan-Growth	-		300.0	
Nil (Previous Year 30,000,000) Units				
Units of Face Value of ₹ 1,000 each				
Pramerica Mutual Fund-Pramerica Fixed Duration Fund- Series 5-Direct Plan-Growth Option	-		150.0	
Nil (Previous Year 150,000) Units	-		7,900	
b) In Deposits (Unquoted)				
Housing Development Finance Corporation Ltd	-		500.0	
Total (A)	-		8,400.0	
B) Other Current Investments				
In Equity Instruments (Quoted)				
Krebs Biochemicals and Industries Limited	89.3		-	
1,050,000 (Previous Year Nil) Shares of ₹ 10 each fully paid				
In Mutual Funds (Unquoted)				
Units of Face Value of ₹ 100 each				
ICICI Prudential Mutual Fund-ICICI Prudential Money Market Fund- Direct Plan-Growth	350.0		-	
1,810,104 (Previous Year Nil) Units				
Units of Face Value of ₹ 1,000 each				
Deutsche Mutual Fund-DWS Insta Cash Plus Fund-Super Institutional Plan-Growth	-		200.0	
Nil (Previous Year 1,203,192) Units				
Pramerica Mutual Fund-Pramerica Liquid Fund-Direct Plan- Growth Option	500.0		-	
335,039 (Previous Year Nil) Units				
	939.3		200.0	
Total (B)	939.3		200.0	
Total (A+B)	939.3		8,600.0	
Aggregate Value of Investments	Book Value	Market Value	Book Value	Market Value
Quoted	89.3	93.4	-	-
Unquoted	850.0		8,600.0	

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million			
	As at 31st March, 2015		As at 31st March, 2014	
16 INVENTORIES				
Raw Materials and Packing Materials	9,565.7		5,110.1	
Goods-in-Transit	323.4	9,889.1	6.3	5,116.4
Work-in-Progress		6,118.9		2,715.5
Finished Goods	4,175.5		963.6	
Goods-in-Transit	15.7	4,191.2	-	963.6
Stock in trade	1,326.7		-	
Goods-in-Transit	61.8	1,388.5	-	-
Other Materials and Consumables		304.8		388.3
		21,892.5		9,183.8
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	2,592.1		1,097.8	
Doubtful	532.3		139.1	
	3,124.4		1,236.9	
Less: Provision for Doubtful Trade Receivables	532.3	2,592.1	139.1	1,097.8
Other Trade Receivables		15,436.1		8,703.7
		18,028.2		9,801.5
18 CASH AND CASH EQUIVALENTS				
Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statements				
Cash on Hand		7.9		4.1
Cheques on Hand		40.0		-
Balances with Banks				
In Current Accounts	1,624.8		116.9	
In Deposit Accounts with Original Maturity less than 3 Months	13.7		-	
In EEFC Accounts	245.6	1,884.1	642.2	759.1
		1,932.0		763.2
Other Bank Balances				
In Deposit Accounts (*)	2,104.0		538.3	
In Earmarked Accounts				
Unpaid Dividend Accounts	58.6		47.2	
Balances held as Margin Money or Security against Guarantees and Other Commitments (Refer Footnote)	70.0	2,232.6	66.1	651.6
		4,164.6		1,414.8
(*) Other Bank Balances include Deposits amounting to Nil (Previous Year ₹ 275.1 Million) and Margin Monies amounting to ₹ 70.0 Million (Previous Year ₹ 66.1 Million) which have an Original Maturity of more than 12 Months but residual maturity of less than 12 Months.				

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million			
	As at 31st March, 2015		As at 31st March, 2014	
19 SHORT-TERM LOANS AND ADVANCES				
(Unsecured – Considered Good unless stated otherwise)				
Loans and Advances to Related Parties (Refer Notes 38 and 44)				
Unsecured	238.4		-	
Considered Doubtful	274.0		-	
	512.4		-	
Less: Provision for Doubtful Loans and Advances	274.0	238.4	-	-
Loans and Advances to Employees / Others		158.7		-
Secured	13.6		252.4	
Unsecured	323.0		81.0	
Considered Doubtful	4.5		4.5	
	341.1		337.9	
Less: Provision for Doubtful Loans and Advances	4.5	336.6	4.5	333.4
Prepaid Expenses		716.0		88.5
Security Deposits		60.6		-
Balances with Government Authorities		4,530.7		2,196.4
Advances for Supply of Goods and Services				
Unsecured	925.9		474.9	
Considered Doubtful	185.1		-	
	1,111.0		474.9	
Less: Provision for Doubtful Loans and Advances	185.1	925.9	-	474.9
	6,966.9		3,093.2	
20 OTHER CURRENT ASSETS				
(Unsecured – Considered Good)				
Interest Accrued on Investments / Balances with Banks		73.2		150.3
Interest accrued and due on loans (Refer Notes 38 and 44)		114.4		-
Unamortised Premium on Investments		-		0.2
Receivable towards forward contracts / derivative instruments		772.9		-
Export Incentives receivable		1,500.3		681.2
Insurance claim receivables		6.6		-
Fixed Assets held for sale		34.4		-
Cenvat Credit available on payment		-		67.4
Others (Refer Note 47)		9.5		24,002.0
	2,511.3		24,901.1	

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	Year ended 31st March, 2015	Year ended 31st March, 2014
21 REVENUE FROM OPERATIONS		
Sale of Products	78,824.7	28,237.7
Other Operating Revenues	2,862.7	1,044.8
	81,687.4	29,282.5
22A OTHER INCOME		
Interest Income on:		
Deposits with Banks	340.0	77.2
Loans and Advances	302.7	352.5
Current Investments	-	222.6
Long-term Investments	42.5	220.5
Others	164.6	17.8
Dividend Income on Long-term Investments	0.2	0.2
Net Gain on Sale of:		
Current Investments	172.0	393.4
Long-term Investments	816.9	419.8
Insurance Claims	4.1	1.0
Lease Rental and Hire Charges	170.3	26.4
Miscellaneous Income	102.5	46.2
	2,115.8	1,777.6
22B FINANCE COSTS		
Interest Expense	1,738.0	161.3
Other borrowing costs	1,250.7	22.5
Net loss on foreign currency transactions and translation	2,523.8	-
	5,512.5	183.8
23 COST OF MATERIALS CONSUMED		
Raw and Packing Materials		
Inventories at the beginning of the year	5,116.4	4,933.3
Pursuant to the Scheme of Amalgamation (Refer Note 48)	5,653.1	-
Purchases during the year	21,730.7	9,129.3
Inventories at the end of the year	(9,889.1)	(5,116.4)
	22,611.1	8,946.2
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year	3,679.1	3,533.8
Pursuant to the Scheme of Amalgamation (Refer Note 48)	11,200.6	-
Inventories at the end of the year	(11,698.7)	(3,679.1)
	3,181.0	(145.3)
25 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	12,791.6	2,348.7
Contribution to Provident and Other Funds	974.1	136.2
Expense on Employee Stock Option Scheme	205.0	-
Staff Welfare Expenses	896.1	311.4
	14,866.8	2,796.3

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million				
	Year ended 31st March, 2015		Year ended 31st March, 2014	
26 OTHER EXPENSES				
Consumption of Materials, Stores and Spare Parts	3,454.9		1,849.3	
Conversion and Other Manufacturing Charges	1,930.4		711.3	
Power and Fuel	3,825.2		1,158.0	
Rent	518.6		29.6	
Rates and Taxes	556.5		109.2	
Insurance	380.4		94.7	
Selling and Distribution	3,798.1		141.0	
Commission and Discount	528.3		354.1	
Repairs and maintenance				
Buildings	193.8		89.3	
Machinery	861.8		542.6	
Others	950.4	2,006.0	240.0	871.9
Printing and Stationery	176.1		53.6	
Travelling and Conveyance	605.4		117.8	
Overseas Travel and Export Promotion	4,346.6		1,805.9	
Communication	402.4		81.2	
Provision / Write off for Doubtful Trade Receivables / Advances				
Provision for Doubtful Trade Receivables	388.7		7.5	
Sundry Balances / Trade Receivables written off (Net)	74.4		90.5	
Less: Adjusted out of Provision of earlier year	85.9	377.2	0.3	97.7
Professional, Legal and Consultancy	(*)	8,256.6	2,114.7	
Donations	49.0		5.8	
Loss on Sale of Fixed Assets (Net)	64.8		21.1	
(Decrease) / Increase of Excise Duty on Inventory	(126.6)		4.1	
Net Loss on Foreign Currency Transactions and Translation	1,065.9		2,203.7	
Payments to Auditors (Net of Service Tax)				
As Auditors	@	15.5	8.3	
For Other Services		1.5	2.0	
Reimbursement of Expenses		0.1	0.1	10.4
@ includes ₹ 1.8 Million in respect of previous year				
Provision for other-than-temporary diminution in value of non-current investment in an associate	306.4		-	
Provision for other-than-temporary diminution in value of non-current investment in a subsidiary	467.4		-	
Miscellaneous Expenses (Refer Note 47)	3,726.4		3,510.8	
	36,733.1		15,345.9	
Less :				
Receipts from Research Activities	(976.1)		(676.3)	
	35,757.0		14,669.6	
(*) Includes fees to the statutory auditors of erstwhile Ranbaxy Laboratories Ltd as auditors - ₹ 27.0 Million				

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	Year ended 31st March, 2015	Year ended 31st March, 2014
NOTE: RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE STATEMENT OF PROFIT AND LOSS		
Salaries and Wages	2,363.8	781.9
Contribution to Provident and Other Funds	177.0	36.9
Staff Welfare Expenses	173.0	88.7
Consumption of Materials, Stores and Spare Parts	2,572.1	1,137.4
Conversion and Other Manufacturing Charges	93.5	-
Power and Fuel	439.0	64.4
Rent	136.6	0.1
Rates and Taxes	4.9	11.5
Insurance	36.0	3.4
Repairs		
Buildings	15.0	8.9
Machinery	119.7	40.9
Others	237.8	44.6
Printing and Stationery	34.5	14.5
Travelling and Conveyance	186.8	57.8
Communication	51.7	15.2
Professional and Consultancy	1,061.6	985.2
Loss on Sale of Fixed Assets (Net)	-	10.7
Miscellaneous Expenses	599.9	450.2
	8,302.9	3,752.3
Less :		
Net Interest Income [net of Interest expense on borrowings ₹ 1.1 Million (Previous year ₹ 1.4 Million)]	2.7	1.1
Receipts from Research Activities	976.1	676.3
Miscellaneous Income	14.0	87.8
	992.8	765.2
	7,310.1	2,987.1

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

27 SIGNIFICANT ACCOUNTING POLICIES

I 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 (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

II Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles in India 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 amounts 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.

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 on the basis of useful lives of fixed assets as indicated in Part C of Schedule II of the Companies Act, 2013 and amendment thereto vide notification dated August 29, 2014 issued by Ministry of Corporate Affairs. 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, including computer software, are amortised on straight line method from the date they are available for use, over the useful life of the assets (5-20 years), as estimated by the Management considering the terms of agreement. Leasehold land is amortised over the period of lease.

IV Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

V Revenue Recognition

Sale of products is recognised when risks 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 include delayed payment charges and are stated net of returns including provision made on account of estimated breakages and expiry date based on past experience, applicable discounts, and VAT / Sales Tax, if any. Other operating income is recognised on an accrual basis or in accordance with the terms of the relevant agreements, 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 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 and net realisable value. The cost is determined based on weighted average method, except in case of certain raw and packing materials specific identification method is applied and in respect of certain other materials and consumables FIFO method is applied.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

VIII Research and Development

The research and development cost is accounted in accordance with Accounting Standard (AS) 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 Intangible assets under development, 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 Intangible assets under development 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. Non monetary items which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of transactions. 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.

X Derivative Accounting:

Derivative Instruments entered into for hedging the foreign currency fluctuation risk / interest rate risk are accounted for on the principles of prudence as enunciated in Accounting Standard (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.

XI Taxes on Income

Provision for tax comprises of Current Tax and Deferred Tax. Current Tax provision is 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 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 for timing differences of items other than unabsorbed depreciation and accumulated losses only to the extent that there is a reasonable certainty that the assets can be realised in future. However, if there is unabsorbed depreciation or carry forward of losses deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed as at each Balance sheet date for their realisability.

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

XII Employee Benefits

- (a) The Company's contribution in respect of provident fund and other funds is charged to the Statement of Profit and Loss each year. With respect to certain employees contribution is made to the provident fund trust maintained by the Company. Provident fund liability for the trust is as determined on actuarial basis by the independent valuer is charged to the Statement of Profit and Loss.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- (b) With respect to gratuity liability, Company contributes to Life Insurance Corporation of India (LIC) under LIC's Group Gratuity policy except for certain employees, the gratuity benefit of retirement plan where contribution is made to a gratuity fund established as a trust. Gratuity liability as determined on actuarial basis by the independent valuer is charged to the Statement of Profit and Loss.
- (c) Pension plan, a defined benefit retirement plan, provides for lump sum payment to eligible employees at retirement. The pension liability, determined on actuarial basis by an independent valuer, is charged to the Statement of Profit and Loss.
- (d) Liability for accumulated compensated absences of employees being other long term employee benefit is ascertained for on actuarial valuation basis and provided for as per the Company rules.

XIII Employee Stock Option based Compensation

With respect to employee stock option, the fair value of the options is calculated by using Black Scholes pricing model, in respect of the number of options that are expected to ultimately vest. Such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the fair value of the vested portion of the option at the date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period. In respect of vested options that expire unexercised, the cost is reversed in the Statement of Profit and Loss of that period.

XIV Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets upto the date of capitalisation of such assets are capitalised and added to the cost of asset. 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 it is probable that an outflow of resources will be required to settle the obligation in respect of which 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.

XVI 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.

XVII 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 or may have decreased, the recoverable amount is reassessed and the asset is reflected at the lower of

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

recoverable amount and the carrying amount that would have been determined had no impairment loss being recognised. Such reversal of impairment loss is recognised in the Statement of Profit and Loss.

₹ in Million		
	As at 31st March, 2015	As at 31st March, 2014
28 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
i Contingent Liabilities		
a Claims against the Company not acknowledged as debts	26.0	24.0
b Guarantees :		
Guarantees given by the bankers on behalf of the Company	436.6	374.2
Corporate Guarantees	-	86.0
c Liabilities Disputed - Appeals filed with respect to :		
Income Tax on account of Disallowances / Additions	11,087.7	4,927.8
Sales Tax on account of Rebate / Classification	37.9	48.5
Excise Duty on account of Valuation / Cenvat Credit	164.5	93.6
ESIC Contribution on account of applicability	0.2	0.2
Service tax on certain services performed outside India under reverse charge basis.	156.0	-
Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, enjoyed by the Company	3,248.0	14.0
Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced License Scheme	15.4	14.6
Fine imposed for anti-competitive settlement agreement by European Commission.	689.1	-
Octroi demand on account of rate difference.	171.0	-
Other matters - employee / worker related cases, State electricity board, Punjab Land Preservation Act related matters etc.	237.4	-
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, for 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.		
d Others		
Letters of Credit for Imports	1,020.5	2,103.2
Trade commitments	530.6	-
Letter of comfort on behalf of subsidiaries, to the extent of limits	2,873.1	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million		
	As at 31st March, 2015	As at 31st March, 2014
ii Commitments		
a Estimated amount of contracts remaining to be executed on capital account [net of advances].	2,535.8	6,279.2
b Uncalled liability on partly paid investments	0.5	0.5
c Derivative related Commitments - Forward Foreign Exchange Contracts	11,250.0	4,200.0
d Non cancellable lease commitments	161.7	-

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 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Equity shares of ₹ 1 each				
Opening Balance	2,071,163,910	2,071.2	1,035,581,955	1,035.6
Add : Bonus shares issued during the year	-	-	1,035,581,955	1,035.6
Closing Balance	2,071,163,910	2,071.2	2,071,163,910	2,071.2

iii 1,035,581,955 (upto the end of previous year 1,035,581,955) Equity Shares of ₹ 1 each have been allotted as fully paid up bonus shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

iv Number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options by the option holders as per the relevant scheme (Refer Note 56)

v Equity shares held by each shareholder holding more than 5 percent Equity Shares (excluding share suspense account) in the Company are as follows:

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dilip Shantilal Shanghvi	231,140,480	11.2	231,140,480	11.2
Viditi Investments Pvt. Ltd.	201,385,320	9.7	201,385,320	9.7
Tejaskiran Pharmachem Industries Pvt. Ltd.	195,343,760	9.4	195,343,760	9.4
Family Investment Pvt. Ltd.	182,927,440	8.8	182,927,440	8.8
Quality Investment Pvt. Ltd.	182,868,640	8.8	182,868,640	8.8

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	Year ended March 31, 2015	Year ended March 31, 2014
30 RESEARCH AND DEVELOPMENT EXPENDITURE		
Revenue (Excluding Depreciation)	7,310.1	2,987.1
Capital	789.4	471.6
Total	8,099.5	3,458.7

	₹ in Million			
	Year ended March 31, 2015		Year ended March 31, 2014	
31 INFORMATION RELATING TO CONSUMPTION OF MATERIALS				
Raw and Packing Materials				
Raw Materials		18,814.0		7,075.0
Packing Materials		3,797.1		1,871.2
Total		22,611.1		8,946.2
None of the items individually account for more than 10% of total consumption.				
Imported and Indigenous	%		%	
Raw and Packing Materials				
Imported	46.29	10,466.6	46.89	4,195.0
Indigenous	53.71	12,144.5	53.11	4,751.2
Total	100.00	22,611.1	100.00	8,946.2
Stores and Spare Parts and Other Materials				
Imported	22.57	779.9	28.19	521.3
Indigenous	77.43	2,675.0	71.81	1,328.0
Total	100.00	3,454.9	100.00	1,849.3

	₹ in Million	
	Year ended March 31, 2015	Year ended March 31, 2014
32 INFORMATION RELATING TO PURCHASES OF STOCK-IN-TRADE		
Formulations	8,429.8	1,843.8
Bulk Drugs	905.0	4.9
Others	7.4	1.7
Total	9,342.2	1,850.4
33 INFORMATION RELATING TO SALE OF PRODUCTS		
Formulations	60,516.0	20,326.5
Bulk Drugs	18,285.2	7,827.9
Others	23.5	83.3
Total	78,824.7	28,237.7

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million						
	As at 31st March, 2015			As at 31st March, 2014		
	Stock in Trade	Finished Goods	Work-in Progress	Stock in Trade	Finished Goods	Work-in- Progress
34 INFORMATION RELATING TO INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE						
Formulations	1,269.7	2,543.2	1,527.8	-	214.7	488.7
Bulk Drugs	118.8	1,648.0	4,591.1	-	748.9	2,226.8
Total	1,388.5	4,191.2	6,118.9	-	963.6	2,715.5

₹ in Million		
	Year ended 31st March, 2015	Year ended 31st March, 2014
35 INCOME/EXPENDITURE IN FOREIGN CURRENCY		
Income		
Exports (FOB basis)	46,235.0	22,713.3
Interest	176.4	-
Royalty	541.6	50.3
Others	1,752.5	404.4
Expenditure		
Raw Materials (CIF basis)	6,323.2	2,894.7
Packing Materials (CIF basis)	1,510.9	900.8
Capital Goods (CIF basis)	3,636.6	1,489.4
Spares and Components (CIF basis)	758.4	493.8
Professional, Legal and Consultancy Charges	4,732.2	1,747.3
Overseas Travel	50.3	116.8
Interest	801.6	158.2
Royalty	224.0	-
Others	7,526.3	4,827.6

36 The net Exchange Loss of ₹ 3,861.1 Million (Previous Year Loss of ₹ 1,740.0 Million) is included in Revenue from Operations, Cost of Materials Consumed, Finance Cost and Other Expenses in the Statement of Profit and Loss, as applicable.

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

- An amount of ₹ 94.0 Million (Previous Year ₹ 69.7 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.
- No interest was paid during the year.
- No interest is payable at the end of the year under Micro, Small and Medium Enterprises Development Act, 2006.
- 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.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

	₹ in Million	
	Year ended 31st March, 2015	Year ended 31st March, 2014
39 ACCOUNTING STANDARD (AS-20) ON EARNINGS PER SHARE		
Loss after tax - used as Numerator for calculating Earnings per share ₹ in Million	(14,741.3)	(28,285.2)
Weighted Average number of Shares used in computing Basic Earnings Per Share (taking into account 334,769,181 Shares with respect to Share Suspense Account)	2,404,936,420	2,071,163,910
Add: Dilution effect of Employee Stock Options	1,193,174	-
Weighted Average number of Shares used in computing Diluted Earnings Per Share	2,406,129,594	2,071,163,910
Nominal Value Per Share (in ₹)	1	1
Basic Earnings Per Share (in ₹)	(6.1)	(13.7)
Diluted Earnings Per Share (in ₹)	(6.1)	(13.7)

Since the Company has loss after tax during the current year, the impact of employee stock option is anti dilutive. Therefore the basic and diluted earnings per share are the same.

	₹ in Million	
	Year ended 31st March, 2015	Year ended 31st March, 2014
40 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	30,515.5	4,742.7
Outside India	48,309.2	23,495.0
Sale of Products	78,824.7	28,237.7

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 ₹ 377.8 Million (Previous year ₹ 118.5 Million)

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Contribution to Provident Fund	265.4	110.5
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	112.3	7.9
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 ₹ 244.6 Million (Previous Year ₹ 41.9 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.

The Company had a obligation towards pension, a define benefit retirement plan with respect to certain employees, who had already retired before March 01, 2013 will continue to receive the pension as per the pension plan.

Category of Plan Assets : The Company's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India except for certain employees for whom contribution is made to a fund administered under Trust.

	₹ in Million					
	Year ended 31st March, 2015			Year ended 31st March, 2014		
	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)
Reconciliation of liability / (asset) recognised in the Balance sheet						
Present value of commitments (as per Actuarial Valuation)	-	4,810.2	1,792.3	-	-	305.7
Fair value of plan assets	-	(4,806.5)	(1,569.3)	-	-	(248.2)
Net liability / (asset) in the Balance sheet	-	3.7	223.0	-	-	57.5
Movement in net liability / (asset) recognised in the Balance sheet						
Net liability / (asset) as at the beginning of the year	-	-	57.5	-	-	7.6
Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	-	(137.7)	-	-	-
Net plan assets transferred	-	-	16.0	-	-	47.9
Net expense recognised in the Statement of Profit and Loss	-	178.1	330.6	-	-	39.8
Contribution during the year	-	(174.4)	(43.4)	-	-	(37.8)
Net liability / (asset) in the Balance sheet	-	3.8	223.0	-	-	57.5

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	Year ended 31st March, 2015			Year ended 31st March, 2014		
	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)
Expense recognised in the Statement of Profit and Loss						
Current service cost	-	180.8	117.2	-	-	29.8
Interest cost	82.1	480.0	120.1	-	-	21.2
Expected return on plan assets	-	(395.8)	(128.3)	-	-	(20.6)
Actuarial loss	21.7	31.8	221.6	-	-	9.4
Recognition of unrecognized assets of earlier years	-	(118.7)	-	-	-	-
Expense charged to the Statement of Profit and Loss	103.8	178.1	330.6	-	-	39.8
Return on plan assets						
Expected return on plan assets	-	395.8	128.3	-	-	20.6
Actuarial (gain) / loss	-	(29.0)	3.6	-	-	0.1
Actual return on plan assets	-	366.8	131.9	-	-	20.7
Reconciliation of defined-benefit commitments						
Commitments as at the beginning of the year	-	-	305.7	-	-	256.9
Pursuant to the Scheme of Amalgamation (Refer Note 48)	957.0	4,280.8	1,134.1	-	-	-
Commitments transferred	-	68.5	16.0	-	-	8.6
Current service cost	-	180.8	117.2	-	-	29.8
Employees contribution during the year	-	412.1	-	-	-	-
Interest cost	82.1	480.0	120.1	-	-	21.2
Paid benefits	(86.0)	(614.8)	(126.0)	-	-	(20.3)
Actuarial loss	21.7	2.8	225.2	-	-	9.5
Commitments as at the year end	974.8	4,810.2	1,792.3	-	-	305.7
Reconciliation of plan assets						
Plan assets as at the beginning of the year	-	-	248.2	-	-	249.3
Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	4,399.5	1,271.8	-	-	-
Plan assets transferred	-	68.5	-	-	-	(39.3)
Expected return on plan assets	-	395.8	128.3	-	-	20.6
Contributions during the year	-	174.4	43.4	-	-	37.8
Employee Contributions during the year	-	412.1	-	-	-	-
Paid benefits	-	(614.8)	(126.0)	-	-	(20.3)
Actuarial gain / (loss)	-	(29.0)	3.6	-	-	0.1
Plan assets as at the year end	-	4,806.5	1,569.3	-	-	248.2

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)
Discount rate	7.80%	7.80%	In range of 7.80% to 7.94%	-	-	9.31%
Expected return on plan assets	N.A.	9% to 9.03%	In range of 7.94% to 9.00%	-	-	9.31%
Expected rate of salary increase	N.A.	N.A.	8.00%	-	-	7.00%
Interest rate guarantee	N.A.	8.75%	N.A.	-	-	-
Expected average remaining working life of employees (years)	N.A.	20.91 - 26.72	20.91 - 26.72	-	-	23.00
Mortality			Indian Assured Lives Mortality (2006-08) Ultimate			Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal	15% - 18%	15% - 18%	3% - 18%	-	-	1%
Retirement Age	58 and 60 years	58 and 60 years	58 and 60 years	-	-	60 years
The major categories of plan assets as a percentage of total plan assets are as under						
Central government securities		22%	2%		-	-
State government securities		16%	1%		-	-
Bonds and securities of public sector / financial institutions		60%	14%		-	-
Insurer managed funds		-	83%		-	100%
Surplus fund lying uninvested		2%	-		-	-

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, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011
Experience adjustment (Gratuity)					
On plan liabilities	181.1	45.2	20.2	25.2	17.5
On plan assets	3.6	0.1	4.7	6.4	3.3
Present value of benefit obligation	1,792.3	305.7	256.9	299.2	248.3
Fair value of plan assets	(1,569.3)	(248.2)	(249.3)	(333.4)	(274.2)
Excess of obligation over plan assets / (plan assets over obligation)	223.0	57.5	7.6	(34.2)	(25.9)

The contribution expected to be made by the Company for gratuity, during financial year ending 31st March, 2016 is ₹ 177.2 Million (Previous Year ₹ 83.3 Million).

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	31st March, 2015	
Amounts for the current year are as follows: (*)	Pension plan	Provident fund
Experience adjustment		
On plan liabilities	4.9	(23.5)
On plan assets	-	(127.9)
Present value of benefit obligation	974.8	(4,810.2)
Fair value of plan assets	-	4,806.5
Excess of obligation over plan assets / (plan assets over obligation)	-	(3.7)
(*) Pursuant to the Scheme of Amalgamation (Refer Note 48)		

Further during the current year, the erstwhile RLL has recognised an expense of ₹ 111.5 Million pertaining to portion of employers' contribution paid to the statutory authorities and provided fund administration charges, which is included in "Employee benefits expense".

42 ACCOUNTING STANDARD (AS-19) ON LEASES

- (a) The Company 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 10 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 10 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 "Lease Rental and Hire Charges" & "Rent" in Note 22A and 26 respectively. (d) The future minimum lease payments in respect of non cancellable operating leases as at March 31, 2015 are as under

	₹ in Million	
	31st March, 2015	31st March, 2014
i Not later than one year	64.0	-
ii later than one year and not later than five years	91.4	-
iii later than five years	6.3	-
Total	161.7	-

43 Miscellaneous Expenses includes Nil (Previous year ₹ 433.9 Million) towards Product Settlement Expense.

	₹ in Million			
	As at 31st March, 2015	Maximum Balance	As at 31st March, 2014	Maximum Balance
		2014-15		2013-14
44 LOANS / ADVANCES DUE FROM SUBSIDIARIES / ASSOCIATES				
a Loans / Advances due from Subsidiaries				
Green Eco Development Centre Ltd	4.4	4.4	4.4	4.4
Skisen Labs Private Limited	-	356.0	356.0	356.0
Sun Pharma Drugs Private Limited	-	-	-	1,865.5
Sun Pharma Medication Private Limited	-	-	-	831.8
Neetnav Real Estate Private Limited	0.4	148.6	-	-

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million			
	As at 31st March, 2015	Maximum Balance 2014-15	As at 31st March, 2014	Maximum Balance 2013-14
Ranbaxy Drugs Limited (Interest bearing with no specified payment schedule) *	25.6	314.5	-	-
Ranbaxy (Netherlands) BV The Netherlands (Interest bearing with specified payment schedule)	-	9,642.7	-	-
Advances: Share Application Money to				
Sun Pharma De Mexico, S.A. DE C.V.	-	161.4	80.7	80.7
	30.4		441.1	
b Loans / Advances due from Associates				
Loans				
Interest bearing with specified payment schedule:				
Zenotech Laboratories Limited, India *				
Considered good	326.8	600.8	-	-
Considered doubtful	274.0		-	-
	600.8		-	-
Less: Provision for doubtful loans / advances	274.0		-	-
	326.8		-	

* includes interest accrued and due on loans amounting to ₹ 114.4 Million

These loans have been granted to the above entities for the purpose of their business.

- 45** Consequent to the amalgamation of erstwhile RLL into the Company as referred in Note 48, Zenotech Laboratories Limited ('Zenotech') became an associate of the Company. The erstwhile RLL had granted certain loans to Zenotech which were outstanding and inherited by the Company. The Company has not granted any further loans to Zenotech post effective date i.e. March 24, 2015. The balance of this inherited outstanding loan is ₹ 512.0 Million. The Company is in process of evaluating various options in relation to recovery of the outstanding loans and interest thereon of ₹ 88.8 million.
- 46** 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 amortisable 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.
- 47** On 11th June, 2013, Sun Pharma Global FZE (SPG), a wholly owned subsidiary has entered into settlement agreement for USD 550.0 Million [including USD 44.0 Million borne by Sun Pharmaceutical Industries Inc (formerly known as Caraco Pharmaceutical Laboratories Ltd.)] with Pfizer Inc., USA; Wyeth LLC USA and Nycomed GmbH, Germany in settlement of the claim of patent infringement litigation related to generic version of "Protonix". SPG has entered into an agreement with a third party in terms of which the said party has agreed to bear damages on account of patent infringement to the extent of USD 400.0 Million (equivalent to ₹ 24,002.0 Million) in consideration of SPG agreeing to sell them pharmaceutical products at a negotiated discounted price for a specified period. Accordingly, a provision of USD 16.5 Million (Previous year USD 438.5 Million) equivalent to ₹ 1,031.7 Million (Previous Year ₹ 26,312.2 Million) [including other related expected discount and incidental expenses of USD 16.5 Million (Previous Year USD 38.5 Million) equivalent to ₹ 1,031.7 Million (Previous Year ₹ 2,310.2 Million)] towards estimated expected liability on this account, has been accounted for and given effect in these financial statements. The above charge of USD Nil (Previous year USD 506.0 Million) equivalent to Nil (Previous Year ₹ 28,756.0 Million) has been considered as exceptional item and ₹ 1,031.7 Million (Previous Year ₹ 2,381.2 Million) has been included in miscellaneous expenses.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 48** Pursuant to the Scheme of Arrangement u/s 391 to 394 of the Companies Act 1956 for amalgamation of erstwhile Ranbaxy Laboratories Ltd (RLL) with the Company as sanctioned by the Hon'ble High Court of Gujarat and Hon'ble High Court of Punjab and Haryana on March 24, 2015 (effective date) all the assets, liabilities and reserves of RLL were transferred to and vested in the Company with effect from 1st April 2014, the appointed date. RLL along with its subsidiaries and associates was operating as an integrated international pharmaceutical organisation with business encompassing the entire value chain in the production, marketing and distribution of pharmaceutical products. The scheme has accordingly been given effect to in these financial statements.

The amalgamation has been accounted for under the "Pooling of Interest Method" as prescribed under Accounting Standard 14- "Accounting for Amalgamations" (AS 14) issued by the Institute of Chartered Accountants of India and as notified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies Accounts Rules 2014. Accordingly and giving effect in compliance of the Scheme of Arrangement all the assets, liabilities and reserves of RLL, now considered a division of the Company, were recorded in the books of the Company at their carrying amounts and the form as at the appointed date in the books of RLL.

On April 10, 2015, In terms of the Scheme of Arrangement 0.80 equity share of ₹ 1 each (Number of Shares 334,956,764 including 187,583 Shares held by ESOP trust) of the Company has been allotted to the shareholders of RLL for every 1 share of ₹ 5 each (Number of Shares 418,461,476 including 234,479 shares held by ESOP trust) held by them in the share capital of RLL, after cancellation of 6,967,542 shares of RLL. These shares have been considered for the purpose of calculation of earnings per share appropriately. An amount of ₹ 1,792.4 Million being the excess of the amount recorded as share capital to be issued by the Company over the amount of the share capital of erstwhile RLL has been credited to Capital Reserve.

- 49** RLL had early adopted Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" and AS 31 "Financial Instruments: Presentation" for accounting of derivative instruments which are outside the scope of Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates' such as forward contracts to hedge highly probable forecast transactions, option contracts, currency swaps, interest rate swaps etc. In order to align with the Company's policy, derivative instruments are now accounted for in accordance with the announcement issued by the Institute of Chartered Accountants of India dated March 28, 2008. On the principles of prudence as enunciated in Accounting Standard 1 "Disclosure of Accounting Policies" which requires to provide losses in respect of all outstanding derivative instruments at the balance sheet date by marking them to market. Accordingly, the unrealized MTM gain of ₹ 905.4 Million as at April 1, 2014 has been reversed and MTM gain as at March 31, 2015 amounting to ₹ 1,121.0 Million has not been recognized in these financial statements
- 50** Out of a MAT credit of ₹ 8,222.7 Million which was written down by the erstwhile RLL during the quarter ended December 31, 2014, an amount of ₹ 7,517.0 Million has been recognized by the Company, on a reassessment by the Management at the year-end, based on convincing evidence that the combined amalgamated entity would pay normal income tax during the specified period and would therefore be able to utilize the MAT credit so recognised. Current tax for the year also includes ₹ 284.7 Million pertaining to earlier years.
- 51** Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 for amalgamation of erstwhile Sun Pharma Global Inc.(Transferor Company) with the Company, with effect from January 1, 2015 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat, filed with the Registrar of Companies on August 6, 2015 (effective date), all the assets, liabilities, reserves and surplus of Transferor Company were transferred to and vested in the Company without any consideration, on going concern basis. Transferor Company is a wholly owned subsidiary of the company and was engaged in the business activities of strategic and non-strategic investments and financing mainly to its group subsidiary or

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

associate companies worldwide. The amalgamation has been accounted for under the “Pooling of Interest Method” as prescribed under Accounting Standard 14- “Accounting for Amalgamations” (AS 14) issued by the Institute of Chartered Accountants of India and as notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies Accounts Rules 2014. The scheme has been given effect to in these financial statements and accordingly; (i) The Financial Statements for the year ended March 31, 2015 which were earlier approved by Board of Directors on May 29, 2015 and audited by the statutory auditors of the Company have been revised. (ii) All the assets, liabilities, reserves and surplus of Transferor Company were recorded in the books of the Company at their carrying amounts and in the same form as at the appointed date. Transferor Company being a wholly owned subsidiary of the Company neither any shares are required to be issued nor any consideration is paid. The Equity Share Capital, Preference Share Capital, Share application money pending allotment and securities premium account of the Transferor Company and the carrying value of investment in Equity Shares, Preference Shares and Share application money of the Transferor Company in the books of the Transferee Company stands cancelled. Accordingly the difference of ₹ 6,498.8 Million between the amount of share capital of the Transferor Company and the consideration being Nil, after adjusting for the carrying value of Investments in the books of the Company is credited to Capital Reserve.

- 52** With regard to tangible assets, the Company has adopted the useful life of fixed assets as indicated in Part C of Schedule II of the Companies Act, 2013 and amendment thereto vide notification dated August 29, 2014 issued by the Ministry of Corporate Affairs. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, have been fully depreciated and an amount of ₹ 491.8 Million has been charged to the Statement of Profit and Loss. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 3,069.9 Million consequent to the change in the useful life of the assets.
- 53** In March 2014, the US FDA issued an import alert to the Company for its cephalosporin facility located at Karkhadi, Gujarat in India. The warning letter pertaining to this import alert was issued by the US FDA in May 2014. The letter identifies practices at the facility which are non-compliant with current Good Manufacturing Practice (cGMP) regulations. The Company remains fully committed to compliance and corrective steps are on-going to address the observations made by the US FDA. The Company is committed to working co-operatively and expeditiously with the US FDA to resolve the matters indicated in its letter. Until these matters are resolved to the satisfaction of the US FDA, the US FDA may, in the near term, withhold approval of pending new drug applications from this facility. The contribution of this facility to Company's revenues is not significant.
- 54** The US FDA had, on January 23, 2014, prohibited from manufacturing and distributing APIs from its Toansa manufacturing facility and finished drug products containing APIs manufactured at this facility into the USA regulated market. Consequentially, the Toansa manufacturing facility is subject to certain terms of the Consent decree of permanent injunction entered into by the Company in January 2012.

In addition, the Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had also issued an administrative subpoena dated March 13, 2014 seeking information primarily related to Toansa manufacturing facility for which a Form 483 containing findings of the US FDA was issued in January 2014. The Company is fully cooperating with this information request and is in dialogue with the US DOJ for submission of the requisite information.

- 55** In the absence of net profits in the Company for the year ended March 31, 2015 remuneration to the Managing Director and a Whole-time Director of the Company for the year ended March 31, 2015 is in excess of the limits specified under Schedule V of the Companies Act, 2013 by ₹ 20.7 Million. In this regard the Company has made necessary applications to the Central Government for approving of the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. Consequent to giving effect to the scheme of arrangement for the merger of Specified Undertaking of Sun Pharma Global FZE into the Company effective from May 1, 2013, resulting in the absence of net profits in the Company for the previous year ended March 31, 2014 (i) remuneration to the Managing Director and the Whole-time Directors of the Company has exceeded the limits specified under Schedule XIII to the Companies Act, 1956 by ₹ 44.7 Million; and (ii) commission of ₹ 6.4 Million for the previous year ended

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

March 31, 2014, to the Non-Executive Directors of the Company is in excess, since there is absence of net profits for the previous year under section 309(4) read with section 309(5) of the Companies Act, 1956. The Company has made necessary applications to the Central Government for the waiver of the excess remuneration and commission for the previous year ended March 31, 2014. The Company has obtained approval from the shareholders of the Company in respect of the aforesaid remuneration and commission, as applicable for the years March 31, 2014 and 2015. The approval from the Central Government of India is awaited in respect of the said applications.

56 EMPLOYEE SHARE-BASED PAYMENT PLANS

Erstwhile Ranbaxy Laboratories Limited had the Employee Stock Option Schemes ("ESOSs") for the grant of stock options to its eligible employees and Directors of the Company and of its subsidiaries. The ESOSs are used to be administered by the Compensation Committee ("Committee"). Options are used to be granted at the discretion of the Committee to the selected employees depending upon certain criterion. As at 31 March 2015, there were two ESOSs, namely, "ESOS 2005" and "ESOP 2011". ESOS II discontinued on January 17, 2015.

ESOS II provided that the grant price of options would be determined at the average of the daily closing price of the erstwhile RLL's equity shares on the NSE during a period of 26 weeks preceding the date of the grant. ESOS 2005 provided that the grant price of options would be the latest available closing price on the stock exchange on which the shares of the erstwhile RLL were listed, prior to the date of the meeting of the Committee in which the options were granted. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered. The options vested evenly over a period of five years from the date of grant. Options lapse, if they were not exercised prior to the expiry date, which was ten years from the date of grant.

During the year ended December 31, 2011, a new ESOS scheme was introduced by erstwhile RLL viz "ESOP 2011" with effect from July 01, 2011. ESOP - 2011 provides that the grant price will be the face value of the equity share i.e. ₹ 5 per share. The options vested evenly over a period of three years from the date of grant. Options lapsed, if they were not exercised prior to the expiry date, which was three months from the date of the vesting. An ESOP Trust had been formed to administer ESOP-2011 scheme. Shares issued to the ESOP Trust were allocated to the eligible employees upon exercise of stock options from time to time. As per the opinion of the Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India, as on the reporting date, the shares issued to an ESOP Trust but yet to be allocated to the employees be shown as a deduction from the Share Capital with a corresponding adjustment to the loan receivable from ESOP Trust. Accordingly, the Company has adjusted shares held by the ESOP Trust on the reporting date as a deduction from the Share Suspense Account.

Pursuant to the Scheme of Amalgamation, Sun Pharmaceutical Industries Limited ('transferee company') formulated two Employee Stock Option Schemes namely (i) SUN Employee Stock Option Scheme-2015 (ii) SUN Employee Stock Option Plan-2015 (ESOS Schemes) among other things to grant to the eligible employees of erstwhile RLL ('transferor company') stock options. Further, the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.80) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.80) and fractions rounded off to the next higher whole number. The terms and conditions of ESOS Schemes of Sun Pharma are not less favourable than those of ESOS Schemes of erstwhile RLL. Under the ESOS Schemes of Sun Pharma, stock options have been issued to the eligible employees of erstwhile RLL.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

The Shareholders' Committee of erstwhile RLL have approved issuance of options under the ESOS as per details given below:

Date of approval	No. of options approved
June 25, 2003	4,000,000
June 30, 2005	4,000,000
May 09, 2011	3,000,000

In accordance with the above approval of issuance of options, stock options have been granted from time to time.

The stock options outstanding as on June 30, 2005 are proportionately adjusted in view of the sub-Division of equity shares of the erstwhile RLL from the face value of ₹ 10 each into 2 equity shares of ₹ 5 each

The movement of the options (post split) granted under ESOS II and ESOS 2005 for the current year is given below:

	Stock options (numbers)	Range of exercise prices (₹)	Weighted- average exercise prices (₹)	Weighted-average remaining contractual life (years)
Pursuant to the Scheme of Amalgamation (Refer Note 48)	3,579,582	216.00-561.00	426.2	3.4
Forfeited during the year	(21,578)	450.00 - 450.00	450.0	-
Exercised during the year *	(1,434,434)	216.00 - 538.50	419.2	-
Lapsed during the year	(661,639)	216.00 - 538.50	506.4	-
Outstanding at the end of the year \$ (refer to note 1 below)	1,461,931	216.00 - 561.00	396.3	3.3
Exercisable at the end of the year \$ (refer to note 1 below)	1,461,931	216.00 - 561.00	396.3	3.3
Note 1- Pursuant to scheme of Amalgamation				
Outstanding at the end of the year \$ ^	1,169,545	270.00-702.00	496.0	-
Exercisable at the end of the year \$ ^	1,169,545	270.00-702.00	496.0	-

\$ Includes options exercised, pending allotment.

* Weighted average share price on the date of exercise ₹ 637.7

The movement of the options (post split) granted under ESOP - 2011 for the current year is given below:

	Stock options (numbers)	Range of exercise prices (₹)	Weighted- average exercise prices (₹)	Weighted-average remaining contractual life (years)
Pursuant to the Scheme of Amalgamation (Refer Note 48)	986,905	5.0	5.0	0.9
Granted during the year	481,766	5.0	5.0	-
Forfeited during the year	(202,133)	5.0	5.0	-
Exercised during the year# **	(675,123)	5.0	5.0	-
Lapsed during the year	(29,628)	5.0	5.0	-
Outstanding at the end of the year @ (refer to note 2 below)	561,787	5.0	5.0	1.7
Exercisable at the end of the year @ (refer to note 2 below)	52,434	5.0	5.0	0.2
Note 2- Pursuant to scheme of Amalgamation				
Outstanding at the end of the year @ ^	449,430	6.25	6.25	-
Exercisable at the end of the year @ ^	41,948	6.25	6.25	-

@ Includes options exercised, pending allotment

Shares allotted by the ESOP Trust against these exercises

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

** Weighted average share price on the date of exercise ₹ 621.36

^ Number of shares and exercise price are adjusted in accordance with the Share exchange ratio (0.8:1) as per the Scheme.

During the current year, the Company has recorded a Stock-based employee compensation expense of ₹ 205.02 Million. The amount has been determined under a fair value method wherein the fair value of the options is calculated by using Black Scholes pricing model using the following assumptions:

The following table summarizes the assumptions used in calculating the grant date fair value for instrument granted in the period March 31, 2015: @@

Particulars	Year ended 31 March, 2015
Grant Date	08-May-14
Dividend yield	0.43%
Expected life of options from the date(s) of grant	1.25, 2.25 and 3.25 years
Risk free interest rate	8.57% (1.25 years)
	8.65% (2.25 years)
	8.71% (3.25 years)
Expected volatility	40.47%
Grant date fair value	₹ 462.39 (1.25 years)
	₹ 460.79 (2.25 years)
	₹ 459.16 (3.25 years)

@@ Assumptions used are as applicable at the date of grant in the context of erstwhile RLL

The Black – Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materially affect fair value of the options. The options pricing models do not necessary provide a reliable measurable of fair value of options. The volatility in the share price is based on volatility of historical stock price of the erstwhile RLL for last 60 months.

The company has changed its policy with respect to accounting for employee stock options. The erstwhile RLL calculated cost of employee stock options based on the intrinsic value method i.e. the excess of market price over the exercise price of such options as of the date of the grant of options over the exercise price of such options. As explained above, the Company have accounted for employee stock options based on the fair value method. The impact of change in this accounting policy is not significant.

57 DETAILS OF LONG TERM BORROWINGS AND CURRENT MATURITIES OF LONG TERM DEBT (included under Other Current Liabilities)

- (I) External Commercial Borrowings (ECBs) has 6 loans of USD 288.0 Million equivalent to ₹ 18,001.4 Million (Previous Year Nil) [(included in long term borrowings ₹ 11,625.9 Million (Previous Year Nil) and ₹ 6,375.5 Million (Previous Year Nil) in current maturity of long term debt.)] For the loans outstanding as at March 31, 2015, the terms of repayment for borrowings are as follows:
- (a) USD 100 Million equivalent to ₹ 6,250.5 Million (Previous Year Nil). The loan was taken on June 4, 2013 and is repayable on June 3, 2018.
- (b) USD 50 Million equivalent to ₹ 3,125.3 Million (Previous Year Nil). The loan was taken on September 20, 2012 and is repayable on September 19, 2017.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- (c) USD 30 Million equivalent to ₹ 1,875.2 Million (Previous Year Nil). The loan was taken on June 30, 2011 and is repayable in 3 equal installments at the end of 4th year, 5th year and 6th year.
- (d) USD 30 Million equivalent to ₹ 1,875.2 Million (Previous Year Nil). The loan was taken on September 9, 2010 and is repayable on September 8, 2015.
- (e) USD 50 Million equivalent to ₹ 3,125.3 Million (Previous Year Nil). The loan was taken on August 12, 2010 and is repayable on August 11, 2015.
- (f) USD 28 Million equivalent to ₹ 1,750.1 Million (Previous Year Nil). Loan amounting to USD 40 Million equivalent to ₹ 2,500.2 Million (Previous Year Nil) was taken on March 25, 2011 and is repayable fully by March 24, 2017 in 3 installments viz., 30% each of the drawn amount at the end of 4th year and 5th year each and 40% of the drawn amount at the end of the 6th year. First installment of USD 12 Million equivalent to ₹ 747.91 Million (Previous Year Nil) has been repaid in current year. The Company has not defaulted on repayment of loan and interest during the year.
- (II) ₹ 5,000 Million (Previous Year Nil) redeemable non-convertible debentures issued by erstwhile RLL on November 23, 2012 for a period of 36 months at a coupon rate of 9.20% p.a. Such debentures are secured by a pari-passu first ranking charge on the Company's specified fixed assets so as to provide a fixed asset cover of 1.25x and are listed on the National Stock Exchange.
- (III) Loan of ₹ 2,500 Million (Previous Year Nil). The loan is repayable on October 2, 2015. The Company has not defaulted on repayment of loan and interest during the year.

58 In respect of any present obligation as a result of past event that could lead to a probable outflow of resources, provisions has been made, which would be required to settle the obligation. The said provisions are made as per the best estimate of the management and disclosure as per Accounting Standard (AS) 29 - Provisions, Contingent Liabilities & Contingent Assets has been given below :

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
At the commencement of the year	26,312.2	-
Add :Pursuant to the Scheme of amalgamation (Refer Note 48)	609.1	-
Add: Provision for the year	1,657.4	26,312.2
Add : Foreign Currency Exchange Fluctuation	1,056.4	-
Less: Utilisation / Settlement	1,886.6	-
At the end of the year	27,748.5	26,312.2

(The above balances includes provision for trade commitments, product returns, rebates, discounts)

59 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 11.0 Million.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 60 a The following are the outstanding contracts of derivative instruments entered into by the Company as on 31st March, 2015

				Amount in Million	
	Currency	Buy/Sell	Cross Currency	31st March, 2015	31st March, 2014
Forward contract for receivables	USD	Sell	INR	\$350.0	\$240.0
Forward contracts for loans	USD	Buy	INR	\$170.0	-
Currency swaps	USD	Buy	INR	\$30.0	-
Currency Options	USD	Buy	INR	\$100.0	-
Currency options ** @	USD	Sell	INR	\$71.0	-
Currency cum interest rate swaps	USD	Buy	INR	\$100.0	-
Forward contracts	ZAR	Sell	INR	ZAR 42.5	-

** Structured Options @ 2.00 to 2.50 times

@ Cumulative mark to market loss, on above instruments, of ₹ 3,499.3 Million which has been determined based on valuation provided by banks i.e. counter party.

- b The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

- i Amounts receivable in foreign currency on account of the following :

		As at 31st March, 2015		As at 31st March, 2014	
	Currency	Amount in Million		Amount in Million	
Exports of Goods and Services	US Dollar	-	-	\$354.6	₹ 21,279.0
	Euro	€ 17.3	₹ 1,159.9	€ 6.0	₹ 492.0
	British Pound	£2.0	₹ 181.1	£0.5	₹ 46.1
CHF 15,000	Swiss Franc	CHF 0.0	₹ 1.0	-	-
	Russian Ruble	RUB 1,156.5	₹ 1,240.4	RUB 414.9	₹ 760.3
	Bangladesh Taka	BDT 191.1	₹ 152.9	BDT 152.2	₹ 117.8
	South African Rand	ZAR 70.8	₹ 362.2	-	-
	Australian Dollar	AUD 4.4	₹ 210.9	-	-
	Swedish Kroner	SEK 0.5	₹ 3.3	-	-
	New Zealand Dollar	\$0.3	₹ 15.4	-	-
	Malaysian Ringet	MYR 2.5	₹ 42.0	-	-
	Japanese Yen	¥14.3	₹ 7.4	-	-
	Nigerian Naira	NGN 22.7	₹ 7.2	-	-
	Canadian Dollar	CAD 1.9	₹ 91.9	-	-
	Mexican Peso	MXN 1.1	₹ 4.6	-	-
	Polish Zloty	PLN 1.3	₹ 21.7	-	-

- ii Amounts payable in foreign currency on account of the following :

Import of Goods and Services	US Dollar	\$257.0	₹ 16,029.2	\$11.0	₹ 662.4
	Euro	€ 26.2	₹ 1,757.8	€ 1.3	₹ 110.6
	British Pound	£1.6	₹ 148.9	£0.1	₹ 10.1
CHF 26,694 (Previous Year CHF 19,961)	Swiss Franc	CHF 0.0	₹ 1.7	CHF 0.0	₹ 1.4
	Israel Shaker	ILS 0.6	₹ 9.0	ILS 0.6	₹ 9.5
	Japanese Yen	¥5.1	₹ 2.5	-	-
CAD 385 (Previous Year CAD 16,012)	Canadian Dollar	CAD 0.0	₹ 0.0	CAD 0.0	₹ 0.9

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Currency	As at 31st March, 2015		As at 31st March, 2014	
		Amount in Million		Amount in Million	
	Russian Ruble	RUB 59.0	₹ 63.4	RUB 0.3	₹ 0.4
(Previous Year SEK 2,745, ₹ 25,227)	Swedish Kroner	-	-	SEK 0.0	₹ 0.0
	South African Rand	ZAR 0.2	₹ 1.1	ZAR 0.4	₹ 2.2
(Previous Year AUD 9,260)	Australian Dollar	AUD 0.4	₹ 18.9	AUD 0.0	₹ 0.5
SGD 1,346 (Previous Year SGD-Nil)	Singapore Dollar	SGD 0.0	₹ 0.1	-	-
	UAE Dinar	AED 0.8	₹ 12.8	-	-
	Kazakhstani Tenge	KZT 27.4	₹ 9.2	-	-
	Central African Franc	CFR 404.1	₹ 41.7	-	-
	Vietnamese Dong	VND 1,430.5	₹ 4.2	-	-
	Others		₹ 10.5	-	-
Commission Payable	US Dollar	\$5.8	₹ 361.1	\$5.9	₹ 351.8
	Euro	€ 0.9	₹ 62.4	€ 0.8	₹ 65.2
Loans	US Dollar	\$70.0	₹ 4,375.0	\$400.0	₹ 24,002.0
(include interest accrued but not due on borrowings)	US Dollar @@	\$257.8	₹ 16,111.7	-	-

@@ -Net of forward contracts of USD 170 Million, currency swaps of USD 30 million, currency options of USD 100 Million and currency cum interest rate swaps of USD 100 million.

- 61** Previous year figures are regrouped wherever necessary. In view of the amalgamation as referred in Note 48 and Note 51 the figures for the current year are not comparable with the corresponding figures of the previous year.

ANNEXURE “A”

ACCOUNTING STANDARD (AS-18) “RELATED PARTY DISCLOSURE”

Names of related parties and description of relationship as on 31st March, 2015

1	Subsidiaries
	Green Eco Development Centre Ltd.
	Sun Pharma Global Inc. (Since amalgamated into the Company on January 1, 2015)
	Sun Pharmaceutical (Bangladesh) Ltd.
	Sun Pharmaceutical Industries, Inc. (Formerly Known as Caraco Pharmaceutical Laboratories Ltd)
	Sun Farmaceutica Do Brasil Ltda (Formerly Known as TKS Farmaceutica Ltda)
	Sun Pharma De Mexico S.A. DE C.V.
	SPII De Mexico S.A. DE C.V.
	Sun Pharmaceutical Peru S.A.C.
	OOO “Sun Pharmaceutical Industries” Ltd.
	Sun Pharma de Venezuela, CA.
	Sun Pharma Laboratories Limited
	Faststone Mercantile Company Private Limited
	Neetnav Real Estate Private Limited
	Realstone Multitrade Private Limited
	Skisen Labs Private Limited
	Softdeal Trading Company Private Limited

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ANNEXURE “A”

ACCOUNTING STANDARD (AS-18) “RELATED PARTY DISCLOSURE”

Names of related parties and description of relationship as on 31st March, 2015

	Ranbaxy Pharmacie Generiques SAS
	Ranbaxy Drugs Limited
	Vidyut Investments Limited
	Gufic Pharma Limited
	Ranbaxy Malaysia Sdn. Bhd.
	Ranbaxy Nigeria Limited
	Ranbaxy (Netherlands) B.V.
	Caraco Pharma Inc
	Chattem Chemicals Inc
	Taro Development Corporation
	Alkaloida Chemical Company Zrt.
	Sun Pharmaceutical UK Ltd.
	Sun Pharmaceutical Industries (Australia) Pty. Ltd.
	Aditya Acquisition Company Ltd.
	Sun Pharmaceutical Industries (Europe) B.V.
	Sun Pharmaceuticals Italia S.R.L.
	Sun Pharmaceutical Spain, S.L.U
	Sun Pharmaceuticals Germany GmbH
	Sun Pharmaceuticals France
	Sun Pharma Global (FZE)
	Sun Pharmaceuticals (SA) (Pty) Ltd.
	Sun Global Canada Pty. Ltd.
	Sun Pharma Philippines Inc.
	Sun Pharmaceuticals Korea Ltd.
	Sun Global Development FZE
	Caraco Pharmaceuticals Pvt. Ltd
	Sun Pharma Japan Ltd
	Sun Pharma HealthCare FZE
***	Sun Pharma MEA JLT
	Morley and Company Inc
	Sun Laboratories FZE
	Taro Pharmaceutical Industries Ltd.
	Taro Pharmaceuticals Inc.
	Taro Pharmaceuticals U.S.A., Inc.
	Taro Pharmaceuticals North America, Inc.
	Taro Pharmaceuticals Europe B.V.
	Taro Pharmaceuticals Ireland Ltd.
	Taro International Ltd.
	Taro Pharmaceuticals UK Ltd.
	Taro Hungary Intellectual Property Licensing LLC.
	3 Skyline LLC
	One Commerce Drive LLC

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ANNEXURE “A”

ACCOUNTING STANDARD (AS-18) “RELATED PARTY DISCLOSURE”

Names of related parties and description of relationship as on 31st March, 2015

**	Tarochem Ltd.
	Taro Pharmaceutical Laboratories Inc
	Taro Pharmaceuticals Canada Ltd.
****	Taro Pharmaceutical India Private Ltd.
**	Orta Ltd.
**	Sun Universal Ltd
**	Khyati Realty ME Ltd
**	Aditya Pharma Private Limited
	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
	Universal Enterprises (Pvt) Ltd.
	Sun Pharma Switzerland Ltd.
	Sun Pharma Holdings (Formerly Known as Nogad Holdings)
	Silverstreet Developers LLP
*	Sun Pharma East Africa Limited
*	Pharmalucence Inc.
*	PI Real Estate Ventures, LLC
	Ranbaxy Australia Proprietary Ltd.
	Ranbaxy Belgium N.V.
	Ranbaxy Farmaceutica Ltda.
	Ranbaxy Pharmaceuticals Canada Inc.
	Ranbaxy Egypt (L.L.C.)
	Rexcel Egypt (L.L.C.)
	Office Pharmaceutique Industriel et Hospitalier SARL
	Basics GmbH
	Ranbaxy GmbH
	Ranbaxy Ireland Limited
	Ranbaxy Italia S.p.A
	Ranbaxy PRP (Peru) SAC.
	Ranbaxy Poland S.P. Zoo
****	Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda
	S.C Terapia S.A.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ANNEXURE “A”

ACCOUNTING STANDARD (AS-18) “RELATED PARTY DISCLOSURE”

Names of related parties and description of relationship as on 31st March, 2015

	ZAO Ranbaxy	
	Ranbaxy South Africa Proprietary Limited	
	Ranbaxy Pharmaceuticals (Pty) Ltd. (Formerly known as Be-Tabs Pharmaceuticals (Proprietary) Ltd.	
	Be-Tabs Investments (Proprietary) Ltd.	
	Sonke Pharmaceuticals (Proprietary) Ltd.	
	Laboratorios Ranbaxy, S.L.	
	Ranbaxy (UK) Limited.	
	Ranbaxy Holdings (UK) Ltd.	
	Ranbaxy Europe Limited	
	Ranbaxy Inc.	
	Ranbaxy Pharmaceuticals, Inc.	
	Ranbaxy (Thailand) Co., Limited	
	** Ranbaxy USA, Inc.	
	Ohm Laboratories, Inc.	
	Ranbaxy Laboratories, Inc.	
	Ranbaxy Signature LLC	
	Ranbaxy Morocco LLC	
	Ranbaxy Pharmaceuticals Ukraine LLC	
	Solrex Pharmaceuticals Company	
2	Associates	
	Zenotech Laboratories Limited	
	Daiichi Sankyo (Thailand) Limited, Thailand	
3	Key Management Personnel	
	Mr. Dilip S. Shanghvi	Managing Director
	Mr. Sudhir V. Valia	Wholetime Director
	Mr. Sailesh T. Desai	Wholetime Director
4	Relatives of Key Management Personnel	
	Mr. Aalok Shanghvi	Son of Managing Director
	Ms. Vidhi Shanghvi	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	

* Incorporated / Acquired during the year

** Dissolved / liquidated during the year

*** Merged with Sun Pharma Global FZE.

**** Under liquidation

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ANNEXURE “A”

ACCOUNTING STANDARD (AS-18) “RELATED PARTY DISCLOSURE”

Particulars	Subsidiaries																Associates				Key Management Personnel				Relatives of Key Management Personnel				Enterprise under significant Influence of Key Management Personnel or their relatives				Total	
	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	₹ in Million				
Particulars	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15			
Purchases of goods	1,980.0	1,961.0	37.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Alkaloids Chemical Company Zrt	243.9	234.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharma Laboratories Ltd.	468.4	1,725.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Solrex Pharmaceuticals Company, India (a Partnership firm)	946.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Ohm Laboratories, Inc., USA	228.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Others	92.9	1.3	37.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Purchase of Fixed Assets	1,134.1	3.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Neetnav Real Estate Pvt Ltd.	1,134.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharma Laboratories Ltd.	-	3.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Purchase of Undertaking	980.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharma Laboratories Ltd.	980.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sale of goods	30,297.7	16,361.1	392.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharmaceutical Industries Inc (formerly known as Caraco Pharmaceutical Laboratories Ltd.)	2,199.2	7,110.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharma Global (FZE)	3,648.6	4,463.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharma Laboratories Ltd.	3,891.9	2,688.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Ohm Laboratories, Inc., USA	7,306.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Others	13,251.4	2,098.7	392.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sale of Fixed Assets	74.8	4.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Alkaloids Chemical Company Zrt	-	4.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharma Laboratories Ltd.	13.7	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Solrex Pharmaceuticals Company, India (a Partnership firm)	20.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
ZAO Ranbaxy, Russia	38.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Others	2.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Receiving of Service	1,710.1	37.5	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Services	1,710.1	37.5	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Aditya Acquisition Company Ltd	73.1	37.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Ranbaxy Europe Limited, UK	309.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
S.C.Terapia S.A., Romania	461.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Others	865.4	-	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Reimbursement of Expenses	1,066.0	366.0	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharmaceutical Industries Inc (formerly known as Caraco Pharmaceutical Laboratories Ltd.)	614.7	213.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharmaceutical Industries (Europe) B.V.	152.0	51.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharma Global (FZE)	133.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sun Pharma Laboratories Ltd.	-	56.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Others	166.2	44.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rendering of Service	1,750.0	606.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ANNEXURE "A"

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

Particulars	₹ in Million											
	Subsidiaries			Associates		Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant influence of Key Management Personnel or their relatives		Total
Particulars	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14
Reimbursement of Expenses	692.1	195.4	-	-	-	-	-	-	55.2	47.7	747.3	243.1
Sun Pharma Global (FZE)	176.3	182.4	-	-	-	-	-	-	-	-	176.3	182.4
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	55.2	47.7	55.2	47.7
Sun Pharma Laboratories Ltd.	475.8	1.5	-	-	-	-	-	-	-	-	475.8	1.5
Others	40.0	11.5	-	-	-	-	-	-	-	-	40.0	11.5
Finance (including loans, investment and equity contributions)												
Capital Contribution / (Withdrawal)	-	6,162.1	-	-	-	-	-	-	-	-	-	6,162.1
Sun Pharma Global (FZE)	-	6,153.4	-	-	-	-	-	-	-	-	-	6,153.4
Others	-	8.7	-	-	-	-	-	-	-	-	-	8.7
Loans given / Share Application Money / Deposit	1,287.5	356.1	74.5	-	-	-	-	-	-	311.0	1,362.0	667.1
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	-	311.0	-	311.0
Sun Pharma Global (FZE) [Acquired pursuant to arrangement (refer Note 51)]	1,133.2	-	-	-	-	-	-	-	-	-	1,133.2	-
Neetnav Real Estate Pvt Ltd.	148.6	-	-	-	-	-	-	-	-	-	148.6	-
Skisen Labs Pvt Ltd.	-	356.1	-	-	-	-	-	-	-	-	-	356.1
Others	5.7	-	74.5	-	-	-	-	-	-	-	80.2	-
Loans / Share Application Money received back	18,944.9	0.1	-	-	-	-	-	-	-	1,049.4	18,944.9	1,049.5
Alkaloida Chemical Company Zrt	7,649.4	-	-	-	-	-	-	-	-	-	7,649.4	-
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	-	-	-	-
Ranbaxy (Netherlands) BV, The Netherlands	9,237.0	-	-	-	-	-	-	-	-	-	9,237.0	-
Others	2,058.5	0.1	-	-	-	-	-	-	-	-	2,058.5	0.1
Inter Corporate Deposit	65.7	-	-	-	-	-	-	-	-	-	65.7	-
Neetnav Real Estate Pvt Ltd.	65.7	-	-	-	-	-	-	-	-	-	65.7	-
Corporate Guarantees Given / (Released) on behalf of	(558.7)	-	-	-	-	-	-	-	-	-	(558.7)	-
Sun Pharmaceuticals Italia S.R.L.	-	41.3	-	-	-	-	-	-	-	-	-	41.3
Sun Pharma Laboratories Ltd.	-	(600.0)	-	-	-	-	-	-	-	-	-	(600.0)
Interest Income	208.3	-	61.9	-	-	-	-	-	-	53.8	270.2	53.8
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	-	53.8	-	53.8
Ranbaxy (Netherlands) BV, The Netherlands	157.9	-	-	-	-	-	-	-	-	-	157.9	-
Zenotech Laboratories Limited, India	-	-	61.9	-	-	-	-	-	-	-	61.9	-
Others	50.4	-	-	-	-	-	-	-	-	-	50.4	-
Interest Expense	3.6	-	-	-	-	-	-	-	-	-	3.6	-
Neetnav Real Estate Pvt Ltd.	3.6	-	-	-	-	-	-	-	-	-	3.6	-
Rent Income	18.9	13.2	-	-	-	-	-	-	1.5	1.5	20.4	14.7
Sun Pharma Laboratories Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Navivan Rasayan (Gujarat) Pvt Ltd	18.9	13.2	-	-	-	-	-	-	-	-	18.9	13.2
Rent Expense	0.4	-	-	-	-	-	-	-	1.5	1.5	1.5	1.5
Neetnav Real Estate Pvt Ltd.	0.4	-	-	-	-	-	-	-	-	-	0.4	-
Director's Remuneration												
Mr. Dilip S. Shanghvi	-	-	-	-	-	73.8	63.3	-	-	-	73.8	63.3
Mr. Sudhir V. Valia	-	-	-	-	-	31.5	28.3	-	-	-	31.5	28.3
Mr. Sailesh T. Desai	-	-	-	-	-	31.3	25.6	-	-	-	31.3	25.6
	-	-	-	-	-	11.0	9.4	-	-	-	11.0	9.4

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ANNEXURE “A”

ACCOUNTING STANDARD (AS-18) “RELATED PARTY DISCLOSURE”

Particulars	₹ in Million											
	Subsidiaries			Associates		Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant influence of Key Management Personnel or their relatives		Total
	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14
Particulars	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14	31-03-15	31-03-14
Apprenticeship Stipend / Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Aalok Shanghvi	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Vidhi Shanghvi	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Corporate Guarantee to Bank	-	247.8	-	-	-	-	-	-	-	-	-	247.8
Sun Pharmaceuticals Italia S.R.L. (Actual Utilised Nil (Previous Year ₹ 86.0 Million))	-	247.8	-	-	-	-	-	-	-	-	-	247.8
Letter of comforts given on behalf of subsidiaries	336.0	-	-	-	-	-	-	-	-	-	336.0	-
S.C.Terapia S.A., Romania	336.0	-	-	-	-	-	-	-	-	-	336.0	-
Withdrawal of letter of comforts given on behalf of subsidiaries	3,541.5	-	-	-	-	-	-	-	-	-	3,541.5	-
Ranbaxy (Netherlands) BV, The Netherlands	1,250.1	-	-	-	-	-	-	-	-	-	1,250.1	-
S.C.Terapia S.A., Romania	1,980.9	-	-	-	-	-	-	-	-	-	1,980.9	-
Ranbaxy Pharmacie Genériques SAS, France	310.5	-	-	-	-	-	-	-	-	-	310.5	-
Outstanding Letter of Comforts issued on behalf of entities	2,873.1	-	-	-	-	-	-	-	-	-	2,873.1	-
Ranbaxy Malaysia Sdn. Bhd., Malaysia	556.2	-	-	-	-	-	-	-	-	-	556.2	-
Ranbaxy Pharmacie Genériques SAS, France	336.0	-	-	-	-	-	-	-	-	-	336.0	-
Ranbaxy (Netherlands) BV, The Netherlands	414.8	-	-	-	-	-	-	-	-	-	414.8	-
Ranbaxy Nigeria Limited, Nigeria	576.3	-	-	-	-	-	-	-	-	-	576.3	-
Ranbaxy Egypt (L.L.C.), Egypt	406.3	-	-	-	-	-	-	-	-	-	406.3	-
S.C.Terapia S.A., Romania	398.5	-	-	-	-	-	-	-	-	-	398.5	-
Others	185.0	-	-	-	-	-	-	-	-	-	185.0	-
Outstanding Receivables / (Payables) (Net) as on	(8,142.3)	(2,283.4)	320.4	-	(16.4)	(18.7)	(1.2)	(0.7)	23.0	61.3	(7,816.5)	(2,241.5)
Sun Pharmaceutical Industries Inc (formerly known as Caraco Pharmaceutical Laboratories Ltd.)	(3,366.7)	1,442.8	-	-	-	-	-	-	-	-	(3,366.7)	1,442.8
OOO “Sun Pharmaceutical Industries” Ltd	506.8	770.8	-	-	-	-	-	-	-	-	506.8	770.8
Sun Pharma Global (FZE)	496.1	(4,007.5)	-	-	-	-	-	-	-	-	496.1	(4,007.5)
Sun Pharma Laboratories Ltd.	390.6	(1,514.8)	-	-	-	-	-	-	-	-	390.6	(1,514.8)
Ranbaxy Pharmaceuticals, Inc., USA	(8,590.4)	-	-	-	-	-	-	-	-	-	(8,590.4)	-
Ohm Laboratories, Inc., USA	(1,442.7)	-	-	-	-	-	-	-	-	-	(1,442.7)	-
ZAO Ranbaxy, Russia	799.0	-	-	-	-	-	-	-	-	-	799.0	-
Others (net of provision ₹ 332.4 Million)	3,065.0	1,025.3	320.4	-	(16.4)	(18.7)	(1.2)	(0.7)	23.0	61.3	3,390.8	1,067.2

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SUN PHARMACEUTICAL INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company"), in which are also incorporated the financial information of erstwhile Ranbaxy Laboratories Limited, now a division of the Holding Company (hereinafter referred to as "erstwhile Ranbaxy" or "amalgamating company"), as at and for the year ended 31st March, 2015, consequent to its amalgamation into the Holding Company which has been effected on 24th March, 2015, with the appointed date of 1st April, 2014, audited by other auditors (division / component auditors) referred in paragraph 2 of the 'Other Matters' section below, and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group, its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act read together with our remarks in paragraph 2 of 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 judgment, including the 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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in paragraph 1(a) and by the other auditors (division / component auditors) in terms of their report referred in paragraph 2, of the 'Other Matters' section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 referred in paragraph 1(a) and the report of the other auditors (division / component auditors) referred in paragraph 2, of the 'Other Matters' section below, and the consideration of the unaudited financial statements / financial information of the subsidiaries, an associate and jointly controlled entities referred in paragraph 1(b) of the 'Other Matters' section below, and read together with paragraphs 1 and 2 of the 'Emphasis of Matter' section below, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

1. We draw attention to Note 59 to the consolidated financial statements. As referred to in the said Note, the consolidated financial statements for the year ended 31st March, 2015 were earlier approved by the Board of Directors of the Holding Company at their meeting held 29th May, 2015 which were subject to revision by the Management of the Holding Company so as to give effect to the Scheme of Arrangement for amalgamation of Sun Pharma Global Inc. (SPG), a wholly owned subsidiary, into the Holding Company w.e.f. 1st January, 2015. Those financial statements were audited by us and our report dated 29th May, 2015, addressed to the Members of the Holding Company, expressed an unqualified opinion on those financial statements and included an Emphasis of Matter paragraph drawing attention to the foregoing matter. Consequent to the Holding Company obtaining the required approvals, the standalone financial statements for the year ended 31st March, 2015 for both, the Holding Company and SPG were revised to give effect to the said Scheme of Arrangement and to provide for proposed dividend by the Holding Company. In view of the above, the earlier approved consolidated financial statements are revised by the Holding Company to incorporate the revised standalone financial statements of the Company and SPG.
2. Apart from the foregoing matter, the attached consolidated financial statements do not take into account any events subsequent to the date on which the consolidated financial statements referred to in paragraph 1 above were earlier approved by the Board of Directors of the Holding Company and reported upon by us as aforesaid.
3. (a) We draw attention to Note 55 to the consolidated financial statements. As referred to in the said Note, remuneration to the Managing Director and the Whole-time Directors of the Holding Company for the previous year ended 31st March, 2014 is in excess of the limits specified under Schedule XIII to the Companies Act, 1956 by ₹ 44.7 Million and commission of ₹ 6.4 Million for the previous year ended 31st March, 2014 to the Non-Executive Directors of the Holding Company is in excess, since there is absence of net profits for the previous year under section 309(4) read with section 309(5) of the Companies Act, 1956. In this regard, the Holding Company has made necessary applications to the Central Government for the waiver of the excess remuneration and commission for the previous year ended 31st March, 2014. The Holding Company is awaiting Central Government approval in respect of the said applications.
- (b) We draw attention to Note 55 to the consolidated financial statements. As referred to in the said Note, remuneration to the Managing Director and a Whole-time Director of the Holding Company for the year is in excess of the limits specified under Schedule V to the Companies Act, 2013 by ₹ 20.7 Million. In this regard, the Holding Company has made necessary applications to the Central Government for approving the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. The Holding Company is awaiting Central Government approval in respect of the said applications.

Our opinion is not modified in respect of these matters.

Other Matters

- 1 (a) We did not audit the financial statements / financial information of 71 subsidiaries, a jointly controlled entity and a partnership firm whose financial statements / financial information reflect total assets of ₹ 290,182.0 Million as at 31st March, 2015, total revenues of ₹ 177,707.1 Million and net cash inflows amounting to ₹ 15,144.9 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 143.2 Million for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements / financial information have not been audited by us. In case of the foreign subsidiaries, the local GAAP financial statements have been restated by the management of the said entities so that these conform to generally accepted accounting principles in India. These financial statements / financial information have been

audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, a jointly controlled entity, a partnership firm and an associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, a jointly controlled entity, a partnership firm and an associate, is based solely on the reports of the other auditors.

- 1 (b) We did not audit the financial statements / financial information of 44 subsidiaries and 3 jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 12,456.7 Million as at 31st March, 2015, total revenues of ₹ 10,404.2 Million and net cash inflows amounting to ₹ 4,265.3 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 17.6 Million for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and an associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and an associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.
2. The consolidated financial statements also include the financial information of erstwhile Ranbaxy consequent to its amalgamation into the Holding Company which has been effected on 24th March, 2015, with the appointed date of 1st April, 2014 (refer Note 56 to the consolidated financial statements). We did not audit the financial information of erstwhile Ranbaxy for the year ended 31st March, 2015, included in the standalone financial statements of the Holding Company, whose financial information reflect total assets of ₹ 56,907.4 Million as at 31st March, 2015, total revenue of ₹ 35,351.1 Million and net cash outflow amounting to ₹ 4,674.2 Million for the year ended on that date, as considered in the said consolidated financial statements. This financial information of erstwhile Ranbaxy has been audited by other auditors (division / component auditors) whose report has been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in respect of erstwhile Ranbaxy and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to erstwhile Ranbaxy is based solely on the report of such other auditors (division / component auditors).

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors referred in paragraph 1(a) above and the report of the other auditors (division / component auditors) referred in paragraph 2 above and the financial statements / financial information certified by the Management referred in paragraph 1(b) above.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company, which is based on our comments and in terms of the comments in the report of the other auditors (division / component auditors) in respect of the amalgamating company referred in paragraph 2 of the 'Other Matters' section above, and the auditors' reports of the subsidiary companies and an associate company, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors referred in paragraph 1(a), and the financial information adequate for the purpose of our audit have been received in respect of the amalgamating company audited by the other auditors (division / component auditors) referred in paragraph 2, of the 'Other Matters' section above.

- (c) The report on the financial information of the amalgamating company audited by the other auditors (division / component auditors) referred in paragraph 2 of the 'Other Matters' section above has been sent to us and has been properly dealt with by us in the audit of the standalone financial statements of the Holding Company and in preparing this report.
- (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and an associate company, incorporated in India, none of the directors of the Group companies and its associate company, incorporated in India, is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and in terms of the report of the other auditors referred in paragraph 1(a) and the report of the other auditors (division / component auditors) referred in paragraph 2, of the 'Other Matters' section above:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Notes 32(A)(I), 32(A)(III) and 33 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Notes 6 and 10 to the consolidated financial statements in respect of such items as it relates to the Group.
The jointly controlled entity and the associate did not have any long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and an associate company incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place of Signature: Mumbai

Date: 29th May, 2015 [11th August, 2015 as to effect the matters discussed under paragraphs 1 and 2 of the 'Emphasis of Matter' section above]

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Our reporting on the Order includes eight subsidiary companies and an associate company, incorporated in India, to which the Order is applicable, which have been audited by other auditors referred in paragraph 1(a) of the 'Other Matters' section of our report of even date and erstwhile Ranbaxy which has been audited by other auditors (division / component auditors) referred in paragraph 2 of the 'Other Matters' section of our report of even date and our report in respect of these entities and the division (erstwhile Ranbaxy) is based solely on the reports of the other auditors (including division / component auditors) as aforesaid, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of three subsidiary companies incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements / financial information of such entities provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of these entities, since these entities are unaudited, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.

In respect of one subsidiary company incorporated in India, which has been included in the consolidated financial statements based on the audited consolidated financial statements / financial information of its Holding Company, as represented to us by the Management of the Holding Company, that subsidiary is under liquidation and accordingly, reporting under the Order is not applicable, in respect of that subsidiary company.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies and an associate company, incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Holding Company, subsidiary companies and an associate company, incorporated in India, have a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion and the opinion of the other auditors (including division / component auditors), is reasonable having regard to the size of the respective entities and the nature of their assets. Pursuant to the program, certain fixed assets were physically verified by the Management of the respective entities during the year, except that the management of the associate company has not verified any of the fixed assets during the year but had verified all the fixed assets during the previous year. According to the information and explanations given to us and the other auditors (including division / component auditors), no material discrepancies were noticed on such verification carried out during the year.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies and an associate company, incorporated in India:
 - (a) As explained to us and the other auditors (including division / component auditors), the inventories, except for goods in transit at the Holding Company and one subsidiary company, were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors (including division / component auditors) and according to the information and explanations given to us and the other auditors (including division / component auditors), the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and the opinion of the other auditors (including division / component auditors) and according to the information and explanations given to us and the other auditors (including division / component auditors), the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and the other auditors (including division / component auditors):
 - (a) The Holding Company has granted loans to an associate covered in the Register maintained under Section 189 of the Companies Act, 2013 (hereinafter referred to as "the Act"). In respect of such loans:

- (I) There is no receipt of the principal amount of ₹ 512.0 Million and the interest thereon of ₹ 88.8 Million.
- (II) There is no evidence of reasonable steps having been taken for the recovery of the principal outstanding or interest receivable. As represented to us by the Management of the Holding Company, the Holding Company is evaluating various options to recover its dues in respect of the principal amount and the interest thereon.

Refer Note 62 to the consolidated financial statements

- (b) Apart from the foregoing, the Holding Company has not granted any loans, to the extent included in the consolidated financial statements, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (c) The subsidiary companies and an associate company, incorporated in India, have not granted any loans, to the extent included in the consolidated financial statements, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act by the respective entities.
- (iv) In our opinion and the opinion of the other auditors (including division / component auditors) and according to the information and explanations given to us and the other auditors (including division / component auditors), 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 and that some of the items sold are of a special nature where there are no similar transactions with other parties, there is an adequate internal control system in the Holding Company, subsidiary companies and an associate company, incorporated in India, commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our and the other auditors (including division / component auditors) audit, we and the other auditors (including division / component auditors) have not observed any continuing failure to correct major weakness in such internal control system.
- (v) According to the information and explanations given to us and the other auditors (including division / component auditors), the Holding Company, subsidiary companies and an associate company, incorporated in India, have not accepted any deposit from the public during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act.
- (vi) According to the information and explanations given to us and the other auditors (including division / component auditors):
 - (a) In our opinion and the opinion of the other auditors (including division / component auditors), the Holding Company, one of the subsidiary companies and an associate company, incorporated in India, have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and the Cost Accounting Records (Pharmaceutical Industry) Rules, 2011 prescribed by the Central Government under subsection (1) of Section 148 of the Act. Neither we nor the other auditors (including division / component auditors) have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - (b) In respect of the other subsidiary companies incorporated in India, maintenance of cost records has not been specified by the Central Government under subsection (1) of Section 148 of the Act.
- (vii) According to the information and explanations given to us and the other auditors (including division / component auditors), in respect of statutory dues of the Holding Company, subsidiary companies and an associate company, incorporated in India:
 - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities, though there have been slight delays in few cases.
 - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 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, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess, as applicable, which have not been deposited as on 31st March, 2015 on account of disputes by the aforesaid entities are given below:

Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Million)
In respect of Holding Company				
Income Tax Act, 1961	Income Tax, Interest and Penalty	Commissioner	1998-99, 2005-06, 2006-07 and 2008-09 to 2010-11	3,202.4
		Income Tax Appellate Tribunal (ITAT)	1995-96, 2007-08 and 2009-10	2,912.4
Sales Tax Act/ VAT (Various States)	Sales Tax, Interest and Penalty	Assistant / Deputy / Joint Commissioner	1998-99 to 2000-01, 2003-04, 2004-05 and 2008-09	3.1
		Tribunal	1999-2000 to 2001-02	1.8
		Appellate Authority	2008-09	1.4
		High Court	1999-2000, 2001-02 to 2003-04 and 2005-06 to 2010-11	24.0
		Entry Tax	Madhya Pradesh Commercial Tax Appellate Board	2009-10
	Wealth Tax Act, 1957	Wealth Tax	Commissioner	2010-11
		Tribunal	2007-08 to 2009-10	0.3
The Central Excise Act, 1944	Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Delhi	2006 to 2011	4.4
Customs Act, 1962	Custom Duty, Penalty and Interest	High Court	2000-01	15.4
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Assistant / Deputy / Joint Commissioner	1995-96 to 1998-99 and 2000-01 to 2014-15	892.0
		Tribunal	1999-00 to 2013-14	594.3
		High Court	1989-90 to 1998-99 and 2002-03 to 2004-05	60.5
		Supreme Court	1995-96 to 2003-04	21.5
Sales Tax Act (Various States)	Value Added Tax	Additional / Assistant / Deputy / Joint/ Senior Joint Commissioner	2005-06 to 2008-09 and 2010-11 to 2012-13	17.7
		Tribunal	2008-09	1.2
		High Court	2009-10 and 2010-13	94.0
In respect of one of the subsidiary companies incorporated in India				
Income-Tax Act, 1961	Income tax, Interest and Penalty	Commissioner	2010-11 to 2012-13	11,495.5
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Commissioner (Appeals)	2005 to 2014	43.3
		Tribunal	1994 to 2013	326.5
		Supreme Court	2005 to 2007	32.6
Sikkim Ecology Fund and Environment Cess	Environment Cess	Deputy Commissioner of Commercial Taxes	2007 to 2011	21.7
In respect of an Associate Company incorporated in India				
The Finance Act, 1994	Service Tax (excluding interest and penalty)	Commissioner of Central Excise and Service Tax, Hyderabad IV	2007-08	8.5
		Commissioner of Central Excise and Service Tax, Hyderabad IV	2007-08 to 2009-10	4.6
		Commissioner of Central Excise and Service Tax, Hyderabad IV	2006-07 to 2007-08	11.1
The A.P. VAT Act, 2005	Value added tax (excluding interest and penalty)	Deputy Commissioners Commercial Taxes (Appeal)	2009-10, 2010-11 and 2012-13	4.0

- (d) The aforesaid entities have been regular in transferring amounts, where applicable, to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Group, its associates and jointly controlled entities does not have consolidated accumulated losses at the end of the financial year and the Group, its associates and jointly controlled entities have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors (including division / component auditors) and according to the information and explanations given to us and the other auditors (including division / component auditors):
- (a) The Holding Company and the subsidiary companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders, as applicable.
- (b) As at the balance sheet date, there were defaults in the repayment of dues to financial institutions aggregating ₹ 49.0 Million (including interest of ₹ 18.5 Million), ranging from 142 days to 2,678 days, by an associate company incorporated in India. The associate company incorporated in India did not have any outstanding debentures during the year.
- (x) According to the information and explanations given to us and the other auditors (including division / component auditors), the Holding Company, subsidiary companies and an associate company, incorporated in India, have not given guarantees for loans taken by others outside of the Group, its associates and jointly controlled entities from banks and financial institutions.
- (xi) In our opinion and the opinion of the other auditors (including division / component auditors) and according to the information and explanations given to us and the other auditors (including division / component auditors):
- (a) The term loans have been applied by the Holding Company, except for term loans lying unutilised as at 31st March, 2015, and an associate company incorporated in India during the year for the purposes for which they were obtained.
- (b) The subsidiary companies incorporated in India did not have any term loan outstanding during the year.
- (xii) To the best of our and the other auditors (including division / component auditors) knowledge and according to the information and explanations given to us and the other auditors (including division / component auditors), no fraud by the Holding Company, its subsidiary companies and an associate company, incorporated in India, and no material fraud on the Holding Company, its subsidiary companies and an associate company, incorporated in India, has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place of Signature: Mumbai

Date: 29th May, 2015 [11th August, 2015 as to effect the matters discussed under paragraphs 1 and 2 of the 'Emphasis of Matter' section of our report of even date]

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2015

₹ in Million

	Note No.	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,071.2	2,071.2
Share Suspense Account	56	334.8	-
Reserves and Surplus	2	253,825.9	183,178.3
Share Application Money Pending Allotment		149.0	-
Minority Interest		28,511.9	19,211.8
Non-current Liabilities			
Long-term Borrowings	3	13,684.2	486.7
Deferred Tax Liabilities (Net)	4	985.2	2,756.7
Other Long-term Liabilities	5	1,863.4	91.4
Long-term Provisions	6	25,323.4	26,016.2
Current Liabilities			
Short-term Borrowings	7	62,279.2	24,403.4
Trade Payables	8	31,538.3	13,282.6
Other Current Liabilities	9	27,659.7	2,604.1
Short-term Provisions	10	42,052.8	19,605.8
Total		490,279.0	293,708.2
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	11A	69,751.8	34,981.8
Intangible Assets	11B	20,063.3	14,844.8
Capital Work-In-Progress		15,317.7	8,415.4
Intangible Assets under Development		5,068.4	-
		110,201.2	58,242.0
Goodwill on Consolidation (Net)	36	37,009.6	18,346.2
Non-current Investments	12	5,988.7	7,875.6
Deferred Tax Assets	13	18,501.6	11,866.9
Long-term Loans and Advances	14	26,805.0	10,511.8
Other Non-current Assets	15	553.5	1.1
Current Assets			
Current Investments	16	21,174.3	19,984.6
Inventories	17	56,679.9	31,230.1
Trade Receivables	18	53,123.2	22,004.2
Cash and Cash Equivalents	19	109,980.4	75,901.5
Short-term Loans and Advances	20	21,932.5	12,445.5
Other Current Assets	21	28,329.1	25,298.7
Total		490,279.0	293,708.2

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

Mumbai, 11th August, 2015

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director

UDAY V. BALDOTA
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director

Mumbai, 11th August, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million			
	Note No.	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from Operations	22	277,178.2	162,754.8
Less: Excise Duty		2,843.8	1,951.2
		274,334.4	160,803.6
Other Income	23	5,476.6	5,522.3
Total Revenue		279,811.0	166,325.9
Expenses			
Cost of Materials Consumed	24	41,586.9	22,433.9
Purchases of Stock-in-Trade		24,659.9	6,124.7
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	1,144.9	(765.4)
Employee Benefits Expense	26	44,298.6	20,744.4
Finance Costs	27	5,789.9	441.9
Depreciation and Amortisation Expense	11	11,947.2	4,092.3
Other Expenses	28	83,977.1	42,268.3
Total Expenses		213,404.5	95,340.1
Profit Before Exceptional Item and Tax		66,406.5	70,985.8
Exceptional Item	53	2,377.5	25,174.1
Profit Before Tax		64,029.0	45,811.7
Tax Expense:			
Current Tax (Net)	58	16,479.3	8,079.6
Deferred Tax Credit (Net)		(7,332.4)	9,146.9
			(1,057.9)
Profit after Tax before Share in Loss of Associates (Net) and Minority Interest		54,882.1	38,790.0
Share in Loss of Associates (Net)		125.6	-
Profit after Tax before adjustment for Minority Interest		54,756.5	38,790.0
Profit attributable to Minority Interest		9,362.7	7,375.3
Profit for the Year attributable to the Shareholders of the Company		45,393.8	31,414.7
Earnings Per Share (Face value per Equity share - ₹ 1)	38		
Basic (₹)		18.9	15.2
Diluted (₹)		18.9	15.2

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

Mumbai, 11th August, 2015

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director

UDAY V. BALDOTA
Chief Financial Officer

SUDHIR V. VALIA
Wholtime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholtime Director

Mumbai, 11th August, 2015

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	Year ended 31st March, 2015	Year ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	64,029.0	45,811.7
Adjustments for:		
Depreciation and Amortisation Expense	11,947.2	4,092.3
Impairment of Goodwill on Consolidation	1,001.1	-
Loss on Sale / Write off of Fixed Assets (net)	267.5	9.4
Finance Costs	5,789.9	441.9
Interest Income	(2,568.1)	(2,064.2)
Dividend Income	(0.2)	(37.3)
Net Gain on Sale of Investments	(2,074.0)	(2,875.4)
Sundry Balance Written back (net)	(307.6)	(12.4)
Provision / Write off for Doubtful Trade Receivable / Advances	416.1	158.6
Expense on Employee Stock Option Scheme	205.0	-
Provision for other-than-temporary diminution in value of non-current investment in an Associate	163.2	-
Reversal for diminution in value of current investments	(70.3)	-
Effect of exchange rate changes	(7,784.7)	(114.4)
Operating Profit Before Working Capital Changes	71,014.1	45,410.2
Changes in working capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	1,896.9	(5,452.5)
Trade Receivables	(10,464.2)	2,222.6
Loans and Advances	(1,904.0)	3,394.1
Other Assets	(398.2)	(24,404.0)
Adjustments for Increase in Operating Liabilities:		
Trade Payables	3,411.3	2,715.6
Other Liabilities	2,030.9	256.2
Provisions	5,035.7	23,339.0
Cash Generated from Operations	70,622.5	47,481.2
Net Income Tax Paid	(17,403.6)	(7,889.2)
Net Cash Flow from Operating Activities (A)	53,218.9	39,592.0
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets, including Capital Advances	(23,658.6)	(9,060.0)
Proceeds from Sale of Fixed Assets	501.0	89.2
Loans / Inter Corporate Deposits		
Given / Placed	(6,842.1)	(14,187.6)
Received back / Matured	3,719.0	8,846.6
Purchase of Investments	(288,018.9)	(282,650.8)
Proceeds from Sale of Investments	288,405.9	281,855.1
Bank Balances not considered as Cash and Cash Equivalents		
Fixed Deposits / Margin Money Placed	(42,315.3)	(38,148.5)
Fixed Deposits / Margin Money Matured	41,879.5	27,606.3

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Acquisition of Subsidiaries	(3,194.6)	-
Interest Received	2,885.2	1,942.1
Purchase of Assets given under Finance Lease	(79.1)	-
Receipt of rental on Assets given under Finance Lease	8.1	2.7
Dividend Received	0.2	37.3
Net Cash Flow used in Investing Activities (B)	(26,709.7)	(23,667.6)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	49,792.6	24,038.0
Repayment of Borrowings	(66,617.0)	(885.0)
Net Increase / (Decrease) in Working Capital Borrowings	11,345.5	(403.8)
Proceeds from issue of shares to Minority by Subsidiary	1.6	182.4
Payment to Minority - Repurchase of shares by subsidiary	-	(11,580.9)
Proceeds from allotment of equity shares on exercise of stock options	748.7	-
Finance Costs	(2,513.1)	(229.6)
Dividends Paid	(3,104.8)	(5,175.4)
Tax on Dividend	(528.0)	(880.0)
Net Cash Flow (used in) / from Financing Activities (C)	(10,874.5)	5,065.7
Net Increase in Cash and Cash Equivalents (A+B+C)	15,634.7	20,990.1
Cash and Cash Equivalents taken over on acquisition of Subsidiaries	91.9	-
Pursuant to the Scheme of Amalgamation (Refer Note 56)	12,426.1	-
Cash and Cash Equivalents at the beginning of the Year	43,587.0	20,691.1
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	1,115.9	1,905.8
Cash and Cash Equivalents at the end of the Year (Refer Note 19)	72,855.6	43,587.0

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

Mumbai, 11th August, 2015

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director

UDAY V. BALDOTA
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director

Mumbai, 11th August, 2015

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015		As at 31st March, 2014	
1 SHARE CAPITAL	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Authorised				
Equity Shares of ₹ 1 each	5,990,000,000	5,990.0	3,000,000,000	3,000.0
Cumulative Preference of ₹ 100 each	100,000	10.0	-	-
	5,990,100,000	6,000	3,000,000,000	3,000.0
Issued, Subscribed and Fully Paid Up				
Equity Shares of ₹ 1 each (Refer Note 34)	2,071,163,910	2,071.2	2,071,163,910	2,071.2
	2,071,163,910	2,071.2	2,071,163,910	2,071.2

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
2 RESERVES AND SURPLUS (*)		
Capital Reserve		
Opening Balance	259.1	259.1
Add:		
Pursuant to the Scheme of Amalgamation (Refer Note 56)	7.0	-
Transferred from Statement of Profit and Loss as per the Local Law of an overseas subsidiary	1.9	-
Closing Balance	268.0	259.1
Capital Redemption Reserve		
Opening Balance	-	154.5
Less: Utilised for issue of bonus shares	-	154.5
Closing Balance	-	-
Securities Premium Account		
Opening Balance	14,218.0	15,099.1
Add:		
Pursuant to the Scheme of Amalgamation (Refer Note 56)	3,079.7	-
Received during the year	594.2	-
Transferred from employees stock options outstanding account on exercise of share options	328.4	-
Less: Utilised for issue of bonus shares	-	881.1
Closing Balance	18,220.3	14,218.0
Debenture Redemption Reserve		
Opening Balance	-	-
Add: Transferred from General Reserve	750.0	-
Closing Balance	750.0	-
Revaluation Reserve		
Opening Balance	-	-
Add: Pursuant to the Scheme of Amalgamation (Refer Note 56)	43.9	-
Less: Utilised during the year	4.1	-
Closing Balance	39.8	-
Share Options Outstanding Account		
Opening Balance	-	-
Add:		
Pursuant to the Scheme of Amalgamation (Refer Note 56)	205.5	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	As at 31st March, 2015	As at 31st March, 2014
Amortization during the year (Share option expense, net of options forfeited and lapsed during the year)	205.0	-
Less: Transferred to Securities Premium on account of exercise of share options	328.4	-
Closing Balance	82.1	-
General Reserve		
Opening Balance	31,041.2	31,041.2
Add: Pursuant to the Scheme of Amalgamation (Refer Note 56)	5,519.3	-
Less:		
Transferred to Debenture Redemption Reserve	750.0	-
Adjustment by way of reduction from reserves on account of Amalgamation (Refer Note 56)	982.5	-
Closing Balance	34,828.0	31,041.2
Amalgamation Reserve		
Opening Balance	-	-
Add: Pursuant to the Scheme of Amalgamation (Refer Note 56)	43.8	-
Closing Balance	43.8	-
Legal Reserve		
As per Last Balance Sheet	0.9	0.9
(Created in accordance with the requirement of Local Law of an overseas subsidiary)		
Foreign Currency Translation Reserve		
Opening Balance	19,899.6	12,327.4
Add:		
Pursuant to the Scheme of Amalgamation (Refer Note 56)	6,646.9	-
Effect of Foreign Exchange rate variations during the year	3,331.8	7,572.2
Closing Balance	29,878.3	19,899.6
Surplus in Consolidated Statement of Profit and Loss		
Opening Balance	117,759.5	89,979.5
Add:		
Pursuant to the Scheme of Amalgamation (Refer Note 56)	15,292.9	-
Profit for the Year	45,393.8	31,414.7
Less:		
Dividend proposed to be distributed to equity Shareholders [₹ 3.0 (Previous Year ₹ 1.5) per share]	7,219.5	3,106.7
Corporate Dividend Tax	1,469.7	528.0
Transferred to Capital Reserve as per the Local Law of an overseas subsidiary	1.9	-
Deferred Tax in respect of earlier years related to an overseas subsidiary	40.4	-
Closing Balance	169,714.7	117,759.5
	253,825.9	183,178.3

(*) Pursuant to the scheme of arrangement duly approved by the relevant Hon'ble High Courts, the debit balance in the Statement of Profit and Loss of ₹ 34,102.7 Million in the books of the erstwhile Ranbaxy Laboratories Limited (Transferor Company) on the close of 31st March, 2014 has been adjusted by the Transferor Company by reduction of its Capital Reserve and Securities Premium Account of ₹ 1,762.0 Million and ₹ 32,340.7 Million respectively. The remaining balance of ₹ 3,079.7 Million in the Securities Premium Account of the Transferor Company as at close of 31st March, 2014 has been taken over by the Holding Company (Transferee Company) and included in Securities Premium Account, as on 1st April, 2014, being the appointed date of the amalgamation referred in Note 56.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million			
	As at 31st March, 2015		As at 31st March, 2014	
3 LONG-TERM BORROWINGS				
Secured				
Term Loans				
From Banks	327.4		389.2	
From Other Party	77.3		46.4	
	404.7		435.6	
Long-term Maturities of Finance Lease Obligation	2.2	406.9	2.0	437.6
Unsecured				
Term Loans				
From Banks	12,764.2		-	
From Other Parties	513.1	13,277.3	49.1	49.1
(Refer Note 60)		13,684.2		486.7
4 DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liabilities				
Depreciation on Fixed Assets	4,755.7		2,690.8	
Others	186.3	4,942.0	198.7	2,889.5
Less:				
Deferred Tax Assets				
Unpaid Liabilities	489.4		84.6	
Unabsorbed Depreciation / Carried forward Losses [Refer Note 49(a)]	2,820.0		-	
Others	647.4	3,956.8	48.2	132.8
		985.2		2,756.7
5 OTHER LONG-TERM LIABILITIES				
Trade Payables		10.2		-
Trade / Security Deposits Received		219.7		88.6
Interest accrued but not due on borrowings		3.4		2.8
Others(*)		1,630.1		-
(*) Includes contractual and expected milestone obligations		1,863.4		91.4
6 LONG-TERM PROVISIONS				
Employee Benefits (Refer Notes 42 and 43)		1,894.6		177.2
Product Returns, Rebates, Medications etc. [Refer Note 52(a)]		750.3		640.8
MTM Loss on outstanding Forward Contracts / Derivatives Instruments		253.5		2,032.7
Provision - Others [Refer Notes 52(b) and 53(b)]		22,402.0		23,161.9
Income Tax (Net of Advance Income Tax)		23.0		3.6
		25,323.4		26,016.2

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million				
	As at 31st March, 2015		As at 31st March, 2014	
7 SHORT-TERM BORROWINGS				
Secured				
Loans Repayable on Demand - From Banks (Refer Note 61)	708.0		311.8	
Other Loans and Advances - Term Loans from Banks (Refer Note 61)	2,263.1	2,971.1	-	311.8
Unsecured				
Loans Repayable on Demand - From Banks	24,081.4		89.6	
Other Loans and Advances				
From Bank	22,726.7		24,002.0	
Commercial Paper	12,500.0	59,308.1	-	24,091.6
		62,279.2		24,403.4
8 TRADE PAYABLES				
Acceptances		3.6		-
Other Payables		31,534.7		13,282.6
		31,538.3		13,282.6
9 OTHER CURRENT LIABILITIES				
Current Maturities of Long-term Debt (Refer Note 60)		13,975.8		718.5
Current Maturities of Finance Lease Obligations (Refer Note 60)		21.9		-
Interest Accrued but not Due on Borrowings		320.3		19.3
Investor Education and Protection Fund shall be credited by Unpaid Dividends (not due)		65.7		52.4
Statutory Remittances		3,258.5		828.6
Payables on Purchase of Fixed Assets		1,226.8		671.9
Trade / Security Deposits Received		15.8		13.0
Advances from Customers		374.5		100.3
Temporary Overdrawn Bank Balance as per books		112.0		28.6
Others (*)		8,288.4		171.5
		27,659.7		2,604.1
(*) Includes product settlement, claims, recall charges, expected milestone obligations, trade and other commitments.				
10 SHORT-TERM PROVISIONS				
Employee Benefits (Refer Note 42)		1,717.2		1,101.7
Product Returns, Rebates, Medicais etc. [Refer Note 52(a)]		14,442.8		8,911.7
MTM Loss on outstanding Forward Contracts / Derivative Instruments		5,392.9		192.8
Income Tax (Net of Advance Income Tax)		5,891.7		2,614.6
Dividend proposed to be distributed to Equity Shareholders		7,219.5		3,106.7
Corporate Dividend Tax		1,469.7		528.0
Provision - Others [Refer Notes 52(b) and 53(b)]		5,919.0		3,150.3
		42,052.8		19,605.8

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

11 FIXED ASSETS

Particulars	Gross Block				Depreciation / Amortisation / Impairment				Net Block				
	As At 01.04.14	Consolidation Adjustments	Pursuant to Amalgamation #	Taken over on acquisition ^	As at 31.03.15	As at 01.04.14	Consolidation Adjustments	Pursuant to Amalgamation #	Taken over on acquisition ^	On Deletions For the year	As at 31.03.15	As at 31.03.14	
A. TANGIBLE ASSETS													
Freehold Land	1,105.9 (1,021.9)	(56.7) (76.3)	715.7 (-)	82.3 (-)	93.3 (7.7)	27.8 (-)	1,912.7 (c)	-	-	-	-	1,912.7 (1,105.9)	1,105.9 (1,021.9)
Leasehold Land	1,305.7 (1,171.2)	29.7 (91.4)	555.0 (-)	-	6.9 (97.1)	17.5 (-)	1,879.8 (f)	166.7 (137.0)	5.1 (13.0)	-	23.6 (16.7)	1,646.9 (1,139.0)	1,139.0 (980.2)
Buildings	19,801.6 (17,629.4)	266.5 (1,356.4)	12,638.4 (-)	1,049.0 (-)	5,584.5 (848.0)	128.7 (33.2)	39,111.3 (a)	5,527.5 (4,500.4)	10.3 (389.2)	2,843.5 (b)	198.5 (611.1)	9,640.5 (5,527.5)	14,274.1 (13,069.0)
Leasehold Improvement on Building	156.3 (111.9)	40.1 (11.8)	742.6 (-)	-	12.8 (32.6)	17.5 (-)	934.3 (e)	18.5 (13.7)	32.0 (1.4)	661.9 (-)	73.7 (3.4)	768.6 (137.8)	137.8 (98.2)
Buildings Given under operating lease *	205.6 (188.3)	7.5 (17.3)	-	-	-	-	213.1 (d)	40.0 (36.4)	1.4 (3.1)	-	0.5 (0.5)	41.9 (40.0)	165.6 (151.9)
Plant and Equipment	38,487.6 (33,563.7)	(203.7) (1,659.7)	34,246.7 (-)	1,426.1 (-)	7,005.0 (3,510.4)	1,554.5 (246.2)	79,307.2 (g)	21,494.5 (18,280.4)	(52.4) (1,112.4)	16,849.3 (b)	508.1 (-)	45,709.2 (16,993.1)	16,993.1 (15,283.3)
Plant and Equipment Leased *	25.3 (25.3)	0.7 (-)	22.9 (-)	-	-	3.2 (-)	45.7 (h)	4.1 (2.9)	0.5 (-)	17.5 (-)	4.4 (1.2)	23.3 (4.1)	21.2 (22.4)
Vehicles	556.8 (418.2)	(109.5) (13.3)	959.7 (-)	-	282.5 (160.0)	238.4 (34.7)	1,451.1 (i)	186.3 (139.6)	(71.4) (5.9)	475.1 (b)	-	669.5 (186.3)	370.5 (278.6)
Office Equipment	799.1 (676.2)	(18.5) (30.7)	742.4 (-)	4.7 (-)	356.0 (93.5)	47.4 (1.3)	1,836.3 (j)	534.5 (448.6)	(9.8) (25.0)	351.1 (b)	3.7 (61.4)	1,224.6 (264.6)	40.1 (534.5)
Furniture and Fixtures	1,441.8 (1,273.6)	(106.0) (70.7)	1,844.7 (-)	112.8 (-)	350.5 (98.2)	66.9 (0.7)	3,576.9 (k)	931.8 (802.4)	(99.4) (55.4)	1,026.9 (b)	50.9 (74.3)	2,306.1 (931.8)	510.0 (471.2)
Furniture and Fixtures Leased *	-	(0.1)	0.7	-	-	-	0.6 (l)	-	(0.1)	0.7	-	0.6 (-)	-
Total Tangible Assets	63,885.7 (56,025.7)	(150.0) (3,327.6)	52,468.8 (-)	2,674.9 (-)	13,691.5 (4,846.5)	2,201.9 (316.1)	130,389.0 (63,885.7)	28,903.9 (24,421.4)	(143.8) (1,605.4)	22,264.1 (-)	761.2 (-)	1,498.3 (217.5)	60,617.2 (34,981.8)
B. INTANGIBLE ASSETS													
Goodwill	10,777.0 (9,748.8)	260.3 (1,028.2)	3,516.1 (-)	-	-	-	14,553.4 (m)	-	(7.0)	958.4 (b)	-	951.4 (b)	13,602.0 (10,777.0)
Computer Software	-	(18.1)	1,981.4 (-)	-	286.8 (-)	4.7 (-)	2,245.4 (n)	-	(18.4)	1,210.6 (b)	-	1,446.7 (b)	798.7 (-)
Trademarks, Designs and Other Intangible Assets	11,842.3 (9,988.2)	72.2 (966.3)	7,065.7 (-)	323.7 (-)	640.8 (897.8)	53.2 (-)	19,891.5 (o)	7,774.5 (6,196.1)	(132.4) (580.7)	4,970.5 (b)	301.4 (-)	14,228.9 (7,774.5)	5,662.6 (4,067.8)
Total Intangible Assets	22,619.3 (19,737.0)	314.4 (1,384.5)	12,563.2 (-)	323.7 (-)	927.6 (897.8)	57.9 (-)	36,690.3 (22,619.3)	7,774.5 (6,196.1)	(157.8) (580.7)	7,139.5 (-)	301.4 (997.7)	16,627.0 (14,844.8)	14,844.8 (13,540.9)
Total Fixed Assets	86,505.0 (75,762.7)	164.4 (5,312.1)	65,032.0 (-)	2,998.6 (-)	14,619.1 (5,746.3)	2,259.8 (316.1)	167,059.3 (86,505.0)	36,678.4 (30,617.5)	(301.6) (2,186.1)	29,403.6 (-)	1,062.6 (-)	11,947.2 (4,092.3)	77,244.2 (217.5)

Footnotes :

- (a) Buildings include ₹ 8,620 (Previous Year ₹ 8,620) towards cost of shares in a Co-operative Housing Society.
 (b) Includes Impairment of ₹ 858.5 Million (Previous Year ₹ 64.9 Million) including impairment of ₹ 793.6 Million on fixed assets acquired pursuant to the Scheme of Amalgamation (Refer Note 56).
 (c) Freehold land includes land valued at ₹ 25.5 Million pending registration in the name of the Company.
 (d) Excludes Fixed Assets Held for Sale (Refer Note 21).
 (e) Previous Year figures are in brackets and Italics.
 (f) Deletions / Adjustments during the year includes refund received from authorities in respect of dismantling charges.

* Refer Note 41(a)
 # Refer Note 56
 ^ Refer Note 63

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million				
	As at 31st March, 2015		As at 31st March, 2014	
12 NON-CURRENT INVESTMENTS (*)				
Long Term Investments (Fully Paid Up)				
Quoted				
In Equity Instruments (\$)	1,540.0		4,253.7	
In Debentures	253.1		250.0	
In Bonds	1,405.8		367.3	
Unquoted				
In Equity Instruments (#) (^)	2,133.2		1,845.6	
In Government Securities ₹ 10,000 (Previous Year ₹ 10,000)	0.0		0.0	
In Debentures	115.7		115.7	
In Mutual Funds (@)	-		1,000.0	
In Limited Liability Partnerships	540.9		43.3	
	5,988.7		7,875.6	
Aggregate Value of Investments	Book Value	Market Value	Book Value	Market Value
Quoted (at Cost)	4,897.4	10,834.5	4,871.0	7,733.8
Unquoted (at Cost)	3,776.9		3,004.6	
Total	8,674.3		7,875.6	
Provision for Diminution in value of investments	(2,685.6)		-	

* At Cost less Provision for other than temporary diminution in value, if any

\$ Includes Investment in an Associate where the carrying value is ₹ Nil (Previous Year ₹ Nil) [Net of provision for other than temporary diminution in value of investment ₹ 1,698.5 Million (Previous Year ₹ Nil)]. Also, the shares of this entity are thinly traded and therefore, the market value has not been considered for the purpose of assessment of other than temporary diminution in its value.

Current Year includes Investment in an Associate ₹ 440.2 Million. Previous Year includes Investment in another Associate ₹ 184.4 Million including Goodwill ₹ 173.4 Million. This Investment has been reclassified during the year as Jointly Controlled entity.

^ Net of provision for other than temporary diminution in value of investment ₹ 987.1 Million (Previous Year ₹ Nil)

@ Listed

₹ in Million		
	As at 31st March, 2015	As at 31st March, 2014
13 DEFERRED TAX ASSETS		
Unpaid Liabilities	8,626.3	5,816.0
Unabsorbed Loss [Refer Note 49(b)]	97.2	51.5
Intangibles	3,282.9	3,136.6
Deferred Revenue	2,177.1	1,400.7
Others	4,318.1	1,462.1
	18,501.6	11,866.9

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	As at 31st March, 2015		As at 31st March, 2014	
14 LONG-TERM LOANS AND ADVANCES				
(Unsecured - Considered Good unless stated otherwise)				
Capital Advances				
Considered Good	3,770.5		2,680.6	
Considered Doubtful	66.2		-	
	3,836.7		2,680.6	
Less: Provision for Doubtful Loans and Advances	66.2	3,770.5	-	2,680.6
Security Deposits		441.2		174.9
Loans and Advances to Employees / Others				
Considered Good - Secured	40.3		-	
Considered Good - Unsecured	1,429.6		935.6	
Considered Doubtful	1.9		-	
	1,471.8		935.6	
Less: Provision for Doubtful Loans and Advances	1.9	1,469.9	-	935.6
Receivable on Account of Assets under Finance Lease [Refer Note 41(e)]		389.3		320.2
Prepaid Expenses		96.6		21.8
Advance Income Tax (Net of Provisions)		11,039.6		5,689.5
MAT Credit Entitlement (Refer Note 58)		7,517.0		-
Balances with Government Authorities		853.8		689.2
Advance for supply of goods and services		698.1		-
Other Loans and Advances		529.0		-
	26,805.0		10,511.8	
15 OTHER NON-CURRENT ASSETS				
(Unsecured - Considered Good)				
Interest Accrued on Investments		48.9		-
Unamortised Premium on Investments		-		1.1
Receivable towards forward contracts / derivative instruments		418.5		-
Others		86.1		-
	553.5		1.1	
16 CURRENT INVESTMENTS				
A) Current Portion of Long-term Investments (At Cost)				
Unquoted				
In Mutual Funds (*)	6,957.6		15,700.0	
In Deposits	-	6,957.6	500.0	16,200.0
B) Other Current Investments (At Lower of Cost and Fair Value)				
Quoted				
In Equity Instruments	114.9		18.0	
In Debentures	993.6		-	
In Bonds	179.0		171.3	
In Commercial Paper	524.3	1,811.8	-	189.3
Unquoted				
In Mutual Funds		12,404.9		3,595.3
	21,174.3		19,984.6	
Aggregate Value of Investments	Book Value	Market Value	Book Value	Market Value
Quoted	1,811.8	1,880.7	189.3	195.3
Unquoted	19,362.5		19,795.3	
* Listed				

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	As at 31st March, 2015		As at 31st March, 2014	
17 INVENTORIES				
Raw and Packing Materials	19,607.9		12,237.0	
Goods-in-Transit	604.0	20,211.9	382.5	12,619.5
Work-in-Progress		10,780.4		5,927.9
Finished Goods	19,083.0		8,587.4	
Goods-in-Transit	353.2	19,436.2	549.5	9,136.9
Stock-in-trade	5,183.5		2,441.1	
Goods-in-Transit	283.2	5,466.7	300.1	2,741.2
Other Materials and Consumables	783.4		804.0	
Goods-in-Transit	1.3	784.7	0.6	804.6
		56,679.9		31,230.1
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	2,670.6		2,654.1	
Doubtful	1,344.8		166.9	
	4,015.4		2,821.0	
Less: Provision for Doubtful Trade Receivables	1,344.8	2,670.6	166.9	2,654.1
Other Trade Receivables		50,452.6		19,350.1
		53,123.2		22,004.2
19 CASH AND CASH EQUIVALENTS				
Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statement				
Cash on Hand		20.9		46.9
Cheques on Hand		164.4		138.5
Balances with Banks				
In Current Accounts	57,517.4		39,714.2	
In Deposit Accounts with Original Maturity less than 3 Months	14,903.2		3,021.9	
In EEFC Accounts	249.7	72,670.3	665.5	43,401.6
		72,855.6		43,587.0
Other Bank Balances				
In Deposit Accounts (*)	36,957.8		32,147.0	
In Earmarked Accounts:				
Unpaid Dividend Accounts	58.5		47.2	
Balances held as Margin Money or Security against Guarantees and Other Commitments (*)	108.5	37,124.8	120.3	32,314.5
		109,980.4		75,901.5
(*) Other Bank Balances include Deposits amounting to ₹ 28,052.4 Million (Previous Year ₹ 22,320.6 Million) and Margin Monies amounting to ₹ 96.1 Million (Previous Year ₹ 106.7 Million) which have an Original Maturity of more than 12 Months but residual maturity of less than 12 Months.				

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	As at 31st March, 2015	As at 31st March, 2014
20 SHORT-TERM LOANS AND ADVANCES		
(Unsecured – Considered Good unless stated otherwise)		
Loans and Advances to Related Parties (Refer Note 62)		
Considered Good	238.0	-
Considered Doubtful	274.0	-
	512.0	-
Less: Provision for Doubtful Loans and Advances	274.0	238.0
Loans and Advances to Employees / Others		
Secured	3,360.6	261.9
Unsecured	6,901.0	4,556.7
Considered Doubtful	4.5	4.5
	10,266.1	4,823.1
Less: Provision for Doubtful Loans and Advances	4.5	10,261.6
Prepaid Expenses		2,727.3
Security Deposits		130.1
Balances with Government Authorities		6,537.4
Advance Income-Tax [Net of Provisions]		199.2
Advances for Supply of Goods and Services		
Unsecured	1,828.9	1,359.8
Considered Doubtful	185.1	-
	2,014.0	1,359.8
Less: Provision for Doubtful Loans and Advances	185.1	1,828.9
Receivable on Account of Assets under Finance Lease [Refer Note 41(e)]		10.0
	21,932.5	12,445.5
21 OTHER CURRENT ASSETS		
(Unsecured – Considered Good)		
Interest Accrued on Investments / Balances with Banks	90.8	510.5
Interest Accrued and due on loan (Refer Note 62)	88.8	-
Unamortised Premium on Investments	-	0.3
Receivable towards forward contracts / derivative instruments	774.9	-
Export Incentives receivable	1,500.4	681.2
Insurance Claims receivable	16.5	26.5
Fixed Assets held for Sale	255.4	4.4
Cenvat Credit available on payment	-	73.8
Others [Refer Note 53(b)]	25,602.3	24,002.0
	28,329.1	25,298.7

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million			
	Year ended 31st March, 2015		Year ended 31st March, 2014	
22 REVENUE FROM OPERATIONS				
Sale of Products		275,708.8		161,995.1
Other Operating Revenues		1,469.4		759.7
		277,178.2		162,754.8
23 OTHER INCOME				
Interest Income:				
Deposits with Banks	1,060.5		1,011.5	
Loans and Advances	839.9		459.6	
Current Investments	5.4		222.6	
Long-term Investments	119.5		229.2	
Others	542.8	2,568.1	141.3	2,064.2
Dividend Income on Long-term Investments		0.2		37.3
Net Gain on Sale of:				
Current Investments	520.2		504.0	
Long-term Investments	1,553.8	2,074.0	2,371.4	2,875.4
Profit on Sale of Fixed Assets		3.7		18.4
Sundry Balances Written Back		307.6		12.4
Insurance Claims		74.5		1.4
Lease Rental and Hire Charges		226.8		96.4
Miscellaneous Income		221.7		416.8
		5,476.6		5,522.3
24 COST OF MATERIALS CONSUMED				
Raw and Packing Materials				
Inventories at the beginning of the year		12,619.5		10,117.5
Pursuant to the Scheme of Amalgamation (Refer Note 56)		7,736.9		-
Inventories Acquired on Acquisition		80.4		-
Purchases during the year		41,298.6		24,577.8
Foreign currency translation difference		63.4		358.1
Inventories at the end of the year		(20,211.9)		(12,619.5)
		41,586.9		22,433.9
25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK- IN-PROGRESS AND STOCK-IN-TRADE				
Inventories at the beginning of the year		17,806.0		15,114.5
Pursuant to the Scheme of Amalgamation (Refer Note 56)		19,567.2		-
Foreign currency translation difference		(545.0)		1,926.1
Inventories at the end of the year		(35,683.3)		(17,806.0)
		1,144.9		(765.4)
26 EMPLOYEE BENEFITS EXPENSE				
Salaries and Wages		36,917.9		17,185.4
Contribution to Provident and Other Funds		3,671.1		1,745.1
Expense on Employee Stock Option (ESOP) Scheme		205.0		-
Staff Welfare Expenses		3,504.6		1,813.9
		44,298.6		20,744.4
27 FINANCE COSTS				
Interest Expense		1,805.3		199.6
Other borrowing costs		1,269.3		24.2
Net loss on foreign currency transactions and translation		2,715.3		218.1
		5,789.9		441.9

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	Year ended 31st March, 2015	Year ended 31st March, 2014
28 OTHER EXPENSES		
Consumption of Materials, Stores and Spare Parts	6,235.5	3,395.8
Conversion and Other Manufacturing Charges	4,131.7	2,588.0
Power and Fuel	5,607.7	2,324.1
Rent	1,433.2	453.8
Rates and Taxes	2,279.5	488.4
Insurance	1,119.4	505.0
Selling and Distribution	21,904.0	11,794.6
Commission and Discount	1,863.3	2,153.2
Repairs and Maintenance		
Buildings	611.0	396.3
Machinery	1,922.1	1,306.9
Others	1,438.6	467.9
Printing and Stationery	409.9	211.8
Travelling and Conveyance	1,701.3	800.7
Overseas Travel and Export Promotion	4,431.0	2,120.9
Communication	829.0	292.4
Provision / Write off for Doubtful Trade Receivables / Advances		
Provision for Doubtful Trade Receivables	437.2	36.3
Sundry Balances / Trade Receivables Written Off	157.9	123.5
Less: Adjusted out of Provision for earlier years	(179.0)	(1.2)
Professional, Legal and Consultancy (*)	14,245.2	4,807.2
Donations	109.8	16.6
Loss on Sale / Write Off of Fixed Assets	271.2	27.8
Decrease of Excise Duty on Inventory	(138.5)	(16.4)
Net Loss on Foreign Currency Transactions and Translation	968.3	1,907.8
Payment to Auditors		
As Auditors	198.8	84.8
For Taxation Matters	16.1	10.9
For Other Services	12.6	8.7
Reimbursement of Expenses	0.6	0.2
Provision for other-than-temporary diminution in value of non-current investment in an associate	163.2	-
Impairment of Goodwill on Consolidation	1,001.1	-
Miscellaneous Expenses [Refer Note 53(b)]	11,771.5	6,364.7
	84,953.2	42,670.7
Less:		
Receipts from Research Activities	(976.1)	(402.4)
	83,977.1	42,268.3
(*) Current year includes fees to the Statutory auditors of erstwhile Ranbaxy Laboratories Ltd as auditor - ₹ 27.0 Million		
29 RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS		
Salaries and Wages	4,691.8	2,938.3
Contribution to Provident and Other Funds	459.9	281.2
Staff Welfare Expenses	367.8	226.1
Consumption of Materials, Stores and Spare Parts	4,236.4	2,164.3

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Conversion and Other Manufacturing Charges	93.5	-
Power and Fuel	487.4	111.4
Rates and Taxes	88.3	30.2
Rent	173.5	41.5
Insurance	45.5	18.5
Repairs		
Buildings	45.4	33.8
Machinery	192.1	98.3
Others	267.8	84.0
Printing and Stationery	46.9	27.6
Travelling and Conveyance	257.2	115.4
Communication	76.1	31.3
Professional and Consultancy	3,040.0	2,510.3
Loss on Sale of Fixed Assets (Net)	-	10.7
Miscellaneous Expenses	3,803.2	1,139.1
	18,372.8	9,862.0
Less:		
Interest Income [Net of Interest expense on borrowings ₹ 1.1 Million (Previous Year ₹ 1.4 Million)]	2.7	1.1
Receipts from Research Activities	976.1	402.4
Miscellaneous Income	14.0	87.8
	17,380.0	9,370.7

30 SIGNIFICANT ACCOUNTING POLICIES:

I Basis of Consolidation:

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

- (a) The Financial Statements of the Holding 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 under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. These Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in the similar circumstances.

Investments in associates have been accounted for by the equity method of consolidation from the date on which it falls within the definition of associates as per Accounting Standard (AS) - 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

Interests in Jointly Controlled Entities has been accounted for by using the proportionate consolidation method as per AS 27- "Financial Reporting of Interests in Joint Ventures".

- (b) In case of foreign Subsidiaries / Jointly Controlled Entities, both non-integral and 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 Holding Company's financial statements. Adjustments for effects of significant transactions

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

and events that have occurred between the date of the financial statements of these subsidiaries and the date of the Holding 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 on Consolidation. Goodwill on 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

These Consolidated Financial Statements have been prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) as notified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of the Consolidated Financial Statements are consistent with those followed in the previous year.

III Use of Estimates

The presentation of Consolidated 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.

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. With regard to tangible assets, the Holding Company and its Indian subsidiaries has adopted the useful lives of fixed assets as indicated in Part C of Schedule II of the Companies Act, 2013 and amendment thereto vide notification dated August 29, 2014 issued by Ministry of Corporate Affairs. In case of the Holding Company and Sun Pharma Laboratories Limited assets costing ₹ 5,000 or less and in case of Sun Pharmaceutical Spain, SL. and Sun Pharmaceuticals Italia S.R.L assets costing € 601 and € 516.4 or less respectively are charged off as expense in the year of purchase. Intangible assets consist of trademarks, designs, technical know-how, non compete fees and other intangible assets including computer software and goodwill.

Revalued tangible fixed assets are carried at fair value less accumulated depreciation/impairment. In case of revaluation of tangible fixed assets, any increase in net book value arising on revaluation is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as a charge in the Consolidated Statement of Profit and Loss, in which case the increase is credited to the Consolidated Statement of Profit and Loss. A decrease in net book value arising on revaluation is recognised as a charge in the Consolidated Statement of Profit and Loss, except to the extent it offsets an existing surplus on the same asset recognised in the revaluation reserve, in which case the decrease is recognised directly in that reserve.

Depreciation for the period is recognised in the Consolidated Statement of Profit and Loss. However, for revalued assets, the additional depreciation relating to revaluation is adjusted by transfer from revaluation reserve to Consolidated Statement of Profit and Loss.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Depreciation / amortisation is provided on Tangible and Intangible assets on straight line method as follows:

TANGIBLE	Years
Leasehold Land	50-196
Buildings	5-100
Buildings Taken under finance lease	10-40
Buildings Given under operating lease	30
Plant and Equipment	3-25
Plant and Equipment Leased	2-15
Vehicles	3-15
Office Equipments	2-21
Furniture and Fixtures	2-17
INTANGIBLE	
Trademarks, Designs, Technical know-how, Non compete fees and Other Intangible Assets including computer software	2-20

V Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rental income under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Total lease rental in respect of an asset taken on operating lease are charged to the Consolidated Statement of Profit and Loss on a straight line basis over the lease term. 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 is recognized when risks 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 chargebacks, 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. Other operating income is recognised on an accrual basis or in accordance with the terms of the relevant agreements, if any.

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 and net realisable value. The cost is determined based on weighted average method, except in case of certain raw and packing materials and stock-in-trade specific identification method is applied and in respect of certain other materials and consumables FIFO method is applied. In respect of Sun Pharmaceutical Industries Inc, cost is determined on specific identification basis; in respect of Alkaloida Chemical Company Zrt, Sun Pharmaceutical Industries (Australia) Pty. Ltd and Sun Pharmaceutical (Bangladesh) Ltd., cost is determined on FIFO basis and in respect of Taro Pharmaceutical Industries Ltd, cost is determined on average cost basis.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

IX Research and Development

The research and development cost is accounted in accordance with Accounting Standard (AS) – 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 Consolidated 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 Intangible assets under development, 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 Intangible assets under development is charged off to the Consolidated Statement of Profit and Loss.

X Foreign Currency Transactions and Translation

Transactions denominated in foreign currencies are recorded at the exchange rates that approximate 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. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. 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 Consolidated Statement of Profit and Loss.

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.

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

- a) Non-monetary Balance Sheet items, are translated using the exchange rate at the date of transaction i.e., the date when they were acquired.
- b) Monetary Balance Sheet items are translated using closing rates at Balance sheet date.
- c) Profit and Loss items are translated using the exchange rate prevailing at the date of respective transaction or at the average rates.
- d) The net exchange difference resulting from the translation of items in the financial statements of foreign integral operations is recognised as income or expense for the period.

XI Derivative Accounting

Derivative Instruments entered into for hedging the foreign currency fluctuation risk / interest rate risk are accounted for on the principles of prudence as enunciated in Accounting Standard (AS)-1 “Disclosure of Accounting Policies”. Pursuant to this, losses, if any, on Mark to Market basis, are recognised in the Consolidated Statement of Profit and Loss and gains are not recognised.

XII Taxes on Income

Provision for tax comprises of Current Tax and Deferred Tax. Current Tax provision is made on the basis of reliefs and deductions available under relevant Tax laws. 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 for timing differences of items other than unabsorbed depreciation and accumulated losses only to the extent that there is a reasonable certainty that the assets can be realised in future.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

However, if there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed as at each balance sheet date for their realisability.

For Indian entities, Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the respective entities will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

XIII Employee Benefits

- (a) The Group's contribution in respect of provident fund and other funds is charged to the Consolidated Statement of Profit and Loss each year. With respect to certain employees, contribution is made to the provident fund trust maintained by the Group. Provident fund liability for the trust is as determined on actuarial basis by the independent valuer is charged to the Consolidated Statement of Profit and Loss.
- (b) With respect to gratuity liability, some of the entities in the Group contributes to Life Insurance Corporation of India (LIC) under LIC's Group Gratuity policy, except for certain employees, the gratuity benefit of retirement plan where contribution is made to a gratuity fund established as a trust. Gratuity liability as determined on actuarial basis by the independent valuer is charged to the Consolidated Statement of Profit and Loss.
- (c) Pension plan, a defined benefit retirement plan, provides for lump sum payment to eligible employees at retirement. The pension liability, determined on actuarial basis by an independent valuer, is charged to the Consolidated Statement of Profit and Loss.
- (d) Liability for accumulated compensated absences of employees being other long term employee benefit is ascertained for on actuarial valuation basis and provided for as per the Group rules.

XIV Employee Stock Option Based Compensation

With respect to employee stock option, the fair value of the options is calculated by using Black Scholes pricing model, in respect of the number of options that are expected to ultimately vest. Such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the fair value of the vested portion of the option at the date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Consolidated Statement of Profit and Loss of that period. In respect of vested options that expire unexercised, the cost is reversed in the Consolidated Statement of Profit and Loss of that period.

XV Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets upto the date of capitalisation of such assets are capitalised and added to the cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

XVI Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which 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 Consolidated Financial Statements.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

XVII 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.

XVIII 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 Consolidated 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 or may have decreased, 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. Such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

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

Name of Subsidiaries		Country of Incorporation	Proportion of ownership interest for the year	
			Year ended March 31, 2015	Year ended March 31, 2014
Direct Subsidiaries				
1	Green Eco Development Centre Ltd.	India	100.00%	100.00%
2	Sun Pharma Global Inc.	British Virgin Islands	100.00% (see note s)	100.00%
3	ZAO Sun Pharma Industries Ltd.	Russia	-	(see note e)
4	Sun Pharmaceutical (Bangladesh) Ltd.	Bangladesh	72.50%	72.50%
5	Sun Pharmaceutical Industries, Inc. (Previously Known as Caraco Pharmaceutical Laboratories Ltd.)	United States of America	100.00%	100.00%
6	Sun Farmaceutica Do Brasil Ltda (Previously Known as TKS Farmaceutica Ltda)	Brazil	100.00%	100.00%
7	Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%
8	SPIL De Mexico S.A. DE C.V.	Mexico	100.00%	100.00%
9	Sun Pharmaceutical Peru S.A.C.	Peru	99.33%	99.33%
10	OOO “Sun Pharmaceutical Industries” Ltd.	Russia	99.00%	99.00%
11	Sun Pharma de Venezuela, CA.	Venezuela	100.00%	100.00%
12	Sun Pharma Laboratories Limited	India	100.00%	100.00%
13	Faststone Mercantile Company Private Limited	India	100.00%	100.00%
14	Neetnav Real Estate Private Limited	India	100.00%	100.00%
15	Realstone Multitrade Private Limited	India	100.00%	100.00%
16	Skisen Labs Private Limited	India	100.00%	100.00%
17	Sun Pharma Holdings (Previously Known as Nogad Holdings)	Mauritius	100.00% (see note s)	-
18	Softdeal Trading Company Private Limited	India	100.00%	100.00%
19	Ranbaxy Pharmacie Generiques SAS	France	100.00%	-
20	Ranbaxy Drugs Limited	India	100.00%	-
21	Vidyut Investments Limited	India	100.00%	-
22	Gufic Pharma Limited	India	100.00%	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year	
		Year ended March 31, 2015	Year ended March 31, 2014
23 Ranbaxy Malaysia Sdn. Bhd.	Malaysia	71.22%	-
24 Ranbaxy Nigeria Limited	Nigeria	85.31%	-
25 Ranbaxy (Netherlands) B.V.	Netherlands	100.00%	-
Step down Subsidiaries			
26 Caraco Pharma Inc	United States of America	100.00%	100.00%
27 Chattem Chemicals Inc	United States of America	100.00%	100.00%
28 Taro Development Corporation	United States of America	100.00%	100.00%
29 Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%
30 Sun Pharmaceutical UK Ltd.	United Kingdom	100.00%	100.00%
31 Sun Pharmaceutical Industries (Australia) Pty. Ltd.	Australia	100.00%	100.00%
32 Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%
33 Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	100.00%	100.00%
34 Sun Pharmaceuticals Italia S.R.L.	Italy	100.00%	100.00%
35 Sun Pharmaceutical Spain, S.L.U	Spain	100.00%	100.00%
36 Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%
37 Sun Pharmaceuticals France	France	100.00%	100.00%
38 Sun Pharma Global (FZE)	United Arab Emirates	100.00%	100.00%
39 Sun Pharmaceuticals (SA) (Pty) Ltd.	South Africa	100.00%	100.00%
40 Sun Global Canada Pty. Ltd.	Canada	100.00%	100.00%
41 Sun Pharma Philippines Inc.	Philippines	100.00%	100.00%
42 Sun Pharmaceuticals Korea Ltd.	Korea	100.00%	100.00%
43 Sun Global Development FZE	United Arab Emirates	100.00%	100.00%
44 Caraco Pharmaceuticals Pvt. Ltd.	India	100.00%	100.00%
45 Sun Pharma Japan Ltd.	Japan	100.00%	100.00%
46 Sun Pharma HealthCare FZE	United Arab Emirates	100.00%	100.00%
47 Sun Pharma MEA JLT	United Arab Emirates	100.00% (see note g)	100.00%
48 Morley and Company Inc	United States of America	100.00%	100.00%
49 Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%
50 Taro Pharmaceutical Industries Ltd. (TARO)	Israel (See note f)	68.87%	68.87%
51 Taro Pharmaceuticals Inc.	Canada	68.87%	68.87%
52 Taro Pharmaceuticals U.S.A., Inc.	United States of America	68.87%	68.87%
53 Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	68.87%	68.87%
54 Taro Pharmaceuticals Europe B.V.	Netherlands	68.87%	68.87%
55 Taro Pharmaceuticals Ireland Ltd.	Ireland	68.87%	68.87%
56 Taro International Ltd.	Israel	68.87%	68.87%
57 Taro Pharmaceuticals UK Ltd.	United Kingdom	68.87%	68.87%
58 Taro Hungary Intellectual Property Licensing LLC.	Hungary	68.87%	68.87%
59 3 Skyline LLC	United States of America	68.87%	68.87%
60 One Commerce Drive LLC	United States of America	68.87%	68.87%
61 Tarochem Ltd.	Israel	68.87% (see note h)	68.87%
62 Taro Pharmaceutical Laboratories Inc	United States of America	68.87%	68.87%
63 Taro Pharmaceuticals Canada Ltd.	Canada	68.87%	68.87%
64 Taro Pharmaceutical India Private Ltd.	India	68.87% (see note o)	68.87%
65 Orta Ltd.	Israel	68.87% (see note h)	68.87%

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year	
		Year ended March 31, 2015	Year ended March 31, 2014
66 Sun Universal Ltd.	United Arab Emirates	100.00% (see note i)	100.00%
67 Khyati Realty ME Ltd.	United Arab Emirates	100.00% (see note i)	100.00%
68 Aditya Pharma Private Limited	Hungary	100.00% (see note j)	100.00%
69 Alkaloida Sweden AB	Sweden	100.00%	100.00%
70 Dusa Pharmaceuticals Inc	United States of America	100.00%	100.00%
71 Dusa Pharmaceuticals New York Inc	United States of America	100.00%	100.00%
72 Sirius Laboratories Inc	United States of America	100.00%	100.00%
73 URL Pharma Inc	United States of America	100.00%	100.00%
74 AR Scientific Inc	United States of America	100.00%	100.00%
75 Mutual Pharmaceutical Company, Inc.	United States of America	100.00%	100.00%
76 United Research Laboratories, Ltd.	United States of America	100.00%	100.00%
77 Dungan Mutual Associates, LLC	United States of America	100.00%	100.00%
78 URL PharmPro, LLC	United States of America	100.00%	100.00%
79 Universal Enterprises (Pvt) Ltd.	India	100.00%	100.00%
80 Sun Pharma Switzerland Ltd.	Switzerland	100.00%	100.00%
81 Sun Pharma Holdings (Previously Known as Nogad Holdings)	Mauritius	100.00% (see note s)	100.00%
82 Silverstreet Developers LLP	India	100.00%	100.00%
83 Sun Pharma East Africa Limited	Kenya	100.00% (see note d)	-
84 Pharmalucence Inc.	United States of America	100.00% (see note d)	-
85 PI Real Estate Ventures, LLC	United States of America	100.00% (see note d)	-
86 Ranbaxy Australia Proprietary Ltd.	Australia	100.00%	-
87 Ranbaxy Belgium N.V.	Belgium	100.00%	-
88 Ranbaxy Farmaceutica Ltda.	Brazil	100.00%	-
89 Ranbaxy Pharmaceuticals Canada Inc.	Canada	100.00%	-
90 Ranbaxy Egypt (L.L.C.)	Egypt	100.00%	-
91 Rexcel Egypt (L.L.C.)	Egypt	100.00%	-
92 Office Pharmaceutique Industriel et Hospitalier SARL	France	100.00%	-
93 Basics GmbH	Germany	100.00%	-
94 Ranbaxy GmbH	Germany	100.00%	-
95 Ranbaxy Ireland Limited	Ireland	100.00%	-
96 Ranbaxy Italia S.p.A	Italy	100.00%	-
97 Ranbaxy PRP (Peru) SAC.	Peru	100.00%	-
98 Ranbaxy Poland S.P. Zoo	Poland	100.00%	-
99 Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda	Portugal	100.00% (see note l)	-
100 S.C Terapia S.A.	Romania	96.70%	-
101 ZAO Ranbaxy	Russia	100.00%	-
102 Ranbaxy South Africa Proprietary Limited	South Africa	100.00%	-
103 Ranbaxy Pharmaceuticals (Pty) Ltd. (Previously known as Be-Tabs Pharmaceuticals (Proprietary) Ltd.)	South Africa	100.00%	-
104 Be-Tabs Investments (Proprietary) Ltd.	South Africa	100.00%	-
105 Sonke Pharmaceuticals (Proprietary) Ltd.	South Africa	70.00%	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year	
		Year ended March 31, 2015	Year ended March 31, 2014
106 Laboratorios Ranbaxy, S.L.	Spain	100.00%	-
107 Ranbaxy (UK) Limited.	United Kingdom	100.00%	-
108 Ranbaxy Holdings (UK) Ltd.	United Kingdom	100.00%	-
109 Ranbaxy Europe Limited	United Kingdom	100.00%	-
110 Ranbaxy Inc.	United States of America	100.00%	-
111 Ranbaxy Pharmaceuticals, Inc.	United States of America	100.00%	-
112 Ranbaxy (Thailand) Co., Limited	Thailand	100.00%	-
113 Ranbaxy USA, Inc.	United States of America	100.00% (see note m)	-
114 Ohm Laboratories, Inc.	United States of America	100.00%	-
115 Ranbaxy Laboratories, Inc.	United States of America	100.00%	-
116 Ranbaxy Signature LLC	United States of America	67.50%	-
117 Ranbaxy Morocco LLC	Morocco	100.00%	-
118 Ranbaxy Pharmaceuticals Ukraine LLC	Ukraine	100.00%	-
Name of Partnership Firm			
119 Sun Pharma Drugs	India	-	(see note n)
120 Solrex Pharmaceuticals Company	India	100.00% (see note k)	-
Name of Jointly Controlled Entity			
121 MSD - Sun LLC	United States of America	50.00%	50.00%
122 S & I Ophthalmic LLC	United States of America	50.00%	50.00%
123 Artes Biotechnology GmbH	Germany	45.00%	(see note b)
Name of Subsidiary of Jointly Controlled Entity			
124 MSD - Sun FZ LLC	United Arab Emirates	50.00%	50.00%
Name of Associate			
125 Artes Biotechnology GmbH	Germany	(see note b)	45.00%
126 Zenotech Laboratories Limited	India	46.84%	-
127 Daiichi Sankyo (Thailand) Limited, Thailand	Thailand	26.90%	-

- b Investment in Artes Biotechnology GmbH has been reclassified during the year from Associate to Jointly Controlled Entity.
- c In respect of entities at Sr. No. 6, 7, 8, 9, 10, 101, 118 and 123 the reporting date is as of December 31, 2014 and different from the reporting date of the Holding 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 January 1, 2014 to March 31, 2014 and January 1, 2015 to March 31, 2015, on the basis of their management accounts for the said periods.
- d Entities at Sr. No.83, 84 and 85 have been incorporated / acquired during the year ended March 31, 2015.
- e With effect from 28th January, 2014 ZAO Sun Pharma Industries Ltd. has been liquidated.
- f The Group holds voting power 79.24% (beneficial ownership 68.87%) in the share capital of TARO.
- g With effect from March 1, 2015 Sun Pharma MEA JLT merged with Sun Pharma Global FZE.
- h With effect from December 10, 2014 and December 11, 2014 Orta Limited and Tarochem Limited has been dissolved respectively.
- i With effect from May 6, 2014 Sun Universal Ltd. and Khyati Realty ME Ltd. has been dissolved.
- j With effect from February 28, 2015 Aditya Pharma Private Limited has been liquidated.
- k Solrex Pharmaceuticals Company, a partnership firm, in which two subsidiaries of the Holding Company are partners.
- l Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda has closed its operation in 2012 and has filed for liquidation in 2013.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- m With effect from October 28, 2014 Ranbaxy USA, Inc. has been liquidated.
- n With effect from August 19, 2013 Sun Pharma Drugs has been dissolved.
- o Taro Pharmaceutical India Private Ltd. is under liquidation.
- p Companies from 19 to 25 and 86 to 118 have become subsidiaries, Companies at 126 and 127 have become associates and entity at No.120 has become partnership firm w.e.f. April 1, 2014 being the appointed date, pursuant to the amalgamation of erstwhile Ranbaxy Laboratories Limited (RLL) into the Holding Company.
- q 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.
- r Disclosures mandated by the Companies Act, 2013 Schedule III Part II by way of additional information is given in Annexure A.
- s With effect from January 1, 2015 Sun Pharma Global Inc. merged with the Holding company and consequently Sun Pharma Holdings (Previously Known as Nogad Holdings) has become direct subsidiary of the Holding Company.

		₹ in Million	
		As at March 31, 2015	As at March 31, 2014
32 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)			
A) Contingent Liabilities			
I) Claims against the Group not acknowledged as debts		1,021.3	821.5
II) Guarantees given by the bankers on behalf of the Group		777.6	704.6
III) Liabilities Disputed - Appeals filed with respect to :			
Income Tax on account of Disallowances / Additions		26,706.7	12,114.8
Sales Tax on account of Rebate / Classification		37.9	48.5
Excise Duty on account of Valuation / Cenvat Credit		624.3	556.7
Environment cess		23.3	23.3
ESIC Contribution on account of applicability		0.2	0.2
Service tax on certain services performed outside India under reverse charge basis		156.0	-
Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, enjoyed by the Group		3,248.0	14.0
Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme		15.4	14.6
Fine imposed for anti-competitive settlement agreement by European Commission		689.1	-
Octroi demand on account of rate difference		171.0	-
Alleged breach of social security code contested by French subsidiary (maximum penalty amount)		124.8	-
Other matters - employee / worker related cases, State Electricity Board, Punjab Land Preservation Act related matters etc.		302.7	-
IV) Others:			
Letters of Credit for Imports		1,489.2	2,163.1
Trade commitments		530.6	-
B) Commitments			
I) Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)		7,828.3	7,877.5
II) Derivative related commitments - Forward Foreign Exchange Contracts		11,250.0	4,200.0
III) Lease related commitments [Refer Note : 41 (d) (i) and (e) (i)]		1,610.2	730.0
IV) Investment related commitments		2,894.4	2,815.8

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

33 LEGAL PROCEEDINGS

The Holding 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, advice 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 defences the ultimate disposition of these matters will not have material adverse effect on its Consolidated Financial Statements.

34 DISCLOSURES RELATING TO SHARE CAPITAL

i Rights, Preferences and Restrictions attached to Equity Shares

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

ii Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Equity shares of ₹ 1 each				
Opening Balance	2,071,163,910	2,071.2	1,035,581,955	1,035.6
Add : Bonus shares issued during the year	-	-	1,035,581,955	1,035.6
Closing Balance	2,071,163,910	2,071.2	2,071,163,910	2,071.2

iii 1,035,581,955 (upto the end of previous year 1,035,581,955) Equity Shares of ₹ 1 each have been allotted as fully paid up bonus shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

iv Number of stock options against which equity shares to be issued by the Holding Company upon vesting and exercise of those stock options by the option holders as per the relevant scheme (Refer Note 44).

v Equity Shares held by each shareholder holding more than 5 percent Equity Shares (excluding Share Suspense Account) in the Holding Company are as follows:

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dilip Shantilal Shanghvi	231,140,480	11.2	231,140,480	11.2
Viditi Investments Pvt. Ltd.	201,385,320	9.7	201,385,320	9.7
Tejaskiran Pharmachem Industries Pvt. Ltd.	195,343,760	9.4	195,343,760	9.4
Family Investment Pvt. Ltd.	182,927,440	8.8	182,927,440	8.8
Quality Investment Pvt. Ltd.	182,868,640	8.8	182,868,640	8.8

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	Year ended March 31, 2015	Year ended March 31, 2014
35 RESEARCH AND DEVELOPMENT EXPENDITURE		
Revenue (Excluding Depreciation), [net]	17,380.0	9,370.7
Capital	1,177.5	555.9
Total	18,557.5	9,926.6

	₹ in Million	
	As at March 31, 2015	As at March 31, 2014
36 GOODWILL ON CONSOLIDATION (NET):		
Goodwill in respect of :		
Sun Pharmaceutical Industries Inc.	11,458.1	7,292.0
Sun Farmaceutica Do Brasil Ltda	427.4	436.3
Sun Pharma Japan Ltd.	127.2	114.4
Universal Enterprises (Pvt) Ltd.	-	7.5
Taro Pharmaceutical Industries Ltd.	11,849.7	11,378.5
Artes Biotechnology GmbH	183.1	-
Ranbaxy Pharmaceuticals (Pty) Ltd. (Previously known as Be-Tabs Pharmaceuticals (Proprietary) Ltd.)	1,331.4	-
S.C Terapia S.A.	12,015.6	-
Ranbaxy Ireland Limited	117.0	-
Ranbaxy Farmaceutica Ltda.	250.3	-
Gufic Pharma Limited	469.4	-
Total (A)	38,229.2	19,228.7
Less:		
Capital Reserve in respect of :		
Alkaloida Chemical Company Zrt.	1,149.5	882.5
Ranbaxy Nigeria Limited	0.9	-
Ranbaxy Drugs Limited	27.5	-
Ranbaxy Malaysia Sdn. Bhd.	41.7	-
Total (B)	1,219.6	882.5
Total (A-B)	37,009.6	18,346.2

37 RELATED PARTY DISCLOSURE (AS-18) - AS PER ANNEXURE 'B'

	Year ended March 31, 2015	Year ended March 31, 2014
38 ACCOUNTING STANDARD (AS-20) ON EARNINGS PER SHARE		
Profit for the year - used as Numerator for calculating Earnings Per Share (₹ in Million)	45,393.8	31,414.7
Weighted Average number of Shares used in computing Basic Earnings Per Share (taking into account 334,769,181 Shares with respect to Share Suspense Account for current year)	2,404,936,420	2,071,163,910
Add: Dilution effect of ESOP shares	1,193,174	-
Weighted Average number of Shares used in computing Diluted Earnings Per Share	2,406,129,594	2,071,163,910
Nominal value per share (in ₹)	1.0	1.0
Basic Earnings Per Share (in ₹)	18.9	15.2
Diluted Earnings Per Share (in ₹)	18.9	15.2

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended March 31, 2015	Year ended March 31, 2014
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	70,324.0	39,411.6
Outside India	205,384.8	122,583.5
Sale of Products	275,708.8	161,995.1

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

- 40** Intangible assets consisting of trademarks, designs, technical knowhow, licences, 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 amortisable 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 10 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 10 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 Consolidated Statement of Profit and Loss under "Lease Rental and Hire Charges" and "Rent" in Note 23 and Note 28.

	₹ in Million	
	Year ended March 31, 2015	Year ended March 31, 2014
(d) Operating lease		
(i) Group as lessee		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	602.8	263.3
later than one year and not later than five years	833.1	363.0
later than five years	149.5	103.7
(ii) Group as lessor		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	58.6	55.0
later than one year and not later than five years	85.1	33.0
later than five years	86.1	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Million	
	Year ended March 31, 2015	Year ended March 31, 2014
(e) Finance lease		
(i) Group as lessee		
The future minimum lease payments under non-cancellable finance lease		
not later than one year	22.5	-
later than one year and not later than five years	2.2	-
later than five years	-	-
Present value of minimum lease payments receivable aggregate		
not later than one year	21.9	-
later than one year and not later than five years	2.2	-
later than five years	-	-
(ii) Group as lessor		
The future minimum lease payments under non-cancellable finance lease		
not later than one year	47.3	39.7
later than one year and not later than five years	171.1	180.5
later than five years	757.7	606.1
Less : Unearned Finance Income	576.8	498.0
Present value of minimum lease payments receivable aggregate not later than one year	10.0	8.1
later than one year and not later than five years	30.9	35.1
later than five years	358.4	285.1

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 ₹ 499.2 Million (Previous Year ₹ 215.0 Million).

	₹ in Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Contribution to Provident Fund	383.1	204.4
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	116.0	10.5
Contribution to Labour Welfare Fund	0.1	0.1
Employer's Contribution to Family Pension Fund ₹ 45,198 (Previous Year ₹ 20,784)	0.0	0.0

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 the Group rules with corresponding charge to the Consolidated Statement of Profit and Loss amounting to ₹ 353.2 Million (Previous Year ₹ 75.3 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 Consolidated Statement of Profit and Loss.

The Group had an obligation towards pension, a define benefit retirement plan with respect to certain employees, who had already retired before March 01, 2013 will continue to receive the pension as per the pension plan.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Category of Plan Assets : The Group's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India except for certain employees for whom contribution is made to a fund administered under a Trust.

₹ in Million

	Provident Fund (funded)		Gratuity (funded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Reconciliation of liability / (asset) recognised in the Balance sheet				
Present value of commitments (as per Actuarial Valuation)	4,810.2	-	2,169.3	515.3
Fair value of plan assets	(4,806.5)	-	(1,876.6)	(514.7)
Net liability in the Balance sheet	3.7	-	292.7	0.6
Movement in net liability / (asset) recognised in the Balance sheet				
Net liability / (asset) as at the beginning of the year	-	-	0.6	21.3
Pursuant to the Scheme of Amalgamation (Refer Note 56)	-	-	(134.2)	-
Net Commitments transferred	-	-	-	8.6
Net expense recognised in the Consolidated Statement of Profit and Loss	178.1	-	493.4	34.3
Contribution during the year	(174.4)	-	(67.1)	(63.6)
Net liability in the Balance sheet	3.7	-	292.7	0.6
Expense recognised in the Consolidated Statement of Profit and Loss				
Current service cost	180.8	-	143.4	50.8
Interest cost	480.0	-	140.5	36.2
Expected return on plan assets	(395.8)	-	(155.2)	(34.5)
Actuarial loss/ (gain)	31.8	-	364.7	(18.2)
Recognition of unrecognized assets of earlier years	(118.7)	-	-	-
Expense charged to the Consolidated Statement of Profit and Loss	178.1	-	493.4	34.3
Return on plan assets				
Expected return on plan assets	395.8	-	155.2	34.5
Actuarial (loss)/ gain	(29.0)	-	3.3	4.4
Actual return on plan assets	366.8	-	157.4	38.9
Reconciliation of defined-benefit commitments				
Commitments as at the beginning of the year	-	-	515.3	457.9
Pursuant to the Scheme of Amalgamation (Refer Note 56)	4,280.8	-	1,145.0	-
Commitments transferred	68.5	-	-	8.6
Current service cost	180.8	-	143.4	50.8
Employees Contribution during the year	412.1	-	-	-
Interest cost	480.0	-	140.5	36.2
Paid benefits	(614.8)	-	(142.9)	(24.4)
Actuarial (gain) / loss	2.8	-	368.0	(13.8)
Commitments as at the year end	4,810.2	-	2,169.3	515.3
Reconciliation of plan assets				
Plan assets as at the beginning of the year	-	-	514.7	436.6
Pursuant to the Scheme of Amalgamation (Refer Note 56)	4,399.5	-	1,279.2	-
Expected return on plan assets	395.8	-	155.2	34.5
Contributions during the year	174.4	-	67.1	63.6
Employees' contributions during the year	412.1	-	-	-
Plan assets transferred	68.5	-	-	-
Paid benefits	(614.8)	-	(142.9)	(24.4)
Actuarial gain/(loss)	(29.0)	-	3.3	4.4
Plan assets as at the year end	4,806.5	-	1,876.6	514.7

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

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Provident Fund (funded)		Gratuity (funded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Discount rate	7.80%	-	7.80% to 7.94%	9.31%
Interest rate guarantee	8.75%	-	N.A.	N.A.
Expected return on plan assets **	9.00% to 9.03%	-	7.94% to 9.00%	9.31%
Expected rate of salary increase	N.A.	-	8% to 10%	7.00%
Expected average remaining working lives of employees	20.91 to 26.72 years	-	8.00 to 26.72 years	23 years
Withdrawal	15% to 18%	-	3% to 18%	1%
Retirement age	58 to 60 years	-	58 to 60 years	60 years
Mortality	Indian assured lives mortality (2006-08) ultimate/ Annuitants - LIC (a) (1996-98) ultimate rates			

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.

** On the basis of average rate of earnings expected on the funds invested.

The major categories of plan assets as a percentage of total plan assets are as under:

Particulars	Provident fund (Funded)		Gratuity (funded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Central government securities	22%	-	2%	-
State government securities	16%	-	1%	-
Bonds and securities of public sector/ financial institutions	60%	-	14%	-
Insurer managed funds	-	-	83%	100%
Surplus fund lying uninvested	2%	-	-	-

Particulars	Provident fund (Funded)	
	Year ended March 31, 2015	Year ended March 31, 2014
Present value of defined benefit obligation	(4,810.2)	-
Fair value of plan assets	4,806.5	-
Deficit	(3.7)	-
Experience adjustment loss/ (gain) for plan liability	(23.5)	-
Experience adjustment (gain)/ loss for plan assets	(127.9)	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

Experience adjustment	Year ended				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Gratuity					
Experience adjustment					
On plan liabilities	218.3	55.7	32.1	26.5	18.1
On plan assets	3.3	4.4	8.2	6.8	3.4
Present value of benefit obligation	2,169.3	515.3	457.9	311.6	257.3
Fair value of plan assets	(1,876.6)	(514.7)	(436.6)	(347.6)	(284.2)
Excess of obligation over plan assets / (plan assets over obligation)	292.7	0.6	21.3	(36.0)	(27.0)

Notes:

- The gratuity contribution expected to be made by the Group during financial year ending on March 31, 2016 is ₹ 205.7 Million (Previous Year ₹ 117.5 Million).
- Further, during the current year, the erstwhile RLL has recognised an expense of ₹ 111.5 Million pertaining to portion of employers' contribution paid to the statutory authorities and provident fund administration charges, which is included in "Employee benefits expense".
- The above disclosures are provided to the extent applicable and available from the individual Financial Statements of the Holding Company and subsidiaries.

The erstwhile RLL primarily provides the following retirement benefits to its employees:

Change in the present value of obligations:	Pension (Unfunded)		Retirement pension payment plan (Unfunded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Pursuant to the Scheme of Amalgamation (Refer Note 56)	957.0	-	34.8	-
Add: Current service cost	-	-	4.2	-
Add: Interest cost	82.1	-	1.1	-
Less: Benefits paid/ settlement	(86.0)	-	-	-
Add: Actuarial loss on obligations	21.7	-	3.7	-
Translation adjustment - gain	-	-	(7.5)	-
Present value of obligation as at the end of the year	974.8	-	36.3	-
Expenses recognised in the Consolidated Statement of Profit and Loss:				
Current service cost	-	-	4.2	-
Add: Interest cost	82.1	-	1.1	-
Add: Net actuarial loss recognised	21.7	-	3.7	-
Expense recognised in the Consolidated Statement of Profit and Loss	103.8	-	9.0	-
Experience adjustment loss for plan liability	4.9	-	-	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

The following table sets out the assumptions used in actuarial valuation of pension and retirement pension payment plan:

Particulars	Pension (Unfunded)		Retirement pension payment plan (Unfunded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Discount rate	7.8%	-	1.4%	-
Rate of increase in compensation levels ##	N.A.	-	2%-3%	-
Expected average remaining working lives of employees (years)	N.A.	-	19.00 to 26.20 years	-
Mortality	Indian assured lives mortality (2006-08) ultimate/Annuitants - LIC (a) (1996-98) ultimate rates	-	Table INSEE F 2008 - 2010	-
Disability	5% of mortality rate	-	-	-
Withdrawal	15% - 18%	-	0% - 20%	-
Retirement age	58 - 60 years	-	62 - 65 Years	-

The salary increase takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Retirement pension payment plan:

The experience adjustment for retirement pension payment plan over current and previous four years have not been given as the amounts are immaterial.

- 43** 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.

44 EMPLOYEE SHARE-BASED PAYMENT PLANS

Erstwhile RLL had the Employee Stock Option Schemes ("ESOSs") for the grant of stock options to its eligible employees and Directors of the erstwhile RLL and of its subsidiaries. The ESOSs are used to be administered by the Compensation Committee ("Committee"). Options are used to be granted at the discretion of the Committee to the selected employees depending upon certain criterion. As at March 31, 2015, there were two ESOSs, namely, "ESOS 2005" and "ESOP 2011". ESOS II discontinued on January 17, 2015.

ESOS II provided that the grant price of options would be determined at the average of the daily closing price of the erstwhile RLL's equity shares on the NSE during a period of 26 weeks preceding the date of the grant. ESOS 2005 provided that the grant price of options would be the latest available closing price on the stock exchange on which the shares of the erstwhile RLL were listed, prior to the date of the meeting of the Committee in which the options were granted. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered. The options vested evenly over a period of five years from the date of grant. Options lapse, if they were not exercised prior to the expiry date, which was ten years from the date of grant.

During the year ended December 31, 2011, a new ESOS scheme was introduced by erstwhile RLL viz "ESOP 2011" with effect from

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

July 1, 2011. ESOP - 2011 provides that the grant price will be the face value of the equity share i.e. ₹ 5 per share. The options vested evenly over a period of three years from the date of grant. Options lapsed, if they were not exercised prior to the expiry date, which was three months from the date of the vesting. An ESOP Trust had been formed to administer ESOP-2011 scheme. Shares issued to the ESOP Trust were allocated to the eligible employees upon exercise of stock options from time to time. As per the opinion of the Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India, as on the reporting date, the shares issued to an ESOP Trust but yet to be allocated to the employees be shown as a deduction from the Share Capital with a corresponding adjustment to the loan receivable from ESOP Trust. Accordingly, the Holding Company has adjusted shares held by the ESOP Trust on the reporting date as a deduction from the Share Suspense Account.

Pursuant to the Scheme of Amalgamation, Sun Pharmaceutical Industries Limited ('transferee company') formulated two Employee Stock Option Schemes namely (i) SUN Employee Stock Option Scheme-2015 (ii) SUN Employee Stock Option Plan-2015 (ESOS Schemes) among other things to grant to the eligible employees of erstwhile RLL ('transferor company') stock options. Further, the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.80) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.80) and fractions rounded off to the next higher whole number. The terms and conditions of ESOS Schemes of Sun Pharma are not less favourable than those of ESOS Schemes of erstwhile RLL. Under the ESOS Schemes of Sun Pharma, stock options have been issued to the eligible employees of erstwhile RLL.

The Shareholders' Committee of erstwhile RLL have approved issuance of options under the ESOS as per details given below:

Date of approval	No. of options approved
June 25, 2003	4,000,000
June 30, 2005	4,000,000
May 9, 2011	3,000,000

In accordance with the above approval of issuance of options, stock options have been granted from time to time.

The stock options outstanding as on June 30, 2005 are proportionately adjusted in view of the sub-division of equity shares of the erstwhile RLL from the face value of ₹ 10 each into 2 equity shares of ₹ 5 each.

The movement of the options (post split) granted under ESOS II and ESOS 2005 for the current year is given below:

	Stock options (numbers)	Range of exercise prices (₹)	Weighted- average exercise prices (₹)	Weighted- average remaining contractual life (years)
Pursuant to the Scheme of Amalgamation (Refer Note 56)	3,579,582	216.00-561.00	426.16	3.37
Forfeited during the year	(21,578)	450.00-450.00	450.00	-
Exercised during the year*	(1,434,434)	216.00-538.50	419.17	-
Lapsed during the year	(661,639)	216.00-538.50	506.42	-
Outstanding at the end of the year \$ (refer to note 1 below)	1,461,931	216.00-561.00	396.28	3.27
Exercisable at the end of the year \$ (refer to note 1 below)	1,461,931	216.00-561.00	396.28	3.27
Note 1 - Pursuant to Scheme of Amalgamation				
Outstanding at the end of the year \$ ^	1,169,545	270.00-702.00	496.00	-
Exercisable at the end of the year \$ ^	1,169,545	270.00-702.00	496.00	-

\$ Includes options exercised, pending allotment.

* Weighted average of share price on the date of exercise was ₹ 637.7

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

The movement of the options (post split) granted under ESOP - 2011 for the current year is given below:

	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Pursuant to the Scheme of Amalgamation (Refer Note 56)	986,905	5.00	5.00	0.88
Granted during the year	481,766	5.00	5.00	-
Forfeited during the year	(202,133)	5.00	5.00	-
Exercised during the year# **	(675,123)	5.00	5.00	-
Lapsed during the year	(29,628)	5.00	5.00	-
Outstanding at the end of the year @ (refer to note 2 below)	561,787	5.00	5.00	1.65
Exercisable at the end of the year @ (refer to note 2 below)	52,434	5.00	5.00	0.24
Note 2- Pursuant to scheme of Amalgamation				
Outstanding at the end of the year @ ^	449,430	6.25	6.25	-
Exercisable at the end of the year @ ^	41,948	6.25	6.25	-

@ Includes options exercised, pending allotment

Shares allotted by the ESOP Trust against these exercises

** Weighted average of share price on the date of exercise ₹ 621.36

^ Number of shares and exercise price are adjusted in accordance with the Share exchange ratio (0.8:1) as per the Scheme.

During the current year, the Group has recorded a Stock-based employee compensation expense of ₹ 205.0 million. The amount has been determined under a fair value method wherein the fair value of the options is calculated by using Black Scholes pricing model using the following assumptions:

The following table summarizes the assumptions used in calculating the grant date fair value for instrument granted in the year March 31, 2015: @@

Particulars	Year ended March 31, 2015
Grant Date	08-May-14
Dividend yield	0.43%
Expected life of options from the date(s) of grant	1.25, 2.25 and 3.25 years
Risk free interest rate	8.57% (1.25 years) 8.65% (2.25 years) 8.71% (3.25 years)
Expected volatility	40.47%
Grant date fair value	₹ 462.39 (1.25 years) ₹ 460.79 (2.25 years) ₹ 459.16 (3.25 years)

@@ Assumptions used are as applicable at the date of grant in the context of erstwhile RLL.

The Black -Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materially affect fair value of the options. The options pricing models do not necessary provide a reliable measurable of fair value of options. The volatility in the share price is based on volatility of historical stock price of the erstwhile RLL for last 60 months.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

The Holding Company has changed its policy with respect to accounting for employee stock options. The erstwhile RLL calculated cost of employee stock options based on the intrinsic value method i.e. the excess of market price over the exercise price of such options as of the date of the grant of options over the exercise price of such options. As explained above, the Holding Company have accounted for employee stock options based on the fair value method. The impact of change in this accounting policy is not significant.

- 45** 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 recognizes 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 31, 2015 :

	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 the year	1,000	26.09	26.1	0.6	85.0
	(25,500)	(24.7 - 68.5)	(52.3)	(0.9)	(220.0)
Exercised during the year	1,000	26.09	26.09	0.6	85.0
	(23,700)	(24.7 - 68.5)	(53.3)	-	-
Forfeited during the year	-	55.03 - 60.38	57.0	-	-
	(800)	(55.0 - 60.4)	(57.0)	-	-
Outstanding at the end of the year	-	-	-	-	-
	(1,000)	(26.0)	(26.0)	(0.6)	(85.0)
Exercisable at the end of the year	-	-	-	-	-
	(1,000)	-	(26.0)	(0.6)	(85.0)
Vested and expected to vest at the end of the year	-	-	-	-	-
	(1,000)	-	(26.0)	(0.6)	(85.0)

Previous Year figures are in brackets.

- 46** The following are the outstanding contracts of derivative instruments entered by the Holding Company and some of its Subsidiaries as on March 31, 2015:

Nature of Derivative Contract	Currency	Buy / Sell	Cross Currency	As at March 31, 2015	As at March 31, 2014
				Amount in Million	Amount in Million
Forward Contracts	US Dollar	Sell	INR	350.0	240.0
Forward Contracts	US Dollar	Sell	NIS	26.1	41.0
Forward Contracts	US Dollar	Sell	CAD	24.9	65.3
Cross Currency Swaps	NIS	Buy	US Dollar	-	9.1
Interest Rate Swaps (Floating to Fixed)	US Dollar	Sell	US Dollar	6.7	7.8
Forward contracts	US Dollar	Buy	INR	170.0	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Nature of Derivative Contract	Currency	Buy / Sell	Cross	As at March 31, 2015	As at March 31, 2014
			Currency	Amount in Million	Amount in Million
Forward contracts	PLN	Sell	RON	1.7	-
Forward contracts	RUB	Sell	RON	62.6	-
Currency swaps	US Dollar	Buy	INR	30.0	-
Currency Options	US Dollar	Buy	INR	100.0	-
Currency options ** @	US Dollar	Sell	INR	71.0	-
Currency cum interest rate swaps	US Dollar	Buy	INR	100.0	-
Forward contracts (highly probable forecasted transactions)	ZAR	Sell	INR	42.5	-

** structured options @ 2.00 to 2.50 times

@ Cumulative mark to market loss, on above instruments, of ₹ 3,499.3 Million, which has been determined based on valuation provided by banks i.e. counter party.

- 47** During the year, Sun Pharmaceutical Industries Inc., stopped the manufacturing activities at its Detroit facility. Because of the process of moving production to other sites and current capacities with other facilities, Sun Pharmaceutical Industries Inc., believed it does not make economic sense to continue to operate this facility.
- 48** Taro Pharmaceutical Industries Ltd had closed during 2010, i.e., prior to acquiring control by the Holding 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 ₹ 79.9 Million (Previous Year ₹ 108.0 Million), Liabilities of ₹ 0.7 Million (Previous Year ₹ Nil), Revenues of ₹ Nil (Previous Year ₹ Nil) and Losses of ₹ 47.5 Million (Previous Year ₹ 19.2 Million) attributable to its Irish Subsidiary have been considered in the Consolidated Financial Statements.
- 49** a) Deferred tax asset on unabsorbed depreciation/carry forward losses of the Holding Company have been restricted to the extent of deferred tax liability.
- b) Deferred tax asset on net operating losses is mainly pertaining to certain subsidiaries. Such operating losses had arisen mainly on account of expenses on preclinical and clinical trials prior to approval and commercial launch of underlying products. Having regard to the recent history of growth in operations and revenue 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.
- 50** Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 38.6 Million.
- 51** a) Alkaloida Chemical Company Zrt., a subsidiary of the Holding Company holds 21.14% as on March 31, 2015 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. has not been 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 Holding 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. has not been consolidated as an "Associate Entity". Accordingly, the investment in Enceladus Pharmaceutical B.V. is accounted in accordance with Accounting Standard 13 - "Accounting for Investments".

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- c) The Holding Company holds 24.91% in the capital of Shimal Research Laboratories Limited. However, as the Holding Company does not have any 'Significant Influence' in Shimal Research Laboratories Limited, as is required under AS 23 - "Accounting for Investments in Associates in Consolidated Financial Statements", the said investment in Shimal Research Laboratories Limited has not been consolidated as an "Associate Entity". Accordingly, the investment in Shimal Research Laboratories Limited is accounted in accordance with Accounting Standard 13 - "Accounting for Investments".

- 52 a) In respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, provision has been made, which would be required to settle the obligation. The said provisions are made as per the best estimate of the management and disclosure as per Accounting Standard (AS) 29 - "Provisions, Contingent Liabilities and Contingent Assets" has been given below [also in Note (b)]:

	₹ in Million	
	As at March 31, 2015	As at March 31, 2014
Provision*		
Opening balance	11,939.0	9,283.1
Add: Pursuant to the Scheme of Amalgamation (Refer Note 56)	2,015.9	-
Add: Provision for the year	29,289.6	7,971.5
Less: Used/Reversed	(28,468.5)	(5,894.1)
Add/ (Less): Foreign currency translation Difference	417.1	578.5
Closing balance	15,193.1	11,939.0

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

- b) Movement in provision others: Opening balance ₹ 26,312.2 Million (Previous Year ₹ 5,808.0 Million); Pursuant to the Scheme of Amalgamation ₹ 817.0 Million (Previous Year ₹ Nil); made ₹ 2,223.6 Million (Previous Year ₹ 27,555.3 Million); used/reversed ₹ 2,101.3 Million (Previous Year ₹ 9,190.5 Million); Exchange fluctuation ₹ 1,069.5 Million (Previous Year ₹ 2,139.4 Million) and closing balance ₹ 28,321.0 Million (Previous Year ₹ 26,312.2 Million).
- 53 a) Exceptional items for year ended March 31, 2015 represents the settlement provision for a litigation concerning its participation in the Texas Medicaid Program. Under the settlement agreement, the Group is making payments to the State of Texas in a series of tranches through August 2015. The Group had settled the matter to avoid any further distraction and uncertainty of continued litigation with the State of Texas.
- b) On June 11, 2013, Sun Pharma Global FZE (SPG), a wholly owned subsidiary has entered into settlement agreement for USD 550.0 Million [(including USD 44.0 Million borne by Sun Pharmaceutical Industries Inc. (formerly known as Caraco Pharmaceutical Laboratories Ltd.))] with Pfizer Inc., USA; Wyeth LLC USA and Nycomed GmbH, Germany in settlement of the claim of patent infringement litigation related to generic version of "Protonix". SPG had entered into an agreement with a third party in terms of which the said party has agreed to bear damages on account of patent infringement to the extent of USD 400.0 Million (equivalent to ₹ 25,000.0 Million) in consideration of SPG agreeing to sell them pharmaceutical products at a negotiated discounted price for a specified period. Accordingly, a provision of USD 16.5 Million (Previous year USD 438.5 Million) (equivalent to ₹ 1,031.7 Million) (Previous Year ₹ 26,312.2 Million) [(including other related expected discount and incidental expenses of USD 16.5 Million (Previous Year USD 38.5 Million) (equivalent to ₹ 1,031.7 Million (Previous Year ₹ 2,310.2 Million))] towards estimated expected liability on this account, has been accounted for and given effect in these Consolidated Financial Statements. The above charge of USD Nil (Previous year USD 443.0 Million) [equivalent to ₹ Nil (Previous Year ₹ 25,174.1 Million)] had been considered as exceptional item and ₹ 1,031.7 Million (Previous Year ₹ 2,381.2 Million) has been included in miscellaneous expenses.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 54** a) In March 2014, the US FDA issued an import alert to the Holding Company for its cephalosporin facility located at Karkhadi, Gujarat in India. The warning letter pertaining to this import alert was issued by the US FDA in May 2014. The letter identifies practices at the facility which are non-compliant with current Good Manufacturing Practice (cGMP) regulations. The Holding Company remains fully committed to compliance and corrective steps are on-going to address the observations made by the US FDA. The Holding Company is committed to working co-operatively and expeditiously with the US FDA to resolve the matters indicated in its letter. Until these matters are resolved to the satisfaction of the US FDA, the US FDA may, in the near term, withhold approval of pending new drug applications from this facility. The contribution of this facility to Sun Pharma's consolidated revenues is not significant.
- b) The US FDA had, on January 23, 2014, prohibited from manufacturing and distributing APIs from its Toansa manufacturing facility and finished drug products containing APIs manufactured at this facility into the US regulated market. Consequentially, the Toansa manufacturing facility is subject to certain terms of the Consent decree of permanent injunction entered into by the Holding Company in January 2012.

In addition, the Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had also issued an administrative subpoena dated March 13, 2014 seeking information primarily related to Toansa manufacturing facility for which a Form 483 containing findings of the US FDA was issued in January 2014. The Holding Company is fully cooperating with this information request and is in dialogue with the US DOJ for submission of the requisite information.

- 55** In the absence of net profits in the Holding Company for the year ended March 31, 2015 remuneration to the Managing Director and a Whole-time Director of the Holding Company for the year ended March 31, 2015 is in excess of the limits specified under Schedule V of the Companies Act, 2013 by ₹ 20.7 Million. In this regard the Holding Company has made necessary applications to the Central Government for approving of the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. Consequent to giving effect to the scheme of arrangement for the merger of Specified Undertaking of Sun Pharma Global FZE into the Holding Company effective from May 1, 2013, resulting in the absence of net profits in the Holding Company for the previous year ended March 31, 2014 (i) remuneration to the Managing Director and the Whole-time Directors of the Holding Company has exceeded the limits specified under Schedule XIII to the Companies Act, 1956 by ₹ 44.7 Million; and (ii) commission of ₹ 6.4 Million for the previous year ended March 31, 2014, to the Non-Executive Directors of the Holding Company is in excess, since there is absence of net profits for the previous year under section 309(4) read with section 309(5) of the Companies Act, 1956. The Holding Company has made necessary applications to the Central Government for the waiver of the excess remuneration and commission for the previous year ended March 31, 2014. The Holding Company has obtained approval from the shareholders of the Company in respect of the aforesaid remuneration and commission, as applicable for the years March 31, 2014 and 2015. The approval from the Central Government of India is awaited in respect of the said applications.
- 56** Pursuant to the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 for amalgamation of erstwhile Ranbaxy Laboratories Ltd (RLL) with the Holding Company as sanctioned by the Hon'ble High Court of Gujarat and Hon'ble High Court of Punjab and Haryana on March 24, 2015 (effective date) all the assets, liabilities and reserves of RLL were transferred to and vested in the Holding Company with effect from 1st April 2014, the appointed date. RLL along with its subsidiaries and associates was operating as an integrated international pharmaceutical organisation with business encompassing the entire value chain in the production, marketing and distribution of pharmaceutical products. The scheme has accordingly been given effect to in these Consolidated Financial Statements.

The amalgamation has been accounted for under the "Pooling of Interest Method" as prescribed under Accounting Standard 14 (AS 14) - "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India and as notified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies Accounts Rules 2014. Accordingly and giving effect in compliance of the Scheme of Arrangement all the assets, liabilities and reserves of RLL, now considered a division of the Company, were recorded in the books of the Holding Company at their carrying amounts and the form as at the appointed date in the books of RLL.

On April 10, 2015, in terms of the Scheme of Arrangement 0.8 equity share of ₹ 1 each (Number of Shares 334,956,764 including 187,583 Shares held by ESOP trust) of the Holding Company has been allotted to the shareholders of RLL for every 1 share of ₹ 5 each (Number of Shares 418,461,476 including 234,479 shares held by ESOP trust) held by them in the share capital of RLL, after

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

cancellation of 6,967,542 shares of RLL. These shares have been considered for the purpose of calculation of earnings per share appropriately. An amount of ₹ 982.5 Million being the excess of the amount recorded as share capital to be issued by the Holding Company over the amount of the share capital of erstwhile RLL has been reduced from Reserves.

- 57** RLL had early adopted Accounting Standard (AS)-30 “Financial Instruments: Recognition and Measurement” and AS 31 “Financial Instruments: Presentation” for accounting of derivative instruments which are outside the scope of Accounting Standard 11 ‘The Effects of Changes in Foreign Exchange Rates’ such as forward contracts to hedge highly probable forecast transactions, option contracts, currency swaps, interest rate swaps etc. In order to align with the Group policy, derivative instruments are now accounted for in accordance with the announcement issued by the Institute of Chartered Accountants of India dated March 28, 2008. On the principles of prudence as enunciated in Accounting Standard 1 “Disclosure of Accounting Policies” which requires to provide losses in respect of all outstanding derivative instruments at the balance sheet date by marking them to market. Accordingly, the unrealized MTM gain of ₹ 905.4 Million as at April 1, 2014 has been reversed and MTM gain as at March 31, 2015 amounting to ₹ 1,121.0 Million has not been recognized in these Consolidated Financial Statements.
- 58** Out of a MAT credit of ₹ 8,222.7 Million which was written down by the erstwhile RLL during the quarter ended December 31, 2014, an amount of ₹ 7,517.0 Million has been recognized by the Holding Company, on a reassessment by the Management at the year-end, based on convincing evidence that the combined amalgamated entity would pay normal income tax during the specified period and would therefore be able to utilize the MAT credit so recognised. Current tax for the year also includes ₹ 285.1 Million pertaining to earlier years.
- 59** The consolidated financial statements of the Holding Company for the year ended March 31, 2015 were earlier approved by the Board of Directors of the Holding Company at their meeting held on May 29, 2015 on which Statutory Auditors of the Holding Company had issued their report dated May 29, 2015. Consequent to the Order of the Hon’ble High Court of Gujarat, sanctioning the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 for Amalgamation of Sun Pharma Global Inc. (SPG), a wholly owned subsidiary, into the Holding Company w.e.f. January 1, 2015 (appointed date), filed with the Registrar of Companies on August 6, 2015 (effective date), the standalone financial statements for the year ended March 31, 2015 for both, the Holding Company and SPG were revised to give effect to the said Scheme of Arrangement and to provide for proposed dividend by the Holding Company. In view of the above, the earlier approved consolidated financial statements are revised by the Holding Company to incorporate the revised standalone financial statements of the Company and SPG.
- 60** Details of Long term borrowings and current maturities of long term debt and finance lease obligations (included under Other Current Liabilities)
- A Secured Term Loan from banks:**
- (I) Long term loan of USD 5.9 Million equivalent ₹ 368.0 Million (Previous Year ₹ 1,071.8 Million) [Included in long term borrowings ₹ 311.0 Million (Previous Year ₹ 353.3 Million) and ₹ 57.0 Million (Previous Year ₹ 718.5 Million) in current maturities of long term debt] which is repayable by October 2020. The loan is secured by building situated at New York.
- (II) Loan of BRL 0.8 Million equivalent ₹ 16.4 Million (Previous Year ₹ 35.9 Million) [Included in long term borrowings ₹ 16.4 Million (Previous Year ₹ 35.9 Million) and ₹ Nil (Previous Year ₹ Nil) in current maturities of long term debt] which is repayable by December 2016. The loan is secured by land and factory building situated at Goiania, Brazil.
- B Secured Term Loan from Other Parties:**
- (I) The Holding Company has term loan from Department of Biotechnology of ₹ 77.3 Million (Previous Year ₹ 46.4 Million) secured by hypothecation of assets and goods pertaining to project. The loan is repayable in 10 half yearly installments of ₹ 7.7 Million (Previous Year 4.6 Million) each commencing from March 31, 2017. Last installment is due on December 31, 2021.
- C** Lease obligation ₹ 24.1 Million (Previous Year ₹ 2.0 Million) [included in long term borrowing ₹ 2.2 Million (Previous Year ₹ 2.0 Million) and ₹ 21.9 Million (Previous Year ₹ Nil) in current maturities of long term lease obligations] repayable by FY 2019-2020 is secured against assets taken on finance lease.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

D Unsecured Term Loan from banks:

- (I) Loan of USD 18.9 Million equivalent ₹ 1,181.6 Million (Previous Year ₹ Nil) [Included in long term borrowings ₹ 1,138.3 Million (Previous Year ₹ Nil) and ₹ 43.3 Million (Previous Year ₹ Nil) in current maturities of long term debt] which is repayable in varying amounts by June 2033. The loan is collateralized by substantially all the assets of Pharmalucence Inc.
- (II) External Commercial Borrowings (ECBs) has 6 loans of USD 288 Million equivalent to ₹ 18,001.4 Million (Previous Year ₹ Nil) [Included in long term borrowings ₹ 11,625.9 Million (Previous Year ₹ Nil) and ₹ 6,375.5 Million (Previous Year ₹ Nil) in current maturities of long term debt]. For the loans outstanding as at March 31, 2015, the terms of repayment of borrowings are as follows:
 - (a) USD 100 Million equivalent to ₹ 6,250.5 Million (Previous Year ₹ Nil) loan was taken on June 4, 2013 and is repayable on June 3, 2018.
 - (b) USD 50 Million equivalent to ₹ 3,125.3 Million (Previous Year ₹ Nil) loan was taken on September 20, 2012 and is repayable on September 19, 2017.
 - (c) USD 30 Million equivalent to ₹ 1,875.2 Million (Previous Year ₹ Nil) loan was taken on June 30, 2011 and is repayable in 3 equal installments at the end of 4th year, 5th year and 6th year.
 - (d) USD 30 Million equivalent to ₹ 1,875.2 Million (Previous Year ₹ Nil) loan was taken on September 9, 2010 and is repayable on September 8, 2015.
 - (e) USD 50 Million equivalent to ₹ 3,125.3 Million (Previous Year ₹ Nil) loan was taken on August 12, 2010 and is repayable on August 11, 2015.
 - (f) USD 28 Million equivalent to ₹ 1,750.1 Million (Previous Year ₹ Nil). Loan amounting to USD 40 Million equivalent to ₹ 2,500.2 Million (Previous Year ₹ Nil) was taken on March 25, 2011 and is repayable fully by March 24, 2017 in 3 installments viz., 30% each of the drawn amount at the end of 4th year and 5th year each and 40% of the drawn amount at the end of the 6th year. First installment of USD 12 Million equivalent to ₹ 747.9 Million (Previous Year ₹ Nil) has been repaid in current year.

The Holding Company has not defaulted on repayment of loan and interest during the year.

E Unsecured Term Loan from Other Parties:

- (I) Unsecured loan from other parties amounting to ₹ 513.1 Million (Previous Year ₹ 49.1 Million) of which ₹ 497.6 Million are repayable after August 2016 on demand and balance of ₹ 15.5 Million (Previous Year ₹ 32.6 Million) is repayable after March 2016 on demand.

F Term Loan from banks (included under current maturities of long term borrowing):

- (I) ₹ 5,000 Million (Previous Year ₹ Nil) redeemable non-convertible debentures issued by erstwhile RLL on November 23, 2012 for a period of 36 months at a coupon rate of 9.20% p.a. Such debentures are secured by a pari-passu first ranking charge on the Holding Company's specified fixed assets so as to provide a fixed asset cover of 1.25x and are listed on the National Stock Exchange.
- (II) Loan of ₹ 2,500 Million (Previous Year ₹ Nil) is repayable on October 2, 2015. The Holding Company has not defaulted on repayment of loan and interest during the year.

61 SHORT TERM BORROWINGS DETAILS ARE AS FOLLOWS:

First charge has been created on a pari-passu basis, by hypothecation of inventories, trade receivables, outstanding money receivables, claims and bills and other receivables (includes under loans and advances and other assets), both present and future.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

62 LOANS/ADVANCES DUE FROM ASSOCIATES

	₹ in Million	
	As at March 31, 2015	As at March 31, 2014
Interest bearing with specified repayment schedule:		
Zenotech Laboratories Limited, India *		
Considered good	326.8	-
Considered doubtful	274.0	-
	600.8	-
Less: Provision for doubtful loans / advances	274.0	-
	326.8	-

* includes interest accrued and due on loans amounting to ₹ 88.8 Million.

Loans have been granted to the above entity for the purpose of its business.

Consequent to the amalgamation of erstwhile RLL into the Holding Company as referred in Note 56, Zenotech Laboratories Limited ('Zenotech') became an associate of the Holding Company. The erstwhile RLL had granted certain loans to Zenotech which were outstanding and inherited by the Holding Company. The Holding Company has not granted any further loans to Zenotech post effective date i.e. March 24, 2015. The balance of this inherited outstanding loan is ₹ 512.0 Million. The Holding Company is in process of evaluating various options in relation to recovery of the outstanding loans and interest thereon of ₹ 88.8 Million.

- 63** Pharmalucence Inc., a pharmaceutical company, incorporated in United States of America became subsidiary of the Holding Company on July 16, 2014. Accordingly, these Consolidated Financial Statements includes total assets of ₹ 2,602.6 Million and total liabilities ₹ 1,417.4 Million as on March 31, 2015 and total revenues of ₹ 1,118.6 Million, Loss before Tax of ₹ 97.0 Million and Loss after Tax ₹ 60.6 Million for the period from July 16, 2014 to March 31, 2015.
- 64** With regard to tangible assets, the Holding Company and its Indian subsidiaries have adopted the useful life of fixed assets as indicated in Part C of Schedule II of the Companies Act, 2013 and amendment thereto vide notification dated August 29, 2014 issued by the Ministry of Corporate Affairs. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, have been fully depreciated, and an amount of ₹ 578.5 Million has been charged to the Consolidated Statement of Profit and Loss. The depreciation expense in the Consolidated Statement of Profit and Loss for the year is higher by ₹ 3,214.1 Million consequent to the change in the useful life of the assets.
- 65** Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements.
- 66** In view of the amalgamation as referred in Note 56, the figures for the current year are not comparable with the corresponding figures of the previous year. Previous year's figures are regrouped wherever necessary.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ANNEXURE 'A'

DISCLOSURES MANDATED BY SCHEDULE III OF COMPANIES ACT, 2013, BY THE WAY OF ADDITIONAL INFORMATION

Name of the Entity	₹ in Million			
	As at 31st March, 2015		Year ended 31st March, 2015	
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount
1	2	3	4	5
Parent Entity - Sun Pharmaceutical Industries Limited	88.87	227,713.7	(32.47)	(14,741.3)
Subsidiaries				
Indian				
1 Green Eco Development Centre Ltd.	(0.00)	(3.8)	(0.01)	(4.0)
2 Sun Pharma Laboratories Limited	72.63	186,107.1	(0.50)	(227.0)
3 Faststone Mercantile Company Private Limited	0.00	9.1	(0.00)	(0.0)
4 Neetnav Real Estate Private Limited	0.01	14.0	0.00	1.8
5 Realstone Multitrade Private Limited	0.00	9.1	(0.00)	(0.0)
6 Skisen Labs Private Limited	(0.00)	(9.1)	(0.04)	(18.1)
7 Softdeal Trading Company Private Limited	0.00	8.7	(0.00)	(0.0)
8 Ranbaxy Drugs Limited	0.68	1,730.1	0.07	30.1
9 Vidyut Investments Limited	0.01	23.6	0.00	1.2
10 Gufic Pharma Limited	0.00	4.0	0.00	0.2
11 Universal Enterprises (Pvt) Ltd.	0.00	5.3	(0.00)	(0.0)
12 Silverstreet Developers LLP	1.08	2,776.2	(0.00)	(0.2)
13 Solrex Pharmaceuticals Company	0.68	1,734.3	0.14	61.9
Foreign				
1 Sun Pharma Global Inc.	-	-	(0.01)	(2.9)
2 Sun Pharmaceutical (Bangladesh) Ltd.	0.21	527.6	0.36	163.8
3 Sun Pharmaceutical Industries, Inc. (Previously Known as Caraco Pharmaceutical Laboratories Ltd) (Consolidated with its Subsidiaries and a Jointly Controlled Entity)	5.56	14,239.4	5.87	2,665.4
4 Sun Farmaceutica Do Brasil Ltda (Previously Known as TKS Farmaceutica Ltda)	(0.64)	(1,638.0)	(2.34)	(1,060.3)
5 Sun Pharma De Mexico S.A. DE C.V.	0.23	577.1	0.54	246.6
6 SPIL De Mexico S.A. DE C.V.	0.00	0.2	-	-
7 Sun Pharmaceutical Peru S.A.C.	(0.04)	(102.2)	(0.07)	(30.1)
8 OOO "Sun Pharmaceutical Industries" Ltd.	(0.02)	(61.4)	(0.06)	(25.6)
9 Sun Pharma de Venezuela, CA.	(0.39)	(1,001.8)	(0.96)	(434.4)
10 Ranbaxy Pharmacie Genériques SAS	(0.52)	(1,332.9)	(1.08)	(489.2)
11 Ranbaxy Malaysia Sdn. Bhd.	0.26	665.4	(0.70)	(318.3)
12 Ranbaxy Nigeria Limited	0.35	906.0	0.12	55.1
13 Ranbaxy (Netherlands) B.V.	20.74	53,140.6	(2.46)	(1,117.1)
14 Alkaloida Chemical Company Zrt.	13.78	35,309.1	(2.59)	(1,174.9)
15 Sun Pharmaceutical UK Ltd.	(0.03)	(84.3)	0.05	23.9
16 Sun Pharmaceutical Industries (Australia) Pty. Ltd.	(0.04)	(95.7)	(0.13)	(58.9)
17 Aditya Acquisition Company Ltd.	(0.00)	(8.2)	(0.02)	(8.2)
18 Sun Pharmaceutical Industries (Europe) B.V.	(0.06)	(146.4)	0.06	25.6
19 Sun Pharmaceuticals Italia S.R.L.	(0.12)	(315.5)	0.01	6.7
20 Sun Pharmaceutical Spain, S.L.U	(0.11)	(274.8)	(0.07)	(31.2)
21 Sun Pharmaceuticals Germany GmbH	(0.07)	(186.4)	0.02	10.1
22 Sun Pharmaceuticals France	(0.01)	(14.2)	0.00	0.4
23 Sun Pharma Global (FZE)	31.95	81,853.5	24.40	11,077.3
24 Sun Pharmaceuticals (SA) (Pty) Ltd.	(0.00)	(0.1)	(0.00)	(0.0)
25 Sun Global Canada Pty. Ltd.	(0.00)	(0.9)	(0.00)	(0.0)
26 Sun Pharma Philippines Inc.	(0.07)	(171.1)	(0.19)	(87.4)
27 Sun Pharmaceuticals Korea Ltd.	0.00	4.9	(0.00)	(0.1)

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Name of the Entity	₹ in Million			
	As at 31st March, 2015		Year ended 31st March, 2015	
	Net Assets, i.e., Total Assets		Share in Profit/(Loss)	
	minus Total Liabilities			
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount
1	2	3	4	5
28 Sun Global Development FZE	0.07	176.0	(0.00)	(0.7)
29 Sun Pharma Japan Ltd	(0.08)	(207.1)	(0.21)	(93.9)
30 Sun Pharma HealthCare FZE	0.07	172.2	(0.02)	(11.2)
31 Sun Pharma MEA JLT	(0.00)	(9.7)	(0.05)	(24.3)
32 Sun Laboratories FZE	0.30	763.0	(0.00)	(0.8)
33 Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	34.54	88,506.2	65.69	29,821.3
34 Aditya Pharma Private Limited	-	-	(0.00)	(0.1)
35 Alkaloida Sweden AB	(0.02)	(50.9)	(0.07)	(29.7)
36 Sun Pharma Switzerland Ltd.	0.00	5.5	(0.00)	(0.6)
37 Sun Pharma Holdings (Previously Known as Nogad Holdings)	83.51	213,973.5	0.37	166.5
38 Sun Pharma East Africa Limited	(0.00)	(0.8)	(0.00)	(0.9)
39 Ranbaxy Australia Proprietary Ltd.	(0.34)	(868.2)	0.10	46.4
40 Ranbaxy Belgium N.V.	0.01	37.2	0.00	0.1
41 Ranbaxy Farmaceutica Ltda.	(0.25)	(646.5)	(1.19)	(540.3)
42 Ranbaxy Pharmaceuticals Canada Inc.	0.12	319.3	(0.74)	(337.5)
43 Ranbaxy Egypt (L.L.C.)	0.06	165.8	0.04	17.6
44 Rexcel Egypt (L.L.C.)	(0.00)	(5.4)	(0.01)	(6.6)
45 Office Pharmaceutique Industriel et Hospitalier SARL	0.02	59.8	0.00	1.0
46 Basics GmbH	0.33	843.3	0.13	58.5
47 Ranbaxy GmbH	0.00	1.7	-	-
48 Ranbaxy Ireland Limited	0.49	1,251.2	0.49	223.0
49 Ranbaxy Italia S.p.A	0.05	136.9	(0.04)	(18.2)
50 Ranbaxy PRP (Peru) SAC.	(0.02)	(50.2)	(0.06)	(28.0)
51 Ranbaxy Poland S.P. Zoo	0.05	131.3	0.02	11.3
52 Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda	(0.00)	(0.3)	(0.00)	(0.6)
53 S.C Terapia S.A.	2.54	6,499.5	3.20	1,450.4
54 ZAO Ranbaxy	0.15	383.7	(0.18)	(82.8)
55 Ranbaxy South Africa Proprietary Limited (Consolidated with its Subsidiaries)	0.17	436.6	(0.22)	(100.5)
56 Ranbaxy Pharmaceuticals (Pty) Ltd. (Previously known as Be-Tabs Pharmaceuticals (Proprietary) Ltd.)	0.05	130.5	(0.62)	(283.4)
57 Be-Tabs Investments (Proprietary) Ltd.	0.01	20.3	(0.00)	(0.1)
58 Laboratorios Ranbaxy, S.L.	(0.01)	(25.3)	0.46	209.7
59 Ranbaxy (UK) Limited.	0.33	843.7	0.70	315.8
60 Ranbaxy Holdings (UK) Ltd.	1.11	2,839.8	0.00	0.1
61 Ranbaxy Europe Limited	0.06	154.7	0.04	18.8
62 Ranbaxy Inc. (Consolidated with its Subsidiaries)	10.91	27,955.8	6.13	2,782.2
63 Ranbaxy (Thailand) Co., Limited	0.03	65.3	0.08	34.7
64 Ranbaxy Morocco LLC	(0.06)	(143.3)	(0.35)	(158.1)
65 Ranbaxy Pharmaceuticals Ukraine LLC	0.03	66.9	(0.01)	(6.2)
Minority Interest in subsidiaries	(11.13)	(28,511.9)	(20.63)	(9,362.7)
Foreign Joint Ventures				
1 MSD - Sun LLC (Consolidated with its subsidiary)	(0.16)	(408.6)	(1.06)	(483.0)
2 Artes Biotechnology GmbH	(0.00)	(4.0)	(0.01)	(3.9)
Associates (Investment as per the equity method)				
Indian				
1 Zenotech Laboratories Limited	-	-	(0.32)	(143.2)
Foreign				
2 Daiichi Sankyo (Thailand) Limited, Thailand	0.17	440.2	0.04	17.6
Intercompany Elimination and Consolidation Adjustments	(258.02)	(661,128.0)	60.35	27,395.2
Total	100.00	256,231.9	100.00	45,393.8

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ANNEXURE 'B'

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

Names of related parties and description of relationship

1. Key Management Personnel	Mr. Dilip S. Shanghvi Mr. Sudhir V. Valia Mr. Sailesh T. Desai	Managing Director Wholetime Director Wholetime Director
2. Relatives of Key Management Personnel	Mr. Aalok Shanghvi Ms. Vidhi Shanghvi	Son of Managing Director Daughter of Managing Director
3. 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	
4. Associates	Zenotech Laboratories Limited Daiichi Sankyo (Thailand) Limited, Thailand	

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Associates		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Purchases of goods	-	-	-	-	0.3	-	37.3	-	37.6	-
Sun Pharma Advanced Research Company Ltd	-	-	-	-	0.3	-	-	-	0.3	-
Zenotech Laboratories Limited	-	-	-	-	-	-	37.2	-	37.2	-
Daiichi Sankyo (Thailand) Limited, Thailand	-	-	-	-	-	-	0.1	-	0.1	-
Purchase of Fixed Assets	-	-	-	-	207.8	241.2	-	-	207.8	241.2
Sun Pharma Advanced Research Company Ltd	-	-	-	-	207.8	241.2	-	-	207.8	241.2
Sale of goods	-	-	-	-	15.5	17.5	639.2	-	654.7	17.5
Sun Pharma Advanced Research Company Ltd	-	-	-	-	15.5	17.5	-	-	15.5	17.5
Zenotech Laboratories Limited	-	-	-	-	-	-	246.3	-	246.3	-
Daiichi Sankyo (Thailand) Limited, Thailand	-	-	-	-	-	-	392.9	-	392.9	-
Sale of Fixed Assets	-	-	-	-	0.4	0.4	-	-	0.4	0.4
Sun Petrochemicals Pvt Ltd	-	-	-	-	0.4	0.4	-	-	0.4	0.4
Receiving of Service										
Services	-	-	-	-	1,377.3	434.5	1.3	-	1,378.6	434.5
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1,377.3	434.5	-	-	1,377.3	434.5
Daiichi Sankyo (Thailand) Limited, Thailand							1.3	-	1.3	
Reimbursement of Expenses	-	-	-	-	31.4	13.7	0.3	-	31.7	13.7
Sun Pharma Advanced Research Company Ltd	-	-	-	-	31.4	13.7	-	-	31.4	13.7
Daiichi Sankyo (Thailand) Limited, Thailand	-	-	-	-	-	-	0.3	-	0.3	-
Loans given	-	-	-	-	-	311.0	74.5	-	74.5	311.0
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	311.0	-	-	-	311.0
Zenotech Laboratories Limited	-	-	-	-	-	-	74.5	-	74.5	-
Loans Received back	-	-	-	-	-	1,049.4	-	-	-	1,049.4
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	1,049.4	-	-	-	1,049.4
Rendering of Service										
Services	-	-	-	-	185.8	0.2	3.1	-	188.9	0.2
Sun Petrochemicals Pvt Ltd	-	-	-	-	-	0.2	-	-	-	0.2
Sun Pharma Advanced Research Company Ltd	-	-	-	-	185.8	-	-	-	185.8	-
Daiichi Sankyo (Thailand) Limited, Thailand	-	-	-	-	-	-	3.1	-	3.1	-
Reimbursement of Expenses	-	-	-	-	55.2	47.7	-	-	55.2	47.7
Sun Pharma Advanced Research Company Ltd	-	-	-	-	55.2	47.7	-	-	55.2	47.7
Interest Income	-	-	-	-	-	53.8	61.9	-	61.9	53.8
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	53.8	-	-	-	53.8
Zenotech Laboratories Limited	-	-	-	-	-	-	61.9	-	61.9	-
Rent Income	-	-	-	-	1.5	1.5	-	-	1.5	1.5
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1.4	1.4	-	-	1.4	1.4
Navjivan Rasayan (Gujarat) Pvt Ltd	-	-	-	-	0.1	0.1	-	-	0.1	0.1

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	₹ in Million											
	Key Management Personnel			Relatives of Key Management Personnel			Enterprise under significant Influence of Key Management Personnel or their relatives			Associates		
	31.03.2015	31.03.2014	31.03.2015	31.03.2015	31.03.2014	31.03.2015	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Provision for doubtful Loan and Advance	-	-	-	-	-	-	-	-	-	-	274.0	-
Zenotech Laboratories Limited	-	-	-	-	-	-	-	-	-	-	274.0	-
Director's Remuneration	252.7	201.6	-	-	-	-	-	-	-	-	252.7	201.6
Mr. Dilip S. Shanghvi	140.0	104.2	-	-	-	-	-	-	-	-	140.0	104.2
Mr. Sudhir V. Valia	101.7	88.0	-	-	-	-	-	-	-	-	101.7	88.0
Mr. Sailesh T. Desai	11.0	9.4	-	-	-	-	-	-	-	-	11.0	9.4
Apprenticeship Stipend / Remuneration	-	-	6.8	19.6	-	-	-	-	-	-	6.8	19.6
Mr. Aalok Shanghvi	-	-	6.0	19.0	-	-	-	-	-	-	6.0	19.0
Ms. Vidhi Shanghvi	-	-	0.8	0.6	-	-	-	-	-	-	0.8	0.6
Outstanding Receivables / (Payables) (Net) as on	(116.5)	(156.0)	(1.2)	(0.7)	(189.4)	(210.2)	301.1	-	372.8	(366.9)	-	-
Sun Pharma Advanced Research Company Ltd	-	-	-	-	188.8	(210.7)	-	-	188.8	(210.7)	-	-
Zenotech Laboratories Limited	-	-	-	-	-	-	324.4	-	324.4	-	-	-
(net of provision for doubtful loans and advance of ₹ 274.0 Million)	-	-	-	-	-	-	-	-	-	-	-	-
Daiichi Sankyo (Thailand) Limited, Thailand	-	-	-	-	-	-	(23.3)	-	(23.3)	-	-	-
Sun Petrochemicals Pvt Ltd	-	-	-	-	0.6	0.5	-	-	0.6	-	0.5	-
Mr. Dilip S. Shanghvi	(65.7)	(81.7)	-	-	-	-	-	-	(65.7)	(81.7)	-	-
Mr. Sudhir V. Valia	(46.6)	(70.9)	-	-	-	-	-	-	(46.6)	(70.9)	-	-
Mr. Aalok Shanghvi	-	-	(1.1)	(1.1)	-	-	-	-	(1.1)	(1.1)	-	-
Ms. Vidhi Shanghvi	-	-	(0.1)	0.4	-	-	-	-	(0.1)	0.4	-	-
Mr. Sailesh T. Desai	(4.2)	(3.4)	-	-	-	-	-	-	(4.2)	(3.4)	-	-

FORM AOC - 1
PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH THE RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES/ JOINT VENTURES

Sr No	Name of the Subsidiary Company	Reporting Currency	Rate	Capital	Reserve	Part "A": Subsidiaries				Investment other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation		Proposed Dividend	% of shareholding
						Total Assets	Total Liabilities	Total	Investment			Provision for Taxation	Profit / (Loss) after Taxation		
₹ in Million															
1	Green Eco Development Centre Ltd.	INR	1.00	1.0	(4.8)	0.6	4.4	-	-	(4.0)	-	(4.0)	-	-	100.00%
2	Sun Pharma Global Inc.	USD	62.50	49,138.9	165,783.5	214,923.0	0.6	-	-	(2.9)	-	(2.9)	-	-	100.00%
3	Sun Pharmaceutical (Bangladesh) Ltd.	BDT	0.80	48.0	525.1	1,028.0	454.9	-	1,036.0	265.5	96.5	169.0	-	-	72.50%
4	Sun Pharmaceutical Industries, Inc. (Previously Known as Caraco Pharmaceutical Laboratories Ltd)	USD	62.50	13,595.8	(8,412.5)	53,662.1	48,478.8	1,790.3	43,229.9	(1,998.3)	(761.6)	(1,236.7)	-	-	100.00%
5	Sun Farmaceutica Do Brasil Ltda (Previously Known as TKS Farmaceutica Ltda)	BRL	19.34	107.8	(1,763.6)	506.8	2,162.6	-	404.2	(416.2)	-	(416.2)	-	-	100.00%
6	Sun Pharma De Mexico S.A. DE C.V.	MXN	4.07	4.1	517.5	837.6	316.0	-	1,189.1	278.9	86.1	192.8	-	-	75.00%
7	SPIL De Mexico S.A. DE C.V.	MXN	4.07	0.2	-	0.2	-	-	-	-	-	-	-	-	100.00%
8	Sun Pharmaceutical Peru S.A.C	PEN	20.27	0.0	(96.3)	1.0	97.3	-	-	(27.0)	-	(27.0)	-	-	99.33%
9	OOO "Sun Pharmaceutical Industries" Ltd.	RUB	1.07	0.1	(81.5)	420.9	502.3	-	527.7	(54.0)	(4.1)	(49.9)	-	-	99.00%
10	Sun Pharma de Venezuela, CA	VEF	9.94	0.5	(1,002.3)	238.8	1,240.6	-	-	(443.7)	-	(443.7)	-	-	100.00%
11	Chattem Chemicals Inc.	USD	62.50	2,152.1	1,312.4	3,678.4	213.9	-	1,826.0	268.2	104.4	163.8	-	-	100.00%
12	Taro Development Corporation	USD	62.50	0.0	(0.4)	1,241.3	1,241.7	-	-	-	-	-	-	-	100.00%
13	Alkaloida Chemical Company Zrt.	USD	62.50	16,759.4	18,549.6	45,132.2	9,823.2	160.9	799.1	(1,201.3)	-	(1,201.3)	-	-	99.99%
14	Sun Pharmaceutical UK Ltd.	GBP	92.44	0.1	(84.4)	475.6	559.9	-	597.2	22.5	0.0	22.5	-	-	100.00%
15	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	AUD	47.53	0.0	(95.7)	50.6	146.3	-	184.7	(52.4)	-	(52.4)	-	-	100.00%
16	Aditya Acquisition Company Ltd.	ILS	15.74	-	(8.2)	35.0	43.2	-	166.8	(5.4)	3.0	(8.4)	-	-	100.00%
17	Sun Pharmaceutical Industries (Europe) B.V.	EURO	67.20	1.2	(147.6)	395.8	542.2	-	711.7	22.2	-	22.2	-	-	100.00%
18	Sun Pharmaceuticals Italia S.R.L.	EURO	67.20	0.7	(296.8)	511.2	807.3	-	494.3	9.5	3.7	5.8	-	-	100.00%
19	Sun Pharmaceutical Spain, S.L.U	EURO	67.20	0.2	(257.6)	129.2	386.6	-	125.7	(27.1)	-	(27.1)	-	-	100.00%
20	Sun Pharmaceuticals Germany GmbH	EURO	67.20	1.7	(188.0)	191.9	378.2	-	454.9	8.7	-	8.7	-	-	100.00%
21	Sun Pharmaceuticals France	EURO	67.20	2.5	(16.7)	190.3	204.5	-	367.3	0.3	-	0.3	-	-	100.00%
22	Sun Pharma Global (FZE)	USD	62.50	257.8	81,592.6	83,093.6	1,243.2	1,815.4	22,106.3	11,325.6	-	11,325.6	-	-	100.00%
23	Sun Pharmaceuticals (SA) (Pty) Ltd.	ZAR	5.12	0.0	(0.1)	-	0.1	-	-	(0.0)	-	(0.0)	-	-	100.00%
24	Sun Global Canada Pty. Ltd.	USD	62.50	0.1	(1.0)	-	0.9	-	-	(0.0)	-	(0.0)	-	-	100.00%
25	Sun Laboratories FZE	USD	62.50	765.8	(2.7)	763.1	(0.0)	-	-	(0.8)	-	(0.8)	-	-	100.00%
26	Sun Global Development FZE	USD	62.50	178.7	(2.6)	195.7	19.6	-	-	(0.8)	-	(0.8)	-	-	100.00%
27	Sun Pharma Japan Ltd.	JPY	0.52	82.2	(289.2)	14.1	221.1	-	-	(87.0)	0.2	(87.2)	-	-	100.00%
28	Sun Pharma Philippines Inc	PHP	1.40	12.1	(183.2)	280.1	451.2	-	134.0	(88.7)	-	(88.7)	-	-	100.00%
29	Sun Pharma MEA JLT	USD	62.50	170.2	73.6	244.3	0.5	-	-	(24.9)	-	(24.9)	-	-	100.00%
30	Sun Pharma Health Care FZE	USD	62.50	178.7	(6.4)	172.3	(0.0)	-	-	(11.5)	-	(11.5)	-	-	100.00%
31	Sun Pharmaceuticals Korea Ltd.	KRW	0.06	6.0	(1.1)	6.1	1.2	-	-	(0.1)	-	(0.1)	-	-	100.00%
32	Caraco Pharmaceuticals Pvt. Ltd.	INR	1.00	0.1	(0.2)	0.0	0.1	-	-	(0.0)	-	(0.0)	-	-	100.00%
33	Sun Pharma Laboratories Limited	INR	1.00	400.5	185,706.6	192,910.9	6,803.8	21,762.6	43,725.7	1,807.2	2,034.2	(227.0)	-	-	100.00%
34	Morley and Company Inc	USD	62.50	0.2	(0.1)	0.2	0.1	-	-	-	-	-	-	-	100.00%
35	Taro Pharmaceutical Industries Ltd.(TARO)	USD	62.50	16,445.3	71,787.1	91,742.3	3,509.9	-	23,609.4	32,037.6	1,771.6	30,266.0	-	-	68.87%
36	Taro Pharmaceuticals Inc.	CAD	49.03	14.5	40,716.4	43,364.3	2,633.4	-	19,284.6	15,882.8	3,836.8	12,046.0	-	-	68.87%
37	Taro Pharmaceuticals U.S.A, Inc.	USD	62.50	526.5	(1,325.4)	43,084.0	43,882.9	209.3	48,107.4	1,816.7	662.1	1,154.6	-	-	68.87%
38	Taro Pharmaceuticals North America, Inc.	USD	62.50	219.5	15,530.4	16,281.7	531.8	-	5,169.5	3,073.6	-	3,073.6	-	-	68.87%
39	Taro Pharmaceuticals Europe B.V.	EURO	67.20	1.2	(29.1)	3.8	31.7	-	-	(2.2)	-	(2.2)	-	-	68.87%
40	Taro Pharmaceuticals Ireland Ltd.	EURO	67.20	134.5	(350.4)	79.9	295.8	-	-	(86.3)	-	(86.3)	-	-	68.87%
41	Taro International Ltd.	USD	62.50	0.0	2.9	255.2	252.3	-	397.0	(13.8)	(0.0)	(13.8)	-	-	68.87%
42	Taro Pharmaceuticals UK Ltd.	GBP	92.44	0.0	(681.1)	241.9	923.0	-	728.8	(99.9)	0.2	(100.1)	-	-	68.87%

₹ in Million

Sr No	Name of the Subsidiary Company	Reporting Currency	Part 'A': Subsidiaries					Investment other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation		Proposed Dividend	% of shareholding
			Rate	Capital	Reserve	Total Assets	Total Liabilities			(Loss)	Profit / (Loss) after Taxation		
43	Taro Hungary Intellectual Property Licensing LLC.	USD	62.50	6,355.9	2.4	6,361.6	3.3	-	-	46.9	4.7	42.2	40.8
44	Taro Pharmaceuticals Canada Ltd.	CAD	49.03	-	(0.0)	0.0	(0.0)	-	-	(0.0)	-	(0.0)	-
45	Taro Pharmaceutical India Private Ltd.	INR	1.00	0.1	0.7	0.8	-	-	-	(0.2)	-	(0.2)	-
46	Aditya Pharma Private limited	USD	62.50	0.2	(0.1)	-	(0.1)	-	-	(0.0)	-	(0.0)	-
47	Alkaloids Sweden AB	SEK	7.24	0.4	-	6.8	6.4	-	6.7	(25.6)	-	(25.6)	-
48	Dusa Pharmaceuticals Inc	USD	62.50	0.6	1,142.1	12,040.8	10,898.1	-	6,898.3	2,198.5	826.8	1,371.7	-
49	URL Pharma Inc	USD	62.50	4,416.9	1,070.3	5,487.3	0.1	-	-	-	-	-	-
50	AR Scientific Inc	USD	62.50	(83.8)	10.3	(72.7)	0.8	-	0.0	(0.1)	-	(0.1)	-
51	Mutual Pharmaceutical Company, Inc.	USD	62.50	5,086.0	6,743.1	13,860.3	2,031.2	-	6,051.3	(50.9)	73.0	(123.9)	-
52	United Research Laboratories, Ltd.	USD	62.50	415.4	(91.9)	338.3	14.8	-	9.9	(96.9)	(37.4)	(59.5)	-
53	Dungan Mutual Associates, LLC	USD	62.50	(77.1)	29.1	(37.8)	10.2	-	-	23.6	9.2	14.4	-
54	URL PharmPro, LLC	USD	62.50	(350.9)	(286.6)	(707.1)	(69.6)	-	-	(177.9)	(69.1)	(108.8)	-
55	Dusa Pharmaceuticals New York Inc	USD	62.50	-	(121.7)	(117.4)	4.3	-	-	(46.8)	-	(46.8)	-
56	FastStone Mercantile Company Private Limited	INR	1.00	0.1	9.0	9.1	0.0	9.1	-	(0.0)	0.0	(0.0)	-
57	Neetnav Real Estate Private Limited	INR	1.00	3.0	11.0	3,222.0	3,208.0	3,051.5	0.8	2.8	1.0	1.8	-
58	Realstone Multitrade Private Limited	INR	1.00	0.1	9.0	9.1	0.0	9.1	-	(0.0)	0.0	(0.0)	-
59	Skisen Labs Private Limited	INR	1.00	0.1	(9.2)	364.9	374.0	8.9	(0.0)	(18.1)	0.0	(18.1)	-
60	Softdeal Trading Company Private Limited	INR	1.00	0.1	8.6	8.7	0.0	8.7	-	(0.0)	0.0	(0.0)	-
61	Universal Enterprises (Pvt) Ltd.	INR	1.00	4.5	0.8	5.3	0.0	-	-	(0.0)	-	(0.0)	-
62	Sun Pharma Switzerland Ltd.	CHF	64.28	6.4	(0.9)	5.8	0.3	-	-	(0.5)	-	(0.5)	-
63	Sun Pharma Holdings (Previously Known as Nogad Holdings)	USD	62.50	213,799.6	350.2	214,153.4	3.6	-	173.2	170.3	-	170.3	-
64	Silverstreet Developers LLP	INR	1.00	0.5	2,775.7	2,776.2	0.0	2,775.6	-	(0.2)	(0.0)	(0.2)	-
65	Pharmalucence Inc.	USD	62.50	5,459.3	(195.8)	5,984.4	720.9	-	1,143.7	(310.6)	(114.8)	(195.8)	-
66	PI Real Estate Ventures LLC	USD	62.50	562.6	58.5	1,804.8	1,183.7	-	-	92.9	34.4	58.5	-
67	Sun Pharma East Africa Limited	KS	0.66	0.1	(0.6)	6.3	6.8	-	-	(0.9)	(0.3)	(0.6)	-
68	Ranbaxy Drugs Limited	INR	1.00	31.0	1,699.2	1,756.7	26.5	1,725.0	-	30.5	0.4	30.1	-
69	Vidyut Investments Limited	INR	1.00	250.1	(226.5)	24.7	1.1	-	-	2.0	0.8	1.2	-
70	Gulfic Pharma Limited	INR	1.00	0.5	3.5	4.0	-	2.8	-	0.2	-	0.2	-
71	Basics GmbH,	EURO	67.20	327.6	180.8	2,970.4	2,462.0	-	1,557.7	(10.8)	-	(10.8)	-
72	Ranbaxy GmbH	EURO	67.20	1.7	-	294.8	293.1	-	111.8	-	-	-	-
73	Ranbaxy Pharmaceuticals Ukraine LLC	UAH	2.70	107.7	3.7	225.6	114.2	-	514.0	6.6	10.3	(3.7)	-
74	Ranbaxy Morocco LLC,	MAD	6.29	77.0	(234.6)	486.1	643.7	-	316.5	(153.1)	1.6	(154.7)	-
75	Ranbaxy-PRP (Peru) S.A.C.,	PEN	20.27	88.0	(173.1)	46.5	131.6	-	14.0	(61.6)	-	(61.6)	-
76	Ranbaxy Holdings (U.K.) Ltd.,	GBP	92.44	2,824.6	129.8	2,961.6	7.2	-	-	0.2	-	0.2	-
77	Ranbaxy Pharmacie Genériques SAS,	EURO	67.20	1,676.5	(3,009.2)	692.0	2,024.7	-	1,706.8	(429.7)	-	(429.7)	-
78	Office Pharmaceutique Industriel Et Hospitalier SARL ("OPIH SARL")	EURO	67.20	89.4	(29.6)	233.2	173.4	-	350.1	0.9	-	0.9	-
79	Ranbaxy Italia S.P.A	EURO	67.20	13.4	(11.5)	929.8	927.9	-	1,345.4	(29.7)	-	(29.7)	-
80	Ranbaxy Belgium NV,	EURO	67.20	37.8	(0.5)	53.8	16.5	-	-	-	-	-	-
81	Ranbaxy Pharmaceuticals (Pty) Ltd. (Previously known as Be-Tab Pharmaceuticals (Proprietary) Ltd.)	ZAR	5.12	-	91.3	2,204.7	2,113.4	-	1,327.1	(262.4)	-	(262.4)	-
82	Sonke Pharmaceuticals (Pty) Ltd,	ZAR	5.12	-	(27.0)	583.1	610.1	-	134.1	(62.5)	(17.4)	(45.1)	-
83	Ranbaxy South Africa Proprietary Ltd.	ZAR	5.12	1.9	459.6	1,510.6	1,049.1	-	1,052.3	(65.2)	18.8	(84.0)	-
84	Ranbaxy Egypt (L.L.C.)	EGP	8.19	39.7	138.2	715.2	537.3	-	376.2	35.4	11.8	23.6	-
85	Rexcel Egypt (L.L.C.),	EGP	8.19	2.0	(7.4)	64.5	69.9	-	21.7	(5.8)	0.1	(5.9)	-
86	Ranbaxy (UK) Limited	GBP	92.44	2,010.6	(1,058.4)	2,212.5	1,260.3	-	2,672.7	295.8	21.1	274.7	-

Part 'A': Subsidiaries														₹ in Million
Sr No	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	Proposed Dividend	% of shareholding
87	Ranbaxy Poland S.P.Z o.o.,	PLN	16.50	70.8	60.4	179.5	48.3	-	717.4	31.6	7.7	23.9	59.2	100.00%
88	Ranbaxy Nigeria Ltd.,	NGN	0.32	12.7	934.9	2,157.4	1,209.8	-	1,054.4	115.5	53.1	62.4	-	85.31%
89	Ranbaxy (Thailand) Co., Limited	THB	1.92	31.7	33.0	140.5	75.8	-	262.4	44.4	9.0	35.4	-	100.00%
90	Ohm Laboratories Inc.,	USD	62.50	14.9	5,277.8	17,913.2	12,620.5	-	17,134.5	(484.1)	(152.1)	(332.0)	-	100.00%
91	Ranbaxy Laboratories Inc.,	USD	62.50	-	6,105.9	21,252.7	15,146.8	-	12,999.2	5,499.1	1,923.6	3,575.5	-	100.00%
92	Ranbaxy Signature LLC,	USD	62.50	-	(555.8)	27.3	583.1	-	195.3	111.0	-	111.0	-	67.50%
93	Ranbaxy Pharmaceutical, Inc.,	USD	62.50	-	6,138.1	32,275.9	26,137.8	-	20,309.0	(197.2)	(41.9)	(155.3)	-	100.00%
94	Ranbaxy, Inc.,	USD	62.50	812.5	14,057.0	36,624.4	21,754.9	-	1,873.9	(69.4)	39.9	(109.3)	-	100.00%
95	Ranbaxy USA, Inc,	USD	62.50	9,871.7	(75.3)	10,740.6	944.2	-	-	(0.0)	(1.9)	1.9	-	100.00%
96	Ranbaxy Ireland Ltd.,	EURO	67.20	477.9	732.9	1,745.1	534.3	-	3,099.2	212.9	24.9	188.0	134.4	100.00%
97	ZAO Ranbaxy,	RUB	1.07	3.2	424.6	2,334.5	1,906.7	-	3,157.2	(44.4)	(3.8)	(40.6)	-	100.00%
98	Laboratorios Ranbaxy, S.L.,	EURO	67.20	67.2	(87.2)	518.6	538.6	-	592.0	80.8	-	80.8	-	100.00%
99	Ranbaxy Malaysia Sdn. Bhd.	MYR	16.86	134.9	533.8	1,799.6	1,130.9	-	1,144.4	(301.7)	(7.6)	(294.1)	-	71.22%
100	Ranbaxy Farmaceutica Ltda.,	BRL	19.34	335.9	(970.1)	1,132.7	1,766.9	-	1,113.5	(411.0)	-	(411.0)	-	100.00%
101	Ranbaxy Europe Ltd.,	GBP	92.44	0.9	153.7	281.7	127.1	-	515.0	24.5	6.9	17.6	-	100.00%
102	Ranbaxy Australia Proprietary Ltd.,	AUD	47.53	437.3	(1,305.0)	514.0	1,381.7	-	1,671.9	41.2	-	41.2	-	100.00%
103	Ranbaxy Pharmaceuticals Canada Inc.,	CAD	49.02	110.3	209.0	1,528.9	1,209.6	-	2,356.7	(282.1)	26.0	(308.1)	-	100.00%
104	S.C Terapia S.A. ,	RON	15.20	380.3	6,797.7	12,152.6	4,974.6	-	8,064.4	1,449.9	228.1	1,221.8	-	96.70%
105	Be-Tab's Investments (Proprietary) Ltd.,	ZAR	5.12	-	18.2	20.7	2.5	-	-	(0.1)	-	(0.1)	-	100.00%
106	Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda	EURO	67.20	0.3	(0.6)	0.7	1.0	-	-	(0.5)	-	(0.5)	-	100.00%
107	Ranbaxy (Netherlands) BV.	USD	62.50	36,784.3	12,981.0	50,155.8	390.5	103.6	-	(4,306.5)	3.1	(4,309.6)	-	100.00%

Note :

- 0.0' represents amount less than 0.05 million and rounded off.
- The above does not include 3 Skyline LLC, Tarochem Ltd, Orta Ltd, Sirius Laboratories Inc, Taro Pharmaceutical Laboratories Inc being subsidiaries of Taro Pharmaceutical Industries Ltd, Sun Universal Ltd., Caraco Pharma Inc. and Khyati Realty ME Ltd. as they have no operation and does not have any Assets, Liabilities or Equity as on the close of their Financial Year.
- With effect from January 1, 2015 Sun Pharma Global Inc. merged with the Holding company.
- With effect from March 1, 2015 Sun Pharma MEA JLT merged with Sun Pharma Global FZE.
- With effect from October 28, 2014 Ranbaxy USA, Inc. has been liquidated.
- With effect from February 28, 2015 Aditya Pharma Private Limited has been liquidated.
- With effect from December 10, 2014 and December 11, 2014 Orta Limited and Tarochem Limited has been dissolved respectively.
- With effect from May 6, 2014 Sun Universal Ltd. and Khyati Realty ME Ltd. has been dissolved.

Part “B”: Associate Companies and Joint Ventures

Sr. No	Name of Associates/Joint Ventures	Jointly Controlled Entity				Associate				₹ in Million
		Artes Biotechnology GmbH	MSD - Sun LLC	S & I Ophthalmic LLC	Zenotech Laboratories Limited	Daichichi Sankyo (Thailand) Limited	Reanal Limited	Enceladus Pharmaceutical B.V.	Shimal Research Laboratories Limited	
1.	Latest audited Balance Sheet Date	31-Dec-14	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	NA	31-Mar-15	
2.	Shares of Associate/Joint Ventures held by the company on the year end									
	No.	15,853	NA	2,828,257	16,127,293	890,874	3,441	116,667	9,340,000	
	Amount of Investment in Associates/Joint Venture	192.1	753.2	312.5	2,463.5	124.8	161.0	280.0	934.0	
	Extend of Holding %	45.00%	50.00%	50.00%	46.84%	26.90%	21.14%	23.35%	24.91%	
3.	Description of how there is significant influence	NA	NA	NA	NA	NA	NA	NA	NA	
4.	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	Refer note 51(a)	Refer note 51(b)	Refer note 51(c)	
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	58.8	(408.6)	(189.5)	(272.6)	1,259.5	NA	NA	NA	
6.	Profit / (Loss) for the year									
	i. Considered in Consolidation	(15.20)	(493.80)	(94.8)	(143.2)	17.6	NA	NA	NA	
	ii. Not Considered in Consolidation	(18.60)	(493.80)	(94.8)	(160.9)	65.5	NA	NA	NA	

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director

SAILESH T. DESAI
Wholesale Director

UDAY V. BALDOTA
Chief Financial Officer
Mumbai, 11th August, 2015

SUNIL R. AJMERA
Company Secretary

INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- (i) Ratio of the remuneration* of each director to the median remuneration of the employees of the Company for the financial year 2014-15:

Name of Director	Ratio of remuneration* of each Director to median remuneration of employees
Mr. Israel Makov	1.35
Mr. Dilip S. Shanghvi	80.71
Mr. Sudhir V. Valia	82.20
Mr. Sailesh T. Desai	25.10
Mr. S. Mohanchand Dadha	2.30
Mr. Hasmukh S. Shah	2.44
Mr. Keki M. Mistry	1.49
Mr. Ashwin S. Dani	1.63
Ms. Rekha Sethi	1.49

*Remuneration includes sitting fees paid.

- (ii) Percentage increase in remuneration* of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year 2014-15:

Name & Designation of Director & KMP	% increase / (decrease) in Remuneration in the Financial Year 2014-15	Remuneration* of the Director/ KMP for the financial year 2014-2015** (Rs. in millions)
Mr. Israel Makov, Chairman	3,252.23%	0.50
Mr. Dilip S. Shanghvi, Managing Director	16.98%	29.78
Mr. Sudhir V. Valia, Whole-Time Director	33.12%	30.34
Mr. Sailesh T. Desai, Whole-Time Director	10.08%	9.26
Mr. S. Mohanchand Dadha, Director	(45.86)%	0.85
Mr. Hasmukh S. Shah, Director	(42.68)%	0.90
Mr. Keki M. Mistry, Director	(64.17)%	0.55
Mr. Ashwin S. Dani, Director	(61.17)%	0.60
Ms. Rekha Sethi, Director	# 44.74%	0.55
Mr. Sunil Ajmera, Company Secretary	10.39%	8.17

Percentage increase in remuneration of Mr. Uday Baldota is Not Applicable since he was appointed as Chief Financial Officer of the Company during the financial year with effect from 12th August, 2014.

* Includes Sitting Fees paid to Non-Executive Directors.

** Sitting fees increased from Rs.5,000 to Rs. 50,000 w.e.f. 1st April, 2014. No commission was paid to independent Directors for the year 2014-15.

For the previous year Ms. Rekha Sethi was Director only for part of the year, therefore the percentage increase is not comparable with other Directors.

- (iii) the percentage increase in the median remuneration of employees in the financial year 2014-15 :
14.61%
- (iv) the number of permanent employees on the rolls of Company as on 31st March 2015:
19,452
- (v) the explanation on the relationship between average increase in remuneration and company performance:
The Company's Compensation philosophy is related to Pay to Performers and to be market competitive. We continue to focus on attraction & retention through individual performance.

- (vi) Comparison of the remuneration of the Whole-time Directors and Key Managerial Personnel against the performance of the company;

(Rs. in Millions)

Aggregate remuneration of Whole-time Directors and Key Managerial Personnel in FY 2014-15	102.63
Remuneration of Whole-time Directors and Key Managerial Personnel as % of Profit before Tax	Not Applicable due to Loss
Total Revenue of the Company in FY 2014-15 [standalone]	82,287.7
Remuneration of Whole-time Directors and Key Managerial Personnel as % of revenue	0.12%

- (vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year.

Particulars	As on 31 st March 2014	As on 31 st March 2015	% change
Market Capitalisation (Rs. in Millions)	1,190,401	2,120,665	78.15%
PE ratio (standalone)	Not applicable due to loss	Not applicable due to loss	NA
PE ratio (consolidated)	37.8	54.3	43.53%

Percentage increase /(decrease) in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.

Particulars	*Market Price as on 31 st March 2015 (Rs.)	*Price at IPO (in December, 1994) (Rs.)	% change
BSE	1,022.25	1.25	81,780%
NSE	1,023.90	1.25	81,912%

* The IPO price of Rs.150 per equity share of Rs. 10/- each has been adjusted for split and bonus issues over the years. However, it has not been adjusted for dividend yield.

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in salary of employees other than managerial personnel: 15.45%

Average percentage increase in salary of managerial personnel: 15.31%

- (ix) Comparison of the each remuneration of the Whole-time Directors and Key Managerial Personnel against the performance of the Company;

(Rs. in Millions)

	Mr. Dilip Shanghvi	Mr. Sudhir Valia	Mr. Sailesh Desai	Mr. Uday Baldota	Mr. Sunil Ajmera
Remuneration of Whole-time Directors and Key Managerial Personnel in FY 2014-15 (as per Form 16)	29.78	30.34	9.26	25.08	8.17
Remuneration of Whole-time Directors and Key Managerial Personnel (as % of Profit)	Not Applicable due to Loss				

- (x) Key parameters for any variable component of remuneration availed by the directors;
No Variable component paid to Directors for the financial year 2014-15

- (xi) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director i.e. Mr. Sudhir Valia, Whole-time Director during the financial year 2014-15 are as follows:

Name of the employees	Designation	Ratio
Mr. Indrajit Banerjee	President & Chief Financial Officer (in erstwhile Ranbaxy Laboratories Limited)	0.47
Mr. G. K. Jaju	President and Global Head-Technical Operations, Supply Chain, Procurement & API Marketing	0.57
Mr. Ashwani Kumar Malhotra	Executive Vice President-Global Pharma Manufacturing	0.85
Mr. Tausif Monif	Vice President-Clinical Pharmacology and Pharmacokinetics	0.93
Mr. Arun Sawhney	CEO & Managing Director (in erstwhile Ranbaxy Laboratories Limited)	0.17
Mr. Maninder Singh	Global Financial Controller	0.75
Mr. Dale Adkisson	Executive Vice President & Head-Global Quality and Compliance	0.71
Mr. Sanjeev I. Dani	Executive Vice President & Head-Global Strategy, Corporate and Business Development	0.57
Dr. Alexander Gebauer	President & Head-Global R&D	0.74
Mr. Rajiv Gulati	President-Global Pharmaceutical Business	0.92

Note: All the above employees are of erstwhile Ranbaxy Laboratories Limited who have become employees of the Company pursuant to the merger effective from 24th March, 2015.

- (xii) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note: All the details of remuneration given above are as per Form 16 as per Income Tax Act, and the ratios are calculated on that basis.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Israel Makov
Chairman

Dilip S. Shanghvi
Managing Director

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

Rekha Sethi
Director

CHIEF FINANCIAL OFFICER

Uday V. Baldota (w.e.f. August 12, 2014)

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.
Deutsche Bank
Hong Kong and Shanghai Banking Corporation Ltd
ICICI Bank Ltd
Kotak Mahindra Bank Ltd
Punjab National Bank
Royal Bank of Scotland
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

1. Silvassa, Dadra & Nagar Haveli, India.
2. Dadra, Dadra & Nagar Haveli, India.
3. Halol, Gujarat, India.
4. Panoli, Gujarat, India.
5. Ankleshwar, Gujarat, India.
6. Karkhadi, Gujarat, India.
7. Ahmednagar, Maharashtra, India.
8. Maduranthakamm, Tamil Nadu, India.
9. Dahej, Gujarat, India.
10. Mohali, Punjab, India.
11. Ponda, Goa, India.
12. Paonta Sahib, Himachal Pradesh, India.
13. Batamandi, Himachal Pradesh, India.
14. Baddi, Himachal Pradesh, India.
15. Baddi -2, Himachal Pradesh, India.
16. Dewas, Madhya Pradesh, India.
17. Malanpur, Madhya Pradesh, India.
18. Toansa, Punjab, India.
19. Sun Pharma Laboratories Ltd.
Jammu, Jammu & Kashmir, India.
20. Sun Pharma Laboratories Ltd.
Samba, Jammu & Kashmir, India.
21. Sun Pharma Laboratories Ltd.
Ranipool, Sikkim, India.
22. Sun Pharma Laboratories Ltd.
Setipool, Sikkim, India.
23. Sun Pharmaceutical (Bangladesh) Ltd.
Joydevpur, Gazipur, Bangladesh.
24. Sun Farmaceutica Do Brasil Ltda (TKS Farmaceutica Ltda) Jardim Pompeia, Goiania, Brazil.
25. Ranbaxy Farmaceutica Ltda
São Gonçalo, Rio de Janeiro, Brazil.
26. Taro Pharmaceuticals Inc.
Brampton, Ontario, Canada.
27. Ranbaxy Egypt (L.L.C.)
October City, Giza, Egypt.
28. Alkaloida Chemical Company Zrt
Tiszavasvari, Kabay, Hungary.
29. Ranbaxy Ireland Ltd.
Cashel, Tipperary, Ireland
30. Taro Pharmaceutical Industries Ltd.
Haifa Bay, Israel.
31. Ranbaxy Malaysia Sdn. Bhd.
Kuala Lumpur, Malaysia.

32. Ranbaxy Morocco LLC
Casablanca, Morocco.
33. Sun Pharma de Mexico S.A.
El Sifon, Iztapalapa, Mexico.
34. Ranbaxy Nigeria Limited
Lagos, Nigeria.
35. S.C Terapia S. A. Cluj, Romania.
36. Ranbaxy Pharmaceuticals (Pty) Ltd.
Roodepoort, Johannesburg, South Africa.
37. Chatterm Chemicals, Inc.
Chattanooga, USA.
38. Dusa Pharmaceuticals Inc.
Wilmington, Massachusetts, USA.
39. Sun Pharmaceutical Industries Inc.
Cranbury, New Jersey, USA.
40. Sun Pharmaceutical Industries Inc.
Bryan, Ohio, USA.
41. URL Pharmaceuticals Inc. Aurora, USA.
42. URL Pharmaceuticals Inc.
Philadelphia, USA.
43. Pharmalucence Inc.
Billerica, Massachusetts, USA.
44. Ohm Laboratories, Inc.
Brunswick, New Jersey, USA.

OFFICES

Registered Office

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

Corporate Office

SUN HOUSE, CTS No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai 400063, Maharashtra.

MAJOR RESEARCH CENTRES

1. F.P.27, Part Survey No. 27, C.S. No. 1050, TPS No. 24, Village Tandalja, District, Vadodara - 390 020, Gujarat, India
2. 17-B, Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra.
3. Village Sarhaul, Sector-18 , Gurgaon - 122015 (Haryana), India
4. Chemistry and Discovery Research Israel, 14 Hakitor Street, P.O. Box 10347 Haifa Bay 2624761, Israel.
5. Taro Pharmaceuticals Inc., 130 East Drive, Brampton, Ontario L6T 1C1, Canada
6. Ohm Laboratories Inc., Terminal Road, New Brunswick, New Jersey 08901 USA



SUN HOUSE, CTS No. 201 B/1,
Western Express Highway,
Goregaon (E), Mumbai 400063, Maharashtra.
Tel : (+91 22) 4324 4324
Fax : (+91 22) 4324 4343
CIN: L24230GJ1993PLC019050
www.sunpharma.com

BUSINESS RESPONSIBILITY REPORT

MESSAGE FROM THE DIRECTOR'S DESK

The global environment for the pharmaceutical industry is changing at a rapid pace and business models have to be dynamic to navigate these external shifts. While we remain nimble and agile to harness new opportunities and circumvent challenges, our values anchor us through this journey. They are the foundation of our business and it is their diligent practice that has enabled us to become the world's 5th largest speciality generic pharmaceutical company.

One of our key value is 'responsibility' – responsibility towards patients, healthcare professionals, community, planet, regulatory bodies, suppliers, distributors, employees, and shareholders alike. We therefore synergize our business of pharmaceuticals, with community development, environment stewardship and sustainability initiatives.

While nurturing nature and participating actively in societal causes is as old as our business itself, two years ago, we synthesized all these elements in one cohesive model based on the National Voluntary Guidelines (NVG). This lent sharper focus to our initiatives and aligned them with national goals. This year our CSR activities have witnessed encouraging traction. As we accelerate up the learning curve of our new model, the engagement with sustainability issues and the resultant outcomes, both will garner more momentum

Employee Wellness

Our multi-cultural team of more than 30,000 employees are our most valuable assets. By engaging with them, we strengthen our bonds and motivate them to perform to their peak potential. Celebrating the diversity of human capital and respecting the dignity of human rights, we have grown along with them. We are committed to inculcate our sustainability values in them, so that they act as ambassadors of the company and help us in spreading these values to their circle of influence.

Environment Wellness

We have institutionalised a comprehensive EHS (Environment, Health and Safety) policy to administer and guide our operations. Our product offerings have the hallmark of technology-based differentiation and so do our environmental initiatives. We invest in technology and leverage it to increase the efficiency and effectiveness of our processes and save energy. In FY15, 2.7 million kWh of energy was generated through clean power. Many of our facilities are 'Zero Liquid Discharge' and we are in process of emulating the same for the rest of our units.

Community Wellness

Working closely with patients from all strata of society, compassion for the community comes naturally to us. Hence, we are taking initiatives not only to make healthcare more within reach – financially as well as geographically, we are also enhancing our efforts to mainstream the socially marginalised. In cases, where critical lifesaving medicines are involved, we provide them at zero cost as well.

Health, education, water, livelihood, environment and disaster relief are some of our key priorities. We also help conduct vocational training in communities and undertake local-level community programmes based on the needs of the residents.

An overview of our activities is covered in this Business Responsibility Report (BRR). We welcome your insights and feedback to help us enhance our sustainability quotient.

Regards,

Sudhir V. Valia
Whole-time Director

With world's seventh-largest geographical footprint, third-largest ecological footprint, and second-largest human footprint, India is home to not just a diversity of cultures but also a diversity of challenges. Be it burgeoning GHG emissions or insufficient healthcare access, be it depleting water table or school dropouts – several areas act as impediments to development.

The only way to grow is to grow holistically. It's imminent for the corporate world to look beyond the boundaries of business and embrace shared responsibilities. Companies must enhance value for its shareholders, as well as assume accountability towards its other stakeholders.

As leaders of the industry with over 30,000+ employees, 48 manufacturing sites, 150+ markets served and a portfolio of

2,000+ marketed products, we at Sun Pharma strongly believe that business and responsibility go hand in hand. Striking the right balance between the triple bottom lines of economic, environmental and social is our approach towards 'creating lasting value'.

This Business Responsibility Report is a testimony of our commitment to all our stakeholders. In line with SEBI's proposed index and the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', the report enumerates our efforts to conduct business with responsibility. The data presented in this report includes the impact of the merger of erstwhile Ranbaxy Laboratories Ltd (RLL) with Sun Pharma. Hence, it is not strictly comparable with the data of the previous year.

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-2014 to 31-March-2015
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)	Cip-Isotretinoin Liposomal Doxorubicin Valsartan
9	Total number of locations where business activity is undertaken by the	
	1. Number of international locations (Provide details of major 5)	US, Romania, Canada, Russia, South Africa
	2. Number of national locations	Facilities - Halol, Panoli, Karkhadi, Ankleshwar and Dahej (all in Gujarat), Baddi, Paonta Sahib and Batamandi (all in Himachal Pradesh), Mohali and Toansa (all in Punjab), Malanpur and Dewas (both in Madhya Pradesh), Ahmednagar (Maharashtra), Maduranthakam (Tamil Nadu), Dadra, Silvassa, Jammu, Sikkim, Goa R&D Centres – Vadodara (Gujarat) and Mumbai (Maharashtra), Gurgaon (Haryana) Registered and corporate offices – Vadodara (Gujarat) and Mumbai (Maharashtra) respectively. Pan-India Distribution Network
10	Markets served by the Company – local/ state/ national/ international	Over 150 markets served across 5 continents - Asia, Americas, Europe, Africa and Australia

SECTION B: Financial Details of the Company

1	Paid-up capital (INR)	2,071.2 million
2	Total turnover (INR)	82,288 million (stand-alone)
3	Total profit after taxes (INR)	(14,741) million (stand-alone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Due to losses recorded in the last 3 years, the company is not required to allocate any amount towards CSR. However, it has voluntarily spent ₹ 46.7 million on CSR activities for the year
5	List of activities in which the above expenditure has been incurred	Refer Principle 8 'Equitable Development'

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
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	In due course of time, Sun Pharma intends to take its sustainability policies and initiatives beyond the boundaries of its manufacturing facilities and spread awareness amongst the relevant stakeholders.

SECTION D: BR Information**1 a. Details of the Director/Directors responsible for implementation of the BR (Business Responsibility) policy/ policies**

# DIN Number	5561
# Name	Mr. Sudhir V. Valia
# Designation	Whole-time Director

b. Details of the BR head

# DIN Number (if applicable)	Mr. Sudhir V. Valia, Whole-time Director of Sun Pharma, oversees the BR implementation. However the Company does not have a BR head as of now
# Name	
# Designation	
# Telephone number	
# E-mail id	

2 Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

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 with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and is approved by the Board								
3 Does the policy conform to any national /international standards? If yes, specify? (50 words)	All the policies are compliant with respective principles of NVG guidelines								
4 Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	All the policies have been approved by the Board and have been signed by the Managing Director								

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5 Does the company have a specified committee of the Board / Director/Official to oversee the implementation of the policy?	The Board has appointed Mr. Sudhir Valia, Whole-time Director - Sun Pharma, to oversee policy implementation								
6 Indicate the link for the policy to be viewed online?	Copies will be made available on receipt of written request from shareholders								
7 Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to internal stakeholders. The external stakeholders will be communicated in due course								
8 Does the company have an 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 mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10 Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	It will be done in due course								

3 Governance related to BR

1 Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company? Within 3 months, 3-6 months, Annually, More than 1 year	Annual								
6 Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The BR report for 2014-15 can be accessed through the link: http://www.sunpharma.com/pdflist/all-documents . It is published annually								

PRINCIPLE 1 – ETHICS, TRANSPARENCY AND ACCOUNTABILITY

A company's governance practices have a direct bearing on its sustainable growth. At Sun Pharma, we have always traversed the ethical growth path guided by a principled leadership team, robust governance mechanisms and transparent accounting platforms. This has helped us to boost shareholder trust, gain competitive advantage as well as remain responsible towards our employees, our communities and the environment.

Our corporate governance philosophy values the following principles:

1. High levels of transparency
2. Accountability
3. Consistent value systems
4. Delegation of responsibility across all facets of operations

To ensure that these principles translate into consistent practice, the below enablers lead us towards high standards of business conduct.

Leadership

Our Board of Directors lead the Company towards a sustainable growth path based on integrity, fairness and responsibility. The Board members bring to the table, a wealth of experience,

the strength of entrepreneurship and the breadth of global perspective.

Board Committees

Dedicated board committees are formed to oversee important functions to increase the efficacy of governance. These are led by the top management team and comprise Audit Committee, Remuneration Committee, Shareholders' / Grievance Committee and Committee of Directors.

Code of Conduct & Policy

Our code of conduct encourages and enables our employees to succeed by embracing fair practices. In addition to the code of conduct, various policies have also been designed to address specific purposes.

We are continuously and consistently pushing the envelope on our commitment to the best benchmarks of governance. In the financial year, we formed a Committee for Nomination and Remuneration to embed integrity in the selection of members of the management.

We also actively solicit feedback from all our stakeholders on our business conduct and keep our code and policies updated. In this

reporting year, we received 10 stakeholder concerns, all of which have been resolved.

PRINCIPLE 2 – PRODUCT LIFE CYCLE SUSTAINABILITY

We belong to an industry where our products heal the society. But that doesn't absolve us from our responsibility towards our neighbourhood community and the environment. Our approach is to add value in such a manner that not only are our products affordable and accessible, but our practices are also sustainable and equitable.

More Power to Patients

We live in an age where the cost of quality healthcare is increasing way beyond the spending capacity of many families. As a responsible pharmaceutical company, we place immense thrust on enhancing the access to high-quality affordable medicines which are trusted by healthcare professionals and patients alike.

Our product agenda is: 'more the affordability of our products, more is our reachability to the patients'.

We also distribute some of our critical life-saving products at no cost, to those in need. Three such products that have broken the affordability and accessibility barrier are:

Rilutor (Riluzole)

Used for treating Amyotrophic Lateral Sclerosis (a life threatening disease), this product is distributed free of cost to all patients.

Decitabine

An enabler to oncology therapy, it is available at a significant discount compared to innovator's price.

Istavel

A diabetes care drug, it is available at a significant discount, compared to global price.

More Power to People

Along with spreading wellness through our products, we also work for the welfare of the neighbourhood economy by sourcing local material and labour wherever possible. Local sourcing is also an environmentally sustainable option as decrease in logistics significantly reduces the carbon footprint.

But the nature of our business, demands us to tread cautiously without compromising the quality. Hence, we ensure that the local vendors are upgraded in terms of manufacturing know-how and quality standards. Significant suppliers are offered advances or short term credits to build their capacity and capability, which mutually benefits us and them. Our facilities at Ahmednagar, Panoli and Sikkim have identified and encouraged various local vendors.

More Power to the Planet

Human health cannot be claimed at the cost of the planet's health. We strive to produce more sustainably and continuously introduce and iterate environment-friendly manufacturing processes and systems. For more details regarding this, please refer Principle 6 of this report.

With a diverse product portfolio and complex production processes, calculating our environmental performance per product poses unique challenges. Hence, we manage our total annual water and energy performance vis-à-vis our total annual production:

Production: 14,428 tonne

Water usage: 2,556,498 KL

Energy Usage:

Electricity (kWh)	LDO (L)	FO (L)	HSD (L)	Briquette (MT)
293,382,060	327,944	7,509,647	4,881,695	39,646

PRINCIPLE 3 – EMPLOYEE WELL-BEING

Human capital is the key asset of an organisation. At Sun Pharma, we nurture talent by providing them the right mix of challenges and opportunities, learning platforms and leading positions, safe workplace and egalitarian work culture, plus professional growth and personal development. In turn, they help us deliver exceptional products.

One of the key tools of our talent management approach is freedom of communication. Active engagement with employees across tiers ensures transparency, camaraderie and feedback. It enables the people managers to address employee concerns and build on the company's strengths leading to enthused workforce, improved quality, reduced turnover and greater productivity.

Our HR policies focus on 360° development of our employees and cover all requisites, right from recruitment to retention. We also revisit these policies at regular intervals and make amendments if and when necessary.

Continuous Learning

Knowledge is a key differentiator in our business. Continuous learning is thus imperative to remain ahead in the league. We offer various development opportunities to our employees which are customised as per the need of the individuals and their functions. We have an in-house competency development mechanism as well as support external capability enhancement in elite institutions for employees who have completed three years with us and show a tremendous urge to learn.

Equality of Opportunity

Diversity and merit are the two enablers of ensuring equality of opportunity for our workforce, at the time of recruitment and during the course of employment. Bias, discrimination and harassment have no room at our workplace.

Our workforce is a fine blend of talent from different age groups, genders, castes, domains, religions, cultural backgrounds etc. Such a diverse human capital brings to the table, multiple thought processes resulting in innovative solutions.

As of 31st March, 2015, we including all our subsidiaries, had a total workforce of about 33,000 employees on our payroll. Of these, women employees accounted for about 3,200 while we employed about 20 employees with disabilities.

Freedom of Association

We have always encouraged employees to communicate, whether individually or by forming an association. Union of employees that pursue the interests of its members, keeping in mind the overall business environment, is given its due importance. At present, there is a management-recognised employee association, which covers approximately 15% of our employee membership.

Health and Safety

Health and safety of workforce is paramount. Our robust Environment, Health and Safety (EHS) policy stands testament to our commitment to protect those who build our Company. Strict compliance to ISO/OHSAS 18001 standards and to the laws of the land is non-negotiable at Sun Pharma.

We follow the 'Workplace Wellness' mantra to improve the safety of our employees. We also continue to invest in safety training to build a culture where, each employee is completely aware of the precautionary measures to be taken for avoiding emergency situations as well as steps to be taken if they unfortunately arise. The reporting year saw the safety and skill up-gradation training of approximately 15% of our employees.

We encourage reporting of accidents, injuries and near-misses, which enables us to be better prepared in the future. Safe work practices are endorsed and the usage of unsafe equipment is disallowed.

Key ingredients of our occupational health and safety approach

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

Recognition & Recreation

Recognition and recreation are crucial to motivate the employees to perform to the best of their potential. We have specific modules

to reward talent. Some of these means and modules of employee recognition and recreation include:

1. Special celebration to accord due recognition to the retiring employee
2. Long-service award to recognize the loyalty and commitment of employees
3. Family picnics to foster camaraderie

PRINCIPLE 4 – STAKEHOLDER ENGAGEMENT

Engagement builds trust and trust nurtures relationships. With all our stakeholders we share lasting bonds, thanks to our well-rounded engagement mechanism. The opinions and insights of our internal as well as external stakeholders is a rich source of feedback for us. It enables us to add value to our products, processes and policies, which ultimately leads to win-win business relationships.

'Inclusivity', 'accountability' and 'responsibility' are the three cogs which are at the heart of our engagement agenda.

Inclusivity

We have identified all stakeholders, whether internal or external, who directly or indirectly influence our business operations. This ensures that we do not miss out any voice. Our major stakeholders include:

1. Employees
2. Neighbouring Communities
3. Patients
4. Healthcare Professionals
5. Investors & Shareholders
6. Vendors, Suppliers & Distributors
7. Government & Regulators

Accountability

Accountability is one of our key commitments towards our stakeholders. We stay committed towards providing reliable information and having a sincere interaction. Our corporate website plays an important role in doing that along with our annual and quarterly reports, investor presentations, official press releases, vendor meets and customer feedback sessions. Dedicated portals for employees, vendors and field staff are also designed to step up in communication and collaboration.

Responsibility

We are thoughtful to the needs of all the stakeholders who are affected by our business, as those are the ones who support our operation. We believe that those who are marginalised need special focus from the corporate world. Towards this, we continuously and consistently plan and implement initiatives, which can alleviate their struggles and provide well-being. For details, please refer Principle 8.

PRINCIPLE 5 – HUMAN RIGHTS

Human rights are fundamental rights and we adhere to this principle in the most earnest spirit. Confirming our commitment is our Human Rights Policy which spans various principles ranging from freedom of association to freedom from harassment, and applies across our operations.

Not only our intentions, but also our actions are compliant with all the statutory laws and regulations. In the financial year, there were no human rights violation complaints relating either to child, forced and involuntary labour, or sexual harassment / discriminatory employment, against the Company.

PRINCIPLE 6 – ENVIRONMENT

Clean air, fresh water, rich biodiversity and abundant natural resources is imperative to human health and well-being. At Sun Pharma we are aware of the environmental challenges that resource depletion pose and are converting them into business opportunities by taking systematic conservation measures. Reducing our dependence on scarce resources is not only easing the pressure on the planet but also improving our operational cost.

We have a robust Environment, Health & Safety (EHS) policy and our employees are encouraged to practice this philosophy. The teams remain vigilant to spot potential environmental perils and develop pertinent steps to address those risks.

Our green must dos:

1. Ensure statutory compliance
2. Optimize natural resources
3. Effect continuous improvement in environment management
4. Innovate greener technologies and processes
5. Spread green awareness across internal and external stakeholders

Waste Management

Systematic processes are in place at Sun Pharma to ensure effective waste management.

3Rs in Action at Sun Pharma

1. Reduce the production of waste by minimising waste at source
2. Recycle waste materials including solvents, wastewater, glass, plastic liners, fibre drums, metal drum sheets, HDPE sheets and waste oil.
3. Reuse the recovered solvents as and when possible

We have well-equipped solvent recovery and effluent treatment plants at our facility premises for recycling. Some of the materials are recycled through registered recyclers and materials like paper, plastic and HDPE are sent to scrap vendors. Disposal is done in a safe and responsible manner at Government approved sites.

We are happy to state that many of our facilities are already certified as Zero Liquid Discharge (ZLD) facilities, and some are in the process of obtaining the status.

Energy Conservation

Reducing energy consumption can go a long way towards environmental protection. At Sun Pharma, interventions of different magnitude are executed to conserve as much energy as possible. These interventions broadly focus on using energy efficiently in manufacturing processes and tapping technology to generate green energy.

Green Investments

We have invested in green energy. Prime amongst them is the investment in generation of wind energy. One of our facilities is dedicated towards harnessing the power of wind to generate energy. In FY15, we generated around 2.7 million kWh of clean energy.

Greener Operations

Initiatives that reduce our energy consumption across our operations by optimising the processes have given fruitful results. Some of them include:

1. Installation of boiler economisers and air pre-heaters
2. Using condensate recovery pumps
3. Hot water generation from jacket heat exchanger
4. Use of fuel-efficient packaged boilers that use heat from waste gases of engine exhaust
5. Steam generation from exhaust gas and hot water generation from jacket heat
6. All AHUs are installed with VFD to save energy
7. Use of energy efficient screw chillers and rotary air compressor with VFD
8. Replacing reciprocating type air compressors with two screw type air compressors
9. Replacing reciprocating type chillers with two screw type chillers
10. Recovery of gas super heater to make hot water
11. Generating steam from waste heat of the captive power plant
12. Installation of motion sensors to reduce electricity wastage
13. Collection of steam condensate and transferring it to boiler feed water collection tank

Carbon Emission

We are switching from 'conventional' furnace oil / light diesel oil boilers to 'eco-efficient' biomass briquette-based boilers.

This Clean Development Mechanism (CDM) project spearheaded to restrict the emissions of our operations will achieve two purposes:

1. Social well-being: It will generate additional income opportunities for the local population
2. Environmental well-being: It will replace fossil fuels by a carbon-neutral fuel

As of now, we have six functional facilities equipped with the biomass fuelled boilers, with a total steam generation capacity of 54 tph. As of 31st March, 2015, there were no pending notices from pollution control boards.

PRINCIPLE 7 – POLICY ADVOCACY

The objective of our participation in public policy advocacy is centred on ushering effective and affordable healthcare solutions for all citizens of India. Leveraging our vast experience and leadership position, we provide strategic insights and in-depth inputs to the policy makers in creating public policies which create common good for the patients.

We collaborate with numerous trade and industry associations and are members of:

1. Indian Drug Manufacturing Association
2. Indian Pharmaceutical Alliance
3. Bombay Chamber of Commerce
4. Confederation of Indian Industry
5. Pharmaceuticals Export Promotion Council of India

PRINCIPLE 8 – EQUITABLE DEVELOPMENT

For sustained growth, economic progress and equitable development both need to go hand-in-hand. Unlike a prevalent narrative, both can actually fuel each other.

In fact, when more people are well educated, enjoying good health and have access to more opportunities, growth is accelerated and continuous. At Sun Pharma, our social responsibility programs are designed to improve the quality of life of the people as well as contribute towards a strong economy.

All our CSR efforts stem from our well-articulated CSR Policy which has been posted on our website.

A wide gamut of our CSR efforts are aimed towards the 'bottom-of-the-pyramid', socio-economically marginalized and opportunity challenged section of the society. Detailed below are a select few:

1. Financially challenged patients continue to gain our assistance in the form of free-of-cost medicines. In the reporting period, we continued to dispense free Riluzole which is used in the treatment of Amyotrophic Lateral Sclerosis (a life-threatening disease) to all patients.
2. We have also been regularly distributing medicines to monasteries in Sikkim.
3. We held blood donation camps at our Halol and Samba facilities, in which 147 employees participated.

Beyond Medicines

Other than providing medicines, we also undertake a host of initiatives like healthcare, building infrastructure, modernizing education facilities, and ensuring sanitation, to elevate deprived

sections of the society.

Healthcare Projects

Core RCHS Program

Initiated in 1979 and implemented by the Ranbaxy Community Healthcare Society (RCHS), the main objective of the project is

- Reduction of infant and maternal mortality rate
- Improve health of adolescent girls
- Prevention & control of communicable diseases (with a focus on malaria, tuberculosis) and non-communicable / other prevalent diseases
- Promote awareness on HIV / AIDS

In FY15, ₹ 12.4 million was contributed towards the program covering 68 villages across the following locations - Mohali, Toansa and Beas in Punjab, Paonta Sahib in Himachal Pradesh, Gurgaon in Haryana and Dewas in Madhya Pradesh. The total number of beneficiaries were 253,384.

Ranbaxy Sanjeevan Swasthya Sewa (RSSS)

A Public Private Partnership (PPP) project between our Company and the Punjab State Government for delivery of primary healthcare services i.e. preventive, promotive & curative, RSSS also focusses on early detection of common cancers through 10 mobile vans.

In operation since 6 years, it saw an investment of ₹ 19.8 million this year across 142 villages of Dist. Bathinda, Muktsar, Mansa, Nawanshehar and Mohali in Punjab. The total no. of beneficiaries were 417,951.

Maatra Shishu Swasthya Sewa

A joint CSR initiative between our Company and Daiichi Sankyo, the program aims to reduce both the Maternal Mortality Rate and Infant Mortality Rate by 50% in 5 years.

Flagged off in November 2011, this financial year saw an amount of ₹ 6.6 million being spent in 82 villages of Vijayganj Mandi & Sunwani Gopal (Dist. Dewas, Madhya Pradesh) benefiting 85,647 persons.

Mobile Medical Unit – Ahmednagar (Maharashtra)

Mobile Medical Unit (MMU) is a primary healthcare project that provides free doorstep health facilities for the marginalized and financially backward section of the society. A full-time dedicated health van, visits the target areas at a regular frequency. It is manned by a dedicated team of qualified experienced doctor, pharmacist and special protection officer, who provide medical check-ups, medicines, expert counselling and referral services for free.

The Ahmednagar MMU is yet to commence service for people residing in 10 neighbouring villages of the plant in Maharashtra and ₹ 1.2 million was invested in FY15 towards this project. The project has been implemented by HelpAge India.

Jaipur Foot Project

The project helps rehabilitation of the physically challenged, especially the economically challenged, by providing them aids that can restore their mobility. The aids include the famous Jaipur Foot, which can enable them to run, climb trees, pedal bicycles and carry on other normal activities as well, plus hand-pedalled tricycles and crutches.

Implementation partners were Bhagwan Mahavir Viklang Sahayata Samiti and Sahachari Foundation Events. Approximately, ₹ 1.0 million was spent across over 100 villages in Karnataka, Andhra Pradesh and Tamil Nadu States covering about 300 beneficiaries.

Study Project on 'Eye Care Situation Analysis'

The aim of the program was to understand the ground situation on Eye Care providers / hospitals, for planning a project on Ophthalmology. Executed by the Company's CSR Department from 1st February, 2014 to 30th April, 2014 at an expense of ₹ 42,500 it covered locations at Halol, Baroda, Bharuch, Silvassa, Nagar, Maduranthakam, Sikkim and Jammu.

Educational Projects

Promotion of Education by School Infrastructure Development

To facilitate quality education, we contributed towards construction of a classroom with all required fixtures and furniture. The project has been undertaken through 'The Sanjali Welfare & Education Trust' of Bharuch. Its implementation period is from 1st March, 2015 to 30th August, 2016, and the project cost was ₹ 0.7 million. This project will benefit 50 students of Panoli village in Ankleshwar.

Approximately, ₹ 0.37 million was invested in FY15 to provide proper infrastructure and carry out various educational activities at schools situated in the vicinity of Sun Pharma's plant at Maduranthakam.

This was an initiative implemented by the CSR Department of Sun Pharma and will benefit a total of 164 students.

Other Projects

CSR Policy Formulation and Community Need Assessment at Various Locations

The objective of the project was:

- To draft the CSR Policy by incorporating the feedback of all the internal and external stakeholders
- To take-up 'Community Need Assessment Exercise' for better planning by evaluating the exact needs of community

A detailed CSR Policy has been outlined and the same has been posted on our website as per the statutory requirement. Community Need Assessment Study was undertaken to strategize and implement need-based CSR projects in identified villages, so as to reach the poorest of the poor, disadvantaged, BPL and weaker sections of society.

'Sector Research' was taken up to detail out interventions in Ophthalmology, Oncology, Epilepsy, Mental Health and Water, where Sun Pharma already possesses deep domain knowledge and can play a major role.

The project was implemented with Samhita Social Ventures, from 1st March, 2014 to 31st August, 2014. Over, 100 villages were covered in Sikkim, Jammu, Samba, Maduranthakam, Halol, Baska, Karkhadi, Panoli and Ankleshwar at an investment of ₹ 2.8 million.

Sanitation Project – Panoli

Implemented by the CSR Department of Sun Pharma, the aim of this program was two-pronged:

- To construct 328 toilets for the community and thereby provide 100% coverage in Panoli village
- To conduct intensive Information, Education and Communication (IEC) campaign about sanitation with the involvement of PRIs, Co-operatives, ASHAs, Anganwadi workers, Women Groups, Self Help Groups, NGOs etc.

The project cost was ₹ 1.5 million and it benefited 200 households of Panoli village in Ankleshwar.

Strengthening PDS Systems - Sathammai

Implemented by the CSR Department of Sun Pharma, the aim of this program is two-pronged:

- To provide good infrastructure facility to keep the essential commodities safe and secure
- To facilitate the local governing body in distributing the material on time by providing required infrastructure facilities

Construction of the 'Public Distribution Centre' has commenced in Sathammai village of Maduranthakam from 1st February, 2015 and is expected to be completed by 31st May, 2015. The expense in FY15 was ₹ 0.19 million. It will benefit 250 households of the village.

Livelihood Initiatives:

Another important part of our community up-liftment model is skilling people to empower them to earn their livelihood.

During the reporting year, 124 candidates were trained. After a competitive test, 119 candidates were successfully recruited as factory workers in our manufacturing facilities.

Type of Training	No. of people who received training	No. of locals employed	No. of non-locals employed
Pre-employment	124	81	38

To enhance productivity and impact, we periodically gather feedback regarding our programs from beneficiaries, partners and implementers. We plan to develop a formal impact assessment in the near future.

For information on the Company's direct contribution to various Community Development Projects, refer Section-B, point 4.

Active Engagement

We connect with our customers through a two-way engagement process as detailed below:

Give	Take
1) Disclose detailed information for all our products, which also complies with all applicable labelling codes and specifications.	1) Gain consistent feedback from customers and immediately address the issues, if any. In the reporting year, no formal survey was carried out but our medical representatives continued to seek suggestions in person, with doctors and pharmacists. Our 'Customer Centricity Policy' also directs our employees to be receptive towards customer's needs and concerns.
2) Deal with customers in a transparent and ethical manner, eliminating any form of miscommunication or misunderstanding. Our Code of Conduct also guides our employees while engaging with customers.	

There is no material case filed by any stakeholder against Sun Pharma, regarding dishonest trade practices or irresponsible advertising, during the last six years.

Product Safety

Quality is not only a differentiator, but also elementary in the kind of business we are in. It is imperative to incorporate Pharmacovigilance SOPs to methodically examine, detect and gauge any adverse effects which may arise in or due to our products. This method results in elimination of adversities in the laboratory itself. Being a global leader, we keep raising our benchmarks when it comes to product safety throughout the value chain, thanks to the unrelenting vigilance of our R&D experts.

A holistic quality management system is instituted to keep a comprehensive and updated database of unfortunate events. The 'adverse impact reporting form' for the same is made accessible

PRINCIPLE 9 – CUSTOMER VALUE

Spread across 150 countries and 5 continents, our customers are our key stakeholders and their well-being is our key priority.

We believe in offering more value for our customers, in more ways than one. Our customer centricity approach hence encompasses a gamut of propositions:

- Delivering affordable medicines and increasing their accessibility
- Practising stringent quality standards to ensure safe, effective and easy to use products
- Soliciting customers feedback, insights and timely addressing their issues

to both, healthcare and non-healthcare stakeholders, through the Company's website. The reporter's identity is kept confidential and is diligently protected. The information received is filtered and used for systematic benefit-risk ratio assessment of the medicine.

Specialty Healthcare

With improving mortality rate due to advent of cures and medicines, the need for specialty medicines has increased. Healthcare costs have also spiralled simultaneously. Our endeavour is to bridge the gap for our customers, by making these medicines available as well as affordable.

We continue to expand our geographical footprint for maximum accessibility, where we cater to our niche therapy areas of dermatology, psychiatry, neurology, cardiology, nephrology, gastroenterology, orthopaedics and ophthalmology.

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 31 st March, 2015 Consolidated Financial statements for the year ended	
3	Type of Audit observation	<p>Emphasis of Matter- Standalone Financial Statements</p> <ol style="list-style-type: none"> 1. We draw attention to Note 51 to the standalone financial statements. As referred to in the said Note, the financial statements of the Company for the year ended 31st March, 2015 were earlier approved by the Board of Directors at their meeting held on 29th May, 2015 which were subject to revision by the Management of the Company so as to give effect to the Scheme of Arrangement for amalgamation of Sun Pharma Global Inc., a wholly owned subsidiary, into the Company w.e.f 1st January, 2015. Those financial statements were audited by us and our report dated 29th May, 2015, addressed to the Members of the Company, expressed an unqualified opinion on those financial statements and included an Emphasis of Matter paragraph drawing attention to the foregoing matter. Consequent to the Company obtaining the required approvals, the aforesaid financial statements are revised by the Company to give effect to the said Scheme of Arrangement. 2. Apart from the foregoing matter and the provision for proposed dividend, the attached financial statements do not take into account any events subsequent to the date on which the financial statements referred to in paragraph 1 above were earlier approved by the Board of Directors and reported upon by us as aforesaid. 3. a) We draw attention to Note 55 to the standalone financial statements. As referred to in the said Note, remuneration to the Managing Director and the Whole-time Directors for the previous year ended 31st March, 2014 is in excess of the limits specified under Schedule XIII to the Companies

64 RCH

CERTIFIED TRUE COPY

For SUN PHARMACEUTICAL INDUSTRIES LTD

ASHOK I. BHUTIA
Compliance Officer

Act, 1956 by Rs. 44.7 Million and commission of Rs. 6.4 Million for the previous year ended 31st March, 2014 to the Non-Executive Directors is in excess, since there is absence of net profits for the previous year under section 309(4) read with section 309(5) of the Companies Act, 1956. In this regard, the Company has made necessary applications to the Central Government for the waiver of the excess remuneration and commission for the previous year ended 31st March, 2014. The Company is awaiting Central Government approval in respect of the said applications.

b) We draw attention to Note 55 to the standalone financial statements. As referred to in the said Note, remuneration to the Managing Director and the Whole-time Director for the year is in excess of the limits specified under Schedule V to the Companies Act, 2013 by Rs. 20.7 Million. In this regard, the Company has made necessary applications to the Central Government for approving the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. The Company is awaiting Central Government approval in respect of the said applications.

Our opinion is not modified in respect of these matters

Emphasis of Matter- Consolidated Financial Statements

1. We draw attention to Note 59 to the consolidated financial statements. As referred to in the said Note, the consolidated financial statements for the year ended 31st March, 2015 were earlier approved by the Board of Directors of the Holding Company at their meeting held 29th May, 2015 which were subject to revision by the Management of the Holding Company so as to give effect to the Scheme of Arrangement for amalgamation of Sun Pharma Global Inc. (SPG), a wholly owned subsidiary, into the Holding Company w.e.f. 1st January, 2015. Those financial statements were audited by us and our report dated 29th May, 2015, addressed to the

EH RCB

CERTIFIED TRUE COPY

For SUN PHARMACEUTICAL INDUSTRIES LTD

ASHOK I. BHUTIA
Compliance Officer

Members of the Holding Company, expressed an unqualified opinion on those financial statements and included an Emphasis of Matter paragraph drawing attention to the foregoing matter. Consequent to the Holding Company obtaining the required approvals, the standalone financial statements for the year ended 31st March, 2015 for both, the Holding Company and SPG were revised, to give effect to the said Scheme of Arrangement, and to provide for proposed dividend by the Holding Company. In view of the above, the earlier approved consolidated financial statements are revised by the Holding Company to incorporate the revised standalone financial statements of the Company and SPG.

2. Apart from the foregoing matter, the attached consolidated financial statements do not take into account any events subsequent to the date on which the consolidated financial statements referred to in paragraph 1 above were earlier approved by the Board of Directors of the Holding Company and reported upon by us as aforesaid.
3. a) We draw attention to Note 55 to the consolidated financial statements. As referred to in the said Note, remuneration to the Managing Director and the Whole-time Directors of the Holding Company for the previous year ended 31st March, 2014 is in excess of the limits specified under Schedule XIII to the Companies Act, 1956 by Rs. 44.7 Million and commission of Rs. 6.4 Million for the previous year ended 31st March, 2014 to the Non-Executive Directors of the Holding Company is in excess, since there is absence of net profits for the previous year under section 309(4) read with section 309(5) of the Companies Act, 1956. In this regard, the Holding Company has made necessary applications to the Central Government for the waiver of the excess remuneration and commission for the previous year ended 31st March, 2014. The Holding Company is awaiting Central Government

EH *PK*

CERTIFIED TRUE COPY

For **SUN PHARMACEUTICAL INDUSTRIES LTD**

A 2 PK
ASHOK K. BHUTIA
Compliance Officer

approval in respect of the said applications.

- b) We draw attention to Note 55 to the consolidated financial statements. As referred to in the said Note, remuneration to the Managing Director and a Whole-time Director of the Holding Company for the year is in excess of the limits specified under Schedule V to the Companies Act, 2013 by Rs. 20.7 Million. In this regard, the Holding Company has made necessary applications to the Central Government for approving the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. The Holding Company is awaiting Central Government approval in respect of the said applications.

Our opinion is not modified in respect of these matters.

Note 51 to the Standalone Financial Statements

Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act 1956 and u/s 52 of the Companies Act, 2013 for amalgamation of erstwhile Sun Pharma Global Inc. (Transferor Company) with the Company, with effect from January 1, 2015 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat, filed with the Registrar of Companies on August 6, 2015 (effective date), all the assets, liabilities, reserves and surplus of Transferor Company were transferred to and vested in the Company without any consideration, on going concern basis. Transferor Company is a wholly owned subsidiary of the company and was engaged in the business activities of strategic and non-strategic investments and financing mainly to its group subsidiary or associate companies worldwide. The amalgamation has been accounted for under the "Pooling of Interest Method" as prescribed under Accounting Standard 14- "Accounting for Amalgamations" (AS 14) issued by the Institute of Chartered Accountants of India and as notified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies Accounts Rules 2014. The scheme has been given effect to in these financial statements and accordingly;

- (i) The Financial Statements for the year ended March 31, 2015 which were earlier approved by Board of Directors on May 29, 2015 and audited by the statutory auditors of the Company have been revised. (ii) All the assets, liabilities, reserves and surplus of Transferor Company were recorded in the books of the Company at their carrying amounts and in the same form as at the appointed date. Transferor

EH *RLC*

CERTIFIED TRUE COPY

For SUN PHARMACEUTICAL INDUSTRIES LTD

A 20
ASHOK I. BHUT
Compliance Officer

Company being a wholly owned subsidiary of the Company neither any shares are required to be issued nor any consideration is paid. The Equity Share Capital, Preference Share Capital, Share application money pending allotment and securities premium account of the Transferor Company and the carrying value of investment in Equity Shares, Preference Shares and Share application money of the Transferor Company in the books of the Transferee Company stands cancelled. Accordingly the difference of Rs. 6,498.8 Million between the amount of share capital of the Transferor Company and the consideration being Nil, after adjusting for the carrying value of Investments in the books of the Company is credited to Capital Reserve.

Note 55 to the Standalone Financial Statements

In the absence of net profits in the Company for the year ended March 31, 2015 remuneration to the Managing Director and a Whole-time Director of the Company for the year ended March 31, 2015 is in excess of the limits specified under Schedule V of the Companies Act, 2013 by Rs. 20.7 Million. In this regard the Company has made necessary applications to the Central Government for approving of the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. Consequent to giving effect to the scheme of arrangement for the merger of Specified Undertaking of Sun Pharma Global FZE into the Company effective from May 1, 2013, resulting in the absence of net profits in the Company for the previous year ended March 31, 2014 (i) remuneration to the Managing Director and the Whole-time Directors of the Company has exceeded the limits specified under Schedule XIII to the Companies Act, 1956 by Rs. 44.7 Million; and (ii) commission of Rs. 6.4 Million for the previous year ended March 31, 2014, to the Non-Executive Directors of the Company is in excess, since there is absence of net profits for the previous year under section 309(4) read with section 309(5) of the Companies Act, 1956. The Company has made necessary applications to the Central Government for the waiver of the excess remuneration and commission for the previous year ended March 31, 2014. The Company has obtained approval from the shareholders of the Company in respect of the aforesaid remuneration and commission, as applicable for the years March 31, 2014 and 2015. The approval from the Central Government of India is awaited in respect of the said applications.

Note 59 to the Consolidated Financial Statements

The consolidated financial statements of the Holding Company for the year ended March 31, 2015 were earlier approved by the Board of Directors of the Holding

CH RCB

CERTIFIED TRUE COPY

For SUN PHARMACEUTICAL INDUSTRIES

ASHOK I. BHUT

Compliance Officer

Company at their meeting held on May 29, 2015 on which Statutory Auditors of the Holding Company had issued their report dated May 29, 2015. Consequent to the Order of the Hon'ble High Court of Gujarat, sanctioning the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 for Amalgamation of Sun Pharma Global Inc. (SPG), a wholly owned subsidiary, into the Holding Company w.e.f. January 1, 2015 (appointed date), filed with the Registrar of Companies on August 6, 2015 (effective date), the standalone financial statements for the year ended March 31, 2015 for both, the Holding Company and SPG were revised to give effect to the said Scheme of Arrangement and to provide for proposed dividend by the Holding Company. In view of the above, the earlier approved consolidated financial statements are revised by the Holding Company to incorporate the revised standalone financial statements of the Company and SPG.

Note 55 to the Consolidated Financial Statements

In the absence of net profits in the Holding Company for the year ended March 31, 2015 remuneration to the Managing Director and a Whole-time Director of the Holding Company for the year ended March 31, 2015 is in excess of the limits specified under Schedule V of the Companies Act, 2013 by Rs. 20.7 Million. In this regard the Holding Company has made necessary applications to the Central Government for approving of the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. Consequent to giving effect to the scheme of arrangement for the merger of Specified Undertaking of Sun Pharma Global FZE into the Holding Company effective from May 1, 2013, resulting in the absence of net profits in the Holding Company for the previous year ended March 31, 2014 (i) remuneration to the Managing Director and the Whole-time Directors of the Holding Company has exceeded the limits specified under Schedule XIII to the Companies Act, 1956 by Rs. 44.7 Million; and (ii) commission of Rs. 6.4 Million for the previous year ended March 31, 2014, to the Non-Executive Directors of the Holding Company is in excess, since there is absence of net profits for the previous year under section 309(4) read with section 309(5) of the Companies Act, 1956. The Holding Company has made necessary applications to the Central Government for the waiver of the excess remuneration and commission for the previous year ended March 31, 2014. The Holding Company has obtained approval from the shareholders of the Company in respect of the aforesaid remuneration and commission, as applicable for the years March 31, 2014 and 2015. The

EH RCB

CERTIFIED TRUE COPY

For SUN PHARMACEUTICAL INDUSTRIES LTD.

AJB
ASHOK I. BHUTIA
Compliance Officer

4 Frequency of observation

approval from the Central Government of India is awaited in respect of the said applications.

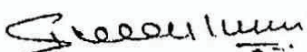
Emphasis of Matter stated in paragraphs 1, 2 and 3(b) above, in respect of the standalone financial statements and the consolidated financial statements of the Company - First time

Emphasis of Matter stated in paragraph 3(a) above in respect of the standalone financial statements and the consolidated financial statements of the Company - Since FY 2013-14

5 To be signed by-

For Sun Pharmaceutical Industries Limited,

• CEO/ Managing Director



Mr. Dilip S. Shanghvi
(Managing Director)

• CFO



Mr. Uday Baldota
(Chief Financial Officer)

• Audit Committee Chairman



Mr. Rakesh M. Mistry
(Chairman of Audit Committee)

• Auditor of the Company

Refer our Audit Reports dated 29th May, 2015 (11th August, 2015 so as to effect the matters discussed under paragraphs 1 and 2 of the 'Emphasis of Matter' section) on the standalone financial statements and the consolidated financial statements of the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Rajesh K. Hiravandani
Partner
(Membership No. 36920)
Mumbai, 11th August, 2015

EH

CERTIFIED TRUE COPY
For SUN PHARMACEUTICAL INDUSTRIES LTD.


ASHOK I. BHUT
Compliance Officer