



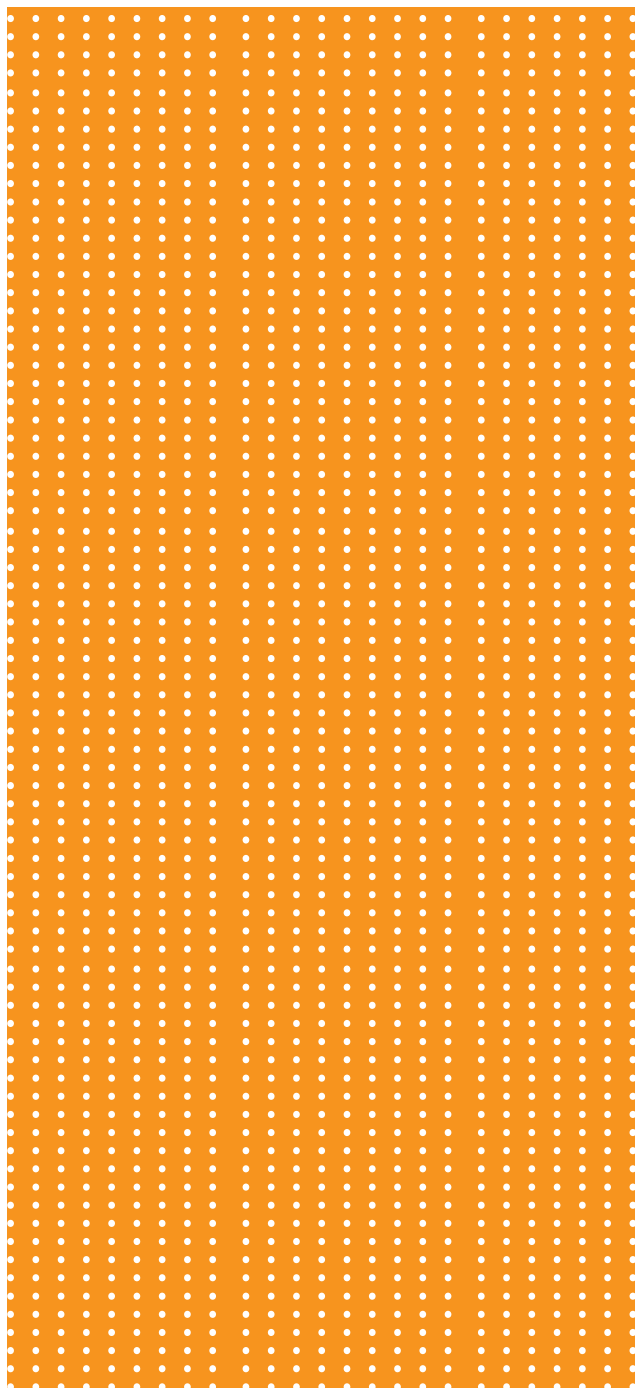
Specialty

by design



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

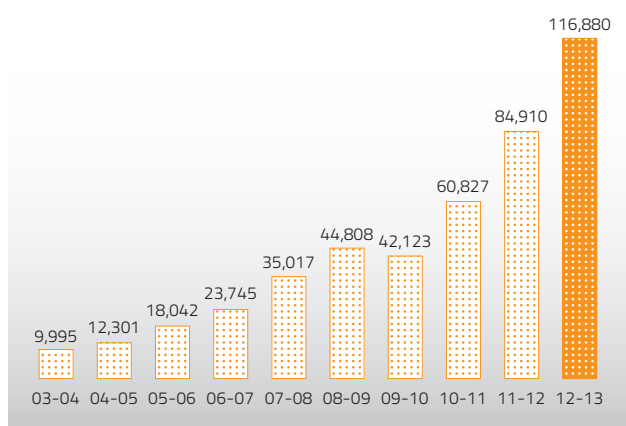
We sharpened our specialty intent, building strengths with new people, new skills and new technologies. We are a part of the industry, yet unique in our own way. We have adopted the differentiated route not by accident, but by choice. We feel that this pursuit will help us be better prepared to capitalize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

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

KEY PERFORMANCE INDICATORS

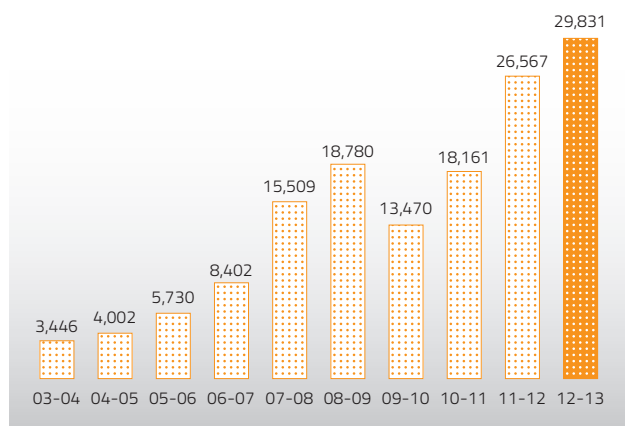
Total Income

(₹ in million)



Profit for the Year*

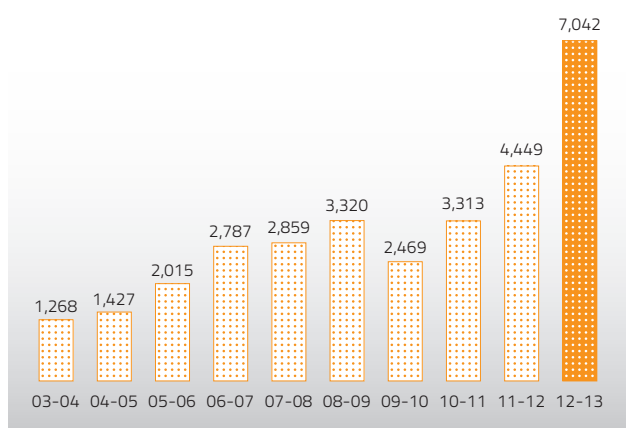
(₹ in million)



*after minority interest

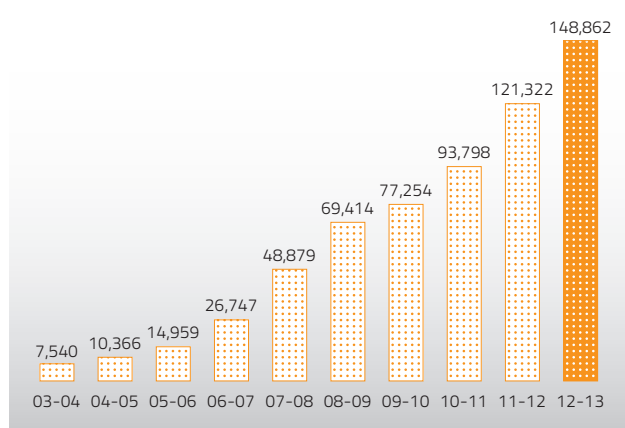
R & D Expenditure

(₹ in million)



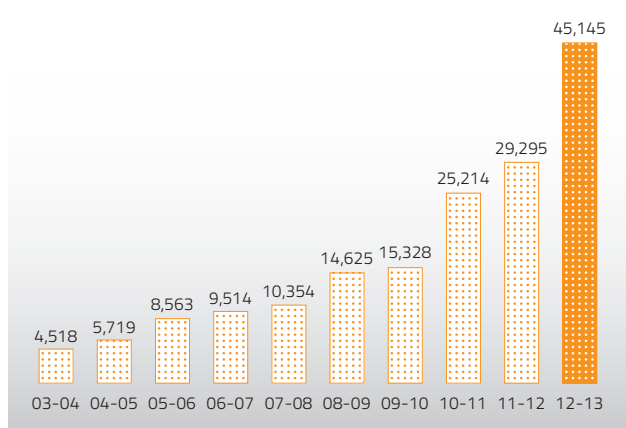
Reserve and Surplus

(₹ in million)



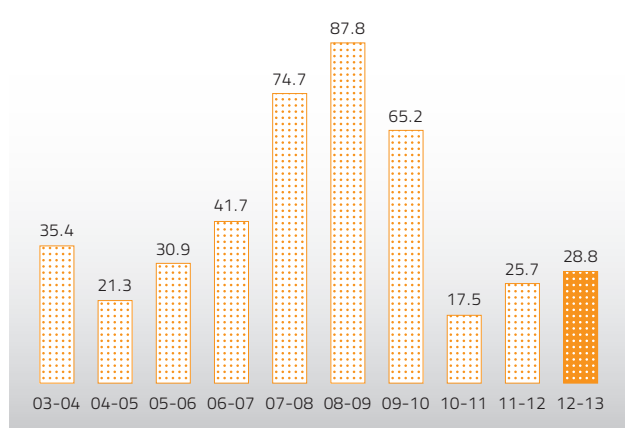
Net Block

(₹ in million)



Earning Per Share - Basic*

(in ₹)



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

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



TEN YEAR FINANCIAL HIGHLIGHTS



Consolidated

(₹ in million)

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

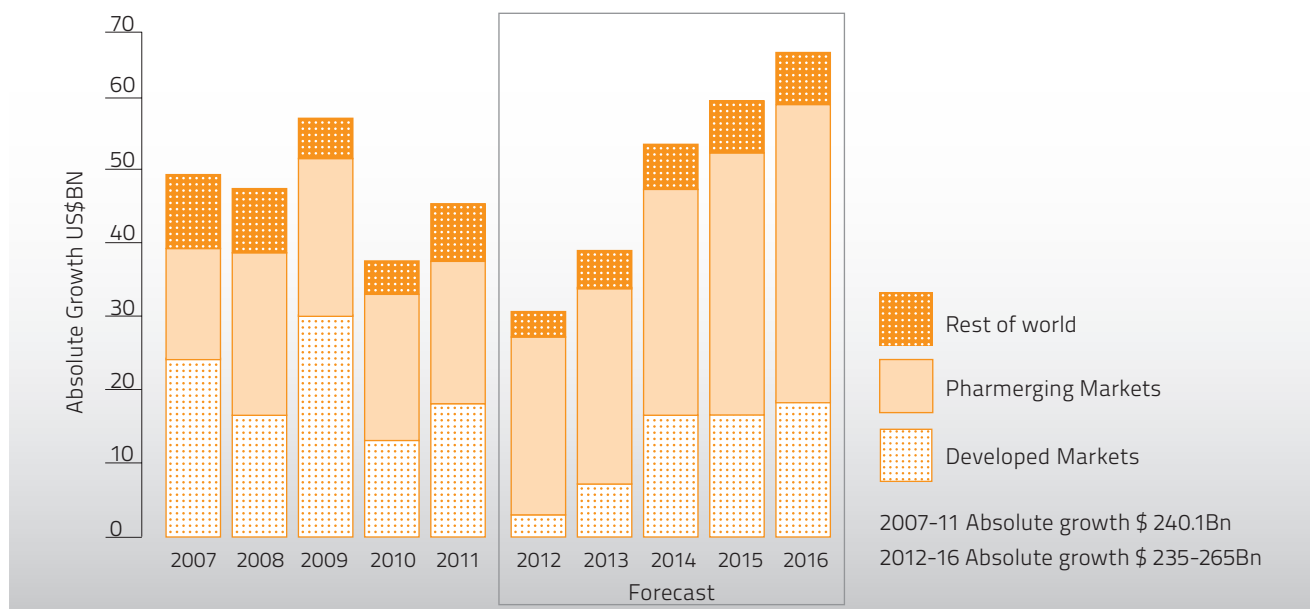


Analytical Lab-Dissolution Testing, Baroda

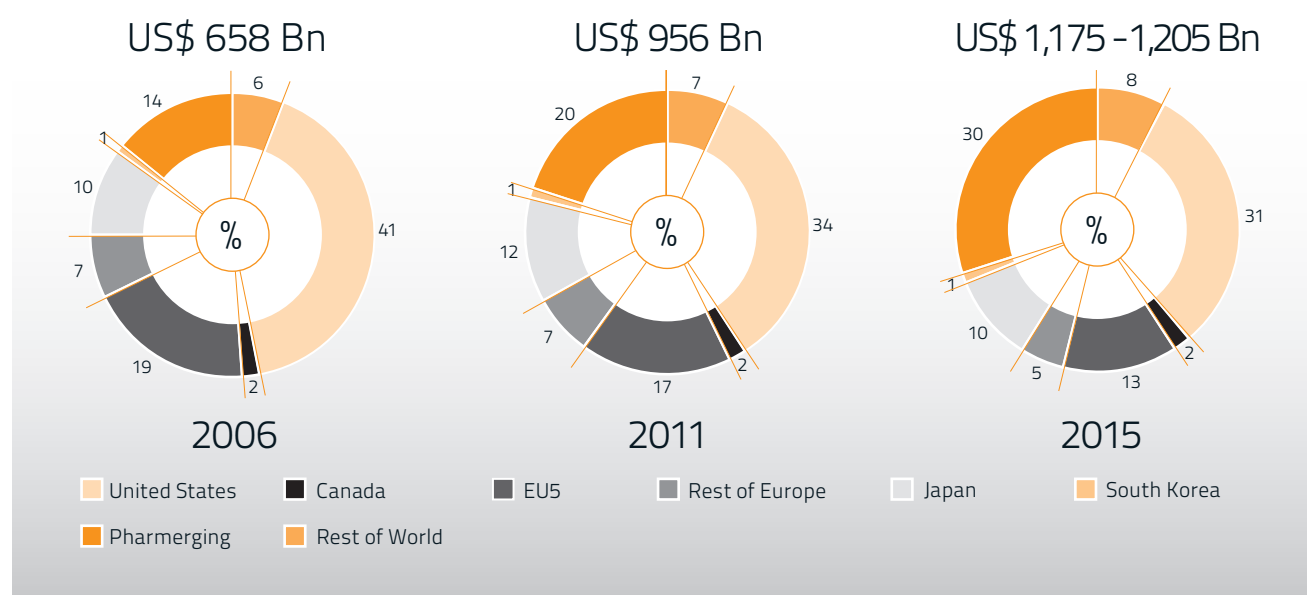
GLOBAL PHARMACEUTICAL INDUSTRY

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

Spending by markets^[1]



Global pharma market - Spending by geography ^[1]



GROWTH DRIVERS ^[2]

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

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

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

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

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

OUTLOOK ^[1]

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global pharmaceutical spending ^[1]

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

RoW* - Rest of the world

GLOBAL GENERICS

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

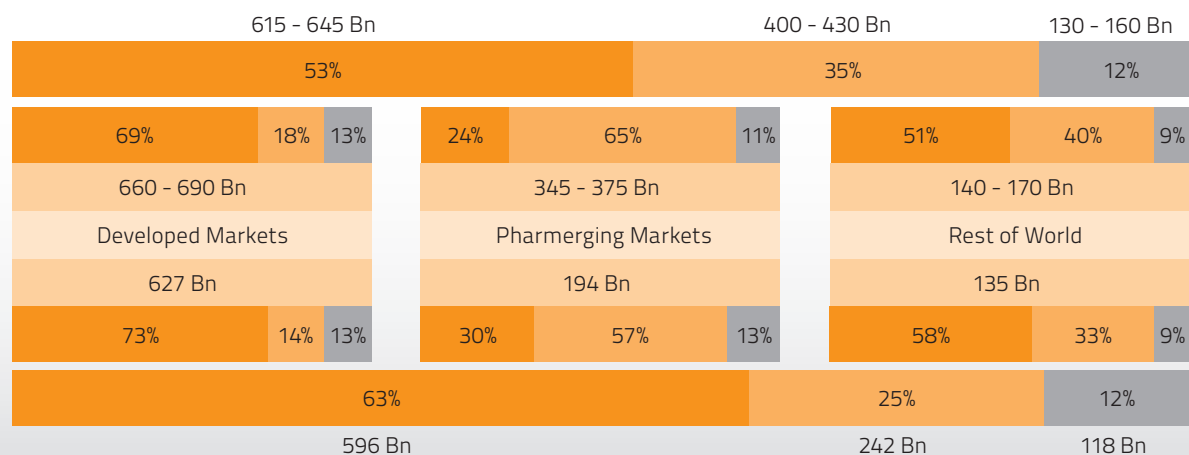
Moreover, increased generics spending in the developed markets over the next five years will be fuelled by patent expiries, with some additional increases due to expanded generic use for off-patent molecules.



Analytical Lab - HPLC, Baroda

Global pharma spending (US\$) ^[1]

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



Brand
 Generic
 Other



Branded drugs vs. Generics ^[1,3]

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

OUTLOOK ^[1]

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

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

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

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

ACTIVE PHARMACEUTICAL INGREDIENT (API) ^[4]

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

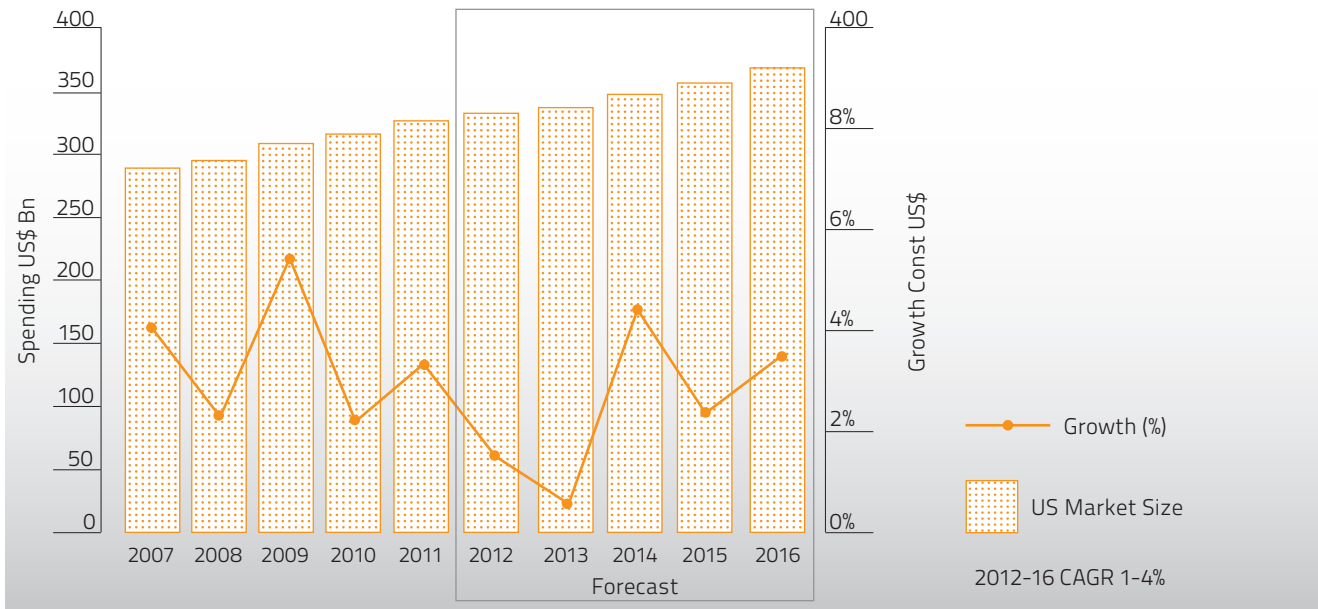
over the next few years. The API industry is expected to witness consolidation, as big pharma companies continue to scale down manufacturing and outsource molecules in order to curtail costs. The growth will be fuelled by patent expiries, increase in outsourcing and demand for potent and biogeneric APIs.

DEVELOPED PHARMACEUTICAL MARKETS

USA ^[5]

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

US pharmaceutical spending and growth, 2007-2016



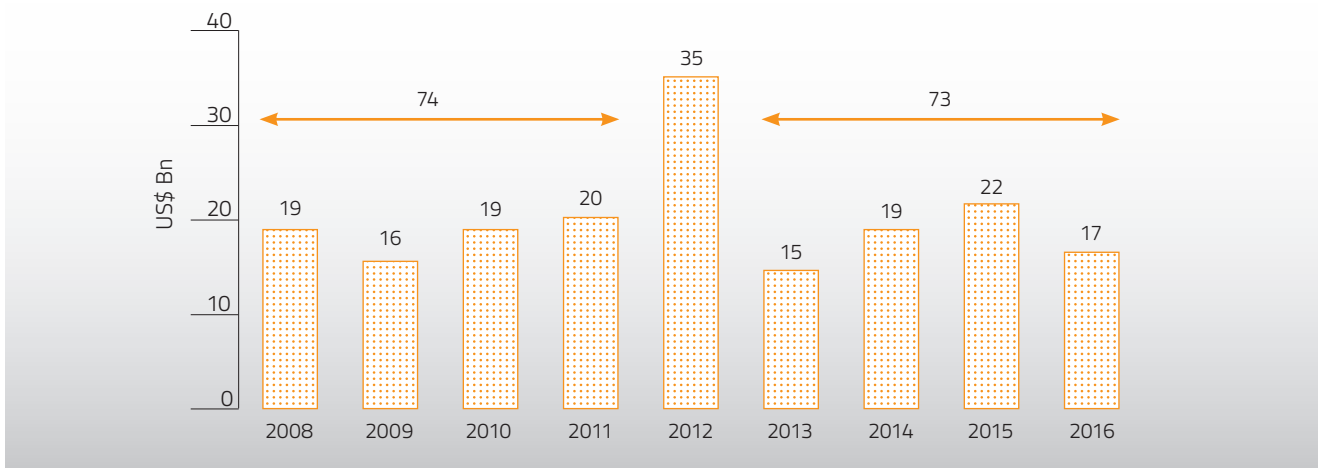
GROWTH DRIVERS

Value of patent expiries

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

US - Drugs going off-patent ^[6]

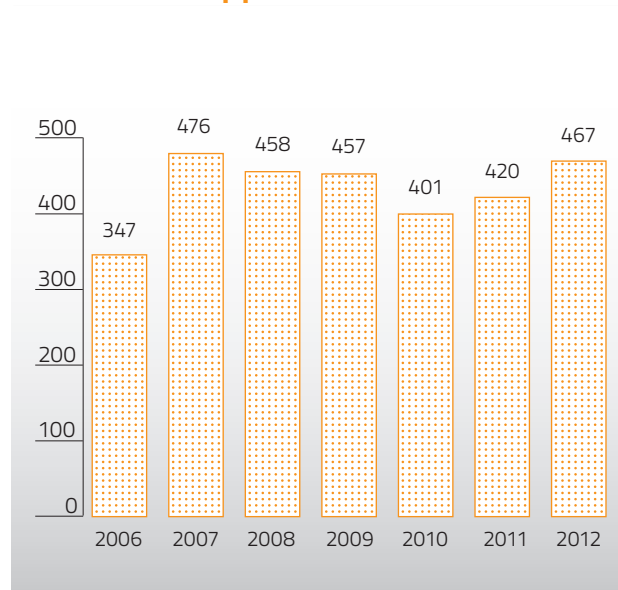
(US\$ billion)



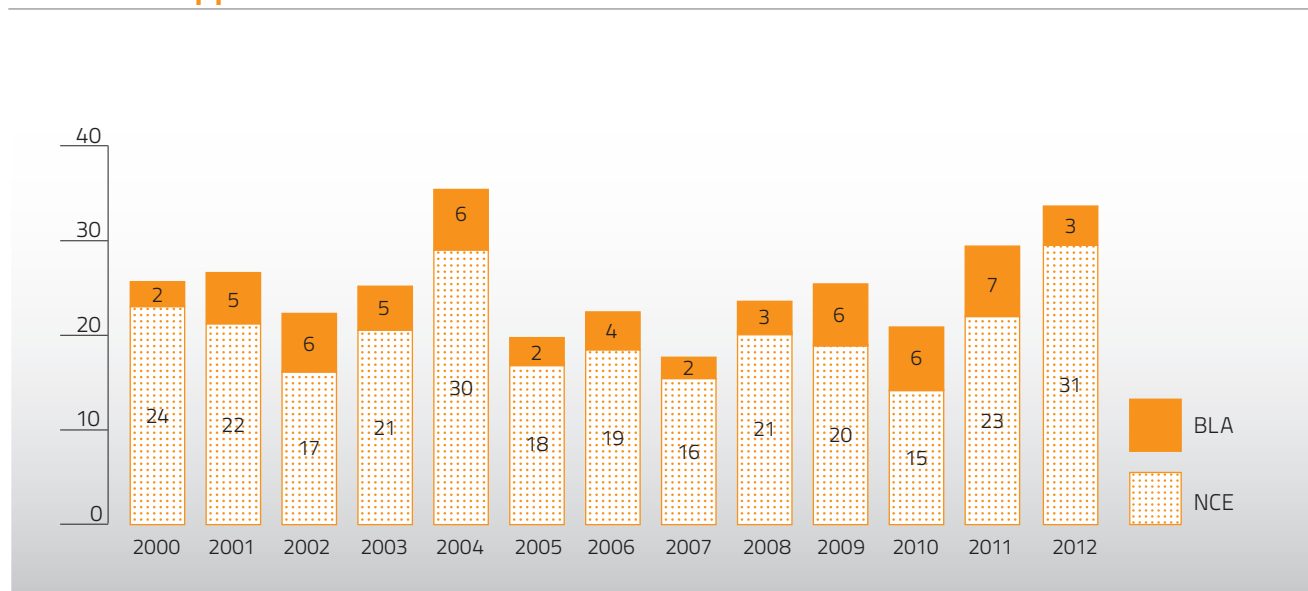
PACE OF ANDA APPROVALS ^[3]

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

Total ANDA approvals ^[3]



Total NDA approvals ^[3]



NCE: New Chemical Entities, BLA: Biologic License Application

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

US HEALTHCARE INSURANCE REFORM

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

CHANGING TREND

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

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

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

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



Drying and Milling, Ahmednagar



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

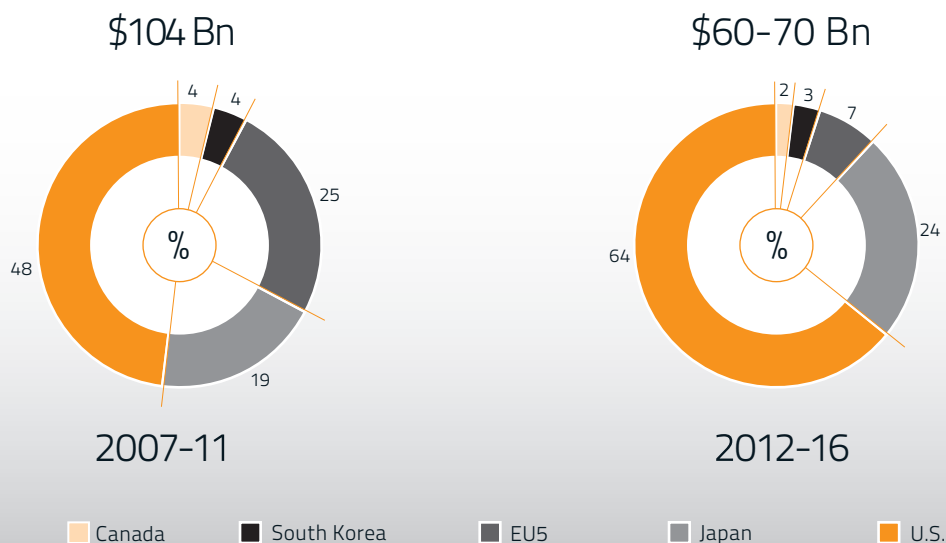
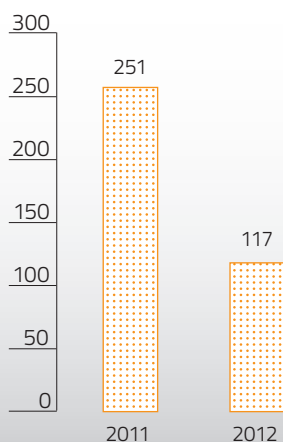


Chart note: figures may not add to 100% due to rounding off.

DRUG SHORTAGES ^[7]

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

US-Number of drug under shortages ^[7]



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

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



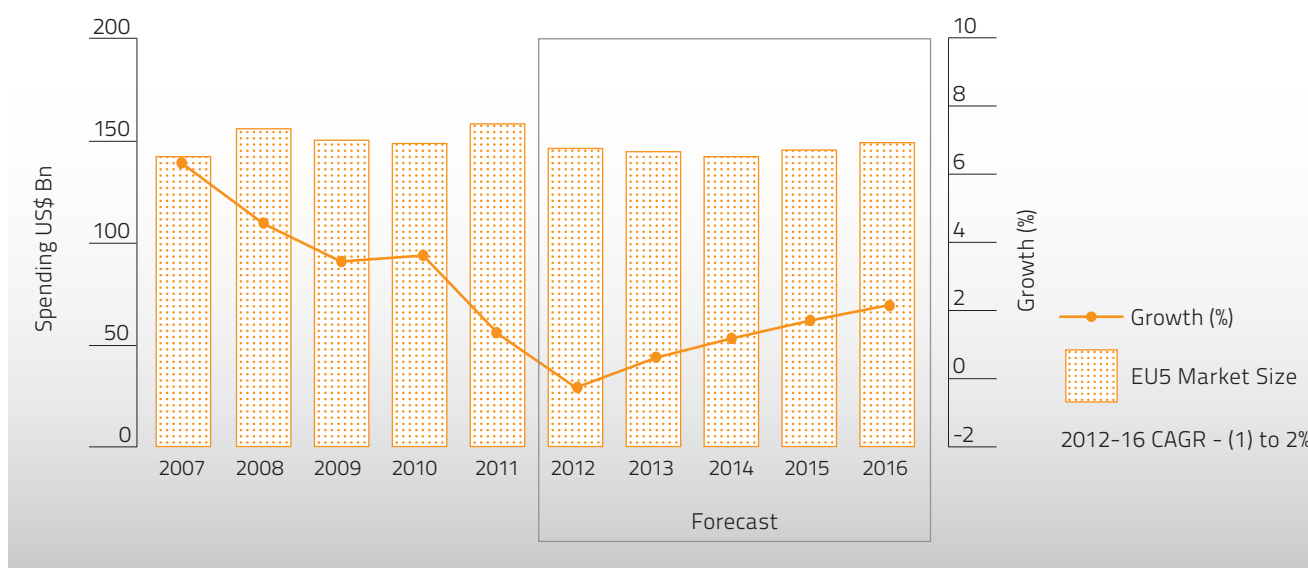
Tablet Compression, Karkhadi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

EUROPE ^[1]

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

EU5 global pharmaceutical spending ^[1]



OUTLOOK

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

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

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

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

EU5 country-wise spending ^[1]

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



JAPAN ^[1]

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

OUTLOOK

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

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

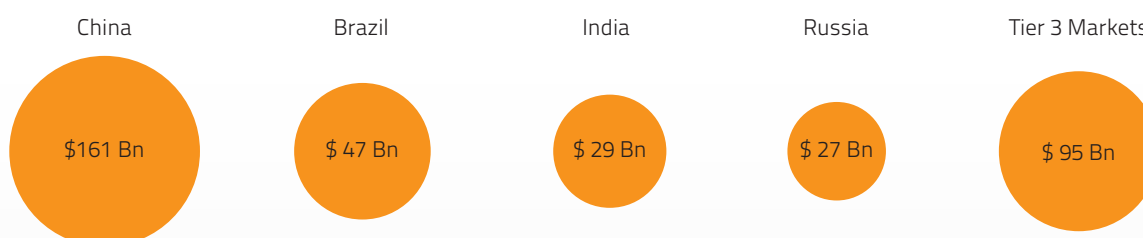
PHARMERGING ECONOMIES ^[9]

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

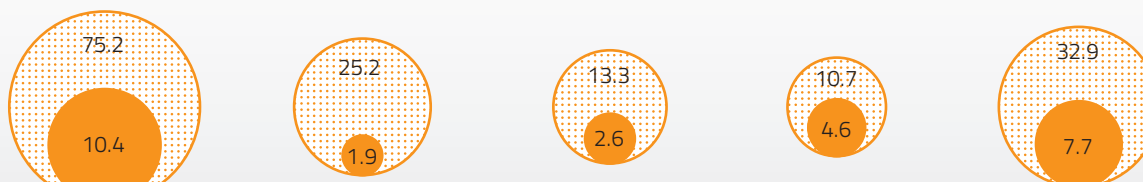
Rising income and increased access to medicines will drive the growth trajectory higher. The government lends support in providing more access to medicines by funding and supporting programmes.

Pharmerging markets spending and growth (US\$ Bn) ^[8]

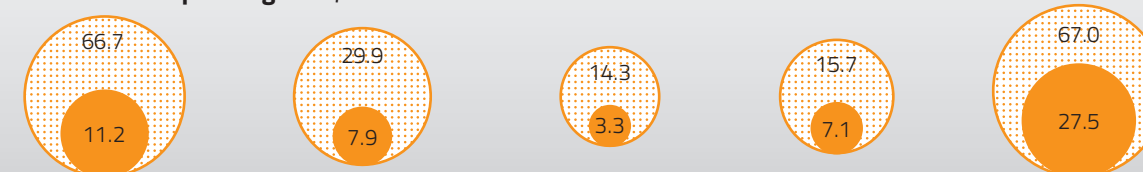
2016 Market Spending - US\$ 345-375 Bn



2011-2016 Growth Contribution - US\$ 150-165 Bn



2011 Market Spending - US\$ 194 Bn



Total Spending
 Brand Spending

Pie not to scale

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Market size and growth of pharmerging economies over 2012-16 ^[1]

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

China

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

Brazil

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

Mexico

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

Russia

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

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



API Unit, Panoli

South Africa

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

INDIAN PHARMACEUTICALS SECTOR

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

India's pharmaceuticals market is:^[9]

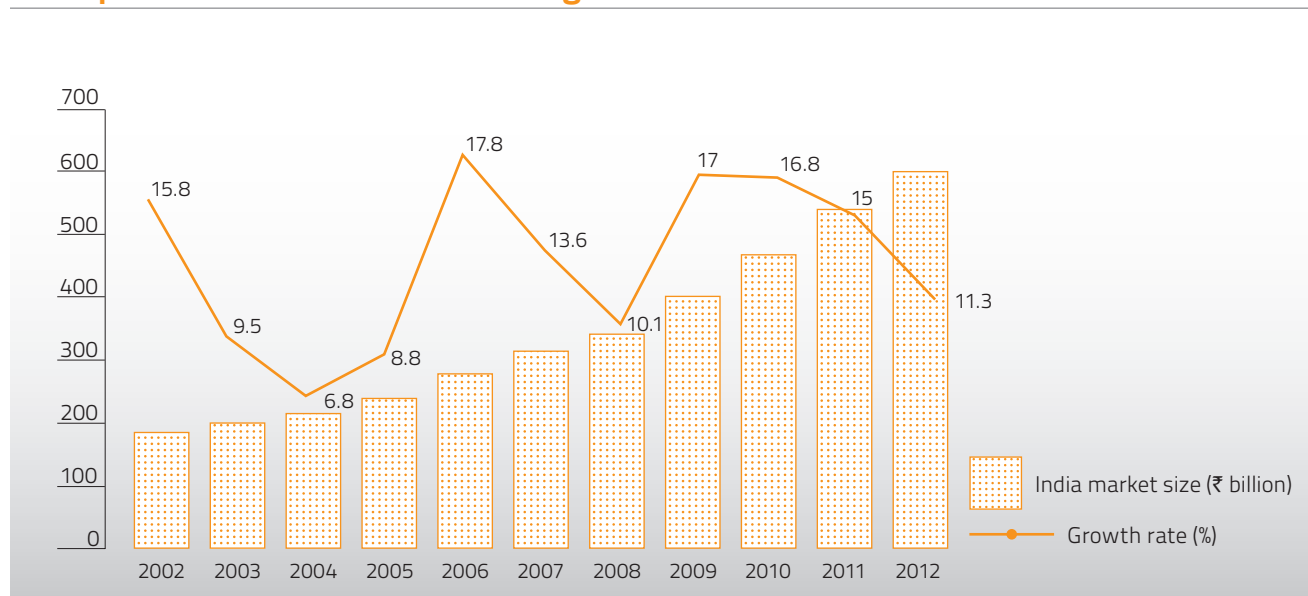
- Among the world's top five pharmerging markets
- Expected to grow at a CAGR of 14-17% from 2012 to 2016
- World's third largest market in terms of volume and tenth in value

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

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

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

India pharmaceuticals market and growth^[10]



NATIONAL PHARMACEUTICAL PRICING POLICY, 2013

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

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

Pricing control

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annual price increments

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

Existing DPCO drugs

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

Original research products

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

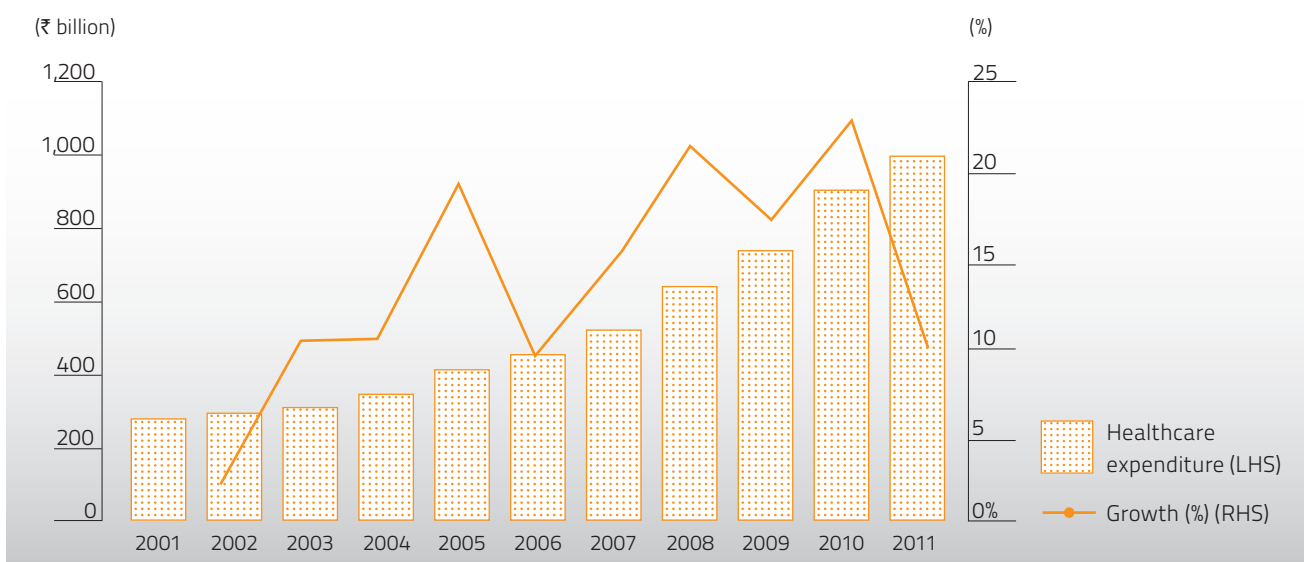
GROWTH DRIVERS

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

Increased healthcare spending ^[11]

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

India - Rising spend on healthcare ^[11]



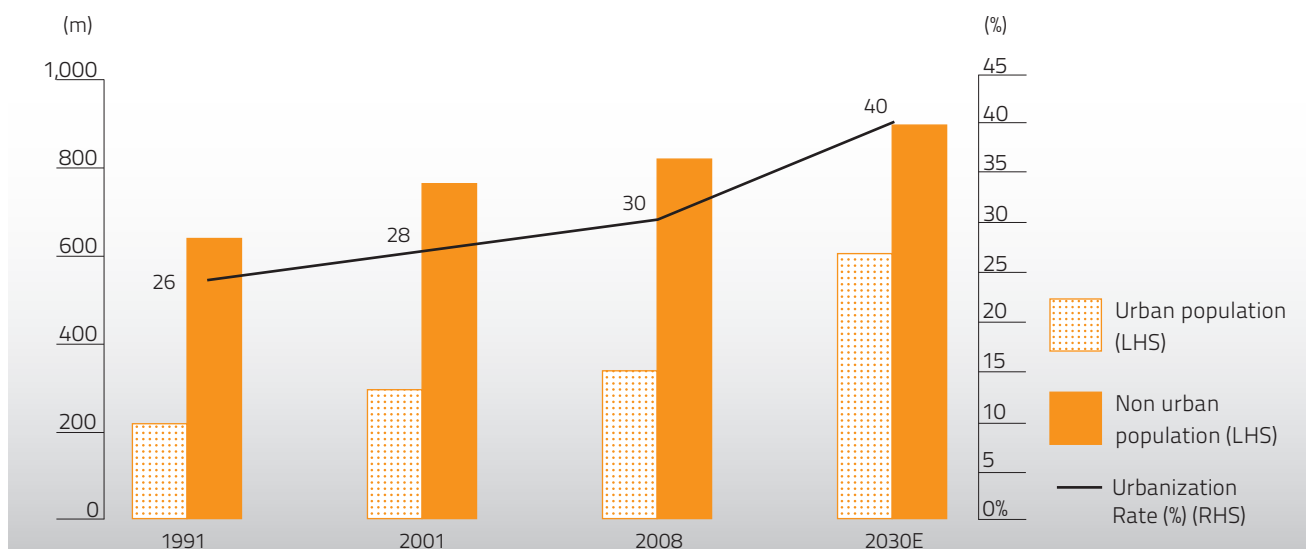
In addition to the Government's enhanced impetus, the urban middle class is also expected to shift focus from basic necessities, like food and apparel, to healthcare expenditure, thus driving average household healthcare spending.



RAPID URBANIZATION ^[12]

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

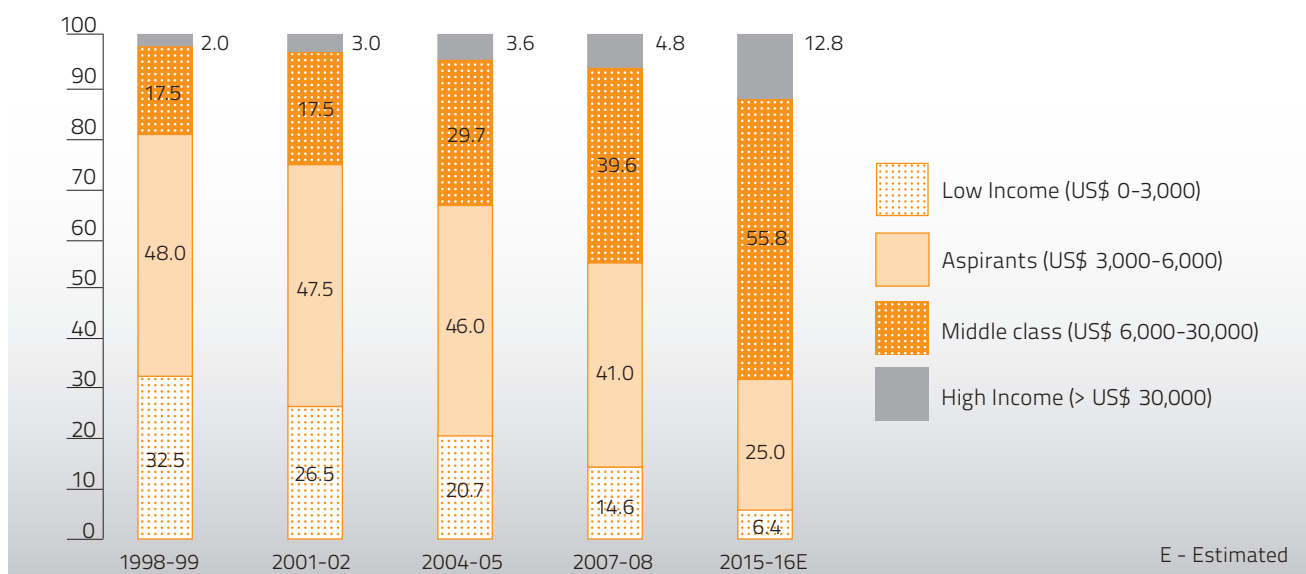
Urban development ^[12]



RISING INCOME LEVELS ^[13]

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

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

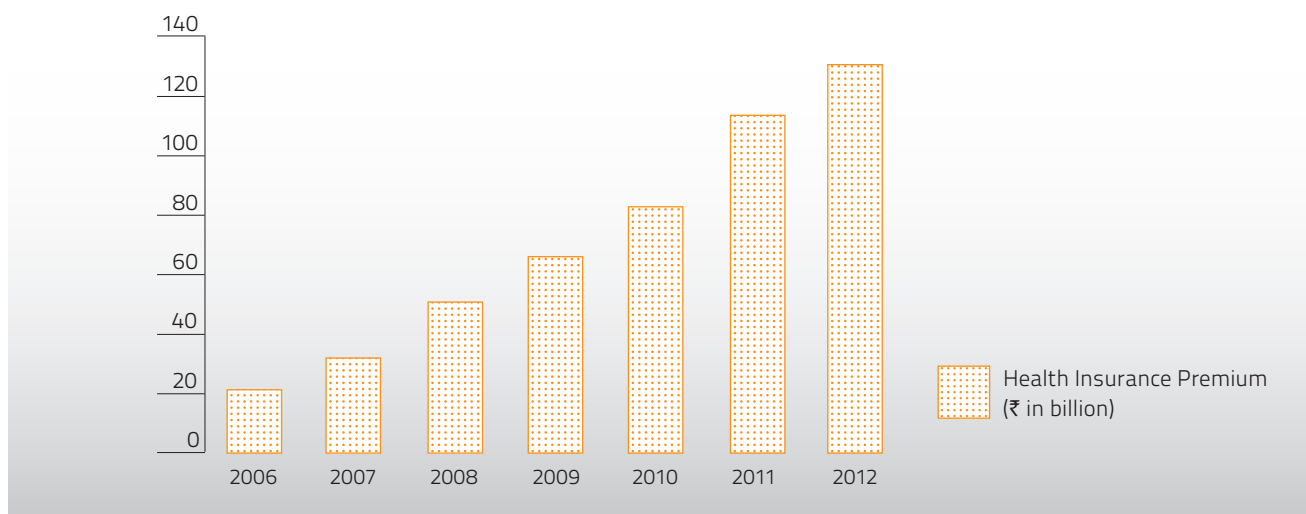


MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INCREASING HEALTHCARE INSURANCE PENETRATION ^[14]

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

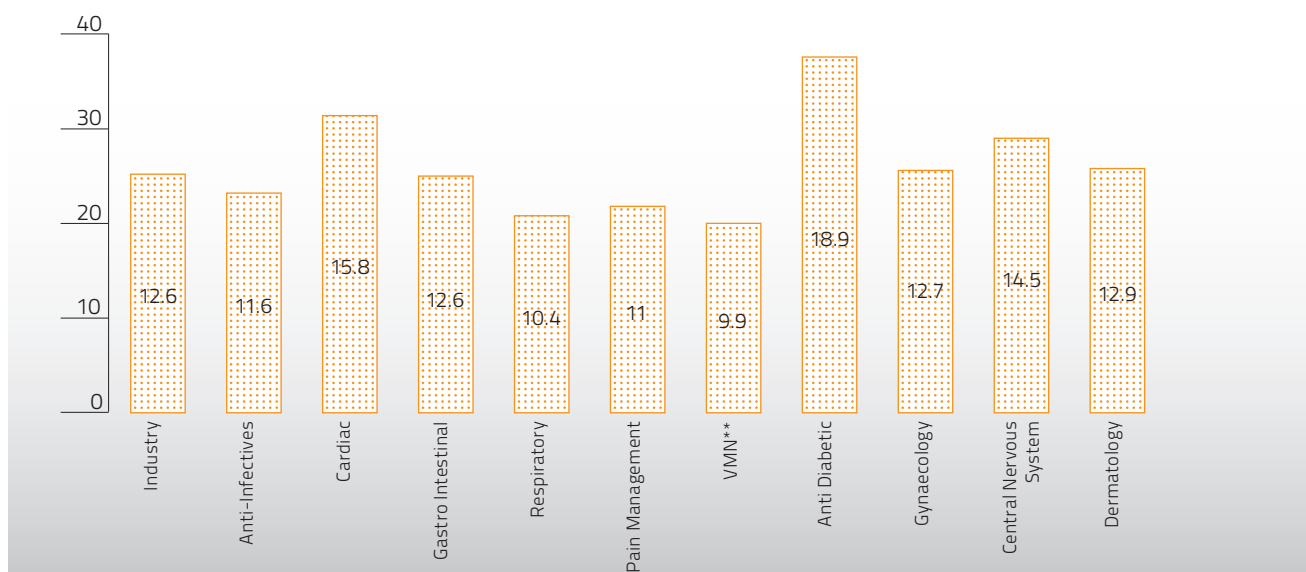
Rising health insurance penetration in India ^[14]



GROWING INCIDENCE OF CHRONIC DISEASES ^[10]

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

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

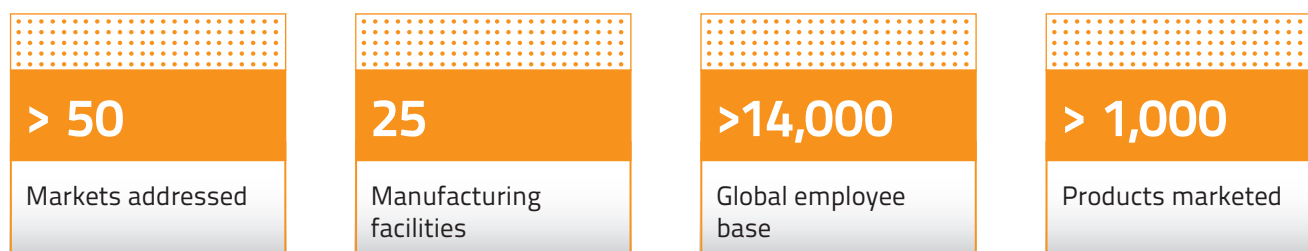


** Vitamins & Minerals



SUN PHARMACEUTICAL INDUSTRIES LIMITED (SUN PHARMA)

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



STRATEGY AND APPROACH

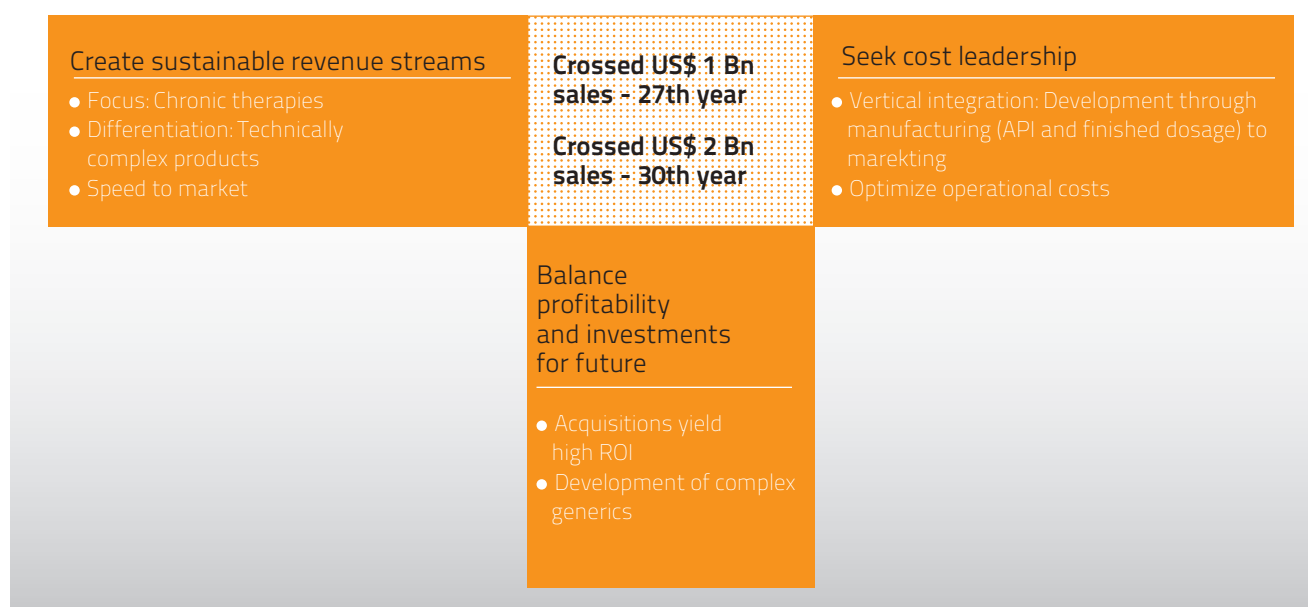
Sun Pharma’s strategy and approach to business is underpinned by the following:

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

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

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

Sun Pharma – Strategy & Approach

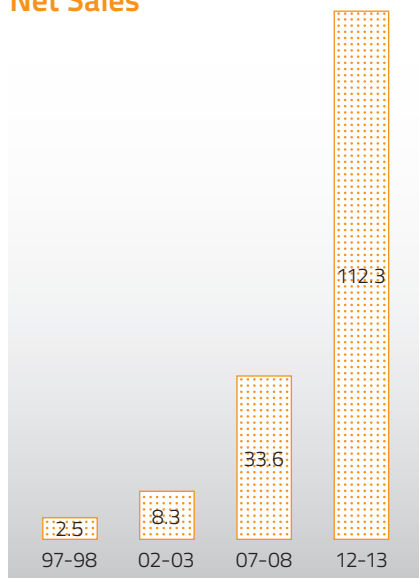


MANAGEMENT DISCUSSION AND ANALYSIS REPORT

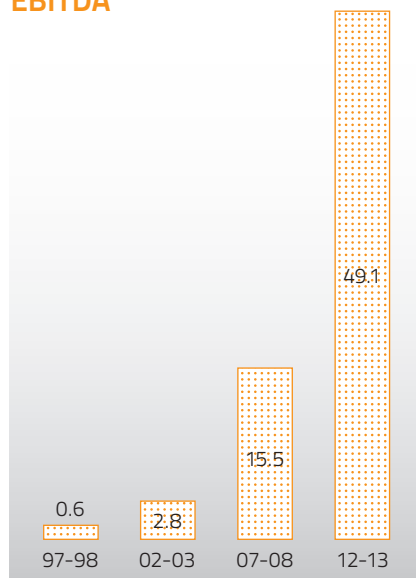
Key Financial indicators

(Figures in ₹ billion)

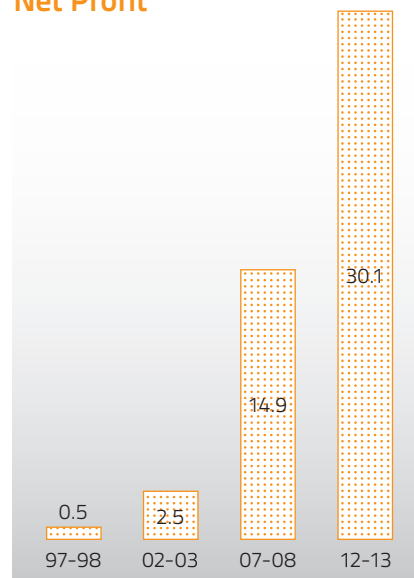
Net Sales



EBITDA



Net Profit



ROUND UP OF 2012-13

Successful acquisition of DUSA:

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

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

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

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

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

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

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



Financial scoreboard

(Figures in ₹ million)

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

* Pertains to provision related to generic Protonix litigation in US

MAJOR BUSINESS SEGMENTS

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

Revenue Break-up

(%)

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

Revenues across business segments

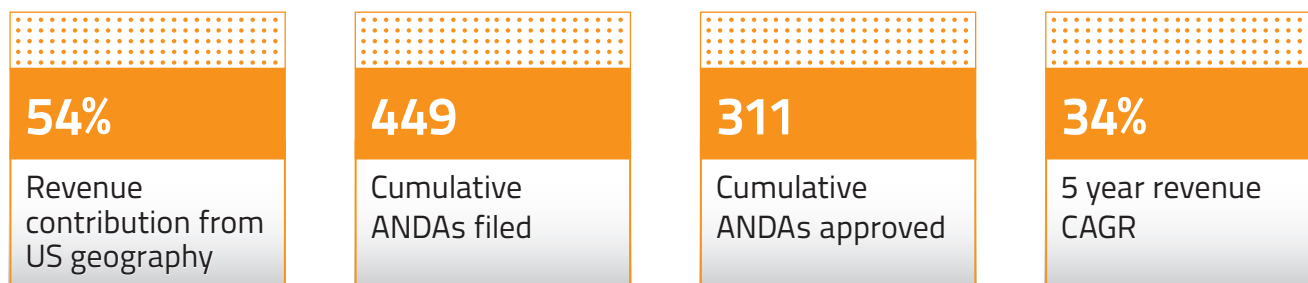
(₹ in million)

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BUSINESS SEGMENTAL REVIEW

US GENERICS



As of 31-March-2013

DIVISIONAL HIGHLIGHTS

Financial

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

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

Operational

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

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

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

Taro

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

Caraco

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

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

Acquisition of DUSA Pharmaceuticals

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

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

Acquisition of URL Pharma

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

Generic Doxil®

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



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

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

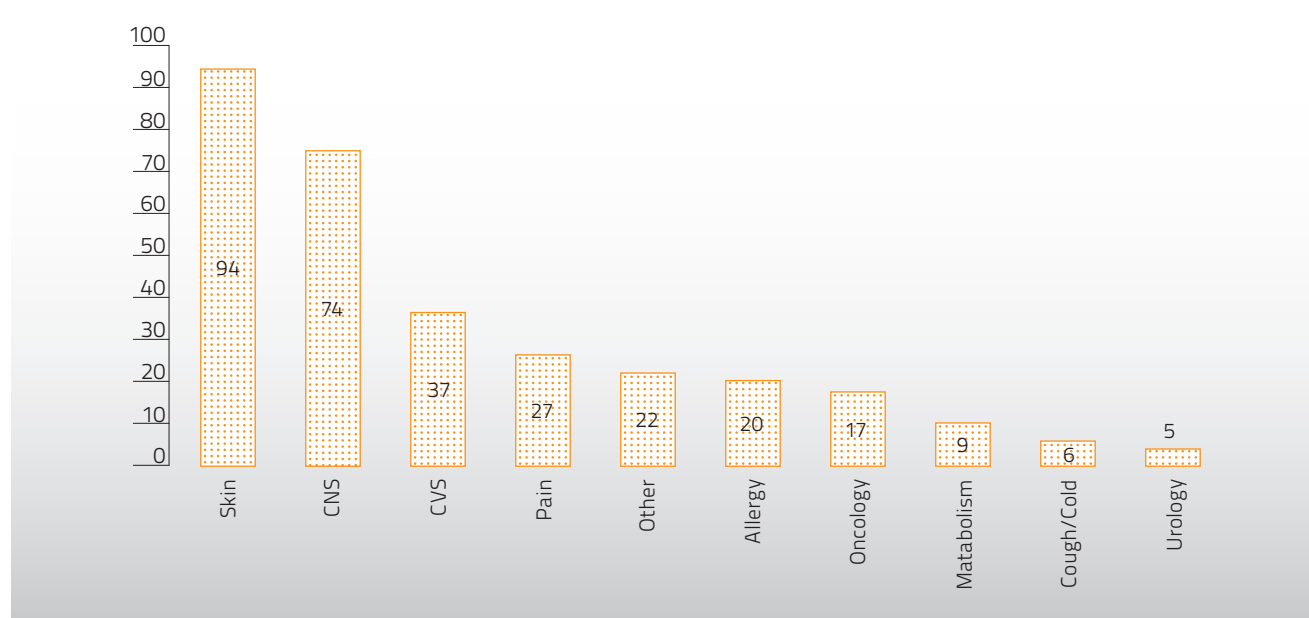
Generic Protonix®

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

Pillars of growth

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

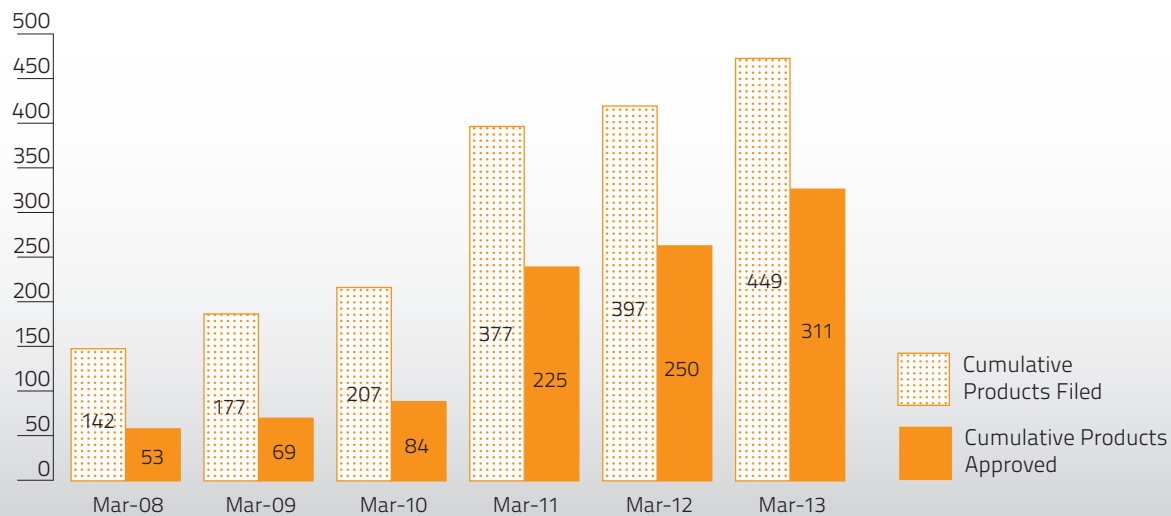
US - Therapy-wise ANDA approvals



As at 31-March-2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

US - ANDA Pipeline

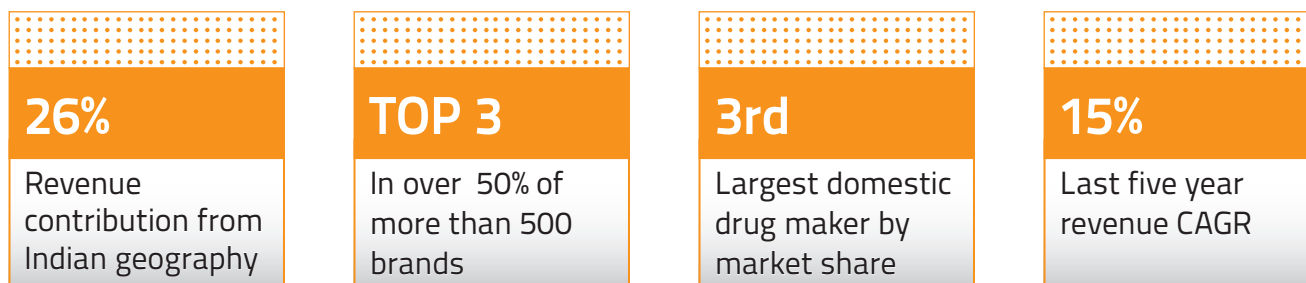


Road ahead

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



INDIAN BRANDED GENERICS



DIVISIONAL HIGHLIGHTS

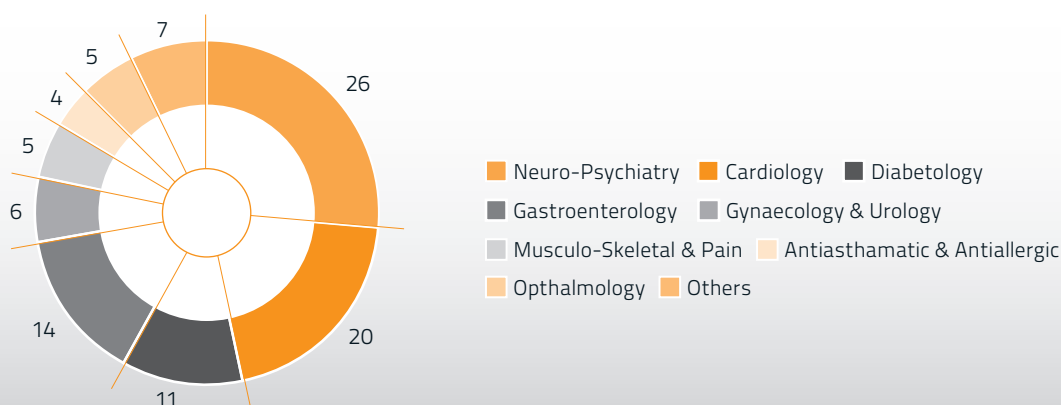
Financial

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

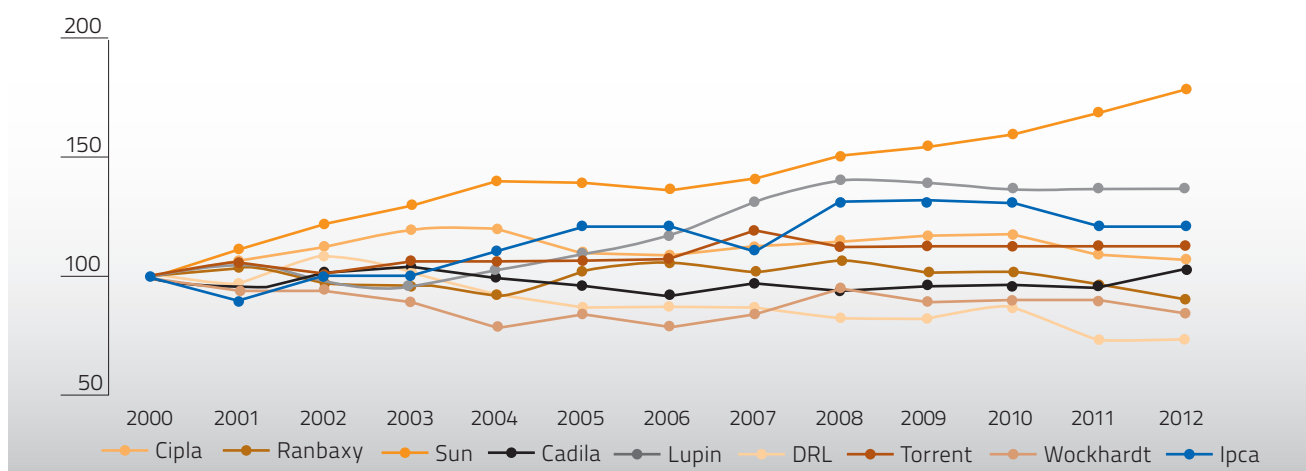
Operational

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

India Formulations – Therapeutic Break-up ^[15] (%)



Sun Pharma – Strong Increase in India Market Share ^[10]



SPIN-OFF OF DOMESTIC FORMULATIONS

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

Pillars of growth

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

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

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

Sun Pharma – Prescription Rankings ^[16]

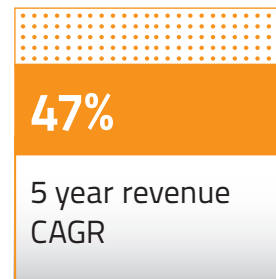
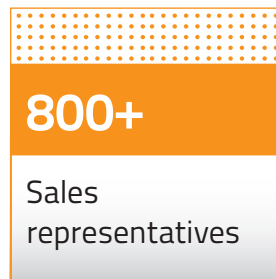
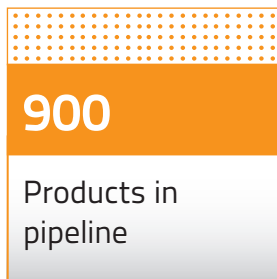
Therapeutic segments	Ranking
Psychiatrists	1
Neurologists	1
Cardiologists	1
Orthopedic	1
Ophthalmologists	1
Gastroenterologists	1
Nephrologists	1
Diabetologists	3
Oncologists	6
Chest Physicians	5
Consultant Physicians	7
Gynaecologists	7
Urologists	10
ENT Specialists	19

Road ahead

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



INTERNATIONAL GENERICS (EX-US)



DIVISIONAL HIGHLIGHTS

Financial

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

Operations

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

Advancing with partnership

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

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

Pillars of growth

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

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

Road Ahead

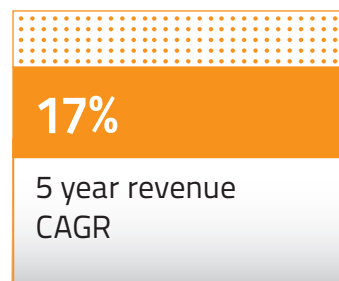
The focus ahead will be enhancing our presence in key emerging markets led by chronic therapies like metabolic syndrome, diabetes, neurology and cardiology. In addition, the Company is focusing on expanding its presence to new geographies.



Vial Filling, Halol

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

API



DIVISIONAL HIGHLIGHTS

Financial

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

Operational

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

Pillars of growth

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

Road Ahead

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



QC Lab, Ahmednagar

RESEARCH & DEVELOPMENT DRIVE

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

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

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

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

Research and Development Investment

(₹ in million)

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

449

Cumulative ANDAs filed

311

Cumulative ANDAs Approved

239

DMF / CEP cumulative applications filed

168

DMF / CEP cumulative applications approved

814

Total patent applications Submitted

457

Total patents granted

22

ANDAs filed in FY13

20

ANDAs approved in FY13

16

DMFs filed in FY13

14

DMFs approved in FY13

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBALLY INTEGRATED MANUFACTURING INFRASTRUCTURE

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

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

Sun Pharma – Global Manufacturing Infrastructure



Map not to scale



QUALITY PROTOCOL

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

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

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

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

HUMAN CAPITAL

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

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

INTERNAL CONTROLS

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

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



Capsule Filling, Karkhadi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

DISCLAIMER

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

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®	Registered trademark of respective companies





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Directors' Report

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DIRECTORS' REPORT

Dear Members,

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

FINANCIAL RESULTS

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

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

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

DIVIDEND

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

BONUS SHARES

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

HUMAN RESOURCES

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

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

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

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

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

CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY REPORT

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

CONSOLIDATED ACCOUNTS

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

SUBSIDIARIES

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

FINANCE

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

CORPORATE SOCIAL RESPONSIBILITY

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

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

DIRECTORS' REPORT

AUDITORS

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

COST AUDITORS

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Israel Makov
Chairman

August 9, 2013
Mumbai

ANNEXURE (1) TO DIRECTORS' REPORT

CONSERVATION OF ENERGY

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

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

B. Consumption per unit of production

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

C. Energy conservation measures

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

TECHNOLOGY ABSORPTION

A. Research and Development

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

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

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

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

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

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

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

3. Future plan of action

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

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

B. Technology Absorption, Adaptation and Innovation

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

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

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution

- Market leader for several complex products. Offers complete baskets of products under speciality therapeutic classes. Strong pipeline of products for future introduction in India, emerging markets, as well as US and European generic market. Ability to challenge patents in the US market, and earn exclusivity.
- Not dependent on imported technology, can make high cost products available at competitive prices by using indigenously developed manufacturing processes and formulation technologies.
- Offer products which are convenient and safe for administration to patients, products with a technology advantage.
- We are among the few selected companies that have set up completely integrated manufacturing capability for the production of anticancer, hormones, peptide, cephalosporins and steroidal drugs.
- The Company has benefited from reduction in cost due to import substitution and increased revenue through higher exports.

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

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

CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

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

Composition and category of Directors is as follows:

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

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

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

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

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

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

Name of the Director	Attendance Particulars for the year ended March 31, 2013		*No. of other Directorships and Committee Memberships / Chairmanships as of March 31, 2013		
	Board Meetings	Last AGM held on November 8, 2012	Other Directorships	Committee Memberships**	Committee Chairmanships**
Mr. Israel Makov	3	Yes	--	--	--
Mr. Dilip S. Shanghvi	3	Yes	2	--	--
Mr. Sudhir V. Valia	4	Yes	6	--	1
Mr. Sailesh T. Desai	4	Yes	2	--	--
Mr. S. Mohanchand Dadha	4	Yes	2	--	1
Mr. Hasmukh S. Shah	4	Yes	4	--	1
Mr. Keki M. Mistry	4	Yes	13	6	3
Mr. Ashwin S. Dani	3	Yes	6	1	2



* The above list of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private, Limited, Foreign and Section 25 Companies.

** The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Shareholders' / Investors' Grievance Committee only.

3. CODE OF CONDUCT

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

4. AUDIT COMMITTEE

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

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

The terms of reference of the Audit Committee 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/ related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations and also statutory compliance issues. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

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

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

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

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

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

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

5. REMUNERATION OF DIRECTORS

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

CORPORATE GOVERNANCE

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

(Amount in ₹)

Directors	Salary *	Bonus	Perquisites** / Benefits	Commission	Sitting Fees	Total
Mr. Israel Makov	-	-	-	-	14,793.07	14,793.07
Mr. Dilip S. Shanghvi	1,67,28,000	33,45,600	23,08,041	-	-	2,23,81,641
Mr. Sudhir V. Valia	1,67,28,000	33,45,600	22,19,537	-	-	2,22,93,137
Mr. Sailesh T. Desai	64,44,000	12,88,800	8,30,591	-	-	85,63,391
Mr. S.Mohan chand Dadha	-	-	-	12,50,000	60,000	13,10,000
Mr. Hasmukh S. Shah	-	-	-	12,50,000	60,000	13,10,000
Mr. Keki M. Mistry	-	-	-	12,50,000	40,000	12,90,000
Mr. Ashwin S. Dani	-	-	-	12,50,000	15,000	12,65,000

* Salary includes Special Allowance.

** 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: -

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

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

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

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

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

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

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

Investor Complaints :

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

7. COMMITTEE OF DIRECTORS (ALLOTMENT)

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

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

9. GENERAL BODY MEETINGS

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

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

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

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

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

8. SUBSIDIARY COMPANIES

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

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

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

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

CORPORATE GOVERNANCE

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

a) At the Eighteenth Annual General Meeting:

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

b) At the Nineteenth Annual General Meeting:

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

c) At the Twentieth Annual General Meeting:

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

(iii) Postal Ballot

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

10. DISCLOSURES

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



Professionals having in depth knowledge of pharmaceutical industry and/ or expertise in their area of specialisation.

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

11. MEANS OF COMMUNICATION

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

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

12. GENERAL SHAREHOLDER INFORMATION

12.1 Annual General Meeting:

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

12.2 Financial Calendar (tentative):

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

12.3 Details of Book-closure for Equity Shareholders:

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

12.4 Dividend Payment Date:

	On or after October 4, 2013
--	-----------------------------

CORPORATE GOVERNANCE

12.5 (i) Listing of Equity Shares on Stock Exchanges

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

(ii) Payment of Listing Fee

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

12.6 Stock Code:

Equity Shares

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

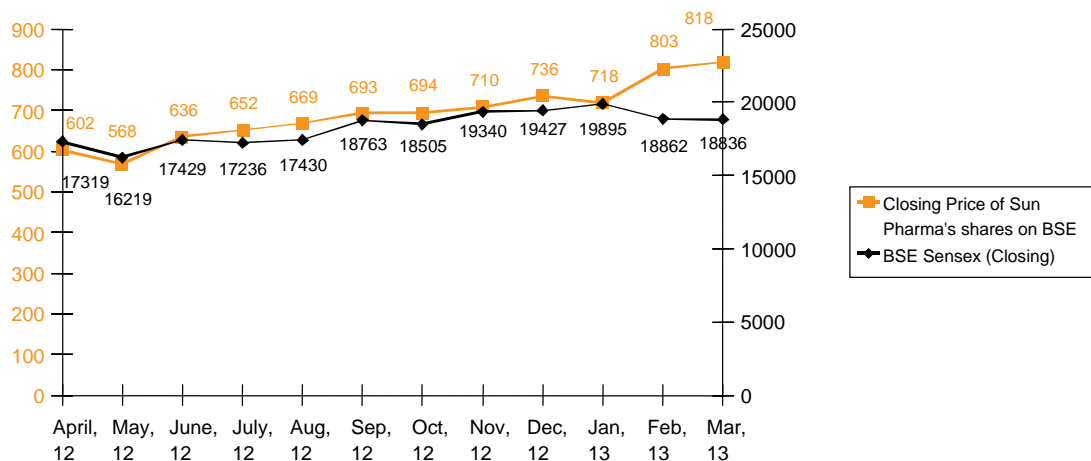
12.7 Stock Market Data

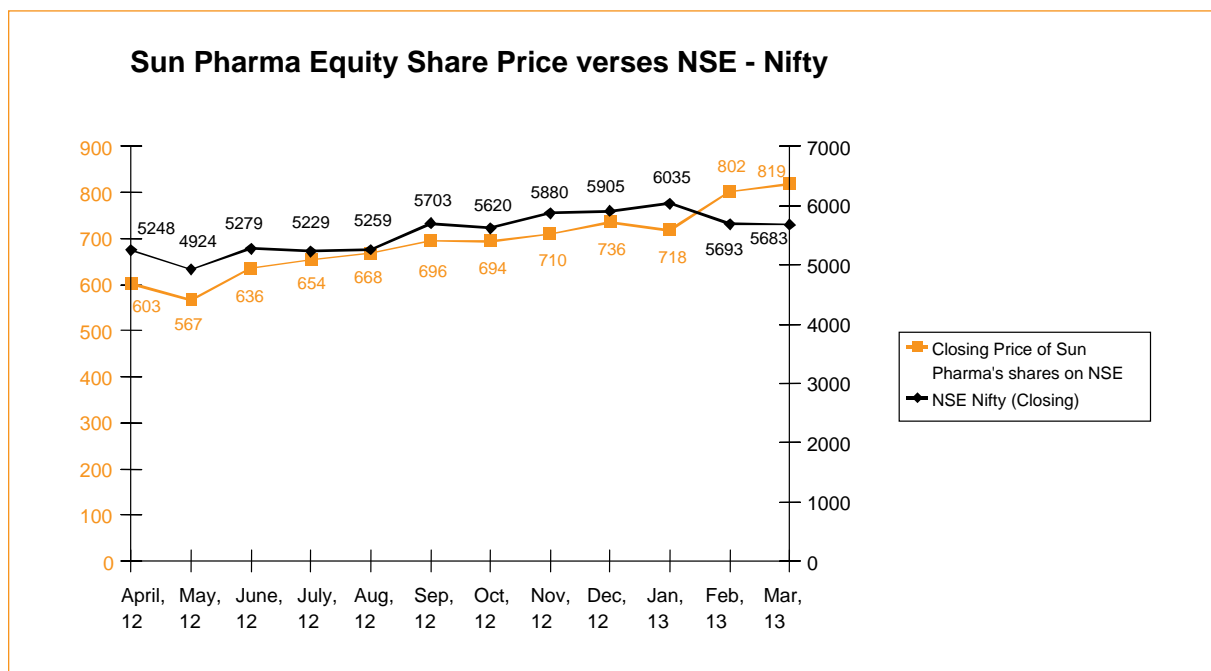
Equity Shares of ₹1/- paid-up value:

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

(Source: BSE and NSE website)

Sun Pharma Equity Share Price versus BSE - Sensex





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

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

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

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

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

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

CORPORATE GOVERNANCE

12.9 Registrars & Transfer Agent

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

Ms. Trupti Parab / Ms. Sujata Poojary
Link Intime India Pvt. Ltd.
C-13, Kantilal Maganlal Estate
Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078.
E-Mail: sunpharma@linkintime.co.in
rnt.helpdesk@linkintime.co.in
Tel: 022-25946970, Fax : 022- 25946969

12.10 Share Transfer System

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

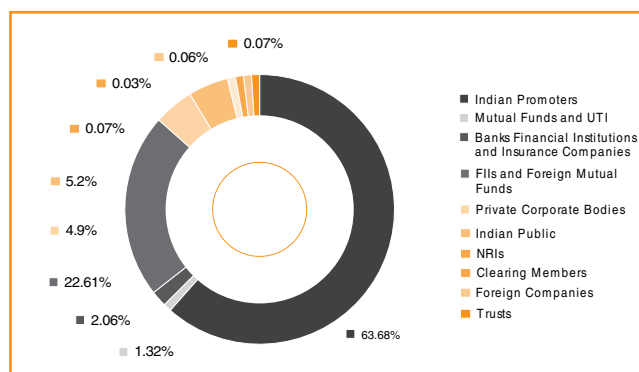
12.11 Distribution of Shareholding as on March 31, 2013

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

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

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

Particulars	Percentage	No. of Shares
H. Clearing Members	0.03%	322777
I. Foreign Companies	0.06%	646450
J. Trusts	0.07%	734299
Total	100.00	1035581955



12.13 Dematerialisation of Shares

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

Liquidity:

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

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

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

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

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

12.15 Plant locations:

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

12.16 Investor Correspondence

(a) For transfer/ dematerialisation of Shares, payment of dividend on Shares, and any other query relating to the shares of the Company

For Shares held in Physical Form

Ms.Trupti Parab/Ms.Sujata Poojary
 Link Intime India Pvt. Ltd.
 C-13, Kantilal Maganlal Estate
 Pannalal Silk Mills Compound
 L.B.S. Marg, Bhandup (West)
 Mumbai – 400 078.
 E-Mail: sunpharma@linkintime.co.in
rnt.helpdesk@linkintime.co.in
 Tel: 022-25946970,
 Fax : 022- 25946969

For Shares held in Demat Form

To the Depository Participant.

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

secretarial@sunpharma.com

(c) Any query on Annual Report

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

For and on behalf of the Board

DILIP S. SHANGHVI
 Managing Director

SUDHIR V. VALIA
 Whole-time Director

SAILESH T. DESAI
 Whole-time Director

Mumbai, 9th August, 2013

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

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

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

For Sun Pharmaceutical Industries Ltd.,

Dilip S. Shanghvi
Managing Director

Date: August 9, 2013.

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

To the Members of Sun Pharmaceutical Industries Limited,

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

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

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

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No.117366W)

Rajesh K. Hiranandani
Partner
(Membership No.36920)

Mumbai, 9th August, 2013



FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

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



INDEPENDENT AUDITORS' REPORT



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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

MUMBAI, 28th May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses vi, x, xiii, xiv, xviii, xix and xx of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us:
 - (a) The Company has granted loans, including interest accrued thereon converted into loans as per the terms and conditions of loans, aggregating ₹813.4 Million to one party during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹738.4 Million (number of parties - one) and the maximum amount involved during the period was ₹738.4 Million (number of parties - one).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.

INDEPENDENT AUDITORS' REPORT

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

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

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

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



INDEPENDENT AUDITORS' REPORT



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

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

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

MUMBAI, 28th May, 2013

BALANCE SHEET

as at 31st March, 2013

₹ in Million

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

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

RAJESH K. HIRANANDANI

Partner

For and on behalf of the Board

DILIP S. SHANGHVI

Managing Director

SUDHIR V. VALIA

Wholtime Director

SAILESH T. DESAI

Wholtime Director

SUNIL R. AJMERA

Company Secretary

Mumbai, 28th May, 2013

Mumbai, 28th May, 2013



STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013



₹ in Million

	Note No.	Year ended 31st March, 2013		Year ended 31st March, 2012	
Revenue from Operations	21	25,184.9		40,804.9	
Less: Excise Duty		863.5		649.3	
		24,321.4		40,155.6	
Other Income	22	2,361.7		3,428.5	
Total Revenue			26,683.1		43,584.1
Expenses					
Cost of Materials Consumed	23	7,057.9		9,517.1	
Purchases of Stock-in-Trade	32	2,009.6		1,874.8	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(105.3)		(817.3)	
Employee Benefits Expense	25	2,348.7		3,165.6	
Depreciation and Amortisation Expense	11	858.2		757.2	
Other Expenses	26	7,883.7		8,829.2	
Total Expenses			20,052.8		23,326.6
Profit Before Exceptional Item and Tax			6,630.3		20,257.5
Exceptional Item	49		-		(2,999.2)
Profit Before Tax			6,630.3		17,258.3
Tax Expense					
Current Tax	47	1,149.8		229.4	
Deferred Tax		315.0	1,464.8	54.0	283.4
Profit for the Year			5,165.5		16,974.9
Earnings per Share					
Basic and Diluted (₹) Face Value per Equity share - ₹ 1	39		5.0		16.4

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director

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Wholetime Director

SUNIL R. AJMERA
Company Secretary

Mumbai, 28th May, 2013

Mumbai, 28th May, 2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

₹ in Million

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



CASH FLOW STATEMENT

for the year ended 31st March, 2013



₹ in Million

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

See accompanying notes forming part of the Financial Statements

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

RAJESH K. HIRANANDANI

Partner

Mumbai, 28th May, 2013

For and on behalf of the Board

DILIP S. SHANGHVI

Managing Director

SUNIL R. AJMERA

Company Secretary

SUDHIR V. VALIA

Wholetime Director

SAILESH T. DESAI

Wholetime Director

Mumbai, 28th May, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

	As at 31st March, 2013		As at 31st March, 2012	
	Number of Equity Shares	₹ in Million	Number of Equity Shares	₹ in Million
1 SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 1 each	1,500,000,000	1,500.0	1,500,000,000	1,500.0
	1,500,000,000	1,500.0	1,500,000,000	1,500.0
Issued, Subscribed and Fully Paid Up				
Equity Shares of ₹ 1 each (Refer Note 29)	1,035,581,955	1,035.6	1,035,581,955	1,035.6
	1,035,581,955	1,035.6	1,035,581,955	1,035.6

₹ in Million

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ in Million

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ in Million

	As at 31st March, 2013		As at 31st March, 2012	
8	TRADE PAYABLES			
	Due to Micro and Small Enterprises (Refer Note 37)	66.2		39.4
	Other Payables	3,566.5		3,962.5
		3,632.7		4,001.9
9	OTHER CURRENT LIABILITIES			
	Investor Education and Protection Fund shall be credited by Unpaid Dividends (not due)	45.1		40.4
	Statutory Remittances	288.5		231.3
	Payables on Purchase of Fixed Assets	366.7		288.8
	Advances from Customers	65.3		56.9
	Payable to a Subsidiary Company	678.0		-
	Others	7.9		8.0
		1,451.5		625.4
10	SHORT-TERM PROVISIONS			
	Employee Benefits – Compensated Absences	23.6		39.7
	Dividend proposed to be distributed to equity Shareholders	5,177.9		4,401.2
	Corporate Dividend Tax	880.0		714.0
		6,081.5		5,154.9



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

11 FIXED ASSETS

₹ in Million

Description of Assets	Gross Block (At Cost)			Depreciation / Amortisation / Impairment			Net Block			
	As at 01.04.2012	Additions during the year	Deletion / Adjustments during the year	Transferred on spin off during the year (Refer Note 49)	As at 31.03.2013	For the year 01.04.2012	On Deletions for the year	Transferred on spin off during the year (Refer Note 49)	As at 31.03.2013	As at 31.03.2012
A. Tangible Assets										
Freehold Land	173.4 (38.7)	15.3 (134.7)	- (-)	- (-)	188.7 (173.4)	- (-)	- (-)	- (-)	188.7 (173.4)	173.4 (38.7)
Leasehold Land	137.8 (39.2)	- (98.6)	- (-)	- (-)	137.8 (137.8)	7.3 (4.4)	2.1 (-)	9.4 (7.3)	128.4 (130.5)	130.5 (34.8)
Buildings	2,745.5 (2,334.9)	176.2 (412.6)	- (2.0)	- (-)	2,921.7 (2,745.5)	533.1 (465.3)	76.7 (67.8)	609.8 (533.1)	2,311.9 (2,212.4)	2,212.4 (1,869.6)
Buildings - Leased *	193.6 (193.6)	- (-)	- (-)	- (-)	193.6 (193.6)	43.5 (37.3)	6.2 (6.2)	49.7 (43.5)	143.9 (150.1)	150.1 (156.3)
Plant and Equipment	10,651.2 (8,856.2)	2,146.5 (1,952.6)	27.2 (157.6)	- (-)	12,770.5 (10,651.2)	4,047.6 (3,549.3)	706.9 (97.9)	4,741.6 (4,047.6)	8,028.9 (6,603.6)	6,603.6 (5,306.9)
Plant and Equipment -Leased *	25.3 (25.3)	- (-)	- (-)	- (-)	25.3 (25.3)	1.7 (0.5)	1.2 (-)	2.9 (1.7)	22.4 (23.6)	23.6 (24.8)
Vehicles	183.1 (156.1)	51.6 (70.8)	9.1 (14.9)	- (28.9)	225.6 (183.1)	54.6 (55.0)	18.4 (16.5)	6.7 (9.2)	159.3 (128.5)	128.5 (101.1)
Office Equipment	321.6 (311.6)	31.9 (37.8)	2.2 (5.1)	- (22.7)	351.3 (321.6)	184.9 (175.2)	21.8 (20.7)	2.0 (4.7)	146.6 (136.7)	136.7 (136.4)
Furniture and Fixtures	344.1 (287.4)	38.5 (57.6)	0.4 (0.2)	- (0.7)	382.2 (344.1)	143.6 (124.2)	21.5 (19.8)	0.4 (0.2)	217.5 (200.5)	200.5 (163.2)
Total Tangible Assets	14,775.6 (12,243.0)	2,460.0 (2,764.7)	38.9 (179.8)	- (52.3)	17,196.7 (14,775.6)	5,016.3 (4,411.2)	854.8 (731.3)	22.0 (112.0)	11,347.6 (9,759.3)	9,759.3
B. Intangible Assets										
Trademarks, Designs and Other Intangible Assets	54.7 (444.6)	- (149.4)	- (-)	- (539.3)	54.7 (54.7)	41.0 (332.5)	3.4 (25.9)	- (-)	10.3 (13.7)	13.7 (112.1)
Total Intangible Assets	54.7 (444.6)	- (149.4)	- (-)	- (539.3)	54.7 (54.7)	41.0 (332.5)	3.4 (25.9)	- (-)	10.3 (13.7)	13.7
Total Fixed Assets	14,830.3 (12,687.6)	2,460.0 (2,914.1)	38.9 (179.8)	- (591.6)	17,251.4 (14,830.3)	5,057.3 (4,743.7)	858.2 (757.2)	22.0 (112.0)	11,357.9 (9,773.0)	9,773.0

* Refer Note 42 (a)

** Refer Note 48

Footnotes:

(i) Buildings include ₹ 8,620 (Previous Year ₹ 8,620) towards cost of shares in a Co-operative Housing Society.

(ii) Includes Impairment of ₹ 29.1 Million (Previous Year ₹ 29.1 Million). Nil (Previous Year ₹ 1.7 Million) transferred on spin off. (Refer Note 49)

(iii) Previous Year figures are in brackets

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ in Million

		As at 31st March, 2013	As at 31st March, 2012
12	NON-CURRENT INVESTMENTS		
	Long-term Investments (At Cost)		
	A) Trade Investments - Unquoted		
	a) In Equity Instruments		
	i) In Subsidiary Companies		
	Caraco Pharmaceutical Laboratories Ltd. 8,387,666 (Previous Year 8,382,666) fully paid Common Shares of No Par Value	304.2	303.9
	Zao Sun Pharma Industries Ltd. 1,000 (Previous Year 1,000) Shares of Rubbles 20 each fully paid	0.2	0.2
	Sun Pharma Global Inc. BVI 2,471,515 (Previous Year 2,471,515) Shares of US \$ 1 each fully paid	9,628.9	9,628.9
	TKS Farmaceutica Ltda. 829,288 (Previous Year 829,288) quota of Capital Stock of Real (R\$) 1 each fully paid	18.3	18.3
	Sun Pharma De Mexico, S.A. DE C.V. 750 (Previous Year 750) Common Shares of no Face Value	3.3	3.3
	Sun Pharmaceutical Industries Inc. (merged with Caraco Pharmaceutical Laboratories Ltd.) Nil (Previous Year 5,000) fully paid Common Stock of \$ 1 Par Value	-	0.2
	Sun Pharmaceutical (Bangladesh) Ltd. 434,469 (Previous Year 434,469) Ordinary Shares of 100 Takas each fully paid	36.5	36.5
	Share Application Money	31.6	31.6
	Sun Pharmaceutical Peru S.A.C. [₹ 21,734 (Previous Year ₹ 21,734)] 149 (Previous Year 149) Ordinary Shares of Soles 10 each fully paid	0.0	0.0
	SPI DE Mexico SA DE CV 100 (Previous Year 100) Nominative and free Shares of \$500 Mexican Pesos each fully paid	0.2	0.2
	OOO Sun Pharmaceutical Industries Ltd Par value stock of 49,500 Rubbles (Previous Year 49,500 Rubbles)	0.1	0.1
	Green Eco Development Centre Ltd 100,000 (Previous Year 100,000) Shares of ₹ 10 each fully paid	1.0	1.0
	Sun Pharma De Venezuela, C.A. 1,000 (Previous Year 1,000) Shares of Bolivars (Bs.F.) 100 each fully paid	0.5	0.5



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ in Million

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ in Million

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ in Million

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ in Million

	As at 31st March, 2013		As at 31st March, 2012	
	Book Value	Market Value	Book Value	Market Value
AGGREGATE VALUE OF INVESTMENTS				
Quoted	617.3	666.0	617.3	632.7
Unquoted	33,147.6		35,310.7	
* During the year converted into Part IX Company w.e.f 31st August, 2012	Share	Capital	Share	Capital
Partners				
Sun Pharmaceutical Industries Limited	-	-	97.5%	8,998.8
Sun Pharmaceutical Industries Key Employees' Benefit Trust	-	-	2.5%	194.3
** During the year converted into Part IX Company w.e.f 31st August, 2012	Share	Capital	Share	Capital
Partners				
Sun Pharmaceutical Industries Limited	-	-	97.5%	11,979.3
Sun Pharmaceutical Industries Key Employees' Benefit Trust	-	-	2.0%	542.1
Sun Pharma Advanced Research Company Limited Key Employees' Benefit Trust	-	-	0.5%	81.7
***Partners	Share	Capital	Share	Capital
Sun Pharmaceutical Industries Limited ₹ 94 (Previous Year ₹ 94)	98.0%	0.0	98.0%	0.0
Sun Pharmaceutical Industries Key Employees' Benefit Trust ₹ (94) (Previous Year ₹ (94))	2.0%	(0.0)	2.0%	(0.0)

13	LONG-TERM LOANS AND ADVANCES		
	(Unsecured – Considered Good)		
	Capital Advances	1,765.1	843.5
	Security Deposits	138.3	135.9
	Loans and Advances to Related Parties (Refer Notes 38 and 44)	77.4	71.3
	Loans and Advances to Employees / Others	50.9	34.6
	Prepaid Expenses	17.8	3.5
	Advance Income Tax [Net of Provisions ₹ 2,600.7 Million (Previous Year ₹ 1,450.7 Million)]	2,397.7	1,860.1
	Advance Fringe Benefit Tax [Net of Provisions Nil (Previous Year ₹ 15.0 Million)]	0.2	-
	Balances with Government Authorities	463.5	436.5
		4,910.9	3,385.4

14	OTHER NON-CURRENT ASSETS		
	(Unsecured – Considered Good)		
	Interest Accrued on Investments	77.0	26.7
	Unamortised Premium on Investments	1.3	1.6
		78.3	28.3



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ in Million

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ in Million

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ in Million

	As at 31st March, 2013		As at 31st March, 2012	
B) Other Current Investments (Unquoted)				
a) In Mutual Funds				
Units of Face Value of ₹ 10 each				
BNP Mutual Fund - BNP Paribas Overnight-Inst Growth Nil (Previous Year 15,159,967) Units	-		250.0	
JPMorgan Mutual Fund-JP Morgan Liquid Super IP - Growth Nil (Previous Year 17,992,212) Units	-		250.0	
JM Financial Mutual Fund-JM High Liquidity Fund-Growth Option (13) 3,756,339 (Previous Year Nil) Units	120.0		-	
Religare Mutual Fund-Religare Credit Opportunities Fund-Inst Growth Nil (Previous Year 20,697,591) Units	-		250.0	
Units of Face Value of ₹ 100 each				
ICICI Prudential Mutual Fund - ICICI Prudential Money Market Fund Cash Option Growth Nil (Previous Year 1,686,038) Units	-		250.0	
ICICI Prudential Mutual Fund-ICICI Prudential Money Market Fund Regular Plan Growth 1,233,984 (Previous Year Nil) Units	200.0		-	
Units of Face Value of ₹ 1,000 each				
Axis Mutual Fund - Axis Liquid Fund-Institutional Growth Nil (Previous Year 210,385) Units	-		250.0	
Axis Mutual Fund - Axis Liquid Fund- Direct Plan Growth 92,395 (Previous Year Nil) Units	120.0		-	
Daiwa Mutual Fund-Daiwa Liquid Fund-Inst Plan-Growth Nil (Previous Year 208,291) Units	-		250.0	
IDBI Mutual Fund-IDBI Liquid Fund - Growth Nil (Previous Year 217,297) Units	-		250.0	
Indiabulls Mutual Fund- Indiabulls Liquid Fund -Direct Plan- Growth 175,447 (Previous Year Nil) Units	200.0		-	
Morgan Stanley Mutual Fund-Morgan Stanley Liquid Fund- Growth Plan 130,335 (Previous Year 237,514) Units	150.0		250.0	
Pramerica Mutual Fund-Pramerica Dynamic Bond Fund- Growth Nil (Previous Year 99,824) Units	-		100.0	
Pramerica Mutual Fund-Pramerica Liquid Fund-Growth 119,904 (Previous Year 218,551) Units	150.0		250.0	
Religare Mutual Fund-Religare Liquid Fund-Direct Plan-Growth 93,096 (Previous Year Nil) Units	150.0		-	
		1,090.0		2,350.0

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ in Million

	As at 31st March, 2013		As at 31st March, 2012	
b) In Commercial Paper				
Morgan Stanley India Capital Pvt Ltd - 272D CP 290T12 Nil (Previous Year 1,000) Units of ₹ 500,000 each fully paid	-		462.3	
Morgan Stanley India Capital Pvt Ltd - 180D CP 14AG13 500 (Previous Year Nil) Units of ₹ 500,000 each fully paid	238.1		-	
Morgan Stanley India Capital Pvt Ltd - 270D CP 12NV13 500 (Previous Year Nil) Units of ₹ 500,000 each fully paid	232.4		-	
		470.5		462.3
c) In Deposits				
Unquoted				
Housing Development Finance Corporation Ltd.	2,000.0		-	
SICOM Limited	500.0		-	
		2,500.0		-
TOTAL (B)		4,060.5		2,812.3
TOTAL (A+B)		9,410.5		8,449.8

AGGREGATE VALUE OF INVESTMENTS	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	122.5	120.9
Unquoted	9,410.5		8,327.3	

16 INVENTORIES				
Raw Materials and Packing Materials	4,907.7		4,171.2	
Goods-in-Transit	25.6		27.5	
	4,933.3		4,198.7	
Less : Transferred on spin-off (*)	-	4,933.3	(857.1)	3,341.6
Work-in-Progress	2,072.6		1,977.1	
Less : Transferred on spin-off (*)	-	2,072.6	(146.5)	1,830.6
Finished Goods	1,461.2		1,266.6	
Goods-in-Transit	-		22.8	
	1,461.2		1,289.4	
Less : Transferred on spin-off (*)	-	1,461.2	(295.2)	994.2
Stock-in-Trade	-		162.0	
Less : Transferred on spin-off (*)	-	-	(162.0)	-
Other Materials and Consumables	220.3		234.2	
Goods-in-Transit	0.2	220.5	0.1	234.3
(*) Refer Note 49				
		8,687.6		6,400.7



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ in Million

17	TRADE RECEIVABLES	As at 31st March, 2013		As at 31st March, 2012	
	(Unsecured – Considered Good unless stated otherwise)				
	Outstanding for a period exceeding Six Months from the date they are due for payment				
	Considered Good	661.4		538.0	
	Doubtful	131.7		42.4	
		793.1		580.4	
	Less: Provision for Doubtful Trade Receivables	131.7	661.4	42.4	538.0
	Other Trade Receivables		6,713.9		6,596.8
			7,375.3		7,134.8

18	CASH AND CASH EQUIVALENTS	As at 31st March, 2013		As at 31st March, 2012	
	Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statements				
	Cash on Hand		4.7		5.4
	Cheques, Drafts on Hand		-		3.3
	Balances with Banks				
	In Current Accounts	155.5		50.4	
	In Deposit Accounts with Original Maturity less than 3 Months	140.0		430.4	
	In EEFC Accounts	1,917.9	2,213.4	1,197.7	1,678.5
			2,218.1		1,687.2
	Other Bank Balances				
	In Deposit Accounts (Refer Footnote)	1,974.5		11,497.4	
	In Earmarked Accounts				
	Unpaid Dividend Accounts	42.4		37.7	
	Balances held as Margin Money or Security against Guarantees and Other Commitments (Refer Footnote)	76.2	2,093.1	54.8	11,589.9
			4,311.2		13,277.1

Footnote

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ in Million

		As at 31st March, 2013		As at 31st March, 2012	
19	SHORT-TERM LOANS AND ADVANCES				
	(Unsecured – Considered Good unless stated otherwise)				
	Loans and Advances to Related Parties (Refer Notes 38 and 44)		3,435.7		-
	Loans and Advances to Employees / Others				
	Secured	252.5		300.0	
	Unsecured	2,783.4		2,158.6	
	Considered Doubtful	4.5		4.5	
		3,040.4		2,463.1	
	Less: Provision for Doubtful Loans and Advances	4.5	3,035.9	4.5	2,458.6
	Prepaid Expenses		76.2		68.5
	Balances with Government Authorities		1,639.9		976.5
	Advances for Supply of Goods and Services		307.3		402.5
			8,495.0		3,906.1

20	OTHER CURRENT ASSETS				
	(Unsecured – Considered Good)				
	Interest Accrued on Investments		239.1		336.7
	Unamortised Premium on Investments		0.3		0.3
	Export Incentives		353.5		203.1
			592.9		540.1

₹ in Million

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

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ in Million

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ in Million

26	OTHER EXPENSES	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Consumption of Materials, Stores and Spare Parts		1,711.2		1,186.0
	Conversion and Other Manufacturing Charges		497.2		541.3
	Power and Fuel		934.0		687.6
	Rent		29.3		24.5
	Rates and Taxes		88.8		68.0
	Insurance		63.1		42.5
	Selling and Distribution		57.3		2,424.3
	Commission and Discount		215.0		467.9
	Repairs				
	Buildings	87.2		43.9	
	Machinery	442.2		348.6	
	Others	201.2	730.6	120.7	513.2
	Printing and Stationery		50.5		47.4
	Travelling and Conveyance		133.3		237.5
	Overseas Travel and Export Promotion		1,288.3		1,115.1
	Communication		71.9		58.3
	Provision for Doubtful Trade Receivables / Advances				
	Provision for Doubtful Trade Receivables	90.6		15.5	
	Sundry Balances / Trade Receivables written off (Net)	2.2		48.1	
	Less : Adjusted out of Provision of earlier year	1.3	91.5	54.0	9.6
	Professional and Consultancy		1,182.5		558.4
	Donations		22.1		0.1
	Loss on Sale of Fixed Assets (Net)		6.0		36.9
	Increase / (Decrease) of Excise Duty on Inventory		26.1		73.5
	Net Loss on Foreign Currency Transactions and Translation		522.1		549.3
	Payments to Auditors (Net of Service Tax)				
	As Auditors [includes ₹ Nil (Previous Year ₹ 0.4 Million) in respect of Previous Year]	7.8		7.0	
	For Other Services	1.5		1.7	
	Reimbursement of Expenses	0.1	9.4	0.2	8.9
	Miscellaneous Expenses		493.6		337.5
			8,223.8		8,987.8
	Less :				
	Receipts from Research Activities		(340.1)		(158.6)
			7,883.7		8,829.2



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ in Million

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

27 SIGNIFICANT ACCOUNTING POLICIES

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 and the Accounting Standards (AS) as notified under the Companies (Accounting Standards) Rules, 2006.

II Use of estimates

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

III Fixed Assets and Depreciation / Amortisation

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

IV Leases

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

V Revenue Recognition

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

VI Investments

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

VII Inventories

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

VIII Research and Development

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

IX Foreign Currency Transactions

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



X Derivative Accounting:

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

XI Taxes on Income

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

XII Employee Benefits

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

XIII Borrowing Costs

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

XIV Provisions, Contingent Liabilities and Contingent Assets

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

XV Government Grants / Subsidy

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

XVI Impairment of Assets

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ in Million

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

29 DISCLOSURES RELATING TO SHARE CAPITAL

i Rights, Preferences and Restrictions attached to Equity Shares

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

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

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ in Million

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

₹ in Million

	Year ended 31st March, 2013		Year ended 31st March, 2012	
31 INFORMATION RELATING TO CONSUMPTION OF MATERIALS				
Raw and Packing Materials				
Raw Materials		5,839.0		8,328.1
Packing Materials		1,218.9		1,189.0
TOTAL		7,057.9		9,517.1

None of the items individually account for more than 10% of total consumption.

	%		%	
Imported and Indigenous				
Raw and Packing Materials				
Imported	54.47	3,844.5	39.93	3,800.2
Indigenous	45.53	3,213.4	60.07	5,716.9
TOTAL	100.00	7,057.9	100.00	9,517.1
Stores and Spare Parts and Other Materials				
Imported	30.74	526.0	30.30	359.4
Indigenous	69.26	1,185.2	69.70	826.6
TOTAL	100.00	1,711.2	100.00	1,186.0

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

₹ in Million

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

₹ in Million

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

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

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

- An amount of ₹ 66.2 Million (Previous Year ₹ 39.4 Million) and ₹ NIL (Previous Year ₹ NIL) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.
- 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.

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



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

₹ in Million

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

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	3,318.9	9,898.5
Outside India	19,978.6	14,732.5
Sale of Products	23,297.5	24,631.0

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

41 ACCOUNTING STANDARD (AS-15) ON EMPLOYEE BENEFITS

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

₹ in Million

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

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ in Million

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

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

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



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

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

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

42 ACCOUNTING STANDARD (AS-19) ON LEASES

- (a) The Company has given certain premises for its operations and Plant and Machinery under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licence, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has received refundable interest free security deposits where applicable in accordance with the agreed terms. (b) The Company has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licence, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. (c) Lease receipts / payments are recognised in the Statement of Profit and Loss under "Rent" in Note 22 and 26 respectively.

- 43 As per the best estimate of the management, provision has been made towards breakages and expiry of products return, as per Accounting Standard (AS) 29 notified under the Companies (Accounting Standards) Rules, 2006.

₹ in Million

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

44 LOANS / ADVANCES DUE FROM SUBSIDIARIES

₹ in Million

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

- 45 Intangible assets consisting of trademarks, designs, technical knowhow, non compete fees and other intangible assets are stated at cost of acquisition based on their agreements and are available to the Company in perpetuity. The depreciable amount of intangible assets is arrived at based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Company.
- 46 **LEGAL PROCEEDINGS**
The Company and / or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims and other regulatory matters relating to conduct of its business. The Company carries product liability insurance / is contractually indemnified by the manufacturer, in an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters will not have material adverse effect on its Financial Statements.
- 47 Current Tax is net of write back of Provision for Fringe Benefit Tax (net) of ₹ 0.2 Million (Previous Year ₹ 0.6 Million) pertaining to earlier year.
- 48 During the year, the Company has received Government Grant of Nil (Previous Year ₹ 2.0 Million) and Nil (Previous Year ₹ 3.0 Million) in respect of Building and Plant and Equipment respectively.
- 49 Pursuant to the scheme of arrangement in the nature of spin off and transfer of Domestic Formulation undertaking of the Company to its wholly owned subsidiary, Sun Pharma Laboratories Ltd (SPLL - formerly known as Sun Resins & Polymers Private Ltd.) as approved by the Hon'ble High Court of Gujarat and the Hon'ble High Court of Bombay vide their Orders dated 3rd May, 2013, on and with effect from the close of the business hours on 31st March 2012, the appointed date, all the specified assets, movable, tangible and intangible assets, without any liabilities, pertaining to the Domestic Formulation undertaking stands transferred to and /or vested in the SPLL as a going concern without consideration. The scheme has been given effect to in the financial statements for the previous year ended 31st March, 2012 and accordingly, specified intangible assets, tangible and other assets of the Domestic Formulation undertaking having book value of ₹ 2,999.2 Million have been transferred to SPLL with corresponding debit to the Statement of Profit and Loss as an Exceptional Item.
- 50 The Company enters into Forward Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.

A) The following are the outstanding Forward Exchange Contracts entered into by the Company as on 31st March, 2013

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

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

a) Amounts receivable in foreign currency on account of the following :

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



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

Amount in Million

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

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

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

ANNEXURE 'A'

Names of related parties and description of relationship

1 Subsidiaries

Alkaloida Chemical Company Zrt.
 Caraco Pharmaceutical Laboratories Ltd.
 Chattem Chemicals Inc
 Green Eco Development Centre Ltd.
 OOO "Sun Pharmaceutical Industries" Ltd.
 TKS Farmaceutica Ltda
 Sun Pharma De Mexico S.A. DE C.V.
 Sun Pharma De Venezuela, CA.
 Sun Pharma Global Inc.
 Sun Pharmaceutical (Bangladesh) Ltd.
 Sun Pharmaceutical Industries (Europe) B.V.
 Sun Pharmaceutical Industries Inc.
 (merged with Caraco Pharmaceutical Laboratories Ltd. w.e.f. 28th February, 2013)
 Sun Pharmaceutical Spain, SL.
 Sun Pharmaceuticals France
 Sun Pharmaceuticals Germany GmbH
 Sun Pharma Global (FZE)
 Sun Pharmaceuticals Italia S.R.L.
 Sun Pharmaceutical UK Ltd.
 Taro Pharmaceutical Industries Ltd.
 Sun Pharmaceutical Industries (Australia) Pty. Ltd.
 Aditya Acquisition Company Ltd.
 Sun Pharmaceuticals (SA) (Pty) Ltd.
 Sun Global Canada Pty. Ltd.
 Sun Pharmaceutical Peru S.A.C.
 Taro Development Corporation

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

ANNEXURE 'A'

Names of related parties and description of relationship

ZAO Sun Pharma Industries Ltd.
SPIL De Mexico S.A. DE C.V.
Caraco Pharma Inc
3 Skyline LLC
One Commerce Drive LLC
Taro Hungary Intellectual Property Licensing LLC.
Taro International Ltd.
Taro Pharmaceuticals Inc.
Taro Pharmaceutical India Private Ltd.
Taro Pharmaceutical Laboratories INC
Taro Pharmaceuticals U.S.A., Inc.
Taro Pharmaceuticals Europe B.V.
Taro Pharmaceuticals Ireland Ltd.
Taro Pharmaceuticals North America, Inc.
Taro Pharmaceuticals UK Ltd.
Taro Research Institute Ltd
(merged with Taro Pharmaceutical Industries Ltd. w.e.f. 31st March , 2012)
Tarochem Ltd.
Morley and Company Inc
Sun Laboratories FZE
Taro Pharmaceuticals Canada, Ltd.
Sun Global Development FZE
Sun Pharmaceuticals Korea Ltd.
Sun Pharma Philippines Inc.
Caraco Pharmaceuticals Pvt. Ltd
Sun Pharma MEA JLT
Sun Pharma Healthcare FZE
Sun Pharma Japan Ltd
Sun Pharma Laboratories Ltd.(Formerly, Sun Resin & Polymers Pvt Ltd)
* Sun Pharma Medication Pvt Ltd.
* Sun Pharma Drugs Pvt Ltd.
Universal Enterprise Pvt Ltd (w.e.f. 31st August, 2012)
** Faststone Mercantile Company Private Limited
** Neetnav Real Estate Private Limited
** Realstone Multitrade Private Limited
** Skisen Labs Private Limited
** Softdeal Trading Company Private Limited
** Orta Ltd.
** Sun Universal Ltd
** Khyati Realty ME Ltd
** Aditya Pharma limited Liability Company



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013



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

ANNEXURE 'A'

Names of related parties and description of relationship

	** Alkaloida Sweden AB									
	** Dusa Pharmaceuticals Inc									
	** Dusa Pharmaceuticals New York Inc									
	** Sirius Laboratories Inc									
	** URL Pharma Inc									
	** AR Scientific.Inc									
	** Mutual Pharmaceutical Company, Inc.									
	** United Research Laboratories, Ltd.									
	** Dungan Mutual Associates, LLC									
	** URL PharmPro, LLC									
2	Controlled Entity	<ul style="list-style-type: none"> * Sun Pharmaceutical Industries * Sun Pharma Sikkim Sun Pharma Drugs Universal Enterprise Pvt Ltd (upto 31st August, 2012) 								
3	Key Management Personnel	<table border="0"> <tbody> <tr> <td>Mr. Dilip S. Shanghvi</td> <td>Managing Director</td> </tr> <tr> <td>Mr. Sudhir V. Valia</td> <td>Wholetime Director</td> </tr> <tr> <td>Mr. Sailesh T. Desai</td> <td>Wholetime Director</td> </tr> <tr> <td>Mr. S. Kalyanasundaram (upto 31st March, 2012)</td> <td>Chief Executive Officer and Wholetime Director</td> </tr> </tbody> </table>	Mr. Dilip S. Shanghvi	Managing Director	Mr. Sudhir V. Valia	Wholetime Director	Mr. Sailesh T. Desai	Wholetime Director	Mr. S. Kalyanasundaram (upto 31st March, 2012)	Chief Executive Officer and Wholetime Director
Mr. Dilip S. Shanghvi	Managing Director									
Mr. Sudhir V. Valia	Wholetime Director									
Mr. Sailesh T. Desai	Wholetime Director									
Mr. S. Kalyanasundaram (upto 31st March, 2012)	Chief Executive Officer and Wholetime Director									
4	Relatives of Key Management Personnel	<table border="0"> <tbody> <tr> <td>Mr. Aalok Shanghvi</td> <td>Son of Managing Director</td> </tr> <tr> <td>Ms. Vidhi Shanghvi (w.e.f. 9th November, 2012)</td> <td>Daughter of Managing Director</td> </tr> </tbody> </table>	Mr. Aalok Shanghvi	Son of Managing Director	Ms. Vidhi Shanghvi (w.e.f. 9th November, 2012)	Daughter of Managing Director				
Mr. Aalok Shanghvi	Son of Managing Director									
Ms. Vidhi Shanghvi (w.e.f. 9th November, 2012)	Daughter of Managing Director									
5	Enterprise under significant Influence of Key Management Personnel or their relatives	<ul style="list-style-type: none"> Sun Petrochemicals Pvt Ltd Navjivan Rasayan (Gujarat) Pvt Ltd Sun Pharma Advanced Research Company Ltd <p>* Controlled entities converted into private limited companies under Part IX of the Companies Act, 1956 w.e.f. 31st August, 2012.</p> <p>** Incorporated / Acquired during the year</p>								

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

ANNEXURE 'A'

Particulars	Subsidiaries		Controlled Entity		Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant influence of Key Management Personnel or their relatives		Total	
	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12
Purchases of goods	1,198.8	42.5	668.1	515.2	-	-	-	-	-	2.0	1,866.9	559.7
Sun Pharma Medication Pvt. Ltd.	1,031.6	-	-	-	-	-	-	-	-	-	1,031.6	-
Sun Pharmaceutical Industries	-	-	650.7	487.5	-	-	-	-	-	-	650.7	487.5
Others	167.2	42.5	17.4	27.7	-	-	-	-	-	2.0	184.6	72.2
Purchase of Fixed Assets	27.9	19.2	-	44.1	-	-	-	-	0.4	-	28.3	63.3
Sun Pharma Medication Pvt. Ltd.	25.4	-	-	-	-	-	-	-	-	-	25.4	-
Taro Pharmaceutical Industries Ltd	2.5	17.7	-	-	-	-	-	-	-	-	2.5	17.7
Sun Pharma Sikkim	-	-	-	42.7	-	-	-	-	-	-	-	42.7
Others	-	1.5	-	1.4	-	-	-	-	0.4	-	0.4	2.9
Sale of goods	12,154.6	8,937.5	652.6	1,277.6	-	-	-	-	23.5	7.8	12,830.7	10,222.9
Caraco Pharmaceutical Laboratories Ltd	6,333.2	6,004.1	-	-	-	-	-	-	-	-	6,333.2	6,004.1
Sun Pharma Global (FZE)	3,389.1	2,092.7	-	-	-	-	-	-	-	-	3,389.1	2,092.7
Others	2,432.3	840.7	652.6	1,277.6	-	-	-	-	23.5	7.8	3,108.4	2,126.1
Sale of Fixed Assets	6.7	-	-	4.3	-	-	-	-	-	-	6.7	4.3
Sun Pharmaceutical Industries	-	-	-	4.3	-	-	-	-	-	-	-	4.3
Alkaloida Chemical Company Zrt	6.7	-	-	-	-	-	-	-	-	-	6.7	-
Receiving of Service	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	7.6	-	-	-	-	31.0	35.4	31.0	43.0
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	31.0	35.4	31.0	35.4
Sun Pharmaceutical Industries	-	-	-	7.6	-	-	-	-	-	-	-	7.6
Reimbursement of Expenses	386.6	209.8	-	-	-	-	-	-	1.3	-	387.9	209.8
Caraco Pharmaceutical Laboratories Ltd	250.9	134.4	-	-	-	-	-	-	-	-	250.9	134.4
Sun Pharmaceutical Industries (Europe) B.V.	78.1	45.3	-	-	-	-	-	-	-	-	78.1	45.3
Taro Pharmaceutical Industries Ltd	43.8	-	-	-	-	-	-	-	-	-	43.8	-
Others	13.8	30.1	-	-	-	-	-	-	1.3	-	15.1	30.1
Rendering of Service	-	-	-	-	-	-	-	-	-	-	-	-
Services	337.0	-	-	-	-	-	-	-	-	-	337.0	-
Sun Pharma Laboratories Ltd.(Formerly, Sun Resin & Polymers Pvt Ltd)	273.6	-	-	-	-	-	-	-	-	-	273.6	-
Sun Pharmaceutical (Bangladesh) Ltd	63.4	-	-	-	-	-	-	-	-	-	63.4	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

ANNEXURE 'A'

Particulars	Subsidiaries		Controlled Entity		Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant influence of Management Personnel or their relatives		Total	
	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12
Reimbursement of Expenses	159.6	113.4	0.5	0.2	-	-	-	-	35.9	31.4	196.0	145.0
Sun Pharma Global (FZE)	151.4	110.6	-	-	-	-	-	-	-	-	151.4	110.6
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	35.9	31.4	35.9	31.4
Others	8.2	2.8	0.5	0.2	-	-	-	-	-	-	8.7	3.0
Finance (including loans, Investment and equity contributions)												
Capital Contribution / (Withdrawal)	13,175.0	5,932.3	(21,969.5)	(3,206.2)	-	-	-	-	-	-	(8,794.5)	2,726.1
Sun Pharma Global Inc	13,164.1	5,931.2	-	-	-	-	-	-	-	-	13,164.1	5,931.2
Sun Pharma Sikkim	-	-	(12,884.0)	(5,468.5)	-	-	-	-	-	-	(12,884.0)	(5,468.5)
Sun Pharmaceutical Industries	-	-	(9,085.5)	2,278.2	-	-	-	-	-	-	(9,085.5)	2,278.2
Others	10.9	1.1	-	(15.9)	-	-	-	-	-	-	10.9	(14.8)
Loans given	1,512.2	2.8	-	-	-	-	-	-	780.0	-	2,292.2	2.8
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	780.0	-	780.0	-
Sun Pharma Laboratories Ltd (Formerly, Sun Resin & Polymers Pvt Ltd)	508.2	-	-	-	-	-	-	-	-	-	508.2	-
Green Eco Development Centre Ltd	1.5	2.8	-	-	-	-	-	-	-	-	1.5	2.8
Others	1,002.5	-	-	-	-	-	-	-	-	-	1,002.5	-
Loans Received back	1,507.9	2,178.6	-	-	-	-	-	-	75.0	-	1,582.9	2,178.6
Sun Pharma Laboratories Ltd (Formerly, Sun Resin & Polymers Pvt Ltd)	505.4	-	-	-	-	-	-	-	-	-	505.4	-
Softdeal Trading Private Limited	200.9	-	-	-	-	-	-	-	-	-	200.9	-
Faststone Mercantile Company Pvt Ltd	200.4	-	-	-	-	-	-	-	-	-	200.4	-
Neetnav Real Estate Pvt Ltd.	200.4	-	-	-	-	-	-	-	-	-	200.4	-
Realstone Multitrade Private Limited	200.4	-	-	-	-	-	-	-	-	-	200.4	-
Skisen Labs Pvt Ltd.	200.4	-	-	-	-	-	-	-	-	-	200.4	-
Sun Pharma Global Inc	-	2,178.6	-	-	-	-	-	-	-	-	-	2,178.6
Others	-	-	-	-	-	-	-	-	75.0	-	75.0	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

ANNEXURE 'A'

₹ in Million

Particulars	Subsidiaries		Controlled Entity		Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12
Corporate Guarantees Given / (Released) on behalf of	3.6	(133.6)	-	-	-	-	-	-	-	-	3.6	(133.6)
Sun Pharmaceuticals Italia S.R.L.	156.2	-	-	-	-	-	-	-	-	-	156.2	-
Sun Pharma De Mexico S.A. DE C.V.	-	(133.6)	-	-	-	-	-	-	-	-	-	(133.6)
Sun Pharmaceutical (Bangladesh) Ltd	(152.6)	-	-	-	-	-	-	-	-	-	(152.6)	-
Interest Income	4.1	-	4.2	2.2	-	-	-	-	37.1	-	45.4	2.2
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	37.1	-	37.1	-
Sun Pharmaceutical Industries	-	-	2.1	1.1	-	-	-	-	-	-	2.1	1.1
Sun Pharma Sikkim	-	-	2.1	1.1	-	-	-	-	-	-	2.1	1.1
Others	4.1	-	-	-	-	-	-	-	-	-	4.1	-
Rent Income	1.5	-	1.3	3.0	-	-	-	-	1.5	1.4	4.3	4.4
Sun Pharma Drugs Pvt. Ltd.	0.8	-	-	-	-	-	-	-	-	-	0.8	-
Sun Pharma Medication Pvt. Ltd.	0.7	-	-	-	-	-	-	-	-	-	0.7	-
Sun Pharmaceutical Industries	-	-	0.7	1.6	-	-	-	-	-	-	0.7	1.6
Sun Pharma Sikkim	-	-	0.6	1.4	-	-	-	-	1.4	1.3	0.6	1.4
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	-	-	1.4	1.3
Others	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1
Director's Remuneration	-	-	-	-	53.0	78.7	-	-	-	-	53.0	78.7
Mr. Dilip S. Shanghvi	-	-	-	-	22.3	23.3	-	-	-	-	22.3	23.3
Mr. Sudhir V. Valia	-	-	-	-	22.2	23.4	-	-	-	-	22.2	23.4
Mr. Suresh T. Desai	-	-	-	-	8.5	7.5	-	-	-	-	8.5	7.5
Mr. S. Kalyanasundaram	-	-	-	-	-	24.5	-	-	-	-	-	24.5
Apprenticeship Stipend / Remuneration	-	-	-	-	-	-	3.3	3.0	-	-	3.3	3.0
Mr. Aalok Shanghvi	-	-	-	-	-	-	3.1	3.0	-	-	3.1	3.0
Ms. Vidhi Shanghvi	-	-	-	-	-	-	0.2	-	-	-	0.2	-
Remuneration received from Partnership Firms	-	-	82.9	2012.3	-	-	-	-	-	-	82.9	2012.3
Sun Pharma Sikkim	-	-	46.4	1829.2	-	-	-	-	-	-	46.4	1829.2
Sun Pharmaceutical Industries	-	-	36.5	183.1	-	-	-	-	-	-	36.5	183.1
Share of profit from Partnership Firms	-	-	919.8	14069.0	-	-	-	-	-	-	919.8	14069.0
Sun Pharma Sikkim	-	-	441.9	11523.9	-	-	-	-	-	-	441.9	11523.9
Sun Pharmaceutical Industries	-	-	477.9	2545.1	-	-	-	-	-	-	477.9	2545.1
Others Nil (Previous Year ₹ (2,123))	-	-	-	(0.0)	-	-	-	-	-	-	-	(0.0)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

ANNEXURE 'A'

Particulars	Subsidiaries		Controlled Entity		Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant influence of Key Management Personnel or their relatives		Total	
	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12
Exceptional Item	-	2,999.2	-	-	-	-	-	-	-	-	-	2,999.2
Sun Pharma Laboratories Limited (formerly Sun Resins & Polymers Pvt. Ltd.) (Refer Note 49)	-	2,999.2	-	-	-	-	-	-	-	-	-	2,999.2
Outstanding Corporate Guarantee to Bank	774.0	170.4	-	600.0	-	-	-	-	-	-	774.0	770.4
Sun Pharma Medication Pvt. Ltd. (Actual Utilised ₹ 98.2 Million (Previous Year Nil))	400.0	-	-	-	-	-	-	-	-	-	400.0	-
Sun Pharma Drugs Pvt. Ltd. (Actual Utilised ₹ 83.3 Million (Previous Year Nil))	200.0	-	-	-	-	-	-	-	-	-	200.0	-
Sun Pharmaceuticals Italia S.R.L. (Actual Utilised Nil (Previous Year Nil))	174.0	17.8	-	-	-	-	-	-	-	-	174.0	17.8
Sun Pharmaceutical Industries (Actual Utilised Nil (Previous Year ₹ 67.1 Million))	-	-	-	400.0	-	-	-	-	-	-	-	400.0
Sun Pharma Sikkim (Actual Utilised Nil (Previous Year ₹ 90.4 Million))	-	-	-	200.0	-	-	-	-	-	-	-	200.0
Sun Pharmaceutical (Bangladesh) Ltd (Actual Utilised ₹ Nil (Previous Year ₹ Nil))	-	152.6	-	-	-	-	-	-	-	-	-	152.6
Outstanding Receivables / Payables (Net) as on	4,879.7	3,966.1	-	(0.1)	(15.1)	(14.7)	(0.8)	(0.4)	755.6	60.2	5,619.4	4,011.1
Sun Pharma Drugs Pvt. Ltd.	1,670.5	-	-	-	-	-	-	-	-	-	1,670.5	-
Sun Pharma Medication Pvt. Ltd.	1,026.8	-	-	-	-	-	-	-	-	-	1,026.8	-
Caraco Pharmaceutical Laboratories Ltd	958.8	2,518.6	-	-	-	-	-	-	-	-	958.8	2,518.6
000 "Sun Pharmaceutical Industries" Ltd	768.4	516.9	-	-	-	-	-	-	-	-	768.4	516.9
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	755.6	60.2	755.6	60.2
Sun Pharma Global (FZE)	718.0	662.7	-	-	-	-	-	-	-	-	718.0	662.7
Sun Pharma Laboratories Ltd. (Formerly, Sun Resin & Polymers Pvt Ltd)	(678.0)	-	-	-	-	-	-	-	-	-	(678.0)	-
Others	415.2	267.9	-	(0.1)	(15.1)	(14.7)	(0.8)	(0.4)	-	-	399.3	252.7

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

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

Emphasis of Matter

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



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

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

Our opinion is not qualified in respect of these matters.

Other Matter

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

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

Our opinion is not qualified in respect of these matters.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

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

CONSOLIDATED BALANCE SHEET

as at 31st March, 2013

₹ Million

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

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

RAJESH K. HIRANANDANI

Partner

For and on behalf of the Board

DILIP S. SHANGHVI

Managing Director

SUDHIR V. VALIA

Wholtime Director

SAILESH T. DESAI

Wholtime Director

SUNIL R. AJMERA

Company Secretary

Mumbai, 09th August, 2013

Mumbai, 09th August, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013



₹ Million

	Note No	Year ended 31st March, 2013		Year ended 31st March, 2012	
Revenue from Operations	22	114,696.8		81,269.4	
Less: Excise Duty		1,698.2		1,074.5	
		112,998.6		80,194.9	
Other Income	23	3,880.9		4,715.1	
Total Revenue			116,879.5		84,910.0
Expenses					
Cost of Materials Consumed	24	19,499.8		18,516.0	
Purchases of Stock-in-Trade		3,518.4		2,372.0	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(2,284.8)		(4,488.7)	
Employee Benefits Expense	26	15,345.3		11,877.3	
Finance Costs	27	431.6		282.0	
Depreciation and Amortisation Expense	11	3,361.7		2,911.6	
Other Expenses	28	27,957.5		19,875.1	
Total Expenses			67,829.5		51,345.3
Profit Before Exceptional Item and Tax			49,050.0		33,564.7
Exceptional Item	32 (IV)		5,835.8		-
Profit Before Tax			43,214.2		33,564.7
Tax Expense:					
Current Tax	46		8,131.3		4,051.5
Deferred Tax (Credit) / Charge			324.2	8,455.5	(919.6)
Profit from Continuing Operations			34,758.7		30,432.8
Loss from Discontinuing Operations	51		(65.3)		(11.1)
Profit after tax before Minority Interest			34,693.4		30,421.7
Minority Interest			4,862.8		3,854.8
Profit for the Year			29,830.6		26,566.9
Earnings Per Share	38				
Basic and Diluted (₹) Face Value per Equity share - ₹ 1			28.8		25.7

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

RAJESH K. HIRANANDANI
Partner

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director

SUNIL R. AJMERA
Company Secretary

Mumbai, 09th August, 2013

Mumbai, 09th August, 2013

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2013

₹ In Million

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



CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2013



₹ In Million

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

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

RAJESH K. HIRANANDANI

Partner

For and on behalf of the Board

DILIP S. SHANGHVI

Managing Director

SUDHIR V. VALIA

Wholetime Director

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SUNIL R. AJMERA

Company Secretary

Mumbai, 09th August, 2013

Mumbai, 09th August, 2013

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

2		As at 31st March, 2013		As at 31st March, 2012	
			₹ Million		₹ Million
	Reserves and Surplus				
	Capital Reserve				
	As per Last Balance Sheet		259.1		259.1
	Capital Redemption Reserve				
	As per Last Balance Sheet		154.5		154.5
	Securities Premium Account				
	As per Last Balance Sheet		15,099.1		15,099.1
	General Reserve				
	Opening Balance	30,521.2		28,521.2	
	Add: Transferred from Surplus in Statement of Profit and Loss	520.0		2,000.0	
	Closing Balance		31,041.2		30,521.2
	Legal Reserve (Refer Note 50)				
	Opening Balance	-		-	
	Add: Transferred from Surplus in Statement of Profit and Loss	0.9		-	
	Closing Balance		0.9		-
	Foreign Currency Translation Reserve				
	Opening Balance	8,560.6		2,603.9	
	Add/(Less): Effect of Foreign Exchange rate variations during the year	3,766.8		5,956.7	
	Closing Balance		12,327.4		8,560.6
	Surplus in Statement of Profit and Loss				
	Opening Balance	66,727.7		47,159.8	
	Add: Profit for the Year	29,830.6		26,566.9	
	Proposed Dividend Written Back (on waiver)	-		100.0	
	Corporate Dividend Tax Written Back (on waiver)	-		16.2	
		29,830.6		26,683.1	
	Less: Dividend proposed to be distributed to equity Shareholders [₹ 5 (Previous Year ₹ 4.25) per share]	5,177.9		4,401.2	
	Corporate Dividend Tax	880.0		714.0	
	Transferred to Legal Reserve	0.9		-	
	Transferred to General Reserve	520.0		2,000.0	
		6,578.8		7,115.2	
	Closing Balance		89,979.5		66,727.7
			148,861.7		121,322.2

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ Million

	As at 31st March, 2013		As At 31st March, 2012	
3 Long-term Borrowings				
Secured Borrowings				
Term Loans				
From Banks	372.6		456.1	
From Other Parties	46.4	419.0	40.4	496.5
Unsecured Borrowings				
Debentures (Matures in November 2014 - Rate of Interest 5.8% Plus CPI)		571.2		1,037.7
Long-Term Maturities of Finance Lease Obligation		1.9		-
Term Loans				
From Banks	-		19.0	
From Other Parties	160.5	160.5	1.0	20.0
		1,152.6		1,554.2
4 Deferred Tax Liabilities (Net)				
Deferred Tax Liability				
Depreciation on Fixed Assets	2,129.9		1,591.0	
Others	24.3	2,154.2	26.6	1,617.6
Less :				
Deferred Tax Assets				
Unpaid Liabilities	51.8		50.3	
Others	48.9	100.7	15.3	65.6
		2,053.5		1,552.0
5 Other Long-term Liabilities				
Trade Payables		-		1.3
Trade / Security Deposits Received		88.0		20.3
Interest accrued but not due on borrowings		1.4		-
Others		-		67.7
		89.4		89.3
6 Long-term Provisions				
Employee Benefits:				
Compensated Absences	166.1		108.2	
Severance / Pension Pay (Refer Note 43)	7.4	173.5	4.1	112.3
Product Returns, Rebates, Medic aids etc (Refer Note 53)		592.4		517.4
MTM Loss on outstanding Forward Contracts		1,293.4		752.8
Provision for Exceptional Item (Refer Note 32 IV)		5,808.0		-
Provision for Income Tax (Net of Advance Income Tax)		3.3		4.8
		7,870.6		1,387.3

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ Million

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



Particulars	Gross Block (At Cost)				Depreciation / Amortisation / Impairment				Net Block				
	As At 01.04.12	Consolidation Adjustments	Taken over on acquisition (c)	Additions During the Year	Deletions / Adjustments During the Year	As at 31.03.13	As at 01.04.12	Consolidation Adjustments	Taken over on acquisition (c)	For the year	Deletions For the year	As at 31.03.13	As at 31.03.12
A. Tangible Assets													
Freehold Land	824.4 (609.7)	35.7 (68.0)	179.2 (-)	15.3 (146.7)	32.7 (-)	1,021.9 (824.4)	- (-)	- (-)	- (-)	- (-)	- (-)	1,021.9 (824.4)	824.4 (609.7)
Leasehold Land	1,062.7 (799.7)	54.5 (101.4)	- (-)	- (161.6)	- (-)	1,117.2 (1,062.7)	7.0 (12.4)	7.0 (12.4)	- (-)	15.2 (14.6)	- (-)	980.2 (947.9)	947.9 (711.9)
Buildings **	14,694.8 (12,647.2)	677.6 (1,306.4)	1,616.0 (-)	566.7 (829.5)	94.8 (88.3)	17,460.3 (14,694.8)	192.8 (355.6)	192.8 (355.6)	44.7 (-)	451.4 (456.0)	55.5 (66.6)	12,943.0 (10,810.9)	10,810.9 (9,508.3)
Leasehold Improvement on Building	104.9 (91.1)	7.0 (13.0)	- (-)	- (0.8)	- (-)	111.9 (104.9)	0.7 (1.1)	0.7 (1.1)	- (-)	2.9 (2.5)	- (-)	98.2 (94.8)	94.8 (84.6)
Buildings Given under operating lease *	347.1 (327.9)	10.3 (19.2)	- (-)	- (-)	- (-)	357.4 (347.1)	67.6 (2.7)	67.6 (2.7)	1.6 (-)	10.3 (9.8)	- (-)	277.9 (279.5)	279.5 (272.8)
Plant and Equipment **	27,694.3 (23,100.9)	989.1 (1,727.0)	1,706.4 (-)	3,356.6 (3,227.6)	182.7 (361.2)	33,563.7 (27,694.3)	680.2 (1,218.8)	680.2 (1,218.8)	478.0 (-)	1,918.2 (1,684.7)	129.3 (213.1)	15,283.3 (12,361.0)	12,361.0 (10,458.0)
Plant and Equipment Leased *	25.3 (25.3)	- (-)	- (-)	- (-)	- (-)	25.3 (25.3)	1.7 (0.5)	1.7 (0.5)	- (-)	1.2 (1.2)	- (-)	22.4 (23.6)	23.6 (24.8)
Vehicles	324.6 (260.6)	7.7 (9.1)	0.4 (-)	117.8 (101.7)	32.3 (46.8)	418.2 (324.6)	3.7 (5.2)	3.7 (5.2)	0.1 (-)	45.0 (33.5)	24.9 (32.0)	278.6 (208.9)	208.9 (151.6)
Office Equipment	410.8 (357.6)	5.1 (5.3)	195.5 (-)	67.7 (53.2)	2.9 (5.3)	676.2 (410.8)	234.6 (4.1)	234.6 (4.1)	3.3 (-)	41.7 (32.8)	2.6 (4.8)	227.6 (176.2)	176.2 (155.1)
Furniture and Fixtures	1,053.4 (908.4)	40.4 (74.9)	80.0 (-)	101.5 (101.4)	1.7 (31.3)	1,273.6 (1,053.4)	645.5 (551.0)	645.5 (551.0)	30.4 (-)	60.5 (50.7)	0.8 (12.7)	471.2 (407.9)	407.9 (357.4)
Total Tangible Assets	46,542.3 (39,128.4)	1,827.4 (3,324.3)	3,777.5 (-)	4,225.6 (4,622.5)	347.1 (532.9)	56,025.7 (46,542.3)	919.7 (1,656.4)	919.7 (1,656.4)	761.2 (-)	2,546.4 (2,285.8)	213.1 (329.2)	31,604.3 (26,135.1)	26,135.1 (22,334.2)
B. Intangible Assets													
Trademarks, Designs and Other Intangible Assets	7,726.2 (6,344.6)	474.2 (836.2)	10,236.1 (-)	1,309.8 (550.7)	9.3 (5.3)	19,737.0 (7,726.2)	4,555.9 (3,465.0)	4,555.9 (3,465.0)	54.7 (-)	815.3 (625.8)	9.3 (5.3)	13,540.9 (3,160.3)	3,160.3 (2,879.6)
Total Intangible Assets	7,726.2 (6,344.6)	474.2 (836.2)	10,236.1 (-)	1,309.8 (550.7)	9.3 (5.3)	19,737.0 (7,726.2)	4,555.9 (3,465.0)	4,555.9 (3,465.0)	54.7 (-)	815.3 (625.8)	9.3 (5.3)	13,540.9 (3,160.3)	3,160.3 (2,879.6)
Previous Year	54,268.5 (45,473.0)	2,301.6 (4,160.5)	14,013.6 (-)	5,535.4 (5,173.2)	356.4 (538.2)	75,762.7 (54,268.5)	1,196.8 (2,025.92)	1,196.8 (2,025.92)	1,308.3 (-)	3,361.7 (2,911.6)	2,224 (334.5)	45,145.2 (29,295.4)	29,295.4 (25,213.8)

Footnotes :

(a) Buildings include ₹ 8,620 (Previous Year ₹ 8,620) towards cost of shares in a Co-operative Housing Society.

(b) Includes Impairment of ₹ 64.9 Million (Previous Year ₹ 64.9 Million) including ₹ Nil (Previous Year ₹ 34.1 Million) on account of impairment for the year.

(c) Represents assets and accumulated depreciation of DUSA Pharmaceuticals Inc and URL Pharma Inc. which became subsidiaries during the year.

(d) Excludes Fixed Assets Held for Sale (Refer Note 21)

(e) Previous Year figures are in brackets

* Refer Note 41

** Refer Note 45

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ Million

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ Million

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

16	Current Investments	As at 31st March, 2013		As At 31st March, 2012	
	A) Current Portion of Long-term Investments (At Cost)				
	Quoted				
	In Debentures		-		122.5
	Unquoted				
	In Bonds	-		5.0	
	In Mutual Funds	7,860.0		7,600.1	
	In Deposits	750.0	8,610.0	5,260.0	12,865.1
	B) Other Current Investments				
	Quoted				
	In Bonds		-		249.9
	Unquoted				
	In Government Securities	381.6		148.6	
	In Mutual Funds	1,090.1		2,351.2	
	In Deposits	2,500.0		39.5	
	In Commercial Paper	470.5	4,442.2	462.3	3,001.6
			13,052.2		16,239.1
	AGGREGATE VALUE OF INVESTMENTS				
		Book Value	Market Value	Book Value	Market Value
	Quoted	-	-	372.4	373.9
	Unquoted	13,052.2		15,866.7	

17	Inventories	As at 31st March, 2013		As At 31st March, 2012	
	Raw and Packing Materials	9,806.1		8,247.8	
	Goods-in-Transit	311.4	10,117.5	284.1	8,531.9
	Work-in-Progress		4,657.5		4,118.5
	Finished Goods	8,470.4		5,994.9	
	Goods-in-Transit	345.6	8,816.0	820.3	6,815.2
	Stock-in-trade	1,505.8		816.6	
	Goods-in-Transit	135.2	1,641.0	52.4	869.0
	Other Materials and Consumables	525.0		519.0	
	Goods-in-Transit	20.6	545.6	16.2	535.2
			25,777.6		20,869.8

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ Million

		As at 31st March, 2013		As At 31st March, 2012	
18	Trade Receivables				
	(Unsecured – Considered Good unless stated otherwise)				
	Outstanding for a period exceeding Six Months from the date they are due for payment				
	Considered Good	2,013.0		2,674.6	
	Doubtful	137.3		44.5	
		2,150.3		2,719.1	
	Less: Provision for Doubtful Trade Receivables	137.3	2,013.0	44.5	2,674.6
	Other Trade Receivables		25,094.7		18,112.8
			27,107.7		20,787.4

19	Cash and Cash Equivalents				
	Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statement				
	Cash on Hand		7.5		8.4
	Cheques, Drafts on Hand		89.4		150.0
	Balance with Banks				
	In Current Accounts	5,577.8		3,421.3	
	In Deposit Accounts with Original Maturity of 3 Months or less	13,095.5		12,613.7	
	In EEFC Accounts	1,920.9	20,594.2	1,333.3	17,368.3
			20,691.1		17,526.7
	Other Bank Balances				
	In Deposit Accounts (Refer Footnote)	19,271.9		15,208.1	
	In Earmarked Accounts:				
	Unpaid Dividend Accounts	42.4		37.7	
	Balances held as Margin Money or Security against Guarantees and Other Commitments (Refer Footnote)	581.7	19,896.0	899.4	16,145.2
			40,587.1		33,671.9

Footnote

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ Million

	As at 31st March, 2013		As At 31st March, 2012	
20 Short-term Loans and Advances				
(Unsecured – Considered Good unless stated otherwise)				
Security Deposits		775.1		40.2
Loans and Advances to Employees / Others				
Secured	261.8		300.0	
Unsecured	2,882.5		5,790.0	
Considered Doubtful	4.5		4.5	
	3,148.8		6,094.5	
Less: Provision for Doubtful Loans and Advances	4.5	3,144.3	4.5	6,090.0
Prepaid Expenses		1,266.7		659.6
Balances with Government Authorities		2,653.6		1,981.6
Advance Income-Tax [net of Provisions]		2,273.8		-
Advances for Supply of Goods and Services		678.9		1,655.3
Receivable on Account of Assets under Finance Lease (Refer Note 41 (e))		3.6		-
		10,796.0		10,426.7
21 Other Current Assets				
(Unsecured – Considered Good)				
Interest Accrued on Investments		311.3		547.8
Unamortised Premium on Investments		0.3		0.3
Export Incentives		353.5		204.0
Others:				
Insurance Claim	26.3		23.7	
Fixed Assets Held for Sale	3.7		3.6	
Contractually Reimbursable	-	30.0	159.4	186.7
		695.1		938.8

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ Million

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ Million

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ Million

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

30 SIGNIFICANT ACCOUNTING POLICIES:

I Basis of Consolidation:

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

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

II Basis of Accounting

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

III Use of Estimates

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

IV Fixed Assets and Depreciation / Amortisation

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

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

V Leases

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

VI Revenue Recognition

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

VII Investments

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

VIII Inventories

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

IX Research and Development

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

X Foreign Currency Transactions and Translation

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

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

XI Derivative Accounting

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

XII Taxes on Income

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

XIII Employee Benefits

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

XIV Borrowing Costs

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

XV Provisions, Contingent Liabilities and Contingent Assets

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

XVI Government Grants / Subsidy

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

XVII Impairment of Assets

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

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

Name of Subsidiaries		Country of Incorporation	Proportion of ownership interest for the year	
			Year ended 31st March, 2013	Year ended 31st March, 2012
Direct Subsidiaries				
1	Green Eco Development Centre Ltd.	India	100.00%	100.00%
2	Sun Pharma Global Inc.	British Virgin Islands	100.00%	100.00%
3	ZAO Sun Pharma Industries Ltd. (See Note e)	Russia	100.00%	100.00%
4	Sun Pharmaceutical (Bangladesh) Ltd.	Bangladesh	72.50%	72.50%
5	Caraco Pharmaceutical Laboratories Ltd. (Caraco)	United States of America	100.00%	100.00%
6	TKS Farmaceutica Ltda	Brazil	100.00%	100.00%
7	Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%
8	Sun Pharmaceutical Industries Inc.	United States of America	(See Note f)	100.00%
9	SPIL De Mexico S.A. DE C.V.	Mexico	100.00%	100.00%
10	Sun Pharmaceutical Peru S.A.C.	Peru	99.33%	99.33%
11	OOO "Sun Pharmaceutical Industries" Ltd.	Russia	99.00%	99.00%
12	Sun Pharma de Venezuela, CA.	Venezuela	100.00%	100.00%
13	Sun Pharma Laboratories Limited (Formerly Known as Sun Resins and Polymers Private Limited)	India	100% (See Note h)	100.00%
14	Faststone Mercantile Company Private Limited	India	100.00%	-
15	Neetnav Real Estate Private Limited	India	100.00%	-
16	Realstone Multitrade Private Limited	India	100.00%	-
17	Skisen Labs Private Limited	India	100.00%	-
18	Softdeal Trading Company Private Limited	India	100.00%	-
Step down Subsidiaries				
19	Caraco Pharma Inc	United States of America	100.00%	100.00%
20	Chattem Chemicals Inc	United States of America	100.00%	100.00%
21	Taro Development Corporation	United States of America	100.00%	100.00%
22	Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%
23	Sun Pharmaceutical UK Ltd.	United Kingdom	100.00%	100.00%
24	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	Australia	100.00%	100.00%
25	Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%
26	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	100.00%	100.00%
27	Sun Pharmaceuticals Italia S.R.L.	Italy	100.00%	100.00%
28	Sun Pharmaceutical Spain, S.L.U	Spain	100.00%	100.00%
29	Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%
30	Sun Pharmaceuticals France	France	100.00%	100.00%



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

₹ In Million

32 Contingent Liabilities and Commitments (to the extent not provided for)	As at 31st March, 2013	As at 31st March, 2012
A) Contingent Liabilities		
I) Claims against the Group not acknowledged as debts	653.5	834.4
II) Guarantees Given by the bankers on behalf of the Group	571.5	303.8
III) Others :		
Letters of Credit for Imports	548.8	250.0
Liabilities Disputed - Appeals filed with respect to :		
Income Tax on account of Disallowances / Additions	7,624.0	5,091.9
Sales Tax on account of Rebate / Classification	48.4	22.9
Excise Duty on account of Valuation / Cenvat Credit	466.7	340.2
ESIC Contribution on account of applicability	0.2	0.2
Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, including interest thereon, enjoyed by the Group	14.0	14.0
Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme	13.9	12.0
IV) Sun Pharma Global Inc. / Sun Pharma Global FZE (Sun Global) along with Teva and others have sold pantoprazole tablets in the United States. Wyeth and Nycomed (Plaintiffs) have instituted case against Sun Global and their parent Sun Pharmaceutical Industries Ltd, (collectively Sun) and Teva and others (Defendants) claiming damages in the form of lost profits, including price erosion damages, for the sales Plaintiffs lost as a result of Defendants i.e Teva and Sun Global's sales of pantoprazole tablets in the United States. Wyeth's experts have estimated the purported damages from Sun to be \$ 960 million (₹ 52,108.8 Million). Wyeth's experts have also claimed that Teva may be liable for some of Sun Global's damages and vice versa. The claim for damages will require Wyeth and Nycomed to meet the burden to prove the amount of damages it claims. In the yet to be scheduled Jury trial in the U.S District Court for the district of New Jersey, a jury will determine the appropriate level of damages assessable against Sun and Teva. After this decision, the previous ruling on the validity of the patent as well as the ruling on the quantum of damages will become appealable before United States Court of Appeals of the Federal Circuit. Sun maintains that the patent is invalid and unenforceable and will pursue all available legal remedies including appeals until a final non-appealable decision ensues, however, as a matter of prudence and as estimated by management a sum of \$ 107 million (₹ 5,835.8 million) have been provided towards potential damages in this regard and disclosed as exceptional item in statement of Profit and Loss.		
B) Commitments		
I) Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	3,051.1	4,349.0
II) Derivative related Commitments - Forward Foreign Exchange Contracts	4,342.4	2,034.8
III) Lease related commitments [Refer Note : 41 (d) (i)]		

33 Legal Proceedings

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

34 Disclosures relating to Share Capital

i Rights, Preferences and Restrictions attached to Equity Shares

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

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

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

₹ In Million

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

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

37 Related Party Disclosure (AS-18) - as per Annexure 'A'		
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38 Accounting Standard (AS-20) on Earnings Per Share		
Profit for the year - used as Numerator for calculating Earnings Per Share	29,830.6	26,566.9
Weighted Average number of Shares used in computing basic and diluted Earnings Per Share	1,035,581,955	1,035,581,955
Nominal value per share (in ₹)	1.0	1.0
Basic and Diluted Earnings Per Share (in ₹)	28.8	25.7



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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₹ In Million

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

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

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

- 41** (a) The Group has given certain premises and Plant and Machinery under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and license, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Group has received refundable interest free security deposits, where applicable, in accordance with agreed terms
- (b) The Group has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licenses, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Group has given refundable interest free security deposits in accordance with the agreed terms.
- (c) Lease receipts/payments are recognised in the Statement of Profit and Loss under "Rent" in Note 23 and Note 28.
- (d) Operating lease
- (i) Group as lessee
- The future minimum lease payments under non-cancellable operating lease
- not later than one year ₹ 256.7 Million (Previous year ₹ 240.8 Million)
 - later than one year and not later than five years ₹ 463.4 Million (Previous year ₹ 498.6 Million)
 - later than five years ₹ Nil (Previous year ₹ 74.6 Million)
- (ii) Group as lessor
- The future minimum lease payments under non-cancellable operating lease
- not later than one year ₹ 50.7 Million (Previous year ₹ 66.4 Million)
 - later than one year and not later than five years ₹ 78.0 Million (Previous year ₹ 118.4 Million)
 - later than five years ₹ Nil (Previous year ₹ Nil)
- (e) Finance lease
- Group as lessor
- The future minimum lease payments under non-cancellable finance lease aggregate ₹ 843.8 Million.
- not later than one year ₹ 33.9 Million (Previous year ₹ Nil); later than one year and not later than five years ₹ 169.3 Million (Previous year ₹ Nil); later than five years ₹ 640.7 Million (Previous year ₹ Nil).
- Less: Unearned finance income ₹ 513.1 Million (Previous year ₹ Nil).
- Present Value of minimum lease payment receivable aggregate ₹ 330.7 Million (Previous year ₹ Nil).
- not later than one year ₹ 3.6 Million (Previous year ₹ Nil); later than one year and not later than five years ₹ 23.9 Million (Previous year ₹ Nil); later than five years ₹ 303.1 Million (Previous year ₹ Nil).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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42 Accounting Standard (AS-15) on Employee benefits

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

₹ in Million

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

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

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

₹ in Million

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



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₹ in Million

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

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

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

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

₹ in Million

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

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

Note :

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Previous Year figures are in brackets.

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



- 48** As a result of the FDA action in September 29, 2009 Caraco Pharmaceutical Laboratories Ltd (Caraco) had voluntarily ceased manufacturing operations. In accordance with the Consent Decree, Caraco engaged/constituted a consulting firm which comprised of current Good Manufacturing Practice ("cGMP") experts and after taking corrective measures and required remedial measures, submitted a work plan to the FDA, in October 2009 leading to resumption of its manufacturing operations. The FDA approved this workplan on 17 March, 2010 and the protocol in third party certification submitted on 5 May, 2010 was accepted by FDA on June 24, 2010. On May 9, 2011 Caraco received written notification that its cGMP consultants had submitted written certification to FDA pursuant to paragraph 21 F of the consent decree with respect to two products that it in decided to manufacture. FDA subsequently inspected the facility and on 27 August, 2012 notified that Caraco appears to be in compliance with the consent decree and it may resumes operations. On conduct of Independent audit in February 2013 and completion of verification by Independent Auditors in May 2013 Caraco is currently manufacturing three products.
- 49** Deferred tax asset on net operating losses is mainly relating to one of the subsidiaries acquired during the year. Such operating losses had arisen prior to the date of acquisition of the subsidiary and were incurred mainly on account of expenses on research and development activities including preclinical and clinical trials prior to approval and commercial launch of underlying products. Having regard to the recent history of profitability, growth in operations and revenue, favourable business environment, underlying products having exclusivity period in the Unites States of America and consolidation of the said subsidiary with other profitable entities in the United States, the Management believes that such events represents virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- 50** Legal reserve has been created in accordance with the requirement of Mexican General Corporation Law out of the Reserves of earlier year.
- 51** Taro Pharmaceutical Industries Ltd had closed during 2010, i.e., prior to acquiring control by the Company, the manufacturing facility of its subsidiary in Ireland and decided to sell the facility. The management of the group is of the view that the closure does not have material impact on the group's financials. The related assets of ₹ 118.7 Million (Previous Year ₹ 140.6 Million), Liabilities of ₹ 3.8 Million (Previous Year ₹ 4.5 Million), Revenues of ₹ 22.6 Million (Previous Year ₹ 2.6 Million) and Losses of ₹ 65.3 Million (Previous Year ₹ 11.1 Million) attributable to its Irish Subsidiary has been considered in the Consolidated Financial Statements.
- 52** a) Alkaloida Chemical Company Zrt., a subsidiary of the Company holds 43.2% in the capital of Reanal Ltd. However, as Alkaloida does not have any 'Significant Influence' in Reanal Ltd, as is required under AS 23- "Accounting for Investments in Associates in Consolidated Financial Statements", the said investment in Reanal Ltd is not consolidated as an "Associate Entity". Accordingly, the investment in Reanal Ltd is accounted in accordance with Accounting Standard 13- "Accounting for Investments".
- b) Sun Pharma Global FZE, a subsidiary of the Company holds 23.35% in the capital of Enceladus Pharmaceutical B.V. However, as Sun Pharma Global FZE does not have any 'Significant Influence' in Enceladus Pharmaceutical B.V., as is required under AS 23- "Accounting for Investments in Associates in Consolidated Financial Statements", the said investment in Enceladus Pharmaceutical B.V. is not consolidated as an "Associate Entity". Accordingly, the investment in Enceladus Pharmaceutical B.V. is accounted in accordance with Accounting Standard 13- "Accounting for Investments"
- 53** As per the best estimate of the management, provision has been made as per Accounting Standard (AS) 29, as notified by Companies (Accounting Standards) Rules, 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

₹ In Million

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

ANNEXURE 'A'

Names of related parties and description of relationship

1. Key Management Personnel	Mr. Dilip S. Shanghvi	Managing Director (also Chairman upto 29th May, 2012)
	Mr. Sudhir V. Valia	Wholetime Director
	Mr. Sailesh T. Desai	Wholetime Director
	Mr. S. Kalyanasundaram	Wholetime Director (upto 31st March, 2012)
2. Relatives of Key Management Personnel	Mr. Aalok Shanghvi	Son of Managing Director
	Ms. Vidhi Shanghvi	Daughter of Managing Director (w.e.f. 9th November, 2012)
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	
	Shantilal Shanghvi Foundation	
	Sugandh Management Consultancy (till 28th February, 2013)	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

ANNEXURE 'A'

₹ In Million

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Purchases of goods / DEPB	-	-	-	-	-	2.0	-	2.0
Sun Petrochemicals Pvt Ltd	-	-	-	-	-	2.0	-	2.0
Purchase of Fixed Assets	-	-	-	-	795.1	-	795.1	-
Sun Pharma Advanced Research Company Ltd	-	-	-	-	795.1	-	795.1	-
Sale of goods / DEPB	-	-	-	-	24.1	8.1	24.1	8.1
Sun Pharma Advanced Research Company Ltd	-	-	-	-	24.1	6.7	24.1	6.7
Sun Petrochemicals Pvt Ltd	-	-	-	-	-	1.4	-	1.4
Receiving of Service	-	-	-	-	-	-	-	-
Services	-	-	-	-	176.3	122.1	176.3	122.1
Sun Pharma Advanced Research Company Ltd	-	-	-	-	176.3	122.1	176.3	122.1
Reimbursement of Expenses	-	-	-	-	1.3	-	1.3	-
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1.3	-	1.3	-
Loans given / Share Application Money	-	-	-	-	812.9	10.3	812.9	10.3
Sugandh Management Consultancy	-	-	-	-	32.9	10.3	32.9	10.3
Sun Pharma Advanced Research Company Ltd	-	-	-	-	780.0	-	780.0	-
Loans Received back / share Application Money Refund	-	-	-	-	75.0	-	75.0	-
Sun Pharma Advanced Research Company Ltd	-	-	-	-	75.0	-	75.0	-
Rendering of Service	-	-	-	-	-	-	-	-
Reimbursement of Expenses	-	-	-	-	36.9	31.4	36.9	31.4
Sun Pharma Advanced Research Company Ltd	-	-	-	-	36.9	31.4	36.9	31.4
Donation Given	-	-	-	-	-	50.0	-	50.0
Shantilal Shanghvi Foundation	-	-	-	-	-	50.0	-	50.0



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



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

ANNEXURE 'A'

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Interest Income								
Sun Pharma Advanced Research Company Ltd	-	-	-	-	37.1	-	37.1	-
Rent Income								
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1.5	1.4	1.5	1.4
Navjivan Rasayan (Gujarat) Pvt Ltd	-	-	-	-	0.1	0.1	0.1	0.1
Director's Remuneration	70.6	174.8	-	-	-	-	70.6	174.8
Mr. Dilip S. Shanghvi	10.3	82.3	-	-	-	-	10.3	82.3
Mr. Sudhir V. Valia	51.8	60.5	-	-	-	-	51.8	60.5
Mr. S. Kalyanasundaram	-	24.5	-	-	-	-	-	24.5
Mr. Sailesh T. Desai	8.5	7.5	-	-	-	-	8.5	7.5
Apprenticeship Stipend / Remuneration								
Mr. Aalok Shanghvi	-	-	32.8	39.8	-	-	32.8	39.8
Ms. Vidhi Shanghvi	-	-	32.6	39.8	-	-	32.6	39.8
Outstanding Receivables / (Payables) (Net) as on 31/03/2013	(25.3)	(42.7)	(82.3)	(37.7)	731.1	34.4	623.5	(46.0)
Sun Pharma Advanced Research Company Ltd	-	-	-	-	731.1	34.4	731.1	34.4
Mr. Dilip S. Shanghvi	(6.2)	(22.4)	-	-	-	-	(6.2)	(22.4)
Mr. Sudhir V. Valia	(16.4)	(15.3)	-	-	-	-	(16.4)	(15.3)
Mr. Aalok Shanghvi	-	-	(82.3)	(37.7)	-	-	(82.3)	(37.7)
Ms. Vidhi Shanghvi ₹ (24,115)	-	-	(0.0)	-	-	-	(0.0)	-
Mr. S. Kalyanasundaram	-	(3.1)	-	-	-	-	-	(3.1)
Mr. Sailesh T. Desai	(2.7)	(1.9)	-	-	-	-	(2.7)	(1.9)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

ANNEXURE 'B'

Statement regarding Subsidiary Companies as required under section 212 (8) of the Companies Act, 1956 pursuant to General Circular no.2/2011 dated February 8th 2011 issued by the Ministry of Corporate Affairs

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
1	Green Eco Development Center Ltd.	INR	1.00	1.0	(0.2)	5.2	4.4	-	-	(0.0)	-	(0.0)	-
2	Sun Pharma Global Inc.	USD	54.28	6,919.2	36,767.7	76,938.2	33,251.3	4,172.1	-	620.7	-	620.7	-
3	Zao Sun Pharma Industries Ltd.	RRU	1.75	0.0	(0.0)	-	-	-	-	-	-	-	-
4	Sun Pharmaceutical (Bangladesh) Ltd	TAKA	0.70	41.7	289.3	592.1	261.1	-	577.8	101.5	47.2	54.3	-
5	Caraco Pharmaceutical Laboratories Ltd	USD	54.28	11,597.4	(5,568.2)	46,688.5	40,659.3	-	27,892.8	19.8	(94.1)	113.9	-
6	TKS Farmaceutica Ltda	Brazilian reais	26.80	149.4	(690.9)	706.4	1,247.9	-	784.6	(954.0)	-	(954.0)	-
7	Sun Pharma De Mexico S.A. DE C.V.	Mexican Pesos	4.41	4.4	181.1	614.7	429.2	-	767.6	124.5	32.4	92.1	-
8	Sun Pharmaceutical Industries Inc. (Till 28th February, 2013)	USD	54.28	0.3	(6,222.3)	8,188.3	14,410.3	-	1,137.0	(1,803.2)	(612.4)	(1,190.8)	-
9	SPL De Mexico S.A. DE C.V.	Mexican Pesos	4.41	0.2	-	0.2	-	-	-	-	-	-	-
10	Sun Pharmaceutical Peru S.A.C	Soles	20.97	0.0	(51.6)	3.3	54.9	-	-	(10.7)	-	(10.7)	-
11	000 "Sun Pharmaceutical Industries" Ltd.	RRU	1.75	0.1	(98.3)	765.6	803.8	-	628.5	13.4	4.0	9.4	-
12	Sun Pharma de Venezuela, CA.	Venezuelian Bolivian Fuerte (VEF)	8.64	0.4	(182.3)	20.6	202.5	-	-	(106.7)	-	(106.7)	-
13	Caraco Pharma Inc.	USD	54.28	-	-	-	-	-	-	-	-	-	-
14	Chatten Chemicals Inc	USD	54.28	1,869.0	814.4	2,841.3	157.9	-	1,491.8	281.3	67.1	214.2	-
15	Taro Development Corporation	USD	54.28	0.0	(0.3)	1,078.1	1,078.4	-	-	-	-	-	-
16	Alkaloids Chemical Company Zrt.	USD	54.28	4,784.8	(3,646.2)	43,948.7	42,810.1	161.4	1,313.1	(1,302.9)	-	(1,302.9)	-
17	Sun Pharmaceutical UK Ltd.	GBP	82.53	0.1	(117.9)	378.6	496.4	-	477.2	(7.2)	-	(7.2)	-
18	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	AUD	56.54	0.0	(5.1)	175.2	180.3	-	221.0	0.3	-	0.3	-
19	Aditya Acquisition Company Ltd.	Israeli New Shekel (NIS)	14.91	0.0	(0.1)	-	0.1	-	-	-	-	-	-
20	Sun Pharmaceutical Industries (Europe) B.V.	EURO	69.58	1.3	(179.1)	444.3	622.1	-	558.9	(9.2)	-	(9.2)	-
21	Sun Pharmaceutical Italia S.R.L.	EURO	69.58	0.7	(288.3)	501.2	788.8	-	317.5	(79.1)	-	(79.1)	-
22	Sun Pharmaceutical Spain SL.	EURO	69.58	0.2	(212.7)	144.2	356.7	-	92.5	(41.4)	-	(41.4)	-
23	Sun Pharmaceuticals Germany GmbH	EURO	69.58	1.7	(193.8)	195.4	387.5	-	316.9	(49.3)	-	(49.3)	-
24	Sun Pharmaceuticals France	EURO	69.58	2.6	(18.8)	193.1	209.3	-	199.8	88.2	-	88.2	-
25	Sun Pharma Global (FZE)	USD	54.28	223.9	9,861.9	20,640.8	10,555.0	243.2	20,440.7	8,108.5	-	8,108.5	-
26	Sun Pharmaceuticals (SA) (Pty) Ltd.	ZAR	5.86	0.0	(0.0)	0.0	0.0	-	-	(0.0)	-	(0.0)	-
27	Sun Global Canada Pty. Ltd.	USD	54.28	0.1	(0.7)	-	0.6	-	-	-	-	-	-
28	Sun Laboratories FZE	USD	54.28	665.0	(423.0)	242.0	-	-	-	(0.5)	-	(0.5)	-
29	Sun Global Development Fze	USD	54.28	155.2	(42.0)	113.2	0.0	-	-	(0.5)	-	(0.5)	-
30	Sun Pharma Japan Ltd	JPY	0.58	34.6	(104.6)	26.0	96.0	-	-	(65.8)	0.1	(65.9)	-
31	Sun Pharma Philippines Inc	PESO	1.31	11.3	(23.6)	77.4	89.7	-	19.6	(22.4)	-	(22.4)	-
32	Sun Pharma MEA JLT	USD	54.28	147.8	(112.9)	300.7	265.8	-	-	(88.7)	-	(88.7)	-
33	Sun Pharma Health Care FZE	USD	54.28	155.2	(1.5)	244.4	90.7	-	-	(1.5)	-	(1.5)	-
34	Sun Pharmaceuticals Korea Limited	KRW	0.05	4.9	(0.9)	4.9	0.9	-	-	(0.0)	-	(0.0)	-
35	Caraco Pharmaceuticals Private Limited	INR	1.00	0.1	(0.1)	0.1	0.1	-	-	(0.1)	-	(0.1)	-
36	Sun Pharma Laboratories Limited (Formerly known as Sun Resins and Polymers Private Limited) (Refer Note 3 below)	INR	1.00	400.5	183,467.3	189,392.5	5,524.7	3,375.7	27,394.9	(1,356.1)	831.9	(2,188.0)	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



ANNEXURE 'B'

Statement regarding Subsidiary Companies as required under section 212 (8) of the Companies Act, 1956 pursuant to General Circular no.2/2011 dated February 8th 2011 issued by the Ministry of Corporate Affairs

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
37	Moriev and Company Inc	USD	54.28	0.2	(0.1)	0.2	0.1	-	-	-	-	-	-
38	Taro Pharmaceutical Industries Ltd (TARO)	USD	54.28	36.9	48,074.1	51,264.9	3,153.9	2.8	9,723.7	3578.1	13.8	3564.3	-
39	Taro Pharmaceuticals Inc.	CAD	53.36	0.0	21,064.3	22,626.1	1,561.8	-	16,010.5	11,052.3	2,735.8	8,316.5	-
40	Taro Pharmaceuticals U.S.A., Inc.	USD	54.28	7.9	(2,519.2)	20,342.5	22,853.8	172.8	31,688.6	1,859.7	706.3	1,153.4	-
41	Taro Pharmaceuticals North America, Inc.	USD	54.28	0.0	6,670.7	6,968.7	298.0	-	2,700.3	681.6	-	681.6	-
42	Taro Pharmaceuticals Europe B.V.	EURO	69.58	1.3	(23.0)	3.3	25.0	-	-	(1.8)	-	(1.8)	-
43	Taro Pharmaceuticals Ireland Ltd.	EURO	69.58	34.9	(92.8)	119.3	177.2	-	-	(67.6)	-	(67.6)	-
44	Taro International Ltd.	USD	54.28	0.0	(58.4)	244.1	302.5	-	389.0	0.8	(0.8)	1.6	-
45	Taro Pharmaceuticals UK Ltd.	GBP	82.53	0.0	(585.7)	346.5	932.2	-	743.0	(15.9)	-	(15.9)	-
46	Taro Hungary Intellectual Property Licensing LLC.	USD	54.28	5,520.0	0.5	5,533.5	13.0	-	-	208.4	27.5	180.9	180.5
47	Taro Pharmaceuticals Canada, Ltd.	CAD	53.36	0.0	(0.0)	0.1	0.1	-	-	-	-	-	-
48	Taro Pharmaceutical India Private Ltd.	INR	1.00	0.1	1.0	1.1	0.0	-	-	0.0	0.0	0.0	-
49	Sun Universal Ltd	USD	54.28	0.2	(0.2)	0.3	0.3	-	-	(0.1)	-	(0.1)	-
50	Khvati Realty ME Ltd	USD	54.28	0.2	(0.7)	0.1	0.6	-	-	(0.2)	-	(0.2)	-
51	Aditya Pharma Private limited	USD	54.28	0.2	-	0.1	(0.1)	-	-	-	-	-	-
52	Alkaloids Sweden AB	SEK	8.32	0.4	(6.0)	1.9	7.5	-	-	(6.0)	-	(6.0)	-
53	Dusa Pharmaceuticals Inc	USD	54.28	0.5	(46.0)	13,263.9	13,309.4	-	975.8	(90.1)	(43.0)	(47.1)	-
54	URL Pharma Inc	USD	54.28	-	3,323.9	3,628.8	304.9	-	-	-	-	-	-
55	AR Scientific Inc	USD	54.28	-	(82.5)	(88.2)	(5.7)	-	36.3	(15.6)	(5.9)	(9.7)	-
56	Mutual Pharmaceutical Company, Inc.	USD	54.28	-	3,640.1	4,691.9	1,051.8	-	1,838.2	564.6	2,252	339.4	-
57	United Research Laboratories, Ltd.	USD	54.28	-	386.4	1,209.4	823.0	-	(81.0)	(83.8)	(32.8)	(51.0)	-
58	Dungan Mutual Associates, LLC	USD	54.28	-	224.6	224.2	(0.4)	-	-	(2.4)	(0.4)	(2.0)	-
59	URL PharmPro, LLC	USD	54.28	-	(318.3)	(312.1)	6.2	-	-	(43.1)	(16.5)	(26.6)	-
60	Dusa Pharmaceuticals New York Inc	USD	54.28	-	(10.0)	(7.0)	3.0	-	-	(10.7)	-	(10.7)	-
61	Sirius Laboratories Inc	USD	54.28	-	(0.9)	-	0.9	-	-	5.5	-	5.5	-
62	Faststone Mercantile Company Private Limited	INR	1.00	0.1	9.1	9.2	0.0	-	-	9.2	-	9.2	-
63	Neetnav Real Estate Private Limited	INR	1.00	0.1	9.2	9.3	0.0	-	-	9.2	-	9.2	-
64	Realstone Multitrade Private Limited	INR	1.00	0.1	9.1	9.2	0.0	-	-	9.2	-	9.2	-
65	Skisen Labs Private Limited	INR	1.00	0.1	8.9	9.2	0.2	-	-	9.2	-	9.2	-
66	Softideal Trading Company Private Limited	INR	1.00	0.1	8.7	8.8	0.0	-	-	9.2	-	9.2	-
67	Universal Enterprises (Pvt) Ltd.	INR	1.00	4.5	0.8	5.3	0.0	-	-	0.0	0.0	0.0	-
	Note:												

1 '0.0' represents amount less than 0.05 million and rounded off.

2 The above does not include 3 Skyline LLC, One Commerce Drive LLC, Tarochem Ltd, Orta Ltd and Taro Pharmaceutical Laboratories INC being subsidiaries of Taro Pharmaceutical Industries Ltd as they have no operation and does not have any Assets, Liabilities or Equity as on the close of their Financial Year.

3 Share capital includes ₹ 400 Million for Preference Share capital to be issued in terms of scheme of arrangement for amalgamation.

CORPORATE INFORMATION

Board of Directors

Israel Makov

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

Dilip S. Shanghvi

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

Sudhir V. Valia

Whole-time Director

Sailesh T. Desai

Whole-time Director

S. Mohanchand Dadha

Director

Hasmukh S. Shah

Director

Keki M. Mistry

Director

Ashwin Dani

Director

Company Secretary

Sunil R. Ajmera

email: secretarial@sunpharma.com

Auditors

Deloitte Haskins & Sells

Chartered Accountants, Mumbai

Bankers

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

Registrars & Share Transfer Agents

Link Intime India Pvt. Ltd.

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

Plants

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Offices

Registered

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

Corporate

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

Research Centres

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

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

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

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



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