On Course

Annual Report 2011-12

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On Course

Through tireless pursuit of R&D, Sun Pharmaceuticals is determined to discover new drugs through innovative and reliable solutions. We continue to reinforce our foundation to sail us through any unchartered turmoil in the economic environment. Our robust and flexible business model provides a balanced platform for growth. Our sound strategies have given us a competitive edge. And we will stay on course to gain new opportunities, efficiencies, and growth.

Formulation Analytical Lab

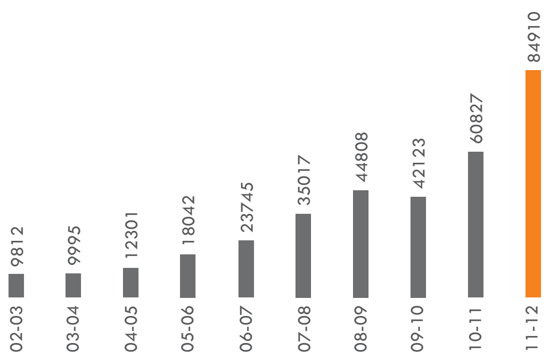
Sun Pharmaceuticals is India's third largest generics player having a major presence in the chronic therapy area. 2011-12 was a record year, across all our business divisions.

Despite a challenging economic scenario, we reported strong numbers for our US business, added to our prescription share in India, and sustained to make inroads in the rest of world markets. With the purpose to provide superior quality treatments that offer a better and a healthy life, Sun Pharma plans to add new therapeutic segments to its offerings. Looking at long-term growth opportunities and focusing on the US, Russian and Mexican markets, Sun Pharma is proactively focusing on enhancing capacities, acquiring high yielding assets, driving operational excellence, investing in people and expanding its marketing reach to create brighter prospects for stakeholders.

KEY PERFORMANCE Indicators

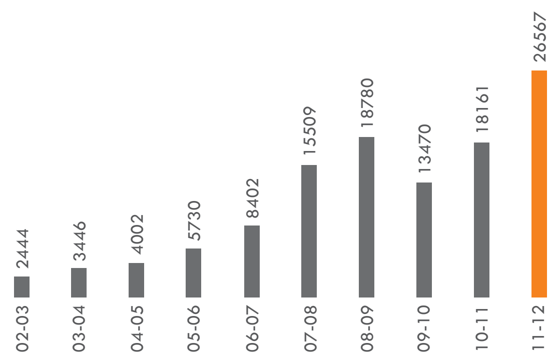
Total Income (₹ in million)

CAGR 24%



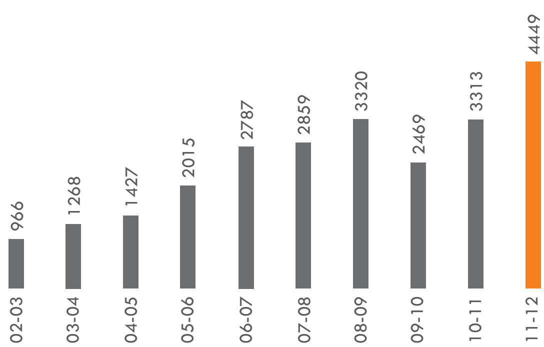
Profit After Tax (₹ in million)

CAGR 27%



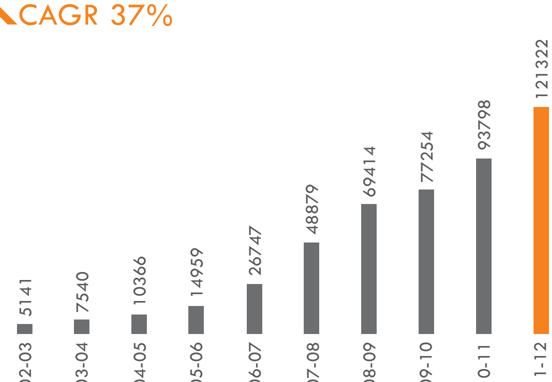
R&D Expenditure (₹ in million)

CAGR 17%



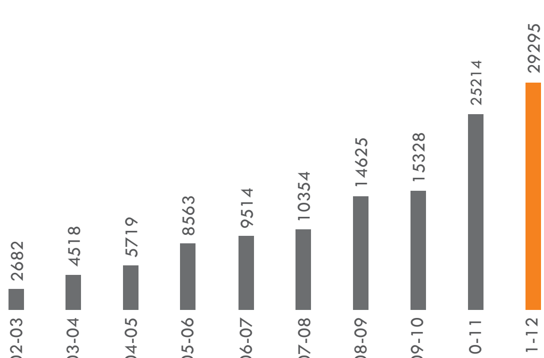
Reserve and Surplus (₹ in million)

CAGR 37%

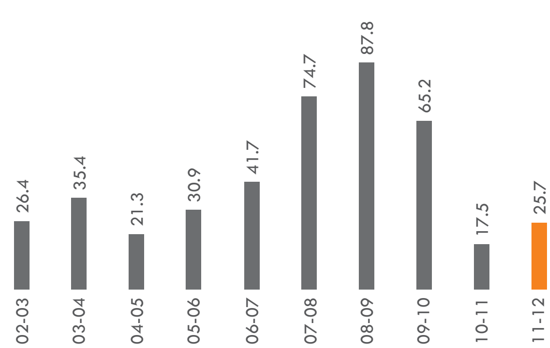


Net Block (₹ in million)

CAGR 27%



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 Highlights

Consolidated Financials

(₹ in million)

Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Operating Performance										
Income from Operations	9725	9847	11983	17372	22373	34606	43751	38086	57279	80195
Total Income	9812	9995	12301	18042	23745	35017	44808	42123	60827	84910
Profit after tax	2444	3446	4002	5730	8402	15509	18780	13470	18161	26567
R&D Expenditure	966	1268	1427	2015	2787	2859	3320	2242	3313	4449
a) Capital	363	598	418	481	347	134	222	159	236	362
b) Revenue	603	670	1009	1534	2440	2725	3098	2083	3077	4088
c) % of Turnover	12%	13%	12%	12%	13%	9%	8%	6%	6%	6%
Financial Position										
Equity Share Capital	465	464	928	929	967	1036	1036	1036	1036	1036
Reserve and Surplus	5141	7540	10366	14959	26747	48879	69414	77254	93798	121322
Gross Block	4033	6232	7806	12342	14252	15960	21476	23340	45473	54269
Net Block	2682	4518	5719	8563	9514	10354	14625	15328	25214	29295
Investment	38	1765	6485	3541	2543	6565	18595	31664	26557	22129
Net Current Asset	3725	4808	16360	23006	26843	33995	35485	28542	58622	76749
Stock Information										
No. of Shares (million)	93	93	185	186	193	207	207	207	1036	1036
EPS-Basic* (in ₹)	26.4	35.4	21.3	30.9	41.7	74.7	87.8	65.2	17.5	25.7
EPS-Diluted* (in ₹)	13.2	17.7	20.7	27.7	38.9	71.8	87.8	65.2	17.5	25.7

* 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

THE GLOBAL PHARMACEUTICAL INDUSTRY

The global pharmaceutical market is estimated to have registered a growth of 6.6% in 2011, to touch a market value of US$880 billion [1]. The epicentre of the global pharmaceutical market has been gradually moving from the developed markets to emerging countries. The developed markets are witnessing a watershed period of patent expiry. That, and an almost universal focus on cost containment have resulted in a transition from brand spending to generics globally.

"Spending on medicines is expected to be over US$1 trillion in 2014 and reach US$1.1 trillion by 2015."

Long-Term Growth Drivers [3]

- Growing share of healthcare budget is being used for drug therapy
- Improved compliance rates among patients
- Increased diagnosis of conditions that don't present obvious symptoms
- Emergence of new therapeutic platforms or new treatment alternatives for existing disease
- Aging population, economic development, need for cost containment

Organic Chemistry Department, Baroda

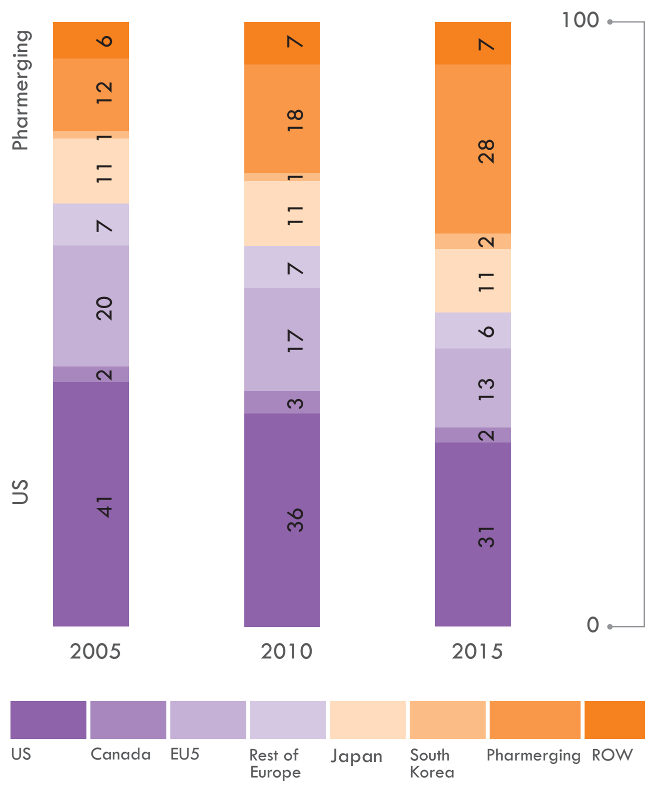
Outlook [4]

- Spending on medicines is expected to be over US$1 trillion in 2014 and reach US$1.1 trillion by 2015.
- Absolute growth in spending would likely be around US$210-240 billion, growing at a CAGR of 3-6% between 2011-15.
- The US share of global spending is projected to decline from 41% in 2005 to 31% in 2015, on account of patent expiries for several important products. However, volume growth is expected to continue.
- Spending by the EU 5* countries is anticipated to decline to 13% from 20% by 2015, as the market continues to move from branded to branded generic/ generic.
- Driven by demographics and economic trickle-down, the pharmerging** market are expected to outpace other markets, and to contribute 28% to the global spending by 2015 from 12% in 2005.

*(*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.)*

Percentage share of spending by Geography [2]



"The global pharmaceutical market is predicted to cross the $1 trillion mark in 2015, approximately $400 billion to $430 billion, or 39 percent [5], will come from the sale of generic drugs."

Global Generics

The global pharmaceutical market is predicted to cross the $1 trillion mark in 2015, approximately $400 billion to $430 billion, or 39 percent [5], will come from the sale of generic drugs.

The peak phase of patent expiries of blockbuster drugs commencing from 2012 is expected to provide a solid base for the robust growth of generics. The US, UK, Germany, France, Canada, Italy, Spain and Japan account for 80% of the global generic market. Generic markets are expected to continue showing growth driven by cost containment strategies implemented by governments, a shift towards cheaper generics, aging populations and treatments sought for chronic disease. [6]

Trends[7]

- The global generics market is anticipated to touch around US$ 400-430 billion by 2015 from US$ 225 billion in 2011.
- The North American market, the largest generics market, is expected to be almost US$73 billion in 2011, and projected to grow at a CAGR of 7.9% to reach US$ 107 billion in 2016. Currently, over 78% of prescriptions in the US are filled with generics.
- Emerging economies represent the second largest generic market, with a value of US$57 billion in 2011, projected to grow at a CAGR of 15.1%, reaching a market value of US$115 billion by 2016.

Branded Drugs vs. Generics[4][8][9]

BRANDED DRUGS

SPENDING	GROWTH	US	CHALLENGES
Accounted for 64% in 2010 of total global pharma spending, the share is expected to decline to 53% in 2015	Protected brands are projected to grow at 7-8%	Patent expiries of branded drugs are estimated to be ~US$97 billion between 2011-15. New product approvals are slowing down, which may mean lesser generic products in the future	Higher FDA approval hurdles, patent exclusivity risk, weak pipelines and reimbursement pressure

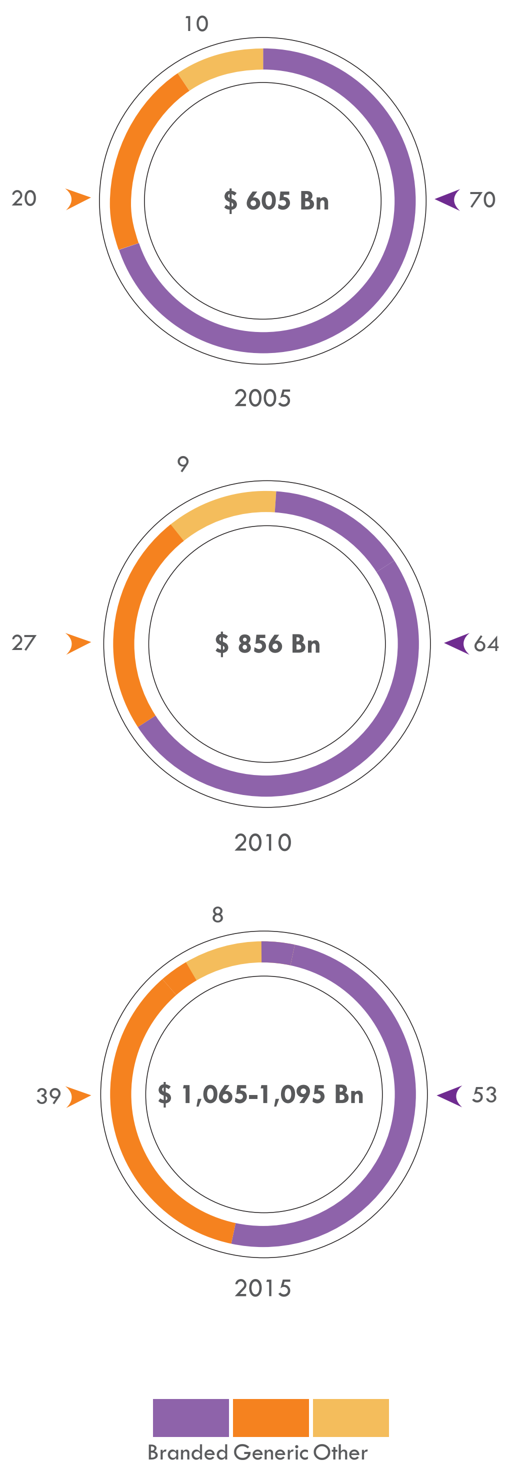
GENERICS

SPENDING	GROWTH	US	CHALLENGES
Accounted for 27% of the global pharma spending, the share is expected to rise to 39% in 2015	Generic drugs are projected to grow at a CAGR of 9.7%	Generics market expected to touch US$ 83 billion by 2020	New market entrants, patent settlement scrutiny, customer cost pressures intensifying and greater FDA manufacturing/ quality expectations

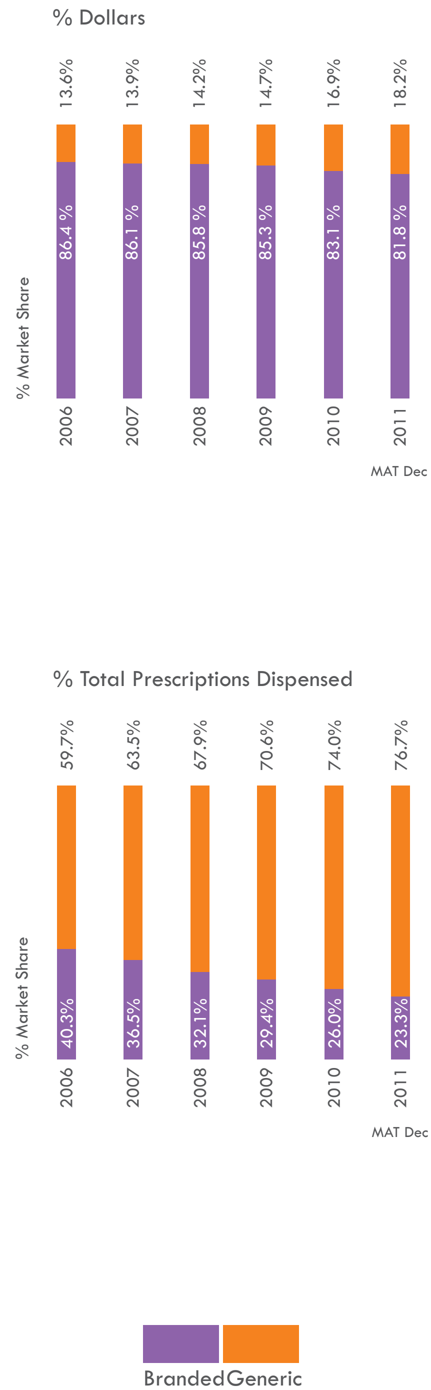

Autoclave, Panoli plant

> "Patent expiries of branded drugs are estimated to be ~US$97 billion between 2011-15.
> Generics market expected to touch US$ 83 billion by 2020"

Segment-wise spending (%) [4]



Generics Share



API

The global API market is estimated to be growing at a CAGR of around 8% during 2012-2015, driven by factors such as patent expiration of blockbuster drugs, and increasing sales of generics and branded generics worldwide.

According to an industry association, contract manufacturing and outsourcing is a $45 billion market in 2012, and API and intermediates account for 60% of this opportunity. Global API sales are expected to reach $126.3 billion in 2015.

Synthetic APIs continue to dominate global API markets. However, the growth in biotech APIs is expected to be faster. Given the complexities of manufacture, biotech products continue to be largely made in-house by originator companies even after patent expiry.

Although, the API industry is highly fragmented, consolidation is expected to take place. As big pharma continues to scale down on manufacturing, more opportunities will evolve for outsourced molecules both in bio pharmaceuticals and small molecule API segments.

"According to an industry association, contract manufacturing and outsourcing is a $45 billion market in 2012, and API and intermediates account for 60% of this opportunity."

SPARC Centre, Baroda

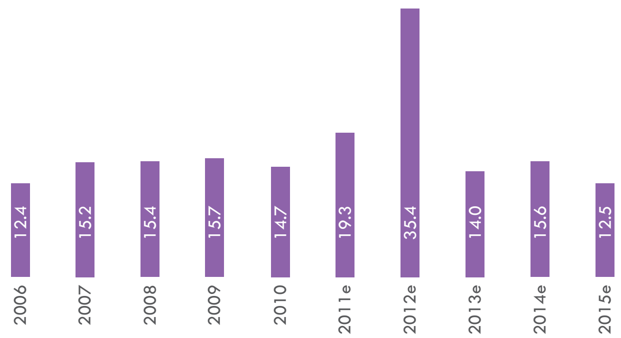
USA

The US is the largest pharmaceutical market, valued at $320 billion in 2011. Factors that have fuelled the growth of the US market include the large US health care system, high per capita income and large investments in drug development. It is also the largest generic market, driven by demand for cost-effective drugs, government regulations, and patent expirations. The US is expected to face the highest patent expiries (to the tune of US$97 billion) between 2011-15 [6].

The US pharmaceutical market is expected to grow at a CAGR of around 1-4% over 2011-15. The US's share of global spending is set to decline to 31% in 2015, from 41% in 2005, although it is likely to witness the largest expansion of generic spending [11].

Value of patent expiries in US[12]

(US$ billion)



API Plant, Panoli

Executive orders passed by the US government

In recent years, shortages of pharmaceutical drugs have posed a serious threat to public health in the US. The affected medicines range across cancer treatment, anesthesia drugs, and other drugs, which are an integral part of critical care. Most of these drugs belong to the sterile injectable segment. President Obama had signed an Executive Order to help the FDA in its efforts to prevent and resolve prescription drug shortages.

Major reasons for drug shortages in the US [13]

- Manufacturing constraints
- Stringent manufacturing norms enforced by the USFDA, which lead to shutdown of facilities
- Use of capacity to make other products
- Limited supplies of some ingredients

Strategic initiatives taken at the FDA to prevent drug shortages [14]

- Requires drug manufacturers to notify in advance production discontinuation
- USFDA intends to proactively expedite regulatory reviews, evaluate new drug suppliers, manufacturing sites, and manufacturing changes in order to mitigate potential drug shortages
- USFDA to involve Department of Justice when required; for example, if shortages have led market participants to stockpile the affected drugs or sell them at exorbitant prices

USFDA says the number of drug shortages has nearly tripled over the last six years - jumping from 61 drug products in 2005 to 178 in 2010 - and that doesn't include shortages of vaccines, immune globulin products, and other biologics, or products made from blood, tissue, or other biological source.

After the Executive Order was implemented, FDA's efforts made a significant difference in avoiding shortages. In a span of just six months post the order, the USFDA could prevent 128 shortages. 42 new drug shortages were reported till May 2012 [15].

GDUFA: User Fee Framework to aid timely approvals at the US FDA

In September 2011, the FDA announced the ratification of a proposed Generic Drug User Fee Act (GDUFA) to collect fees from finished dose and API manufacturers and use them for the review of ANDAs, referenced DMFs and conduct associated facility inspections for fiscal years 2012-2017. The program would provide the FDA with funds to adequately resource the review ANDAs in a timely manner, provide transparency within the complex pharmaceutical supply chain, and improve the safety of generic medicines.

These new regulations will also require the identification of facilities involved in manufacturing both finished dose and active ingredients, and by 2017, ensure parity of inspections between US and overseas manufacturers, with a goal of biennial inspections of both finished dose and API manufacturers.

By the end of 2017, FDA has indicated that it would try to review 90% of the backlog ANDAs and reduce the primary review time for ANDAs submitted after Oct. 1, 2012 to 10 months. Currently there are more than 2,000 ANDAs queued in the approval backlog.

The annual funding from GDUFA user fees is agreed at $299 million (inflation adjusted) to be implemented as on October 1, 2012 and would continue for a period of five years till 2017.
Approximately half of the fees are expected to come from finished dosage form facilities, with the remaining half divided among fees from ANDA filings, API facility fees and DMF first reference fees.

Shift to pharmerging economies

The pharmaceutical market is witnessing a gradual shift from developed markets to emerging markets. Incremental growth in the global pharmaceutical market will likely emanate from emerging markets, especially Brazil, Russia, India, China, Turkey and South Korea. The pharmerging markets are expected to grow at a CAGR of 13-16%[16] for the next decade.

Pharmerging markets are being driven by growth in their economies, rising per capita income, increasing prevalence of lifestyle diseases led by rapid urbanization, enhanced access and affordability for healthcare services. Most of these markets are branded generic markets with strong local competition and strong or increasing multinational interest. While most of the governments are pro-generic, there is a likelihood of pricing controls in some of these markets, or moves that may treat local manufacturing preferentially.

Pharmerging markets CAGR 2011-15 [11]

Tier 1 (China)	16-19%
Tier 2	12-15%
Brazil	12-15%
Russia	11-14%
India	14-17%
Tier 3	10-13%
Pharmerging	13-16%

Pharmerging markets growth trends [17]

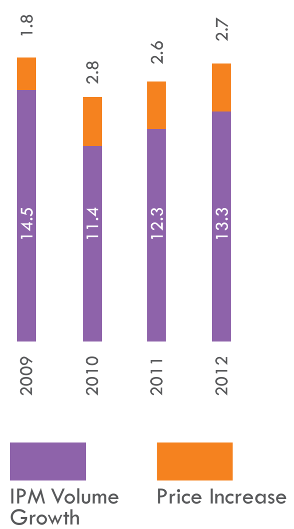
	Brazil	Mexico	Russia and CIS	S. Africa	Turkey	MENA**
GDP Growth (%) 2012	4.0%	4.0%	4.5%	4.3%	2.3%	3.8%
Healthcare spending as % of GDP	7.5%	7.5%	5.5%	8.70%	6.70%	6.00%
Nature of market	Branded Generic	Branded Generic	Branded Generic	Branded Generic	Branded Generic	Branded Generic
Generic Penetration (volume)	60%	65%	70%	40%		NA
Out of pocket spending	30%	83%	75%	70%	20%	80%
Market size (2010) US$ Bn	22.9	11	15.5	4.0	9.0	7.3
Expected market size by 2015 US$ Bn	33	19	26	8	15	13
CAGR	8%	12%	11%	15%	11%	12%
Regulatory Environment	Pro-generic	Pro-generic	Pro-generic	Pro-generic	Regulated	Semi-regulated
Distribution network	Concentration is high among wholesalers	Concentration is high among wholesalers	Wholesalers concentration is high with over 80% share among top-3 players	Concentration is high among wholesalers	Concentration is high among wholesalers	Fragmented
Local competition	Dominated by local players	Dominated by local players	Dominated largely by global pharma companies	Highly concentrated market; high competition from local players	High level of local competition	Fragmented market

** Middle East and North Africa

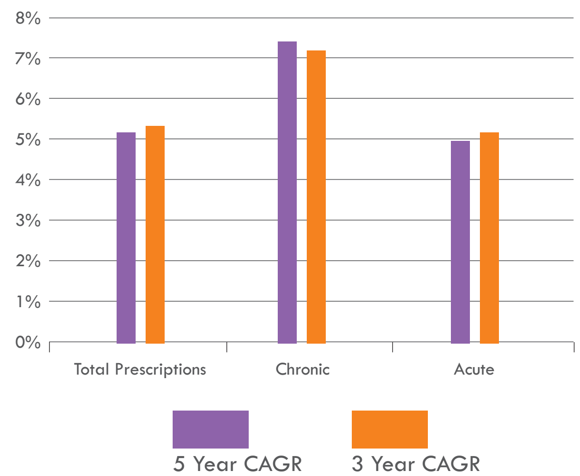
OVERVIEW OF THE INDIAN PHARMACEUTICALS SECTOR

The domestic pharma industry has registered a growth of 16%, highest in the past three years, during 2011-12[18].The Indian pharmaceutical market is anticipated to expand to US$ 55 billion by 2020, from US$ 12.3 billion in 2010.

Volume growth of domestic market (%) [19]



Segmental growth [19]



The Indian pharmaceutical market is highly fragmented and competitive. Over the past few years, the market has witnessed fundamental shifts: an increase in lifestyle related diseases, improving healthcare infrastructure and delivery systems and gradual penetration in smaller towns and rural areas.

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. However, combination drugs are not under the purview of price control. 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). The government expects the policy to become effective in 2013.

Pricing control

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

Annual price increments

An automatic annual price adjustment, linked to the Wholesale Price Index, will be allowed for the products. 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 2011 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.

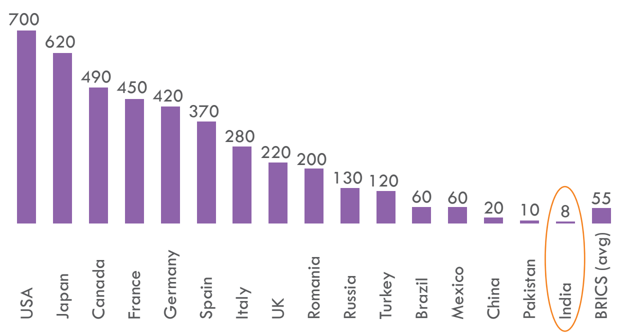
Growth Drivers [21]

Rising per capita income

India's per capita income and healthcare expenditure are directly correlated. Currently, India's per capita expenditure (US$ 8) on healthcare is one of the lowest globally. Hence a rise in per capita income may result in higher healthcare spending. Healthcare spending is expected to result in significant growth rates over the next two decades across various sectors. The healthcare spend is expected to touch 13% of the GDP by 2025.

India's per capita spend on healthcare

(USD)



Rising health insurance penetration to improve affordability

At present, a very small proportion of Indian population is covered by health insurance. Going ahead, the health insurance sector is expected to show robust growth on the strength of regulatory reforms (non-life tariff deregulation), lower capital requirements for players, and increase in FDI limits and so on. An increase in health insurance penetration would help patients access complex therapies and stimulate the demand for pharma products.

Rising government expenditure on healthcare

According to the India Brand Equity Foundation (IBEF), the rising government spends on healthcare augurs well for the sector. Currently, healthcare expenditure stands at 1.4% of the GDP, which is expected to increase to 2.5% of GDP by the end of the Twelfth Five-Year Plan (2012-17).

Proposed initiatives [22]

- Permission of 100 percent FDI for health and medical services under the automatic route
- Increased fund allocation for the National Rural Health Mission (NRHM) from ₹ 181 billion in 2011-12 to ₹ 208 billion in 2012-13
- Launch of the National Urban Health Mission
- Various initiatives under Pradhan Mantri Swasthya Suraksha Yojana

Improving healthcare infrastructure [21]

India has one of the lowest hospital beds to people ratio amongst emerging countries (9 beds per 10,000 people), the ratio is likely to double by 2015. The country's current doctor-population ratio (5 doctors per 10,000 people) is low compared to many countries of the world. This ratio is also set to improve, following an increase in the number of students seeking admission to medical colleges.

Rising urbanization

The urban population is expected to reach 34% of the total population by 2020.

A combination of increasing urbanization, higher affordability, better medical infrastructure and wider detection and treatment of chronic diseases is expected to lead to healthy demand growth for pharmaceuticals.

Chronic and acute segments

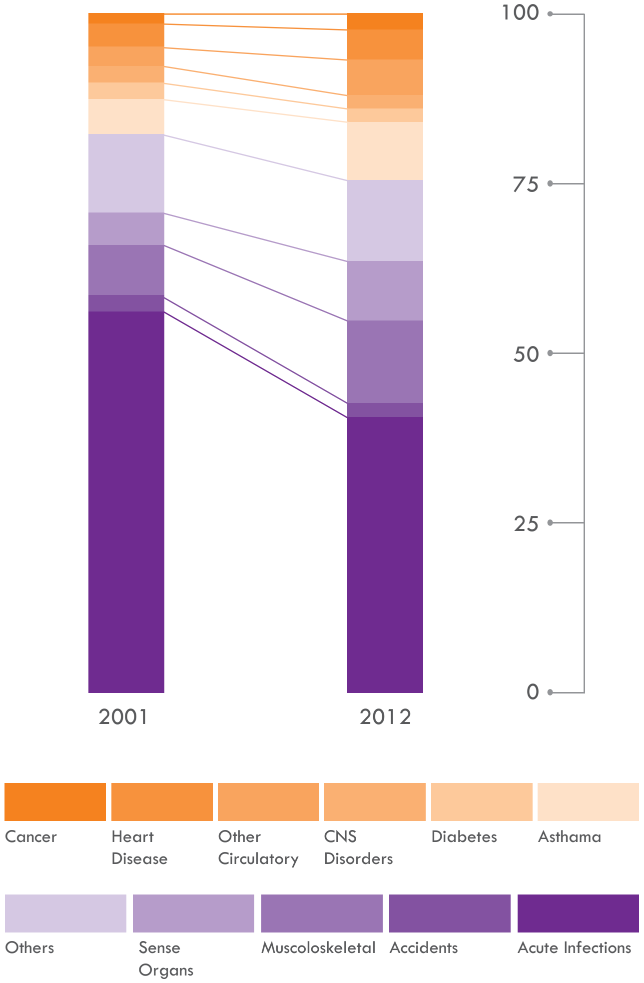
The chronic segment saw a strong growth of 21% during the year 2011-12, driven by higher prevalence and improved contribution from higher value new products. The acute segment has also registered steady growth of 14%-15%. The growth in chronic segment is driven by a) higher prescription compliance (led by rising disposable income and health awareness) b) higher growth for chronic drugs and increase in proportion of chronic prescription c) increase in contribution from generic-generic and OTC drugs and d) doctor's prescribing more medicines per prescription [18].

Already a competitive market, competition is expected to intensify as global players enhance Indian operations and domestic players expand market presence.

Growth in acute and chronic segment (%) [18]

Injectables area, Halol plant

Shift in disease profile towards chronic ailments (%) [23]



API Plant, Ahmednagar

SUN PHARMACEUTICAL INDUSTRIES LIMITED (SUN PHARMA)

> "22 ANDA approvals received from the USFDA, including the first generic Sumatriptan autoinjector and generic Cardizem CD."

2011-12, a round-up

- In the ongoing pending litigation regarding generic Pantoprazole products, Wyeth had submitted to the District Court confidential expert reports claiming damages against defendants, arising out of defendants earlier at-risk launches. Wyeth's experts have estimated the purported damages from Sun Pharma to be $ 960 million.
- Due to the critical shortage in the US market of Doxil® (Doxorubicin HCL liposome injection) from Janssen Products (a subsidiary of Johnson and Johnson), we coordinated with the USFDA for temporary import of Lipodox into the US market.
- Taro sales grew 32% primarily based on price increases
- Indian branded generics grew 22% to reach ₹ 29,154 million, as reported.
- ROW branded generic sales (which includes Taro's sales in ROW markets) grew 61% to reach ₹ 11,124 million
- 22 ANDA approvals received from the USFDA, including the first generic Sumatriptan autoinjector and generic Cardizem CD.
- R&D expenses were ₹ 4,449 million
- In a landmark judgment on Prandin, the US Supreme Court concluded that Caraco can seek correction of Novo Nordisk's inaccurate use code. This decision is expected to prevent brand companies from improperly delaying or preventing generics by misrepresenting their patents to the USFDA.

FINANCIAL Highlights 2011- 12

40% — **Net sales** grew 40% to reach ₹ 80,057 million

15% — **Staff cost** is 15% of net sales

41% — **EBITDA** jumped 41% to reach ₹ 32,506 million

24% — **Other expenditure** is 24% of the net sales

34% — **Net profit** surged 34% to reach ₹ 26,567 million

37% — **EBIT** margin is at 37%

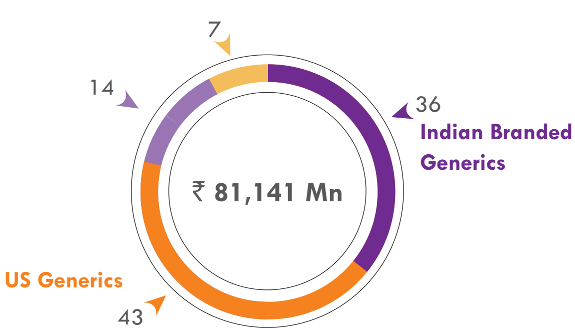
21% — **Material cost** stood at 21% of net sales

₹25.7 — **Diluted EPS** is ₹ 25.70, significantly up from ₹17.5 for the last year

Note

Financials include significant components of non-recurring sales and profits contributed in second half of FY 12

Revenue pie business division wise in 2011-12 (%)



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

Indian branded generics

Divisional revenue	₹ 29,154 million
Divisional revenue growth	23%
Last 5-year revenue CAGR	20%
Divisional revenue share in total revenue	36%
Market share	4.6%


Blender, API processing area

DIVISIONAL OVERVIEW

- We continue to add strength in chronic therapy areas with a complete basket of products including several technically complex products.
- Our 3,600-strong representative team continues to build prescription share based on ethical and scientific marketing aimed at 140,000 specialist doctors.

Divisional strength

- Fourth largest branded generics player in India by prescription share
- Ranked 1 based on the share of prescriptions by six classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopaedics and gastroenterologists.
- Market leader in chronic segments
- Amongst the top 3 in over 50% of more than 600 brands
- Extensive chronic area coverage – from older molecules to the latest alternatives for that therapy area

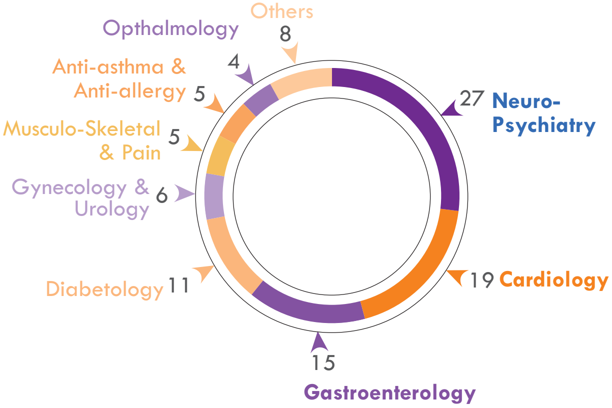
Divisional strategy

- Focus on regular coverage of key prescribing doctors
- Use innovative, informational marketing inputs that enhance knowledge, keep improving the quality of these inputs
- Introduce and market niche products that meet patient requirements better, improve the quality of life

Divisional round-up, 2011-12

- Revenues increased from ₹ 23,801 million in FY 11 to ₹ 29,154 million in FY 12. This includes an element of one time sales of ₹ 1.8 billion in the fourth quarter.
- Market share of 4.6% for the year ending March 31, 2012, according to AIOCD AWACS.
- Launched 22 products including several technology-based products
- Licensed-in two anti-diabetic brands from Merck-Istamet and Istavel.
- At the close of the year, top 10 brands contributed 20% to domestic formulation sales.

Divisional revenue pie: Therapy-wise (%)



Partnership for India

Last year, Sun Pharma and MSD (India) entered into a strategic partnership to co-market MSD's diabetes drugs, Sitagliptin and Sitagliptin plus Metformin with the brand names Istavel and Istamet.

This molecule offers the benefits of a new class of drugs much earlier in the patients' disease cycle, and this partnership takes the drug to more patients than would be otherwise possible.

We continue to run focused and lean marketing divisions that rank among the most efficient in the country. Since we operate in a multi source branded generic market, building strong customer relationships is of primary importance, and we continue to focus on building trust through academic activities and continuing medical education-directed marketing, Several programs in Neurology/ Psychiatry were held, like the internationally renowned Movement Disorder- Aspen course, Neuro Ophthalmology & Neuro-Otology Course, Neurosurgery Conference on Controversies and Consensus, etc. To meet the educational needs of Gastro PG students, a program called GYM (Gastroenterology Young Masters) was organized along with Indian Society of Gastroenterology. A patient education booklet was created for IBD to help patients live better. CME programs brought excellent international conferences such as The Best of ADA, The Best of ACC, Nephrology Summit, Endocrine Summit etc.

Therapy-wise Ranking [24]

Therapeutic segment	Ranking
Psychiatrists	1
Neurologists	1
Cardiologists	1
Orthopaedic	1
Ophthalmologists	1
Gastroenterologists	1
Diabetologists	2
Chest Physicians	4
Nephrologists	5
Oncologists	7
Gynaecologists	7
Consulting Physicians	8

Top 10 brands contribute 20% of the sales in India

Brand	Therapy
Pantocid	Proton pump inhibitor/ antiulcerant
Glucored Group	Oral antidiabetic
Aztor	CVS, cholesterol reducing agent
Susten	Women's healthcare
Pantocid-D	Proton pump inhibitor/ antiulcerant
Gemer	Oral antidiabetic
Levipil	CNS
Clopilet	CVS, anticlotting agent
Repace Group	CVS, Hypertension
Cardivas	CVS

US generics

Divisional revenue	₹ 34,716 million
Divisional revenue growth	57%
Last 5-year revenue CAGR	46%
Divisional revenue share in total revenue	43%

DIVISIONAL OVERVIEW

We continue to build our US generics business based on products that offer volume, where we can employ cost and manufacturing efficiencies; as well as relatively limited competition products such as controlled substances, dermatologicals, and the rare patent-challenge based product. While we continue to gradually add prescription share, our current size is fairly small compared to the market opportunity.

A strong manufacturing backup supports our US plans with plants on mainland US as well as elsewhere - three facilities each in the US and India, and plants in Canada, Israel and Hungary. One of the US sites is approved for controlled substances.

Analytical Development Department, Baroda

Divisional strength

- Product basket includes large generics and limited competition products
- Selective patent challenge.
- Launched technically complex products, such as Sumatripan auto injector, Diltiazem CD, Azelastine nasal spray. In the past have launched Amifostine, Lupreolide, Octreotide and Vecuronium

Divisional strategy

- Focus on complex generics, including injectables and differentiated dosage forms
- Flexibility for filings from Indian locations as well as plants in the US
- Several products integrated to own API
- Capability for manufacturing large volumes.

ANDA Filings and Approvals

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (with Taro)	2011-12
Filings	40	59	96	142	177	207	377	397
Approvals	15	20	29	53	69	84	225	250

Taro's net sales grew 29% to US$ 506 million in 2011; simultaneously the net profit escalated to US$ 183 million. This growth in revenues is led by short term price increase on a select set of products, volume growth has been flat.

Our Detroit production facility-previously Caraco's plant-which had been shut following FDA action and a consent decree in 2008, continues to be non-operational. Remediation efforts at the facility are ongoing, and our internal quality compliance teams have been working with consultants to make the plant operational. However, overall sales of products from other manufacturing locations have been good during the year, partly driven by Lipodox and limited competition products.

International Generics (ex-US)

Divisional revenue	₹ 11,124 million
Divisional revenue growth	61%
Last 5-year revenue CAGR	41%
Divisional revenue share in total revenue	14%

Halol Plant

DIVISIONAL OVERVIEW

Our presence encompasses branded generics and generics across ROW markets.

Branded generics, often with the same brand name as we have in India, are marketed in over 40 emerging markets. Each country has a unique selection of products, and a field force on the ground. Our major markets are Mexico, Brazil, CIS, China, and South Africa. A well trained team of 600 sales representatives promotes brands to doctors in order to create a prescription pull. While we reach most markets with products manufactured at our approved plants in India, we have also set up plants in Brazil, Mexico and Bangladesh in order to be able to compete better.

Generics, mainly hospital injectables, are sold in Western Europe. Taro's dermatologicals and other generics find markets across Europe, Canada and Israel.

Sun Pharma and MSD partnership for Innovative Branded Generics: This partnership, as we had shared last year, has commenced identification of products for development. The joint venture seeks to develop, manufacture and commercialize new combinations and formulations of incrementally innovative, branded generics in the emerging markets, excluding India. The joint venture would have access to SPARC Ltd's technologies as well, in these emerging markets.

Divisional strength

- Over 1,600 registered products and more than 900 products in the pipeline
- Using technology as a differentiator
- Country specific product selection

Divisional strategy

- Focus on chronic therapies like metabolic syndrome, diabetes, neurology and cardiology
- Expanding into newer geographies

Divisional round-up, 2011-12

- In Mexico, one of our key markets and where we're present through a joint venture, we have registered good growth with a basket of CNS products, and have begun to register other products.
- Sun Pharma successfully completed filings of a few speciality products in Brazil. This market has one of the most stringent registration processes in the world
- In Russia, we have launched and established certain speciality products that have received good prescription support.

Future plans

- Sun Pharma is scouting for add-on acquisition opportunities in key markets
- Open to partnering with innovative companies to enrich product pipeline
- Plan to add new therapeutic segments in select markets: oncology, ophthalmology, cardiology.

API

Divisional revenue	₹ 6,147 million
Divisional revenue growth	18%
Last 5-year revenue CAGR	14%
Divisional revenue share in total revenue	7%

Dissolution Lab, Baroda

DIVISIONAL OVERVIEW

Backward integration into specialty API has helped us compete globally. We make the API for some of our key products, and meet a large part of our internal requirement.

We are also a large player in products like Pentoxifylline, Clomipramine and Mesalazine, which we supply to large international companies and branded generic companies.

Our Panoli and Ahmednagar API facilities hold international approvals and have special facilities to manufacture peptides, anti-cancers, steroids and sex hormones. Our Hungary unit and Tennessee plants are specialised for controlled substances. Taro has API plants in Israel and Canada with significant approvals.

Divisional strength

- Marketed in over 56 countries, sold to large companies or innovator companies
- Manufacture over 170 APIs; most of these are used inhouse to manufacture our brands
- Taro manufactures 107 APIs
- World-class facilities, accredited by ISO 14001 and ISO 9002
- Most of our plants have developed market approvals : USFDA / European/ Australian
- Scale up around 25 API processes annually

Divisional strategy

- Strengthen presence in Japan and China, and the API hubs of Germany and Italy
- Continue to establish long-term contracts with customers for sustainable revenue growth and margins
- Build on the advantages of integration, continue to support our formulation business

Divisional round-up, 2011-12

- Filed 225 DMF/ CEPs
- Revenues moved up from ₹ 5,212 million to ₹ 6,147 million.
- Scaled up 25 API

FOCUS ON RESEARCH & DEVELOPMENT

Our R&D productivity ranks amongst the highest for Indian pharma companies. R&D provides crucial support for all our manufacturing and new product plans. It also enables us to compete cost effectively, and with technology as a differentiator, across markets.

Most of the product and process development is undertaken at our R&D centres at Baroda and Mumbai. In addition, Taro has R&D centres in Israel and Canada for the development of generics, mainly dermatologicals, and for API development.

Over 870 scientists are part of our R&D team, and Taro has a 122 person strong scientist team across locations.

Our formulation development team has the tech skills to handle products such as liposomal products, inhalers, lyophilised injections, nasal sprays in addition to developing several kinds of controlled release dosage forms.

At our Baroda R&D centre, we develop complex APIs and dosage forms for India, ROW markets, the US and Europe. Our 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 has 44 scientists working on formulation development, while 66 scientists out of the Haifa Bay, Israel center work on API and product development.

Research and Development Investment Trend

(₹ in million)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Expenditure on R&D	2,859	3,320	2,242	3,313	4,449
Expenditure as a % of Revenue	9	8	6	6	6

Research and Development-Filings

397	250	225	154	559
Cumulative ANDAs filed	Cumulative ANDAs Approved	DMF / CEP cumulative applications filed	DMF / CEP cumulative applications approved	Total patent applications submitted
276	**20**	**25**	**18**	**27**
Total patents granted	ANDAs filed in 2011-12	ANDAs approved in 2011-12	DMFs filed in 2011 -12	DMFs approved in 2011-12

Regulatory

Our value chain functions encompass product development, manufacturing, marketing and quality compliance of regulatory requirements. We regularly update ourselves with the changing regulations across different countries and adopt the norms accordingly.

Operating in such a competitive environment, it is imperative to be the first mover in adapting to changing regulations. We also adopt and periodically upgrade regulatory norms across our plants in India.

Formulation Development Lab, Baroda

QUALITY IMPERATIVE

Sun Pharma is committed to enhance its quality edge to sustain market leadership. We are focused on quality-conscious regulated markets. Therefore, our products must abide by the highest quality standards. Our global Quality Management Team comprises over 1200 members. Nearly all our facilities have received quality accreditations and repeat approvals from stringent regulatory bodies.

We are committed to ensure that every product we manufacture and distribute complies with internationally accepted standards of quality, purity, efficacy and safety.

We have put in place systems and procedures to ensure that each batch of the product 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 our operating procedures continue to meet demanding regulatory standards, such as that of the 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. All quality personnel are qualified and well trained. Each site has a dedicated team of quality personnel from quality assurance, quality engineering, quality control and regulatory affairs departments, ensuring strict adherence to the quality systems and procedures. The site quality teams at manufacturing locations, is guided by a Corporate Quality Unit (CQU). CQU ensures that all the 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 system in line with regulatory requirements and to ensure product quality, safety.

PEOPLE AT SUN PHARMA

Human resources continued to be one of the critical assets of the organization. Attracting high- quality human talent represents a key focus area for Sun Pharma. We have been paying special attention to training, welfare and safety of our people, strengthening the human resources. The total employee strength as of March 31, 2012 stood at 12,600.

Growth across markets will need the right talent. One of the steps we have initiated is the Speed Programme in partnership with the SP Jain Institute of Management and Research. This is an executive education development programme, where fifty managers from various departments have been selected for an intensive course that will earn them an Executive MBA.

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.

Moreover, we continuously upgrade these systems in line with the 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.

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 labour 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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[21]	Motilal Oswal Securities Limited- Report on Domestic Formulations, August 2011
[22]	India Brand Equity Foundation
[23]	IDFC: India Pharma
[24]	SMSRC November 11- February12

STATUTORY REPORTS

STANDALONE FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

NMR, Analytical lab, SPARC

DIRECTORS' Report

Your Directors take pleasure in presenting the Twentieth Annual Report and Audited Accounts for the year ended March 31, 2012.

Financial Results

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

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Total Income	43584	33017
Profit after tax	16975	13838
Dividend on Equity Shares	4401	3625
Corporate Dividend tax	714	588
Transfer to various Reserves	2000	5000
Amount of dividend per equity share of ₹1/- each	4.25	3.5
Book value per equity share of ₹1/- each	76	65

Dividend

An interim equity dividend of ₹ 4.25 per equity share of face value ₹1/- each (previous year ₹ 3.50 per equity share) for the year ended March 31, 2012 as recommended by the Board of Directors of the Company at their Meeting held on August 10, 2012 was paid on August 22, 2012 to the Equity Shareholders of the Company whose names stood on the Register of Members on August 16, 2012. Yours Directors recommend that the interim dividend paid as aforesaid be treated as final for the year ended March 31, 2012.

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.

"CRISIL continued to reaffirm its highest rating of "AAA/ Stable" and "A1+", for your Company's Banking Facilities throughout the year"

Scheme of Arrangement in the form of spin off and transfer of Domestic Formulation Division of our Company to Sun Pharma Laboratories Ltd., a wholly owned subsidiary of our Company with effect from March 31, 2012

As all of us are aware that, your Company had undertaken the Scheme of Arrangement in the form of spin off and transfer of domestic formulation undertaking of our Company to Sun Pharma Laboratories Ltd., a wholly owned subsidiary of our Company with effect from March 31, 2012. The said spin off has been sanctioned by the Honourable High Court of Gujarat at Ahmedabad and by the Honourable High Court of Judicature at Bombay, pursuant to Sections 391 to 394 of the Companies Act, 1956 on May 3, 2013. On completion of the necessary formalities, the spin off has been effective from March 31, 2012 and the impact of the spin off has been incorporated in the Audited Accounts for the year under review.

Human Resources

Human Resource development continues to be a key focus area at Sun Pharma and your Company takes great pride in the commitment, competence and vigor shown by its workforce in all realms of business. You have 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 continues to take new initiatives to further align its HR policies to meet the growing needs of its business. Your Directors truly appreciate the efforts and contribution by Team Sun Pharma for maintaining and further accelerating the growth pace.

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 earning 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.

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

At the close of a relatively event-free, disaster-free year, your Company persisted with participation in activities at the local, grassroots level across health and education. 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

Mr. S. Kalyanasundaram, resigned as the Director of the Company with effect from March 31, 2012 so as to relocate himself to the USA to take care of the Group's business interests in North and South America. The Directors place on record their appreciation of the services rendered by Shri S. Kalyanasundaram during his tenure of Directorship with the Company. Mr. Israel Makov was appointed as an Additional Director and Chairman of the Company and Mr. Dilip Shanghvi stepped down from the Chairmanship of the Company at Meeting of the Board of Directors held on May 29, 2012.

At the Twentieth Annual General Meeting of the Company held on November 8, 2012 which was adjourned sine die pending approval of the respective High Courts of Gujarat and Bombay, Mr. Keki M. Mistry, Mr. Sudhir V. Valia and Mr. Ashwin Dani retired by rotation and were re-appointed, the appointment of Mr. Israel Makov as a Director of the Company was confirmed and Mr. Dilip Shanghvi was reappointed as the Managing Director of the Company for a further period of 5 years effective from 1st April, 2013.

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, 2012, 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, 2012 on a 'going concern' basis.

Auditors

Your Company's auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, have already been re-appointed at the Twentieth Annual General Meeting of the Company held on November 8, 2012.

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, 2012.

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

Dilip S. Shanghvi
Managing Director

Sudhir V. Valia
Whole-time Director

May 28, 2013
Mumbai

ANNEXURE (1) TO DIRECTORS' REPORT CONSERVATION OF ENERGY

	2011-12	2010-11
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit (in '000 KWH)	38915	26,775
Total Amount (₹ in Millions)	251	151.5
Rate (₹ /Unit)	6.5	5.7
(b) Own Generation through Diesel Generator		
Units (in '000 KWH)	3,882	2,702
Units per Litre of Diesel Oil	2.9	3.1
Cost (₹ /Unit)	14.8	12.9
(c) Own Generation through Gas		
Units (in '000 KWH)	44,772	45,219
Units per M3 of Gas	3.7	10.8
Cost (₹ /Unit)	6.4	5.5
2. Furnace Oil		
Quantity (in '000 Litres)	568	771
Total Amount (₹ in Millions)	22.8	20.5
Average Rate	40.2	26.6
3 Gas (for Steam)		
Gas Units (in '000 M3)	6,874	6,395
Total Amount (₹ in Millions)	120.6	119.8
Average Rate (₹ /Unit)	17.5	18.7
4 Wood / Briquitte		
Quantity (in '000 Kgs)	19,146	29,008
Total Amount (₹ in Millions)	92.1	65.8
Average Rate (₹ /Unit)	4.8	2.3

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 that have different energy requirements.

C. Energy conservation measures

1 Improvisation and continuous monitoring of Power Factor, and replacement of weak capacitors after conducting periodical checking of capacitors. We have been able to maintain the Power Factor near unity (above 0.99) and been able to avail rebate.

2 Alternative energy sources like steam have been used in place of electricity for heating de-mineralized water, in fluid bed dryers for producing hot air systems, for coating department and for making starch paste. Condensate is collected from equipment and diverted to Boiler Feed water.

3 We are using small 600kg baby non IBR boiler instead of Briquette boiler, and can use DG set with smaller capacity for limited periiods as at night or on weekly off / Holiday.

4 Proper maintenance and preventive maintenance of boilers, resulting in saving of furnace oil .

5 Recirculation of condensate water to hot water tank, resulting in saving of water.

6 All AHU's have VFD for optimizing power consumption.

7 Auto Voltage regulator and Power Factor management system are maintained in the power distribution system.

8 Chilled / Cooling water secondary pump stopped by flow optimization to get proper temperature difference across secondary loop.

9 Temperature indicator and Controller have been installed in cooling tower fan so that the fans do not run when cooling tower temperature is as per desired range.

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 across .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 markets 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 2011-12, 22 formulations were introduced across marketing divisions, (not including line extensions, but including complex products). All of these were based on technology developed in house. Technology for 25 API was commercialised. For some of the important API 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 API sales is to the regulated market 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 40 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, equipment, infrastructure to compete effectively across world markets. Taro is likely to invest more in R&D as it ramps up its product pipeline for the US.

4. Expenditure on R&D

		Year ended 31st March, 2012 ₹ in Million	Year ended 31st March, 2011 ₹ in Million
a)	Capital	352.1	236.1
b)	Revenue	1831.9	1572.8
c)	Total	2184.0	1808.9
d)	Total R&D expenditure as % of Total Turnover	9.1%	9.4%

B. Technology Absorption, Adaptation and Innovation

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

Year afer year, your company continues to invest on R&D. 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

(a) Market leader for several complex products. Offers complete baskets of products under speciality therapeutic classes. Strong pipeline of products for future introduction in India, emerging markets, as well as US and European generic market. Ability to challenge patents in the US market, and earn exclusivity.

(b) Not dependent on imported technology, can make high cost products available at competitive prices by using indigenously developed manufacturing processes and formulation technologies.

(c) Offer products which are convenient and safe for administration to patients, products with a technology advantage.

(d) We are among the few selected companies that have set up completely integrated manufacturing capability for the production of anticancer products, hormones, peptide, cephalosporins and steroidal drugs.

(e) The Company has benefited from reduction in cost due to import substitution and increased revenue through higher exports.

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, 2012 ₹ in Million	Year ended 31st March, 2011 ₹ in Million
1.	Earnings	14645.9	9005.6
2.	Outgo	6368.6	5156.8

Analytical Lab - Nasal Spray Testing, Baroda

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
Promoter ExecutiveDirector	Mr. Dilip S. Shanghvi (Managing Director) (Chairman - upto May 29, 2012)	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)	-
	Mr. S. Kalyanasundaram # (Chief Executive Officer & Whole-time Director)	-
Non-Executive and Non- Independent Director	Mr. Israel Makov ## (Director & Chairman - with effect from May 29, 2012)	-
Non-Executive Independent Directors	Mr. S. Mohanchand Dadha	-
	Mr. Hasmukh S. Shah	-
	Mr. Keki M. Mistry	-
	Mr. Ashwin S. Dani	-

Resigned as the Whole-time Director & as Chief Executive Officer with effect from March 31, 2012 & April 17, 2012 respectively.

Appointed with effect from May 29, 2012.

Number of Board Meetings held during the year ended March 31, 2012 and the dates on which held: 5 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, 2012 are as follows: May 28, 2011, July 28, 2011, September 16, 2011, November 13, 2011 and February 13, 2012.

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, 2012		* No. of other directorships and committee memberships / chairmanships as of March 31, 2012		
	Board Meetings	Last AGM held on September 16, 2011	Other Directorships	Committee Memberships**	Committee Chairmanships **
Mr. Dilip S. Shanghvi	5	Yes	1	-	-
Mr. Sudhir V. Valia	4	No	5	-	1
Mr. Sailesh T. Desai	4	Yes	1	-	-
Mr. S. Mohanchand Dadha	5	Yes	2	0	1
Mr. Hasmukh S. Shah	5	Yes	6	1	4
Mr. Keki M. Mistry	4	No***	13	6	3
Mr. Ashwin S. Dani	4	No	7	1	2
Mr. S. Kalyanasundaram #	4	No	-	-	-
Mr. Israel Makov ##	NA	NA	NA	NA	NA

Resigned as the Whole-time Director with effect from March 31, 2012.

Appointed with effect from May 29, 2012.

* The above list of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private, 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.

*** Mr. Keki Mistry, Chairman of the Audit Committee could not attend the last AGM due to certain business exigencies. However, two other members of the Audit Committee were present at the last AGM including Mr.S.Mohanchand Dadha, Non-Executive and Independent Director, who was authorized by the Chairman of the Audit Committee and the Board of Directors of the Company to answer shareholders queries at the AGM on his behalf.

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. All the Directors and senior management personnel 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 during the year under review comprised of three independent non-executive Directors viz. Mr. Keki M. Mistry, Mr. S. Mohanchand Dadha and Mr. Hasmukh S. Shah. Mr. Keki M. Mistry is the Chairman of the Committee. The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Audit Committee.

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

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

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

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

Four Audit Committee Meetings were held during the year ended March 31, 2012. The dates on which Meetings were held are as follows: May 28, 2011, July 28, 2011, November 13, 2011 and February 13, 2012. 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

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.

The details of the remuneration paid/payable to the Directors during the year 2011-2012 are given below:

(Amount in ₹)

Directors	Salary *	Bonus	Perquisites** / Benefits	Commission	Sitting Fees	Total
Mr. Dilip S. Shanghvi	1,45,44,000	29,08,800	58,90,161	-	-	2,33,42,961
Mr. Sudhir V. Valia	1,45,44,000	29,08,800	59,60,421	-	-	2,34,13,221
Mr. Sailesh T. Desai	56,04,000	11,20,800	7,62,008	-	-	74,86,808
Mr. S. Mohanchand Dadha	-	-	-	11,00,000	70,000	11,70,000
Mr. Hasmukh S. Shah	-	-	-	31,00,000	70000	31,70,000
Mr.Keki M. Mistry	-	-	-	11,00,000	40000	11,40,000
Mr. Ashwin S. Dani	-	-	-	11,00,000	20000	11,20,000
Mr. S. Kalyanasundaram	96,60,000	19,32,000	1,28,75,023	-	-	2,44,67,023

* Salary includes Special Allowance.

** Perquisites include House Rent Allowance, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Directors.

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

Notes: -

a) The Agreement with each of the Executive Directors excluding Mr.S.Kalyanasundaram is 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.

b) Mr. S. Kalyanasundaram had been appointed as Chief Executive Officer & Whole-time Director of the Company for a period of five years with effect from April 1, 2010. As per the terms of his employment, his appointment is terminable by either party giving to the other party advance notice of twelve months, provided that the Company may waive the notice by giving the remuneration for twelve months which the CEO would have received, had he remained in office for the said twelve months. Further, the Company may at its discretion terminate the employment under certain specified circumstances as per the terms of his employment. However, Mr. S. Kalyanasundaram, Director & Chief Executive Officer (CEO) of the Company resigned as the Director & Chief Executive Officer of the Company with effect from 31st March, 2012 and 17th April, 2012 respectively since he was relocating to the USA on account of increasing strategic importance of the Group's business interests in North and South America, for which he was directly responsible for these businesses.

c) The Company presently does not have a scheme for grant of stock options either to the Executive Directors or employees.

d) There is no separate provision for payment of severance fees to Whole-time Director(s) excluding Mr. S. Kalyanasundaram as mentioned under (b) above.

Details of Equity Shares held by Non-Executive Directors as on March 31, 2012

Director	No. of Shares held *(including shares held jointly)*
Mr. S. Mohanchand Dadha	1,47,140
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.

Five meetings of the Shareholders'/Investors' Grievance Committee were held during the year ended March 31, 2012. The dates on which Meetings were held are as follows: May 28, 2011, July 28, 2011, September 16, 2011, November 13, 2011 and February 13, 2012. 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	5
Mr. Sudhir V. Valia	Member	4
Mr. Dilip S. Shanghvi	Member	5
Mr. S. Mohanchand Dadha	Member	5

Investor Complaints :

The total number of complaints received and resolved to the satisfaction of shareholders during the year under review, were 30.

7. 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.

8. General Body Meetings

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

Year	Meeting	Location	Date	Time
2008-09	Seventeenth AGM	The Gateway Hotel, Akota Gardens, Akota, Vadodara – 390 020.	September 11, 2009	10.15 A.M.
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 – 390020	November 8, 2012	2.30 P.M.

* was adjourned since die till the Scheme of Arrangement envisaging spin off and transfer of domestic formulation undertaking of Sun Pharmaceutical Industries Ltd., to Sun Pharma Laboratories Ltd., a wholly owned subsidiary of SPIL with effect from March 31, 2012, is finally sanctioned by the Hon'ble High Courts of Judicature at Bombay and at Ahmedabad, Gujarat and audited accounts giving effect thereof are ready.

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

a) At the Seventeenth Annual General Meeting:

Appointment of Ms. Khyati S. Valia, relative of a Director to hold an office or place of profit under Section 314 of the Companies Act, 1956 and increase in upper limit of remuneration upto a maximum of ₹ 20,00,000/- per annum from April 1, 2010 for a period of five years.

b) 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.

c) 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.

d) At the Twentieth Annual General Meeting:

i) Re-appointment of Mr.Dilip S. Shanghvi, Managing Director of the Company and approval of terms and conditions of appointment including remuneration.

ii) Payment of Commission to Non-Executive Directors for a period of five years from financial year ending on March 31, 2013 upto and including financial year ending on March 31, 2017.

iii) Issue of FCCBs/ADRs/GDRs or any other securities not exceeding ₹80 Billions 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.

iv) Investment in shares and securities of any other body corporate under Section 372A of the Companies Act, 1956 upto a maximum limit of ₹300 Billions.

v) Insertion of Article 163A in the Articles of Association for Directors participation in the Board/Committee Meeting through Video conferencing or such other mode.

9. 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.

10. 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.

11. General Shareholder Information

11.1 Annual General Meeting:

Date and Time : Monday, September 30, 2013 at 10.45 a.m.

Venue : Sir Sayajirao Nagargruh, Akota, Vadodara - 390020, Gujarat

11.2 Financial Calendar (tentative)

: Results for quarter ending June 30, 2013 - Second week of August, 2013.

: 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.

11.3 Details of Book Closure For Equity Shareholders:

Nil.

11.4 Dividend Payment Date :

Already paid on August 22, 2012 –Interim Dividend (Shall be confirmed as final dividend for 2011-12 at the ensuing 20th Adjourned Annual General Meeting).

11.5

(i) Listing of Equity Shares on Stock Exchanges : At BSE Ltd., and National Stock Exchange of India Ltd.

(ii) Payment of Listing Fee: Listing Fees for the year ended 2012-13 have been paid to BSE Ltd., and National Stock Exchange of India Ltd, where the Company's Equity Shares continue to be listed.

11.6 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

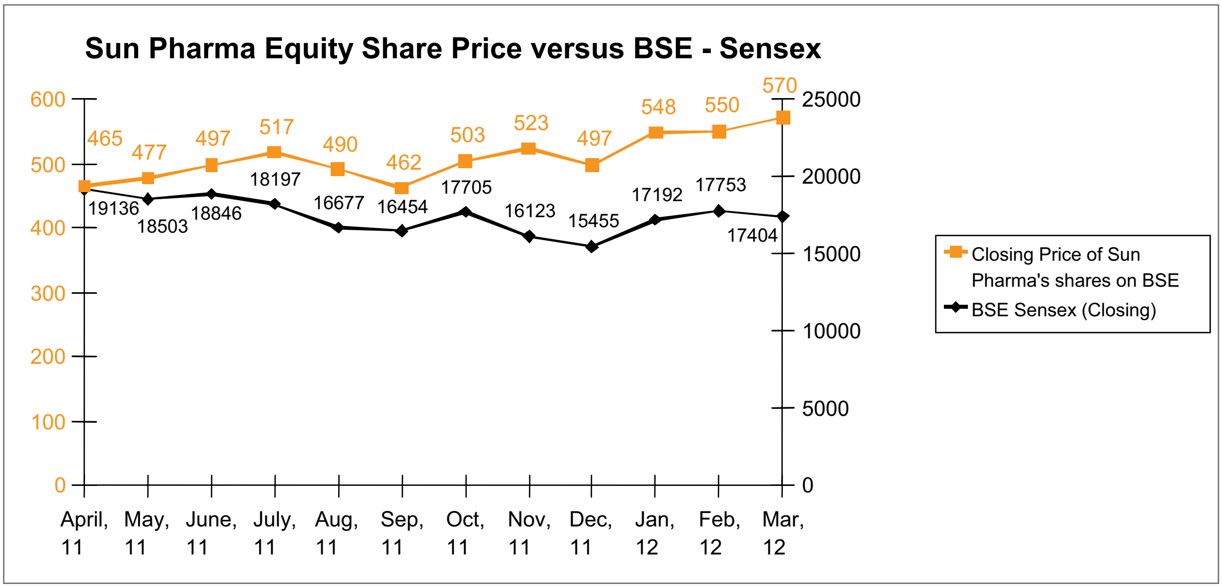
11.7 Stock Market Data

Equity Shares of ₹1/- paid-up value:

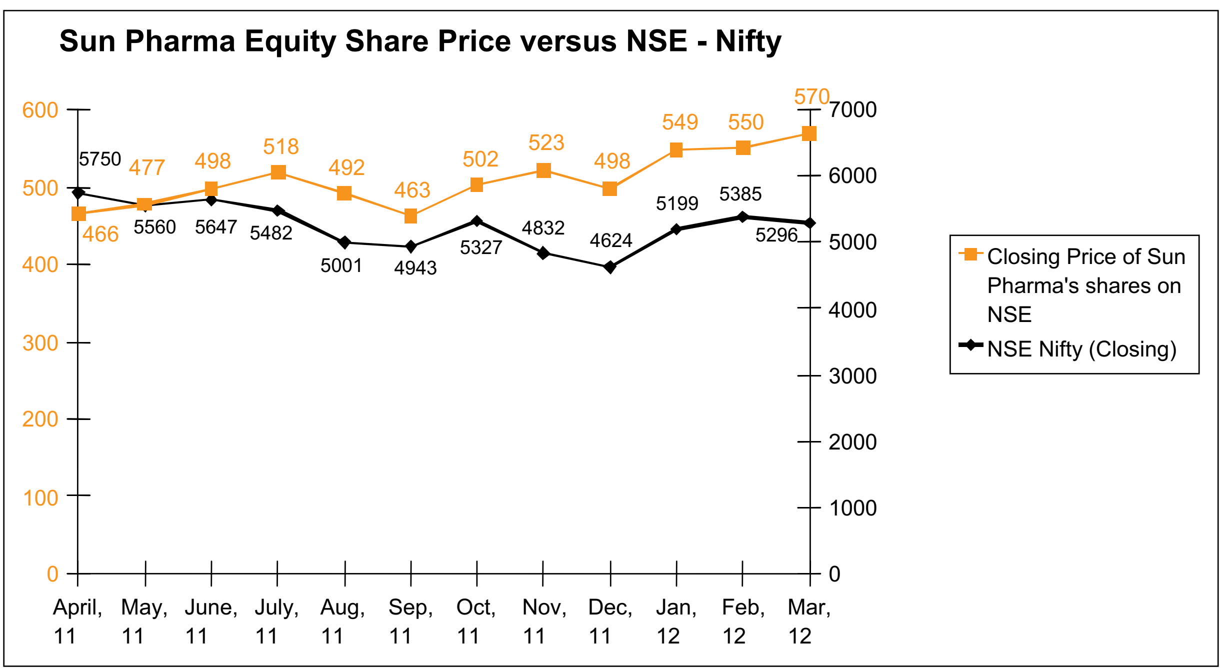
	BSE Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2011	468.20	427.65	469.50	427.40
May 2011	481.80	423.10	481.00	422.00
June 2011	505.90	460.10	506.25	464.70
July 2011	538.45	493.00	540.00	492.70
August 2011	531.80	451.50	531.50	451.35
September 2011	530.00	456.35	510.80	455.25
October 2011	521.15	448.20	603.00	448.50
November 2011	525.70	486.00	529.50	486.10
December 2011	539.90	492.00	539.95	489.00
January 2012	549.50	488.25	552.00	488.00
February 2012	565.75	532.10	565.80	532.75
March 2012	593.95	535.55	594.00	535.90

(Source: BSE and NSE website)

SUN PHARMA



Sun Pharma Equity Share Price versus BSE - Sensex
600
500
400
300
200
100
0
25000
20000
15000
10000
5000
465 477 497 517 490 462 503 523 497 548 550 570
19136 18503 18846 18197 16677 16454 17705 16123 15455 17192 17753 17404
April, 11
May, 11
June, 11
July, 11
Aug, 11
Sep, 11
Oct, 11
Nov, 11
Dec, 11
Jan, 12
Feb, 12
Mar, 12
Closing Price of Sun Pharma's shares on BSE
BSE Sensex (Closing)



Sun Pharma Equity Share Price versus NSE - Nifty
600
500
400
300
200
100
0
7000
6000
5000
4000
3000
2000
1000
466 477 498 518 492 463 502 523 498 549 550 570
5750 5560 5647 5482 5001 4943 5327 4832 4624 5199 5385 5296
April, 11
May, 11
June, 11
July, 11
Aug, 11
Sep, 11
Oct, 11
Nov, 11
Dec, 11
Jan, 12
Feb, 12
Mar, 12
Closing Price of Sun Pharma's shares on NSE
NSE Nifty (Closing)

11.8 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, 2012.

PERIOD	% Change in		
	SUN PHARMA SHARE PRICE	BSE SENSEX	SUNPHARMA RELATIVE TO SENSEX
Year-on-Year	28.90%	-10.50%	39.40%
2 Years	59.11%	-0.70%	59.81%
3 Years	155.99%	79.27%	76.72%
5 Years	170.16%	33.14%	137.02%
10 Years	1600.38%	401.66%	1198.72%

Share price performance relative to Nifty based on share price on March 31, 2012

PERIOD	% Change in		
	SUN PHARMA SHARE PRICE	NIFTY	SUN PHARMA RELATIVE TO NIFTY
Year-on-Year	28.80%	-9.23%	38.03%
2 Years	59.03%	0.88%	58.15%
3 Years	156.40%	75.29%	81.11%
5 Years	169.75%	38.57%	131.18%
10 Years	1607.08%	368.82%	1238.26%

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

11.9 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

11.10 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 14 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

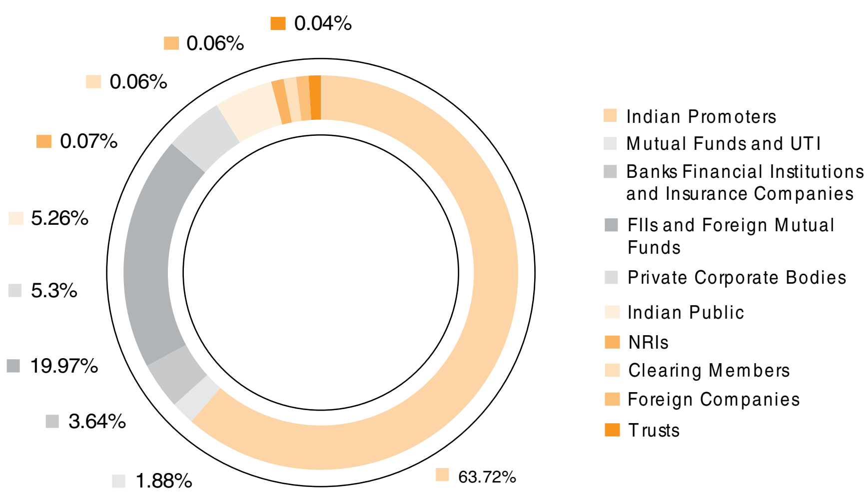
11.11 Distribution of Shareholding as on March 31, 2012

No. of Equity Shares held	No. of Accounts		Shares of face value ₹1 each/-	
	Numbers	% to total accounts	Number	% to total shares
Upto 5000	65627	95.53	20275234	1.96
5001 - 10000	1970	2.87	12284344	1.19
10001 - 20000	336	0.49	4698019	0.45
20001 - 30000	134	0.19	3397952	0.33
30001 - 40000	60	0.09	2088791	0.20
40001 - 50000	48	0.07	2175947	0.21
50001 - 100000	142	0.20	10099323	0.97
100001 and above	383	0.56	980562345	94.69
Total	68700	100.00	1035581955	100.00

11.12 Shareholding Pattern as on March 31, 2012 of Equity Shares as per Clause 35 of the Listing Agreement

Particulars	Percentage	No. of Shares
A. Indian Promoters and Persons acting in		
Concert	63.72%	659,828,200
B. Mutual Funds and UTI	1.88 %	19,489,384
C. Banks Financial Institutions and		
Insurance Companies	3.64 %	37,644,869
D. FIIs and Foreign Mutual Funds	19.97 %	206,790,061
E. Private Corporate Bodies	5.30 %	54,854,360
F. Indian Public	5.26 %	54,545,681
G. NRIs	0.07 %	703,371
H. Clearing Members	0.06 %	631,835
I. Foreign Companies	0.06 %	646,450
J. Trusts	0.04 %	447,744
Total	100.00 %	1035,581,955

Shareholding Pattern as on March 31, 2012



11.13 Dematerialisation of Shares

About 99.21% of the outstanding Equity shares have been de-materialised up to March 31, 2012. 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 2011-2012 is given below:

	BSE	NSE	BSE + NSE
In no. of share (in Thousands)	87.369	920.99	1008.359
In value terms (₹ Millions)	43.613	459.10	502.713

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

11.14 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, 2012.

11.15 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.223, Span Industrial Complex, Near R.T.O. Check Post, Dadra – 396 191 , U.T. of D & NH.
3. Plot No.24/2 and No.25,GIDC, Phase- IV,Panoli – 395 116, Dist. Bharuch, Gujarat.
4. A-7 & A-8, MIDC Industrial Area, Ahmednagar – 414 111, Maharashtra.
5. Plot No. 4708, GIDC, Ankleshwar – 393 002, Gujarat.
6. Sathammai Village, Karunkuzhi Post, Maduranthakam T.K. Kanchipuram Dist. Tamilnadu – 603 303.
7. Halol-Baroda Highway, Near Anand Kendra, Halol, Dist. Panchmahal – 389350, Gujarat.
8. Plot No. 817/A, Karkhadi, Taluka: Padra, Distt. Vadodara – 391 450, Gujarat.

11.16

Investor Correspondence		For Shares held in Physical Form
(a)	For transfer/dematerialisation of Shares, payment of dividend on Shares, and any other query relating to the shares of the Company	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
Wholetime Director

Sailesh T. Desai
Wholetime Director

Mumbai, 28th May, 2013

ANNEXURE TO CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2012

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 Senior Management.

For Sun Pharmaceutical Industries Ltd.,

Dilip S. Shanghvi
Managing Director

Date: May 28, 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, 2012, 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, 28th May, 2013

SUN PHARMA

AUDITORS' Report

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of SUN PHARMACEUTICAL INDUSTRIES LIMITED ("the Company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India read together with our remarks in paragraph 3(b) below. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. (a) The financial statements of the Company for the year ended 31st March, 2012 were earlier approved by the Board of Directors at their meeting held on 29th May, 2012 which were audited by us and our report dated 29th May, 2012, addressed to the Members of the Company, expressed an unqualified opinion on those financial statements. Subsequently, the Board of Directors approved the Scheme of Arrangement in the nature of spin off, of Domestic Formulation Undertaking of the Company into Sun Pharma Laboratories Limited, a wholly owned subsidiary of the Company, effective from the close of business hours on 31st March, 2012, the appointed date, as stated in Note 45 to the financial statements. The aforesaid financial statements were not laid for adoption at the annual general meeting held on 8th November, 2012 and it was resolved to approve such financial statements only after the same are revised for giving effect to the aforesaid Scheme of Arrangement. Consequent to the Orders dated 3rd May, 2013 of the Hon'ble High Court of Gujarat and the Hon'ble High Court of Bombay sanctioning the said Scheme of Arrangement, the aforesaid financial statements are revised by the Company to give effect to the said spin off, effective from 31st March, 2012.

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

4. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

5. Further to our comments in the Annexure referred to in paragraph 4 above and read with our comments in paragraph 3 above, we report that:

   (i) 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;

   (ii) 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;

   (iii) 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;

   (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

AUDITORS' Report

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

(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.

6. On the basis of written representations received from the Directors as on 31st March, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

Rajesh K Hiranandani
Partner
(Membership No. 36920)

MUMBAI, 29th May, 2012 (28th May, 2013 as to effect the amendment discussed in paragraph 3 above)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 4 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/results, clauses vi, x, xiii, xiv, xvi, xviii, xix and xx of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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 in respect of fixed assets verified during the year.

(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 (excluding inventories lying with third parties) were physically verified during the year by the Management at reasonable intervals. In respect of inventories lying with third parties, these have substantially been confirmed by them.

(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.

AUDITORS' Report

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/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 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, except in respect of certain purchases for which comparable quotations are not available and in respect of which we are 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 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 Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues in arrears as at 31st March, 2012 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, 2012 on account ofdisputes, are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Million)
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Assistant / Deputy / Joint Commissioner	2002-03 to 2009-10	30.8
		Tribunal	1997-98, to 2000-01 and 2002-03 to 2008-09	261.5
		High Court	1998-99, 2001-02, 2006-07 and 2007-08	1.4

AUDITORS' Report

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Million)
Customs Act, 1962	Customs Duty, Penalty and Interest	Settlement Commission	2000-01	12.0
Sales Tax Act				
(Various States)	Sales Tax, Interest and Penalty	Assistant / Deputy / Joint Commissioner	1998-99, 1999-00, 2002-03 and 2004-05	2.7
		Tribunal	1998-99 to 2004-05	2.9
		High Court	2003-04	13.9
Income-tax Act, 1961	Income tax, Interest and Penalty	Commissioner	2003-04, 2006-07 and 2008-09	1,085.8
		Tribunal	1996-97 and 2003-2004	0.9
		High Court	1997-98	2.0
Wealth Tax Act, 1957	Wealth tax	Commissioner	2001-02, 2002-03, 2006-07, 2008-09 and 2009-10	0.4
		Tribunal	2003-04 and 2004-05	0.1

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 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.

(xiv) 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, 29th May, 2012 (28th May, 2013 as to effect the amendment discussed in paragraph 3 of our report of even date)

SUN PHARMA

BALANCE Sheet as at 31st March, 2012

	Note No.	As at 31st March, 2012		As at 31st March, 2011	
		₹ in Million	₹ in Million	₹ in Million	₹ in Million
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,035.6		1,035.6	
Reserves and Surplus	2	77,745.6	78,781.2	65,769.7	66,805.3
Non-current Liabilities					
Deferred Tax Liabilities (Net)	3	1,339.1		1,285.1	
Other Long-term Liabilities	4	20.3		21.9	
Long-term Provisions	5	986.2	2,345.6	86.8	1,393.8
Current Liabilities					
Short-term Borrowings	6	403.0		505.3	
Trade Payables	7	4,001.9		2,696.6	
Other Current Liabilities	8	625.4		420.8	
Short-term Provisions	9	5,154.9	10,185.2	4,244.2	7,866.9
TOTAL			91,312.0		76,066.0
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets	10A	9,759.3		7,831.8	
Intangible Assets	10B	13.7		112.1	
Capital Work-in-Progress		2,488.7		1,956.5	
		12,261.7		9,900.4	
Non-current Investments	11	35,928.0		17,785.9	
Long-term Loans and Advances	12	3,385.4		1,438.9	
Other Non-current Assets	13	28.3	51,603.4	1.9	29,127.1
Current Assets					
Current Investments	14	8,449.8		18,228.3	
Inventories	15	6,400.7		6,182.6	
Trade Receivables	16	7,134.8		5,426.2	
Cash and Cash Equivalents	17	13,277.1		12,509.1	
Short-term Loans and Advances	18	3,906.1		4,183.5	
Other Current Assets	19	540.1	39,708.6	409.2	46,938.9
TOTAL			91,312.0		76,066.0

See accompanying notes forming part of the 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, 28th May, 2013

Mumbai, 28th May, 2013

STATEMENT OF Profit And Loss

for the year ended 31st March, 2012

	Note No.	Year ended 31st March, 2012		Year ended 31st March, 2011	
		₹ in Million	₹ in Million	₹ in Million	₹ in Million
Revenue from Operations	20	40,804.9		31,602.3	
Less: Excise Duty		649.3		526.6	
		40,155.6		31,075.7	
Other Income	21	3,428.5		1,941.3	
Total Revenue			43,584.1		33,017.0
Expenses					
Cost of Materials Consumed	22	9,517.1		7,182.6	
Purchases of Stock-in-Trade	31	1,874.8		1,766.8	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(817.3)		19.9	
Employee Benefits Expense	24	3,165.6		2,610.9	
Depreciation and Amortisation Expense	10	757.2		642.3	
Other Expenses	25	8,829.2		6,254.7	
Total Expenses			23,326.6		18,477.2
Profit Before Exceptional Item and Tax			20,257.5		14,539.8
Exceptional Item	45		(2,999.2)		-
Profit Before Tax			17,258.3		14,539.8
Tax Expense:					
Current Tax	47	229.4		570.0	
Deferred Tax		54.0	283.4	131.8	701.8
Profit for the Year			16,974.9		13,838.0
Earnings per Share					
Basic and Diluted (₹) Face Value per Equity share - ₹ 1	38		16.4		13.4

See accompanying notes forming part of the 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, 28th May, 2013

Mumbai, 28th May, 2013

CASH FLOW Statement for the year ended 31st March, 2012

	Year ended 31st March, 2012 ₹ in Million	Year ended 31st March, 2011 ₹ in Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	17,258.3	14,539.8
Adjustments for:		
Depreciation and Amortisation Expense	757.2	642.3
Loss on Sale of Fixed Assets (net)	36.9	4.5
Finance Costs	4.3	5.9
Interest Income	(1,626.9)	(1,265.2)
Dividend Income (Previous Year ₹ 2,820)	(0.2)	(0.0)
Net Gain on Sale of Investments	(1,742.0)	(393.1)
Provision for Doubtful Trade Receivable / Advances	9.6	0.7
Net Gain on Cancellation of Forward Exchange Contracts	(50.1)	(75.6)
Net Unrealised Foreign Exchange Loss / (Gain)	732.3	(62.6)
Exceptional Item (Refer note 45)	2,999.2	-
Operating Profit Before Working Capital Changes	18,378.6	13,396.7
Changes in working capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	(1,678.9)	(481.2)
Trade Receivables	(2,943.1)	88.9
Loans and Advances	(487.6)	(382.4)
Other Assets	22.1	(64.3)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	1,280.1	560.2
Other Liabilities	109.7	(163.4)
Provisions	155.2	14.6
Cash Generated from Operations	14,836.1	12,969.1
Net Income Tax Paid	(1,444.3)	(735.7)
Net Cash Flow from Operating Activities (A)	13,391.8	12,233.4
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets, including Capital Advances	(3,882.4)	(2,452.8)
Proceeds from Sale of Fixed Assets	30.9	5.3
Short-term Loans / Inter Corporate Deposits		
Given / Placed	(8,285.3)	(8,952.9)
Received back / Matured	8,799.1	7,805.1
Purchase of Investments / Share Application Money		
Subsidiary Companies	(3,806.9)	(1.5)
Others	(134,659.1)	(122,943.1)
Proceeds from Sale of Investments	131,844.7	126,347.2

CASH FLOW Statement for the year ended 31st March, 2012

	Year ended 31st March, 2012 ₹ in Million	Year ended 31st March, 2011 ₹ in Million
Bank Balances not considered as Cash and Cash Equivalents		
Fixed Deposits Placed	(12,097.3)	(17,243.0)
Fixed Deposits Matured	12,843.1	5,620.4
Margin Money Placed	(21.2)	(26.6)
Net Gain on Cancellation of Forward Exchange Contracts	50.1	75.6
Interest Received	1,447.2	1,139.4
Dividend Received (Previous Year ₹ 2,820)	0.2	0.0
Net Cash Flow used in Investing Activities (B)	(7,736.9)	(10,626.9)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in Working Capital Borrowings	(102.3)	210.4
Finance Costs	(4.3)	(5.9)
Dividends Paid	(3,523.7)	(2,847.3)
Tax on Dividend	(571.8)	(473.0)
Net Cash Flow used in Financing Activities (C)	(4,202.1)	(3,115.8)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	1,452.8	(1,509.3)
Cash and Cash Equivalents at the Beginning of the Year	203.8	1,732.5
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	30.6	(19.4)
Cash and Cash Equivalents at the end of the Year (Refer Note 17)	1,687.2	203.8
See accompanying notes forming part of the Financial Statements		

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, 28th May, 2013

Mumbai, 28th May, 2013

Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	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 28)	1,035,581,955	1,035.6	1,035,581,955	1,035.6
	1,035,581,955	1,035.6	1,035,581,955	1,035.6

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
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	26,740.0		21,740.0	
Add: Transferred from Surplus in Statement of Profit and Loss	2,000.0		5,000.0	
Closing Balance		28,740.0		26,740.0
Surplus in Statement of Profit and Loss				
Opening Balance	23,517.0		18,891.5	
Add: Profit for the Year	16,974.9		13,838.0	
Proposed Dividend Written Back (on waiver)	100.0		-	
Corporate Dividend Tax Written Back (on waiver)	16.2		-	
	17,091.1		13,838.0	
Less: Dividend proposed to be distributed to equity Shareholders	4,401.2		3,624.5	
[₹ 4.25 (Previous Year ₹ 3.50) per Share]				
Corporate Dividend Tax	714.0		588.0	
Transferred to General Reserve	2,000.0		5,000.0	
	7,115.2		9,212.5	
Closing Balance		33,492.9		23,517.0
		77,745.6		65,769.7

Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
3 DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liability				
Depreciation on Fixed Assets	1,392.9		1,346.0	
Others	11.1	1,404.0	8.4	1,354.4
Less :				
Deferred Tax Assets				
Unpaid Liabilities Allowable on payment basis U/s 43B of the Income Tax Act,1961	49.6		41.5	
Others	15.3	64.9	27.8	69.3
		1,339.1		1,285.1
4 OTHER LONG-TERM LIABILITIES				
Trade / Security Deposits Received		20.3		21.9
		20.3		21.9
5 LONG-TERM PROVISIONS				
Employee Benefits - Compensated Absences		103.4		86.2
Product Returns		130.0		-
MTM Loss on outstanding Forward Contracts		752.8		-
Provision for Fringe Benefit Tax [Net of Advance Tax ₹ 15.0 Million (Previous Year ₹ 28.0 Million)]		-		0.6
		986.2		86.8
6 SHORT-TERM BORROWINGS				
Loans Repayable on Demand (Secured):				
Cash Credit Facility from Banks		403.0		505.3
(Secured by hypothecation of Inventories and Trade Receivables)				
		403.0		505.3
7 TRADE PAYABLES				
Due to Micro and Small Enterprises (Refer Note 36)		39.4		33.0
Other Payables		3,962.5		2,663.6
		4,001.9		2,696.6

Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
8 OTHER CURRENT LIABILITIES				
Investor Education and Protection Fund shall be credited by Unpaid Dividends (not due)		40.4		30.4
Statutory Remittances		231.3		81.3
Payables on Purchase of Fixed Assets		288.8		205.5
Advances from Customers		56.9		95.5
Others		8.0		8.1
		625.4		420.8
9 SHORT-TERM PROVISIONS				
Employee Benefits - Compensated Absences		39.7		31.7
Dividend proposed to be distributed to equity Shareholders		4,401.2		3,624.5
Corporate Dividend Tax		714.0		588.0
		5,154.9		4,244.2

Notes

forming part of the financial statement for the year ended 31st March, 2012

₹ in Million

Description of Assets	Gross Block (At Cost)					Depreciation / Amortisation / Impairment					Net Block	
	As at 01.04.2011	Additions during the year	Deletions / Adjustments during the year	Transferred on spin off during the year (Refer Note 45)	As at 31.03.2012	As at 01.04.2011	For the year	On Deletions for the year	Transferred on spin off during the year (Refer Note 45)	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
10. Fixed Assets												
A. Tangible Assets												
Freehold Land	38.7	134.7	-	-	173.4	-	-	-	-	-	173.4	38.7
	(38.7)	(-)	(-)	(-)	(38.7)	(-)	(-)	(-)	(-)	(-)	(38.7)	(38.7)
Leasehold Land	39.2	98.6	-	-	137.8	4.4	2.9	-	-	7.3	130.5	34.8
	(39.2)	(-)	(-)	(-)	(39.2)	(4.0)	(0.4)	(-)	(-)	(4.4)	(34.8)	(35.2)
Buildings	2,334.9	412.6	2.0 **	-	2,745.5 (i)	465.3	67.8	-	-	533.1	2,212.4	1,869.6
	(2,173.5)	(161.4)	(-)	(-)	(2,334.9)	(406.3)	(59.0)	(-)	(-)	(465.3)	(1,869.6)	(1,767.2)
Buildings - Leased *	193.6	-	-	-	193.6	37.3	6.2	-	-	43.5	150.1	156.3
	(193.6)	(-)	(-)	(-)	(193.6)	(31.1)	(6.2)	(-)	(-)	(37.3)	(156.3)	(162.5)
Plant and Equipment	8,856.2	1,952.6	157.6 **	-	10,651.2	3,549.3	596.2	97.9	-	4,047.6 (ii)	6,603.6	5,306.9
	(7,956.1)	(988.1)	(88.0)	(-)	(8,856.2)	(3,111.0)	(519.5)	(81.2)	(-)	(3,549.3)	(5,306.9)	(4,845.1)
Plant and Equipment Leased *	25.3	-	-	-	25.3	0.5	1.2	-	-	1.7	23.6	24.8
	(25.3)	(-)	(-)	(-)	(25.3)	(-)	(0.5)	(-)	(-)	(0.5)	(24.8)	(25.3)
Vehicles	156.1	70.8	14.9	28.9	183.1	55.0	16.5	9.2	7.7	54.6	128.5	101.1
	(140.3)	(21.0)	(5.2)	(-)	(156.1)	(43.8)	(13.4)	(2.2)	(-)	(55.0)	(101.1)	(96.5)
Office Equipment	311.6	37.8	5.1	22.7	321.6	175.2	20.7	4.7	6.3	184.9 (ii)	136.7	136.4
	(311.3)	(0.3)	(-)	(-)	(311.6)	(162.3)	(12.9)	(-)	(-)	(175.2)	(136.4)	(149.0)
Furniture and Fixtures	287.4	57.6	0.2	0.7	344.1	124.2	19.8	0.2	0.2	143.6 (ii)	200.5	163.2
	(275.0)	(20.0)	(7.6)	(-)	(287.4)	(117.2)	(14.6)	(7.6)	(-)	(124.2)	(163.2)	(157.8)
Total Tangible Assets	12,243.0	2,764.7	179.8	52.3	14,775.6	4,411.2	731.3	112.0	14.2	5,016.3	9,759.3	7,831.8
Previous Year	(11,153.0)	(1,190.8)	(100.8)	(-)	(12,243.0)	(3,875.7)	(626.5)	(91.0)	(-)	(4,411.2)	(7,831.8)	
B. Intangible Assets												
Trademarks, Designs and Other Intangible Assets	444.6	149.4	-	539.3	54.7	332.5	25.9	-	317.4	41.0 (ii)	13.7	112.1
	(444.6)	(-)	(-)	(-)	(444.6)	(316.7)	(15.8)	(-)	(-)	(332.5)	(112.1)	(127.9)
Total Intangible Assets	444.6	149.4	-	539.3	54.7	332.5	25.9	-	317.4	41.0	13.7	112.1
Previous Year	(444.6)	(-)	(-)	(-)	(444.6)	(316.7)	(15.8)	(-)	(-)	(332.5)	(112.1)	
Total Fixed Assets	12,687.6	2,914.1	179.8	591.6	14,830.3	4,743.7	757.2	112.0	331.6	5,057.3	9,773.0	7,943.9
Previous Year	(11,597.6)	(1,190.8)	(100.8)	(-)	(12,687.6)	(4,192.4)	(642.3)	(91.0)	(-)	(4,743.7)	(7,943.9)	

* Refer Note No. 41 (a)

** Refer Note No. 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 ₹ 30.8 Million). ₹ 1.7 Million (Previous Year Nil) transferred on spin off (Refer Note 45)

(iii) Previous Year figures are in brackets

Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
11 NON-CURRENT INVESTMENTS				
Long-term Investments (At Cost)				
A) Trade Investments				
a) In Equity Instruments				
i) In Subsidiary Companies				
(Unquoted - unless stated otherwise)				
Caraco Pharmaceutical Laboratories Ltd. 8,382,666 (Previous Year 8,382,666) fully paid Common Shares of No Par Value (Previous Year: Quoted -Market Value ₹ 1,940.6 Million)	303.9		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. 5,000 (Previous Year 5,000) fully paid Common Stock of $ 1 Par Value	0.2		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	
SPIL 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	

Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
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	
Sun Resins & Polymers Pvt Ltd 9,000 (Previous Year Nil) Shares of ₹ 10 each fully paid	1.2		-	
		10,025.9		10,024.7
ii) In Other Company				
Unquoted				
Enviro Infrastructure Co. Ltd. 100,000 (Previous Year 100,000) Shares of ₹ 10 each fully paid		1.0		1.0
b) In Preference Shares				
In Subsidiary Company				
Unquoted				
Sun Resins & Polymers Pvt Ltd ₹ 10,000 (Previous Year ₹ Nil) 100 (Previous Year Nil) 12% Redeemable Preference Shares of ₹ 100 each fully paid	0.0		-	
Sun Pharma Global Inc. BVI Share Application Money	3,805.7	3,805.7	-	-
c) In Partnership Firms				
Unquoted				
Sun Pharma Exports *	-		15.9	
Sun Pharmaceutical Industries **	8,998.8		3,888.6	
Sun Pharma - Sikkim ***	11,979.3		3,478.2	
Sun Pharma - Drugs **** ₹ 94 (Previous Year ₹ 67)	0.0	20,978.1	0.0	7,382.7
d) In Government Securities				
Unquoted				
National Savings Certificates ₹ 10,000 (Previous Year ₹ 10,000) (Deposited with Government Authorities)		0.0		0.0
Total (A)		34,810.7		17,408.4
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 ₹ 258.2 Million (Previous Year ₹ 262.6 Million)	250.0		250.0	
L&T Finance Ltd - 8.4 NCD 08MR13 Nil (Previous Year 122,464) Debentures of ₹ 1,000 each fully paid Market Value ₹ 120.5 Million	-	250.0	122.5	372.5

Notes

forming part of the financial statement for the year ended 31st March, 2012

		As at 31st March, 2012		As at 31st March, 2011	
		₹ in Million	₹ in Million	₹ in Million	₹ in Million
b) In Bonds					
Quoted					
National Highways Authority of India 61,809 (Previous Year Nil) Bonds of ₹ 1,000 each fully paid Market Value ₹ 63.9 Million (Previous Year ₹ Nil)		61.8		-	
Power Finance Corporation Ltd Tax free Bonds 142,393 (Previous Year Nil) Bonds of ₹ 1,000 each fully paid Market Value ₹ 144.7 Million (Previous Year ₹ Nil)		142.4		-	
Indian Railway Finance Corporation Ltd -8/8.15 LOA 23FB22 163,131 (Previous Year Nil) Bonds of ₹ 1,000 each fully paid Market Value ₹ 165.9 Million (Previous Year ₹ Nil)		163.1	367.3	-	-
Unquoted					
Rural Electrification Corporation Ltd Nil (Previous Year 500) Bonds of ₹ 10,000 each fully paid			-		5.0
c) In Deposit					
Unquoted					
Housing Development Finance Corporation Ltd			500.0		-
Total (B)			1,117.3		377.5
Total (A+B)			35,928.0		17,785.9
AGGREGATE VALUE OF INVESTMENTS		Book Value	Market Value	Book Value	Market Value
Quoted		617.3	632.7	676.4	2,332.7
Unquoted		35,310.7		17,109.5	
*Partners (Dissolved on 29th January, 2012)	Share		Capital		Capital
Sun Pharmaceutical Industries Limited	80%		-		15.9
Solapur Organics Private Limited (Previous Year ₹ (1,081))	10%		-		0.0
Dilip S. Shanghvi (Previous Year ₹ (381))	10%		-		0.0
**Partners	Share		Capital		Capital
Sun Pharmaceutical Industries Limited	97.5%		8,998.8		3,888.6
Sun Pharmaceutical Industries Key Employees' Benefit Trust	2.5%		194.3		133.5
***Partners	Share		Capital		Capital
Sun Pharmaceutical Industries Limited	97.5%		11,979.3		3,478.2
Sun Pharmaceutical Industries Key Employees' Benefit Trust	2.0%		542.1		311.1
Sun Pharma Advanced Research Company Limited Key Employees' Benefit Trust	0.5%		81.7		30.5
****Partners	Share		Capital		Capital
Sun Pharmaceutical Industries Limited ₹ 94 (Previous Year ₹ 67)	98.0%		0.0		0.0
Sun Pharmaceutical Industries Key Employees' Benefit Trust ₹ (94) (Previous Year ₹ (67))	2.0%		(0.0)		(0.0)

Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
12 LONG-TERM LOANS AND ADVANCES				
(Unsecured – Considered Good)				
Capital Advances		843.5		324.1
Security Deposits		135.9		90.9
Loans and Advances to Related Parties (Refer Note 43)		71.3		61.2
Loans and Advances to Employees / Others		34.6		32.2
Prepaid Expenses		3.5		4.1
Advance Income Tax [Net of Provisions ₹ 1,450.7 Million (Previous Year ₹ 1,220.7 Million)]		1,860.1		645.8
Balances with Government Authorities		436.5		280.6
		3,385.4		1,438.9
13 OTHER NON-CURRENT ASSETS				
(Unsecured – Considered Good)				
Interest Accrued on Investments		26.7		-
Unamortised Premium on Investments		1.6		1.9
		28.3		1.9
14 CURRENT INVESTMENTS				
A) Current Portion of Long-term Investments (At Cost)				
a) In Debentures				
Quoted				
HCL Technologies Ltd - 7.55 NCD 25AG11 Nil (Previous Year 100) Debentures of ₹ 1,000,000 each fully paid Market Value ₹ 99.8 Million	-		100.0	
L&T Finance Ltd - 8.4 NCD 08MR13 122,464 (Previous Year Nil) Debentures of ₹ 1,000 each fully paid Market Value ₹ 120.9 Million	122.5		-	
Tata Chemicals Ltd - 7.4 NCD 23NV11 Nil (Previous Year 250) Debentures of ₹ 1,000,000 each fully paid Market Value ₹ 246.2 Million	-	122.5	250.0	350.0
Unquoted				
Bajaj Infrastructure Development Company Ltd - 10.75 NCD 04DC15 Nil (Previous Year 250) Debentures of ₹ 1,000,000 each fully paid		-		250.0
b) In Bonds				
Unquoted				
Rural Electrification Corporation Ltd 500 (Previous Year Nil) Bonds of ₹ 10,000 each fully paid		5.0		-
c) In Mutual Funds (Units of Face Value of ₹ 10 Each)				
Unquoted				
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan-Series CC (13Months) Nil (Previous Year 20,000,000 Units)	-		200.0	
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan-Series CF Nil (Previous Year 25,000,000 Units)	-		250.0	

Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan-Series CG Nil (Previous Year 25,000,000 Units)	-		250.0	
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan-Series CI Nil (Previous Year 50,000,000 Units)	-		500.0	
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan - Series CJ Nil (Previous Year 25,000,000 Units)	-		250.0	
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan-Series CR Nil (Previous Year 25,000,000 Units)	-		250.0	
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan - Series CW Nil (Previous Year 25,000,000 Units)	-		250.0	
Canara Robeco Mutual Fund-Canara Robeco Fixed Maturity Plan-Series 5-13 Months (Plan A) Nil (Previous Year 20,000,000 Units)	-		200.0	
DSP BlackRock Mutual Fund-DSP BlackRock FMP-13M-Series 3 Nil (Previous Year 25,000,000 Units)	-		250.0	
DSP BlackRock Mutual Fund-DSP BlackRock FMP-12M-Series 9 Nil (Previous Year 25,000,000 Units)	-		250.0	
DSP BlackRock Mutual Fund-DSP BlackRock FMP-12M-Series 10 Nil (Previous Year 25,000,000 Units)	-		250.0	
DSP BlackRock Mutual Fund-DSP BlackRock FMP-12M-Series 11 Nil (Previous Year 25,000,000 Units)	-		250.0	
DSP BlackRock Mutual Fund-DSP BlackRock FMP-12M-Series 15 Nil (Previous Year 25,000,000 Units)	-		250.0	
Deutsche Mutual Fund-DWS Fixed Term Fund-Series 67 Nil (Previous year 35,266,428 Units)	-		352.7	
Deutsche Mutual Fund-DWS Fixed Term Fund-Series 71 Nil (Previous Year 7,500,000 Units)	-		75.0	
Deutsche Mutual Fund-DWS Fixed Term Fund-Series 73 Nil (Previous Year 15,000,000 Units)	-		150.0	
Fidelity Mutual Fund-Fidelity Fixed Maturity Plan Series IV - Plan E (370 days) Nil (Previous Year 25,000,000 Units)	-		250.0	
HDFC Mutual Fund- HDFC FMP 14M March 2010 Nil (Previous Year 25,000,000 Units)	-		250.0	
HDFC Mutual Fund- HDFC Floating Rate Income Fund-Long Term Plan Nil (Previous Year 63,270,759 Units)	-		1,000.1	
HDFC Mutual Fund- HDFC FMP 370D February 2011(1) Nil (Previous Year 25,000,000 Units)	-		250.0	
HSBC Mutual Fund- HSBC Fixed Term Series 79 Nil (Previous Year 25,000,000 Units)	-		250.0	
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 53 - 1 Year Plan B Nil (Previous Year 25,004,671 Units)	-		250.1	

Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 53 - 1 Year Plan C Nil (Previous Year 25,000,000 Units)	-		250.0	
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 53 - 1 Year Plan E Nil (Previous Year 20,000,000 Units)	-		200.0	
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 55 - 1 Year Plan A Nil (Previous Year 25,000,000 Units)	-		250.0	
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 55 - 1 Year Plan F Nil (Previous Year 25,000,000 Units)	-		250.0	
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 56- 1 Year Plan D Nil (Previous Year 25,000,000 Units)	-		250.0	
IDBI Mutual Fund-IDBI FMP - 367 Days Series I (February 2011) - A Nil (Previous Year 15,000,000 Units)	-		150.0	
IDBI Mutual Fund-IDBI FMP - 367 Days Series I (March 2011) - C Nil (Previous Year 15,000,000 Units)	-		150.0	
IDBI Mutual Fund-IDBI FMP - 367 Days Series I (March 2011) - D Nil (Previous Year 20,000,000 Units)	-		200.0	
IDFC Mutual Fund-IDFC Fixed Maturity Plan- 14 Months Series 1 Nil (Previous Year 25,000,000 Units)	-		250.0	
IDFC Mutual Fund-IDFC Fixed Maturity Plan- Yearly Series 42 Nil (Previous Year 20,000,000 Units)	-		200.0	
IDFC Mutual Fund-IDFC Fixed Maturity Plan-Yearly Series 57 25,000,000 (Previous Year Nil) Units	250.0		-	
JM Financial Mutual Fund-JM Fixed Maturity Fund - Series XIX - A Nil (Previous Year 20,000,000 Units)	-		200.0	
JM Financial Mutual Fund-JM Fixed Maturity Fund - Series XIX - C Nil (Previous Year 10,000,000 Units)	-		100.0	
JP Morgan Mutual Fund-JPMorgan India Fixed Maturity Plan 400D Series 1 Nil (Previous Year 25,000,000 Units)	-		250.0	
JP Morgan Mutual Fund-JP Morgan India Fixed Maturity Plan 367D Series 1 Nil (Previous Year 25,000,000 Units)	-		250.0	
Kotak Mutual Fund-Kotak FMP 13M Series 6 Nil (Previous Year 30,000,000 Units)	-		300.0	
Kotak Mutual Fund-Kotak FMP 370 Days Series 2 Nil (Previous Year 25,000,000 Units)	-		250.0	
Kotak Mutual Fund-Kotak FMP 370 Days Series 3 Nil (Previous Year 25,000,000 Units)	-		250.0	
Kotak Mutual Fund-Kotak FMP Series 28 Nil (Previous Year 25,000,000 Units)	-		250.0	
Kotak Mutual Fund-Kotak FMP Series 29 Nil (Previous Year 25,000,000 Units)	-		250.0	

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Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Kotak Mutual Fund-Kotak FMP Series 43 Nil (Previous Year 25,000,000 Units)	-		250.0	
L&T Mutual Fund-L&T Fixed Maturity Plan Series 12-Plan-15M-Mar10-I Nil (Previous Year 20,213,915 Units)	-		202.1	
Principal Mutual Fund - Principal PNB FMP - 367 Days - Series II Nil (Previous Year 5,000,000 Units)	-		50.0	
Religare Mutual Fund-Religare Fixed Maturity Plan-Series-III Plan D (370 Days) Nil (Previous Year 15,000,000 Units)	-		150.0	
Religare Mutual Fund-Religare Fixed Maturity Plan - Series IV - Plan E (370 Days) Nil (Previous Year 25,000,000 Units)	-		250.0	
Religare Mutual Fund-Religare Fixed Maturity Plan - Series V - Plan A (368 Days) Nil (Previous Year 25,000,000 Units)	-		250.0	
Religare Mutual Fund- Religare FMP Series VI - Plan B (370 days) Nil (Previous Year 20,000,000 Units)	-		200.0	
Religare Mutual Fund-Religare Fixed Maturity Plan-Series VI - Plan E (367 days) Nil (Previous Year 15,000,000 Units)	-		150.0	
Reliance Mutual Fund - Reliance Fixed Horizon Fund XVI Series 5 Nil (Previous Year 50,000,000 Units)	-		500.0	
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XVII Series 1 Nil (Previous Year 25,000,000 Units)	-		250.0	
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XIX Series 1 Nil (Previous Year 25,000,000 Units)	-		250.0	
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XIX Series 11 Nil (Previous Year 25,000,000 Units)	-		250.0	
SBI Mutual Fund-SDFS 370 Days - 8 Nil (Previous Year 50,000,000 Units)	-		500.0	
SBI Mutual Fund-SDFS – 370 Days - 10 Nil (Previous Year 25,000,000 Units)	-		250.0	
Sundaram Mutual Fund-Sundram Fixed Term Plan-AQ 367 Days Nil (Previous Year 25,000,000 Units)	-	250.0	250.0	14,230.0
d) In Pass through Certificates				
Unquoted				
Novo VIII Trust-Archie-Itsl-SR-A PTC 15JN10 Nil (Previous Year 500) Units of ₹ 1,000,000 each fully paid	-	-	503.3	503.3
e) In Deposits				
Unquoted				
Housing and Urban Development Corporation Ltd	-		245.0	
Housing Development Finance Corporation Ltd	4,500.0		2,000.0	
SICOM Limited	760.0	5,260.0	-	2,245.0
Total (A)		5,637.5		17,578.3

Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
B) Other Current Investments (Unquoted)				
a) In Mutual Funds				
Units of Face Value of ₹ 10 Each				
BNP Mutual Fund - BNP Paribas Overnight-Inst Growth 15,159,967 (Previous Year 13,281,359) Units	250.0		200.0	
JPMorgan Mutual Fund-JP Morgan Liquid Super IP - Growth 17,992,212 (Previous Year Nil) Units	250.0		-	
Religare Mutual Fund-Religare Credit Opportunities Fund-Inst Growth 20,697,591 (Previous Year Nil) Units	250.0		-	
Units of Face Value of ₹ 100 Each				
ICICI Prudential Mutual Fund-ICICI Prudential Liquid - Super IP - Growth Nil (Previous Year 1,034,621) Units	-		150.0	
ICICI Prudential Mutual Fund- ICICI Prudential Money Market Fund Cash Option Growth 1,686,038 (Previous Year Nil) Units	250.0		-	
Units of Face Value of ₹ 1,000 Each				
Axis Mutual Fund - Axis Liquid Fund-Institutional Growth 210,385 (Previous Year Nil) Units	250.0		-	
Daiwa Mutual Fund-Daiwa Liquid Fund-Inst Plan-Growth 208,291 (Previous Year Nil) Units	250.0		-	
IDBI Mutual Fund-IDBI Liquid Fund - Growth 217,297 (Previous Year Nil) Units	250.0		-	
Morgan Stanley Mutual Fund-Morgan Stanley Liquid Fund-Growth Plan 237,514 (Previous Year Nil) Units	250.0		-	
Pramerica Mutual Fund-Pramerica Dynamic Bond Fund-Growth 99,824 (Previous Year Nil) Units	100.0		-	
Pramerica Mutual Fund-Pramerica Liquid Fund-Growth 218,551 (Previous Year Nil) Units	250.0		-	
Taurus Mutual Fund-Taurus Liquid Fund-Super Inst Growth Nil (Previous Year 47,397) Units	-		50.0	
UTI Mutual Fund-UTI Money Market Mutual Fund-Institutional Growth Nil (Previous Year 155,331) Units	-	2,350.0	250.0	650.0
b) In Commercial Paper				
Morgan Stanley India Capital Pvt Ltd - 272D CP 29OT12 1,000 (Previous Year Nil) units of ₹ 500,000 each fully paid		462.3		-
Total (B)		2,812.3		650.0
Total (A+B)		8,449.8		18,228.3

AGGREGATE VALUE OF INVESTMENTS	Book Value	Market Value	Book Value	Market Value
Quoted	122.5	120.9	350.0	346.0
Unquoted	8,327.3		17,878.3	

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forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
15 INVENTORIES				
Raw and Packing Materials	4,171.2		3,400.9	
Goods-in-Transit	27.5		15.0	
	4,198.7		3,415.9	
Less : Transferred on spin-off (*)	(857.1)	3,341.6	-	3,415.9
Work-in-Progress	1,977.1		1,643.1	
Less : Transferred on spin-off (*)	(146.5)	1,830.6	-	1,643.1
Finished Goods	1,266.6		821.9	
Goods-in-Transit	22.8		94.9	
	1,289.4		916.8	
Less : Transferred on spin-off (*)	(295.2)	994.2	-	916.8
Stock-in-trade	162.0		51.3	
Less : Transferred on spin-off (*)	(162.0)	-	-	51.3
Other Materials and Consumables	234.2		155.0	
Goods-in-Transit	0.1	234.3	0.5	155.5
(*) Refer Note: 45		6,400.7		6,182.6
16 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	538.0		677.2	
Doubtful	42.4		76.2	
	580.4		753.4	
Less: Provision for Doubtful Trade Receivables	42.4	538.0	76.2	677.2
Other Trade Receivables		6,596.8		4,749.0
		7,134.8		5,426.2
17 CASH AND CASH EQUIVALENTS				
Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statement				
Cash on Hand		5.4		3.6
Cheques, Drafts on Hand		3.3		-
Balance with Banks				
In Current Accounts	50.4		37.9	
In Deposit Accounts with Original Maturity less than 3 Months	430.4		-	
In EEFC Accounts	1,197.7	1,678.5	162.3	200.2
		1,687.2		203.8
Other Bank Balances				
In Deposit Accounts (Refer Footnote)	11,497.4		12,243.2	
In Earmarked Accounts:				
Unpaid Dividend Accounts	37.7		28.5	
Balances held as Margin Money or Security against Guarantees and Other Commitments (Refer Footnote)	54.8	11,589.9	33.6	12,305.3
		13,277.1		12,509.1

Footnote

Other Bank Balances include Deposits amounting to ₹ 1,539.1 Million (Previous Year ₹ 2,330.0 Million) and Margin Monies amounting to ₹ 54.8 Million (Previous Year ₹ 33.6 Million) which have an Original Maturity of more than 12 months.

Notes

forming part of the financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
18 SHORT-TERM LOANS AND ADVANCES				
(Unsecured – Considered Good unless stated otherwise)				
Loans and Advances to Employees / Others				
Secured	300.0		751.2	
Unsecured	2,158.6		2,303.0	
Considered Doubtful	4.5		9.5	
	2,463.1		3,063.7	
Less: Provision for Doubtful Loans and Advances	4.5	2,458.6	9.5	3,054.2
Prepaid Expenses		68.5		46.0
Balances with Government Authorities		976.5		750.3
Advances for Supply of Goods and Services		402.5		333.0
		3,906.1		4,183.5

	As at 31st March, 2012		As at 31st March, 2011	
19 OTHER CURRENT ASSETS				
(Unsecured – Considered Good)				
Interest Accrued on Investments		336.7		183.7
Unamortised Premium on Investments		0.3		0.4
Export Incentives		203.1		209.5
Insurance Claim		-		15.6
		540.1		409.2

Notes

forming part of the financial statement for the year ended 31st March, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
20 REVENUE FROM OPERATIONS				
Sale of Products		24,631.0		19,857.8
Other Operating Revenues				
Share of Income from Partnership Firms	16,081.4		11,715.8	
Others	92.5	16,173.9	28.7	11,744.5
		40,804.9		31,602.3
21 OTHER INCOME				
Net Interest Income:				
Interest Income on:				
Deposits with Banks	782.9		657.6	
Loans and Advances	255.4		84.7	
Current Investments	426.0		83.1	
Long-term Investments	160.8		427.6	
Others	1.8		12.2	
	1,626.9		1,265.2	
Less : Finance Costs				
Interest Expense on:				
Borrowings	3.0		2.5	
Others	1.3		3.4	
	4.3	1,622.6	5.9	1,259.3
Dividend Income on Long-term Investments (Previous Year ₹ 2,820)		0.2		0.0
Net Gain on Sale of:				
Current Investments	1,272.0		371.6	
Long-term Investments	470.0	1,742.0	21.5	393.1
Net Gain on Foreign Currency Transactions and Translation		-		190.5
Insurance Claims		18.4		15.1
Lease Rental and Hire Charges		13.8		9.3
Miscellaneous Income		31.5		74.0
		3,428.5		1,941.3

22 COST OF MATERIALS CONSUMED				
Raw and Packing Materials				
Inventory at the beginning of the year		3,415.9		2,905.5
Purchases during the year		10,299.9		7,693.0
Inventory (prior to spin off) at the end of the year		(4,198.7)		(3,415.9)
		9,517.1		7,182.6

Notes

forming part of the financial statement for the year ended 31st March, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Inventories at the beginning of the year		2,611.2		2,631.1
Inventories (prior to spin off) at the end of the year		(3,428.5)		(2,611.2)
		(817.3)		19.9
24 EMPLOYEE BENEFITS EXPENSE				
Salaries and Wages		2,708.8		2,153.2
Contribution to Provident and Other Funds		170.5		138.3
Staff Welfare Expenses		286.3		319.4
		3,165.6		2,610.9
25 OTHER EXPENSES				
Consumption of Materials, Stores and Spare Parts		1,186.0		983.3
Conversion and Other Manufacturing Charges		541.3		412.8
Power and Fuel		687.6		465.9
Rent		24.5		18.1
Rates and Taxes		68.0		16.7
Insurance		42.5		34.6
Selling and Distribution		2,424.3		1,967.3
Commission and Discount		467.9		266.8
Repairs				
Buildings	43.9		46.9	
Machinery	348.6		261.6	
Others	120.7	513.2	93.3	401.8
Printing and Stationery		47.4		41.2
Travelling and Conveyance		237.5		175.0
Overseas Travel and Export Promotion		1,115.1		852.2
Communication		58.3		54.5
Provision for Doubtful Trade Receivables / Advances				
Provision for Doubtful Trade Receivables	15.5		12.8	
Sundry Balances / Trade receivable Written Off (Net)	48.1		2.3	
Less: Adjusted out of Provision for earlier years	54.0	9.6	14.4	0.7
Professional and Consultancy		558.4		365.7
Donations		0.1		2.2
Loss on Sale of Fixed Assets (Net)		36.9		4.5
Increase / (Decrease) of Excise Duty on Inventory		73.5		(2.7)
Net Loss on Foreign Currency Transactions and Translation		549.3		-

Notes

forming part of the financial statement for the year ended 31st March, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Payment to Auditors (Net of Service Tax)				
As Auditors [inclues ₹ 0.4 Million (Previous Year ₹ Nil) in respect of Previous Year]	7.0		5.9	
For Other Services	1.7		0.9	
Reimbursement of Expenses	0.2	8.9	0.1	6.9
Miscellaneous Expenses		337.5		375.8
		8,987.8		6,443.3
Less:				
Receipts from Research Activities		(158.6)		(188.6)
		8,829.2		6,254.7
Note: Research And Development Expenditure included in notes 21 to 25				
Salaries and Wages		502.4		391.5
Contribution to Provident and Other Funds		25.7		19.5
Staff Welfare Expenses		48.0		59.3
Consumption of Material, Stores and Spare Parts		707.6		644.2
Power and Fuel		55.3		57.2
Rates and Taxes		5.0		3.5
Insurance		1.6		1.9
Repairs				
Buildings	9.2		6.1	
Machinery	36.5		33.1	
Others	30.0	75.7	22.5	61.7
Printing and Stationery		11.6		12.3
Travelling and Conveyance		24.9		31.2
Communication		9.4		13.9
Professional and Consultancy		203.0		100.5
Loss on Sale of Fixed Assets (Net)		0.8		0.6
Miscellaneous Expenses		160.9		175.5
		1,831.9		1,572.8
Less:				
Interest Income	1.6		1.1	
Receipts from Research Activities	158.6		188.6	
Miscellaneous Income	15.1	175.3	27.2	216.9
		1,656.6		1,355.9

Notes

forming part of the financial statement for the year ended 31st March, 2012

26 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.

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 during the year 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

Notes

forming part of the financial statement for the year ended 31st March, 2012

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.

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.

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forming part of the financial statement for the year ended 31st March, 2012

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.

			As at 31st March, 2012 ₹ in Million	As at 31st March, 2011 ₹ in Million
27	CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)			
i	Contingent Liabilities			
A)	Claims against the Company not acknowledged as debts		23.6	15.3
B)	Guarantees :			
	Guarantees Given by the bankers on behalf of the Company		226.9	160.1
	Corporate Guarantees		157.5	72.9
C)	Others :			
	Letters of Credit for Imports		243.3	166.7
	Liabilities Disputed - Appeals filed with respect to :			
		Income Tax on account of Disallowances / Additions	2,134.4	290.2
		Sales Tax on account of Rebate / Classification	22.9	25.6
		Excise Duty on account of Valuation / Cenvat Credit	319.4	318.4
		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		12.0	11.5
ii	Commitments			
	a	Estimated amount of contracts remaining to be executed on capital account [net of advances].	2,647.5	1,032.2
	b	Derivative related Commitments - Forward Foreign Exchange Contracts	2,034.8	2,671.2

Notes

forming part of the financial statement for the year ended 31st March, 2012

28 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, 2012		As at 31st March, 2011	
	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

	Year ended 31st March, 2012		Year ended 31st March, 2011	
		₹ in Million		₹ in Million
29 RESEARCH AND DEVELOPMENT EXPENDITURE				
Revenue (Excluding Depreciation)		1,656.6		1,355.9
Capital		352.1		236.1
Total		2,008.7		1,592.0
30 INFORMATION RELATING TO CONSUMPTION OF MATERIALS				
Raw and Packing Materials				
Raw Materials		8,328.1		6,555.7
Packing Materials		1,189.0		626.9
Total		9,517.1		7,182.6
None of the items individually account for more than 10% of total consumption.				
Imported and Indigenous	%		%	
Raw and Packing Materials				
Imported	39.93	3,800.2	41.44	2,976.5
Indigenous	60.07	5,716.9	58.56	4,206.1
Total	100.00	9,517.1	100.00	7,182.6
Stores and Spare Parts and Other Materials				
Imported	30.30	359.4	28.16	276.9
Indigenous	69.70	826.6	71.84	706.4
Total	100.00	1,186.0	100.00	983.3

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	Year ended 31st March, 2012 ₹ in Million	Year ended 31st March, 2011 ₹ in Million
31 INFORMATION RELATING TO PURCHASES OF STOCK-IN-TRADE		
Formulations	1,828.4	1,751.7
Bulk Drugs	27.4	8.5
Others	19.0	6.6
Total	1,874.8	1,766.8
32 INFORMATION RELATING TO SALE OF PRODUCTS		
Formulations	19,413.8	15,918.0
Bulk Drugs	5,181.9	3,909.7
Others	35.3	30.1
Total	24,631.0	19,857.8

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

	As at 31st March, 2012 ₹ in Million			As at 31st March, 2011 ₹ in Million		
	Finished Goods	Work-in-Progress	Stock-in-Trade	Finished Goods	Work-in-Progress	Stock-in- Trade
Formulations	410.0	434.6	162.0	265.7	405.8	51.3
Bulk Drugs	879.4	1,542.5	-	651.1	1,237.3	-
Total	1,289.4	1,977.1	162.0	916.8	1,643.1	51.3

	Year ended 31st March, 2012 ₹ in Million	Year ended 31st March, 2011 ₹ in Million
34 INCOME/EXPENDITURE IN FOREIGN CURRENCY		
Income		
Exports (FOB basis)	14,628.2	8,963.6
Interest	-	0.9
Royalty	3.0	-
Others	14.7	41.1
Expenditure		
Raw Materials (CIF basis)	2,895.2	2,585.8
Packing Materials (CIF basis)	669.0	337.3
Capital Goods (CIF basis)	907.8	903.5
Spares and Components (CIF basis)	347.1	213.2
Professional Charges	452.8	206.2
Overseas Travel	50.2	82.1
Others	1,046.4	828.8

35 The net Exchange Loss of ₹ 618.5 Million (Previous Year Gain of ₹ 307.3 Million) is included under Revenue from Operations, Other Income, Cost of Materials Consumed and Other Expenses in the Statement of Profit and Loss.

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forming part of the financial statement for the year ended 31st March, 2012

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

(a) An amount of ₹ 39.4 Million (Previous Year ₹ 33.0 Million) and ₹ NIL (Previous Year ₹ NIL) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.

(b) No interest was paid during the year.

(c) No interest is payable at the end of the year under Micro, Small and Medium Enterprises Development Act, 2006.

(d) No amount of interest was accrued and unpaid at the end of the accounting year.

The above information and that given in Note 7 "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.

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

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

	Year ended 31st March, 2012	Year ended 31st March, 2011
	₹ in Million	₹ in Million
Profit for the year - used as Numerator for calculating Earnings per share	16,974.9	13,838.0
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 ₹)	16.4	13.4

39 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	9,898.5	10,171.8
	Outside India	14,732.5	9,686.0
	Sale of Products	24,631.0	19,857.8

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

40 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 ₹ 132.1 Million (Previous year ₹ 108.1 Million)

	Year ended 31st March, 2012	Year ended 31st March, 2011
	₹ in Million	₹ in Million
Contribution to Provident Fund	125.5	102.5
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	6.5	5.5
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

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forming part of the financial statement for the year ended 31st March, 2012

and Loss amounting to ₹ 52.0 Million (Previous Year ₹ 43.2 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 Company's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India.

	₹ in Million	
	Year ended	
	31st March, 2012	31st March, 2011
In respect of gratuity (funded):		
Reconciliation of liability / (asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	299.2	248.3
Fair value of plan assets	(333.4)	(274.2)
Net liability / (asset) in the Balance sheet	(34.2)	(25.9)
Movement in net liability / (asset) recognised in the Balance sheet		
Net liability / (asset) as at the beginning of the year	(25.9)	(15.8)
Net expense recognised in the Statement of Profit and Loss	36.9	29.0
Contribution during the year	(45.2)	(39.1)
Net liability / (asset) in the Balance sheet	(34.2)	(25.9)
Expense recognised in the Statement of Profit and Loss		
Current service cost	29.4	25.2
Interest cost	20.5	18.3
Expected return on plan assets	(22.6)	(20.7)
Actuarial loss	9.6	6.2
Expense charged to the Statement of Profit and Loss	36.9	29.0
Return on plan assets		
Expected return on plan assets	22.6	20.7
Actuarial gain	6.4	3.3
Actual return on plan assets	29.0	24.0
Reconciliation of defined-benefit commitments		
Commitments as at the beginning of the year	248.3	212.7
Current service cost	29.4	25.2
Interest cost	20.5	18.3
Paid benefits	(15.0)	(17.4)
Actuarial loss	16.0	9.5
Commitments as at the year end	299.2	248.3
Reconciliation of plan assets		
Plan assets as at the beginning of the year	274.2	228.5
Expected return on plan assets	22.6	20.7
Contributions during the year	45.2	39.1
Paid benefits	(15.0)	(17.4)
Actuarial gain	6.4	3.3
Plan assets as at the year end	333.4	274.2
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	8.50%	8.25%
Expected return on plan assets	8.50%	8.25%
Expected rate of salary increase	6.00%	6.00%
Mortality	LIC (1994-96) Ultimate	

Notes

forming part of the financial statement for the year ended 31st March, 2012

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, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Experience adjustment					
On plan liabilities	25.2	17.5	56.5	5.2	126.9
On plan assets	6.4	3.3	3.3	3.9	2.4
Present value of benefit obligation	299.2	248.3	212.7	142.4	106.4
Fair value of plan assets	(333.4)	(274.2)	(228.5)	(187.2)	(104.0)
Excess of obligation over plan assets / (plan assets over obligation)	(34.2)	(25.9)	(15.8)	(44.8)	2.4

The contribution expected to be made by the Company during financial year ending 31st March, 2013 is ₹ 32.7 Million (Previous Year ₹ 35.5 Million).

41 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 21 and 25 respectively.

42 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.

	Year ended 31st March, 2012 ₹ in Million	Year ended 31st March, 2011 ₹ in Million
Opening balance	-	-
Add: Provision for the year	130.0	-
Less: Utilisation / Settlement	-	-
Closing balance	130.0	-

Notes

forming part of the financial statement for the year ended 31st March, 2012

43 LOANS / ADVANCES DUE FROM SUBSIDIARIES

				₹ in Million
	As at 31st March, 2012	Maximum Balance	As at 31st March, 2011	Maximum Balance
	2011-12		2010-11	
Loans				
Green Eco Development Centre Ltd	2.9	2.9	0.1	0.1
Sun Pharma De Venezuela, C.A.	-	1.2	1.2	1.2
Sun Pharma Global Inc. BVI	-	2,125.4	-	-
Advances: Share Application Money to				
Sun Pharma De Mexico, S.A. DE C.V.	68.4	68.4	59.9	60.3
	71.3		61.2	

44 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.

45 The financial statements of the Company for the year ended 31st March, 2012 were earlier approved by the Board of Directors at their meeting held on 29th May, 2012 on which the Statutory Auditors of the Company had issued their report dated 29th May, 2012. Subsequently, the Board of Directors approved the Scheme of Arrangement in the nature of spin off, of Domestic Formulation Undertaking of the Company, comprising specified assets, without any liabilities, pertaining to the said undertaking, on a going concern basis without consideration into Sun Pharma Laboratories Limited (SPLL - formerly known as Sun Resins & Polymers Private Ltd), a wholly owned subsidiary of the Company, effective from the close of the business hours on 31st March 2012, the appointed date. The aforesaid financial statements were not laid for adoption at the annual general meeting held on 8th November, 2012 and it was resolved to approve such financial statements only after the same are revised for giving effect to the aforesaid Scheme of Arrangement. Consequent to the Orders dated 3rd May, 2013 of the Hon'ble High Court of Gujarat and the Hon'ble High Court of Bombay sanctioning the said Scheme of Arrangement, the aforesaid financial statements are revised only to give effect to the said spin off, effective from 31st March, 2012 and assets 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.

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 ₹ 0.6 Million (Previous Year ₹ Nil) pertaining to earlier year.

48 During the year, the Company has received Government Grant of ₹ 2.0 Million (Previous Year ₹ Nil) and ₹ 3.0 Million (Previous Year ₹ Nil) in respect of Building and Plant and Equipment respectively.

Notes

forming part of the financial statement for the year ended 31st March, 2012

49 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, 2012

Amount in Million

	Currency	Buy/Sell	Cross Currency	31st March, 2012	31st March, 2011
	US Dollar	Sell	₹	$260.0	$310.0

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, 2012 Amount in Million		As at 31st March, 2011 Amount in Million	
Exports of Goods and Services	US Dollar	$73.2	₹ 3,725.1	$20.6	₹ 917.5
	Euro	€ 5.4	₹ 369.4	€ 3.5	₹ 221.3
	XOF	-	-	XOF 6.1	₹ 0.6
	British Pound	£0.8	₹ 61.5	£0.6	₹ 40.9
CHF 15,000 (Previous Year CHF 14,500)	Swiss Franc	CHF 0.0	₹ 0.8	CHF 0.0	₹ 0.7
	Russian Rubble	RUB 21.3	₹ 37.0	-	-

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

Import of Goods and Services	US Dollar	$8.0	₹ 406.8	$5.7	₹ 254.3
	Euro	€ 0.8	₹ 56.0	€ 0.1	₹ 9.2
(Previous Year £ 360 ₹ 25,693)	British Pound	£ 0.2	₹ 16.8	£ 0.0	₹ 0.0
CHF 315 ₹ 17,811 (Previous Year CHF 8,260)	Swiss Franc	CHF 0.0	₹ 0.0	CHF 0.0	₹ 0.4
Previous Year AUD 5,311	Australian Dollar	-	-	AUD 0.0	₹ 0.2
Previous Year CAD 3,743	Canadian Dollar	-	-	CAD 0.0	₹ 0.2
	Chinese Yuan	-	-	CNY 0.6	₹ 3.8
	Japanese Yen	-	-	JPY 13.1	₹ 7.1
Commission Payable	US Dollar	$4.4	₹ 222.4	$4.2	₹ 188.0
	Euro	€ 2.0	₹ 134.7	€ 1.3	₹ 80.5

50 The Revised Schedule VI has been effective from 1st April, 2011 for the presentation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous years' figures are restated / regrouped / rearranged wherever necessary in order to conform to current years' groupings and classifications.

Notes

forming part of the financial statement for the year ended 31st March, 2012

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 Chemical 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
Sun Pharmaceutical Spain, S.L.
Sun Pharmaceuticals France
Sun Pharmaceuticals Germany GmbH
Sun Pharma Global (FZE)
Sun Pharmaceuticals Italia S.R.L.
Sun Pharmaceuticals 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
ZAO Sun Pharma Industries Ltd
SPIL De Mexico S.A. DE C.V.
Caraco Pharma Inc
3 Sky Line LLC
One Commerce Drive LLC
* Taro Healthcare Ltd
Taro Hungary Intellectual Property Licensing LLC
* Taro Industries Ltd
Taro International Ltd - Israel
* Taro Laboratories Ltd
* Taro Manufacturing Ltd
Taro Pharmaceutical INC
Taro Pharmaceutical India Pvt Ltd
Taro Pharmaceutical Laboratories INC
Taro Pharmaceutical U.S.A., INC
Taro Pharmaceuticals Europe B.V
Taro Pharmaceuticals Ireland Ltd

Notes

forming part of the financial statement for the year ended 31st March, 2012

ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE ANNEXURE 'A'

Names of related parties and description of relationship

		Taro Pharmaceuticals North America INC	
		Taro Pharmaceuticals UK Ltd	
		Taro Research Institute Ltd	
		Tarochem Ltd	
		Morley and Company Inc	
		Sun Laboratories FZE	
		Taro Pharmaceuticals Canada Ltd	
	*	Sun Laboratories Inc	
	*	Taro International Ltd - UK	
	**	Sun Global Development FZE	
	**	Sun Pharmaceuticals Korea Ltd	
	**	Sun Pharma Philipinnes Inc	
	**	Caraco Pharmaceuticals Pvt Ltd	
	**	Sun Pharma MEA JLT	
	**	Sun Pharma Healthcare FZE	
	***	Sun Pharma Japan Ltd	
	***	Sun Pharma Laboratories Limited (formerly Sun Resins & Polymers Pvt Ltd)	
2 Controlled Entity			
	*	Sun Pharma Exports	
		Sun Pharmaceutical Industries	
		Sun Pharma Sikkim	
		Sun Pharma Drugs	
		Universal Enterprise Pvt Ltd	
3 Key Management Personnel			
		Mr. Dilip S. Shanghvi	Chairman & Managing Director
		Mr. Sudhir V. Valia	Wholetime Director
		Mr. Sailesh T. Desai	Wholetime Director
		Mr. S. Kalyanasundaram	Chief Executive Officer and Wholetime Director
4 Relatives of Key Management Personnel			
		Mr. Aalok Shanghvi	Son of Chairman & Managing Director
		Ms. Khyati Valia (till 31st March, 2011)	Daughter of Wholetime Director
5 Enterprise under significant Influence of Key Management Personnel or their relatives			
		Sun Petrochemicals Pvt Ltd	
		Navjivan Rasayan (Gujarat) Pvt Ltd	
		Sun Pharma Advanced Research Company Ltd	

*	Dissolved during the year
**	Incorporated during the year
***	Acquired during the year

Notes

forming part of the financial statement for the year ended 31st March, 2012

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	
	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11
Purchases of goods / DEPB	42.5	70.1	515.2	241.4	-	-	-	-	2.0	0.9	559.7	312.4
Sun Pharmaceutical Industries	-	-	487.5	229.5	-	-	-	-	-	-	487.5	229.5
Alkaloida Chemical Company Zrt	41.4	47.3	-	-	-	-	-	-	-	-	41.4	47.3
Others	1.1	22.8	27.7	11.9	-	-	-	-	2.0	0.9	30.8	35.6
Purchase of Fixed Assets	19.2	0.1	44.1	4.6	-	-	-	-	-	0.2	63.3	4.9
Sun Pharma Sikkim	-	-	42.7	-	-	-	-	-	-	-	42.7	-
Sun Pharmaceutical Industries	-	-	1.4	4.6	-	-	-	-	-	-	1.4	4.6
Taro Pharmaceutical Industries Ltd	17.7	0.1	-	-	-	-	-	-	-	-	17.7	0.1
Others	1.5	-	-	-	-	-	-	-	-	0.2	1.5	0.2
Sale of goods / DEPB	8,937.5	4,658.7	1,277.6	821.6	-	-	-	-	7.8	13.7	10,222.9	5,494.0
Caraco Pharmaceutical Laboratories Ltd	6,004.1	3,415.4	-	-	-	-	-	-	-	-	6,004.1	3,415.4
Sun Pharma Global (FZE)	2,092.7	890.8	-	-	-	-	-	-	-	-	2,092.7	890.8
Sun Pharma Sikkim	-	-	684.4	624.4	-	-	-	-	-	-	684.4	624.4
Others	840.7	352.5	593.2	197.2	-	-	-	-	7.8	13.7	1,441.7	563.4
Sale of Fixed Assets	-	-	4.3	1.2	-	-	-	-	-	0.2	4.3	1.4
Sun Pharmaceutical Industries	-	-	4.3	0.1	-	-	-	-	-	-	4.3	0.1
Sun Pharma Sikkim	-	-	-	1.1	-	-	-	-	-	-	-	1.1
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	-	0.2	-	0.2
Receiving of Service												
Services	-	-	7.6	20.7	-	-	-	-	35.4	95.2	43.0	115.9
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	35.4	95.2	35.4	95.2
Sun Pharmaceutical Industries	-	-	7.6	20.7	-	-	-	-	-	-	7.6	20.7
Reimbursement of Expenses	209.8	89.8	-	-	-	-	-	-	-	0.5	209.8	90.3
Caraco Pharmaceutical Laboratories Ltd	134.4	74.8	-	-	-	-	-	-	-	-	134.4	74.8
Sun Pharmaceutical Industries (Europe) B.V.	45.3	-	-	-	-	-	-	-	-	-	45.3	-
Others	30.1	15.0	-	-	-	-	-	-	-	0.5	30.1	15.5
Rendering of Service												
Services	-	16.3	-	-	-	-	-	-	-	-	-	16.3
Caraco Pharmaceutical Laboratories Ltd	-	16.3	-	-	-	-	-	-	-	-	-	16.3
Reimbursement of Expenses	113.4	51.9	0.2	0.2	-	-	-	-	31.4	24.8	145.0	76.9
Sun Pharma Global (FZE)	110.6	51.7	-	-	-	-	-	-	-	-	110.6	51.7
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	31.4	24.8	31.4	24.8
Others	2.8	0.2	0.2	0.2	-	-	-	-	-	-	3.0	0.4

Notes

forming part of the financial statement for the year ended 31st March, 2012

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	
	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11
Finance (including loans and equity contributions)												
Capital Contribution / (Withdrawal)	5,932.3	1.5	(3,206.2)	(12,139.5)	-	-	-	-	-	-	2,726.1	(12,138.0)
Sun Pharma Sikkim	-	-	(5,468.5)	(10,916.3)	-	-	-	-	-	-	(5,468.5)	(10,916.3)
Sun Pharmaceutical Industries	-	-	2,278.2	(1,223.2)	-	-	-	-	-	-	2,278.2	(1,223.2)
Sun Pharma Global Inc	5,931.2	-	-	-	-	-	-	-	-	-	5,931.2	-
Others	1.1	1.5	(15.9)	0.0	-	-	-	-	-	-	(14.8)	1.5
Loans given	2.8	1.4	-	-	-	-	-	-	-	-	2.8	1.4
Green Eco Development Centre Ltd	2.8	0.1	-	-	-	-	-	-	-	-	2.8	0.1
Sun Pharma De Venezuela, CA	-	1.3	-	-	-	-	-	-	-	-	-	1.3
Loans Received back	2,178.6	1,344.0	-	-	-	-	-	-	-	-	2,178.6	1,344.0
Sun Pharma Global Inc	2,178.6	1,344.0	-	-	-	-	-	-	-	-	2,178.6	1,344.0
Corporate Guarantees Given / (Released) on behalf of	(133.6)	(2,508.8)	-	-	-	-	-	-	-	-	(133.6)	(2,508.8)
Sun Pharma Global Inc	-	(2,508.8)	-	-	-	-	-	-	-	-	-	(2,508.8)
Sun Pharma De Mexico S.A. DE C.V.	(133.6)	-	-	-	-	-	-	-	-	-	(133.6)	-
Interest Income	-	-	2.2	2.2	-	-	-	-	-	-	2.2	2.2
Sun Pharmaceutical Industries	-	-	1.1	1.1	-	-	-	-	-	-	1.1	1.1
Sun Pharma Sikkim	-	-	1.1	1.1	-	-	-	-	-	-	1.1	1.1
Rent Income	-	-	3.0	3.0	-	-	-	-	1.4	1.4	4.4	4.4
Sun Pharmaceutical Industries	-	-	1.6	1.6	-	-	-	-	-	-	1.6	1.6
Sun Pharma Sikkim	-	-	1.4	1.4	-	-	-	-	-	-	1.4	1.4
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	-	1.3	1.3	1.3	1.3
Others	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1
Director's Remuneration	-	-	-	-	78.7	61.6	-	-	-	-	78.7	61.6
Mr. Dilip S. Shanghvi	-	-	-	-	23.3	16.9	-	-	-	-	23.3	16.9
Mr. Sudhir V. Valia	-	-	-	-	23.4	16.9	-	-	-	-	23.4	16.9
Mr. Sailesh T. Desai	-	-	-	-	7.5	7.8	-	-	-	-	7.5	7.8
Mr. S. Kalyanasundaram	-	-	-	-	24.5	20.0	-	-	-	-	24.5	20.0

Notes

forming part of the financial statement for the year ended 31st March, 2012

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	
	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11
Apprenticeship Stipend / Remuneration	-	-	-	-	-	-	3.0	1.4	-	-	3.0	1.4
Mr. Aalok Shanghvi	-	-	-	-	-	-	3.0	0.9	-	-	3.0	0.9
Ms. Khyati Valia	-	-	-	-	-	-	-	0.5	-	-	-	0.5
Remuneration received from Partnership Firm	-	-	2,012.3	62.0	-	-	-	-	-	-	2,012.3	62.0
Sun Pharma Sikkim	-	-	1,829.2	-	-	-	-	-	-	-	1,829.2	-
Sun Pharmaceutical Industries	-	-	183.1	62.0	-	-	-	-	-	-	183.1	62.0
Share of profit from Partnership Firm	-	-	14,069.0	11,653.9	-	-	-	-	-	-	14,069.0	11,653.9
Sun Pharma Sikkim	-	-	11,523.9	10,786.3	-	-	-	-	-	-	11,523.9	10,786.3
Sun Pharmaceutical Industries	-	-	2,545.1	867.6	-	-	-	-	-	-	2,545.1	867.6
Others ₹ (2,123) (Previous Year ₹ (3,292))	-	-	(0.0)	(0.0)	-	-	-	-	-	-	(0.0)	(0.0)
Exceptional Item	2,999.2	-	-	-	-	-	-	-	-	-	2,999.2	-
Sun Pharma Laboratories Limited (formerly Sun Resins & Polymers Pvt Ltd) (Refer Note 45)	2,999.2	-	-	-	-	-	-	-	-	-	2,999.2	-
Outstanding Corporate Guarantee to Bank	170.4	282.8	600.0	600.0	-	-	-	-	-	-	770.4	882.8
Sun Pharmaceutical Industries {Actual Utilised ₹ 67.1 Million (Previous Year ₹ 26.2 Million)}	-	-	400.0	400.0	-	-	-	-	-	-	400.0	400.0
Sun Pharma Sikkim {Actual Utilised ₹ 90.4 Million (Previous Year ₹ 28.3 Million)}	-	-	200.0	200.0	-	-	-	-	-	-	200.0	200.0
Sun Pharmaceutical (Bangladesh) Ltd {Actual Utilised ₹ Nil (Previous Year ₹ 18..4 Million)}	152.6	133.6	-	-	-	-	-	-	-	-	152.6	133.6
Sun Pharma De Mexico S.A. DE C.V. {Actual Utilised ₹ Nil (Previous Year ₹ Nil)}	-	133.6	-	-	-	-	-	-	-	-	-	133.6
Sun Pharmaceuticals Italia S.R.L. {Actual Utilised ₹ Nil (Previous Year ₹ Nil)}	17.8	15.6	-	-	-	-	-	-	-	-	17.8	15.6
Outstanding Receivables / Payables (Net) as on	3,966.1	1,911.1	(0.1)	(0.1)	(14.7)	(11.7)	(0.4)	(0.2)	60.2	20.9	4,011.1	1,920.0
Caraco Pharmaceutical Laboratories Ltd	2,518.6	1,152.7	-	-	-	-	-	-	-	-	2,518.6	1,152.7
Sun Pharma Global (FZE)	662.7	183.8	-	-	-	-	-	-	-	-	662.7	183.8
OOO "Sun Pharmaceutical Industries" Ltd	516.9	431.4	-	-	-	-	-	-	-	-	516.9	431.4
Others	267.9	143.2	(0.1)	(0.1)	(14.7)	(11.7)	(0.4)	(0.2)	60.2	20.9	312.9	152.1

SUN PHARMA

AUDITORS' Report

TO THE BOARD OF DIRECTORS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of SUN PHARMACEUTICAL INDUSTRIES LIMITED ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements/consolidated financial statements in respect of certain subsidiary groups, and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India read together with our remarks in paragraph 3(b) below. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. (a) The consolidated financial statements of the Company for the year ended 31st March, 2012 were earlier approved by the Board of Directors at their meeting held on 29th May, 2012 which were audited by us and our report dated 29th May, 2012, addressed to the Board of Directors, expressed an unqualified opinion on those financial statements. Subsequently, the Board of Directors approved the Scheme of Arrangement in the nature of spin off, of Domestic Formulation Undertaking of the Company into Sun Pharma Laboratories Limited (SPLL), a wholly owned subsidiary of the Company, effective from the close of business hours on 31st March, 2012, the appointed date, as stated in Note 54 to the consolidated financial statements. Consequent to the Orders dated 3rd May, 2013 of the Hon'ble High Court of Gujarat and the Hon'ble High Court of Bombay sanctioning the said Scheme of Arrangement, the standalone financial statements of the Company and SPLL were revised to give effect to the said spin off, effective from 31st March, 2012. In view of the above, the earlier approved consolidated financial statements are revised by the Company to incorporate the revised standalone financial statements of the aforesaid entities.

   (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.

4. We did not audit the financial statements of any of the 60 subsidiaries, 2 jointly controlled entities and also 2 of the partnership firms (listed in Note 31), whose financial statements reflect total assets of ₹84,777.8 Million as at 31st March, 2012, total revenues of ₹45,450.1 Million and net cash inflows amounting to ₹6,689.0 Million for the year ended on that date as considered in the Consolidated Financial Statements, comprising:

   a. Total assets of ₹35,154.5 Million as at 31st March, 2012, total revenues of ₹17,616.4 Million and net cash outflows amounting to ₹980.0 Million for the year ended on that date in respect of 32 subsidiaries and 2 partnership firms, whose financial statements / consolidated financial statements have been audited by other auditors and their reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and partnership firms is based solely on the reports of the other auditors.

   b. - Total assets of ₹47,665.2 Million as at 31st March, 2012, total revenues of ₹26,119.2 Million and net cash inflows amounting to ₹7,655.8 Million for the year ended on that date in respect of a subsidiary group comprising 21 subsidiaries, where

AUDITORS' Report

separate consolidated financial statements for the periods 1st January, 2011 to 31st December, 2011 and 1st January, 2012 to 31st March, 2012, have been audited by other auditors. In terms of Accounting Standard 21, Consolidated Financial Statements, as notified under the Companies (Accounting Standards) Rules, 2006 ("Accounting Standard 21"), adjustments have been made to the aggregated consolidated financial statements of the subsidiary group for the aforesaid periods, in respect of significant transactions for the period from 1st January, 2011 to 31st March, 2011, on the basis of the report of their auditors. Our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary group is based solely on the reports of the other auditors furnished to us.

- Total assets of ₹1,940.0 Million as at 31st March, 2012, total revenues of ₹1,714.5 Million and net cash outflows amounting to ₹4.9Million for the year ended on that date in respect of 6 subsidiaries, whose reporting date is 31st December, 2011 and different from the reporting date of the 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, 2011 to 31st March, 2011, on the basis of their management accounts 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 management accounts as aforesaid.

c. Total assets of ₹18.1 Million as at 31st March, 2012, total revenues of ₹ Nil and net cash inflows amounting to ₹18.1 Million for the year ended on that date in respect of a subsidiary and 2 jointly controlled entities, whose financial statements have not been audited. Our opinion, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and jointly controlled entities, is based solely on such unaudited financial statements / financial information.

5. Read with our comments in paragraph 3 above, we report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

6. Based on our audit and on consideration of the separate Auditors' Reports on individual financial statements of the Company and its aforesaid subsidiaries/consolidated financial statements in respect of certain subsidiary groups, and to the best our information and according to the explanations given to us, in our opinion, read with our comments in paragraphs 3, 4(b) and 4(c) above, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;

   ii. 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

   iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Rajesh K Hiranandani
Partner
(Membership No. 36920)

MUMBAI, 29th May, 2012 (28th May, 2013 as to effect the amendment discussed in paragraph 3above)

CONSOLIDATED Balance Sheet as at 31st March, 2012

	Note No.	As at 31st March, 2012		As at 31st March, 2011	
		₹ in Million	₹ in Million	₹ in Million	₹ in Million
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,035.6		1,035.6	
Reserves and Surplus	2	121,322.2	122,357.8	93,797.6	94,833.2
Minority Interest			11,614.5		8,471.5
Non-current Liabilities					
Long-term Borrowings	3	1,554.2		1,572.8	
Deferred Tax Liabilities (Net)	4	1,552.0		1,348.3	
Other Long-term Liabilities	5	89.3		66.8	
Long-term Provisions	6	1,387.3	4,582.8	130.0	3,117.9
Current Liabilities					
Short-term Borrowings	7	1,095.7		2,077.8	
Trade Payables	8	9,927.2		6,898.8	
Other Current Liabilities	9	3,636.6		2,387.7	
Short-term Provisions	10	11,525.4	26,184.9	6,389.5	17,753.8
TOTAL			164,740.0		124,176.4
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets	11A	26,135.1		22,334.2	
Intangible Assets	11B	3,160.3		2,879.6	
Capital Work-in-Progress	45b	3,446.5		2,354.6	
		32,741.9		27,568.4	
Goodwill on Consolidation	36	10,218.1		7,719.7	
Non-current Investments	12	5,889.6		3,460.1	
Deferred Tax Assets (Net)	13	6,835.1		5,000.6	
Long-term Loans and Advances	14	5,947.5		3,789.8	
Other Non-current Assets	15	174.1	61,806.3	262.3	47,800.9
Current Assets					
Current Investments	16	16,239.1		18,837.5	
Inventories	17	20,869.8		14,894.8	
Trade Receivables	18	20,787.4		11,493.7	
Cash and Cash Equivalents	19	33,671.9		22,046.3	
Short-term Loans and Advances	20	10,426.7		8,491.7	
Other Current Assets	21	938.8	102,933.7	611.5	76,375.5
TOTAL			164,740.0		124,176.4

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, 28th May, 2013

Mumbai, 28th May, 2013

CONSOLIDATED Statement of Profit & Loss

for the year ended 31st March, 2012

	Note No.	Year ended 31st March, 2012		Year ended 31st March, 2011	
		₹ in Million	₹ in Million	₹ in Million	₹ in Million
Revenue from Operations	22	81,269.4		58,130.5	
Less: Excise Duty		1,074.5		851.5	
		80,194.9		57,279.0	
Other Income	23	4,715.1		3,547.8	
Total Revenue			84,910.0		60,826.8
Expenses					
Cost of Materials Consumed	24	18,516.0		14,897.8	
Purchases of Stock-in-Trade		2,372.0		1,766.8	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(4,488.7)		(2,057.7)	
Employee Benefits Expense	26	11,877.3		8,189.5	
Finance Costs	27	282.0		738.8	
Depreciation and Amortisation Expense	11	2,911.6		2,048.5	
Other Expenses	28	19,875.1		14,851.3	
Total Expenses			51,345.3		40,435.0
Profit Before Tax			33,564.7		20,391.8
Tax Expense:					
Current Tax	46	4,051.5		865.8	
Deferred Tax (Credit) / Charge		(919.6)		420.0	
			3,131.9		1,285.8
Profit from Continuing Operations			30,432.8		19,106.0
Loss from Discontinuing Operations	51		(11.1)		(32.3)
Profit after tax before Minority Interest			30,421.7		19,073.7
Minority Interest			3,854.8		913.1
Profit for the Year			26,566.9		18,160.6
Earnings Per Share					
Basic and Diluted (₹) Face Value per Equity share - ₹ 1	38		25.7		17.5

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, 28th May, 2013

Mumbai, 28th May, 2013

CONSOLIDATED Cash Flow Statement

for the year ended 31st March, 2012

	Year ended 31st March, 2012 ₹ Million	Year ended 31st March, 2011 ₹ Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	33,553.6	20,359.5
Adjustments for:		
Depreciation and Amortisation Expense	2,911.6	2,048.5
Loss on Sale of Fixed Assets (net)	95.8	12.0
Finance Costs	282.0	738.8
Interest Income	(1,977.6)	(2,232.4)
Dividend Income (Previous Year ₹ 2,820)	(0.2)	(0.0)
Net Gain on Sale of Investments	(2,415.2)	(427.5)
Provision for Doubtful Trade Receivable / Advances	39.5	2.9
Net Gain on Cancellation of Forward Exchange Contracts	(50.1)	(75.6)
Net Foreign Exchange Loss / (Gain)	2,225.4	(1,778.5)
Operating Profit Before Working Capital Changes	34,664.8	18,647.7
Changes in working capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	(5,975.0)	(813.5)
Trade Receivables	(9,308.4)	3,697.3
Loans and Advances	(1,043.4)	(345.9)
Other Assets	92.8	(485.8)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	2,991.1	688.2
Other Liabilities	1,391.1	557.6
Provisions	1,799.3	1,578.6
Cash Generated from Operations	24,612.3	23,524.2
Net Income Tax Paid	(2,267.7)	(693.2)
Net Cash Generated from Operating Activities (A)	22,344.6	22,831.0
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets, including Capital Advances	(7,129.1)	(4,218.5)
Proceeds from Sale of Fixed Assets	107.9	286.1
Short-term Loans / Inter Corporate Deposits		
Given / Placed	(7,798.2)	(9,036.7)
Received back / Matured	6,672.4	7,068.5
Purchase of Investments	(131,751.0)	(123,186.1)
Proceeds from Sale of Investments	134,501.8	126,427.0
Bank Balances not considered as Cash and Cash Equivalents		
Fixed Deposits / Margin Money Placed	(22,637.2)	(18,884.3)
Fixed Deposits / Margin Money Matured	20,442.5	5,641.1
Net Gain on Cancellation of Forward Exchange Contracts	50.1	75.6
Acquisition of Subsidiary	(2,740.4)	(4,689.3)
Interest Received	1,653.9	2,039.5
Dividend Received (Previous Year ₹ 2,820)	0.2	0.0
Net Cash Flow used in Investing Activities (B)	(8,627.1)	(18,477.1)

CONSOLIDATED Cash Flow Statement

for the year ended 31st March, 2012

	Year ended 31st March, 2012 ₹ Million	Year ended 31st March, 2011 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	570.8	22.0
Repayment of Borrowings	(521.6)	(2,102.6)
Net Increase / (Decrease) in Working Capital Borrowings	(1,097.8)	(1,705.9)
Payment to Minority	(14.3)	(69.2)
Finance Costs	(285.5)	(865.9)
Dividends Paid	(3,523.7)	(2,847.3)
Tax on Dividend	(571.8)	(473.0)
Net Cash Flow used in Financing Activities (C)	(5,443.9)	(8,041.9)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	8,273.6	(3,688.0)
Cash and Cash Equivalents taken over on acquisition of Subsidiary	-	5,473.9
Cash and Cash Equivalents at the Beginning of the Year	8,104.9	6,338.7
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	1,148.2	(19.7)
Cash and Cash Equivalents at the end of the Year (Refer Note 19)	17,526.7	8,104.9
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, 28th May, 2013

Mumbai, 28th May, 2013

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	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 34)	1,035,581,955	1,035.6	1,035,581,955	1,035.6
	1,035,581,955	1,035.6	1,035,581,955	1,035.6

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
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	28,521.2		20,444.3	
Add : Share in post acquisition profits of Taro Pharmaceutical Industries Ltd Group (Taro), relating to step-by-step acquisition prior to date of acquisition of control.	-		3,076.9	
Add : Transferred from Surplus in Statement of Profit and Loss	2,000.0		5,000.0	
Closing Balance		30,521.2		28,521.2
Foreign Currency Translation Reserve				
Opening Balance	2,603.9		3,084.8	
Add/(Less): Effect of Foreign Exchange rate variations during the year	5,956.7		(480.9)	
Closing Balance		8,560.6		2,603.9
Surplus in Statement of Profit and Loss				
Opening Balance	47,159.8		38,211.7	
Add : Profit for the Year	26,566.9		18,160.6	
Proposed Dividend Written Back (on waiver)	100.0		-	
Corporate Dividend Tax Written Back (on waiver)	16.2		-	
	26,683.1		18,160.6	
Less: Dividend proposed to be distributed to equity Shareholders [₹ 4.25 (Previous Year ₹ 3.50) per Share]	4,401.2		3,624.5	
Corporate Dividend Tax	714.0		588.0	
Transferred to General Reserve	2,000.0		5,000.0	
	7,115.2		9,212.5	
Closing Balance		66,727.7		47,159.8
		121,322.2		93,797.6

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
3 LONG-TERM BORROWINGS				
Secured Borrowings				
Term Loans				
From Banks	456.1		7.3	
From Other Parties	40.4	496.5	36.5	43.8
Unsecured Borrowings				
Debentures (Repayble in three Annual Installments, First Installment is due in November 2012 - Rate of Interest 5.8% Plus CPI)		1,037.7		1,427.5
Term Loans				
From Banks	19.0		100.5	
From Other Parties	1.0	20.0	1.0	101.5
		1,554.2		1,572.8
4 DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liability				
Depreciation on Fixed Assets	1,591.0		1,411.3	
Others	26.6	1,617.6	8.4	1,419.7
Less :				
Deferred Tax Assets				
Unpaid Liabilities	50.3		43.6	
Others	15.3	65.6	27.8	71.4
		1,552.0		1,348.3
5 OTHER LONG-TERM LIABILITIES				
Trade Payables		1.3		0.9
Trade / Security Deposits Received		20.3		21.9
Others		67.7		44.0
		89.3		66.8
6 LONG-TERM PROVISIONS				
Employee Benefits:				
Compensated Absences	108.2		89.5	
Severance / Pension Pay [Refer Note 43 (a)]	4.1	112.3	20.2	109.7
Product Returns, Rebates, Medicaids etc (Refer Note 53)		517.4		-
MTM Loss on outstanding Forward Contracts		752.8		-
Provision for Fringe Benefit Tax (Net of Advance Tax)		-		0.6
Provision for Income Tax (Net of Advance Income Tax)		4.8		19.7
		1,387.3		130.0

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

		As at 31st March, 2012		As at 31st March, 2011	
		₹ in Million	₹ in Million	₹ in Million	₹ in Million
7	SHORT-TERM BORROWINGS				
	Secured Borrowings				
	Loans Repayable on Demand				
	From Banks:				
	Cash Credit Facility	403.0		523.7	
	Others	419.6	822.6	529.4	1,053.1
	Unsecured Borrowings				
	Loans Repayable on Demand				
	From Banks:				
	Cash Credit Facility	157.5		54.5	
	Others	-	157.5	199.4	253.9
	Other Loans and Advances				
	From Banks	-		770.8	
	From Other than Banks	115.6	115.6	-	770.8
			1,095.7		2,077.8
8	TRADE PAYABLES				
	Acceptances		9.0		1.1
	Other than Acceptances:				
	Due to Micro and Small Enterprises		45.2		37.7
	Other Payables		9,873.0		6,860.0
			9,927.2		6,898.8
9	OTHER CURRENT LIABILITIES				
	Current Maturities of Long-term Debt		557.4		605.2
	Interest Accrued but not Due on Borrowings		35.6		39.1
	Investor Education and Protection Fund shall be credited by Unpaid Dividends (not due)		40.4		30.4
	Statutory Remittances		712.7		414.6
	Payables on Purchase of Fixed Assets		431.5		510.2
	Trade / Security Deposits Received		13.8		10.0
	Advances from Customers		1,323.5		570.5
	Temporary Overdrawn Bank Balance as per books		37.4		7.3
	Others		484.3		200.4
			3,636.6		2,387.7
10	SHORT-TERM PROVISIONS				
	Employee Benefits:				
	Compensated Absences	278.0		267.5	
	Provision for Gratuity (Refer Note 42)	0.3		-	
	Severance / Pension Pay [Refer Note 43 (a)]	260.6	538.9	127.5	395.0
	Product Returns, Rebates, Medicaids etc (Refer Note 53)		2,359.8		1,236.5
	MTM Loss on outstanding Forward Contracts		12.1		-
	Provision for Income Tax [Net of Advance Income Tax]		3,499.4		545.5
	Dividend proposed to be distributed to equity Shareholders		4,401.2		3,624.5
	Corporate Dividend Tax		714.0		588.0
			11,525.4		6,389.5

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

11 FIXED ASSETS

₹ in Million

Particulars	Gross Block (At Cost)						Depreciation / Amortisation / Impairment						Net Block	
	As At 01.04.11	Consolidation Adjustment	Taken over on acquisition (c)	Additions During the Year	Deletions / Adjustment During the Year	As at 31.03.12	As at 01.04.11	Consolidation Adjustment	Taken over on acquisition (c)	For the Year	On Deletions for the Year	As at 31.03.12	As at 31.03.12	As at 31.03.11
A. Tangible Assets														
Freehold Land	609.7	68.0	-	146.7	-	824.4	-	-	-	-	-	-	824.4	609.7
Leasehold Land	799.7	101.4	-	161.6	-	1,062.7	87.8	12.4	-	14.6	-	114.8	947.9	711.9
Buildings	12,647.2	1,306.4	-	829.5	88.3 **	14,694.8 (a)	3,138.9	355.6	-	456.0	66.6	3,883.9	10,810.9	9,508.3
Leasehold Improvement on Building	91.1	13.0	-	0.8	-	104.9	6.5	1.1	-	2.5	-	10.1	94.8	84.6
Buildings Given under Operating Lease *	327.9	19.2	-	-	-	347.1	55.1	2.7	-	9.8	-	67.6	279.5	272.8
Plant and Equipment	23,100.9	1,727.0	-	3,227.6 **	361.2 **	27,694.3	12,642.9	1,218.8	-	1,684.7	213.1	15,333.3 (b)	12,361.0	10,458.0
Plant and Equipment Leased *	25.3	-	-	-	-	25.3	0.5	-	-	1.2	-	1.7	23.6	24.8
Vehicles	260.6	9.1	-	101.7	46.8	324.6	109.0	5.2	-	33.5	32.0	115.7	208.9	151.6
Office Equipments	357.6	5.3	-	53.2	5.3	410.8	202.5	4.1	-	32.8	4.8	234.6 (b)	176.2	155.1
Furniture and Fixtures	908.4	74.9	-	101.4	31.3	1,053.4	551.0	56.5	-	50.7	12.7	645.5 (b)	407.9	357.4
Total Tangible Assets	39,128.4	3,324.3	-	4,622.5	532.9	46,542.3	16,794.2	1,656.4	-	2,285.8	329.2	20,407.2	26,135.1	22,334.2
Previous Year	20,884.6	89.5	15,897.9	2,756.7	500.3	39,128.4	7,242.0	38.3	8,094.8	1,631.9	212.8	16,794.2		
B. Intangible Assets														
Trademarks, Designs and Other Intangible Assets	6,344.6	836.2	-	550.7	5.3	7,726.2	3,465.0	480.4	-	625.8	5.3	4,565.9 (b)	3,160.3	2,879.6
Total Intangible Assets	6,344.6	836.2	-	550.7	5.3	7,726.2	3,465.0	480.4	-	625.8	5.3	4,565.9	3,160.3	2,879.6
Previous Year	2,455.8	(5.7)	3,379.7	569.9	55.1	6,344.6	770.5	(5.0)	2,327.4	416.6	44.5	3,465.0		
Total Fixed Assets	45,473.0	4,160.5	-	5,173.2	538.2	54,268.5	20,259.2	2,136.8	-	2,911.6	334.5	24,973.1	29,295.4	25,213.8
Previous Year	23,340.4	83.8	19,277.6	3,326.6	555.4	45,473.0	8,012.5	33.3	10,422.2	2,048.5	257.3	20,259.2	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 ₹ 30.8 Million) including ₹ 34.1 Million (Previous Year ₹ Nil) on account of Impairment for the year.

(c) Represents assets and accumulated depreciation of TARO which became subsidiary during Previous year.

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

* Refer Note 41

** Refer Note 45A

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
12 NON-CURRENT INVESTMENTS				
Long-term Investments (At Cost)				
Quoted				
In Equity Instruments		1,398.8		1,097.6
In Debentures		250.0		372.5
In Bonds		426.9		52.1
In Zero Percent-Notes		-		1,038.9
Unquoted				
In Equity Instruments		163.0		152.9
In Government Security ₹ 10,000 (Previous Year ₹ 10,000)		0.0		0.0
In Debentures		115.7		-
In Bonds		-		5.0
In Deposit		500.0		-
In Mutual Funds		3,035.2		741.1
		5,889.6		3,460.1
AGGREGATE VALUE OF INVESTMENTS	Book Value	Market Value	Book Value	Market Value
Quoted	2,075.7	3,680.0	2,561.1	5,018.0
Unquoted	3,813.9		899.0	

	As at 31st March, 2012		As at 31st March, 2011	
13 DEFERRED TAX ASSETS (NET)				
Deferred Tax Assets				
Depreciation on Fixed Assets	104.7		72.5	
Unpaid Liabilities	4,011.1		1,774.9	
Unabsorbed Loss (Refer Note 49)	1,015.6		1,857.3	
Intangibles	1,257.2		1,232.5	
Others	664.4	7,053.0	483.6	5,420.8
Less :				
Deferred Tax Liability				
Depreciation on Fixed Assets	217.9		418.9	
Others	-	217.9	1.3	420.2
		6,835.1		5,000.6

	As at 31st March, 2012		As at 31st March, 2011	
14 LONG-TERM LOANS AND ADVANCES				
(Unsecured – Considered Good)				
Capital Advances		1,132.1		351.3
Security Deposits		153.2		91.5
Loans and Advances to Employees / Others		38.4		35.9
Prepaid Expenses		14.6		17.1
Advance Income Tax [Net of Provisions]		4,162.8		3,008.2
Balances with Government Authorities		446.4		285.8
		5,947.5		3,789.8

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
15 OTHER NON-CURRENT ASSETS				
(Unsecured – Considered Good)				
Interest Accrued on Investments		26.7		-
Contractually Reimbursable		145.8		260.4
Unamortised Premium on Investments		1.6		1.9
		174.1		262.3
16 CURRENT INVESTMENTS				
A) Current Portion of Long-term Investments (At Cost)				
Quoted				
In Debentures		122.5		350.0
Unquoted				
In Debentures	-		250.0	
In Bonds	5.0		-	
In Mutual Funds	7,600.1		14,230.0	
In Passthrough Certificate	-		503.3	
In Deposits	5,260.0	12,865.1	2,245.0	17,228.3
B) Other Current Investments (At lower of Cost and Fair value)				
Quoted				
In Certificate of Deposits		-		445.2
In Bonds		249.9		-
Unquoted				
In Government Securities	148.6		164.0	
In Mutual Funds	2,351.2		650.0	
In Deposits	39.5		-	
In Commercial Paper	462.3	3,001.6	-	814.0
		16,239.1		18,837.5
AGGREGATE VALUE OF INVESTMENTS	Book Value	Market Value	Book Value	Market Value
Quoted	372.4	373.9	795.2	791.2
Unquoted	15,866.7		18,042.3	
17 INVENTORIES				
Raw and Packing Materials	8,247.8		7,029.7	
Goods-in-Transit	284.1	8,531.9	129.2	7,158.9
Work-in-Progress		4,118.5		3,294.2
Finished Goods	5,994.9		3,035.0	
Goods-in-Transit	820.3	6,815.2	661.9	3,696.9
Stock-in-trade	816.6		310.4	
Goods-in-Transit	52.4	869.0	12.5	322.9
Other Materials and Consumables	519.0		421.4	
Goods-in-Transit	16.2	535.2	0.5	421.9
		20,869.8		14,894.8

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
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	2,674.6		1,343.0	
Doubtful	44.5		78.1	
	2,719.1		1,421.1	
Less: Provision for Doubtful Trade Receivables	44.5	2,674.6	78.1	1,343.0
Other Trade Receivables		18,112.8		10,150.7
		20,787.4		11,493.7
19 CASH AND CASH EQUIVALENTS				
Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statement				
Cash on Hand		8.4		5.5
Cheques, Drafts on Hand		150.0		74.3
Balance with Banks				
In Current Accounts	3,421.3		3,889.6	
In Deposit Accounts with Original Maturity less than 3 Months	12,613.7		2,756.3	
In EEFC Accounts	1,333.3	17,368.3	1,379.2	8,025.1
		17,526.7		8,104.9
Other Bank Balances				
In Deposit Accounts (Refer Footnote)	15,208.1		13,667.3	
In Earmarked Accounts:				
Unpaid Dividend Accounts	37.7		28.5	
Balances held as Margin Money or Security against Guarantees and Other Commitments (Refer Footnote)	899.4	16,145.2	245.6	13,941.4
		33,671.9		22,046.3

Footnote

Other Bank Balances include Deposits amounting to ₹ 1,548.5 Million (Previous Year ₹ 2,932.5 Million) and Margin Monies amounting to ₹ 94.8 Million (Previous Year ₹ 51.6 Million) which have an Original Maturity of more than 12 months.

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
20 SHORT-TERM LOANS AND ADVANCES				
(Unsecured – Considered Good unless stated otherwise)				
Security Deposits		40.2		9.5
Loans and Advances to Employees / Others				
Secured	300.0		751.2	
Unsecured	5,790.0		4,095.0	
Considered Doubtful	4.5		9.5	
	6,094.5		4,855.7	
Less: Provision for Doubtful Loans and Advances	4.5	6,090.0	9.5	4,846.2
Prepaid Expenses		659.6		648.0
Balances with Government Authorities		1,981.6		1,893.0
Advances for Supply of Goods and Services		1,655.3		1,095.0
		10,426.7		8,491.7
21 OTHER CURRENT ASSETS				
(Unsecured – Considered Good)				
Interest Accrued on Investments		547.8		250.8
Unamortised Premium on Investments		0.3		0.4
Export Incentives		204.0		209.8
Others:				
Insurance Claim	23.7		29.4	
Fixed Assets Held for Sale	3.6		20.6	
Contractually Reimbursable	159.4	186.7	100.5	150.5
		938.8		611.5

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
22 REVENUE FROM OPERATIONS				
Sale of Products		81,128.5		58,067.9
Other Operating Revenues				
Sale of Scrap	7.0		24.9	
Processing Charges Recovered	29.5		36.2	
Others	104.4	140.9	1.5	62.6
		81,269.4		58,130.5
23 OTHER INCOME				
Interest Income:				
Deposits with Banks	854.7		698.9	
Loans and Advances	336.0		821.6	
Current Investments	426.8		83.2	
Long-term Investments	169.0		429.8	
Others	191.1	1,977.6	198.9	2,232.4
Dividend Income on Long-term Investments (Previous Year ₹ 2,820)		0.2		0.0
Net Gain on Sale of:				
Current Investments	1,272.6		406.0	
Long-term Investments	1,142.6	2,415.2	21.5	427.5
Net Gain on Foreign Currency Transactions and Translation		-		390.0
Profit on Sale of Fixed Assets		3.8		6.0
Sundry Balances Written Back		0.3		0.7
Insurance Claims		43.4		20.4
Lease Rental and Hire Charges		82.3		53.1
Miscellaneous Income		192.3		417.7
		4,715.1		3,547.8
24 COST OF MATERIALS CONSUMED				
Raw and Packing Materials				
Inventory at the beginning of the year		7,158.9		5,311.7
Purchases during the year		19,889.0		16,745.0 *
Inventory at the end of the year		(8,531.9)		(7,158.9)
		18,516.0		14,897.8

* Includes Inventories taken over on acquisition of Taro ₹ 3,360.8 Million

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Inventories at the beginning of the year		7,314.0		5,256.3
Inventories at the end of the year		(11,802.7)		(7,314.0)
		(4,488.7)		(2,057.7)
26 EMPLOYEE BENEFITS EXPENSE				
Salaries and Wages		9,810.7		6,687.1
Contribution to Provident and Other Funds		1,088.6		714.8
Expense on Employee Stock Option (ESOP) Scheme		21.4		16.6
Staff Welfare Expenses		956.6		771.0
		11,877.3		8,189.5
27 FINANCE COSTS				
Interest Expense on:				
Borrowings		235.6		732.4
Others		46.4		6.4
		282.0		738.8
28 OTHER EXPENSES				
Consumption of Materials, Stores and Spare Parts		1,821.7		1,466.1
Conversion and Other Manufacturing Charges		1,598.3		1,055.7
Power and Fuel		1,456.5		967.8
Rent		260.4		206.2
Rates and Taxes		289.9		164.2
Insurance		210.4		205.1
Selling and Distribution		4,204.0		3,102.8
Commission and Discount		961.5		618.6
Repairs				
Buildings	134.6		136.3	
Machinery	748.6		549.0	
Others	323.3	1,206.5	176.9	862.2
Printing and Stationery		121.5		85.3
Travelling and Conveyance		386.9		296.0
Overseas Travel and Export Promotion		1,680.4		1,182.9
Communication		165.0		141.6
Provision for Doubtful Trade Receivables / Advances				
Provision for Doubtful Trade Receivables	15.4		12.9	
Sundry Balances / Trade receivable Written Off	78.4		5.1	
Less: Adjusted out of Provision for earlier years	(54.0)	39.8	(14.4)	3.6
Professional and Consultancy		3,083.8		2,404.1

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Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
28 OTHER EXPENSES (CONTD.)				
Donations		52.5		3.3
Loss on Sale / Written Off of Fixed Assets		99.6		18.0
Net Loss on Foreign Currency Transactions and Translation		632.9		-
Increase / (Decrease) of Excise Duty on Inventory		76.8		(2.9)
Payment to Auditors				
As Auditors [inclues ₹ 0.4 Million (Previous Year ₹ Nil) in respect of Previous Year]	93.5		113.9	
For Taxation Matters	0.5		3.6	
For Other Services	2.2		3.5	
Reimbursement of Expenses	0.3	96.5	0.2	121.2
Miscellaneous Expenses		1,588.8		2,138.1
		20,033.7		15,039.9
Less:				
Receipts from Research Activities		(158.6)		(188.6)
		19,875.1		14,851.3

29 NOTE: RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN NOTES 23 TO 28				
Salaries and Wages		1,508.5		1,090.5
Contribution to Provident and Other Funds		165.5		74.2
Staff Welfare Expenses		93.8		102.0
Consumption of Materials, Stores and Spare Parts		978.4		840.7
Power and Fuel		81.3		74.2
Rates and Taxes		26.9		15.0
Rent		5.1		0.8
Insurance		8.8		34.5
Repairs				
Buildings	19.5		17.5	
Machinery	59.5		44.6	
Others	37.7	116.7	28.6	90.7
Printing and Stationery		15.2		14.0
Travelling and Conveyance		36.7		36.3
Communication		13.3		15.9
Professional and Consultancy		690.4		382.9
Loss on Sale of Fixed Assets (Net)		0.9		0.6
Miscellaneous Expenses		345.5		304.6
		4,087.0		3,076.9
Less:				
Interest Income	1.6		1.1	
Receipts from Research Activities	158.6		188.6	
Miscellaneous Income	35.1	195.3	27.2	216.9
		3,891.7		2,860.0

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

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.

Interest 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 the Subsidiaries / Jointly Controlled Entities over the share of equity in the 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 the 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.

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

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 Sun Pharmaceutical Industries Inc 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 and Sun Pharma Sikkim, 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 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 chargebacks, medicaid, rebates, shelf stock adjustments, breakages and expiry and other sales deductions, made on the basis of management expectation taking into account past experience, customer experience, third-party prescription data, industry and regulatory changes and other relevant information which are revised as necessary.

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 material, work in progress, stock in trade and finished goods are stated at lower of cost (raw and packing material and stock in trade - specific identification method; other material 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 and Sun Pharmaceutical Industries, Inc cost is determined on FIFO basis, in respect of Taro Pharmaceutical Industries Ltd cost is determined on average cost basis.

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

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.

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. 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.

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

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

XVII Impairment of Assets

The 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.

XVIII Common/Convertible Preferred Stock Issued

Common/Convertible Preferred Stock is issued by Caraco from time to time in lieu of cash for directors fees and in exchange for fees towards formula for products developed by Parent & its affiliates and is recorded as compensatory expenses/research and development costs respectively.

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, 2012	Year ended 31st March, 2011
	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 f)	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%	75.83%
6	TKS Farmaceutica Ltda	Brazil	100.00%	90.14%
7	Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%
8	Sun Pharmaceutical Industries Inc.	United States of America	100.00%	100.00%

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	Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year	
			Year ended 31st March, 2012	Year ended 31st March, 2011
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 Sun Resins & Polymers Pvt Ltd)	India	100.00%	-
	Step down Subsidiaries			
14	Caraco Pharma Inc.	United States of America	100.00%	75.83%
15	Chattem Chemicals Inc	United States of America	100.00%	100.00%
16	Taro Development Corporation	United States of America	100.00%	100.00%
17	Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%
18	Sun Pharmaceutical UK Ltd.	United Kingdom	100.00%	100.00%
19	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	Australia	100.00%	100.00%
20	Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%
21	Sun Pharmaceutical Industries (Europe) B.V.	The Netherlands	100.00%	100.00%
22	Sun Pharmaceuticals Italia S.R.L.	Italy	100.00%	100.00%
23	Sun Pharmaceutical Spain, SL.	Spain	100.00%	100.00%
24	Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%
25	Sun Pharmaceuticals France	France	100.00%	100.00%
26	Sun Pharma Global (FZE)	U.A.E.	100.00%	100.00%
27	Sun Pharmaceuticals (SA) (Pty) Ltd.	South Africa	100.00%	100.00%
28	Sun Global Canada Pty. Ltd.	Canada	100.00%	100.00%
29	Sun Pharma Philippines Inc.	Phillipines	100.00%	-
30	Sun Pharmaceuticals Korea Ltd.	Korea	100.00%	-
31	Sun Global Development FZE	U.A.E	100.00%	-
32	Caraco Pharmaceuticals Pvt. Ltd	India	100.00%	-
33	Sun Pharma Japan Ltd	Japan	100.00%	-
34	Sun Pharma HealthCare FZE	U.A.E	100.00%	-
35	Sun Pharma MEA JLT	U.A.E	100.00%	-
36	Morley and Company Inc	United States of America	100.00%	100.00%
37	Sun Laboratories FZE	U.A.E	100.00%	100.00%
38	Sun Laboratories Inc.	United States of America	(See Note g)	100.00%
39	Taro Pharmaceutical Industries Ltd. (TARO)	Israel (See note b)	66.30%	66.30%
40	Taro Pharmaceuticals Inc.	Canada	66.30%	66.30%
41	Taro Pharmaceuticals U.S.A., Inc.	United States of America	66.30%	66.30%
42	Taro Research Institute Ltd.	Israel	66.30%	66.30%
43	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British west Indies	66.30%	66.30%
44	Taro Pharmaceuticals Europe B.V.	The Netherlands	66.30%	66.30%
45	Taro Pharmaceuticals Ireland Ltd.	Ireland	66.30%	66.30%
46	Taro International Ltd.	Israel	66.30%	66.30%
47	Taro Pharmaceuticals UK Ltd.	United Kingdom	66.30%	66.30%
48	Taro Hungary Intellectual Property Licensing LLC.	Hungary	66.30%	66.30%

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	Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year	
			Year ended 31st March, 2012	Year ended 31st March, 2011
49	3 Skyline LLC	United States of America	66.30%	66.30%
50	One Commerce Drive LLC	United States of America	66.30%	66.30%
51	Tarochem Ltd.	Israel	66.30%	66.30%
52	Taro Pharmaceutical Laboratories INC	United States of America	66.30%	66.30%
53	Taro Pharmaceuticals Canada, Ltd.	Canada	66.30%	66.30%
54	Taro Laboratories Ltd	United States of America	(See Note h)	66.30%
55	Taro Healthcare Limited	United Kingdom	(See Note h)	66.30%
56	Taro Industries Limited	United Kingdom	(See Note h)	66.30%
57	Taro Manufacturing Limited	United Kingdom	(See Note h)	66.30%
58	Taro International Limited	United Kingdom	(See Note h)	66.30%
59	Taro Pharmaceutical India Private Ltd.	India	66.30%	66.30%
	Name of Partnership Firm			
60	Sun Pharmaceutical Industries	India	97.50%	97.50%
61	Sun Pharma Sikkim	India	97.50%	97.50%
62	Sun Pharma Drugs	India	98.00%	98.00%
63	Sun Pharma Exports	India	(See Note i)	80.00%
	Name of Controlled Entity			
64	Universal Enterprises (Pvt) Ltd.	India	97.50%	97.50%
	Jointly Controlled Entity			
65	MSD - Sun LLC	Delaware	50.00%	-
	Subsidiary of Jointly Controlled Entity			
66	MSD - Sun FZ LLC	U.A.E	50.00%	-

b. The Financial Statements of the Company and Partnership Firms at Sr. no. 60 and 61 are audited by Deloitte Haskins & Sells. The Financial Statements in respect of all other subsidiaries and Partnership Firms are audited by other auditors except in respect of a subsidiary company at Sr No. 38 and Jointly Controlled Entities at Sr. Nos. 65 and 66 are unaudited and are consolidated on the basis of management accounts.

c. The Board of Directors of Taro Pharmaceutical Industries Ltd (Taro) has decided to close the financial year on 31st March every year in place of 31st December followed hithereto. The first such Financial Statements with 31st March closing is for the period from 1st January, 2012 to 31st March, 2012. For the purpose of this consolidation, the Consolidated Financial Statement of Taro and its subsidiaries, listed under Sr. No. 39 to 59, for the year ended 31st March, 2012 have been compiled based on the audited Consolidated Financial Statements for the year ended 31st December, 2011 and audited Consolidated Financial Statement for the period from 1st January, 2012 to 31st March 2012 and further adjusted in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements as notified under Companies (Accounting Standards) Rules, 2006, for the significant transactions of the subsidiary group for the periods from 1st January, 2011 to 31st March, 2011.

The Group holds 66.30% and 77.30% of beneficial ownership and voting power respectively in the share capital of Taro Pharmaceutical Industries Ltd.

d. In respect of entities at Sr. No. 3, 6, 7, 9, 10 and 11, the reporting date is as of 31st December, 2011 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, 2011 to 31st March, 2011 and 1st January, 2012 to 31st March, 2012, on the basis of their management accounts for the said periods.

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e. Entities at Sr. No.13, 29,30,31,32,33,34,35,65 and 66 have been incorporated / acquired during the year ended 31st March,2012.

f. 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.

g. With effect from 14th June, 2011 Sun Laboratories Inc has been merged with the Caraco .

h. With effect from 31st January, 2012 the entities at Sr. No. 54,55,56,57,58 have been dissolved.

i. With effect from 27th January, 2012 Sun Pharma Exports have been dissolved .

j. 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.

	As at 31st March, 2012 ₹ in Million	As at 31st March, 2011 ₹ in Million
32 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
A) Contingent Liabilities		
I) Claims against the Group not acknowledged as debts	834.4	820.2
[Includes ₹ 743.7 million (Previous year ₹ 781.4 million pertaining to Taro)]		
II) Guarantees Given by the bankers on behalf of the Group	303.8	176.3
III) Others :		
Letters of Credit for Imports	250.0	187.8
Liabilities Disputed - Appeals filed with respect to :		
Income Tax on account of Disallowances / Additions	5,091.9	2,562.0
Withholding Tax due, relating to Employees of Taro	-	2,359.6
Sales Tax on account of Rebate / Classification	22.9	25.6
Excise Duty on account of Valuation / Cenvat Credit	340.2	326.8
ESIC Contribution on account of applicability	0.2	0.2
Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, including interest there on, 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	12.0	11.5

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 (Plantiffs) 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 (₹ 48,835.2 Million). Wyeth's experts have also claimed 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.

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	As at 31st March, 2012 ₹ in Million	As at 31st March, 2011 ₹ in Million
B) Commitments		
I) Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	4,349.0	1,739.3
II) Derivative related Commitments - Forward Foreign Exchange Contracts	2,034.8	2,671.2
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 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, 2012		As at 31st March, 2011	
	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

	Year ended 31st March, 2012 ₹ in Million	Year ended 31st March, 2011 ₹ in Million
35 RESEARCH AND DEVELOPMENT EXPENDITURE		
Revenue (Excluding Depreciation)	3,891.7	2,860.0
Capital	361.5	236.1
Total	4,253.2	3,096.1

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	Year ended 31st March, 2012 ₹ in Million	Year ended 31st March, 2011 ₹ in Million
36 GOODWILL ON CONSOLIDATION (NET) COMPRISES OF:		
A) Goodwill in respect of :		
Caraco Pharmaceutical Laboratories Ltd.	5,981.0	5,012.0
TKS Farmaceutica Ltda	417.8	400.1
Sun Pharma Japan Ltd	75.4	-
Universal Enterprises (Pvt) Ltd.	7.5	7.5
Taro Pharmaceutical Industries Ltd.	4,618.9	3,182.6
Total (A)	11,100.6	8,602.2
Less:		
B) Capital Reserve in respect of :		
Alkaloida Chemical Company Zrt.	882.5	882.5
Total (B)	882.5	882.5
Total (A-B)	10,218.1	7,719.7

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

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

Profit for the year before Minority Interest	30,421.7	19,073.7
Less: Minority Interest	3,854.8	913.1
Profit used as Numerator for calculating Earnings Per Share	26,566.9	18,160.6
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 ₹)	25.7	17.5

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	30,506.1	24,947.2
Outside India	50,622.4	33,120.7
Sale of Products	81,128.5	58,067.9

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 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 license, or longer for other lease and are renewable by mutual consent on mutually aggreeable terms . The Group has received refundable interest free security deposits, where applicable, in accordance with agreed terms.

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(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 licences, 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 ₹ 240.8 Million (Previous year ₹ 176.7 Million)
- later than one year and not later than five years ₹ 498.6 Million (Previous year ₹ 477.1 Million)
- later than five years ₹ 74.6 Million (Previous year ₹ 120.1 Million)

(ii) Group as lessor

The future minimum lease payments under non-cancellable operating lease

- not later than one year ₹ 66.4 Million (Previous year ₹ 16.0 Million)
- later than one year and not later than five years ₹ 118.4 Million (Previous year ₹ Nil)
- later than five years ₹ Nil (Previous year ₹ Nil)

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 ₹ 142.4 Million (Previous year ₹ 115.4 Million).

	Year ended 31st March, 2012 ₹ in Million	Year ended 31st March, 2011 ₹ in Million
Contribution to Provident Fund	130.9	106.3
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance	7.3	6.2
Contribution to Labour Welfare Fund	0.1	0.1
Employer's Contribution to Family Pension Fund	4.1	2.8

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 ₹ 56.2 Million (Previous Year ₹ 47.4 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of Accounting Standard 15 on 'Employee Benefits', 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.

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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 respect of gratuity (funded):

	₹ in Million	
	Year ended	
	31st March, 2012	31st March, 2011
Reconciliation of liability / (asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	311.6	257.3
Fair value of plan assets	(347.6)	(284.2)
Net liability / (asset) in the Balance sheet	(36.0)	(26.9)
Movement in net liability / (asset) recognised in the Balance sheet		
Net liability / (asset) as at the beginning of the year	(26.9)	(16.8)
Net expense recognised in the Statement of Profit and Loss	39.2	30.6
Contribution during the year	(48.3)	(40.7)
Net liability / (asset) in the Balance sheet	(36.0)	(26.9)
Expense recognised in the Statement of Profit and Loss		
Current service cost	31.3	26.7
Interest cost	21.2	18.9
Expected return on plan assets	(23.4)	(21.4)
Actuarial loss	10.1	6.4
Expense charged to the Statement of Profit and Loss	39.2	30.6
Return on plan assets		
Expected return on plan assets	23.4	21.4
Actuarial gain	6.8	3.4
Actual return on plan assets	30.2	24.8
Reconciliation of defined-benefit commitments		
Commitments as at the beginning of the year	257.3	219.5
Current service cost	31.3	26.7
Interest cost	21.2	18.9
Paid benefits	(15.1)	(17.6)
Actuarial loss	16.9	9.8
Commitments as at the year end	311.6	257.3
Reconciliation of plan assets		
Plan assets as at the beginning of the year	284.2	236.3
Expected return on plan assets	23.4	21.4
Contributions during the year	48.3	40.7
Paid benefits	(15.1)	(17.6)
Actuarial gain	6.8	3.4
Plan assets as at the year end	347.6	284.2
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	8.50%	8.25%
Expected return on plan assets	8.50%	8.25%
Expected rate of salary increase	6.00%	6.00%
Mortality	LIC (1994-96) Ultimate	

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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, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Experience adjustment					
On plan liabilities	26.5	18.1	57.2	5.4	127.4
On plan assets	6.8	3.4	3.4	4.1	2.5
Present value of benefit obligation	311.6	257.3	219.5	148.1	111.0
Fair value of plan assets	(347.5)	(284.2)	(236.3)	(194.3)	(107.0)
Excess of obligation over plan assets / (plan assets over obligation)	(35.9)	(27.0)	(16.8)	(46.2)	4.0

The contribution expected to be made by the Group during financial year ending 31st March, 2013 is ₹ 38.0 Million (Previous Year ₹ 38.7 Million).

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

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 between Taro Pharmaceutical Industries Ltd (employer) with it's employees at Israel, a one time payment of ₹ 76.3 Million (Previous Year ₹ 66.7 Million) has been accrued as on March 2012, 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 2012

	No. of Options	Exercise price	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	435,705	2.38 - 68.51	25.25		
Exercised during the year	-32,400	2.44 - 14.08	9.34		
Forfeited during the year	-74,250	11.91 - 68.51	28.94		
Outstanding at the end of the year	329,055	2.38 - 68.51	25.99	1.87	4,800.0
Exercisable at the end of the year	329,055		25.99	1.87	4,800.0
Vested and expected to vest at the end of the year	329,055		25.99	1.87	4,800.0

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45 a) During the year, the Group has received Government Grant of ₹ 2.0 Million (Previous Year Nil) and ₹ 7.5 Million (Previous Year Nil) in respect of Building and Plant and Equipment respectively.

b) Capital work in progress includes ₹ Nil (Previous Year ₹ 2.7 Million) on account of preoperative expenses.

46 Current Tax includes Write back of Provision for Fringe Benefit Tax (net) of ₹ 0.6 Million (Previous Year ₹ Nil) pertaining to earlier year.

47 The following are the outstanding Derivative Contracts entered by the Company & some of its Subsidiaries as on 31st March, 2012.

Nature of Derivative Contract	Currency	Buy / Sell	Cross Currency	As at 31st March, 2012 Amount in Million (USD)	As at 31st March, 2011 Amount in Million (USD)
Forward Contracts	US Dollar	Sell	RUPEES	330.0	315.0
Forward Contracts	US Dollar	Sell	HUF	5.0	-
Forward Contracts	US Dollar	Sell	NIS	45.0	-
Forward Contracts	US Dollar	Sell	CAD	96.0	-
Cross Currency Swaps	Israeli New Shekel	Buy	US Dollar	29.1	7.7
Interest Rate Swaps	US Dollar	Sell	US Dollar	10.2	1.0

48 As a result of the FDA action, Caraco Pharmaceutical Laboratories Ltd (Caraco) had voluntarily ceased manufacturing operations. Caraco had engaged a consulting firm which is comprised of current Good Manufacturing Practice ("cGMP") experts, in accordance with the Consent Decree, and submitted a work plan to the FDA in October 2009 for remedial actions leading to resumption of its manufacturing operations. The FDA approved Caraco's work plan on 17th March, 2010 after reviewing and suggesting certain modifications. On 24th June, 2010 the FDA notified Caraco that its protocol for third party cGMP certification and batch certification, detailing the activities to be conducted by the cGMP consultants, was acceptable. On 9th May, 2011, Caraco received written notification that its cGMP consultants, had submitted its written certification to FDA. In December 2011, the FDA conducted the first inspection of the facility in response to a product certification report submitted by Caraco and its consultants. At the close of this inspection, the FDA provided some minor observations for which Caraco is in the process of implementing the corrective actions and remedial measures as stipulated in the work plan.

49 Deferred tax assets balance in some of the subsidiaries includes timing difference related to net operating losses carried forward which had arisen mainly on account of unanticipated extraordinary excessive products returns in some of the previous years and focus on research and development activities. The Management believes that recent history of profitability, growth in operations and revenue, recent approval of some products by FDA including expected approvals for additional products including some high value products, favorable business environment and products having exclusivity period in the Unites States of America, 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 On October 18 , 2011 the company issued a letter to Taro Pharmaceutical Industries Ltd (Taro) making a non-binding proposal for the acquisition of all the issued and outstanding shares of Taro, not currently held by the company, at a price of $24.50 per share, in cash. Taro's Board of Directors formed an independent special committee to review and evaluate the offer which it continues to do with its independent and financial and legal advisors.

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 groups financial. The related assets of ₹ 140.57 Million (Previous Year ₹ 194.3 Million), Liabilities of ₹ 4.52 Million (Previous Year ₹ 11.6 Million), Revenues of ₹ 2.6 Million (Previous Year ₹ 11.9 Million) and Losses of ₹ 11.1 Million (Previous Year ₹ 32.3 Million) attributable to its Irish Subsidiary has been considered in the Consolidated Financial Statements.

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

52 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".

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.

	As at 31st March, 2012 ₹ in Million	As at 31st March, 2011 ₹ in Million
Provision*		
Opening balance	4,735.3	19.3
Add: Taken over on acquisition of Taro	-	4,498.4
Add: Provision for the year	4,368.6	7,662.3
Less: Utilisation / Settlement	(2,390.3)	(7,410.9)
Add/ (Less): Foreign currency translation Difference	91.5	(33.8)
Closing balance	6,805.1	4,735.3

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

Provisions for returns, Medicaid and indirect rebates are included in Long / Short Term Provision. All other sales deductions allowances are recorded as accounts receivable reserves/provisions and reduced from debtors. The provisions for returns is included in Long / Short Term Provision 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 Long / Short Term Provision because the Group does not have direct customer relationships with any of the payees.

54 The consolidated financial statements of the Company for the year ended 31st March, 2012 were earlier approved by the Board of Directors at their meeting held on 29th May, 2012 on which the Statutory Auditors of the Company had issued their report dated 29th May, 2012. Subsequently, the Board of Directors approved the Scheme of Arrangement in the nature of spin off, of Domestic Formulation Undertaking of the Parent Company, comprising specified assets, without any liabilities, pertaining to the said undertaking, on a going concern basis without consideration into Sun Pharma Laboratories Limited (SPLL - formerly known as Sun Resins & Polymers Private Ltd), a wholly owned subsidiary of the Company, effective from the close of the business hours on 31st March 2012, the appointed date. Consequent to the Orders dated 3rd May, 2013 of the Hon'ble High Court of Gujarat and the Hon'ble High Court of Bombay sanctioning the said Scheme of Arrangement, the standalone financial statements of the parent Company and SPLL, were revised only to give effect to the said spin off, effective from 31st March, 2012. In view of the above, the earlier approved consolidated financial statements are revised to incorporate the revised standalone financial statements of the aforesaid entities.

55 Statement regarding subsidiary companies as required under 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 - As per Annexure 'B'.

56 Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements.

57 The Revised Schedule VI has been effective from 1st April, 2011 for the presentation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures are restated / regrouped / rearranged wherever necessary in order to conform to current year's groupings and classifications.

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

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
	Mr. Sudhir V. Valia	Wholetime Director
	Mr. Sailesh T. Desai	Wholetime Director
	Mr. S. Kalyanasundaram	Chief Executive Officer and Wholetime Director
2. Relatives of Key Management Personnel	Mr. Aalok Shanghvi	Son of Chairman and Managing Director
	Ms. Khyati Valia (till 31st March 2011)	Daughter of Wholetime Director
3. Enterprise under significant Influence of Key Management Personnel or their relatives	Sun Petrochemicals Pvt Ltd	
	Navjivan Rasayan (Gujarat) Pvt Ltd	
	Sun Pharma Advanced Research Company Ltd	
	Shantilal Shanghvi Foundation	
	Sugandh Management Consultancy	

₹ in Million

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11
Purchases of goods / DEPB	-	-	-	-	2.0	0.9	2.0	0.9
Sun Petrochemicals Pvt Ltd	-	-	-	-	2.0	0.9	2.0	0.9
Purchase of Fixed Assets	-	-	-	-	-	0.2	-	0.2
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	0.2	-	0.2
Sale of goods / DEPB	-	-	-	-	8.1	13.9	8.1	13.9
Sun Pharma Advanced Research Company Ltd	-	-	-	-	6.7	12.2	6.7	12.2
Sun Petrochemicals Pvt Ltd	-	-	-	-	1.4	1.7	1.4	1.7
Sale of Fixed Assets	-	-	-	-	-	0.2	-	0.2
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	0.2	-	0.2
Receiving of Service								
Services	-	-	-	-	122.1	114.5	122.1	114.5
Sun Pharma Advanced Research Company Ltd	-	-	-	-	122.1	114.5	122.1	114.5
Reimbursement of Expenses	-	-	-	-	-	0.5	-	0.5
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	0.5	-	0.5

SUN PHARMA

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

₹ in Million

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11
Loans Given	-	-	-	-	10.3	140.7	10.3	140.7
Sugandh Management Consultancy	-	-	-	-	10.3	140.7	10.3	140.7
Loans Received back / share Application Money Refund		-	-	-	-	131.4	-	131.4
Sugandh Management Consultancy	-	-	-	-	-	131.4	-	131.4
Rendering of Service								
Reimbursement of Expenses	-	-	-	-	31.4	24.8	31.4	24.8
Sun Pharma Advanced Research Company Ltd	-	-	-	-	31.4	24.8	31.4	24.8
Donation Given	-	-	-	-	50.0	-	50.0	-
Shantilal Shanghvi Foundation	-	-	-	-	50.0	-	50.0	-
Rent Income	-	-	-	-	1.4	1.4	1.4	1.4
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1.3	1.3	1.3	1.3
Others	-	-	-	-	0.1	0.1	0.1	0.1
Director's Remuneration	174.8	83.3	-	-	-	-	174.8	83.3
Mr. Dilip S. Shanghvi	82.3	30.4	-	-	-	-	82.3	30.4
Mr. Sudhir V. Valia	60.5	25.1	-	-	-	-	60.5	25.1
Mr. S. Kalyanasundaram	24.5	20.0	-	-	-	-	24.5	20.0
Mr. Sailesh T. Desai	7.5	7.8	-	-	-	-	7.5	7.8
Apprenticeship Stipend / Remuneration	-	-	39.8	9.6	-	-	39.8	9.6
Mr. Alok Shanghvi	-	-	39.8	9.1	-	-	39.8	9.1
Ms. Khyati Valia	-	-	-	0.5	-	-	-	0.5
Outstanding receivables / Payables (Net) as on 31/03/2012	(42.7)	(32.9)	(37.7)	(8.2)	34.4	19.6	(46.0)	(21.5)
Sun Pharma Advanced Research Company Ltd	-	-	-	-	34.4	19.6	34.4	19.6
Mr. Dilip S. Shanghvi	(22.4)	(16.8)	-	-	-	-	(22.4)	(16.8)
Mr. Sudhir V. Valia	(15.3)	(11.6)	-	-	-	-	(15.3)	(11.6)
Mr. Alok Shanghvi	-	-	(37.7)	(8.1)	-	-	(37.7)	(8.1)
Ms. Khyati Valia	-	-	-	(0.1)	-	-	-	(0.1)
Others	(5.0)	(4.5)	-	-	-	-	(5.0)	(4.5)

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

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

₹ in Million

SR NO	Name of the Subsidiary Company	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend
1	Green Eco Development Center Ltd.	INR	1.00	1.0	(0.2)	3.7	2.9	-	-	(0.1)	-	(0.1)	-
2	Sun Pharma Global Inc.	USD	50.87	125.8	33,876.1	54,157.2	20,155.3	1,481.3	-	1,815.2	-	1,815.2	-
3	Zao Sun Pharma Industries Ltd.	RRU	1.74	0.0	(0.0)	-	-	-	-	-	-	-	-
4	Sun Pharmaceutical (Bangladesh) Ltd	TAKA	0.62	37.2	209.5	386.0	139.3	-	441.6	92.7	40.6	52.1	-
5	Caraco Pharmaceutical Laboratories Ltd	USD	50.87	7,205.9	506.3	17,550.3	9,838.1	-	14,642.1	347.8	133.4	214.4	-
6	TKS Farmaceutica Ltda	Brazilian reais	27.84	155.2	(349.9)	614.2	809.0	39.5	629.3	(261.4)	-	(261.4)	-
7	Sun Pharma De Mexico S.A. DE C.V.	Mexican Pesos	3.97	4.0	80.3	489.2	404.9	-	596.9	32.1	21.9	10.2	-
8	Sun Pharmaceutical Industries Inc.	USD	50.87	0.3	(4,715.4)	7,033.0	11,748.2	-	708.9	(1,711.1)	(581.6)	(1,129.5)	-
9	SPIL De Mexico S.A. DE C.V.	Mexican Pesos	3.97	0.2	-	0.2	-	-	-	-	-	-	-
10	Sun Pharmaceutical Peru S.A.C	Soles	19.08	0.0	(37.3)	1.2	38.4	-	-	(10.7)	-	(10.7)	-
11	OOO "Sun Pharmaceutical Industries" Ltd.	RRU	1.74	0.1	(47.5)	616.1	663.5	-	504.0	(57.0)	(8.4)	(48.6)	-
12	Sun Pharma de Venezuela, CA.	Venezuelan Bolivan Fuerte (VEF)	12.00	0.8	(105.2)	20.8	125.2	-	-	(105.2)	-	(105.2)	-
13	Caraco Pharma Inc.	USD	50.87	-	-	-	-	-	-	-	-	-	-
14	Chattem Chemicals Inc	USD	50.87	1,751.6	562.0	2,427.6	113.9	-	1,445.6	254.7	53.4	201.3	-
15	Taro Development Corporation	USD	50.87	0.0	(0.3)	1,010.3	1,010.6	-	-	(0.3)	-	(0.3)	-
16	Alkaloida Chemical Company Zrt.	USD	50.87	4,484.2	(2,196.0)	28,564.6	26,276.4	162.0	845.2	(1,085.6)	-	(1,085.6)	-
17	Sun Pharmaceutical UK Ltd.	GBP	81.44	0.1	(109.2)	265.3	374.4	-	331.5	(23.2)	-	(23.2)	-
18	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	AUD	52.61	0.0	(5.1)	11.0	16.1	-	3.1	(4.2)	-	(4.2)	-
19	Aditya Acquisition Company Ltd.	Israeli New Shekel, NIS	13.73	0.0	(0.1)	-	0.1	-	-	(0.0)	-	(0.0)	-
20	Sun Pharmaceutical Industries (Europe) B.V.	EURO	67.88	1.2	(165.8)	320.9	485.5	-	328.9	(41.1)	-	(41.1)	-
21	Sun Pharmaceuticals Italia S.R.L.	EURO	67.88	0.7	(204.0)	310.7	514.1	-	108.8	(78.6)	-	(78.6)	-
22	Sun Pharmaceutical Spain, SL.	EURO	67.88	0.2	(167.1)	159.7	326.6	-	46.0	(56.0)	-	(56.0)	-
23	Sun Pharmaceuticals Germany GmbH	EURO	67.88	1.7	(141.1)	141.4	280.8	-	212.1	(61.7)	-	(61.7)	-
24	Sun Pharmaceuticals France	EURO	67.88	2.5	(104.3)	62.9	164.7	-	87.8	(30.9)	-	(30.9)	-
25	Sun Pharma Global (FZE)	USD	50.87	209.8	6,984.1	8,957.7	1,763.8	-	9,921.2	5,104.3	-	5,104.3	-
26	Sun Pharmaceuticals (SA) (Pty) Ltd.	ZAR	6.61	0.0	(0.0)	0.0	0.0	-	-	(0.0)	-	(0.0)	-
27	Sun Global Canada Pty. Ltd.	USD	50.87	0.1	(0.6)	-	0.6	-	-	(0.2)	-	(0.2)	-
28	Sun Laboratories Inc.***	USD	50.87	0.0	-	0.0	0.0	-	-	-	-	-	-
29	Sun Laboratories FZE	USD	50.87	623.3	(0.5)	622.8	0.0	-	-	(0.5)	-	(0.5)	-
30	Sun Global Development Fze	USD	50.87	145.4	(0.5)	145.0	0.0	-	-	(0.5)	-	(0.5)	-
31	Sun Pharma Japan ltd	JPY	0.61	36.6	(41.0)	7.9	12.3	-	-	(4.4)	-	(4.4)	-
32	Sun Pharma Philippines Inc	PESO	1.22	10.6	(1.2)	9.9	0.5	-	-	(1.2)	-	(1.2)	-
33	Sun Pharma MEA JLT	USD	50.87	138.5	(22.7)	314.1	198.2	-	-	(22.7)	-	(22.7)	-
34	Sun Pharma Health Care FZE	USD	50.87	145.4	-	145.4	-	-	-	-	-	-	-
35	Sun Pharmaceuticals Korea Limited	KRW	0.04	4.5	(0.8)	4.5	0.9	-	-	(0.8)	-	(0.8)	-
36	Caraco Pharmaceuticals Private Limited	INR	1.00	0.1	(0.0)	0.1	0.0	-	-	(0.0)	-	(0.0)	-
37	Sun Resins & Polymers Private Limited	INR	1.00	0.1	1.0	116.8	115.7	116.8	0.0	0.0	-	0.0	-
38	Morley and Company Inc	USD	50.87	0.2	(0.1)	0.2	0.1	-	-	(0.1)	-	(0.1)	-
39	Taro Pharmaceutical Industries Ltd.(TARO)*	USD	50.87	34.6	28,822.2	32,326.6	3,469.8	2.3	10,530.1	9,378.4	233.1	9,145.3	-
	Taro Pharmaceutical Industries Ltd.(TARO)**	USD	50.87	34.6	31,454.3	35,433.8	3,944.8	2.3	2,937.9	2,508.6	142.0	2,366.6	-

Notes

forming part of the Consolidated financial statement for the year ended 31st March, 2012

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

₹ in Million

SR NO	Name of the Subsidiary Company	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend
40	Taro Pharmaceuticals Inc.*	CAD	50.98	0.0	11,710.8	15,206.8	3,496.0	-	13,277.9	7,559.4	1,898.0	5,661.4	-
	Taro Pharmaceuticals Inc.**	CAD	50.98	0.0	12,179.2	15,908.9	3,729.7	-	2,404.9	912.9	444.5	468.4	-
41	Taro Pharmaceuticals U.S.A.,Inc.*	USD	50.87	7.4	(3,748.2)	20,011.2	23,752.1	147.6	21,346.0	977.4	3.5	973.9	-
	Taro Pharmaceuticals U.S.A.,Inc.**	USD	50.87	7.4	(3,501.8)	19,446.9	22,941.4	148.6	6,107.2	404.2	159.0	245.1	-
42	Taro Research Institute Ltd. *	USD	50.87	0.0	51.2	419.4	368.2	-	990.5	56.7	13.5	43.2	-
	Taro Research Institute Ltd. **	USD	50.87	0.0	58.1	423.3	365.2	-	280.5	17.1	10.3	6.9	-
43	Taro Pharmaceuticals North America, Inc.*	USD	50.87	0.0	5,173.5	5,278.9	105.4	-	3,342.4	2,572.1	-	2,572.1	-
	Taro Pharmaceuticals North America, Inc.**	USD	50.87	0.0	5,612.9	5,720.2	107.3	-	585.9	439.4	-	439.4	-
44	Taro Pharmaceuticals Europe B.V.*	EURO	67.88	1.2	(22.7)	2.9	24.4	-	-	(1.7)	-	(1.7)	-
	Taro Pharmaceuticals Europe B.V.**	EURO	67.88	1.2	(23.1)	3.7	25.6	-	-	(0.4)	-	(0.4)	-
45	Taro Pharmaceuticals Ireland Ltd.*	EURO	67.88	34.0	(98.0)	173.8	237.8	-	-	4,005.9	-	4,005.9	-
	Taro Pharmaceuticals Ireland Ltd.**	EURO	67.88	34.0	(92.7)	173.1	231.7	-	-	5.3	-	5.3	-
46	Taro International Ltd. *	USD	50.87	0.0	(56.1)	230.0	286.1	-	402.3	6.5	(2.0)	8.5	-
	Taro International Ltd. **	USD	50.87	0.0	(56.2)	237.3	293.5	-	113.0	(0.3)	(0.2)	(0.1)	-
47	Taro Pharmaceuticals UK Ltd.*	GBP	81.44	0.0	(587.7)	331.6	919.3	-	876.5	13.2	0.2	13.0	-
	Taro Pharmaceuticals UK Ltd.**	GBP	81.44	0.0	(562.2)	327.1	889.3	-	184.5	25.7	0.1	25.6	-
48	Taro Laboratories Ltd.*	GBP	81.44	0.0	-	0.0	-	-	-	-	-	-	-
	Taro Laboratories Ltd.***	GBP	81.44	-	-	-	-	-	-	-	-	-	-
49	Taro Hungary Intellectual Property Licensing LLC.*	USD	50.87	5,173.2	0.4	5,200.0	26.4	-	-	190.9	23.6	167.3	-
	Taro Hungary Intellectual Property Licensing LLC.**	USD	50.87	5,173.2	1.7	5,208.1	33.1	249.9	-	47.6	4.8	42.8	-
50	Taro Healthcare Limited *	GBP	81.44	0.1	-	0.2	0.1	-	-	-	-	-	-
	Taro Healthcare Limited ***	GBP	81.44	-	-	-	-	-	-	-	-	-	-
51	Taro Industries Limited *	GBP	81.44	0.1	-	0.1	-	-	-	-	-	-	-
	Taro Industries Limited ***	GBP	81.44	-	-	-	-	-	-	-	-	-	-
52	Taro Manufacturing Limited *	GBP	81.44	0.1	-	0.1	-	-	-	-	-	-	-
	Taro Manufacturing Limited ***	GBP	81.44	-	-	-	-	-	-	-	-	-	-
53	Taro Pharmaceuticals Canada, Ltd.*	CAD	50.98	0.0	(0.0)	0.1	0.1	-	-	-	-	-	-
	Taro Pharmaceuticals Canada, Ltd.**	CAD	50.98	0.0	(0.0)	0.1	0.1	-	-	-	-	-	-
54	Taro International Limited *	GBP	81.44	0.1	-	0.1	-	-	-	-	-	-	-
	Taro International Limited ***	GBP	81.44	-	-	-	-	-	-	-	-	-	-
55	Taro Pharmaceutical India Private Ltd.	INR	1.00	0.1	1.0	1.5	0.4	-	0.2	0.0	0.0	0.0	-

Note :

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

2 (a) During the Year Taro has changed its Financial Year closing to 31st March inplace of 31st December followed hitherto. As a result, the above statement includes Taro and its Subsidiaries (listed under Sr No.39 to 54) information for Financial year for 12 months ended on 31st December, 2011 (*) and also for Financial period for 3 months ended on 31st March, 2012. (**)

(b) The above does not include 3 Skyline LLC, One Commerce Drive LLC, Tarochem 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 (***) It Represents accounts till the date of its existence.

CORPORATE Information

Board of Directors

MR. ISRAEL MAKOV
Chairman
(w.e.f. May 29, 2012)

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

MR. SUDHIR V. VALIA
Whole-time Director

MR. S. KALYANASUNDARAM
CEO and Whole-time Director
(Upto March 31, 2012)

MR. SAILESH T. DESAI
Whole-time Director

MR. S. MOHANCHAND DADHA
Director

MR. HASMUKH S. SHAH
Director

MR. KEKI M. MISTRY
Director

MR. ASHWIN DANI
Director

Company Secretary

MR. 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. 223, Span Industrial Complex, Dadra - 396 191, U.T. of D. & NH.

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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