

**Auditors' Report to the Board of Directors of Sun Pharmaceutical Industries Limited Group**

1. We have audited the attached Consolidated Balance Sheet of Sun Pharmaceutical Industries Limited Group as at March 31, 2008, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Sun Pharmaceutical Industries Limited management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
  - a. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of Rs. 30,125.0 Million as at March 31, 2008, total revenues of Rs. 31,284.3 Million and net cash outflows amounting to Rs. 817.7 Million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management of the Group, and our opinion is based solely on the reports of other auditors.
  - b. As stated in Note B1 of Schedule 20, the consolidated financial statements includes the financial statements of subsidiaries, which we did not audit, whose financial statements reflects the Groups share of assets (net) of Rs. 97.5 Million as at March 31, 2008, total revenues of Rs. 233.3 Million and net cash inflows amounting to Rs. 22.4 Million. The unaudited financial statements are prepared on the basis of audited financial statements for the year ended December 31, 2007 and the unaudited financial statements for the quarter ended March 31, 2007 and March 31, 2008, provided by the management of those subsidiaries. We have relied upon the unaudited financial statements as provided by the management of those subsidiaries for the purpose of our examination of consolidated financial statements.
4. We report that the consolidated financial statements have been prepared by the Sun Pharmaceutical Industries Limited management in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements as notified by Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, read together with our remarks in Paragraph 3 above, and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Sun Pharmaceutical Industries Limited Group as at March 31, 2008;
- b. in the case of the Consolidated Profit and Loss Account, of the Profit for the year ended on that date; and
- c. in the case of the Consolidated Cash Flow statement, of the Cash Flows for the year ended on that date.

For **Deloitte Haskins & Sells**  
Chartered Accountants

**N. P. Sarda**  
Partner

San Jose, U.S.A., May 30, 2008

(Membership No.9544)