

**BALANCE SHEET AS AT 31ST MARCH, 2008**

	Schedules	As at 31st March, 2008		As at 31st March, 2007	
		Rs in Million	Rs in Million	Rs in Million	Rs in Million
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	1,035.6		980.7	
Reserves and Surplus	2	41,040.6	42,076.2	23,514.2	24,494.9
<b>Loan Funds</b>					
Secured Loans	3	228.8		203.9	
Unsecured Loans	4	796.4	1,025.2	10,477.6	10,681.5
<b>Deferred Tax Liability (Net)</b>	5		1,129.4		1,093.2
<b>TOTAL</b>			<b>44,230.8</b>		<b>36,269.6</b>

**APPLICATION OF FUNDS****Fixed Assets**

Gross Block	6	9,350.3		8,387.0	
Less: Depreciation / Amortisation / Impairment		3,049.9		2,494.1	
Net Block		6,300.4		5,892.9	
Capital Work-in-Progress (including advances on capital account)		334.3	6,634.7	319.1	6,212.0
<b>Investments</b>	7		18,435.7		10,574.9

**Current Assets, Loans and Advances**

Inventories	8	3,896.3		3,333.8	
Sundry Debtors	9	10,554.4		5,648.7	
Cash and Bank Balances	10	10,724.2		12,026.8	
Other Current Assets	11	257.8		327.0	
Loans and Advances	12	3,618.7		3,086.8	
		29,051.4		24,423.1	
<b>Less: Current Liabilities and Provisions</b>	13				
Current Liabilities		7,263.1		4,863.4	
Provisions		2,627.9		77.0	
		9,891.0		4,940.4	

**Net Current Assets**

<b>TOTAL</b>			<b>19,160.4</b>		19,482.7
			<b>44,230.8</b>		<b>36,269.6</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS 21**

Schedules referred to herein form an integral part of the Financial Statements.

As per our report of even date attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**N. P. SARDA**  
Partner

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

**KAMLESH H. SHAH**  
Company Secretary

For and on behalf of the Board

**DILIP S. SHANGHVI**  
Chairman & Managing Director**SUDHIR V. VALIA**  
Wholtime Director**SAILESH T. DESAI**  
Wholtime Director

Mumbai, 30th May, 2008

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	Schedules	Year ended 31st March, 2008		Year ended 31st March, 2007	
		Rs in Million	Rs in Million	Rs in Million	Rs in Million
<b>INCOME</b>					
Income from Operations					
Gross Sales		24,273.5		17,221.3	
Less: Excise Duty		617.1		568.6	
Net Sales		23,656.4		16,652.7	
Other Operating Income	14	7,834.1		5,806.2	
		31,490.5		22,458.9	
Other Income	15	1,276.2	32,766.7	1,608.4	24,067.3
<b>EXPENDITURE</b>					
Cost of Materials / Goods	16	15,267.4		11,579.8	
Indirect Taxes	17	648.7		516.3	
Personnel Cost	18	1,202.0		989.2	
Operating and Other Expenses	19	3,255.1		2,577.7	
Research and Development Expenditure	20	1,310.4		1,536.2	
Depreciation / Amortisation / Impairment		561.1	22,244.7	462.7	17,661.9
<b>PROFIT BEFORE TAXATION</b>			<b>10,522.0</b>		<b>6,405.4</b>
Provision for Taxation - Current Tax			330.9		56.3
- Deferred Tax			36.2		48.8
- Fringe Benefit Tax			14.5		11.0
<b>PROFIT AFTER TAX</b>			<b>10,140.4</b>		<b>6,289.3</b>
<b>BALANCE OF PROFIT BROUGHT FORWARD</b>			<b>6,708.4</b>		<b>3,903.2</b>
Less : Adjustment on cancellation of Investment in shares of Sun Pharma Advanced Research Company Ltd. pursuant to scheme of demerger			—		0.5
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>			<b>16,848.8</b>		<b>10,192.0</b>
<b>APPROPRIATIONS</b>					
Proposed Dividend					
Preference Shares		0.5		0.8	
Equity Shares		2,174.7		—	
Equity Shares-Final (F.Y. 2005-06)		—		0.5	
Equity Shares-Interim - paid		—		1,299.6	
Corporate Dividend Tax		372.0	2,547.2	182.5	1,483.4
Transfer to General Reserve		3,000.0		2,000.0	
Transfer to Capital Redemption Reserve on Redemption of Preference Capital		13.7	3,013.7	0.2	2,000.2
<b>BALANCE OF PROFIT CARRIED TO BALANCE SHEET</b>			<b>11,287.9</b>		<b>6,708.4</b>
<b>EARNING PER SHARE (refer note B.12 (ii) of Schedule 21)</b>					
Basic (Rs.)			50.9		33.5
Diluted (Rs.)			49.0		31.2
Face Value per Equity share - Rs.5					

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As per our report of even date attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**N. P. SARDA**  
Partner

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

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Mumbai, 30th May, 2008