

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2008**

	Year ended 31st March, 2008 Rs in Million	Year ended 31st March, 2007 Rs in Million
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit Before Tax	10,522.0	6,405.4
Adjustments for:		
Depreciation / Amortisation / Impairment	561.1	462.7
Interest Expense	50.6	88.0
Interest Income	(1,119.6)	(1,123.3)
Dividend Income	—	(13.8)
(Profit) / Loss On Fixed Assets Sold (net)	1.0	(110.2)
(Profit) / Loss on sale of Investments	(129.5)	(52.0)
Bad Debt Written off / back (net)	26.4	31.3
Sundry Balance Written off / back (net)	(12.2)	(2.0)
Provision for employee benefits	6.4	17.3
Unrealised Foreign Exchange (Gain) / Loss	418.7	(267.2)
<b>Operating Profit Before Working Capital Changes</b>	<b>10,324.9</b>	<b>5,436.2</b>
<b>Adjustments for Changes In Working Capital :</b>		
Increase in Sundry Debtors	(4,897.5)	(3,163.8)
(Increase)/Decrease in Other Receivables	(817.5)	98.9
Increase in Inventories	(562.5)	(699.7)
Increase/(Decrease) in Trade and Other Payables	2,665.5	2,988.6
<b>Cash Generated From Operations</b>	<b>6,712.9</b>	<b>4,660.2</b>
Taxes Paid (Net of TDS and Refund)	(451.6)	(154.6)
<b>Net Cash Generated From Operating Activities</b>	<b>6,261.3</b>	<b>4,505.6</b>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets / Capital Work in Progress / Capital Advances	(991.6)	(1,407.8)
Proceeds From Sale of Fixed Assets	2.1	188.5
Proceeds From Sale of Investments	29,934.3	18,431.4
Purchase of Investments	(37,665.5)	(21,158.7)
Amount paid pursuant to demerger	(244.9)	(5.1)
Loans/Inter Corporate Deposits Received back / (given) (net)	486.7	1,735.8
Interest Received	1,044.0	1,076.3
Dividend Received	—	13.8
<b>Net Cash Used in Investing Activities</b>	<b>(7,434.9)</b>	<b>(1,125.8)</b>
<b>C. Cash Flow From Financing Activities:</b>		
Repayment of ECB Loan	—	(907.9)
Redemption of Preference Share Capital	(13.7)	(0.2)
(Repayment to) / Borrowing from Bank (Net)	24.9	20.0
Interest Paid	(53.8)	(88.0)
Dividend Paid	(15.6)	(2,302.6)
Corporate Dividend Tax Paid	(2.4)	(326.1)
<b>Net Cash used in Financing Activities</b>	<b>(60.6)</b>	<b>(3,604.8)</b>
<b>Net Decrease In Cash and Cash Equivalents</b>	<b>(1,234.2)</b>	<b>(225.0)</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>12,084.8</b>	<b>12,309.8</b>
<b>Cash and Cash Equivalents as at the year end</b>	<b>10,850.6</b>	<b>12,084.8</b>

	Year ended 31st March, 2008 Rs in Million	Year ended 31st March, 2007 Rs in Million
<b>Cash and Cash Equivalents Comprise:</b>		
Cash and Cheques on hand and balances with Scheduled / Other banks (Refer Schedule 10 to the Financial Statements)	10,724.2	12,026.8
Unrealised exchange Loss	126.4	58.0
<b>Cash and Cash equivalents at the end of the year</b>	<b>10,850.6</b>	<b>12,084.8</b>

**Notes:**

- 1 Cash and cash equivalents includes Rs.13.8 Million (Previous Year Rs.29.0 Million) on account of Unclaimed dividend, which are not available for use by the Company.
- 2 Previous years' figures are regrouped / reclassified wherever necessary in order to confirm to current years' groupings and classifications.

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**  
Wholetime Director

**SAILESH T. DESAI**  
Wholetime Director

Mumbai, 30th May, 2008

**SCHEDULES TO THE FINANCIAL STATEMENTS**

	As at 31st March, 2008 Rs in Million	As at 31st March, 2007 Rs in Million
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised</b>		
295,000,000 (Previous Year 254,700,000) Equity Shares of Rs. 5 each	1,475.0	1,273.5
25,000,000 (Previous Year 25,000,000) Preference Shares of Re.1 each	25.0	25.0
Nil (Previous Year 2,015,000) Preference Shares of Rs.100 each (refer note B.18 of Schedule 21)	—	201.5
	<u>1,500.0</u>	<u>1,500.0</u>
<b>Issued, Subscribed and Paid Up</b>		
207,116,391 (Previous Year 193,402,120) Equity Shares of Rs. 5 each	1,035.6	967.0
Nil (Previous Year 13,740,030) 6% Cumulative Redeemable Preference Shares of Re.1 each	—	13.7
	<u>1,035.6</u>	<u>980.7</u>

**Notes:****Of the above :**

- 1) 161,630,010 Equity shares were allotted as fully paid Bonus Shares by capitalisation of Securities Premium Account, Profit and Loss Account, Amalgamation Reserve and Capital Redemption Reserve Account.
- 2) 413,633; 208,000; 477,581; 11,438; 18,519 and 19,771 Equity Shares of Rs.10 and 4274 Equity Shares of Rs. 5 each fully paid, were allotted to the shareholders of erstwhile Tamilnadu Dadha Pharmaceuticals Ltd, Milmet Laboratories Pvt. Ltd, Gujarat Lyka Organics Ltd, Sun Pharmaceutical Exports Ltd, Pradeep Drug Company Ltd, M.J.Pharmaceuticals Ltd and Phlox Pharmaceuticals Limited. respectively, pursuant to Schemes of Amalgamations, without payment being received in cash.
- 3) 6% Cumulative Redeemable Preference Shares of Re.1 each are redeemable at par at any time at the option of the Shareholders. 187,177,232 6% Cumulative Redeemable Preference Shares of Re.1 each were allotted as fully paid bonus shares, to the equity shareholders, by capitalisation of Capital Redemption Reserve. During the year 13,740,030 (Previous Year 243,804) Preference shares were redeemed at par.
- 4) 21,600,761 (Previous Year 7,886,490) Equity Shares of Rs. 5 each were allotted to the holders of Zero Coupon Foreign Currency Convertible Bond on exercise of conversion option. (refer note B.17 of Schedule 21)

**SCHEDULES TO THE FINANCIAL STATEMENTS**

	As at 31st March, 2008		As at 31st March, 2007	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
As per last Balance Sheet		259.1		259.1
<b>Securities Premium Account</b>				
As per last Balance Sheet	5,165.9		156.5	
Add : Received during the year	9,933.2		5,555.8	
	<u>15,099.1</u>		<u>5,712.3</u>	
Less : Adjustment pursuant to scheme of Demerger	—	15,099.1	546.4	5,165.9
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet	140.8		140.6	
Add : Transferred from Profit and Loss Account	13.7	154.5	0.2	140.8
<b>General Reserve</b>				
As per last Balance Sheet	11,240.0		9,247.3	
Add : Transferred from Profit and Loss Account	3,000.0		2,000.0	
Less : Adjustment on account of transitional provision on Employee Benefits	—	14,240.0	7.3	11,240.0
<b>Surplus As Per Profit And Loss Account</b>				
		11,287.9		6,708.4
		<u>41,040.6</u>		<u>23,514.2</u>
<b>SCHEDULE 3 : SECURED LOANS</b>				
Short Term Loan from Banks (Secured by hypothecation of stock and book debts.)		228.8		203.9
		<u>228.8</u>		<u>203.9</u>
<b>SCHEDULE 4 : UNSECURED LOANS</b>				
<b>Long Term</b>				
External Commercial Borrowings in foreign currency from Banks (.)	796.4		900.2	
Zero Coupon Foreign Currency Convertible Bonds (refer note B.17 of Schedule 21)	—	796.4	9,577.4	10,477.6
		<u>796.4</u>		<u>10,477.6</u>
* includes repayable within one year Rs. 796.4 (Previous Year Rs. Nil)				
<b>SCHEDULE 5 : DEFERRED TAX LIABILITY (NET)</b>				
<b>Deferred Tax Assets</b>				
Unpaid Liabilities Allowable on payment basis U/s 43B of Income Tax Act,1961		30.6		29.3
Others		34.2		15.1
		<u>64.8</u>		<u>44.4</u>
<b>Deferred Tax Liability</b>				
Depreciation on Fixed Assets		1,194.2		1,137.6
		<u>1,129.4</u>		<u>1,093.2</u>

**SCHEDULES TO THE FINANCIAL STATEMENTS****SCHEDULE 6 : FIXED ASSETS**

Rs in Million

Particulars	Gross Block (At Cost)					Depreciation / Amortisation / Impairment					Net Block		
	As At 01.04.07	Adjustment Demerger	Additions 07-08	Deletions 07-08	As at 31.03.08	As at 01.04.07	Adjustment Demerger	For year 07-08	Written back/ Deleted 07-08	As at 31.03.08	As at 31.03.08	As at 31.03.07	
<b>I. TANGIBLE ASSETS</b>													
Freehold Land	23.9	—	—	—	<b>23.9</b>	—	—	—	—	—	<b>23.9</b>	23.9	
Leasehold Land	27.4	—	11.8	—	<b>39.2</b>	2.8	—	0.4	—	<b>3.2</b>	<b>36.0</b>	24.6	
Buildings	1,888.4	—	104.6	—	<b>1,993.0 @</b>	276.5	—	50.1	—	<b>326.6</b>	<b>1,666.4</b>	1,611.9	
Plant and Machinery	5,712.7	—	820.2	1.2	<b>6,531.7</b>	1,869.9	—	455.9 ©	0.6	<b>2,325.2</b>	<b>4,206.5</b>	3,842.8	
Vehicles	92.8	—	14.9	7.2	<b>100.5</b>	33.0	—	10.2	4.7	<b>38.5</b>	<b>62.0</b>	59.8	
Furniture and Fixtures	197.9	—	19.5	—	<b>217.4</b>	67.4	—	14.5	—	<b>81.9</b>	<b>135.5</b>	130.5	
<b>Sub-Total</b>	7,943.1	—	971.0	8.4	<b>8,905.7</b>	2,249.6	—	531.1	5.3	<b>2,775.4</b>	<b>6,130.3</b>	5,693.5	
<b>II. INTANGIBLE ASSETS</b>													
Trademarks, Designs and Other Intangible Assets	443.9	—	0.7	—	<b>444.6</b>	244.5	—	30.0	—	<b>274.5</b>	<b>170.1</b>	199.4	
<b>Sub-Total</b>	443.9	—	0.7	—	<b>444.6</b>	244.5	—	30.0	—	<b>274.5</b>	<b>170.1</b>	199.4	
<b>TOTAL- I + II</b>	8,387.0	—	971.7	8.4	<b>9,350.3</b>	2,494.1	—	561.1	5.3	<b>3,049.9</b>	<b>6,300.4</b>	5,892.9	
<b>Previous Year</b>	7,442.6	(340.9)	1,372.7	87.4	<b>8,387.0</b>	2,080.7	(40.2)	462.7	9.1	<b>2,494.1</b>	<b>5,892.9</b>		
											Capital Work-in-Progress (including advances on capital account)	<b>334.3</b>	319.1
												<b>6,634.7</b>	6,212.0

**NOTES :**

@. Buildings include Rs. 1020 (Previous Year Rs 1020) towards cost of shares in a Co-operative Housing Society.

©. Includes Rs. 13.5 Million (Previous Year Rs. Nil) on account of Impairment.

**As at 31st March, 2008**                      **As at 31st March, 2007**  
Rs in Million                      Rs in Million                      Rs in Million                      Rs in Million

**SCHEDULE 7 : INVESTMENTS****(I) LONG TERM INVESTMENTS (At Cost)****A) Government Securities**

National Savings Certificates Rs. 65,000 (Previous Year Rs. 70,000) (Deposited with Government Authorities)	<b>0.1</b>	0.1
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**B) Trade Investments****Unquoted****In Equity Shares**

Enviro Infrastructure Co. Ltd. 100,000 (Previous Year 100,000) Shares of Rs.10 each fully paid up.	<b>1.0</b>	1.0
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**C) Other Investments****a) In Bonds****Quoted**

US64 Bonds 399,734 (Previous Year 399,734) units of Rs. 100 each Market Value Rs.40.2 Million (Previous Year Rs 39.9 Million)	<b>42.2</b>	42.2
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**Unquoted****National Housing Bank Bonds**

2,180 (Previous Year 5,315) Units of Rs. 10,000 each fully paid	<b>21.8</b>	53.2
Rural Electrification Corporation Ltd Bonds 985 (Previous Year 1,515) Units of Rs.10,000 each fully paid	<b>9.9</b>	15.2

**SCHEDULES TO THE FINANCIAL STATEMENTS**

	As at 31st March, 2008		As at 31st March, 2007	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
<b>b) In Subsidiary Companies</b>				
<b>Quoted</b>				
Caraco Pharmaceutical Laboratories Ltd.USA		<b>303.9</b>		303.9
8,382,666 (Previous Year 8,382,666) fully paid Common Shares of No Par Value Market Value - Rs.5,991.7 Million (Previous Year Rs. 4,400.7 Million)				
<b>Unquoted</b>				
Zao Sun Pharma Industries Ltd. Russia	<b>0.2</b>		0.2	
1,000 (Previous Year 1,000) Shares of Rubles 20 each fully paid				
Sun Pharma Global Inc. BVI	<b>5,065.4</b>		17.6	
1,224,560 (Previous Year 500,000) Shares of US \$ 1 each fully paid				
Sun Pharma Global Inc. BVI	<b>4,481.4</b>		4,481.4	
1,000,000 (Previous Year 1,000,000) 0% Optionally Fully Convertible Debentures of US\$100 each fully paid				
Sun Farmaceutica Ltda, Brazil	<b>5.2</b>		5.2	
336,538 (Previous Year 336,538) quota of Capital Stock of Real (R\$) 1 each fully paid.				
Sun Pharma De Mexico, S.A. DE C.V.	<b>3.3</b>		3.3	
750 (Previous Year 750) Common Shares of no Face Value				
Sun Pharmaceutical Industries Inc.	<b>0.2</b>		0.2	
5,000 (Previous Year 5,000) fully paid Common Stock of \$ 1 Par Value				
Sun Pharmaceutical (Bangladesh) Ltd.				
434,469 (Previous Year 434,469) Ordinary Shares of 100 Takas each fully paid.	<b>36.5</b>		36.5	
Share Application Money	<b>31.6</b>		31.6	
Sun Pharmaceuticals UK Ltd.	—		0.1	
Nil (Previous Year 100) Ordinary Shares of £ 10 each fully paid.				
Sun Pharmaceutical Peru S.A.C.	<b>0.0</b>		0.0	
(Rs. 21,734 (Previous Year Rs.21,734)) 149 (Previous Year 149) Ordinary Shares of Soles 10 each fully paid				
SPI DE Mexico SA DE CV	<b>0.2</b>		0.2	
100 (Previous Year 100) Nominative and free Shares of \$500 Mexican Pesos each fully paid				
OOO "Sun Pharmaceutical Industries" Ltd.	<b>0.1</b>		—	
Par value stock of 49,500 Rubles (Previous Year Nil)				
		<b>9,624.1</b>		4,576.3
<b>c) In Capital of Partnership Firm</b>				
Sun Pharma Exports*	<b>3.7</b>		8.9	
Sun Pharmaceutical Industries**	<b>7,411.9</b>	<b>7,415.6</b>	4,392.0	4,400.9
<b>d) In Equity Shares</b>				
Ramin Developers Pvt Ltd		<b>2.1</b>		2.1
200 (Previous Year 200) Equity Shares of Rs.100 each fully paid (pending registration)				

**SCHEDULES TO THE FINANCIAL STATEMENTS**

	As at 31st March, 2008		As at 31st March, 2007	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
<b>e) In Mutual Fund (Units of Face Value of Rs. 10 Each)</b>				
<b>Unquoted</b>				
ABN Amro Asset Management-ABN				
Amro Fixed Term Plan-Series1-Regular- Growth Plan		—		50.0
Nil (Previous Year 5,000,000) Units				
Principal Mutual Fund "Principal Pnb Fixed				
Maturity Plan-460 Dys-Series I Growth Plan-Feb-06		—		400.0
Nil (Previous Year 40,000,000) Units				
Standard Chartered Mutual Fund "G134 GFMP-20 <sup>th</sup> Plan "-Growth		—		500.0
Nil (Previous Year 50,000,000) Units				
Lotus Mutual Fund- Z411G FMP-16 Month-Series I-Ins-Growth		50.0		50.0
5,000,000 (Previous Year 5,000,000) Units				
<b>Total (I)</b>		<b>17,470.7</b>		<b>10,394.9</b>
<b>(II) CURRENT INVESTMENTS (At lower of cost and Net realisable value)</b>				
<b>Unquoted</b>				
<b>In Mutual Fund (Units of Face Value of Rs. 10 Each)</b>				
Birla Sun Life Mutual Fund - Birla Cash Plus-Instl.Prem-Growth		465.0		—
36,008,549 (Previous Year Nil) Units				
Deutsche Mutual Fund-DWS Insta Cash Plus Fund Super Instl-Growth		500.0		—
47,733,152 (Previous Year Nil) Units				
Principal Mutual Fund "Principal Cash Management Fund -Liquid				
Option Inst.Prem Plan-Growth"		—		100.0
Nil (Previous Year 8,561,204) Units				
Lotus Mutual Fund- Z212G Liquid Fund-Ins Plus Growth		—		80.0
Nil (Previous Year 7,780,057) Units				
<b>Total (II)</b>		<b>965.0</b>		<b>180.0</b>
<b>Total (I+II)</b>		<b>18,435.7</b>		<b>10,574.9</b>
<b>AGGREGATE VALUE OF INVESTMENT</b>				
	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Quoted	346.1	6,031.9	346.1	4,440.6
Unquoted	18,089.6		10,228.8	
<b>*Partners</b>	<b>Share</b>	<b>Capital</b>		<b>Capital</b>
Sun Pharmaceutical Industries Limited.	80%	3.7		8.9
Sholapur Organics Private Limited. Rs 19				
(Previous Year Rs 19)	10%	0.0		0.0
Dilip S. Shanghvi Rs 719				
(Previous Year Rs. 719)	10%	0.0		0.0
<b>**Partners</b>	<b>Share</b>	<b>Capital</b>		<b>Capital</b>
Sun Pharmaceutical Industries Limited.	97.5%	7,411.9		4,392.0
Sun Pharmaceutical Industries				
Key Employees' Benefit Trust	2.5%	410.7		408.5
<b>SCHEDULE 8 : INVENTORIES</b>				
Consumables Stores		131.6		127.4
Stock in Trade				
Raw Materials	1,489.2		1,155.8	
Packing Materials	191.3		140.2	
Finished Goods	805.4		865.3	
Work-in-Progress	1,278.8	3,764.7	1,045.1	3,206.4
		<b>3,896.3</b>		<b>3,333.8</b>

**SCHEDULES TO THE FINANCIAL STATEMENTS**

	As at 31st March, 2008		As at 31st March, 2007	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
<b>SCHEDULE 9 : SUNDRY DEBTORS</b>				
(Unsecured-Considered Good, unless stated otherwise)				
(refer note B.12 ( i ) of Schedule 21)				
Over Six Months				
Considered Good		498.6		357.2
Considered Doubtful	91.1		64.6	
Less: Provision for Doubtful Debts	91.1	—	64.6	—
Other Debts		10,055.8		5,291.5
		<u>10,554.4</u>		<u>5,648.7</u>
<b>SCHEDULE 10 : CASH AND BANK BALANCES</b>				
Cash / Cheques on hand		2.2		3.6
Balances with Banks				
Schedule Banks				
Current Accounts	227.7		349.4	
Deposit Accounts {Pledged Rs. 1.8 Million (Previous Year Rs.1.8 Million)}	9,150.5	9,378.2	9,725.3	10,074.7
Other Banks (refer note B.14 of Schedule 21)				
Current Accounts	3.0		3.9	
Deposit Accounts	1,340.8	1,343.8	1,944.6	1,948.5
		<u>10,724.2</u>		<u>12,026.8</u>
<b>SCHEDULE 11 : OTHER CURRENT ASSETS</b>				
Interest accrued on - Investment		5.8		6.8
- Bank Deposits		252.0		268.6
- Loan to Subsidiaries (refer note B.15 ( b ) of Schedule 21)		—		51.6
		<u>257.8</u>		<u>327.0</u>
<b>SCHEDULE 12 : LOANS AND ADVANCES</b>				
(Unsecured-Considered Good, unless stated otherwise)				
Advances and loans to subsidiaries (refer note B.15 (a) of Schedule 21)		1,061.1		1,529.8
Loan to Employees / Others		69.7		80.6
Advances Recoverable in Cash or in Kind or for Value to be received				
Considered Good		722.5		207.4
Considered Doubtful	9.5		9.5	
Less: Provision for Doubtful Advances	9.5	—	9.5	—
Advances to Suppliers		415.6		266.4
Balances with Central Excise and Customs		585.0		498.8
DEPB and Advance Licence		131.2		141.8
Other Deposits		70.5		63.3
Advance Payment of Income Tax		563.1		298.7
{Net of Provisions Rs. 453.5 Million (Previous Year Rs.193.4 Million)}		<u>3,618.7</u>		<u>3,086.8</u>



**SCHEDULES TO THE FINANCIAL STATEMENTS**

	Year ended 31st March, 2008		Year ended 31st March, 2007	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
<b>SCHEDULE 17 : INDIRECT TAXES</b>				
Sales Tax		648.7		516.3
		<u>648.7</u>		<u>516.3</u>
<b>SCHEDULE 18 : PERSONNEL COST</b>				
Salaries, Wages, Bonus and Benefits		1,019.4		831.4
Contribution to Provident and Other Funds		81.3		63.3
Staff Welfare Expenses		101.3		94.5
		<u>1,202.0</u>		<u>989.2</u>
<b>SCHEDULE 19 : OPERATING AND OTHER EXPENSES</b>				
Stores and Spares Consumed		204.9		151.4
Manufacturing Charges		195.4		129.5
Power and Fuel		373.6		310.9
Rent		4.3		3.9
Rates and Taxes		9.7		9.2
Insurance		15.7		21.5
Selling and Distribution		1,033.6		711.0
Commission and Discount		215.7		203.2
Repairs				
Building	22.2		21.0	
Plant and Machinery	156.7		121.3	
Others	48.9	227.8	31.8	174.1
Printing and Stationery		22.7		19.6
Travelling and Conveyance		91.3		73.9
Overseas Travel and Export Promotion		602.5		463.5
Communication		36.8		38.2
Provision for Doubtful Debts		26.4		29.8
Sundry Balances/Bad Debts written off (Net)		—		0.4
Professional and Consultancy		97.7		64.8
Donations		10.3		0.5
Loss on Sale of Fixed Assets		0.7		—
Excise duty on stock (.)		(28.7)		27.1
Auditors' Remuneration (net of service tax )				
As Auditor	5.1		4.7	
Other Services	0.1		0.1	
Out of Pocket Expenses	0.1	5.3	0.1	4.9
Miscellaneous expenses		109.4		140.3
		<u>3,255.1</u>		<u>2,577.7</u>

(.) represents the difference between excise duty on opening and closing stock of finished goods.

**SCHEDULES TO THE FINANCIAL STATEMENTS**

	Year ended 31st March, 2008		Year ended 31st March, 2007	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
<b>SCHEDULE 20 : RESEARCH AND DEVELOPMENT EXPENDITURE</b>				
Salaries, Wages, Bonus and Benefits		<b>200.0</b>		213.4
Contribution to Provident and Other Funds		<b>10.4</b>		11.9
Staff Welfare Expenses		<b>23.2</b>		30.9
Raw Material, Stores and Spares Consumed		<b>323.8</b>		420.2
Power and Fuel		<b>12.2</b>		12.5
Rates and Taxes		<b>4.9</b>		3.3
Insurance		<b>2.7</b>		5.5
Repairs				
Building		<b>12.8</b>		7.7
Plant and Machinery		<b>35.4</b>		35.0
Others		<b>10.8</b>		7.9
Printing and Stationery		<b>8.7</b>		7.5
Travelling and Conveyance		<b>13.9</b>		15.3
Communication		<b>15.2</b>		11.3
Professional and Consultancy		<b>542.0</b>		570.2
Loss on Sale of Fixed Assets		<b>0.3</b>		0.2
Miscellaneous Expenses		<b>158.7</b>		184.9
		<b>1,375.0</b>		1,537.7
Less				
Interest Income	<b>0.5</b>		0.3	
Realisations from disposal of Product	<b>62.9</b>		—	
Misc. Income	<b>0.9</b>		0.2	
Bad debt Recovered / Sundry balances written Back	<b>0.3</b>		0.9	
Rent Income	<b>—</b>	<b>64.6</b>	0.1	1.5
		<b>1,310.4</b>		1,536.2

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008****SCHEDULE 21 :SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS****A 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 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 Rs.5,000/- or less are depreciated at hundred percent rate on prorata basis 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. Leasehold land is amortised over the period of lease.

**IV Leases**

Assets acquired on finance lease prior to April 1, 2001 are stated at original cost. In consonance with the matching concept, lease terminal adjustment and lease equalisation accounts is created for the assets given on lease, wherever required.

**V Revenue Recognition**

Sales 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 goods. Export sales are recognised on the basis of Bill of lading / Airway bill. Sales includes Sales tax, interest on delayed payments and sales as consignee made on behalf of consignor and are stated net of returns.

**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, stores and spares, work in progress and finished goods are stated at lower of cost (absorption costing) on FIFO basis and net realisable value.

**VIII Research and Development**

All revenue expenditure related to Research and Development are charged to the respective heads in the Profit and Loss Account.

**IX Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rates 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 for the forward contract. The exchange differences arising on settlement / translation are recognised in the Profit and Loss Account.

**X Taxes on Income**

Provision for taxation comprises of Current Tax, Deferred Tax and Fringe Benefit 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 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 virtual certainty that the asset will be realised, in future. The Fringe Benefits tax has been calculated and accounted for in accordance with the provisions of the Income Tax Act, 1961.

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008****XI Employee Benefits**

- (a) The Company's contribution in respect of provident fund is charged to Profit and Loss Account each year.
- (b) The Company's contribution to Life Insurance Corporation of India (LIC) for group gratuity policy is charged to Profit and Loss Account each year. The contribution for Group Gratuity Policy is based on values as actuarially determined and demanded by LIC at the year end. Excess, if any, of the liability as determined on actuarial basis by the independent valuer over contribution to LIC is charged to Profit and Loss Account.
- (c) Liability for accumulated compensated absences of employees is ascertained for on actuarial valuation basis and provided for as per company rules.

**XII 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.

**XIII 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.

**XIV 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 Profit and Loss Account. 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 recoverable amount.

**B NOTES TO FINANCIAL STATEMENTS**

	<b>As at 31st March, 2008</b>	<b>As at 31st March, 2007</b>
	<b>Rs in Million</b>	<b>Rs in Million</b>
<b>1 CONTINGENT LIABILITIES NOT PROVIDED FOR</b>		
Guarantees Given by the bankers on behalf of the Company	<b>68.3</b>	80.2
Corporate Guarantees	<b>101.7</b>	152.2
Letters of Credit for Imports	<b>158.6</b>	232.8
Liabilities Disputed - Appeals filed with respect to :		
Sales Tax	<b>29.4</b>	41.0
Excise Duty	<b>198.7</b>	18.0
Income Tax	<b>147.0</b>	559.9
ESIC Contribution	<b>0.3</b>	0.2
Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, including interest there on, enjoyed by the Company	<b>14.0</b>	14.0
Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme	<b>10.3</b>	10.3
Claims against the Company not acknowledged as debts	<b>3.2</b>	4.5
<b>2 Estimated amount of contracts remaining to be executed on capital account [ net of advances ].</b>	<b>216.5</b>	276.1

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008**

	As at 31st March, 2008		As at 31st March, 2007	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
<b>3 REMUNERATION TO DIRECTORS</b>				
Managerial Remuneration U/s 198 of The Companies Act, 1956				
Salaries and Allowances		24.4		21.2
Contribution to Provident and other Funds		2.5		2.1
Perquisites and Benefits		0.3		0.6
Commission		3.4		3.1
<b>Total</b>		<b>30.6</b>		<b>27.0</b>

Computation of net profit U/s 198 read with Section 309(5) of The Companies Act, 1956 and calculation of commission payable to directors

Profit Before Taxation		10,522.0		6,405.4
Add : Depreciation as per Accounts	561.1		462.7	
Loss on Sale of Fixed Assets	1.4		4.7	
Managerial Remuneration	30.6		27.0	
Directors Sitting Fees	0.2		0.2	
Sundry Balances Written Off / Bad Debts Written off	9.3		7.9	
Provision for doubtful debt / Advances	26.4	629.0	29.8	532.3
Less: Depreciation as per Section 350 of Companies Act 1956	561.1		462.7	
Profit on Sale of Fixed Assets	0.4		114.9	
Profit on Sale of Investments	129.5		52.0	
Sundry Balances Written Back	21.5		8.4	
		712.5		638.0
Net Profit		10,438.5		6,299.7
Salaries, Perquisites and Commission @ 1% of the above		104.4		63.0

**4 RESEARCH AND DEVELOPMENT EXPENDITURE**

Revenue		1,310.4		1,536.3
Capital		133.5		346.5

**5 Interest income Rs.1069.0 Million (Previous Year Rs. 1035.3 Million) {includes interest income of Rs. 1093.9 Million (Previous Year Rs.968.1 Million) on bank deposits, Rs. 4.8 Million (Previous Year Rs. 136.7 Million) on loan and Rs. 20.9 Million (Previous Year Rs. 18.5 Million) others} is net of interest expense as under :**

Fixed Loans		46.9		85.4
Others		3.7		2.6
		50.6		88.0

**6 INFORMATION RELATING TO CONSUMPTION OF MATERIALS**

	Quantity	Value	Quantity	Value
Raw Materials and Packing Materials				
Raw Materials- (in '000 KGs)	13,391.1	5,552.4	12,763.8	4,639.5
Raw Materials-(In Kilo Litres)	26,340.0		26,331.5	
Packing/Other Materials	*	310.6	*	270.0
<b>Total</b>		<b>5,863.0</b>		<b>4,909.5</b>

\*Information can not be furnished as the items involved are numerous.

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

	%	Value	%	Value
Imported and Indigenous				
Raw Materials and Packing Materials				
Imported	40.06	2,348.9	39.27	1,927.7
Indigenous	59.94	3,514.1	60.73	2,981.8
<b>Total</b>	<b>100.00</b>	<b>5,863.0</b>	<b>100.00</b>	<b>4,909.5</b>
Stores and Spares				
Imported	1.12	2.3	0.57	0.9
Indigenous	98.88	202.6	99.43	150.5
<b>Total</b>	<b>100.00</b>	<b>204.9</b>	<b>100.00</b>	<b>151.4</b>

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008****7 INFORMATION RELATING TO LICENSED CAPACITY AND PRODUCTION**

	As at 31st March, 2008	As at 31st March, 2007
Tablets/Capsules/Parenterals/Ointments (Nos in Million)		
Licensed Capacity	<b>Not Applicable</b>	Not Applicable
Installed Capacity*	<b>6,506.7</b>	6,217.8
Actual Production (including loan license)	<b>1,540.8</b>	1,082.3
Bulk Drugs/Chemicals		
Licensed Capacity	<b>Not Applicable</b>	Not Applicable
Installed Capacity* (In Kilo Litres)	<b>1,027.8</b>	994.8
Actual Production (including loan license) (In '000 Kgs)	<b>2,161.5</b>	1,994.1
(*as certified by the Management)		

**8 INFORMATION RELATING TO TURNOVER, PURCHASE OF GOODS AND STOCKS****Rs in Million**

	Turnover		Purchase of Goods		Opening Stock		Closing Stock	
	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.
Formulations (Qty Million)								
<b>2007-08</b>	<b>4,538.5</b>	<b>19,565.2</b>	<b>3,014.2</b>	<b>9,527.6</b>	<b>138.2</b>	<b>260.9</b>	<b>154.7</b>	<b>303.0</b>
2006-07	3,804.8	12,658.3	2,729.0	7,055.6	131.7	232.4	138.2	260.9
Bulk Drugs/Chemicals (Qty in '000 Kgs)								
<b>2007-08</b>	<b>2,143.5</b>	<b>4,647.0</b>	<b>0.0</b>	<b>3.1</b>	<b>141.6</b>	<b>604.4</b>	<b>159.6</b>	<b>502.4</b>
2006-07	2,006.9	4,540.7	0.5	16.7	153.9	355.1	141.6	604.4
Others								
<b>2007-08</b>		<b>61.3</b>		<b>47.5</b>		—		—
2006-07		22.3		12.1		—		—
Total								
<b>2007-08</b>		<b>24,273.5</b>		<b>9,578.2</b>		<b>865.3</b>		<b>805.4</b>
2006-07		17,221.3		7,084.4		587.5		865.3

**9 INCOME/EXPENDITURE IN FOREIGN CURRENCY**

	Year ended 31st March, 2008	Year ended 31st March, 2007
	Rs in Million	Rs in Million
Income		
Exports (FOB basis)	<b>8,064.5</b>	4,805.6
Interest	<b>886.2</b>	412.4
Dividend Income	—	13.8
Expenditure		
Raw Materials (CIF basis)	<b>2,329.3</b>	2,025.7
Packing Materials (CIF basis)	<b>135.1</b>	93.3
Capital Goods (CIF basis)	<b>194.4</b>	590.0
Spares and Components (CIF basis)	<b>22.0</b>	83.0
Professional Charges	<b>538.2</b>	566.7
Interest	<b>45.8</b>	84.4
Overseas Travel	<b>53.2</b>	55.1
Others	<b>417.1</b>	418.7

**10** The net exchange gain of Rs 169.0 Million (Previous Year gain of Rs.386.1 Million) is included in the net profit for the year.

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008**

11 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium 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.

**12 Disclosure with respect to Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 :**

(i) **Accounting Standard (AS-18) on Related Party Disclosure - as per Annexure 'A' annexed.**

(ii) **Accounting Standard (AS-20) on Earnings Per Share**

	Year ended 31st March, 2008 Rs in Million	Year ended 31st March, 2007 Rs in Million
Profit After Tax	10,140.4	6,289.3
Less: Dividend on Preference Shares	0.5	0.8
Less: Corporate Dividend Tax on Preference Shares	0.1	0.1
Profit used as Numerator for calculating Earnings per share	<u>10,139.8</u>	<u>6,288.4</u>
Weighted Average number of Shares used in computing basic earnings per share	199,159,782	187,898,580
Add: Potential number of equity shares that could arise on exercise of Options on Zero Coupon convertible Bonds- due 2009 -Nil (Previous year 13,714,360)	—	13,714,360
Weighted average number of shares used in computing diluted earnings per share	207,116,391	201,612,940
Nominal Value Per Share (in Rs.)	5	5
Basic Earnings Per Share (in Rs.)	50.9	33.5
Diluted Earnings Per Share (in Rs.)	49.0	31.2

(iii) **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 )

Sales India	15,660.1	12,238.4
Sales Outside India	8,613.4	4,982.9
Total Sales	<u>24,273.5</u>	<u>17,221.3</u>

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

(iv) **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 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 Rs. 66.8 Million (Previous year Rs. 59.8 Million)

	Year ended 31st March 2008 Rs in Million	Year ended 31st March 2007 Rs in Million
Contribution to Provident Fund	63.8	57.4
Contribution to Employees State Insurance Scheme (E.S.I.C.)	2.9	2.3
Contribution to Labour Welfare Fund	0.1	0.1

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008**

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 and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the 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 Profit and Loss account.

**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 respect of gratuity (funded):

	<b>Rupees in Million (Dr/ (Cr))</b>	
	<b>Year ended</b>	
	<b>31st March, 2008</b>	<b>31st March, 2007</b>
<b>Reconciliation of liability recognised in the Balance sheet</b>		
Present value of commitments (as per Actuarial Valuation)	<b>(106.4)</b>	(75.0)
Fair value of plan assets	<b>104.0</b>	83.5
Net liability in the Balance sheet	<b>(2.4)</b>	—
<b>Movement in net liability recognised in the Balance sheet</b>		
Net liability as at the beginning of the year	—	—
Net expense recognised in the Profit and Loss account	<b>23.7</b>	21.6
Contribution during the year	<b>(21.3)</b>	(21.6)
Net liability as at the year end	<b>2.4</b>	—
<b>Expense recognised in the Profit and Loss account</b>		
Current service cost	<b>10.8</b>	11.2
Interest cost	<b>6.0</b>	5.8
Expected return on plan assets	<b>(6.7)</b>	(4.9)
Actuarial (gains)/ losses	<b>22.1</b>	(9.9)
Expense charged to the Profit and Loss account	<b>32.2</b>	2.2
<b>Return on plan assets</b>		
Expected return on plan assets	<b>6.7</b>	4.9
Actuarial (gains)/ losses	<b>(2.4)</b>	(1.2)
Actual return on plan assets	<b>9.1</b>	6.1
<b>Reconciliation of defined-benefit commitments</b>		
Commitments as at the beginning of the year	<b>75.0</b>	72.6
Current service cost	<b>10.8</b>	11.2
Interest cost	<b>6.0</b>	5.8
Paid benefits	<b>(9.9)</b>	(6.0)
Actuarial (gains)/ losses	<b>24.5</b>	(8.7)
Commitments as at the year end	<b>106.4</b>	75.0
<b>Reconciliation of plan assets</b>		
Plan assets as at the beginning of the year	<b>83.5</b>	61.7
Expected return on plan assets	<b>6.7</b>	4.9
Contributions during the year	<b>21.3</b>	21.6
Paid benefits	<b>(9.9)</b>	(6.0)
Actuarial (gains)/ losses	<b>(2.4)</b>	(1.2)
Plan assets as at the year end	<b>104.0</b>	83.5

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	<b>8.00%</b>	8.00%
Expected return on plan assets	<b>8.00%</b>	8.00%
Expected rate of salary increase	<b>6.00%</b>	5.25%
Mortality	<b>LIC (1994-96) Ultimate</b>	

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008**

Pursuant to the scheme of demerger, an amount of Rs 0.9 Million was transferred from gratuity fund of Sun Pharmaceutical Industries Limited Employee's Gratuity Fund to Sun Pharma Advanced Research Company Limited Employee's Gratuity Fund.

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

As, this is the second year in which the AS-15 has been applied, the amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets for the previous four years have not been furnished.

**(v) Accounting Standard (AS-19) on Operating Leases**

(a) 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 license, 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.

(b) Lease payments are recognised in the Profit and Loss Account under "Rent" in Schedule 19.

<b>13 Investment Purchased and Sold during the Year</b>		<b>As at 31st March, 2008</b>		<b>As at 31st March, 2007</b>		
<b>Mutual Fund Units (Units of Face Value of Rs. 10 Each, unless stated otherwise)</b>	<b>Units In Nos</b>	<b>Purchase Value Rs in Million</b>	<b>Sales Value Rs in Million</b>	<b>Units In Nos</b>	<b>Purchase Value Rs in Million</b>	<b>Sales Value Rs in Million</b>
<b>In Liquid Scheme</b>						
ABN Amro Mutual Fund	29,877,263	300.0	302.5	—	—	—
Birla Sun Life Mutual Fund	530,382,646	6,880.0	6,888.5	—	—	—
BOB Mutual Fund	2,550,834	35.0	35.0	—	—	—
Reliance Mutual Fund	23,437,866	250.0	251.7	—	—	—
Deutsche Mutual fund	22,438,611	265.0	265.3	60,781,830	650.1	652.4
Fidelity Mutual Fund	21,534,774	230.0	230.3	25,000,000	250.0	250.5
Franklin Templeton Investments (.)	—	—	—	10,870	20.0	20.0
HDFC Mutual Fund	80,692,746	1,070.0	1,080.2	3,901,783	58.0	58.0
ING Vysya Mutual Fund	—	—	—	9,751,994	107.2	107.3
JP Morgan Asset Management	—	—	—	12,000,000	554.8	554.8
Lotus India Mutual Fund	28,425,865	300.0	302.8	40,930,056	412.5	414.4
Principal Mutual Fund	138,527,790	1,645.5	1,646.9	376,975,628	4,312.0	4,318.2
Prudential Mutual Fund	1,489,309,956	17,057.3	17,070.7	937,946,016	9,851.2	9,873.6
Sahara Mutual Fund (.)	—	—	—	7,924	10.0	10.0
Standard Chartered Mutual Fund (.)	278,649	300.0	300.6	701,536	707.5	709.4
Tata Mutual fund (.)	206,995	300.0	301.0	95,093	100.0	100.4
UTI Mutual Fund	—	—	—	36,470,630	930.0	931.2

(.) Units of Face Value of Rs.1,000 Each

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008**

14 Balances with Other Banks held in:	(Rs.in Million)		(Rs.in Million)	
	Name of the Bank/Institution	Balance As at 31st March, 2008	Maximum Balance 2007-08	Balance As at 31st March, 2007
JPMorgan Chase Bank N.A-Florida (Previous Year Rs. 15,296)	—	—	—	0.0
UBS AG Wealth Management-London Rs.7,328 (Previous Year Rs. 1,788)	0.0	37.0	0.0	38.6
Credit Agricole (Suisse) S.A.Private Bank	345.4	867.1	867.1	1,414.9
Deutsche Bank AG London	995.5	1,077.5	1,077.5	1,116.0
Vietnam Export Import Bank,Hochiminch Branch, Vietnam	0.1	17.1	1.3	12.4
Standard Chartered, Shanghai Branch, China	1.1	14.5	0.5	4.8
Moscow Bank,Moscow Branch,Moscow	0.9	24.5	1.7	11.8
Belvnesheconom Bank, Minsk Branch, Belarus Rs. 25,035 (Previous Year Rs. 34,308)	0.0	9.8	0.0	3.2
Tsesna Bank,Almaty Branch, Kazakhstan (Previous Year Rs. 3,026)	0.8	6.8	0.0	6.5
Ukreixm Bank, Kyiv Branch,Ukraine Rs. 9,875	0.0	5.4	0.4	2.2
<b>Total</b>	<b>1,343.8</b>		<b>1,948.5</b>	

**15 a) Loans / Advances due from Subsidiaries****Loans**

Sun Pharma Global Inc. BVI	—	—	—	2,918.7
Sun Pharmaceutical Peru SA	—	—	—	1.1
Sun Farmaceutica LTDA Brazil	—	—	—	18.3
Sun Pharmaceutical UK Limited	0.1	0.7	0.1	0.7

**Advances**

Share Application Money to Sun Pharma Global Inc. BVI	1,007.4	3,789.9	1,469.7	1,469.8
Sun Pharma De Mexico Sociedao Anonina Limited	53.6	60.0	60.0	60.0
<b>Total</b>	<b>1,061.1</b>		<b>1,529.8</b>	

**b) Accrued Interest due from Subsidiaries**

Sun Pharma Global Inc. BVI	—	51.6	51.6	129.1
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**16** 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.

**17** As per the terms of the issue, the holders of Zero Coupon Foreign Currency Convertible Bonds (FCCBs) of a face value of US \$ 1000 aggregating to US \$ 350 Million have an option to convert FCCBs into Equity Share at an initial conversion rate of Rs. 729.30 per Equity share at a fixed exchange rate conversion of Rs. 45.01 = US \$ 1, from December 26, 2004 to November 16, 2009. The conversion price will be subject to certain adjustment. Further, under certain conditions the company has an option for early redemption in whole but not in part, at any time on or after November 26, 2007.

As at the year end whole of Rs. 15,753.5 Million (Previous Year Rs. 5,751.6 Million) US\$ 350.0 Million (Previous Year US\$ 127.8 Million) worth of FCCB's were converted into 21,600,761 (Previous Year 7,886,490) equity shares, upon conversion option exercised by the FCCB holders.

**18** During the year, in terms of approval by the shareholders of the Company in the Annual General Meeting, the authorised share capital of Rs.1,500.0 Million was reclassified and divided into 295,000,000 Equity Shares of Rs.5 each and 25,000,000 Preference Shares of Re. 1 each.

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008**

- 19** During the year Alkaloida Chemical Company Exclusive Group Limited (Alkaloida), a subsidiary of the company has made a strategic investment of Rs.3,878.8 Million in Taro Pharmaceutical Industries Limited (Taro) a pharmaceutical company based in Israel. On May 28, 2008 the Company has received a notice from Taro informing purported termination of its merger agreement between the two. However, Alkaloida does not foresee any adverse impact on its investment.
- 20** As per the best estimate of the management, no provision is required to be 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.
- 21** 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, 2008

Currency	Buy/Sell	Cross Currency	Amount in Million	
			As at 31st March, 2008	As at 31st March, 2007
US Dollar	Sell	Rupees	—	\$220.0

- B) Principal only Swaps to hedge against fluctuations in exchange rate changes :

Currency	Year ended 31st March 2008		Year ended 31st March 2007	
	No. of Contracts	—	—	1
Notional Principal	US Dollar	—	\$20.0 Million	

- C) Currency Swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate and interest rate changes- Nil (Previous Year Nil)
- D) 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, 2008		As at 31st March, 2007	
		Amount in Million	Amount in Million	Amount in Million	Amount in Million
Exports of Goods & Services	US Dollar	\$96.9	INR 3,860.2	—	—
CHF 11,395 (Previous Year CHF 2,220)	Swiss Franc	CHF 0.0	INR 0.5	CHF 0.0	INR 0.1
	Euro	€ 0.4	INR 27.4	€ 0.6	INR 34.7
	XOF	XOF 27.4	INR 2.7	—	—
Loans Receivable					
£ 1,404 (Previous Year £ 9,025)	British Pound	£ 0.0	INR 0.1	£ 0.0	INR 0.8
Interest Receivable	US Dollar	—	—	\$1.2	INR 51.6

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

Interest Payable	US Dollar	\$0.4	INR 17.6	\$0.5	INR 20.8
Loans Payable	US Dollar	\$20.0	INR 796.4	\$222.2	INR 9,577.4
Import of Goods & Services	US Dollar	\$17.5	INR 696.7	\$13.5	INR 581.9
	Canadian Dollar	—	—	CAD 0.1	INR 4.8
CHF 7,906 (Previous Year CHF 31,050)	Swiss Franc	CHF 0.0	INR 0.3	CHF 0.0	INR 1.1
	Euro	€ 0.3	INR 17.8	€ 0.8	INR 43.5
£ 24,210 (Previous Year £ 43,547)	British Pound	£ 0.0	INR 1.9	£ 0.0	INR 3.7
	Japanese Yen	JPY 0.5	INR 0.2	JPY 6.0	INR 2.2
	New Israeli Sheqel	NIS 0.2	INR 2.0	—	—

- 22** Previous years' figures are restated / regrouped / rearranged wherever necessary in order to confirm to current years' groupings and classifications.

**ANNEXURE 'A' TO NOTES ON ACCOUNT****ACCOUNTING STANDARD (AS-18) "RELATED PARTY DISCLOSURE"**

Rs 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	
	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07
<b>Purchases of goods / DEPB</b>	<b>109.4</b>	<b>99.6</b>	<b>9,669.6</b>	<b>7,114.0</b>	—	—	—	—	—	0.0	<b>9,779.0</b>	<b>7,213.6</b>
Caraco Pharmaceutical Laboratories Ltd	52.1	45.3	—	—	—	—	—	—	—	—	52.1	45.3
Sun Pharmaceutical Industries	—	—	9,669.6	7,114.0	—	—	—	—	—	—	9,669.6	7,114.0
ALKALOIDA Chemical Company exclusive group Limited (Formerly ICN Hungary Ltd)	56.1	52.4	—	—	—	—	—	—	—	—	56.1	52.4
Sun Pharmaceutical Industries - Inc	1.2	1.9	—	—	—	—	—	—	—	—	1.2	1.9
Sun Speciality Chemicals Pvt Ltd (P.Y. Rs.16,224)	—	—	—	—	—	—	—	—	—	0.0	—	0.0
<b>Purchase of Fixed Assets</b>	<b>3.0</b>	—	<b>16.1</b>	—	—	—	—	—	—	—	<b>19.1</b>	—
Sun Pharmaceutical Industries - Inc	3.0	—	—	—	—	—	—	—	—	—	3.0	—
Sun Pharmaceutical Industries	—	—	16.1	—	—	—	—	—	—	—	16.1	—
<b>Sale of goods / DEPB</b>	<b>4,945.7</b>	<b>1,770.2</b>	<b>829.1</b>	<b>727.7</b>	—	—	—	—	<b>7.9</b>	<b>0.2</b>	<b>5,782.7</b>	<b>2,498.1</b>
Caraco Pharmaceutical Laboratories Ltd	4,710.6	1,737.6	—	—	—	—	—	—	—	—	4,710.6	1,737.6
Sun Pharmaceutical Industries	—	—	829.1	727.7	—	—	—	—	—	—	829.1	727.7
Sun Pharmaceutical Industries - Inc	29.1	6.9	—	—	—	—	—	—	—	—	29.1	6.9
Sun Pharma Advanced Research Co. Ltd	—	—	—	—	—	—	—	—	7.5	—	7.5	—
ALKALOIDA Chemical Company exclusive group Limited (Formerly ICN Hungary Ltd)	9.8	—	—	—	—	—	—	—	—	—	9.8	—
Sun Pharma Global Inc - BVI	166.7	—	—	—	—	—	—	—	—	—	166.7	—
Sun Pharmaceutical (Bangladesh) Ltd	1.9	1.5	—	—	—	—	—	—	—	—	1.9	1.5
Sun Farmaceutica Ltda - Brazil	27.6	24.2	—	—	—	—	—	—	—	—	27.6	24.2
Sun Petrochemicals Pvt Ltd	—	—	—	—	—	—	—	—	0.4	0.2	0.4	0.2
<b>Sale of Fixed Assets</b>	—	<b>6.4</b>	<b>0.3</b>	<b>5.4</b>	—	—	—	—	<b>0.1</b>	<b>0.1</b>	<b>0.4</b>	<b>11.9</b>
Caraco Pharmaceutical Laboratories Ltd	—	1.4	—	—	—	—	—	—	—	—	—	1.4
ALKALOIDA Chemical Company exclusive group Limited (Formerly ICN Hungary Ltd)	—	4.0	—	—	—	—	—	—	—	—	—	4.0
Sun Pharmaceutical (Bangladesh) Ltd	—	1.0	—	—	—	—	—	—	—	—	—	1.0
Sun Petrochemicals Pvt Ltd	—	—	—	—	—	—	—	—	0.1	0.1	0.1	0.1
Sun Pharmaceutical Industries	—	—	0.3	5.4	—	—	—	—	—	—	0.3	5.4
<b>Receiving of Service</b>	—	—	<b>6.0</b>	—	—	—	—	—	—	—	<b>6.0</b>	—
Services	—	—	6.0	—	—	—	—	—	—	—	6.0	—
Sun Pharmaceutical Industries	—	—	—	—	—	—	—	—	—	—	—	—
<b>Reimbursement of Expenses</b>	<b>158.9</b>	<b>126.2</b>	—	—	—	—	—	—	—	—	<b>158.9</b>	<b>126.2</b>
Caraco Pharmaceutical Laboratories Ltd	2.8	37.9	—	—	—	—	—	—	—	—	2.8	37.9
Sun Pharmaceutical Industries - Inc	3.5	1.6	—	—	—	—	—	—	—	—	3.5	1.6
Sun Pharma Global Inc - BVI	152.6	86.0	—	—	—	—	—	—	—	—	152.6	86.0
Sun Pharmaceuticals UK Ltd	—	0.7	—	—	—	—	—	—	—	—	—	0.7
Sun Pharmaceutical (Bangladesh) Ltd (C.Y. Rs.6,346)	0.0	—	—	—	—	—	—	—	—	—	0.0	—
Others (P.Y. Rs.2,272)	—	0.0	—	—	—	—	—	—	—	—	—	0.0
<b>Rendering of Service</b>	—	—	—	—	—	—	—	—	<b>0.5</b>	<b>0.5</b>	<b>4.7</b>	<b>5.3</b>
Services	—	—	—	—	—	—	—	—	0.5	0.5	0.5	0.5
Sun Petrochemicals Pvt Ltd	4.2	4.8	—	—	—	—	—	—	—	—	2.1	2.4
Sun Pharma Global Inc - BVI	2.1	2.4	—	—	—	—	—	—	—	—	2.1	2.4
Sun Pharmaceutical Industries - Inc	2.1	2.4	—	—	—	—	—	—	—	—	2.1	2.4
<b>Reimbursement of Expenses</b>	<b>24.2</b>	<b>6.7</b>	<b>0.2</b>	—	—	—	—	—	<b>67.9</b>	<b>0.0</b>	<b>92.3</b>	<b>6.7</b>
Sun Pharmaceutical (Bangladesh) Ltd	—	2.0	—	—	—	—	—	—	—	—	—	2.0
Caraco Pharmaceutical Laboratories Ltd	1.6	—	—	—	—	—	—	—	—	—	1.6	—
Sun Pharmaceutical Industries	—	—	0.2	—	—	—	—	—	—	—	0.2	—
Sun Pharmaceutical Industries - Inc	0.4	3.8	—	—	—	—	—	—	—	—	0.4	3.8
Sun Pharma Advanced Research Co. Ltd	—	—	—	—	—	—	—	—	67.9	—	67.9	—
Sun Petrochemicals Pvt Ltd (P.Y. Rs.9,410)	—	—	—	—	—	—	—	—	—	0.0	—	0.0
Sun Pharma Global Inc - BVI	22.2	0.9	—	—	—	—	—	—	—	—	22.2	0.9
<b>Finance (including loans and equity contributions in cash or in kind)</b>	—	—	—	—	—	—	—	—	—	—	—	—
<b>Capital Contribution / (Withdrawal)</b>	<b>5,047.9</b>	—	<b>7,411.9</b>	<b>4,392.1</b>	—	—	—	—	—	—	<b>12,459.8</b>	<b>4,392.1</b>
Sun Pharmaceutical Industries	—	—	7,411.9	4,392.1	—	—	—	—	—	—	7,411.9	4,392.1
Sun Pharma Global Inc - BVI	5,047.8	—	—	—	—	—	—	—	—	—	5,047.8	—
OOO "Sun Pharmaceutical Industries" Ltd.	0.1	—	—	—	—	—	—	—	—	—	0.1	—
<b>Investments Sales in Subsidiary</b>	<b>0.1</b>	—	—	—	—	—	—	—	—	—	<b>0.1</b>	—
ALKALOIDA Chemical Company exclusive group Limited (Formerly ICN Hungary Ltd)	0.1	—	—	—	—	—	—	—	—	—	0.1	—
<b>Loans given / Share Application Money</b>	<b>1,053.4</b>	<b>8.3</b>	—	—	—	—	—	—	—	—	<b>1,053.4</b>	<b>8.3</b>
Sun Pharma Global Inc - BVI	1,053.3	—	—	—	—	—	—	—	—	—	1,053.3	—
Sun Farmaceutica Ltda - Brazil	—	7.4	—	—	—	—	—	—	—	—	—	7.4
Sun Pharmaceuticals UK Ltd	0.1	—	—	—	—	—	—	—	—	—	0.1	—
Others	—	0.9	—	—	—	—	—	—	—	—	—	0.9
<b>Loans Received back</b>	<b>1.0</b>	<b>3,714.8</b>	—	—	—	—	—	—	—	—	<b>1.0</b>	<b>3,714.8</b>
Sun Pharma Global Inc - BVI	1.0	3,696.3	—	—	—	—	—	—	—	—	1.0	3,696.3
Sun Farmaceutica Ltda - Brazil	—	17.4	—	—	—	—	—	—	—	—	—	17.4
Others	—	1.1	—	—	—	—	—	—	—	—	—	1.1
<b>Corporate Guarantee Given on behalf of</b>	<b>995.5</b>	<b>197.4</b>	—	—	—	—	—	—	<b>125.0</b>	—	<b>1,120.5</b>	<b>197.4</b>
Sun Pharmaceutical Industries - Inc	—	64.7	—	—	—	—	—	—	—	—	—	64.7
Sun Pharma Advanced Research Co. Ltd	—	—	—	—	—	—	—	—	125.0	—	125.0	—
Sun Pharma Global Inc - BVI	995.5	—	—	—	—	—	—	—	—	—	995.5	—
Sun Pharmaceutical (Bangladesh) Ltd	—	132.7	—	—	—	—	—	—	—	—	—	132.7

**ANNEXURE 'A' TO NOTES ON ACCOUNT****ACCOUNTING STANDARD (AS-18) "RELATED PARTY DISCLOSURE"****Rs 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	
	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07
<b>Interest Income</b>	—	130.7	1.1	1.1	—	—	—	—	—	—	1.1	131.8
Sun Pharmaceutical Industries	—	—	1.1	1.1	—	—	—	—	—	—	1.1	1.1
Sun Pharma Global Inc - BVI	—	130.7	—	—	—	—	—	—	—	—	—	130.7
<b>Rent Income</b>	—	—	1.6	1.2	—	—	—	—	—	—	1.6	1.2
Sun Pharmaceutical Industries	—	—	1.6	1.2	—	—	—	—	—	—	1.6	1.2
<b>Others</b>												
Demerger (SPARC LTD)	—	244.9	—	—	—	—	—	—	—	—	—	244.9
<b>Director's Remuneration</b>	—	—	—	—	30.6	27.0	—	—	—	—	30.6	27.0
<b>Apprenticeship Stipend / Remuneration</b>	—	—	—	—	—	—	0.2	—	—	—	0.2	—
<b>Remuneration (Partner's) Received</b>	—	—	401.3	297.9	—	—	—	—	—	—	401.3	297.9
Sun Pharmaceutical Industries	—	—	401.3	297.9	—	—	—	—	—	—	401.3	297.9
<b>Rent Paid</b>	—	—	—	—	—	—	0.3	0.3	—	—	0.3	0.3
<b>Share of profit from Partnership Firm</b>	—	—	7,432.8	5,508.3	—	—	—	—	—	—	7,432.8	5,508.3
Sun Pharmaceutical Industries	—	—	7,432.8	5,508.3	—	—	—	—	—	—	7,432.8	5,508.3
<b>Outstanding Corporate Guarantee to Bank</b>	1,174.7	197.4	—	—	—	—	—	—	125.0	—	1,299.7	197.4
Sun Pharmaceutical Industries - Inc	59.7	64.7	—	—	—	—	—	—	—	—	59.7	64.7
Sun Pharma Global Inc - BVI	995.5	—	—	—	—	—	—	—	—	—	995.5	—
Sun Pharma Advanced Research Co. Ltd	—	—	—	—	—	—	—	—	125.0	—	125.0	—
Sun Pharmaceutical (Bangladesh) Ltd	119.5	132.7	—	—	—	—	—	—	—	—	119.5	132.7
<b>Outstanding receivables / Payables (Net) as on 31/03/2008</b>	2,230.9	512.7	—	—	—	—	—	—	65.8	(0.2)	2,296.7	512.5
Caraco Pharmaceutical Laboratories Ltd	2,167.3	523.4	—	—	—	—	—	—	—	—	2,167.3	523.4
Sun Pharmaceutical Industries - Inc	8.7	7.0	—	—	—	—	—	—	—	—	8.7	7.0
Sun Pharmaceutical (Bangladesh) Ltd	0.1	6.4	—	—	—	—	—	—	—	—	0.1	6.4
Sun Pharma Global Inc - BVI	60.8	—	—	—	—	—	—	—	—	—	60.8	—
Sun Farmaceutica Ltda - Brazil	18.3	9.7	—	—	—	—	—	—	—	—	18.3	9.7
Sun Pharma Advanced Research Co. Ltd	—	—	—	—	—	—	—	—	65.8	—	65.8	—
Sun Speciality Chemicals Pvt Ltd (P.Y. Rs.16,224)	—	—	—	—	—	—	—	—	—	0.0	—	0.0
ALKALOIDA Chemical Company exclusive group Limited (Formerly ICN Hungary Ltd)	(24.3)	(33.8)	—	—	—	—	—	—	—	—	(24.3)	(33.8)
Sun Petrochemicals Pvt Ltd (Rs.24,987/-)	—	—	—	—	—	—	—	—	0.0	(0.2)	0.0	(0.2)

**Note :**

Names of related parties and description of relationship

## 1. Subsidiaries

Sun Pharma Global Inc. BVI.  
Sun Pharmaceutical (Bangladesh) Ltd.  
Sun Pharma De Mexico S.A. DE C.V.  
SPIL De Mexico S.A. DE C.V.  
Sun Pharmaceutical Peru S.A.C.  
Sun Farmaceutica Ltda - Brazil  
Sun Pharmaceutical Industries Inc , USA  
Sun Pharmaceuticals UK Ltd  
ALKALOIDA Chemical Company exclusive group Limited (Formerly ICN Hungary Ltd)  
Zao Sun Pharma Industries Ltd. Russia  
Sun Pharmaceutical Ind (Australia) PTY Ltds  
Aditya Acquisition Company Ltd - Israel  
Sun Development Corporation , USA  
Sun Pharmaceutical Ind. Europe BV  
OOO "Sun Pharmaceutical Industries" Ltd.  
Caraco Pharmaceutical Laboratories Ltd - U.S.A

## 2. Controlled Entity

Sun Pharma Exports  
Sun Pharmaceutical Industries  
Universal Enterprise Pvt Ltd.

## 3. Key Management Personnel

Mr Dilip S. Shanghvi  
Mr Sudhir V Valia  
Mr Sailesh T. Desai

## 4. Relatives of Key Management Personnel

Mrs Vibha Shanghvi  
Mrs Kumud Shanghvi  
Mrs Meera Desai  
Mr Alok Shanghvi

Wife of Chairman and Managing Director  
Mother of Chairman and Managing Director  
Wife of Wholtime Director  
Son of Chairman and Managing Director

## 5. Enterprise under significant Influence of Key Management Personnel or their relatives

Sun Petrochemicals Pvt Ltd  
Sun Speciality Chemicals Pvt Ltd  
Navjivan Rasayan (Gujarat) Pvt Ltd  
Sun Pharma Advanced Research Company Ltd

## Information required as per Part IV of Schedule VI to The Companies Act, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I Registration Details**

Registration No.	Balance Sheet Date	State Code
04/19050	31st March, 2008	04

**II Capital Raised during the year (Rs in Million)**

Public Issue	Right Issue
NIL	68.6*
Bonus Issue	Private Placement
NIL	NIL

\* On Exercise of conversion option by FCCB Holders during the year.

**III Position of Mobilisation and Deployment of Funds (Rs in Million)**

Total Liabilities	Total Assets
44230.8	44230.8
<b>Sources of Funds</b>	Reserves and Surplus
Paid-up Capital	41040.6
1035.6	Unsecured Loans
Secured Loans	796.4
228.8	Investments
<b>Application of Funds</b>	18435.7
Net Fixed Assets	Miscellaneous Expenditure
6634.7	NIL
Net Current Assets	Accumulated Losses
19160.4	NIL

**IV Performance of the Company (Rs in Million)**

Total Income	Total Expenditure
32766.7	22244.7
Profit Before Tax	Profit After Tax
10522.0	10140.4
Earning per share Rs.*	Dividend Rate
50.9	210.00%

\* Basic - after considering pro-rata dividend (including corporate dividend tax) on preference shares.

**V Generic Names of Three Principal Products of the Company (as per monetary terms)**

Item Code No. (ITC Code)	Product Description
30049038	Pantaprazole Sodium
30049065	Metformin Hydrochloride
30033900	Losartan Potassium

For and on behalf of the Board

**DILIP S. SHANGHVI**  
Chairman & Managing Director

**SUDHIR V. VALIA**  
Wholetime Director

**SAILESH T. DESAI**  
Wholetime Director

Mumbai, May 30, 2008

**KAMLESH H. SHAH**  
Company Secretary

Mumbai, May 30, 2008