

## ANNEXURE (1) TO DIRECTOR'S REPORT

	2010-11	2009-10
<b>CONSERVATION OF ENERGY</b>		
<b>A. Power and Fuel Consumption</b>		
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Unit (in '000 KWH)	26,775	43,396
Total Amount ( ₹ in Millions)	151.5	245.8
Rate ( ₹ / Unit)	5.7	5.7
<b>(b) Own Generation through Diesel Generator</b>		
Units (in '000 KWH)	2,702	2,783
Units per Litre of Diesel Oil	3.1	3.0
Cost ( ₹ / Unit)	12.9	11.1
<b>(c) Own Generation through Gas</b>		
Units (in '000 KWH)	45,219	24,852
Units per M <sup>3</sup> of Gas	10.8	10.6
Cost ( ₹ / Unit)	5.5	4.2
<b>2. Furnace Oil</b>		
Quantity (in '000 Litres)	771	2,591
Total Amount ( ₹ in Millions)	20.5	62.7
Average Rate	26.6	24.2
<b>3 Gas (for Steam)</b>		
Gas Units (in '000 M <sup>3</sup> )	6,395	9,891
Total Amount ( ₹ in Millions)	119.8	151.6
Average Rate ( ₹ / Unit)	18.7	15.3
<b>4 Wood / Briquette</b>		
Quantity (in '000 Kgs)	29,008	8,852
Total Amount ( ₹ in Millions)	65.8	19.9
Average Rate ( ₹ / Unit)	2.3	2.2

### B. Consumption per unit of production

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

### C. Energy conservation measures

- 1 Internal and External Energy Audits for improvisation and continuous monitoring of Power Factor.
- 2 ML lamps are replaced by 20 W CFL lamps thereby saving power.
- 3 Energy Efficient Gas fired Boiler installed, steam to fuel ratio improved and therefore reduction in gas consumption.
- 4 Installation of Surface Aerator in Aeration tank – 1 of ETP and stopping of Root Blower hence power saving. Dissolve Oxygen level improved in Aerator tank. Hence improving effectiveness of biodegradation.
- 5 3TPH Briquette fire boiler installed & stopped furnace oil boiler saving of fossil fuel.
- 6 To utilize heat from economizer for Boiler by giving forced circulation instead of existing thermo gradient heat transfer. This saved steam by recovering heat from temp. 160 Deg. C to 120 Deg. C.

## TECHNOLOGY ABSORPTION

### A. Research and Development

#### 1. Specific areas in which R&D is carried out by the Company

Even several years after separating out our innovative research programs, we continue to be one of the most aggressive investors and developers of generic-related pharmaceutical research and technology in the country, with research programs to support our generic business pursued at our modern R&D centres. Our expert scientist team is engaged in complex developmental research projects in process chemistry and dosage forms, including complex generics based on drug delivery systems at these research centres. This research activity supports the short, medium and long term business needs of the company, in India and all the other markets that your company invests in.

Projects in formulation development and process chemistry help us introduce a large number of new and novel products to the Indian market including products with complexity or a technology edge. Process chemistry enables us to be integrated right up to the API stage for important products. This helps us maintain our leadership position in the Indian market with specialty formulations and derive market and cost advantage from APIs developed and scaled up In-house. Further, it helps us to compete in the international regulated markets across US / Europe.

The team also works on projects involving complex drug delivery systems for India. 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 sustained revenue streams.

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

In 2010-11, 38 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 28 API was commercialised. For some of the important API that we already manufacture, processes were streamlined so as to have more energy efficient or cost effective or environment friendly processes. Some of the new processes were 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 this earns valuable foreign exchange and also a reputation for quality and dependability. The company's formulation brands are exported to 40 international markets where a local field force promotes the same.

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

A state of the art bioequivalence facility with a functional capacity of 220 beds with a well equipped, Phase I Clinical unit and ECG Core Laboratory for clinical studies and safety studies and has been expanded to more than 300 beds. Eighteen high capacity LCMS, fully computerised blood chemistry labs capable of comprehensive analysis are being used extensively for biostudies. This facility has been inspected and approved for India and for the US.

	Year ended 31st March, 2011	Year ended 31st March, 2010
	₹ in Million	₹ in Million
<b>4. Expenditure on R&amp;D</b>		
a) Capital	236.1	159.0
b) Revenue	1572.8	1440.8
c) Total	1808.9	1599.8
d) Total R&D expenditure as % of Total Turnover	9.4%	8.8%

## B. Technology Absorption, Adaptation and Innovation

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

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

### 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.
- (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, 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, 2011	Year ended 31st March, 2010
	₹ in Million	₹ in Million
1. Earnings	9005.6	8508.3
2. Outgo	5156.8	4629.0

## 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, 2011, the Profit and Loss Account 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. 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. 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.
4. Further to our comments in the Annexure referred to 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 Profit and Loss Account 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 Profit and Loss Account 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:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - (b) in the case of the Profit and Loss Account, 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.
5. On the basis of written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

Rajesh K Hiranandani  
Partner  
(Membership No. 36920)

## ANNEXURE TO THE AUDITORS' REPORT

### (Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result clauses vi, 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 explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
  - (a) As explained to us, the inventories (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 explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) 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 books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of manufacture of formulation and bulk drug products and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other products of the Company.

(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, Custom Duty, Excise Duty, Cess 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, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 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, Custom Duty and Excise Duty, which have not been deposited as at 31st March, 2011 on account of disputes, are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ In Million)
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Assistant / Deputy / Joint Commissioner	2002-03, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10	31.6
		Tribunal	1997-98, 1998-99, 1999-00, 2000-01, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09	259.5
		High Court	1998-99, 2001-02, 2006-07, 2007-08	1.6
Customs Act, 1962	Custom Duty, Penalty and Interest	Settlement Commission	2000-01	11.5
Sales Tax Act (Various States)	Sales Tax, Interest and Penalty	Assistant / Deputy / Joint Commissioner	1994-95, 1998-99, 1999-00, 2000-01, 2002-03	4.7
		Tribunal	1998-99, 2001-02, 2002-03, 2003-04, 2004-05	2.9
		High Court	1981-82 to 1985-86, 2003-04	14.5
Income Tax Act, 1961	Income tax and Interest	Tribunal	1996-97, 2002-03	0.9
		Commissioner	1997-98	8.4
Wealth Tax Act, 1957	Wealth tax	Commissioner	2003-04, 2004-05, 2008-09	0.2
Employee State Insurance Act, 1948	Contribution and Interest	Appellate authority	1987 to 1992	0.2
Drugs (Price Control) Order, 1979	Drug Price Equilisation Account liability and interest	Drug Prices Liability Review Committee	1981-1987	14.0

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



- (x) The Company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) 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.
- (xii) 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.
- (xiii) 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.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Rajesh K Hiranandani  
Partner  
(Membership No. 36920)

**MUMBAI**, 28th May, 2011

## BALANCE SHEET

AS AT 31ST MARCH, 2011

Schedule	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	1,035.6	1,035.6	
Reserves and Surplus	2	65,769.7	56,144.2	57,179.8
<b>Loan Funds</b>				
Secured Loans	3	505.3		294.9
<b>Deferred Tax Liability (Net)</b>	4	<b>1,285.1</b>		<b>1,153.3</b>
<b>TOTAL</b>		<b>68,595.7</b>		<b>58,628.0</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	5	12,687.6	11,597.6	
Less: Depreciation / Amortisation / Impairment		4,743.7	4,192.4	
Net Block		7,943.9	7,405.2	
Capital Work-in-Progress (including advances on capital account)		2,280.6	921.5	8,326.7
<b>Investments</b>	6	<b>36,014.2</b>		<b>40,516.9</b>
<b>Current Assets, Loans and Advances</b>				
Inventories	7	6,182.6	5,701.4	
Sundry Debtors	8	5,426.2	5,532.9	
Cash and Bank Balances	9	12,509.0	888.7	
Other Current Assets	10	183.7	57.9	
Loans and Advances	11	5,525.8	3,661.3	
		29,827.3	15,842.2	
<b>Less: Current Liabilities and Provisions</b>	12	<b>7,470.3</b>	<b>6,057.8</b>	
Current Liabilities		3,139.3	2,633.0	
Provisions		4,331.0	3,424.8	
<b>Net Current Assets</b>		<b>22,357.0</b>		<b>9,784.4</b>
<b>TOTAL</b>		<b>68,595.7</b>		<b>58,628.0</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS</b>				
Schedules referred to herein form an integral part of the Financial Statements.	19			

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**RAJESH K. HIRANANDANI**  
Partner

Mumbai, 28th May, 2011

**S. KALYANASUNDARAM**  
Wholetime Director & CEO

**SUNIL R. AJMERA**  
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, 28th May, 2011





# PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>INCOME</b>				
Income from Operations				
Gross Sales	19,857.8		18,528.8	
Less: Excise Duty	526.6		450.3	
Net Sales	19,331.2		18,078.5	
Other Operating Income	13	11,715.8	6,776.6	
		31,047.0	24,855.1	
Other Income	14	1,941.7	1,229.3	26,084.4
<b>EXPENDITURE</b>				
Cost of Materials / Goods	15	8,969.3	8,152.9	
Personnel Cost	16	2,140.6	1,747.1	
Operating and Other Expenses	17	5,340.4	4,720.4	
Research and Development Expenditure	18	1,355.9	1,277.7	
Depreciation / Amortisation / Impairment		642.3	694.7	16,592.8
		18,448.5		
<b>PROFIT BEFORE TAXATION</b>				
		14,540.2		9,491.6
Provision for Taxation - Current Tax		570.4	526.0	
- Deferred Tax Charge / (Credit) (Net)		131.8	(20.9)	505.1
<b>PROFIT AFTER TAX</b>				
		13,838.0		8,986.5
<b>BALANCE OF PROFIT BROUGHT FORWARD</b>				
		18,891.5		16,225.9
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>				
		32,729.5		25,212.4
<b>APPROPRIATIONS</b>				
Proposed Dividend		3,624.5	2,847.9	
Corporate Dividend Tax		588.0	473.0	3,320.9
Transfer to General Reserve		5,000.0		3,000.0
<b>BALANCE OF PROFIT CARRIED TO BALANCE SHEET</b>				
		23,517.0		18,891.5
<b>EARNINGS PER SHARE (refer note B.12 (ii) of Schedule 19)</b>				
Basic & Diluted ( ₹ )		13.4		8.7
Face Value per Equity share - ₹1				
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS</b>				
19				
Schedules referred to herein form an integral part of the Financial Statements.				

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**RAJESH K. HIRANANDANI**  
Partner

Mumbai, 28th May, 2011

**S. KALYANASUNDARAM**  
Wholetime Director & CEO

**SUNIL R. AJMERA**  
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, 28th May, 2011

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31st March, 2011	Year ended 31st March, 2010
	₹ in Million	₹ in Million
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit Before Tax	14,540.2	9,491.6
Adjustments for:		
Depreciation / Amortisation / Impairment	642.3	694.7
Interest Expense	5.9	4.4
Interest Income	(1,265.2)	(1,052.9)
Dividend Income (₹ 2,820)	(0.0)	(0.1)
(Profit) / Loss on Fixed Assets Sold (net)	4.5	(6.3)
(Profit) / Loss on sale of Investments	(393.1)	334.8
Bad Debt Written off / (back) (net)	(1.6)	19.3
Sundry Balance Written off / (back) (net)	2.3	(19.8)
Provision for employee benefits	14.6	14.8
Unrealised Foreign Exchange (Gain) / Loss	(62.6)	276.9
<b>Operating Profit Before Working Capital Changes</b>	<b>13,487.3</b>	<b>9,757.4</b>
<b>Adjustments for Changes In Working Capital:</b>		
Decrease in Sundry Debtors	88.9	1,147.3
Increase in Other Receivables	(446.6)	(39.1)
Increase in Inventories	(481.2)	(834.0)
Increase / (Decrease) in Trade and Other Payables	397.0	(3,083.7)
<b>Cash Generated From Operations</b>	<b>13,045.4</b>	<b>6,947.9</b>
Taxes Paid	(736.1)	(487.9)
<b>Net Cash Generated From Operating Activities</b>	<b>12,309.3</b>	<b>6,460.0</b>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets and Capital Work in Progress (including Capital Advances)	(2,452.8)	(1,268.6)
Proceeds From Sale of Fixed Assets	5.3	47.0
Proceeds From Sale of Investments	126,346.8	156,923.2
Purchase of Investments	(122,944.6)	(169,335.4)
Margin Money and Fixed Deposit with Banks	(12,003.7)	11,784.4
Short Term Loans / Inter Corporate Deposits Received back / (given) (net)	(1,147.8)	(1,114.6)
Interest Received	1,139.4	1,376.3
Dividend Received (₹ 2,820)	0.0	0.1
<b>Net Cash Used in Investing Activities</b>	<b>(11,057.4)</b>	<b>(1,587.6)</b>
<b>C. Cash Flow From Financing Activities:</b>		
Increase in Cash Credit facility	210.4	58.9
Interest Paid	(5.9)	(4.4)
Dividend Paid	(2,841.0)	(2,843.9)
Corporate Dividend Tax Paid	(473.0)	(484.0)
<b>Net Cash used in Financing Activities</b>	<b>(3,109.5)</b>	<b>(3,273.4)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(1,857.6)</b>	<b>1,599.0</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>2,079.1</b>	<b>480.1</b>
<b>Cash and Cash Equivalents as at the year end</b>	<b>221.5</b>	<b>2,079.1</b>



## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31st March, 2011	Year ended 31st March, 2010
	₹ in Million	₹ in Million
<b>Cash and Cash Equivalents Comprise:</b>		
Cash and Cheques on hand and balances with Scheduled / Other banks (Refer Schedule 9 to the Financial Statements)	12,509.0	888.7
Add : Investment in Certificate of Deposit having maturity less than 3 Months	—	1,493.6
Less : Margin Money Deposit / Fixed deposit having maturity more than 3 Months	12,276.8	273.1
Unrealised exchange (Gain)	(10.7)	(30.1)
<b>Cash and Cash Equivalents as restated as at the year end</b>	<b>221.5</b>	<b>2,079.1</b>

### Notes:

- Cash and cash equivalents includes ₹ 28.5 Million (Previous Year ₹ 22.2 Million) on account of Unclaimed dividend, which are not available for use by the Company.
- Previous year's figures are regrouped / reclassified wherever necessary in order to conform to current year's groupings and classifications.

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**RAJESH K. HIRANANDANI**  
Partner

Mumbai, 28th May, 2011

**S. KALYANASUNDARAM**  
*Wholetime Director & CEO*

**SUNIL R. AJMERA**  
*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, 28th May, 2011

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>SCHEDULE 1 : SHARE CAPITAL</b>				
<b>Authorised</b>				
1,500,000,000 Equity Shares of ₹ 1 each (Previous Year 300,000,000 Equity Shares of ₹ 5 each)		1,500.0		1,500.0
		1,500.0		1,500.0
<b>Issued, Subscribed and Paid-up</b>				
1,035,581,955 Equity Shares of ₹ 1 each (Previous Year 207,116,391 Equity Shares of ₹ 5 each) fully paid-up.		1,035.6		1,035.6
		1,035.6		1,035.6
<b>Notes:</b>				
<b>Of the above :</b>				
1) 808,150,050 Equity shares allotted as fully paid Bonus Shares by capitalisation of Securities Premium Account, Profit and Loss Account, Amalgamation Reserve and Capital Redemption Reserve Account.				
2) 4,136,330; 2,080,000; 4,775,810; 114,380; 185,190; 197,710 and 21,370 Equity Shares fully paid 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 Ltd. respectively, pursuant to Schemes of Amalgamations, without payment being received in cash.				
3) 108,003,805 Equity Shares allotted to the holders of Zero Coupon Foreign Currency Convertible Bond on exercise of conversion option.				
4) With effect from 27th November, 2010, one equity share of ₹ 5 each fully paid-up was split into five equity share of ₹ 1 each fully paid-up.				
<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		15,099.1		15,099.1
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet		154.5		154.5
<b>General Reserve</b>				
As per last Balance Sheet	21,740.0		18,740.0	
Add : Transferred from Profit and Loss Account	5,000.0	26,740.0	3,000.0	21,740.0
<b>Surplus As Per Profit And Loss Account</b>		23,517.0		18,891.5
		65,769.7		56,144.2
<b>SCHEDULE 3 : SECURED LOANS</b>				
Cash Credit Facility from Banks (Secured by hypothecation of inventories and book debts.)	505.3		294.9	
		505.3		294.9

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>SCHEDULE 4 : DEFERRED TAX LIABILITY (NET)</b>				
Deferred Tax Liability				
Depreciation on Fixed Assets	1,346.0		1,246.3	
Others	8.4	1,354.4	5.2	1,251.5
Deferred Tax Assets				
Unpaid Liabilities Allowable on payment basis U/s 43B of Income Tax Act, 1961	41.5		69.2	
Others	27.8	69.3	29.0	98.2
		1,285.1		1,153.3

## SCHEDULE 5 : FIXED ASSETS

₹ in Million

Particulars	Gross Block (At Cost)				Depreciation / Amortisation / Impairment				Net Block	
	As At 01.04.10	Additions 10-11	Deletions 10-11	As at 31.03.11	As at 01.04.10	For year 10-11	On deletions 10-11	As at 31.03.11	As at 31.03.11	As at 31.03.10
<b>I. TANGIBLE ASSETS</b>										
Freehold Land	38.7	—	—	38.7	—	—	—	—	38.7	38.7
Leasehold Land	39.2	—	—	39.2	4.0	0.4	—	4.4	34.8	35.2
Buildings	2,367.1	161.4	—	2,528.5 (a)	437.4	65.2	—	502.6	2,025.9	1,929.7
Plant and Machinery	8,292.7	988.4	88.0	9,193.1	3,273.3	532.9	81.2	3,725.0 (b)	5,468.1	5,019.4
Vehicles	140.3	21.0	5.2	156.1	43.8	13.4	2.2	55.0	101.1	96.5
Furniture and Fixtures	275.0	20.0	7.6	287.4	117.2	14.6	7.6	124.2 (b)	163.2	157.8
<b>Sub-Total</b>	11,153.0	1,190.8	100.8	12,243.0	3,875.7	626.5	91.0	4,411.2	7,831.8	7,277.3
<b>II. INTANGIBLE ASSETS</b>										
Trademarks, Designs and Other Intangible Assets	444.6	—	—	444.6	316.7	15.8	—	332.5 (b)	112.1	127.9
<b>Sub-Total</b>	444.6	—	—	444.6	316.7	15.8	—	332.5	112.1	127.9
<b>TOTAL- I + II</b>	11,597.6	1,190.8	100.8	12,687.6	4,192.4	642.3	91.0	4,743.7	7,943.9	7,405.2
<b>Previous Year</b>	10,619.0	1,148.0	169.4	11,597.6	3,626.4	694.7 (b)	128.7	4,192.4	7,405.2	
									2,280.6	921.5
									10,224.5	8,326.7

### NOTES :

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

(b) Includes Impairment of ₹ 30.8 Million (Previous Year ₹ 30.8 Million) including ₹ Nil (Previous Year ₹ 30.8 Million) on account of Impairment for the year.

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>SCHEDULE 6 : INVESTMENTS</b>				
<b>(I) LONG TERM INVESTMENTS (At Cost)</b>				
<b>A) Government Securities</b>				
National Savings Certificates		0.0		0.0
₹10,000 (Previous Year ₹ 14,000)				
(Deposited with Government Authorities)				
<b>B) Trade Investments</b>				
<b>Unquoted</b>				
<b>In Equity Shares</b>				
Enviro Infrastructure Co. Ltd.		1.0		1.0
100,000 (Previous Year 100,000)				
Shares of ₹ 10 each fully paid				
<b>C) Other Investments</b>				
<b>a) In Bonds</b>				
<b>Unquoted</b>				
Rural Electrification Corporation Ltd.		5.0		5.0
500 (Previous Year 500)				
Bonds of ₹ 10,000 each fully paid				
<b>b) In Debentures</b>				
<b>Quoted</b>				
Barclays Investments & Loans (India) Ltd - 12.25 NCD 06OT10		—		250.0
Nil (Previous Year 250)				
Debentures of ₹ 1,000,000 each fully paid				
Market Value ₹ Nil (Previous Year ₹ 275.2 Million)				
ETHL Communications Holdings Ltd - NCD 22JL11		—		437.2
Nil (Previous Year 500)				
Debentures of ₹ 1,000,000 each fully paid				
Market Value ₹ Nil (Previous Year ₹ 446.4 Million)				
HCL Technologies Ltd - 7.55 NCD 25AG11		100.0		100.0
100 (Previous Year 100)				
Debentures of ₹ 1,000,000 each fully paid				
Market Value ₹ 99.8 Million				
(Previous Year ₹ 101.0 Million)				
Housing Development Finance Corporation Ltd - 9.9 NCD 23DC18		250.0		250.0
250 (Previous Year 250)				
Debentures of ₹ 1,000,000 each fully paid				
Market Value ₹ 262.6 Million				
(Previous Year ₹ 269.7 Million)				
L&T Finance Ltd - 8.4 NCD 08MR13		122.5		122.5
122,464 (Previous Year 122,464)				
Debentures of ₹ 1,000 each fully paid				
Market Value ₹ 120.5 Million				
(Previous Year ₹ 123.1 Million)				

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Tata Chemicals Ltd - 7.4 NCD 23NV11 250 (Previous Year 250) Debentures of ₹ 1,000,000 each fully paid Market Value ₹ 246.2 Million (Previous Year ₹ 250.4 Million)		250.0		250.0
<b>Unquoted</b> Bajaj Infrastructure Development Company Ltd - 10.75 NCD 04DC15 250 (Previous Year Nil) Debentures of ₹ 1,000,000 each fully paid		250.0		—
<b>c) In Subsidiary Companies</b>				
<b>In shares</b>				
<b>Quoted</b>				
Caraco Pharmaceutical Laboratories Ltd. 8,382,666 (Previous Year 8,382,666) fully paid Common Shares of No Par Value Market Value ₹ 1,940.6 Million (Previous Year ₹ 2,249.5 Million)		303.9		303.9
<b>Unquoted</b>				
Zao Sun Pharma Industries Ltd. 1,000 (Previous Year 1,000) Shares of Rubles 20 each fully paid	0.2		0.2	
Sun Pharma Global Inc. BVI 2,471,515 (Previous Year 2,362,820) Shares of US \$ 1 each fully paid	9,628.9		9,405.0	
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	
SPI DE Mexico SA DE CV 100 (Previous Year 100) Nominative and free Shares of \$500 Mexican Pesos each fully paid	0.2		0.2	

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
OOO "Sun Pharmaceutical Industries" Ltd. Par value stock of 49,500 Rubles (Previous Year 49,500 Rubles)	0.1		0.1	
Green Eco Development Centre Ltd. 100,000 (Previous Year Nil) Shares of ₹ 10 each	1.0		—	
Sun Pharma De Venezuela, C.A. 1,000 (Previous Year Nil) Shares of Bolivars (Bs.F.) 100 each	0.5		—	
		9,720.8		9,495.4
<b>In Debentures</b>				
<b>Unquoted</b>				
Sun Pharma Global Inc. BVI Nil (Previous Year 50,000) 0% Optionally Fully Convertible Debentures of US\$100 each fully paid		—		224.0
<b>d) In Capital of Partnership Firm</b>				
Sun Pharma Exports*	15.9		15.9	
Sun Pharmaceutical Industries**	3,888.6		4,236.8	
Sun Pharma Sikkim***	3,478.2		2,992.2	
Sun Pharma Drugs**** ₹ 67 (Previous Year ₹ Nil)	0.0	7,382.7	—	7,244.9
<b>e) In Mutual Fund (Units of Face Value of ₹ 10 Each)</b>				
<b>Unquoted</b>				
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan-Series CC (13Months) 20,000,000 (Previous Year 20,000,000) Units		200.0		200.0
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan-Series CF 25,000,000 (Previous Year Nil) Units		250.0		—
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan-Series CG 25,000,000 (Previous Year Nil) Units		250.0		—
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan-Series CI 50,000,000 (Previous Year Nil) Units		500.0		—
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan - Series CJ 25,000,000 (Previous Year Nil) Units		250.0		—
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan-Series CR 25,000,000 (Previous Year Nil) Units		250.0		—
Birla Sun Life Mutual Fund - Birla Sun Life Fixed Term Plan - Series CW 25,000,000 (Previous Year Nil) Units		250.0		—
Canara Robeco Mutual Fund-Canara Robeco Fixed Maturity Plan-Series 5-13 Months (Plan A) 20,000,000 (Previous Year 20,000,000) Units		200.0		200.0
DSP BlackRock Mutual Fund- DSP BlackRock FMP-13M-Series 3 25,000,000 (Previous Year 25,000,000) Units		250.0		250.0



## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
DSP BlackRock Mutual Fund- DSP BlackRock FMP-12M-Series 9 25,000,000 (Previous Year Nil) Units		250.0		—
DSP BlackRock Mutual Fund- DSP BlackRock FMP-12M-Series 10 25,000,000 (Previous Year Nil) Units		250.0		—
DSP BlackRock Mutual Fund- DSP BlackRock FMP-12M-Series 11 25,000,000 (Previous Year Nil) Units		250.0		—
DSP BlackRock Mutual Fund- DSP BlackRock FMP-12M-Series 15 25,000,000 (Previous Year Nil) Units		250.0		—
Deutsche Mutual Fund-DWS Fixed Term Fund-Series 67 35,266,428 (Previous Year 35,266,428) Units		352.7		352.7
Deutsche Mutual Fund-DWS Fixed Term Fund-Series 71 7,500,000 (Previous Year Nil) Units		75.0		—
Deutsche Mutual Fund-DWS Fixed Term Fund-Series 73 15,000,000 (Previous Year Nil) Units		150.0		—
Fidelity Mutual Fund- Fidelity Fixed Maturity Plan Series IV - Plan E (370 days) 25,000,000 (Previous Year Nil) Units		250.0		—
HDFC Mutual Fund- HDFC FMP 14M March 2010 25,000,000 (Previous Year 25,000,000) Units		250.0		250.0
HDFC Mutual Fund- HDFC Floating Rate Income Fund-Long Term Plan 63,270,759 (Previous Year 63,270,759) Units		1,000.1		1,000.1
HDFC Mutual Fund- HDFC FMP 370D February 2011(1) 25,000,000 (Previous Year Nil) Units		250.0		—
HSBC Mutual Fund- HSBC Fixed Term Series 79 25,000,000 (Previous Year Nil) Units		250.0		—
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 53 - 1 Year Plan B 25,000,000 (Previous Year Nil) Units		250.1		—
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 53 - 1 Year Plan C 25,000,000 (Previous Year Nil) Units		250.0		—
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 53 - 1 Year Plan E 20,000,000 (Previous Year Nil) Units		200.0		—
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 55 - 1 Year Plan A 25,000,000 (Previous Year Nil) Units		250.0		—
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 55 - 1 Year Plan F 25,000,000 (Previous Year Nil) Units		250.0		—
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 56- 1 Year Plan D 25,000,000 (Previous Year Nil) Units		250.0		—

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
IDBI Mutual Fund-IDBI FMP - 367 Days Series I (February 2011) - A 15,000,000 (Previous Year Nil) Units		150.0		—
IDBI Mutual Fund-IDBI FMP - 367 Days Series I (March 2011) - C 15,000,000 (Previous Year Nil) Units		150.0		—
IDBI Mutual Fund-IDBI FMP - 367 Days Series I (March 2011) - D 20,000,000 (Previous Year Nil) Units		200.0		—
IDFC Mutual Fund- IDFC Fixed Maturity Plan-14 Months Series 1 25,000,000 (Previous Year 25,000,000) Units		250.0		250.0
IDFC Mutual Fund- IDFC Fixed Maturity Plan-Yearly Series 42 20,000,000 (Previous Year Nil) Units		200.0		—
JM Financial Mutual Fund- JM Fixed Maturity Fund - Series XIX - A 20,000,000 (Previous Year Nil) Units		200.0		—
JM Financial Mutual Fund- JM Fixed Maturity Fund - Series XIX - C 10,000,000 (Previous Year Nil) Units		100.0		—
JPMorgan Mutual Fund- JPMorgan India Fixed Maturity Plan 400D Series 1 25,000,000 (Previous Year Nil) Units		250.0		—
JPMorgan Mutual Fund- JPMorgan India Fixed Maturity Plan 367D Series 1 25,000,000 (Previous Year Nil) Units		250.0		—
Kotak Mutual Fund-Kotak FMP 13M Series 6 30,000,000 (Previous Year 30,000,000) Units		300.0		300.0
Kotak Mutual Fund-Kotak FMP 370 Days Series 2 25,000,000 (Previous Year 25,000,000) Units		250.0		250.0
Kotak Mutual Fund-Kotak FMP 370 Days Series 3 25,000,000 (Previous Year 25,000,000) Units		250.0		250.0
Kotak Mutual Fund-Kotak FMP Series 28 25,000,000 (Previous Year Nil) Units		250.0		—
Kotak Mutual Fund-Kotak FMP Series 29 25,000,000 (Previous Year Nil) Units		250.0		—
Kotak Mutual Fund-Kotak FMP Series 43 25,000,000 (Previous Year Nil) Units		250.0		—
L&T Mutual Fund- L&T Fixed Maturity Plan Series 12-Plan-15M-Mar10-I 20,213,915 (Previous Year 20,213,915) Units		202.1		202.1
Principal Mutual Fund - Principal PNB FMP - 367 Days - Series II 5,000,000 (Previous Year Nil) Units		50.0		—
Religare Mutual Fund-Religare Fixed Maturity Plan- Series-III Plan D (370 Days) 15,000,000 (Previous Year Nil) Units		150.0		—

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Religare Mutual Fund-Religare Fixed Maturity Plan - Series IV - Plan E (370 Days) 25,000,000 (Previous Year Nil) Units		250.0		—
Religare Mutual Fund-Religare Fixed Maturity Plan - Series V - Plan A (368 Days) 25,000,000 (Previous Year Nil) Units		250.0		—
Religare Mutual Fund- Religare FMP Series VI - Plan B (370 days) 20,000,000 (Previous Year Nil) Units		200.0		—
Religare Mutual Fund-Religare Fixed Maturity Plan- Series VI - Plan E (367 days) 15,000,000 (Previous Year Nil) Units		150.0		—
Reliance Mutual Fund- Reliance FHF 9 - Series 6 - IP - Growth Nil (Previous Year 20,000,000) Units		—		215.4
Reliance Mutual Fund - Reliance Fixed Horizon Fund XVI Series 5 50,000,000 (Previous Year Nil) Units		500.0		—
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XVII Series 1 25,000,000 (Previous Year Nil) Units		250.0		—
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XIX Series 1 25,000,000 (Previous Year Nil) Units		250.0		—
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XIX Series 11 25,000,000 (Previous Year Nil) Units		250.0		—
SBI Mutual Fund-SDFS 370 Days - 8 50,000,000 (Previous Year Nil) Units		500.0		—
SBI Mutual Fund-SDFS – 370 Days - 10 25,000,000 (Previous Year Nil) Units		250.0		—
Sundaram Mutual Fund- Sundram Fixed Term Plan-AQ 367 Days 25,000,000 (Previous Year Nil) Units		250.0		—
<b>f) Others</b>				
<b>Unquoted Pass through Certificates</b>				
Novo VIII Trust-Archie-Itsl-SR-A PTC 15JN10 500 (Previous Year 500) Units of ₹ 1,000,000 each fully paid		503.3		500.0
<b>Deposits</b>				
Housing & Urban Development Corporation Ltd.		245.0		240.0
Housing Development Finance Corporation Ltd.		2,000.0		1,000.0
<b>Total (I)</b>		<b>35,364.2</b>		<b>24,144.2</b>

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>(II) CURRENT INVESTMENTS</b> <b>(At lower of cost and fair value)</b>				
<b>A) Certificate of Deposits</b> <b>(Units Face value ₹ 100,000 each)</b>				
<b>Quoted</b>				
Axis Bank - CD 26AP10 Nil (Previous Year 2500) Units; Market Value ₹ Nil (Previous Year ₹ 248.8 Million)		—		248.8
Corporation Bank - CD 22AP10 Nil (Previous Year 2,500) Units; Market Value ₹ Nil (Previous Year ₹ 248.9 Million)		—		248.9
ICICI Bank - CD 20AP10 Nil (Previous Year 5,000) Units; Market Value ₹ Nil (Previous Year ₹ 497.9 Million)		—		497.9
Punjab National Bank - CD 13AP10 Nil (Previous Year 2,500) Units; Market Value ₹ Nil (Previous Year ₹ 249.2 Million)		—		249.2
Punjab & Sind Bank - CD 26AP10 Nil (Previous Year 2,500) Units; Market Value ₹ Nil (Previous Year ₹ 248.8 Million)		—		248.8
<b>B) In Mutual Fund</b>				
<b>Unquoted</b>				
<b>a) In Mutual Fund (Units of Face Value of ₹ 10 Each)</b>				
BNP Mutual Fund - BNP Paribas Overnight-Inst Growth 13,281,359 (Previous Year Nil) Units		200.0		—
Baroda Pioneer Mutual Fund - Baroda Pioneer Advantage Fund-Inst Growth Nil (Previous Year 96,436,417) Units		—		1,000.2
Birla Sun Life Mutual Fund- BSL Floating Rate Fund-Long Term-Instl-Growth Nil (Previous Year 39,039,425) Units		—		420.8
Birla Sun Life Mutual Fund - BSL Interval Income Fund-Instl-Quarterly Series 2-Growth Nil (Previous Year 43,331,340) Units		—		502.9
Birla Sun Life Mutual Fund- Birla Sun Life Cash Manager-Institutional Plan-Growth Nil (Previous Year 129,963,805) Units		—		2,000.0
Deutsche Mutual Fund- DWS Treasury Investment-Institutional Plan-Growth Nil (Previous Year 49,052,228) Units		—		503.5
Deutsche Mutual Fund- DWS Cash Opportunities Fund Instl Plan-Growth Nil (Previous Year 87,423,512) Units		—		1,031.0
DSP BlackRock Mutual Fund- DSP BlackRock Short Term Fund-Growth Nil (Previous Year 22,534,265) Units		—		355.0

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Fidelity International - Fidelity Ultra Short Term Debt Fund Super Instl-Growth Nil (Previous Year 20,982,694) Units		—		250.0
Fortis Mutual Fund - Fortis Money Plus Instl-Growth Nil (Previous Year 72,003,792) Units		—		1,000.1
IDFC Mutual Fund-IDFC Money Manager Fund-Investment Plan-Inst Plan B-Growth Nil (Previous Year 70,683,867) Units		—		1,013.0
ICICI Prudential Mutual Fund- ICICI Prudential Banking & PSU Debt Fund-Growth Nil (Previous Year 74,845,356) Units		—		752.0
L&T Mutual Fund-C228 L&T Select Income Fund- Flexi Debt Institutional-Growth Nil (Previous Year 24,407,095) Units		—		250.0
JM Mutual Fund- JM Money Manager Fund Regular Plan-Growth(168) Nil (Previous Year 59,649,545) Units		—		750.1
JPMorgan Mutual Fund- JPMorgan India Short Term Income Fund-Growth Nil (Previous Year 30,000,000) Units		—		300.0
Kotak Mutual Fund- Kotak Quarterly Interval Plan Series 7-Growth Nil (Previous Year 45,620,854) Units		—		500.0
Principal Mutual Fund - Principal Money Manager Fund-Institutional Growth Plan Nil (Previous Year 47,630,388) Units		—		500.0
Religare Mutual Fund-Religare Credit Opportunities Fund- Institutional Growth Nil (Previous Year 96,891,263) Units		—		1,000.2
UTI Mutual Fund-UTI FTIF - Series II -Quarterly Interval Plan V-Insti - Growth Nil (Previous Year 24,998,000) Units		—		250.0
<b>b) In Mutual Fund (Units of Face Value of ₹ 100 Each)</b>				
ICICI Prudential Mutual Fund- ICICI Prudential Flexible Income Plan Premium-Growth Nil (Previous Year 5,840,702) Units		—		1,000.1
ICICI Prudential Mutual Fund- ICICI Prudential Liquid - Super IP - Growth 1,034,621 (Previous Year Nil) Units		150.0		—
<b>c) In Mutual Fund (Units of Face Value of ₹ 1000 Each)</b>				
Taurus Mutual Fund- Taurus Liquid Fund-Super Inst Growth 47,397 (Previous Year Nil) Units		50.0		—

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Bharti Axa Mutual Fund - Bharti AXA Treasury Advantage Fund-Instl Plan-Growth Nil (Previous Year 224,558) Units		—		250.0
UTI Mutual Fund-UTI Liquid Cash Plan Inst Growth 155,331 (Previous Year Nil) Units		250.0		—
Reliance Mutual Fund- Reliance Money Manager Fund-Inst Option-Growth Nil (Previous Year 597,884) Units		—		750.1
Shinsei Mutual Fund- Shinsei Treasury Advantage Fund Growth Nil (Previous Year 489,039) Units		—		500.1
<b>Total (II)</b>		<b>650.0</b>		<b>16,372.7</b>
<b>Total (I+II)</b>		<b>36,014.2</b>		<b>40,516.9</b>

	As at 31st March, 2011		As at 31st March, 2010	
	Book Value	Market Value	Book Value	Market Value
<b>AGGREGATE VALUE OF INVESTMENTS</b>				
Quoted	<b>1,026.4</b>	<b>2,669.7</b>	3,207.2	5,208.9
Unquoted	<b>34,987.8</b>		37,309.7	
<b>*Partners</b>	Share	<b>Capital</b>		Capital
Sun Pharmaceutical Industries Limited	80%	<b>15.9</b>		15.9
Solapur Organics Private Limited ₹ (1,081) (Previous Year ₹ (1,081))	10%	<b>0.0</b>		0.0
Dilip S. Shanghvi ₹ (381) (Previous Year ₹ (381))	10%	<b>0.0</b>		0.0
<b>**Partners</b>				
Sun Pharmaceutical Industries Limited	97.5%	<b>3,888.6</b>		4,236.8
Sun Pharmaceutical Industries Key Employees' Benefit Trust	2.5%	<b>133.5</b>		121.7
<b>***Partners</b>				
Sun Pharmaceutical Industries Limited	97.5%	<b>3,478.2</b>		2,992.2
Sun Pharmaceutical Industries Key Employees' Benefit Trust	2.0%	<b>311.1</b>		94.7
Sun Pharma Advanced Research Company Limited Key Employees' Benefit Trust	0.5%	<b>30.5</b>		23.2
<b>****Partners</b>				
Sun Pharmaceutical Industries Limited ₹ 67 (Previous Year ₹ Nil)	98.0%	<b>0.0</b>		—
Sun Pharmaceutical Industries Key Employees' Benefit Trust ₹ (67) (Previous Year ₹ Nil)	2.0%	<b>(0.0)</b>		—

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>SCHEDULE 7 : INVENTORIES</b>				
Consumables Stores		155.5		164.8
Stock in Trade				
Raw Materials	2,876.0		2,553.3	
Packing Materials	539.9		352.2	
Finished Goods	968.1		774.9	
Work-in-Progress	1,643.1	6,027.1	1,856.2	5,536.6
		6,182.6		5,701.4
<b>SCHEDULE 8 : SUNDRY DEBTORS</b>				
(Unsecured-Considered Good, unless stated otherwise)				
Over Six Months				
Considered Good	851.5		799.8	
Considered Doubtful	76.2	927.7	77.9	877.7
Other Debts		4,574.7		4,733.1
		5,502.4		5,610.8
Less: Provision for Doubtful Debts		76.2		77.9
		5,426.2		5,532.9
<b>SCHEDULE 9 : CASH AND BANK BALANCES</b>				
Cash / Cheques on hand		3.6		86.9
Balances with Banks				
Scheduled Banks				
Current Accounts	220.8		163.7	
Deposit Accounts {Pledged ₹ 33.71 Million (Previous Year ₹ 7.1 Million)}	12,276.8	12,497.6	273.1	436.8
Other Banks (refer note B.15 of Schedule 19)				
Current Accounts	7.8		10.5	
Deposit Accounts	—	7.8	354.5	365.0
		12,509.0		888.7
<b>SCHEDULE 10 : OTHER CURRENT ASSETS</b>				
Interest accrued on Investments		183.7		57.9
		183.7		57.9

## SCHEDULES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>SCHEDULE 11 : LOANS AND ADVANCES</b>				
(Unsecured-Considered Good, unless stated otherwise)				
Advances and loans to subsidiaries (refer note B.16 of Schedule 19)		61.2		1,404.3
Loans to Employees / Others				
{Secured Loans ₹ 751.2 Million (Previous Year ₹ 294.0 Million)}				
Considered Good	3,055.2		414.0	
Considered Doubtful	9.5		9.5	
	3,064.7		423.5	
Less: Provision for Doubtful Loans / Advances	9.5	3,055.2	9.5	414.0
Advances Recoverable in Cash or in Kind or for Value to be received		359.3		251.1
Advances to Suppliers		333.0		228.0
Balances with Central Excise and Customs		770.9		667.9
DEPB and Advance Licence		209.5		137.2
Other Deposits		90.9		78.7
Advance Payment of Income Tax {Net of Provision ₹ 1220.7 Million (Previous Year ₹ 1182.6 Million)}		645.8		480.1
		5,525.8		3,661.3
<b>SCHEDULE 12 : CURRENT LIABILITIES AND PROVISIONS</b>				
<b>Current Liabilities</b>				
Sundry Creditors				
Due to Micro and Small Enterprises (refer note B.11 of Schedule 19)	33.0		14.8	
Others	2,865.6		2,220.5	
Advance from Customers	95.5		284.8	
Security Deposits	21.9		19.3	
Investor Education and Protection Fund shall be credited by Unclaimed Dividend (not due)	30.4		23.5	
Other Liabilities	92.9	3,139.3	70.1	2,633.0
<b>Provisions</b>				
Provision for Fringe Benefit Tax Net of Advance Tax ₹ 28.6 Million (Previous Year ₹ 48.8 Million)	0.6		0.6	
Proposed Dividend	3,624.5		2,847.9	
Corporate Dividend Tax	588.0		473.0	
Provision for employee benefits	117.9	4,331.0	103.3	3,424.8
		7,470.3		6,057.8



## SCHEDULES TO THE FINANCIAL STATEMENTS

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>SCHEDULE 13 : OTHER OPERATING INCOME</b>				
Share of Income from Partnership Firms		11,715.8		6,776.6
		11,715.8		6,776.6
<b>SCHEDULE 14 : OTHER INCOME</b>				
Lease Rental and Hire Charges-TDS ₹ 0.2 Million (Previous Year ₹ 0.2 Million)		3.5		11.0
Interest Income (net) (refer note B.5 of Schedule 19) TDS ₹ 97.8 Million (Previous Year ₹ 121.2 Million)		1,258.2		1,047.7
Profit on Sale of Investments (net) (refer note B.14 of Schedule 19)		393.1		—
Profit on Sale of Fixed Assets (net)		—		6.5
Insurance Claims		15.1		4.6
Sundry Balance Written Back (net)		—		15.7
Dividend Income - Long Term Investment (₹ 2,820)		0.0		0.1
Miscellaneous Income-TDS ₹ 0.7 Million (Previous Year ₹ 0.9 Million)		271.8		143.7
		1,941.7		1,229.3
<b>SCHEDULE 15 : COST OF MATERIALS / GOODS</b>				
Inventory of Raw and Packing material at the beginning of the year	2,905.5		2,411.9	
Purchases during the year - Raw and Packing Material	7,693.0		7,585.2	
- Finished Goods	1,766.8		1,370.4	
Inventory of Raw and Packing material at the end of the year	(3,415.9)	8,949.4	(2,905.5)	8,462.0
Inventory of Finished Goods and Work-in-Progress at the beginning of the year	2,631.1		2,322.0	
Inventory of Finished Goods and Work-in-Progress at the end of the year	(2,611.2)		(2,631.1)	
(Increase) / Decrease of Finished Goods and Work-in-Progress		19.9		(309.1)
		8,969.3		8,152.9
<b>SCHEDULE 16 : PERSONNEL COST</b>				
Salaries, Wages and Bonus		1,761.7		1,464.5
Contribution to Provident and Other Funds		118.8		137.2
Staff Welfare Expenses		260.1		145.4
		2,140.6		1,747.1

## SCHEDULES TO THE FINANCIAL STATEMENTS

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>SCHEDULE 17 : OPERATING AND OTHER EXPENSES</b>				
Stores and Spares Consumed		339.1		322.6
Conversion and Other Manufacturing Charges		399.6		324.8
Power and Fuel		394.0		473.8
Rent		10.6		9.4
Rates and Taxes		12.8		17.2
Insurance		32.7		28.3
Selling and Distribution		1,966.7		1,222.9
Commission and Discount		266.8		363.2
Repairs				
Building	40.8		31.1	
Plant and Machinery	228.5		204.2	
Others	70.8	340.1	66.3	301.6
Printing and Stationery		28.9		26.4
Travelling and Conveyance		160.6		105.6
Overseas Travel and Export Promotion		835.4		656.9
Communication		40.6		35.6
Provision for Doubtful Debts / Advances				
Provision for Doubtful Debts	12.8		19.3	
Sundry Balances/Bad Debts written off (net)	2.3		5.1	
Less : Adjusted out of Provision of earlier years	14.4	0.7	5.1	19.3
Professional and Consultancy		265.2		177.0
Donations		2.2		0.1
Loss on Sale of Investment (net) (refer note B.14 of Schedule 19)		—		334.8
Loss on Sale of Fixed Assets (net)		3.9		—
Excise duty on stock (.)		(2.7)		10.4
Miscellaneous expenses		243.2		290.5
		<b>5,340.4</b>		<b>4,720.4</b>

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

## SCHEDULES TO THE FINANCIAL STATEMENTS

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>SCHEDULE 18 : RESEARCH AND DEVELOPMENT EXPENDITURE</b>				
Salaries, Wages and Bonus		391.5		329.6
Contribution to Provident and Other Funds		19.5		14.8
Staff Welfare Expenses		59.3		30.0
Material, Stores and Spares Consumed		644.3		543.7
Power and Fuel		5.1		7.3
Rates and Taxes		3.5		4.0
Insurance		1.9		1.3
Repairs				
Building	6.1		5.5	
Plant and Machinery	33.1		43.8	
Others	22.5	61.7	22.0	71.3
Printing and Stationery		12.4		11.8
Travelling and Conveyance		14.6		9.8
Communication		13.9		16.0
Professional and Consultancy		100.5		154.8
Loss on Sale of Fixed Assets (net)		0.6		0.2
Miscellaneous Expenses		244.0		246.2
		<b>1,572.8</b>		<b>1,440.8</b>
Less :				
Interest Income (refer note B.5 of Schedule 19)	1.1		0.8	
Receipts from Research activities	188.6		157.7	
Miscellaneous Income	27.2		0.5	
Bad debt Recovered / Sundry balances written Back	—	216.9	4.1	163.1
		<b>1,355.9</b>		<b>1,277.7</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

### SCHEDULE 19 : 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 ₹ 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 considering the terms of agreement. Leasehold land is amortised over the period of lease.

##### IV Leases

Lease rental for assets taken on operating lease are charged to the Profit And Loss Account in accordance with Accounting Standard 19 on Leases.

##### 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 delayed payment charges and are stated net of returns 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, stores and spares, work in progress and finished goods are stated at lower of cost (Raw and Packing Material - Specific Identificaiton Method; Stores and Spares - 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 profit and loss account, 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 profit and loss account.

##### 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.

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

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 Profit and Loss Account.

### 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 Profit and Loss Account 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 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.

### XII Employee Benefits

- (a) The Company's contribution in respect of provident fund is charged to Profit and Loss Account 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 Profit and Loss Account.
- (c) Liability for accumulated compensated absences of employees is ascertained for on actuarial valuation basis and provided for as per the Company rules.

### XIII Borrowing Costs

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

### XIV Provisions, Contingent Liabilities and Contingent Assets

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

### XV Government Grants / Subsidy

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

### XVI Impairment of Assets

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

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>B NOTES TO FINANCIAL STATEMENTS</b>				
<b>1 CONTINGENT LIABILITIES NOT PROVIDED FOR</b>				
Guarantees Given by the bankers on behalf of the Company		160.1		106.4
Corporate Guarantees		46.0		51.5
Letters of Credit for Imports		166.7		505.5
Liabilities Disputed - Appeals filed with respect to :				
Income Tax on account of Disallowances / Additions		290.2		446.6
Sales Tax on account of Rebate / Classification		25.6		11.4
Excise Duty on account of Valuation / Cenvat Credit		318.4		314.0
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 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		11.5		11.1
Other Claims against the Company not acknowledged as debts		15.3		6.7
<b>2 Estimated amount of contracts remaining to be executed on capital account [net of advances].</b>		1,032.2		986.9
<b>3 REMUNERATION TO DIRECTORS</b>				
Managerial Remuneration U/s 198 of the Companies Act, 1956				
Salaries and Allowances		55.1		32.3
Contribution to Provident and Other Funds		4.6		3.2
Perquisites and Benefits		1.9		0.3
Commission		4.0		3.7
<b>Total</b>		<b>65.6</b>		<b>39.5</b>
The above remuneration excludes Gratuity since the same is ascertained on an aggregate basis for the Company as a whole by way of actuarial valuation and separate values attributable to Directors is not available.				
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		14,540.2		9,491.6
Add : Depreciation as per Accounts	642.3		694.7	
Loss on Sale of Investments (net)	—		334.8	
Managerial Remuneration	65.6		39.5	
Directors Sitting Fees	0.2		0.2	
Provision for Doubtful Debts / Advances	12.8	720.9	19.3	1,088.5
Less: Depreciation as per Section 350 of the Companies Act 1956	642.3		694.7	
Sundry Balances / Bad Debts Written Off	14.4		5.1	
Profit on Sale of Investments (net)	393.1		—	
		1,049.8		699.8
<b>Net Profit</b>		<b>14,211.3</b>		<b>9,880.3</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

	As at 31st March, 2011		As at 31st March, 2010	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
<b>Remuneration payable to Wholetime Directors including Managing Director</b>				
Maximum payable @ 10% of Net Profit as per the Companies Act,1956		1,421.1		988.0
Maximum payable as approved by the Shareholders		103.0		63.0
Actual paid as approved by the Board		61.6		35.8
<b>Commission payable to Non Executive Directors</b>				
Maximum payable @ 1% of Net Profit as per the Companies Act,1956		142.1		98.8
Maximum payable @ 0.25 % (previous year @ 0.25 %) of Net Profit as approved by the Shareholders		35.5		24.7
Actual paid as approved by the Board		4.0		3.7
		<b>2010-11</b>		<b>2009-10</b>
		₹ in Million		₹ in Million
<b>4 RESEARCH AND DEVELOPMENT EXPENDITURE</b>				
Revenue		1,355.9		1,277.7
Capital		236.1		159.0
<b>5 Net Interest income ₹ 1,259.3 Million (Previous Year ₹ 1,048.5 Million) comprises :</b>				
<b>Interest income</b>				
Bank Deposits		657.6		797.0
Loan		84.7		56.2
Current Investment		83.1		1.4
Long term Investment		427.6		188.6
Others		12.2		9.7
		<b>1,265.2</b>		<b>1,052.9</b>
<b>Interest Expense</b>				
Fixed Loans		2.5		1.1
Others		3.4		3.3
		<b>5.9</b>		<b>4.4</b>
<b>6 INFORMATION RELATING TO CONSUMPTION OF MATERIALS</b>	<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
Raw Materials and Packing Materials				
Raw Materials- (in '000 KGs)	12,521.5	6,555.7	14,016.7	6,452.3
Raw Materials-(In Kilo Litres)	24,362.9		25,826.7	
Packing/Other Materials	*	626.9	*	639.3
Total		<b>7,182.6</b>		<b>7,091.6</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.

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11		2009-10					
		₹ in Million		₹ in Million				
Imported and Indigenous Raw Materials and Packing Materials	%	Value	%	Value				
Imported	41.44	2,976.5	44.38	3,147.3				
Indigenous	58.56	4,206.1	55.62	3,944.3				
<b>Total</b>	<b>100.00</b>	<b>7,182.6</b>	<b>100.00</b>	<b>7,091.6</b>				
Stores and Spares								
Imported	0.53	1.8	1.03	3.3				
Indigenous	99.47	337.3	98.97	319.3				
<b>Total</b>	<b>100.00</b>	<b>339.1</b>	<b>100.00</b>	<b>322.6</b>				
<b>7 INFORMATION RELATING TO LICENSED CAPACITY AND PRODUCTION</b>		<b>2010-11</b>		<b>2009-10</b>				
Formulation (Tablets/Capsules/Parenterals/Ointments) (Nos in Million)								
Licensed Capacity		Not Applicable		Not Applicable				
Installed Capacity*		7,157.4		7,216.3				
Actual Production (including loan license)		2,085.7		2,544.4				
Bulk Drugs/Chemicals								
Licensed Capacity		Not Applicable		Not Applicable				
Installed Capacity* (In Kilo Litres)		1,181.7		1,093.6				
Actual Production (including loan license) (In ₹ 000Kgs) (*as certified by the Management)		2,252.5		2,227.2				
<b>8 INFORMATION RELATING TO TURNOVER, PURCHASE OF GOODS AND STOCKS</b>	<b>₹ in Million</b>							
	Turnover		Purchase of Goods		Opening Stock		Closing Stock	
	Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹
Formulations (Qty Million)								
<b>2010-11</b>	<b>2,473.0</b>	<b>15,918.0</b>	<b>361.2</b>	<b>1,751.7</b>	<b>206.0</b>	<b>388.7</b>	<b>180.0</b>	<b>317.0</b>
2009-10	2,788.1	13,884.2	268.1	1,329.0	181.6	362.4	206.0	388.7
Bulk Drugs/Chemicals (Qty in '000 Kgs)								
<b>2010-11</b>	<b>2,252.7</b>	<b>3,909.7</b>	<b>13.1</b>	<b>8.5</b>	<b>134.0</b>	<b>386.2</b>	<b>146.9</b>	<b>651.1</b>
2009-10	2,294.1	4,602.9	10.2	2.7	190.7	602.5	134.0	386.2
Others								
<b>2010-11</b>		<b>30.1</b>		<b>6.6</b>		—		—
2009-10		41.7		38.7		—		—
<b>Total</b>								
<b>2010-11</b>		<b>19,857.8</b>		<b>1,766.8</b>		<b>774.9</b>		<b>968.1</b>
2009-10		18,528.8		1,370.4		964.9		774.9



## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31st March, 2011	Year ended 31st March, 2010
	₹ in Million	₹ in Million
<b>9 INCOME/EXPENDITURE IN FOREIGN CURRENCY</b>		
Income		
Exports (FOB basis)	8,963.6	8,389.5
Interest	0.9	9.8
Others	41.1	109.0
Expenditure		
Raw Materials (CIF basis)	2,722.9	3,003.9
Packing Materials (CIF basis)	337.3	242.6
Capital Goods (CIF basis)	903.5	242.0
Spares and Components (CIF basis)	76.1	26.4
Professional Charges	206.2	226.2
Overseas Travel	82.1	80.4
Others	828.8	807.5
<b>10</b> The net exchange gain of ₹ 307.3 Million (Previous Year gain of ₹ 36.4 Million) is included under various heads in the Profit and Loss account.		
<b>11</b> Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:		
(a) An amount of ₹ 33.0 Million (Previous Year ₹ 14.8 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 Schedule 12 - "Current Liabilities and Provisions" 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.		
<b>12 Disclosure with respect to Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 :</b>		
(i) <b>Related Party Disclosure - as per Annexure 'A'</b>		
(ii) <b>Accounting Standard (AS-20) on Earnings Per Share</b>		
Profit After Tax - used as Numerator for calculating Earnings per share	13,838.0	8,986.5
Weighted Average number of Shares used in computing basic & diluted earnings per share	1,035,581,955	1,035,581,955
Nominal Value Per Share (in ₹ )	1	1
Basic & Diluted Earnings Per Share (in ₹ )	13.4	8.7
Consequent to the approval of the members of the Company and upon requisite regulatory compliance, during the year, one equity share of ₹ 5 each of the Company is sub-divided into five equity shares of ₹ 1 each fully paid-up. The Earnings Per Share of ₹ 1 each has been restated for all the corresponding periods in accordance with Accounting Standard (AS-20) on "Earnings Per Share" as notified under The Companies (Accounting Standards) Rules, 2006.		

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11	2009-10
	₹ in Million	₹ in Million
<b>(iii) Accounting Standard (AS-17) on Segment Reporting</b>		
(a) Primary Segment The Company has identified "Pharmaceuticals" as the only primary reportable business segment.		
(b) Secondary Segment (by Geographical Segment)		
India	10,171.8	9,348.8
Outside India	9,686.0	9,180.0
<b>Total Sales</b>	<b>19,857.8</b>	<b>18,528.8</b>

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 ₹ 108.1 Million (Previous year ₹ 90.8 Million)

	Year ended 31st March, 2011	Year ended 31st March, 2010
	₹ in Million	₹ in Million
Contribution to Provident Fund	102.5	87.4
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	5.5	3.3
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 amounting to ₹ 43.2 Million (Previous Year ₹ 38.8 Million) 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.

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

	₹ in Million Year ended	
	31st March, 2011	31st March, 2010
<p><b>Category of Plan Assets :</b> The Company's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India.</p> <p>In respect of gratuity (funded):</p>		
<b>Reconciliation of liability recognised in the Balance sheet</b>		
Present value of commitments (as per Actuarial Valuation)	248.3	212.7
Fair value of plan assets	274.2	228.5
Net asset in the Balance sheet	25.9	15.8
<b>Movement in net liability recognised in the Balance sheet</b>		
Net liability / (assets) as at the beginning of the year	(15.8)	(44.8)
Net expense recognised in the Profit and Loss account	29.0	60.2
Contribution during the year	(39.1)	(31.2)
Net liability / (assets) in the Balance sheet	(25.9)	(15.8)
<b>Expense recognised in the Profit and Loss account</b>		
Current service cost	25.2	18.6
Interest cost	18.3	12.1
Expected return on plan assets	(20.7)	(16.5)
Actuarial loss	6.2	46.0
Expense charged to the Profit and Loss account	29.0	60.2
<b>Return on plan assets</b>		
Expected return on plan assets	20.7	16.5
Actuarial gain	3.3	3.3
Actual return on plan assets	24.0	19.8
<b>Reconciliation of defined-benefit commitments</b>		
Commitments as at the beginning of the year	212.7	142.4
Current service cost	25.2	18.6
Interest cost	18.3	12.1
Paid benefits	(17.4)	(9.7)
Actuarial loss	9.5	49.3
Commitments as at the year end	248.3	212.7
<b>Reconciliation of plan assets</b>		
Plan assets as at the beginning of the year	228.5	187.2
Expected return on plan assets	20.7	16.5
Contributions during the year	39.1	31.2
Paid benefits	(17.4)	(9.7)
Actuarial gain	3.3	3.3
Plan assets as at the year end	274.2	228.5
<p>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:</p>		
Discount rate	8.25%	8.00%
Expected return on plan assets	8.25%	8.00%
Expected rate of salary increase	6.00%	6.00%
Mortality	LIC (1994-96) Ultimate	
<p>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.</p>		

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

	₹ in Million Year ended				
	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Experience adjustment					
On plan liabilities	17.5	56.5	5.2	126.9	3.1
On plan assets	3.3	3.3	3.9	2.4	1.2
Present value of benefit obligation	248.3	212.7	142.4	106.4	75.0
Fair value of plan assets	274.2	228.5	187.2	104.0	83.5
Excess of (obligation over plan assets) / plan assets over obligation	25.9	15.8	44.8	(2.4)	—

The contribution expected to be made by the Company during financial year ending 31st March, 2012 is ₹ 35.5 Million.

### (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 licence 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.
- (b) Lease payments are recognised in the Profit and Loss Account under "Rent" in Schedule 17.

### 13 Investment Purchased and Sold during the Year

**Mutual Fund Units (Units of Face Value of ₹10 Each, unless stated otherwise)**

	2010-11			2009-10		
	Units In Nos.	Purchase Value ₹ in Million	Sales Value ₹ in Million	Units In Nos.	Purchase Value ₹ in Million	Sales Value ₹ in Million
AIG Mutual Fund (*)	416,710	466.7	470.7	—	—	—
Axis Mutual Fund (*)	1,009,567	1,050.7	1,051.8	467,443	470.0	470.6
Baroda Pioneer Mutual Fund	259,183,237	2,750.1	2,758.7	471,961,898	4,880.8	4,893.2
Bharti AXA Mutual Fund (*)	445,569	500.0	500.9	1,323,588	1,450.1	1,453.1
Birla Sun Life Mutual Fund	1,776,929,287	24,953.3	25,009.0	1,313,064,099	19,875.2	19,922.8
Canara Robeco Mutual Fund	89,332,745	1,050.0	1,051.9	38,822,296	426.0	426.5
Daiwa Mutual Fund (*)	289,577	315.0	315.1	—	—	—
DBS Chola Mutual Fund	—	—	—	74,088,548	870.0	873.0
Deutsche Asset Management	492,226,715	5,756.5	5,775.3	1,017,540,933	11,705.9	11,767.2
Deutsche Asset Management(**)	2,884,076	365.0	365.1	—	—	—
DSP Mutual Fund	50,000,000	500.0	508.1	85,372,150	1,330.1	1,339.7
DSP Mutual Fund (*)	1,289,746	1,733.1	1,738.5	2,422,780	3,060.0	3,060.4
Fidelity Mutual Fund	19,607,689	250.0	251.3	278,879,207	3,320.2	3,333.2
Fortis Mutual Fund	230,265,112	3,259.0	3,268.8	912,190,062	10,960.4	11,002.3
HDFC Mutual Fund	71,110,348	1,260.1	1,261.9	661,627,364	12,245.1	12,282.6
HSBC Mutual Fund	3,452,371	50.0	50.0	—	—	—
ICICI Prudential Mutual Fund	328,068,526	3,414.4	3,432.4	1,183,651,098	15,070.2	15,114.3
ICICI Prudential Mutual Fund (**)	66,974,317	9,343.0	9,345.5	53,162,327	7,218.1	7,220.9
IDBI Mutual Fund	196,116,534	1,980.1	1,986.3	—	—	—
IDFC Mutual Fund	126,971,449	1,509.7	1,519.4	373,697,093	4,383.1	4,407.5
JM Mutual Fund	261,515,878	3,660.1	3,692.7	186,522,165	2,574.1	2,580.2
JP Morgan Asset Management	503,324,578	6,121.1	6,134.8	292,533,033	3,415.2	3,428.8

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

in Million

	2010-11			2009-10		
	Units In Nos.	Purchase Value ₹ in Million	Sales Value ₹ in Million	Units In Nos.	Purchase Value ₹ in Million	Sales Value ₹ in Million
Kotak Mutual Fund	425,171,798	6,860.2	6,877.9	84,497,852	1,470.0	1,472.1
L&T India Mutual Fund	60,132,981	700.0	705.2	—	—	—
Morgan Stanely Mutual Fund	9,438,860	100.0	100.1	25,000,000	250.0	250.1
Pramerica Mutual Fund	66,398,567	665.0	667.8	—	—	—
Pramerica Mutual Fund (*)	3,006,177	3,060.0	3,064.2	—	—	—
Principal Mutual Fund	63,827,588	810.0	813.4	519,967,061	7,427.4	7,430.9
Reliance Mutual Fund	276,801,181	4,205.0	4,207.8	544,884,579	7,435.0	7,437.0
Reliance Mutual Fund (*)	198,472	250.0	251.3	4,539,867	5,580.8	5,630.2
Religare Mutual Fund	141,430,843	1,730.7	1,732.9	614,014,034	7,150.3	7,188.4
SBI Mutual Fund	149,868,573	2,320.0	2,323.3	—	—	—
Shinsei Mutual Fund	—	—	—	112,570,172	1,135.0	1,136.4
Shinsei Mutual Fund (*)	2,559,701	2,690.6	2,701.5	2,794,682	2,840.7	2,853.7
Sundaram BNP Paribas Mutual Fund	74,059,634	1,390.0	1,392.3	31,608,298	470.0	470.6
Taruas Mutual Fund (*)	771,222	810.0	810.4	—	—	—
Tata Mutual fund	—	—	—	17,775,366	250.0	250.6
Templeton Mutual Fund (*)	2,166,895	3,085.0	3,086.9	1,869,343	2,493.0	2,499.9
UTI Mutual Fund (*)	558,745	593.4	594.4	3,415,543	3,463.2	3,465.9
(*) Units of Face Value of ₹ 1,000 Each						
(**) Units of Face Value of ₹ 100 Each						
<b>Certificate of Deposit</b>						
<b>(Units of Face Value of ₹ 100,000 Each)</b>						
IDBI Bank	2,500	249.1	250.0	—	—	—
State Bank of Indore	10,000	995.4	1,000.0	—	—	—
Axis Bank	5,000	497.1	500.0	—	—	—
Oriental Bank of Commerce	9,500	941.7	950.0	—	—	—
Bank of India	2,500	248.9	250.0	—	—	—
Canara Bank	2,500	248.8	250.0	—	—	—
Bank of Maharashtra	5,000	497.1	500.0	—	—	—
Corporation Bank	10,000	996.7	1,000.0	—	—	—
Allahabad Bank	20,000	1,987.7	2,000.0	—	—	—
United Bank of India	5,000	496.5	500.0	—	—	—
Punjab National Bank	7,500	745.0	750.0	—	—	—
Central Bank of India	6,500	642.4	650.0	—	—	—
Federal Bank	2,500	245.9	250.0	—	—	—
ING Vysha Bank	2,500	245.8	250.0	—	—	—
<b>Debentures</b>						
ETHL Communications Holdings Ltd. Units of Face Value of ₹ 1,000,000 Each	250	232.2	245.6	—	—	—
<b>Commercial Paper</b>						
India Infoline Ltd. Units of Face Value of ₹ 500,000 Each	2,000	995.5	998.4	—	—	—

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11		2009-10	
	₹ in Million		₹ in Million	
<b>14 Profit / (Loss) on Sale of Investments (net)</b>				
Profit / (Loss) on Sale of Current Investments (net)		371.6		(440.7)
Profit / (Loss) on Sale of Long Term Investments (net)		21.5		105.9
		<b>393.1</b>		<b>(334.8)</b>
<b>15 Balances with Other Banks held in:</b>	<b>Balance As at</b>	<b>Maximum Balance</b>	<b>Balance As at</b>	<b>Maximum Balance</b>
<b>Name of the Bank/Institution</b>	<b>31st March, 2011</b>	<b>2010-11</b>	<b>31st March, 2010</b>	<b>2009-10</b>
UBS AG Wealth Management-London ₹ 8,308 (Previous Year ₹ 8,631) Maximum Balance ₹ 8,631 (Previous Year ₹ 9,490)	0.0	0.0	0.0	0.0
Credit Agricole (Suisse) S.A.Private Bank	1.4	355.3	354.5	430.5
Vietnam Export Import Bank, Hochiminch Branch, Vietnam	0.4	12.1	2.7	18.3
Standard Chartered, Shanghai Branch, China	2.7	11.3	4.4	17.3
Moscow Bank, Moscow Branch, Moscow	1.2	18.2	2.4	10.2
Belvnesheconom Bank, Minsk Branch, Belarus	0.9	6.6	0.1	6.2
Tsesna Bank,Almaty Branch, Kazakhstan	0.6	6.1	0.3	5.8
Ukreixm Bank, Kyiv Branch, Ukraine	0.6	3.9	0.6	3.5
<b>Total</b>	<b>7.8</b>		<b>365.0</b>	
<b>16 Loans / Advances due from Subsidiaries</b>				
<b>Loans</b>				
Green Eco Development Centre Ltd.	0.1	0.1	—	—
Sun Pharma De Venezuela, C.A.	1.2	1.2	—	—
<b>Advances :Share Application Money to</b>				
Sun Pharma Global Inc. BVI	—	1,344.0	1,344.0	2,173.4
Sun Pharma De Mexico, S.A. DE C.V.	59.9	60.3	60.3	68.4
<b>Total</b>	<b>61.2</b>		<b>1,404.3</b>	
<b>17</b> 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.				
<b>18 Legal Proceedings</b>				
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.				
<b>19</b> Taro Pharmaceutical Industries Ltd (Taro), a pharmaceutical company, incorporated in Israel became a subsidiary of the Company on September 20, 2010.				
<b>20</b> 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.				

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31st March, 2011	Year ended 31st March, 2010
	₹ in Million	₹ in Million
<b>21 Remuneration to Auditors (excluding service tax) :</b>		
Audit Fees	6.6	6.6
In any other manner, for certification etc.	0.2	0.2
Out of pocket expenses	0.1	0.1
<b>Total</b>	<b>6.9</b>	<b>6.9</b>

22 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, 2011

Currency	Buy/Sell	Cross Currency	Amount in Million As at 31st March, 2011	Amount in Million As at 31st March, 2010
US Dollar	Sell	₹	\$310.0	\$175.0

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, 2011 Amount in Million		As at 31st March, 2010 Amount in Million	
<b>Exports of Goods &amp; Services</b>	US Dollar	\$20.6	₹ 917.5	\$14.6	₹ 655.2
	Euro	€ 3.5	₹ 221.3	€ 4.0	₹ 240.5
	XOF	XOF 6.1	₹ 0.6	XOF 5.7	₹ 0.5
	British Pound	£0.6	₹ 40.9	£0.7	₹ 48.9
CHF 14,500	Swiss Franc	CHF 0.0	₹ 0.7	—	—
<b>Loans Receivables</b>	US Dollar	\$1.3	₹ 59.9	\$1.3	₹ 60.3
<b>Share Application Money</b>	US Dollar	—	—	\$30.0	₹ 1,344.0

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

<b>Import of Goods &amp; Services</b>	US Dollar	\$5.7	₹ 254.3	\$6.3	₹ 280.8
	Euro	€ 0.1	₹ 9.2	€ 0.3	₹ 16.6
	British Pound	£0.0	₹ 0.0	£0.0	₹ 0.3
£ 360 (Previous Year £ 3,821) ₹ 25,693	Swiss Franc	CHF 0.0	₹ 0.4	—	—
CHF 8,260	Australian Dollar	AUD 0.0	₹ 0.2	—	—
AUD 5,311	Canadian Dollar	CAD 0.0	₹ 0.2	—	—
CAD 3,743	Chinese Yuan	CNY 0.6	₹ 3.8	—	—
	Japanese Yen	JPY 13.1	₹ 7.1	JPY 9.4	₹ 4.4
<b>Commission Payable</b>	US Dollar	\$4.2	₹ 188.0	\$3.1	₹ 139.6
	Euro	€ 1.3	₹ 80.5	€ 1.0	₹ 58.4

23 Previous years' figures are restated / regrouped / rearranged wherever necessary in order to conform to current years' groupings and classifications.

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

### Annexure 'A' to Notes on Account

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

##### 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.  
 Sun Farmaceutica Ltda (upto 30th September, 2010)  
 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 Pharmaeetical 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  
 Sun Development Corporation I (upto 20th September, 2010)  
 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 - Isaral  
 Taro Laboratories Ltd.  
 Taro Manufacturing Ltd.  
 Taro Pharmaceutical INC.





## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

### Annexure 'A' to Notes on Account

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

##### Names of related parties and description of relationship

	Taro Pharmaceutical India Pvt. Ltd.	
	Taro Pharmaceutical Laboratories INC.	
	Taro Pharmaceutical U.S.A., INC.	
	Taro Pharmaceuticals Europe B.V.	
	Taro Pharmaceuticals Ireland Ltd.	
	Taro Pharmaceuticals North America INC	
	Taro Pharmaceuticals UK Ltd.	
	Taro Research Institute Ltd.	
	Tarochem Ltd.	
	Morley and Company Inc.	
	Sun Laboratories FZE	
	Taro Pharmaceuticals Canada Ltd.	
	Sun Laboratories Inc.	
	Taro International Ltd - UK	
<b>2. Controlled Entity</b>	Sun Pharma Exports	
	Sun Pharmaceutical Industries	
	Sun Pharma Sikkim	
	Sun Pharma Drugs	
	Universal Enterprise Pvt. Ltd.	
<b>3. Key Management Personnel</b>	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
<b>4. Relatives of Key Management Personnel</b>	Mr. Aalok Shanghvi	Son of Chairman and Managing Director
	Ms. Khyati Valia	Daughter of Wholetime Director
<b>5. Enterprise under significant Influence of Key Management Personnel or their relatives</b>	Sun Petrochemicals Pvt. Ltd.	
	Navjivan Rasayan (Gujarat) Pvt. Ltd.	
	Sun Pharma Advanced Research Company Ltd.	



## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2011

### Annexure 'A' to Notes on Account

₹ in Million

ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE "												
Particulars	Subsidiaries		Controlled Entity		Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31/03/11	31/03/10	31/03/11	31/03/10	31/03/11	31/03/10	31/03/11	31/03/10	31/03/11	31/03/10	31/03/11	31/03/10
<b>Corporate Guarantees Given / (Released) on behalf of</b>	<b>(2,508.8)</b>	15.7	—	200.0	—	—	—	—	—	(125.0)	<b>(2,508.8)</b>	90.7
Sun Pharma Global Inc	(2,508.8)	—	—	—	—	—	—	—	—	—	(2,508.8)	—
Sun Pharma Sikkim	—	—	—	200.0	—	—	—	—	—	—	—	200.0
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	—	—	—	—	—	(125.0)	—	(125.0)
Sun Pharmaceuticals Italia S.R.L.	—	15.7	—	—	—	—	—	—	—	—	—	15.7
<b>Interest Income</b>	—	—	<b>2.2</b>	2.2	—	—	—	—	—	—	<b>2.2</b>	2.2
Sun Pharmaceutical Industries	—	—	1.1	1.1	—	—	—	—	—	—	1.1	1.1
Sun Pharma Sikkim	—	—	1.1	1.1	—	—	—	—	—	—	1.1	1.1
<b>Rent Income</b>	—	—	<b>3.0</b>	1.9	—	—	—	—	<b>1.4</b>	0.7	<b>4.4</b>	2.6
Sun Pharmaceutical Industries	—	—	1.6	1.6	—	—	—	—	—	—	1.6	1.6
Sun Pharma Sikkim	—	—	1.4	0.3	—	—	—	—	—	—	1.4	0.3
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	—	—	—	—	1.3	0.6	1.3	0.6
Others	—	—	—	—	—	—	—	—	0.1	0.1	0.1	0.1
<b>Director's Remuneration</b>	—	—	—	—	<b>61.6</b>	35.8	—	—	—	—	<b>61.6</b>	35.8
Mr. Dilip S. Shanghvi	—	—	—	—	16.9	15.0	—	—	—	—	16.9	15.0
Mr. Sudhir V. Valia	—	—	—	—	16.9	15.0	—	—	—	—	16.9	15.0
Mr. Sailesh T. Desai	—	—	—	—	7.8	5.8	—	—	—	—	7.8	5.8
Mr. S. Kalyanasundaram	—	—	—	—	20.0	—	—	—	—	—	20.0	—
<b>Apprenticeship Stipend / Remuneration</b>	—	—	—	—	—	—	<b>1.4</b>	0.8	—	—	<b>1.4</b>	0.8
Mr. Aalok Shanghvi	—	—	—	—	—	—	0.9	0.5	—	—	0.9	0.5
Ms. Khyati Valia	—	—	—	—	—	—	0.5	0.3	—	—	0.5	0.3
<b>Remuneration (Partner's) Received</b>	—	—	<b>62.0</b>	150.7	—	—	—	—	—	—	<b>62.0</b>	150.7
Sun Pharmaceutical Industries	—	—	62.0	150.7	—	—	—	—	—	—	62.0	150.7
<b>Share of profit from Partnership Firm</b>	—	—	<b>11,653.9</b>	6,625.9	—	—	—	—	—	—	<b>11,653.9</b>	6,625.9
Sun Pharma Sikkim	—	—	10,786.3	4,515.5	—	—	—	—	—	—	10,786.3	4,515.5
Sun Pharmaceutical Industries	—	—	867.6	2,110.4	—	—	—	—	—	—	867.6	2,110.4
Others ₹ (3292) (Previous Year ₹ (800))	—	—	(0.0)	(0.0)	—	—	—	—	—	—	(0.0)	(0.0)
<b>Outstanding Corporate Guarantee to Bank</b>	<b>282.8</b>	2,793.3	<b>200.0</b>	200.0	—	—	—	—	—	—	<b>482.8</b>	2,993.3
Sun Pharma De Mexico S.A. DE C.V.	133.6	134.4	—	—	—	—	—	—	—	—	133.6	134.4
(Actual Utilised ₹ Nil (Previous Year ₹ Nil))	—	—	—	—	—	—	—	—	—	—	—	—
Sun Pharmaceutical (Bangladesh) Ltd.	133.6	134.4	—	—	—	—	—	—	—	—	133.6	134.4
(Actual Utilised ₹ 18.4 Million (Previous Year ₹ 23.2 Million))	—	—	—	—	—	—	—	—	—	—	—	—
Sun Pharma Sikkim (Actual Utilised ₹ 27.6 Million (Previous Year ₹ 16.2 Million))	—	—	200.0	200.0	—	—	—	—	—	—	200.0	200.0
Sun Pharma Global Inc	—	2,508.8	—	—	—	—	—	—	—	—	—	2,508.8
(Actual Utilised ₹ Nil (Previous Year ₹ Nil))	—	—	—	—	—	—	—	—	—	—	—	—
Others (Actual Utilised ₹ Nil (Previous Year ₹ 12.1 Million))	15.6	15.7	—	—	—	—	—	—	—	—	15.6	15.7
<b>Outstanding receivables / Payables (Net)</b>	<b>1,899.3</b>	2,759.7	<b>(0.1)</b>	(0.1)	<b>(11.7)</b>	(7.6)	<b>(0.2)</b>	(0.2)	<b>20.9</b>	48.4	<b>1,908.2</b>	2,800.2
Caraco Pharmaceutical Laboratories Ltd.	1,127.2	780.2	—	—	—	—	—	—	—	—	1,127.2	780.2
OOO "Sun Pharmaceutical Industries" Ltd.	438.9	277.5	—	—	—	—	—	—	—	—	438.9	277.5
Others	333.2	1,702.0	(0.1)	(0.1)	(11.7)	(7.6)	(0.2)	(0.2)	20.9	48.4	342.1	1,742.4

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, 2011	04

**II. Capital Raised during the year (₹ in Million)**

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

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

Total Liabilities	Total Assets
68595.7	68595.7

**Sources of Funds**

Paid up Capital	Reserves and Surplus
1035.6	65769.7
Secured Loans	Unsecured Loans
505.3	Nil
Deferred Tax Liability (Net)	
1285.1	

**Application of Funds**

Net Fixed Assets	Investments
10224.5	36014.2
Net Current Assets	Miscellaneous Expenditure
22357.0	NIL
	Accumulated Losses
	NIL

**IV. Performance of the Company (₹ in Million)**

Total Income	Total Expenditure
32988.7	18448.5
Profit Before Tax	Profit After Tax
14540.2	13838.0
Earning Per Share (₹)	Dividend Rate
13.4	350.0%

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

Item Code No. (ITC Code)	Product Description
30049079	Rivastigmine
29420090	Pentoxifyline
30043200	Progesterone

SUNIL R. AJMERA  
Company Secretary

Mumbai, 28th May, 2011

S. KALYANASUNDARAM  
Wholetime Director & CEO

For and on behalf of the Board

DILIP S. SHANGHVI  
Chairman & Managing Director

SUDHIR V. VALIA  
Wholetime Director

SAILESH T. DESAI  
Wholetime Director

Mumbai, 28th May, 2011