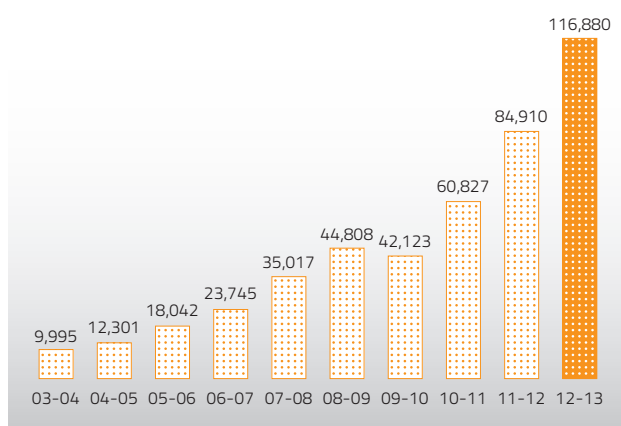


KEY PERFORMANCE INDICATORS

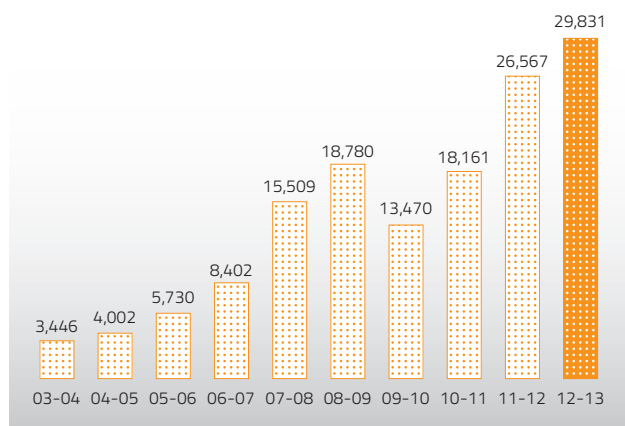
Total Income

(₹ in million)



Profit for the Year*

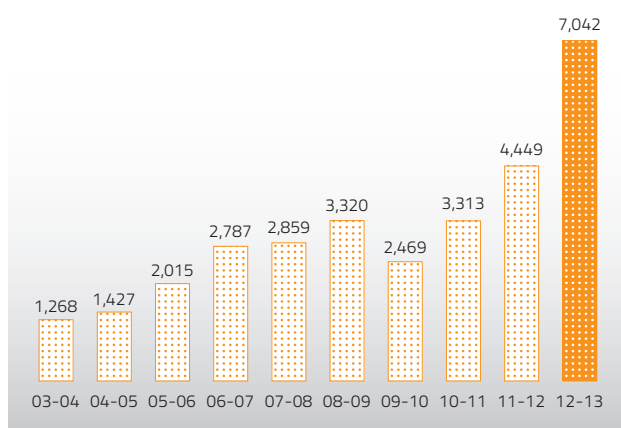
(₹ in million)



*after minority interest

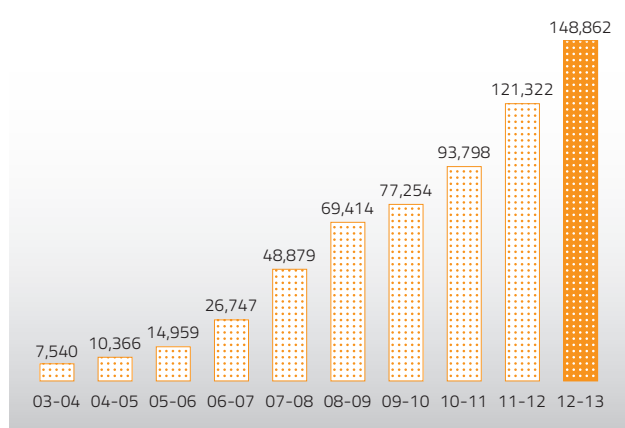
R & D Expenditure

(₹ in million)



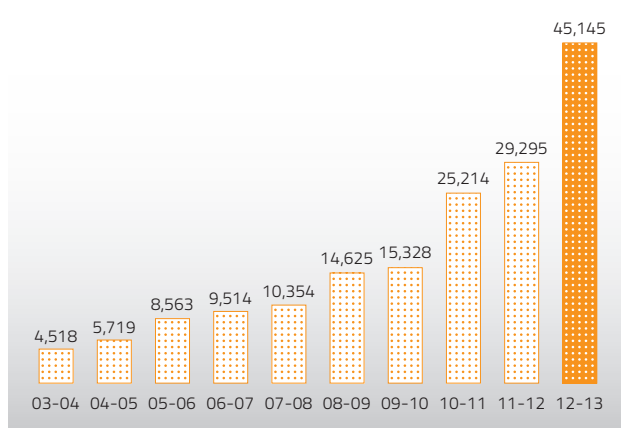
Reserve and Surplus

(₹ in million)



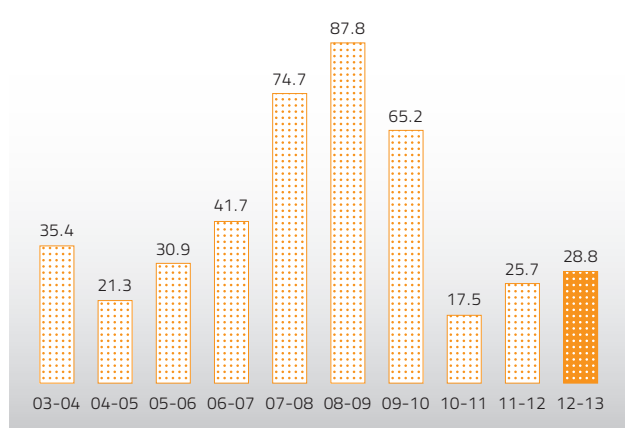
Net Block

(₹ in million)



Earning Per Share - Basic*

(in ₹)



* During the financial year 2002-03, each Equity share of ₹ 10/- was split into two equity shares of ₹ 5/- each.

* During the financial year 2010-11, each Equity share of ₹ 5/- was split into five equity shares of ₹ 1/- each.



TEN YEAR FINANCIAL HIGHLIGHTS



Consolidated

(₹ in million)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Performance										
Income from Operations	9,847	11,983	17,372	22,373	34,606	43,751	38,086	57,279	80,195	112,999
Total Income	9,995	12,301	18,042	23,745	35,017	44,808	42,123	60,827	84,910	116,880
Profit for the year (after minority interest)	3,446	4,002	5,730	8,402	15,509	18,780	13,470	18,161	26,567	29,831
R&D Expenditure	1,268	1,427	2,015	2,787	2,859	3,320	2,242	3,313	4,449	7,042
a) Capital	598	418	481	347	134	222	159	236	362	427
b) Revenue	670	1,009	1,534	2,440	2,725	3,098	2,083	3,077	4,088	6,616
c) % of Turnover	13%	12%	12%	13%	9%	8%	6%	6%	6%	6%
Financial Position										
Equity Share Capital	464	928	929	967	1,036	1,036	1,036	1,036	1,036	1,036
Reserve and Surplus	7,540	10,366	14,959	26,747	48,879	69,414	77,254	93,798	121,322	148,862
Gross Block	6,232	7,806	12,342	14,252	15,960	21,476	23,340	45,473	54,269	75,763
Net Block	4,518	5,719	8,563	9,514	10,354	14,625	15,328	25,214	29,295	45,145
Investments	1,765	6,485	3,541	2,543	6,565	18,595	31,664	26,557	22,129	24,116
Net Current Assets	4,808	16,360	23,006	26,843	33,995	35,485	28,542	58,622	76,749	86,618
Stock Information										
Number of Shares (million)	93	185	186	193	207	207	207	1,036	1,036	1,036
Earnings per Share - Basic (In ₹)*	35.4	21.3	30.9	41.7	74.7	87.8	65.2	17.5	25.7	28.8
Earning per Share - Diluted (In ₹)*	17.7	20.7	27.7	38.9	71.8	87.8	65.2	17.5	25.7	28.8

* During the financial year 2002-03, each Equity share of ₹ 10/- was split into two equity shares of ₹ 5/- each.

* During the financial year 2010-11, each Equity share of ₹ 5/- was split into five equity shares of ₹ 1/- each.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SUN PHARMACEUTICAL INDUSTRIES LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India read together with our remarks in paragraph (b) under the 'Emphasis of Matter' section below. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / consolidated financial statements / financial information of the subsidiaries, jointly controlled entities and a partnership firm and based on the consideration of the unaudited financial statements / financial information of the subsidiaries and jointly controlled entities, referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

- (a) The consolidated financial statements of the Company for the year ended 31st March, 2013 were earlier approved by the Board of Directors at their meeting held on 28th May, 2013 which were audited by us and our report dated 28th May, 2013, addressed to the Board of Directors, expressed an unqualified opinion on those financial statements. Consequent to the Order dated 26th July, 2013 of the Hon'ble High Court of Bombay sanctioning the Scheme of arrangement for amalgamation of two of the wholly



owned subsidiaries of the Company, namely, Sun Pharma Medication Private Limited and Sun Pharma Drugs Private Limited into another wholly owned subsidiary of the Company, namely, Sun Pharma Laboratories Limited, the financial statements of Sun Pharma Laboratories Limited were revised to give effect to the said amalgamation, effective from 1st September, 2012, the appointed date. In view of the above, the earlier approved consolidated financial statements are revised by the Company to incorporate the revised financial statements of Sun Pharma Laboratories Limited. (Refer Note 56).

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

Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements / consolidated financial statements / financial information of 71 subsidiaries, 2 jointly controlled entities and a partnership firm [listed in Note 31 (a) to the consolidated financial statements], whose financial statements / consolidated financial statements / financial information reflect total assets of ₹ 128,234.6 Million as at 31st March, 2013, total revenues of ₹ 74,368.1 Million and net cash inflows amounting to ₹ 118.3 Million for the year ended on that date, as considered in the Consolidated Financial Statements, comprising:

- (a) Total assets of ₹ 125,990.7 Million as at 31st March, 2013, total revenues of ₹ 72,243.7 Million and net cash inflows amounting to ₹ 98.4 Million for the year ended on that date in respect of 65 subsidiaries, a jointly controlled entity and a partnership firm, whose financial statements / consolidated financial statements / financial information have been audited by other auditors and their reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and partnership firm is based solely on the reports of the other auditors.
- (b) Total assets of ₹ 2,238.4 Million as at 31st March, 2013, total revenues of ₹ 2,124.4 Million and net cash inflows amounting to ₹ 34.0 Million for the year ended on that date in respect of 6 subsidiaries, whose reporting date is of 31st December, 2012 and different from the reporting date of the Company and the financial statements / financial information have been audited by other auditors. In terms of Accounting Standard 21, adjustments have been made for significant transactions of these subsidiaries for the periods from 1st January, 2013 to 31st March, 2013 and 1st January, 2012 to 31st March, 2012, on the basis of their unaudited financial statements / financial information for the said periods. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors furnished to us and the unaudited financial statements / financial information as aforesaid.
- (c) Total assets of ₹ 5.5 Million as at 31st March, 2013, total revenues of ₹ Nil and net cash outflows amounting to ₹ 14.1 Million for the year ended on that date in respect of a jointly controlled entity, whose financial statements / financial information have not been audited. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity, is based solely on such unaudited financial statements / financial information.

Our opinion is not qualified in respect of these matters.

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

Rajesh K Hiranandani
Partner
(Membership No. 36920)

MUMBAI, 28th May, 2013 (9th August, 2013 as to effect the amendment discussed in the 'Emphasis of Matter' paragraph above)

CONSOLIDATED BALANCE SHEET

as at 31st March, 2013

₹ Million

	Note No.	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,035.6		1,035.6	
Reserves and Surplus	2	148,861.7	149,897.3	121,322.2	122,357.8
Minority Interest			16,350.8		11,614.5
Non-current Liabilities					
Long-term Borrowings	3	1,152.6		1,554.2	
Deferred Tax Liabilities (Net)	4	2,053.5		1,552.0	
Other Long-term Liabilities	5	89.4		89.3	
Long-term Provisions	6	7,870.6	11,166.1	1,387.3	4,582.8
Current Liabilities					
Short-term Borrowings	7	829.5		1,095.7	
Trade Payables	8	13,565.3		9,927.2	
Other Current Liabilities	9	2,186.5		3,636.6	
Short-term Provisions	10	14,816.6	31,397.9	11,525.4	26,184.9
TOTAL			208,812.1		164,740.0
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets	11A	31,604.3		26,135.1	
Intangible Assets	11B	13,540.9		3,160.3	
Capital Work-In-Progress		5,626.1		3,446.5	
		50,771.3		32,741.9	
Goodwill on Consolidation	36	11,329.5		10,218.1	
Non-current Investments	12	11,063.5		5,889.6	
Deferred Tax Assets (Net)	13	9,175.9		6,835.1	
Long-term Loans and Advances	14	8,377.6		5,947.5	
Other Non-current Assets	15	78.6	90,796.4	174.1	61,806.3
Current Assets					
Current Investments	16	13,052.2		16,239.1	
Inventories	17	25,777.6		20,869.8	
Trade Receivables	18	27,107.7		20,787.4	
Cash and Cash Equivalents	19	40,587.1		33,671.9	
Short-term Loans and Advances	20	10,796.0		10,426.7	
Other Current Assets	21	695.1	118,015.7	938.8	102,933.7
TOTAL			208,812.1		164,740.0

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

RAJESH K. HIRANANDANI

Partner

For and on behalf of the Board

DILIP S. SHANGHVI

Managing Director

SUDHIR V. VALIA

Wholtime Director

SAILESH T. DESAI

Wholtime Director

SUNIL R. AJMERA

Company Secretary

Mumbai, 09th August, 2013

Mumbai, 09th August, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013



₹ Million

	Note No	Year ended 31st March, 2013		Year ended 31st March, 2012	
Revenue from Operations	22	114,696.8		81,269.4	
Less: Excise Duty		1,698.2		1,074.5	
		112,998.6		80,194.9	
Other Income	23	3,880.9		4,715.1	
Total Revenue			116,879.5		84,910.0
Expenses					
Cost of Materials Consumed	24	19,499.8		18,516.0	
Purchases of Stock-in-Trade		3,518.4		2,372.0	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(2,284.8)		(4,488.7)	
Employee Benefits Expense	26	15,345.3		11,877.3	
Finance Costs	27	431.6		282.0	
Depreciation and Amortisation Expense	11	3,361.7		2,911.6	
Other Expenses	28	27,957.5		19,875.1	
Total Expenses			67,829.5		51,345.3
Profit Before Exceptional Item and Tax			49,050.0		33,564.7
Exceptional Item	32 (IV)		5,835.8		-
Profit Before Tax			43,214.2		33,564.7
Tax Expense:					
Current Tax	46		8,131.3		4,051.5
Deferred Tax (Credit) / Charge			324.2	8,455.5	(919.6)
Profit from Continuing Operations			34,758.7		30,432.8
Loss from Discontinuing Operations	51		(65.3)		(11.1)
Profit after tax before Minority Interest			34,693.4		30,421.7
Minority Interest			4,862.8		3,854.8
Profit for the Year			29,830.6		26,566.9
Earnings Per Share	38				
Basic and Diluted (₹) Face Value per Equity share - ₹ 1			28.8		25.7

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

RAJESH K. HIRANANDANI
Partner

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director

SUNIL R. AJMERA
Company Secretary

Mumbai, 09th August, 2013

Mumbai, 09th August, 2013

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2013

₹ In Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. Cash Flow from Operating Activities		
Profit Before Tax	43,148.9	33,553.6
Adjustments for:		
Depreciation and Amortisation Expense	3,361.7	2,911.6
(Profit) / Loss on Sale of Fixed Assets (net)	(2.4)	95.8
Finance Costs	431.6	282.0
Interest Income	(2,368.9)	(1,977.6)
Dividend Income	(24.3)	(0.2)
Net Gain on Sale of Investments	(1,118.1)	(2,415.2)
Provision for Doubtful Trade Receivable / Advances	116.8	39.5
Net Loss / (Gain) on Cancellation of Forward Exchange Contracts	190.7	(50.1)
Net Foreign Exchange Gain	1,075.6	2,225.4
Operating Profit Before Working Capital Changes	44,811.6	34,664.8
Changes in working capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	(3,902.2)	(5,975.0)
Trade Receivables	(6,479.7)	(9,308.4)
Loans and Advances	(673.8)	(1,043.4)
Other Assets	133.5	92.8
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	2,142.4	2,991.1
Other Liabilities	(1,770.1)	1,391.1
Provisions	10,101.6	1,799.3
Cash Generated from Operations	44,363.3	24,612.3
Net Income Tax Paid	(10,734.8)	(2,267.7)
Net Cash Flow from Operating Activities (A)	33,628.5	22,344.6
B. Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets, including Capital Advances	(8,454.5)	(7,129.1)
Proceeds from Sale of Fixed Assets	136.4	107.9
Short-term Loans / Inter Corporate Deposits		
Given / Placed	(10,194.1)	(7,798.2)
Received back / Matured	10,413.8	6,672.4
Purchase of Investments	(156,719.0)	(131,751.0)
Proceeds from Sale of Investments	156,249.0	134,501.8
Bank Balances not considered as Cash and Cash Equivalents		
Fixed Deposits / Margin Money Placed	(30,119.3)	(22,637.2)
Fixed Deposits / Margin Money Matured	26,674.3	20,442.5
Net (Loss) / Gain on Cancellation of Forward Exchange Contracts	(190.7)	50.1



CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2013



₹ In Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
Acquisition of Subsidiaries	(16,414.6)	(2,740.4)
Interest Received	2,572.1	1,653.9
Purchase of Assets Given under Finance Lease	(331.0)	-
Receipt of rental on Assets Given under Finance Lease	2.8	-
Dividend Received	24.3	0.2
Net Cash Flow used in Investing Activities (B)	(26,350.5)	(8,627.1)
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	141.8	570.8
Repayment of Borrowings	(1,109.3)	(521.6)
Net Increase / (Decrease) in Working Capital Borrowings	219.0	(1,097.8)
Proceeds from issue of shares to Minority by Subsidiary	357.4	-
Payment to Minority	(767.0)	(14.3)
Finance Costs	(439.3)	(285.5)
Dividends Paid	(4,401.2)	(3,523.7)
Tax on Dividend	(714.0)	(571.8)
Net Cash Flow used in Financing Activities (C)	(6,712.6)	(5,443.9)
Net Increase in Cash and Cash Equivalents (A+B+C)	565.4	8,273.6
Cash and Cash Equivalents taken over on acquisition of Subsidiaries	1,607.3	-
Cash and Cash Equivalents at the Beginning of the Year	17,526.7	8,104.9
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	991.7	1,148.2
Cash and Cash Equivalents at the end of the Year (Refer Note 19)	20,691.1	17,526.7

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

RAJESH K. HIRANANDANI

Partner

For and on behalf of the Board

DILIP S. SHANGHVI

Managing Director

SUDHIR V. VALIA

Wholetime Director

SAILESH T. DESAI

Wholetime Director

SUNIL R. AJMERA

Company Secretary

Mumbai, 09th August, 2013

Mumbai, 09th August, 2013

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

	As at 31st March, 2013		As at 31st March, 2012	
	Number of Equity Shares	₹ Million	Number of Equity Shares	₹ Million
1 Share Capital				
Authorised				
Equity Shares of ₹ 1 each	1,500,000,000	1,500.0	1,500,000,000	1,500.0
	1,500,000,000	1,500.0	1,500,000,000	1,500.0
Issued, Subscribed and Fully Paid Up				
Equity Shares of ₹ 1 each (Refer Note 34)	1,035,581,955	1,035.6	1,035,581,955	1,035.6
	1,035,581,955	1,035.6	1,035,581,955	1,035.6

	As at 31st March, 2013		As at 31st March, 2012	
		₹ Million		₹ Million
2 Reserves and Surplus				
Capital Reserve				
As per Last Balance Sheet		259.1		259.1
Capital Redemption Reserve				
As per Last Balance Sheet		154.5		154.5
Securities Premium Account				
As per Last Balance Sheet		15,099.1		15,099.1
General Reserve				
Opening Balance	30,521.2		28,521.2	
Add: Transferred from Surplus in Statement of Profit and Loss	520.0		2,000.0	
Closing Balance		31,041.2		30,521.2
Legal Reserve (Refer Note 50)				
Opening Balance	-		-	
Add: Transferred from Surplus in Statement of Profit and Loss	0.9		-	
Closing Balance		0.9		-
Foreign Currency Translation Reserve				
Opening Balance	8,560.6		2,603.9	
Add/(Less): Effect of Foreign Exchange rate variations during the year	3,766.8		5,956.7	
Closing Balance		12,327.4		8,560.6
Surplus in Statement of Profit and Loss				
Opening Balance	66,727.7		47,159.8	
Add: Profit for the Year	29,830.6		26,566.9	
Proposed Dividend Written Back (on waiver)	-		100.0	
Corporate Dividend Tax Written Back (on waiver)	-		16.2	
	29,830.6		26,683.1	
Less: Dividend proposed to be distributed to equity Shareholders [₹ 5 (Previous Year ₹ 4.25) per share]	5,177.9		4,401.2	
Corporate Dividend Tax	880.0		714.0	
Transferred to Legal Reserve	0.9		-	
Transferred to General Reserve	520.0		2,000.0	
	6,578.8		7,115.2	
Closing Balance		89,979.5		66,727.7
		148,861.7		121,322.2

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ Million

	As at 31st March, 2013		As At 31st March, 2012	
3 Long-term Borrowings				
Secured Borrowings				
Term Loans				
From Banks	372.6		456.1	
From Other Parties	46.4	419.0	40.4	496.5
Unsecured Borrowings				
Debentures (Matures in November 2014 - Rate of Interest 5.8% Plus CPI)		571.2		1,037.7
Long-Term Maturities of Finance Lease Obligation		1.9		-
Term Loans				
From Banks	-		19.0	
From Other Parties	160.5	160.5	1.0	20.0
		1,152.6		1,554.2
4 Deferred Tax Liabilities (Net)				
Deferred Tax Liability				
Depreciation on Fixed Assets	2,129.9		1,591.0	
Others	24.3	2,154.2	26.6	1,617.6
Less :				
Deferred Tax Assets				
Unpaid Liabilities	51.8		50.3	
Others	48.9	100.7	15.3	65.6
		2,053.5		1,552.0
5 Other Long-term Liabilities				
Trade Payables		-		1.3
Trade / Security Deposits Received		88.0		20.3
Interest accrued but not due on borrowings		1.4		-
Others		-		67.7
		89.4		89.3
6 Long-term Provisions				
Employee Benefits:				
Compensated Absences	166.1		108.2	
Severance / Pension Pay (Refer Note 43)	7.4	173.5	4.1	112.3
Product Returns, Rebates, Medic aids etc (Refer Note 53)		592.4		517.4
MTM Loss on outstanding Forward Contracts		1,293.4		752.8
Provision for Exceptional Item (Refer Note 32 IV)		5,808.0		-
Provision for Income Tax (Net of Advance Income Tax)		3.3		4.8
		7,870.6		1,387.3

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ Million

	As at 31st March, 2013		As At 31st March, 2012	
7 Short-Term Borrowings				
Secured Borrowings				
Loans Repayable on Demand				
From Banks:				
Cash Credit Facility	630.2		403.0	
Others	50.1	680.3	419.6	822.6
Unsecured Borrowings				
Loans Repayable on Demand				
From Banks:				
Cash Credit Facility		149.2		157.5
Other Loans and Advances				
From Other than Banks		-		115.6
		829.5		1,095.7
8 Trade Payables				
Acceptances		76.6		9.0
Other than Acceptances:				
Due to Micro and Small Enterprises		760.8		45.2
Other Payables		12,727.9		9,873.0
		13,565.3		9,927.2
9 Other Current Liabilities				
Current Maturities of Long-term Debt		615.0		557.4
Interest Accrued but not Due on Borrowings		26.5		35.6
Investor Education and Protection Fund shall be credited by Unpaid Dividends (not due)		45.1		40.4
Statutory Remittances		607.2		712.7
Payables on Purchase of Fixed Assets		613.6		431.5
Trade / Security Deposits Received		9.5		13.8
Advances from Customers		87.8		1,323.5
Temporary Overdrawn Bank Balance as per books		24.0		37.4
Others		157.8		484.3
		2,186.5		3,636.6
10 Short-term Provisions				
Employee Benefits:				
Compensated Absences	906.5		278.0	
Provision for Gratuity (Refer Note 42)	13.6		0.3	
Severance / Pension Pay (Refer Note 43)	-	920.1	260.6	538.9
Product Returns, Rebates, Medic aids etc (Refer Note 53)		6,310.6		2,359.8
MTM Loss on outstanding Forward Contracts		71.5		12.1
Provision for Income Tax [Net of Advance Income Tax]		1,456.5		3,499.4
Proposed Equity Dividend		5,177.9		4,401.2
Corporate Dividend Tax		880.0		714.0
		14,816.6		11,525.4



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



Particulars	Gross Block (At Cost)				Depreciation / Amortisation / Impairment				Net Block				
	As At 01.04.12	Consolidation Adjustments	Taken over on acquisition (c)	Additions During the Year	Deletions / Adjustments During the Year	As at 31.03.13	As at 01.04.12	Consolidation Adjustments	Taken over on acquisition (c)	For the year	Deletions For the year	As at 31.03.13	As at 31.03.12
A. Tangible Assets													
Freehold Land	824.4 (609.7)	35.7 (68.0)	179.2 (-)	15.3 (146.7)	32.7 (-)	1,021.9 (824.4)	- (-)	- (-)	- (-)	- (-)	- (-)	1,021.9 (824.4)	824.4 (609.7)
Leasehold Land	1,062.7 (799.7)	54.5 (101.4)	- (-)	- (161.6)	- (-)	1,117.2 (1,062.7)	7.0 (12.4)	7.0 (12.4)	- (-)	15.2 (14.6)	- (-)	980.2 (947.9)	947.9 (711.9)
Buildings **	14,694.8 (12,647.2)	677.6 (1,306.4)	1,616.0 (-)	566.7 (829.5)	94.8 (88.3)	17,460.3 (14,694.8)	192.8 (355.6)	192.8 (355.6)	44.7 (-)	451.4 (456.0)	55.5 (66.6)	12,943.0 (10,810.9)	10,810.9 (9,508.3)
Leasehold Improvement on Building	104.9 (91.1)	7.0 (13.0)	- (-)	- (0.8)	- (-)	111.9 (104.9)	0.7 (1.1)	0.7 (1.1)	- (-)	2.9 (2.5)	- (-)	98.2 (94.8)	94.8 (84.6)
Buildings Given under operating lease *	347.1 (327.9)	10.3 (19.2)	- (-)	- (-)	- (-)	357.4 (347.1)	67.6 (2.7)	67.6 (2.7)	1.6 (-)	10.3 (9.8)	- (-)	277.9 (279.5)	279.5 (272.8)
Plant and Equipment **	27,694.3 (23,100.9)	989.1 (1,727.0)	1,706.4 (-)	3,356.6 (3,227.6)	182.7 (361.2)	33,563.7 (27,694.3)	680.2 (1,218.8)	680.2 (1,218.8)	478.0 (-)	1,918.2 (1,684.7)	129.3 (213.1)	15,283.3 (12,361.0)	12,361.0 (10,458.0)
Plant and Equipment Leased *	25.3 (25.3)	- (-)	- (-)	- (-)	- (-)	25.3 (25.3)	1.7 (0.5)	1.7 (0.5)	- (-)	1.2 (1.2)	- (-)	22.4 (23.6)	23.6 (24.8)
Vehicles	324.6 (260.6)	7.7 (9.1)	0.4 (-)	117.8 (101.7)	32.3 (46.8)	418.2 (324.6)	3.7 (5.2)	3.7 (5.2)	0.1 (-)	45.0 (33.5)	24.9 (32.0)	278.6 (208.9)	208.9 (151.6)
Office Equipment	410.8 (357.6)	5.1 (5.3)	195.5 (-)	67.7 (53.2)	2.9 (5.3)	676.2 (410.8)	234.6 (4.1)	234.6 (4.1)	3.3 (-)	41.7 (32.8)	2.6 (4.8)	227.6 (176.2)	176.2 (155.1)
Furniture and Fixtures	1,053.4 (908.4)	40.4 (74.9)	80.0 (-)	101.5 (101.4)	1.7 (31.3)	1,273.6 (1,053.4)	645.5 (551.0)	645.5 (551.0)	30.4 (-)	60.5 (50.7)	0.8 (12.7)	471.2 (407.9)	407.9 (357.4)
Total Tangible Assets	46,542.3 (39,128.4)	1,827.4 (3,324.3)	3,777.5 (-)	4,225.6 (4,622.5)	347.1 (532.9)	56,025.7 (46,542.3)	919.7 (1,656.4)	919.7 (1,656.4)	761.2 (-)	2,546.4 (2,285.8)	213.1 (329.2)	31,604.3 (26,135.1)	26,135.1 (22,334.2)
B. Intangible Assets													
Trademarks, Designs and Other Intangible Assets	7,726.2 (6,344.6)	474.2 (836.2)	10,236.1 (-)	1,309.8 (550.7)	9.3 (5.3)	19,737.0 (7,726.2)	4,555.9 (3,465.0)	4,555.9 (3,465.0)	547.1 (-)	815.3 (625.8)	9.3 (5.3)	13,540.9 (3,160.3)	3,160.3 (2,879.6)
Total Intangible Assets	7,726.2 (6,344.6)	474.2 (836.2)	10,236.1 (-)	1,309.8 (550.7)	9.3 (5.3)	19,737.0 (7,726.2)	4,555.9 (3,465.0)	4,555.9 (3,465.0)	547.1 (-)	815.3 (625.8)	9.3 (5.3)	13,540.9 (3,160.3)	3,160.3 (2,879.6)
Previous Year	54,268.5 (45,473.0)	2,301.6 (4,160.5)	14,013.6 (-)	5,535.4 (5,173.2)	356.4 (538.2)	75,762.7 (54,268.5)	1,196.8 (2,025.92)	1,196.8 (2,025.92)	1,308.3 (-)	3,361.7 (2,911.6)	2,224 (334.5)	45,145.2 (29,295.4)	29,295.4 (25,213.8)

Footnotes :

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

(b) Includes Impairment of ₹ 64.9 Million (Previous Year ₹ 64.9 Million) including ₹ Nil (Previous Year ₹ 34.1 Million) on account of impairment for the year.

(c) Represents assets and accumulated depreciation of DUSA Pharmaceuticals Inc and URL Pharma Inc. which became subsidiaries during the year.

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

(e) Previous Year figures are in brackets

* Refer Note 41

** Refer Note 45

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ Million

		As at 31st March, 2013		As At 31st March, 2012	
12	Non-Current Investments				
	Long Term Investments (At Cost)				
	Quoted				
	In Equity Instruments		4,174.9		1,398.8
	In Debentures		250.0		250.0
	In Bonds		367.3		426.9
	Unquoted				
	In Equity Instruments		405.6		163.0
	In Government Security ₹ 10,000 (Previous Year ₹ 10,000)		0.0		0.0
	In Debentures		115.7		115.7
	In Deposits		500.0		500.0
	In Mutual Funds		5,250.0		3,035.2
			11,063.5		5,889.6
	AGGREGATE VALUE OF INVESTMENTS				
		Book Value	Market Value	Book Value	Market Value
	Quoted	4,792.2	6,855.4	2,075.7	3,680.0
	Unquoted	6,271.3		3,813.9	
13	Deferred Tax Assets (Net)				
	Deferred Tax Assets				
	Depreciation on Fixed Assets	-		104.7	
	Unpaid Liabilities	4,356.7		4,011.1	
	Unabsorbed Loss (Refer Note 49)	1,622.3		1,015.6	
	Intangibles	1,415.1		1,257.2	
	Others	1,781.8	9,175.9	664.4	7,053.0
	Less :				
	Deferred Tax Liability				
	Depreciation on Fixed Assets		-		217.9
			9,175.9		6,835.1
14	Long-term Loans and Advances				
	(Unsecured - Considered Good)				
	Capital Advances		2,097.9		1,132.1
	Security Deposits		158.6		153.2
	Loans and Advances to Employees / Others		2,811.2		38.4
	Receivable on Account of Assets under Finance Lease (Refer Note 41 (e))		327.1		-
	Prepaid Expenses		24.9		14.6
	Advance Income Tax [Net of Provisions]		2,448.0		4,162.8
	Balances with Government Authorities		509.9		446.4
			8,377.6		5,947.5



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ Million

15	Other Non-current Assets	As at 31st March, 2013		As At 31st March, 2012	
	(Unsecured – Considered Good)				
	Interest Accrued on Investments		77.0		26.7
	Contractually Reimbursable		-		145.8
	Unamortised Premium on Investments		1.6		1.6
			78.6		174.1

16	Current Investments	As at 31st March, 2013		As At 31st March, 2012	
	A) Current Portion of Long-term Investments (At Cost)				
	Quoted				
	In Debentures		-		122.5
	Unquoted				
	In Bonds	-		5.0	
	In Mutual Funds	7,860.0		7,600.1	
	In Deposits	750.0	8,610.0	5,260.0	12,865.1
	B) Other Current Investments				
	Quoted				
	In Bonds		-		249.9
	Unquoted				
	In Government Securities	381.6		148.6	
	In Mutual Funds	1,090.1		2,351.2	
	In Deposits	2,500.0		39.5	
	In Commercial Paper	470.5	4,442.2	462.3	3,001.6
			13,052.2		16,239.1
	AGGREGATE VALUE OF INVESTMENTS				
		Book Value	Market Value	Book Value	Market Value
	Quoted	-	-	372.4	373.9
	Unquoted	13,052.2		15,866.7	

17	Inventories	As at 31st March, 2013		As At 31st March, 2012	
	Raw and Packing Materials	9,806.1		8,247.8	
	Goods-in-Transit	311.4	10,117.5	284.1	8,531.9
	Work-in-Progress		4,657.5		4,118.5
	Finished Goods	8,470.4		5,994.9	
	Goods-in-Transit	345.6	8,816.0	820.3	6,815.2
	Stock-in-trade	1,505.8		816.6	
	Goods-in-Transit	135.2	1,641.0	52.4	869.0
	Other Materials and Consumables	525.0		519.0	
	Goods-in-Transit	20.6	545.6	16.2	535.2
			25,777.6		20,869.8

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ Million

		As at 31st March, 2013		As At 31st March, 2012	
18	Trade Receivables				
	(Unsecured – Considered Good unless stated otherwise)				
	Outstanding for a period exceeding Six Months from the date they are due for payment				
	Considered Good	2,013.0		2,674.6	
	Doubtful	137.3		44.5	
		2,150.3		2,719.1	
	Less: Provision for Doubtful Trade Receivables	137.3	2,013.0	44.5	2,674.6
	Other Trade Receivables		25,094.7		18,112.8
			27,107.7		20,787.4

19	Cash and Cash Equivalents				
	Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statement				
	Cash on Hand		7.5		8.4
	Cheques, Drafts on Hand		89.4		150.0
	Balance with Banks				
	In Current Accounts	5,577.8		3,421.3	
	In Deposit Accounts with Original Maturity of 3 Months or less	13,095.5		12,613.7	
	In EEFC Accounts	1,920.9	20,594.2	1,333.3	17,368.3
			20,691.1		17,526.7
	Other Bank Balances				
	In Deposit Accounts (Refer Footnote)	19,271.9		15,208.1	
	In Earmarked Accounts:				
	Unpaid Dividend Accounts	42.4		37.7	
	Balances held as Margin Money or Security against Guarantees and Other Commitments (Refer Footnote)	581.7	19,896.0	899.4	16,145.2
			40,587.1		33,671.9

Footnote

Other Bank Balances include Deposits amounting to ₹ 2,256.2 Million (Previous Year ₹ 1,548.5 Million) and Margin Monies amounting to ₹ 536.7 Million (Previous Year ₹ 94.8 Million) which have an Original Maturity of more than 12 months.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ Million

	As at 31st March, 2013		As At 31st March, 2012	
20 Short-term Loans and Advances				
(Unsecured – Considered Good unless stated otherwise)				
Security Deposits		775.1		40.2
Loans and Advances to Employees / Others				
Secured	261.8		300.0	
Unsecured	2,882.5		5,790.0	
Considered Doubtful	4.5		4.5	
	3,148.8		6,094.5	
Less: Provision for Doubtful Loans and Advances	4.5	3,144.3	4.5	6,090.0
Prepaid Expenses		1,266.7		659.6
Balances with Government Authorities		2,653.6		1,981.6
Advance Income-Tax [net of Provisions]		2,273.8		-
Advances for Supply of Goods and Services		678.9		1,655.3
Receivable on Account of Assets under Finance Lease (Refer Note 41 (e))		3.6		-
		10,796.0		10,426.7
21 Other Current Assets				
(Unsecured – Considered Good)				
Interest Accrued on Investments		311.3		547.8
Unamortised Premium on Investments		0.3		0.3
Export Incentives		353.5		204.0
Others:				
Insurance Claim	26.3		23.7	
Fixed Assets Held for Sale	3.7		3.6	
Contractually Reimbursable	-	30.0	159.4	186.7
		695.1		938.8

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ Million

	Year ended 31st March, 2013		Year ended 31st March, 2012	
22 Revenue from Operations				
Sale of Products		114,087.1		81,128.5
Other Operating Revenues:				
Sale of Scrap	51.0		7.0	
Processing Charges Recovered	35.3		29.5	
Others	523.4	609.7	104.4	140.9
		114,696.8		81,269.4
23 Other Income				
Interest Income:				
Deposits with Banks	1,759.3		854.7	
Loans and Advances	421.7		336.0	
Current Investments	46.9		426.8	
Long-term Investments	75.3		169.0	
Others	65.7	2,368.9	191.1	1,977.6
Dividend Income on Long-term Investments		24.3		0.2
Net Gain on Sale of:				
Current Investments	283.1		1,272.6	
Long-term Investments	835.0	1,118.1	1,142.6	2,415.2
Profit on Sale of Fixed Assets		7.8		3.8
Sundry Balances Written Back		9.1		0.3
Insurance Claims		61.2		43.4
Lease Rental and Hire Charges		89.2		82.3
Miscellaneous Income		202.3		192.3
		3,880.9		4,715.1
24 Cost of Materials Consumed				
Raw and Packing Materials				
Inventory at the beginning of the year		8,531.9		7,158.9
Purchases during the year		20,901.8		19,889.0
Foreign currency translation difference (Refer Note 54)		183.6		-
Inventories at the end of the year		(10,117.5)		(8,531.9)
		19,499.8		18,516.0
25 Changes in Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade				
Inventories at the beginning of the year		11,802.7		7,314.0
Inventories Acquired on Acquisition		557.4		-
Foreign currency translation difference (Refer Note 54)		469.6		-
Inventories at the end of the year		(15,114.5)		(11,802.7)
		(2,284.8)		(4,488.7)



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ Million

	Year ended 31st March, 2013		Year ended 31st March, 2012	
26 Employee Benefits Expense				
Salaries and Wages		12,568.8		9,810.7
Contribution to Provident and Other Funds		1,432.1		1,088.6
Expense on Employee Stock Option (ESOP) Scheme		-		21.4
Staff Welfare Expenses		1,344.4		956.6
		15,345.3		11,877.3
27 Finance Costs				
Interest Expense on:				
Borrowings		318.6		235.6
Others		50.3		46.4
Net Loss on Foreign Currency Transactions and Translation (considered as Finance Costs)		62.7		-
		431.6		282.0
28 Other Expenses				
Consumption of Materials, Stores and Spare Parts		2,814.2		1,821.7
Conversion and Other Manufacturing Charges		1,792.4		1,598.3
Power and Fuel		1,871.0		1,456.5
Rent		314.5		260.4
Rates and Taxes		496.0		289.9
Insurance		336.6		210.4
Selling and Distribution		5,937.2		4,204.0
Commission and Discount		1,692.9		961.5
Repairs				
Buildings	234.7		134.6	
Machinery	978.2		748.6	
Others	364.8	1,577.7	323.3	1,206.5
Printing and Stationery		155.4		121.5
Travelling and Conveyance		496.1		386.9
Overseas Travel and Export Promotion		1,678.2		1,680.4
Communication		211.7		165.0
Provision for Doubtful Trade Receivable / Advances				
Provision for Doubtful Trade Receivable	94.1		15.4	
Sundry Balances / Trade receivable Written Off	33.1		78.4	
Less: Adjusted out of Provision for earlier years	(1.3)	125.9	(54.0)	39.8
Professional and Consultancy		4,175.5		3,083.8
Donations		47.6		52.5
Loss on Sale / Write Off of Fixed Assets		5.4		99.6

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

₹ Million

	Year ended 31st March, 2013		Year ended 31st March, 2012	
Net Loss on Foreign Currency Transactions and Translation		786.4		632.9
Increase / (Decrease) of Excise Duty on Inventory		30.2		76.8
Payment to Auditors				
As Auditors includes ₹ Nil (Previous Year ₹ 0.4 Million) in respect of Previous Year	52.0		93.5	
For Taxation Matters	7.9		0.5	
For Other Services	0.7		2.2	
Reimbursement of Expenses	9.2	69.8	0.3	96.5
Miscellaneous Expenses		3,682.9		1,588.8
		28,297.6		20,033.7
Less:				
Receipts from Research Activities		(340.1)		(158.6)
		27,957.5		19,875.1
Note : Research And Development Expenditure included in notes 23 to 28				
Salaries and Wages		1,961.1		1,508.5
Contribution to Provident and Other Funds		202.5		165.5
Staff Welfare Expenses		130.4		93.8
Consumption of Materials, Stores and Spare Parts		1,744.6		978.4
Power and Fuel		97.6		81.3
Rates and Taxes		148.2		26.9
Rent		22.6		5.1
Insurance		8.2		8.8
Repairs				
Buildings	27.2		19.5	
Machinery	79.9		59.5	
Others	59.7	166.8	37.7	116.7
Printing and Stationery		21.9		15.2
Travelling and Conveyance		62.4		36.7
Communication		21.1		13.3
Professional and Consultancy		1,486.1		690.4
Loss on Sale of Fixed Assets (Net)		0.2		0.9
Miscellaneous Expenses		541.8		345.5
		6,615.5		4,087.0
Less:				
Interest Income	1.4		1.6	
Receipts from Research activities	340.1		158.6	
Miscellaneous Expenses	25.0	366.5	35.1	195.3
		6,249.0		3,891.7



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

30 SIGNIFICANT ACCOUNTING POLICIES:

I Basis of Consolidation:

The Consolidated Financial Statements relate to Sun Pharmaceutical Industries Limited ('the Company'), its Subsidiaries and Jointly Controlled Entities (together constitute 'the Group'). The Consolidated Financial Statements have been prepared on the following basis:

- (a) The financial statements of the Company and its Subsidiaries have been consolidated on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 'Consolidated Financial Statements', as notified by the Companies (Accounting Standards) Rules, 2006. These financial statements have been prepared using uniform accounting policies for like transactions and other events in the similar circumstances.
Interests in Jointly Controlled Entities has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27- "Financial Reporting of Interests in Joint Venture".
- (b) In case of foreign Subsidiaries / Jointly Controlled Entities, being non-integral foreign operations, translation of financial statements for consolidation is done in accordance with the policy stated in Note X below.
- (c) The Consolidated Financial Statements of the Group include financial statements of certain subsidiaries prepared as of a different date from that of the Company's financial statements. Adjustments for effects of significant transactions and events that have occurred between the date of the financial statements of these subsidiaries and the date of the Parent Company's financial statements are made in the Consolidated Financial Statements.
- (d) The excess of cost of investment in Subsidiaries / Jointly Controlled Entities over the share of equity in Subsidiaries / Jointly Controlled Entities as at the date of making the investment is recognised in the financial statements as Goodwill. Goodwill arising out of consolidation is not amortised. However, the same is tested for impairment at each Balance Sheet date. The excess of share of equity of subsidiaries / Jointly Controlled Entities over the cost of acquisition of the respective investments as at the date of making the investment is treated as Capital Reserve. For this purpose, share of equity is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.
- (e) Minority Interest in the net assets of Subsidiaries consists of :
 - i. the amount of equity attributable to the minorities at the date on which investment in Subsidiary is made, and
 - ii. the minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

II Basis of Accounting

The financial statements have been prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) as notified under the Companies (Accounting Standards) Rules, 2006.

III Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the year. Difference between the actual result and estimates are recognised in the year in which the results are known / materialised.

IV Fixed Assets and Depreciation / Amortisation

Fixed Assets including Intangible assets are stated at historical cost (Net of cenvat credit) less accumulated depreciation / amortization thereon and impairment losses, if any. Depreciation on tangible assets is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 except for Caraco Pharmaceutical Laboratories Ltd. (Caraco), Taro Pharmaceutical Industries Ltd.(Taro), Alkaloida Chemical Company Zrt., Sun Pharmaceutical Industries (Australia) Pty. Ltd., Sun Pharmaceutical Industries (Europe) B.V., Sun Pharma Global (FZE), Sun Pharmaceutical Spain, SL., Sun Pharmaceuticals Italia S.R.L., Sun Pharmaceuticals Germany GmbH, Sun Pharmaceuticals France, TKS Farmaceutica Ltda., Sun Pharmaceutical UK Ltd., Sun Pharmaceutical Peru S.A.C., Sun Pharmaceutical (Bangladesh) Ltd., Sun Pharma Philippines Inc, Sun Pharma Global Inc, Sun Pharma MEA JLT, OOO "Sun Pharmaceutical Industries" Ltd., Sun Pharma De Mexico S.A De C.V and Alkaloida Sweden AB depreciation is computed using the Straight Line Method over the estimated useful lives of the related assets, which ranges from 3 to 100 years. In case of the Company, Sun Pharmaceutical Industries, Sun Pharma Sikkim and Sun Pharma Laboratories

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Limited assets costing ₹ 5,000 or less and in case of Sun Pharmaceutical Spain, SL. and Sun Pharmaceuticals Italia S.R.L assets costing Euro 601 and Euro 516.4 or less respectively are charged off as expense in the year of purchase. Leasehold land is amortised over the period of lease. At Taro, Leasehold improvements are depreciated using the Straight Line Method over the shorter of their useful lives or the terms of leases generally 5 - 10 years.

Intangible assets consisting of trademarks, designs, technical know-how, non compete fees and other intangible assets are amortised on Straight Line Method from the date they are available for use, at the rates as estimated by the Management considering the terms of agreement, which ranges from 3 to 20 years.

V Leases

Lease rental for assets taken / given on operating lease are charged / credited to the Statement of Profit and Loss in accordance with Accounting standard (AS) 19 - "Leases". For assets given under finance lease, amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment in accordance with Accounting Standard (AS) 19 - "Leases".

VI Revenue Recognition

Sale of products are recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of products. Export sales are recognized depending on the terms of customer arrangements, which is recognized either when the product is received by the customer at the destination point or at the time of shipment. Sales include delayed payment charges, and are stated net of returns, VAT /sales tax, provision for chargeback's, medicaid, rebates, shelf stock adjustments, breakages and expiry and other sales deductions, made on the basis of management expectation taking into account past experience, customer experience, third-party prescription data, industry and regulatory changes and other relevant information which are revised as necessary.

VII Investments

Investments are classified into Current and Long-term Investments. Current Investments are valued at lower of cost and fair value. Long-term Investments are stated at cost less provision, if any, for other than temporary diminution in their carrying amount.

VIII Inventories

Inventories consisting of raw and packing materials, other materials and consumables including R&D materials, work in progress, stock in trade and finished goods are stated at lower of cost (raw and packing materials and stock in trade - specific identification method; other materials and consumables - FIFO basis; work-in-progress and finished goods - weighted average method) and net realisable value. In respect of Caraco, cost is determined on specific identification basis, in respect of Alkaloida Chemical Company Zrt, cost is determined on FIFO basis, in respect of Taro Pharmaceutical Industries Ltd, cost is determined on Average cost basis.

IX Research and Development

The research and development cost is accounted in accordance with Accounting Standard – 26 'Intangible Assets'. All related revenue expenditure incurred on original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding up to the time when it is possible to demonstrate probable future economic benefits, is recognised as research expenses and charged off to the Statement of Profit and Loss, as incurred. All subsequent expenditure incurred for product development on the application of research findings or other knowledge upon demonstration of probability of future economic benefits, prior to the commencement of production, to the extent identifiable and possible to segregate are accumulated and carried forward as development expenditure under Capital Work in Progress, to be capitalised as an intangible asset on completion of the project. In case a project does not proceed as per expectations / plans, the same is abandoned and the amount classified as development expenditure under Capital Work-in-Progress is charged off to the Statement of Profit and Loss.

X Foreign Currency Transactions and Translation

Transactions denominated in foreign currencies are recorded at the exchange rates that approximates the actual rate prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life of the forward contract. The exchange differences arising on settlement / translation are recognised in the Statement of Profit and Loss.



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The translation of the financial statements of non integral foreign operations is accounted for as under:

- a) All revenues and expenses are translated at average rate.
- b) All monetary and non-monetary assets and liabilities are translated at the rate prevailing on the balance sheet.
- c) Resulting exchange difference is accumulated in Foreign Currency Translation Reserve on Consolidation until the disposal of the net investment in the said non integral foreign operation.

XI Derivative Accounting

Forward Contracts in the nature of highly probable forecasted transactions / firm commitments entered into for hedging the risk of foreign currency exposure and other derivative contracts are accounted for on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies". Pursuant to this, losses, if any, on Mark to Market basis, are recognised in the Statement of Profit and Loss and gains are not recognised on prudent basis.

XII Taxes on Income

Provision for taxation comprises of Current Tax and Deferred Tax. Current Tax provision has been made on the basis of reliefs and deductions available under relevant Tax laws. Minimum Alternate Tax (MAT) credit entitlement available under the relevant tax laws is recognized to the extent that there is convincing evidence that the Company will pay normal income tax during the specified future period. The Company reviews the carrying amount of MAT credit entitlement at each balance sheet date and writes-down the carrying amount to the extent there is no longer convincing evidence that Company will pay normal income tax during the specified future period. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date.

XIII Employee Benefits

- (a) The Group's contribution in respect of provident fund and other funds is charged to the Statement of Profit and Loss each year.
- (b) With respect to gratuity liability, some of the entities in group contributes to Life Insurance Corporation of India (LIC) under LIC's Group Gratuity policy. Gratuity liability as determined on actuarial basis by the independent valuer is charged to the Statement of Profit and Loss.
- (c) Liability for accumulated compensated absences of employees is ascertained for on actuarial valuation basis and provided for as per group rules.

XIV Borrowing Costs

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

XV Provisions, Contingent Liabilities and Contingent Assets

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

XVI Government Grants / Subsidy

Government grants, if any, are accounted when there is a 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 the 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.

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XVII Impairment of Assets

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

- 31 a) The Consolidated Financial Statements present the consolidated accounts of Sun Pharmaceutical Industries Limited with its following Subsidiaries / Jointly Controlled Entities.

Name of Subsidiaries		Country of Incorporation	Proportion of ownership interest for the year	
			Year ended 31st March, 2013	Year ended 31st March, 2012
Direct Subsidiaries				
1	Green Eco Development Centre Ltd.	India	100.00%	100.00%
2	Sun Pharma Global Inc.	British Virgin Islands	100.00%	100.00%
3	ZAO Sun Pharma Industries Ltd. (See Note e)	Russia	100.00%	100.00%
4	Sun Pharmaceutical (Bangladesh) Ltd.	Bangladesh	72.50%	72.50%
5	Caraco Pharmaceutical Laboratories Ltd. (Caraco)	United States of America	100.00%	100.00%
6	TKS Farmaceutica Ltda	Brazil	100.00%	100.00%
7	Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%
8	Sun Pharmaceutical Industries Inc.	United States of America	(See Note f)	100.00%
9	SPIL De Mexico S.A. DE C.V.	Mexico	100.00%	100.00%
10	Sun Pharmaceutical Peru S.A.C.	Peru	99.33%	99.33%
11	OOO "Sun Pharmaceutical Industries" Ltd.	Russia	99.00%	99.00%
12	Sun Pharma de Venezuela, CA.	Venezuela	100.00%	100.00%
13	Sun Pharma Laboratories Limited (Formerly Known as Sun Resins and Polymers Private Limited)	India	100% (See Note h)	100.00%
14	Faststone Mercantile Company Private Limited	India	100.00%	-
15	Neetnav Real Estate Private Limited	India	100.00%	-
16	Realstone Multitrade Private Limited	India	100.00%	-
17	Skisen Labs Private Limited	India	100.00%	-
18	Softdeal Trading Company Private Limited	India	100.00%	-
Step down Subsidiaries				
19	Caraco Pharma Inc	United States of America	100.00%	100.00%
20	Chattem Chemicals Inc	United States of America	100.00%	100.00%
21	Taro Development Corporation	United States of America	100.00%	100.00%
22	Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%
23	Sun Pharmaceutical UK Ltd.	United Kingdom	100.00%	100.00%
24	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	Australia	100.00%	100.00%
25	Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%
26	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	100.00%	100.00%
27	Sun Pharmaceuticals Italia S.R.L.	Italy	100.00%	100.00%
28	Sun Pharmaceutical Spain, S.L.U	Spain	100.00%	100.00%
29	Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%
30	Sun Pharmaceuticals France	France	100.00%	100.00%



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Name of Subsidiaries		Country of Incorporation	Proportion of ownership interest for the year	
			Year ended 31st March, 2013	Year ended 31st March, 2012
31	Sun Pharma Global (FZE)	United Arab Emirates	100.00%	100.00%
32	Sun Pharmaceuticals (SA) (Pty) Ltd.	South Africa	100.00%	100.00%
33	Sun Global Canada Pty. Ltd.	Canada	100.00%	100.00%
34	Sun Pharma Philippines Inc.	Philippines	100.00%	100.00%
35	Sun Pharmaceuticals Korea Ltd.	Korea	100.00%	100.00%
36	Sun Global Development FZE	United Arab Emirates	100.00%	100.00%
37	Caraco Pharmaceuticals Pvt. Ltd	India	100.00%	100.00%
38	Sun Pharma Japan Ltd	Japan	100.00%	100.00%
39	Sun Pharma HealthCare FZE	United Arab Emirates	100.00%	100.00%
40	Sun Pharma MEA JLT	United Arab Emirates	100.00%	100.00%
41	Morley and Company Inc	United States of America	100.00%	100.00%
42	Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%
43	Taro Pharmaceutical Industries Ltd. (TARO)	Israel (See note I)	65.89%	66.30%
44	Taro Pharmaceuticals Inc.	Canada	65.89%	66.30%
45	Taro Pharmaceuticals U.S.A., Inc.	United States of America	65.89%	66.30%
46	Taro Research Institute Ltd.	Israel	(See Note g)	66.30%
47	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British west Indies	65.89%	66.30%
48	Taro Pharmaceuticals Europe B.V.	Netherlands	65.89%	66.30%
49	Taro Pharmaceuticals Ireland Ltd.	Ireland	65.89%	66.30%
50	Taro International Ltd.	Israel	65.89%	66.30%
51	Taro Pharmaceuticals UK Ltd.	United Kingdom	65.89%	66.30%
52	Taro Hungary Intellectual Property Licensing LLC.	Hungary	65.89%	66.30%
53	3 Skyline LLC	United States of America	65.89%	66.30%
54	One Commerce Drive LLC	United States of America	65.89%	66.30%
55	Tarochem Ltd.	Israel	65.89%	66.30%
56	Taro Pharmaceutical Laboratories INC	United States of America	65.89%	66.30%
57	Taro Pharmaceuticals Canada, Ltd.	Canada	65.89%	66.30%
58	Taro Pharmaceutical India Private Ltd.	India	65.89%	66.30%
59	Orta Ltd.	Israel	65.89%	-
60	Sun Universal Ltd	United Arab Emirates	100.00%	-
61	Khyati Realty ME Ltd	United Arab Emirates	100.00%	-
62	Aditya Pharma Private limited	Hungary	100.00%	-
63	Alkaloida Sweden AB	Sweden	100.00%	-
64	Dusa Pharmaceuticals Inc	United States of America	100.00%	-
65	Dusa Pharmaceuticals New York Inc	United States of America	100.00%	-
66	Sirius Laboratories Inc	United States of America	100.00%	-
67	URL Pharma Inc	United States of America	100.00%	-
68	AR Scientific.Inc	United States of America	100.00%	-
69	Mutual Pharmaceutical Company, Inc.	United States of America	100.00%	-
70	United Research Laboratories, Ltd.	United States of America	100.00%	-
71	Dungan Mutual Associates, LLC	United States of America	100.00%	-
72	URL PharmPro, LLC	United States of America	100.00%	-

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Name of Subsidiaries		Country of Incorporation	Proportion of ownership interest for the year	
			Year ended 31st March, 2013	Year ended 31st March, 2012
73	Universal Enterprises (Pvt) Ltd.	India	100.0%	(See Note h)
74	Sun Laboratories Inc.	United States of America	-	(See Note i)
75	Taro Laboratories Ltd	United States of America	-	(See Note j)
76	Taro Healthcare Limited	United Kingdom	-	(See Note j)
77	Taro Industries Limited	United Kingdom	-	(See Note j)
78	Taro Manufacturing Limited	United Kingdom	-	(See Note j)
79	Taro International Limited	United Kingdom	-	(See Note j)
Name of Partnership Firm				
80	Sun Pharmaceutical Industries	India	(See Note h)	97.50%
81	Sun Pharma Sikkim	India	(See Note h)	97.50%
82	Sun Pharma Drugs	India	98.00%	98.00%
83	Sun Pharma Exports	India	-	(See Note k)
Name of controlled Entity				
84	Universal Enterprises (Pvt) Ltd.	India	(See Note h)	97.50%
Jointly Controlled Entity				
85	MSD - Sun LLC	United States of America	50.00%	50.00%
Subsidiary of Jointly Controlled Entity				
86	MSD - Sun FZ LLC	United Arab Emirates	50.00%	50.00%

- b The Financial Statements of the Company, subsidiary company at Sr. no. 13 and Partnership Firms at Sr.no. 80 and 81 are audited by Deloitte Haskins & Sells. The Financial Statements in respect of all other Subsidiaries, a Partnership Firm and a Jointly Controlled Entity are audited by other auditors except in respect of a subsidiary of Jointly Controlled Entity at Sr.No.86 are unaudited and are consolidated on the basis of management accounts.
- c In respect of entities at Sr. No. 3, 6, 7, 9, 10 and 11, the reporting date is as of 31st December, 2012 and different from the reporting date of the Parent Company and the financial statements have been audited by other auditors. In terms of Accounting Standard 21, adjustments have been made for significant transactions of these subsidiaries for the periods from 1st January, 2012 to 31st March, 2012 and 1st January, 2013 to 31st March, 2013, on the basis of their management accounts for the said periods.
- d Entities at Sr. No.14 to 18 and at 59 to 72 have been incorporated / acquired during the year ended 31st March, 2013.
- e ZAO Sun Pharma Industries Ltd. is in the process of Liquidation and has appointed Official Liquidator as per the terms of Resolution passed at the General Meeting of the Subsidiary held on 29th October, 2002.
- f With effect from 28th February, 2013 Sun Pharmaceutical Industries Inc. has merged with Caraco.
- g Taro Research Institute Ltd. has merged with TARO with effect from 31st March, 2012.
- h With effect from 31st August, 2012, Partnership firms viz Sun Pharmaceutical Industries and Sun Pharma Sikkim have been converted into Pvt. Ltd. companies viz. Sun Pharma Medication Pvt. Ltd. and Sun Pharma Drugs Pvt. Ltd. respectively, under Part IX of the Companies Act, 1956 and accordingly, Universal Enterprises (Pvt) Ltd has become a subsidiary company from 31st August, 2012. With effect from 1st September, 2012, Sun Pharma Medication Pvt. Ltd. and Sun Pharma Drugs Pvt. Ltd has amalgamated into Sun Pharma Laboratories Limited. (Refer Note 56).
- i With effect from 14th June, 2011 Sun Laboratories Inc has been merged with Caraco.
- j With effect from 31st January, 2012 the entities at Sr. No. 75 to 79 have been dissolved.
- k With effect from 27th January, 2012 Sun Pharma Exports has been dissolved .
- l The Group holds 65.89% and 77.30% of beneficial ownership and voting power respectively in the share capital of TARO.



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- m Significant Accounting Policies and other Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding of the consolidated position of the Group. Recognising this purpose, the Group has disclosed only such policies and notes from the individual financial statements which fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the individual financial statements.

₹ In Million

32 Contingent Liabilities and Commitments (to the extent not provided for)	As at 31st March, 2013	As at 31st March, 2012
A) Contingent Liabilities		
I) Claims against the Group not acknowledged as debts	653.5	834.4
II) Guarantees Given by the bankers on behalf of the Group	571.5	303.8
III) Others :		
Letters of Credit for Imports	548.8	250.0
Liabilities Disputed - Appeals filed with respect to :		
Income Tax on account of Disallowances / Additions	7,624.0	5,091.9
Sales Tax on account of Rebate / Classification	48.4	22.9
Excise Duty on account of Valuation / Cenvat Credit	466.7	340.2
ESIC Contribution on account of applicability	0.2	0.2
Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, including interest thereon, enjoyed by the Group	14.0	14.0
Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme	13.9	12.0
IV) Sun Pharma Global Inc. / Sun Pharma Global FZE (Sun Global) along with Teva and others have sold pantoprazole tablets in the United States. Wyeth and Nycomed (Plaintiffs) have instituted case against Sun Global and their parent Sun Pharmaceutical Industries Ltd, (collectively Sun) and Teva and others (Defendants) claiming damages in the form of lost profits, including price erosion damages, for the sales Plaintiffs lost as a result of Defendants i.e Teva and Sun Global's sales of pantoprazole tablets in the United States. Wyeth's experts have estimated the purported damages from Sun to be \$ 960 million (₹ 52,108.8 Million). Wyeth's experts have also claimed that Teva may be liable for some of Sun Global's damages and vice versa. The claim for damages will require Wyeth and Nycomed to meet the burden to prove the amount of damages it claims. In the yet to be scheduled Jury trial in the U.S District Court for the district of New Jersey, a jury will determine the appropriate level of damages assessable against Sun and Teva. After this decision, the previous ruling on the validity of the patent as well as the ruling on the quantum of damages will become appealable before United States Court of Appeals of the Federal Circuit. Sun maintains that the patent is invalid and unenforceable and will pursue all available legal remedies including appeals until a final non-appealable decision ensues, however, as a matter of prudence and as estimated by management a sum of \$ 107 million (₹ 5,835.8 million) have been provided towards potential damages in this regard and disclosed as exceptional item in statement of Profit and Loss.		
B) Commitments		
I) Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	3,051.1	4,349.0
II) Derivative related Commitments - Forward Foreign Exchange Contracts	4,342.4	2,034.8
III) Lease related commitments [Refer Note : 41 (d) (i)]		

33 Legal Proceedings

The Company and / or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims and other regulatory matters relating to conduct of its business. The Company records a provision in the financial statements to the extent that it concludes that a liability is probable and estimable based on the status of these cases,

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advise of the counsel, management assessment of the likely damages etc. The Group carries product liability insurance / is contractually indemnified by the manufacturer, for an amount it believes is sufficient for its needs. In respect of other claims, the Group believes, these claims do not constitute material litigation matters and with its meritorious defenses the ultimate disposition of these matters will not have material adverse effect on its Financial Statements.

34 Disclosures relating to Share Capital

i Rights, Preferences and Restrictions attached to Equity Shares

The Equity Shares of the Company, having par value of ₹ 1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

ii Equity Shares held by each shareholder holding more than 5 percent Equity Shares in the Company are as follows:

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dilip Shantilal Shanghvi	115,570,240	11.2	115,570,240	11.2
Viditi Investments Pvt. Ltd.	100,692,660	9.7	100,692,660	9.7
Tejaskiran Pharmachem Inds. Pvt. Ltd.	97,671,880	9.4	97,671,880	9.4
Family Investment Pvt. Ltd.	91,463,720	8.8	91,463,720	8.8
Quality Investment Pvt. Ltd.	91,434,320	8.8	91,434,320	8.8

₹ In Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
35 Research and Development Expenditure		
Revenue (Excluding Depreciation)	6,249.0	3,891.7
Capital	426.8	361.5
Total	6,675.8	4,253.2

36 Goodwill on consolidation (Net) comprises of:		
A) Goodwill in respect of:		
Caraco Pharmaceutical Laboratories Ltd.	6,778.0	5,981.0
TKS Farmaceutica Ltda	421.5	417.8
Sun Pharma Japan Ltd	75.0	75.4
Universal Enterprises (Pvt) Ltd.	7.5	7.5
Taro Pharmaceutical Industries Ltd.	4,930.0	4,618.9
Total (A)	12,212.0	11,100.6
Less:		
B) Capital Reserve in respect of:		
Alkaloida Chemical Company Zrt.	882.5	882.5
Total (B)	882.5	882.5
Total (A-B)	11,329.5	10,218.1

37 Related Party Disclosure (AS-18) - as per Annexure 'A'		
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38 Accounting Standard (AS-20) on Earnings Per Share		
Profit for the year - used as Numerator for calculating Earnings Per Share	29,830.6	26,566.9
Weighted Average number of Shares used in computing basic and diluted Earnings Per Share	1,035,581,955	1,035,581,955
Nominal value per share (in ₹)	1.0	1.0
Basic and Diluted Earnings Per Share (in ₹)	28.8	25.7



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₹ In Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
39 Accounting Standard (AS-17) on Segment Reporting		
a) Primary Segment		
The Group has identified "Pharmaceuticals" as the only primary reportable business segment.		
b) Secondary Segment (By Geographical Segment)		
India	32,020.9	30,506.1
Outside India	82,066.2	50,622.4
Sale of Products	114,087.1	81,128.5

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

40 Intangible assets consisting of trademarks, designs, technical knowhow, non compete fees and other intangible assets are stated at cost of acquisition based on their agreements and are available to the Group in perpetuity. The depreciable amount of intangible assets is arrived at, based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Group.

- 41** (a) The Group has given certain premises and Plant and Machinery under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and license, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Group has received refundable interest free security deposits, where applicable, in accordance with agreed terms
- (b) The Group has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licenses, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Group has given refundable interest free security deposits in accordance with the agreed terms.
- (c) Lease receipts/payments are recognised in the Statement of Profit and Loss under "Rent" in Note 23 and Note 28.
- (d) Operating lease
- (i) Group as lessee
- The future minimum lease payments under non-cancellable operating lease
- not later than one year ₹ 256.7 Million (Previous year ₹ 240.8 Million)
 - later than one year and not later than five years ₹ 463.4 Million (Previous year ₹ 498.6 Million)
 - later than five years ₹ Nil (Previous year ₹ 74.6 Million)
- (ii) Group as lessor
- The future minimum lease payments under non-cancellable operating lease
- not later than one year ₹ 50.7 Million (Previous year ₹ 66.4 Million)
 - later than one year and not later than five years ₹ 78.0 Million (Previous year ₹ 118.4 Million)
 - later than five years ₹ Nil (Previous year ₹ Nil)
- (e) Finance lease
- Group as lessor
- The future minimum lease payments under non-cancellable finance lease aggregate ₹ 843.8 Million.
- not later than one year ₹ 33.9 Million (Previous year ₹ Nil); later than one year and not later than five years ₹ 169.3 Million (Previous year ₹ Nil); later than five years ₹ 640.7 Million (Previous year ₹ Nil).
- Less: Unearned finance income ₹ 513.1 Million (Previous year ₹ Nil).
- Present Value of minimum lease payment receivable aggregate ₹ 330.7 Million (Previous year ₹ Nil).
- not later than one year ₹ 3.6 Million (Previous year ₹ Nil); later than one year and not later than five years ₹ 23.9 Million (Previous year ₹ Nil); later than five years ₹ 303.1 Million (Previous year ₹ Nil).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

42 Accounting Standard (AS-15) on Employee benefits

Contributions are made to Recognised Provident Fund/ Government Provident Fund, Family Pension Fund, ESIC and other Statutory Funds which covers all regular employees. While both the employees and the Group make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 175.9 Million (Previous year ₹ 142.4 Million)

₹ in Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
Contribution to Provident Fund	162.0	130.9
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	8.5	7.3
Contribution to Labour Welfare Fund	0.1	0.1
Employer's Contribution to Family Pension Fund	5.3	4.1

In respect of Gratuity, Contributions are made to LIC's Recognised Group Gratuity Fund Scheme based on amount demanded by LIC of India. Provision for Gratuity is based on actuarial valuation done by independent actuary as at the year end. Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 112.4 Million (Previous Year ₹ 56.2 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Category of Plan Assets : The Group's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India.

₹ in Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
In respect of gratuity (funded):		
Reconciliation of liability / (asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	457.9	311.6
Fair value of plan assets	(436.6)	(347.6)
Net liability / (asset) in the Balance sheet	21.3	(36.0)
Movement in net liability / (asset) recognised in the Balance sheet		
Net liability / (asset) as at the beginning of the year	(36.0)	(26.9)
Net expense recognised in the Statement of Profit and Loss	124.0	39.2
Contribution during the year	(66.7)	(48.3)
Net liability / (asset) in the Balance sheet	21.3	(36.0)
Expense recognised in the Statement of Profit and Loss		
Current service cost	38.1	31.3
Interest cost	26.5	21.2
Expected return on plan assets	(29.7)	(23.4)
Actuarial loss	89.1	10.1
Expense charged to the Statement of Profit and Loss	124.0	39.2
Return on plan assets		
Expected return on plan assets	29.7	23.4
Actuarial gain	8.2	6.8
Actual return on plan assets	37.9	30.2



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



₹ in Million

	Year ended 31st March, 2013	Year ended 31st March, 2012
Reconciliation of defined-benefit commitments		
Commitments as at the beginning of the year	311.6	257.3
Current service cost	38.1	31.3
Interest cost	26.5	21.2
Paid benefits	(15.6)	(15.1)
Actuarial loss	97.3	16.9
Commitments as at the year end	457.9	311.6
Reconciliation of plan assets		
Plan assets as at the beginning of the year	347.6	284.2
Expected return on plan assets	29.7	23.4
Contributions during the year	66.7	48.3
Paid benefits	(15.6)	(15.1)
Actuarial gain	8.2	6.8
Plan assets as at the year end	436.6	347.6

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense.

Discount rate	8.25%-8.50%	8.50%
Expected return on plan assets	8.25%-8.50%	8.50%
Expected rate of salary increase	6.00%-7.00%	6.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate

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

₹ in Million

	Year ended				
	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Experience adjustment					
On plan liabilities	32.1	26.5	18.1	57.2	5.4
On plan assets	8.2	6.8	3.4	3.4	4.1
Present value of benefit obligation	457.9	311.6	257.3	219.5	148.1
Fair value of plan assets	(436.6)	(347.6)	(284.2)	(236.3)	(194.3)
Excess of obligation over plan assets / (plan assets over obligation)	21.3	(36.0)	(27.0)	(16.8)	(46.2)

The contribution expected to be made by the Group during financial year ending 31st March, 2014 is ₹ 88.5 Million (Previous Year ₹ 38.0 Million).

Note :

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

- 43 a) Taro Pharmaceutical Industries Ltd and its Israeli subsidiaries are required to make severance or pension payments to dismissed employees and to employees terminating employment under certain other circumstances. Deposits are made with a pension fund or other insurance plans to secure pension and severance rights for the employees in Israel.
- b) In terms of Collective bargaining agreement dated April 06, 2011, between Taro Pharmaceutical Industries Ltd (employer) with it's employees at Israel, a one time provision of ₹ 81.42 Million (Previous Year ₹ 76.3 Million) has been made, which is to be divided among Taro Israeli Employees.
- 44 Stock-based compensation is accounted at Taro Pharmaceutical Industries Ltd (Taro) based on the estimated fair value of stock options granted using the Black-Scholes model. Taro recognize compensation expense for the value of its awards granted subsequent to January 1, 2006, based on the straight-line method over the requisite service period of each of the awards, net of estimated forfeitures. The fair value of an award is affected by the stock price on the date of grant and other assumptions, including the estimated volatility of stock price over the term of the awards and the estimated period of time that Taro expect employees to hold their stock options.

A summary of Taro stock activity and related information for the year ended March 2013

	No. of Options	Exercise price (In USD)	Weighted Average Exercised Price (In USD)	Weighted Average remaining Contractual Terms (in Years)	Aggregate Intrinsic Value (In USD)
Outstanding at the beginning of the year	329,055 (435,705)	2.4 - 68.5 (2.4 - 68.5)	26.0 (25.2)		
Exercised during the year	-291,555 (-32,400)	2.4 - 54.5 (2.4 - 14.1)	22.6 (9.3)		
Forfeited during the year	-12,000 (-74,250)	39.0 - 68.5 (11.9 - 68.5)	52.6 (28.9)		
Outstanding at the end of the year	25,500 (329,055)	24.7 - 68.5 (2.4 - 68.5)	52.3 (25.9)	0.9 (1.8)	220.0 (4,800.0)
Exercisable at the end of the year	25,500 (329,055)		52.3 (25.9)	0.9 (1.8)	220.0 (4,800.0)
Vested and expected to vest at the end of the year	25,500 (329,055)		52.3 (25.9)	0.9 (1.8)	220.0 (4,800.0)

Previous Year figures are in brackets.

- 45 During the year, the Group has received Government Grant of ₹ Nil (Previous Year ₹ 2.0 Million) and ₹ Nil (Previous Year ₹ 7.5 Million) in respect of Building and Plant and Equipment respectively.
- 46 Current Tax includes Write back of Provision for Fringe Benefit Tax (net) of ₹ 0.2 Million (Previous Year ₹ 0.6 Million) pertaining to earlier year.
- 47 The following are the outstanding Derivative Contracts entered by the Company and some of its Subsidiaries as on 31st March, 2013.

Nature of Derivative Contract	Currency	Buy / Sell	Cross Currency	As at	As at
				31st March, 2013	31st March, 2012
				Amount In Million (USD)	Amount In Million (USD)
Forward Contracts	US Dollar	Sell	RUPEES	300.0	330.0
Forward Contracts	US Dollar	Sell	HUF	-	5.0
Forward Contracts	US Dollar	Sell	NIS	41.0	45.0
Forward Contracts	US Dollar	Sell	CAD	96.0	96.0
Cross Currency Swaps	Israeli New Shekel	Buy	US Dollar	18.8	29.1
Interest Rate Swaps (Floating to Fixed)	US Dollar	Sell	US Dollar	9.1	10.2

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



- 48** As a result of the FDA action in September 29, 2009 Caraco Pharmaceutical Laboratories Ltd (Caraco) had voluntarily ceased manufacturing operations. In accordance with the Consent Decree, Caraco engaged/constituted a consulting firm which comprised of current Good Manufacturing Practice ("cGMP") experts and after taking corrective measures and required remedial measures, submitted a work plan to the FDA, in October 2009 leading to resumption of its manufacturing operations. The FDA approved this workplan on 17 March, 2010 and the protocol in third party certification submitted on 5 May, 2010 was accepted by FDA on June 24, 2010. On May 9, 2011 Caraco received written notification that its cGMP consultants had submitted written certification to FDA pursuant to paragraph 21 F of the consent decree with respect to two products that it in decided to manufacture. FDA subsequently inspected the facility and on 27 August, 2012 notified that Caraco appears to be in compliance with the consent decree and it may resumes operations. On conduct of Independent audit in February 2013 and completion of verification by Independent Auditors in May 2013 Caraco is currently manufacturing three products.
- 49** Deferred tax asset on net operating losses is mainly relating to one of the subsidiaries acquired during the year. Such operating losses had arisen prior to the date of acquisition of the subsidiary and were incurred mainly on account of expenses on research and development activities including preclinical and clinical trials prior to approval and commercial launch of underlying products. Having regard to the recent history of profitability, growth in operations and revenue, favourable business environment, underlying products having exclusivity period in the Unites States of America and consolidation of the said subsidiary with other profitable entities in the United States, the Management believes that such events represents virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- 50** Legal reserve has been created in accordance with the requirement of Mexican General Corporation Law out of the Reserves of earlier year.
- 51** Taro Pharmaceutical Industries Ltd had closed during 2010, i.e., prior to acquiring control by the Company, the manufacturing facility of its subsidiary in Ireland and decided to sell the facility. The management of the group is of the view that the closure does not have material impact on the group's financials. The related assets of ₹ 118.7 Million (Previous Year ₹ 140.6 Million), Liabilities of ₹ 3.8 Million (Previous Year ₹ 4.5 Million), Revenues of ₹ 22.6 Million (Previous Year ₹ 2.6 Million) and Losses of ₹ 65.3 Million (Previous Year ₹ 11.1 Million) attributable to its Irish Subsidiary has been considered in the Consolidated Financial Statements.
- 52** a) Alkaloida Chemical Company Zrt., a subsidiary of the Company holds 43.2% in the capital of Reanal Ltd. However, as Alkaloida does not have any 'Significant Influence' in Reanal Ltd, as is required under AS 23- "Accounting for Investments in Associates in Consolidated Financial Statements", the said investment in Reanal Ltd is not consolidated as an "Associate Entity". Accordingly, the investment in Reanal Ltd is accounted in accordance with Accounting Standard 13- "Accounting for Investments".
- b) Sun Pharma Global FZE, a subsidiary of the Company holds 23.35% in the capital of Enceladus Pharmaceutical B.V. However, as Sun Pharma Global FZE does not have any 'Significant Influence' in Enceladus Pharmaceutical B.V., as is required under AS 23- "Accounting for Investments in Associates in Consolidated Financial Statements", the said investment in Enceladus Pharmaceutical B.V. is not consolidated as an "Associate Entity". Accordingly, the investment in Enceladus Pharmaceutical B.V. is accounted in accordance with Accounting Standard 13- "Accounting for Investments"
- 53** As per the best estimate of the management, provision has been made as per Accounting Standard (AS) 29, as notified by Companies (Accounting Standards) Rules, 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

₹ In Million

	As at 31st March, 2013	As at 31st March, 2012
Provision*		
Opening balance	6,805.1	4,735.3
Add: Provision for the year	7,068.4	4,368.6
Less: Utilisation / Settlement	(4,587.3)	(2,390.3)
Add/ (Less): Foreign currency translation Difference	(3.1)	91.5
Closing balance	9,283.1	6,805.1

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Provisions for returns, Medicaid (provision at TARO made during the year includes \$ 30 Million (₹ 1628.4 Million) towards claim under state medicaid programme) and indirect rebates are included in short and long term provisions. All other sales deductions allowances are recorded as accounts receivable reserves/provisions and reduced from trade receivable. The provisions for returns is included in short and long term provisions as substantially all of these returns will not be realized until after the year-end accounts receivable balances are settled. Medicaid and indirect rebates are included in short and long term provisions because the Group does not have direct customer relationships with any of the payees.

- 54 During the Current Year, there has been a refinement in the basis of computing the cost of materials consumed and changes in inventories. For this purpose, the effect on account of difference between average cross currency exchange rate and closing cross currency exchange rate with respect to changes in inventories of overseas subsidiaries has been transferred to foreign currency translation reserve. But for this change, the profit for the year ended 31st March, 2013 would have been higher by ₹ 653.2 million
- 55 Dusa Pharmaceuticals Inc (Dusa) and URL Pharma Inc. (URL), pharmaceutical companies, both being incorporated in United States of America became subsidiaries of the Company on 20th December, 2012 and 5th February, 2013 respectively. Accordingly, these consolidated financial statements includes total assets of ₹ 13,263.9 Million and ₹ 5,832.0 Million and total liabilities of ₹ 13,310.4 Million and ₹ 2,253.0 Million as on 31st March, 2013, respectively and total revenues of ₹ 977.2 Million and ₹ 1,768.8 Million, Profit / (Loss) before Tax of ₹ (90.2) Million and ₹ 425.2 Million and Profit / (Loss) after Tax of ₹ (47.1) Million and ₹ 255.4 Million for the period from 20th December, 2012 and 5th February, 2013 respectively to 31st March 2013.
- 56 The consolidated financial statements of the Company for the year ended 31st March, 2013 were earlier approved by the Board of Directors at their meeting held on 28th May, 2013 on which the Statutory Auditors of the Company had issued their report dated 28th May, 2013. Consequent to the Order dated 26th July, 2013 of the Hon'ble High Court of Bombay sanctioning the scheme of arrangement u/s 391 and 394 of the Companies Act 1956 for amalgamation, with effect from 1st September, 2012, the appointed date, of Sun Pharma Medication Private Ltd and Sun Pharma Drugs Private Ltd into Sun Pharma Laboratories Limited (SPLL), all wholly owned subsidiaries of the Company, the financial statements of SPLL were revised only to give effect to the said scheme of arrangement, effective from 1st September, 2012. In view of the above, the earlier approved consolidated financial statements are revised only to incorporate the revised financial statements of SPLL.
- 57 Statement regarding subsidiary companies as required under 212 (8) of the Companies Act, 1956 pursuant to General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs - As per Annexure 'B'.
- 58 Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements.
- 59 Previous years' figures are regrouped wherever necessary.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

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

ANNEXURE 'A'

Names of related parties and description of relationship

1.	Key Management Personnel	Mr. Dilip S. Shanghvi	Managing Director (also Chairman upto 29th May, 2012)
		Mr. Sudhir V. Valia	Wholetime Director
		Mr. Sailesh T. Desai	Wholetime Director
		Mr. S. Kalyanasundaram	Wholetime Director (upto 31st March, 2012)
2.	Relatives of Key Management Personnel	Mr. Aalok Shanghvi	Son of Managing Director
		Ms. Vidhi Shanghvi	Daughter of Managing Director (w.e.f. 9th November, 2012)
3.	Enterprise under significant Influence of Key Management Personnel or their relatives	Sun Petrochemicals Pvt Ltd Navjivan Rasayan (Gujarat) Pvt Ltd Sun Pharma Advanced Research Company Ltd Shantilal Shanghvi Foundation Sugandh Management Consultancy (till 28th February, 2013)	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

ANNEXURE 'A'

₹ In Million

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Purchases of goods / DEPB	-	-	-	-	-	2.0	-	2.0
Sun Petrochemicals Pvt Ltd	-	-	-	-	-	2.0	-	2.0
Purchase of Fixed Assets	-	-	-	-	795.1	-	795.1	-
Sun Pharma Advanced Research Company Ltd	-	-	-	-	795.1	-	795.1	-
Sale of goods / DEPB	-	-	-	-	24.1	8.1	24.1	8.1
Sun Pharma Advanced Research Company Ltd	-	-	-	-	24.1	6.7	24.1	6.7
Sun Petrochemicals Pvt Ltd	-	-	-	-	-	1.4	-	1.4
Receiving of Service	-	-	-	-	-	-	-	-
Services	-	-	-	-	176.3	122.1	176.3	122.1
Sun Pharma Advanced Research Company Ltd	-	-	-	-	176.3	122.1	176.3	122.1
Reimbursement of Expenses	-	-	-	-	1.3	-	1.3	-
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1.3	-	1.3	-
Loans given / Share Application Money	-	-	-	-	812.9	10.3	812.9	10.3
Sugandh Management Consultancy	-	-	-	-	32.9	10.3	32.9	10.3
Sun Pharma Advanced Research Company Ltd	-	-	-	-	780.0	-	780.0	-
Loans Received back / share Application Money Refund	-	-	-	-	75.0	-	75.0	-
Sun Pharma Advanced Research Company Ltd	-	-	-	-	75.0	-	75.0	-
Rendering of Service	-	-	-	-	-	-	-	-
Reimbursement of Expenses	-	-	-	-	36.9	31.4	36.9	31.4
Sun Pharma Advanced Research Company Ltd	-	-	-	-	36.9	31.4	36.9	31.4
Donation Given	-	-	-	-	-	50.0	-	50.0
Shantilal Shanghvi Foundation	-	-	-	-	-	50.0	-	50.0



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



ANNEXURE 'A'

₹ In Million

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Interest Income	-	-	-	-	37.1	-	37.1	-
Sun Pharma Advanced Research Company Ltd	-	-	-	-	37.1	-	37.1	-
Rent Income	-	-	-	-	1.5	1.4	1.5	1.4
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1.4	1.3	1.4	1.3
Navjivan Rasayan (Gujarat) Pvt Ltd	-	-	-	-	0.1	0.1	0.1	0.1
Director's Remuneration	70.6	174.8	-	-	-	-	70.6	174.8
Mr. Dilip S. Shanghvi	10.3	82.3	-	-	-	-	10.3	82.3
Mr. Sudhir V. Valia	51.8	60.5	-	-	-	-	51.8	60.5
Mr. S. Kalyanasundaram	-	24.5	-	-	-	-	-	24.5
Mr. Sailesh T. Desai	8.5	7.5	-	-	-	-	8.5	7.5
Apprenticeship Stipend / Remuneration	-	-	32.8	39.8	-	-	32.8	39.8
Mr. Aalok Shanghvi	-	-	32.6	39.8	-	-	32.6	39.8
Ms. Vidhi Shanghvi	-	-	0.2	-	-	-	0.2	-
Outstanding Receivables / (Payables) (Net) as on 31/03/2013	(25.3)	(42.7)	(82.3)	(37.7)	731.1	34.4	623.5	(46.0)
Sun Pharma Advanced Research Company Ltd	-	-	-	-	731.1	34.4	731.1	34.4
Mr. Dilip S. Shanghvi	(6.2)	(22.4)	-	-	-	-	(6.2)	(22.4)
Mr. Sudhir V. Valia	(16.4)	(15.3)	-	-	-	-	(16.4)	(15.3)
Mr. Aalok Shanghvi	-	-	(82.3)	(37.7)	-	-	(82.3)	(37.7)
Ms. Vidhi Shanghvi ₹ (24,115)	-	-	(0.0)	-	-	-	(0.0)	-
Mr. S. Kalyanasundaram	-	(3.1)	-	-	-	-	-	(3.1)
Mr. Sailesh T. Desai	(2.7)	(1.9)	-	-	-	-	(2.7)	(1.9)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013

ANNEXURE 'B'

Statement regarding Subsidiary Companies as required under section 212 (8) of the Companies Act, 1956 pursuant to General Circular no.2/2011 dated February 8th 2011 issued by the Ministry of Corporate Affairs

SR NO	Name of the Subsidiary Company	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend
1	Green Eco Development Center Ltd.	INR	1.00	1.0	(0.2)	5.2	4.4	-	-	(0.0)	-	(0.0)	-
2	Sun Pharma Global Inc.	USD	54.28	6,919.2	36,767.7	76,938.2	33,251.3	4,172.1	-	620.7	-	620.7	-
3	Zao Sun Pharma Industries Ltd.	RRU	1.75	0.0	(0.0)	-	-	-	-	-	-	-	-
4	Sun Pharmaceutical (Bangladesh) Ltd	TAKA	0.70	41.7	289.3	592.1	261.1	-	577.8	101.5	47.2	54.3	-
5	Caraco Pharmaceutical Laboratories Ltd	USD	54.28	11,597.4	(5,568.2)	46,688.5	40,659.3	-	27,892.8	19.8	(94.1)	113.9	-
6	TKS Farmaceutica Ltda	Brazilian reais	26.80	149.4	(690.9)	706.4	1,247.9	-	784.6	(954.0)	-	(954.0)	-
7	Sun Pharma De Mexico S.A. DE C.V.	Mexican Pesos	4.41	4.4	181.1	614.7	429.2	-	767.6	124.5	32.4	92.1	-
8	Sun Pharmaceutical Industries Inc. (Till 28th February, 2013)	USD	54.28	0.3	(6,222.3)	8,188.3	14,410.3	-	1,137.0	(1,803.2)	(612.4)	(1,190.8)	-
9	SPL De Mexico S.A. DE C.V.	Mexican Pesos	4.41	0.2	-	0.2	-	-	-	-	-	-	-
10	Sun Pharmaceutical Peru S.A.C	Soles	20.97	0.0	(51.6)	3.3	54.9	-	-	(10.7)	-	(10.7)	-
11	000 "Sun Pharmaceutical Industries" Ltd.	RRU	1.75	0.1	(98.3)	765.6	803.8	-	628.5	13.4	4.0	9.4	-
12	Sun Pharma de Venezuela, CA.	Venezuelian Bolivian Fuerte (VEF)	8.64	0.4	(182.3)	20.6	202.5	-	-	(106.7)	-	(106.7)	-
13	Caraco Pharma Inc.	USD	54.28	-	-	-	-	-	-	-	-	-	-
14	Chatten Chemicals Inc	USD	54.28	1,869.0	814.4	2,841.3	157.9	-	1,491.8	281.3	67.1	214.2	-
15	Taro Development Corporation	USD	54.28	0.0	(0.3)	1,078.1	1,078.4	-	-	-	-	-	-
16	Alkaloids Chemical Company Zrt.	USD	54.28	4,784.8	(3,646.2)	43,948.7	42,810.1	161.4	13,131.1	(1,302.9)	-	(1,302.9)	-
17	Sun Pharmaceutical UK Ltd.	GBP	82.53	0.1	(117.9)	378.6	496.4	-	477.2	(7.2)	-	(7.2)	-
18	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	AUD	56.54	0.0	(5.1)	175.2	180.3	-	221.0	0.3	-	0.3	-
19	Aditya Acquisition Company Ltd.	Israeli New Shekel (NIS)	14.91	0.0	(0.1)	-	0.1	-	-	-	-	-	-
20	Sun Pharmaceutical Industries (Europe) B.V.	EURO	69.58	1.3	(179.1)	444.3	622.1	-	558.9	(9.2)	-	(9.2)	-
21	Sun Pharmaceutical Italia S.R.L.	EURO	69.58	0.7	(288.3)	501.2	788.8	-	317.5	(79.1)	-	(79.1)	-
22	Sun Pharmaceutical Spain SL.	EURO	69.58	0.2	(212.7)	144.2	356.7	-	92.5	(41.4)	-	(41.4)	-
23	Sun Pharmaceuticals Germany GmbH	EURO	69.58	1.7	(193.8)	195.4	387.5	-	316.9	(49.3)	-	(49.3)	-
24	Sun Pharmaceuticals France	EURO	69.58	2.6	(18.8)	193.1	209.3	-	199.8	88.2	-	88.2	-
25	Sun Pharma Global (FZE)	USD	54.28	223.9	9,861.9	20,640.8	10,555.0	243.2	20,440.7	8,108.5	-	8,108.5	-
26	Sun Pharmaceuticals (SA) (Pty) Ltd.	ZAR	5.86	0.0	(0.0)	0.0	0.0	-	-	(0.0)	-	(0.0)	-
27	Sun Global Canada Pty. Ltd.	USD	54.28	0.1	(0.7)	-	0.6	-	-	-	-	-	-
28	Laboratories FZE	USD	54.28	665.0	(423.0)	242.0	-	-	-	(0.5)	-	(0.5)	-
29	Sun Global Development Fze	USD	54.28	155.2	(42.0)	113.2	0.0	-	-	(0.5)	-	(0.5)	-
30	Sun Pharma Japan Ltd	JPY	0.58	34.6	(104.6)	26.0	96.0	-	-	(65.8)	0.1	(65.9)	-
31	Sun Pharma Philippines Inc	PESO	1.31	11.3	(23.6)	77.4	89.7	-	19.6	(22.4)	-	(22.4)	-
32	Sun Pharma MEA JLT	USD	54.28	147.8	(112.9)	300.7	265.8	-	-	(88.7)	-	(88.7)	-
33	Sun Pharma Health Care FZE	USD	54.28	155.2	(1.5)	244.4	90.7	-	-	(1.5)	-	(1.5)	-
34	Sun Pharmaceuticals Korea Limited	KRW	0.05	4.9	(0.9)	4.9	0.9	-	-	(0.0)	-	(0.0)	-
35	Caraco Pharmaceuticals Private Limited	INR	1.00	0.1	(0.1)	0.1	0.1	-	-	(0.1)	-	(0.1)	-
36	Sun Pharma Laboratories Limited (Formerly known as Sun Resins and Polymers Private Limited) (Refer Note 3 below)	INR	1.00	400.5	183,467.3	189,392.5	5,524.7	3,375.7	27,394.9	(1,356.1)	831.9	(2,188.0)	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2013



ANNEXURE 'B'

Statement regarding Subsidiary Companies as required under section 212 (8) of the Companies Act, 1956 pursuant to General Circular no.2/2011 dated February 8th 2011 issued by the Ministry of Corporate Affairs

SR NO	Name of the Subsidiary Company	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend
37	Moriev and Company Inc	USD	54.28	0.2	(0.1)	0.2	0.1	-	-	-	-	-	-
38	Taro Pharmaceutical Industries Ltd (TARO)	USD	54.28	36.9	48,074.1	51,264.9	3,153.9	2.8	9,723.7	3578.1	13.8	3564.3	-
39	Taro Pharmaceuticals Inc.	CAD	53.36	0.0	21,064.3	22,626.1	1,561.8	-	16,010.5	11,052.3	2,735.8	8,316.5	-
40	Taro Pharmaceuticals U.S.A., Inc.	USD	54.28	7.9	(2,519.2)	20,342.5	22,853.8	172.8	31,688.6	1,859.7	706.3	1,153.4	-
41	Taro Pharmaceuticals North America, Inc.	USD	54.28	0.0	6,670.7	6,968.7	2,980	-	2,700.3	681.6	-	681.6	-
42	Taro Pharmaceuticals Europe B.V.	EURO	69.58	1.3	(23.0)	3.3	250	-	-	(1.8)	-	(1.8)	-
43	Taro Pharmaceuticals Ireland Ltd.	EURO	69.58	34.9	(92.8)	119.3	177.2	-	-	(67.6)	-	(67.6)	-
44	Taro International Ltd.	USD	54.28	0.0	(58.4)	244.1	302.5	-	389.0	0.8	(0.8)	1.6	-
45	Taro Pharmaceuticals UK Ltd.	GBP	82.53	0.0	(585.7)	346.5	932.2	-	743.0	(15.9)	-	(15.9)	-
46	Taro Hungary Intellectual Property Licensing LLC.	USD	54.28	5,520.0	0.5	5,533.5	130	-	-	208.4	27.5	180.9	180.5
47	Taro Pharmaceuticals Canada, Ltd.	CAD	53.36	0.0	(0.0)	0.1	0.1	-	-	-	-	-	-
48	Taro Pharmaceutical India Private Ltd.	INR	1.00	0.1	1.0	1.1	0.0	-	-	0.0	0.0	0.0	-
49	Sun Universal Ltd	USD	54.28	0.2	(0.2)	0.3	0.3	-	-	(0.1)	-	(0.1)	-
50	Khyati Realty ME Ltd	USD	54.28	0.2	(0.7)	0.1	0.6	-	-	(0.2)	-	(0.2)	-
51	Aditya Pharma Private limited	USD	54.28	0.2	-	0.1	(0.1)	-	-	-	-	-	-
52	Alkaloids Sweden AB	SEK	8.32	0.4	(6.0)	1.9	7.5	-	-	(6.0)	-	(6.0)	-
53	Dusa Pharmaceuticals Inc	USD	54.28	0.5	(46.0)	13,263.9	13,309.4	-	975.8	(90.1)	(43.0)	(47.1)	-
54	URL Pharma Inc	USD	54.28	-	3,323.9	3,628.8	304.9	-	-	-	-	-	-
55	AR Scientific Inc	USD	54.28	-	(82.5)	(88.2)	(5.7)	-	36.3	(15.6)	(5.9)	(9.7)	-
56	Mutual Pharmaceutical Company, Inc.	USD	54.28	-	3,640.1	4,691.9	1,051.8	-	1,838.2	564.6	2,252	339.4	-
57	United Research Laboratories, Ltd.	USD	54.28	-	386.4	1,209.4	823.0	-	(81.0)	(83.8)	(32.8)	(51.0)	-
58	Dungan Mutual Associates, LLC	USD	54.28	-	224.6	224.2	(0.4)	-	-	(2.4)	(0.4)	(2.0)	-
59	URL PharmPro, LLC	USD	54.28	-	(318.3)	(312.1)	6.2	-	-	(43.1)	(16.5)	(26.6)	-
60	Dusa Pharmaceuticals New York Inc	USD	54.28	-	(10.0)	(7.0)	3.0	-	-	(10.7)	-	(10.7)	-
61	Sirius Laboratories Inc	USD	54.28	-	(0.9)	-	0.9	-	-	5.5	-	5.5	-
62	Faststone Mercantile Company Private Limited	INR	1.00	0.1	9.1	9.2	0.0	-	-	9.2	-	9.2	-
63	Neetnav Real Estate Private Limited	INR	1.00	0.1	9.2	9.3	0.0	-	-	9.2	-	9.2	-
64	Realstone Multitrade Private Limited	INR	1.00	0.1	9.1	9.2	0.0	-	-	9.2	-	9.2	-
65	Skisen Labs Private Limited	INR	1.00	0.1	8.9	9.2	0.2	-	-	9.2	-	9.2	-
66	Softideal Trading Company Private Limited	INR	1.00	0.1	8.7	8.8	0.0	-	-	9.2	-	9.2	-
67	Universal Enterprises (Pvt) Ltd.	INR	1.00	4.5	0.8	5.3	0.0	-	-	0.0	0.0	0.0	-
	Note :												

1 '00' represents amount less than 0.05 million and rounded off.

2 The above does not include 3 Skyline LLC, One Commerce Drive LLC, Tarochem Ltd, Orta Ltd and Taro Pharmaceutical Laboratories INC being subsidiaries of Taro Pharmaceutical Industries Ltd as they have no operation and does not have any Assets, Liabilities or Equity as on the close of their Financial Year.

3 Share capital includes ₹ 400 Million for Preference Share capital to be issued in terms of scheme of arrangement for amalgamation.