

# 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, 2014, 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 (c) 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 judgment, 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, read with the 'Emphasis of Matter' section below, 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, referred to below in the Other Matter section, 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, 2014;
- 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) We draw attention to Note 52(a) to the consolidated financial statements. As referred to in the said Note, the consolidated financial statements of the Company for the year ended 31st March, 2014 were earlier approved by the Board of Directors at their meeting held on 29th May, 2014 which were subject to revision by the Management of the Company so as to give effect to the Scheme of Arrangement for demerger of the specified undertakings of Sun Pharma Global FZE (SPG), a wholly owned subsidiary, into the Company w.e.f 1st May, 2013. Those financial statements were audited by us and our report dated 29th May, 2014, addressed to the Board of Directors of the Company, expressed an unqualified opinion on those financial statements with an Emphasis of Matter paragraph

drawing attention to the foregoing matter. Consequent to the Company obtaining the required approvals, the financial statements for the year ended 31st March, 2014, for both, the Company and SPG were revised to give effect to the said Scheme of Arrangement. In view of the above, the earlier approved consolidated financial statements are revised by the Company to incorporate the revised financial statements of the Company and SPG.

- (b) We draw attention to Note 54 to the consolidated financial statements. As referred to in the said Note, consequent to giving effect to the Scheme of Arrangement: (i) remuneration to the Managing Director and the Whole-time Directors of the Company for the year ended 31st March, 2014 is in excess of the limits specified under Schedule XIII to the Companies Act, 1956 ("the Act"), by ₹ 44.7 Million; and (ii) commission of ₹ 6.4 Million for the year ended 31st March, 2014 to the Non-Executive Directors of the Company is in excess, since there is absence of net profits for the year in the Company under section 309(4) read with section 309(5) of the Act. In this regard, we have been informed by the Management of the Company that they are in the process of seeking approval from the shareholders of the Company and the Central Government in respect of the aforesaid amounts.
- (c) Apart from the foregoing matters and the provision for proposed dividend, the attached consolidated financial statements do not take into account any events subsequent to the date on which the consolidated financial statements referred to in (a) above 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 73 subsidiaries, 3 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 ₹ 180,457.5 Million as at 31st March, 2014, total revenues of ₹ 115,898.0 Million and net cash inflows amounting to ₹ 22,401.3 Million for the year ended on that date, as considered in the Consolidated Financial Statements, comprising:

- a) Total assets of ₹ 178,238.9 Million as at 31st March, 2014, total revenues of ₹ 113,343.5 Million and net cash inflows amounting to ₹ 22,287.1 Million for the year ended on that date in respect of 67 subsidiaries, 3 jointly controlled entities 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 ₹ 2,218.6 Million as at 31st March, 2014, total revenues of ₹ 2,554.5 Million and net cash inflows amounting to ₹ 114.2 Million for the year ended on that date in respect of 6 subsidiaries, whose reporting date is of 31st December, 2013 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 – 'Consolidated Financial Statements', adjustments have been made for significant transactions of these subsidiaries for the periods from 1st January, 2014 to 31st March, 2014 and 1st January, 2013 to 31st March, 2013, 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.

Our opinion is not qualified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**RAJESH K.HIRANANDANI**  
Partner  
(Membership No. 36920)

MUMBAI, 29th May, 2014 [12th August, 2014 as to effect the matters discussed under the 'Emphasis of Matter' section above]

# CONSOLIDATED BALANCE SHEET

as at 31st March, 2014

₹ in Million

	Note No.	As at 31st March, 2014		As at 31st March, 2013	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	2,071.2		1,035.6	
Reserves and Surplus	2	183,178.3	185,249.5	148,861.7	149,897.3
<b>Minority Interest</b>			19,211.8		16,350.8
<b>Non-current Liabilities</b>					
Long-term Borrowings	3	486.7		1,152.6	
Deferred Tax Liabilities (Net)	4	2,756.7		2,053.5	
Other Long-term Liabilities	5	91.4		89.4	
Long-term Provisions	6	26,016.2	29,351.0	7,870.6	11,166.1
<b>Current Liabilities</b>					
Short-term Borrowings	7	24,403.4		829.5	
Trade Payables	8	13,282.6		10,579.9	
Other Current Liabilities	9	2,604.1		2,186.5	
Short-term Provisions	10	19,605.8	59,895.9	14,816.6	28,412.5
<b>Total</b>			<b>293,708.2</b>		<b>205,826.7</b>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	11A	34,981.8		31,604.3	
Intangible Assets	11B	14,844.8		13,540.9	
Capital Work-in-Progress		8,415.4		5,626.1	
		58,242.0		50,771.3	
Goodwill on Consolidation	36	18,346.2		11,329.5	
Non-current Investments	12	7,875.6		11,063.5	
Deferred Tax Assets	13	11,866.9		9,175.9	
Long-term Loans and Advances	14	10,511.8		8,377.6	
Other Non-current Assets	15	1.1	106,843.6	78.6	90,796.4
<b>Current Assets</b>					
Current Investments	16	19,984.6		13,052.2	
Inventories	17	31,230.1		25,777.6	
Trade Receivables	18	22,004.2		24,122.3	
Cash and Cash Equivalents	19	75,901.5		40,587.1	
Short-term Loans and Advances	20	12,445.5		10,796.0	
Other Current Assets	21	25,298.7	186,864.6	695.1	115,030.3
<b>Total</b>			<b>293,708.2</b>		<b>205,826.7</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
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

**UDAY V. BALDOTA**  
Chief Financial Officer

**SUNIL R. AJMERA**  
Company Secretary

Mumbai, 12th August, 2014

Mumbai, 12th August, 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

for the year ended 31st March, 2014

₹ in Million

	Note No.	Year ended 31st March, 2014		Year ended 31st March, 2013	
Revenue from Operations	22	162,754.8		114,696.8	
Less: Excise Duty		1,951.2		1,698.2	
		160,803.6		112,998.6	
Other Income	23	5,522.3		3,880.9	
<b>Total Revenue</b>			<b>166,325.9</b>		<b>116,879.5</b>
<b>Expenses</b>					
Cost of Materials Consumed	24	22,433.9		19,499.8	
Purchases of Stock-in-Trade		6,124.7		3,518.4	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(765.4)		(2,284.8)	
Employee Benefits Expense	26	20,744.4		15,345.3	
Finance Costs	27	441.9		431.6	
Depreciation and Amortisation Expense	11	4,092.3		3,361.7	
Other Expenses	28	42,249.1		27,957.5	
<b>Total Expenses</b>			<b>95,320.9</b>		<b>67,829.5</b>
<b>Profit Before Exceptional Item and Tax</b>			71,005.0		49,050.0
Exceptional Item	52(b)		25,174.1		5,835.8
<b>Profit Before Tax</b>			45,830.9		43,214.2
<b>Tax Expense:</b>					
Current Tax			8,079.6		8,131.3
Deferred Tax (Credit) / Charge			(1,057.9)	7,021.7	324.2
<b>Profit from Continuing Operations</b>			38,809.2		34,758.7
<b>Loss from Discontinuing Operations</b>	49		(19.2)		(65.3)
<b>Profit after tax before Minority Interest</b>			38,790.0		34,693.4
<b>Minority Interest</b>			7,375.3		4,862.8
<b>Profit for the Year</b>			<b>31,414.7</b>		<b>29,830.6</b>
<b>Earnings per Share</b>	38				
Basic and Diluted (₹) Face Value per Equity share - ₹ 1			15.2		14.4

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
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**UDAY V. BALDOTA**  
Chief Financial Officer**SUNIL R. AJMERA**  
Company Secretary

Mumbai, 12th August, 2014

Mumbai, 12th August, 2014

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2014

	₹ in Million	
	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	45,811.7	43,148.9
Adjustments for:		
Depreciation and Amortisation Expense	4,092.3	3,361.7
(Profit) / Loss on Sale / Write off of Fixed Assets, (net)	9.4	(2.4)
Finance Costs	441.9	431.6
Interest Income	(2,064.2)	(2,368.9)
Dividend Income	(37.3)	(24.3)
Net Gain on Sale of Investments	(2,875.4)	(1,118.1)
Sundry balances written back	(12.4)	(9.1)
Provision / Write off for Doubtful Trade Receivable / Advances	158.6	125.9
Net Loss / (Gain) on Cancellation of Forward Exchange Contracts	-	190.7
Effect of exchange rate changes	(114.4)	1,012.9
<b>Operating Profit Before Working Capital Changes</b>	<b>45,410.2</b>	<b>44,748.9</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (Increase) / Decrease in Operating Assets:</b>		
Inventories	(5,452.5)	(3,902.2)
Trade Receivables	2,222.6	(5,020.4)
Loans and Advances	3,394.1	(673.8)
Other Assets	(24,404.0)	133.5
<b>Adjustments for Increase / (Decrease) in Operating Liabilities:</b>		
Trade Payables	2,715.6	683.1
Other Liabilities	256.2	(1,770.1)
Provisions	23,339.0	10,101.6
<b>Cash Generated from Operations</b>	<b>47,481.2</b>	<b>44,300.6</b>
Net Income Tax Paid	(7,889.2)	(10,734.8)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>39,592.0</b>	<b>33,565.8</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed Assets, including Capital Advances	(9,060.0)	(8,454.5)
Proceeds from Sale of Fixed Assets	89.2	136.4
Short-term Loans / Inter Corporate Deposits		
Given / Placed	(14,187.6)	(10,194.1)
Received back / Matured	8,846.6	10,413.8
Purchase of Investments	(282,650.8)	(156,719.0)
Proceeds from Sale of Investments	281,855.1	156,249.0
Bank Balances not considered as Cash and Cash Equivalents		
Fixed Deposits / Margin Money Placed	(38,148.5)	(30,119.3)

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2014

	₹ in Million	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Fixed Deposits / Margin Money Matured	27,606.3	26,674.3
Net (Loss) / Gain on Cancellation of Forward Exchange Contracts	-	(190.7)
Acquisition of Subsidiaries	-	(16,414.6)
Interest Received	1,942.1	2,572.1
Purchase of Assets Given under Finance Lease	-	(331.0)
Receipt of rental on Assets Given under Finance Lease	2.7	2.8
Dividend Received	37.3	24.3
<b>Net Cash Flow used in Investing Activities (B)</b>	<b>(23,667.6)</b>	<b>(26,350.5)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	24,038.0	141.8
Repayment of Borrowings	(885.0)	(1,109.3)
Net Increase / (Decrease) in Working Capital Borrowings	(403.8)	219.0
Proceeds from issue of shares to Minority by Subsidiary	182.4	357.4
Payment to Minority - Repurchase of shares by subsidiary / Others	(11,580.9)	(767.0)
Finance Costs	(229.6)	(376.6)
Dividends Paid	(5,175.4)	(4,401.2)
Tax on Dividend	(880.0)	(714.0)
<b>Net Cash Flow from / (used in) Financing Activities (C)</b>	<b>5,065.7</b>	<b>(6,649.9)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>20,990.1</b>	<b>565.4</b>
Cash and Cash Equivalents taken over on acquisition of Subsidiaries	-	1,607.3
Cash and Cash Equivalents at the Beginning of the Year	20,691.1	17,526.7
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	1,905.8	991.7
<b>Cash and Cash Equivalents at the end of the Year (Refer Note 19)</b>	<b>43,587.0</b>	<b>20,691.1</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

For and on behalf of the Board

**RAJESH K. HIRANANDANI**  
Partner

**DILIP S. SHANGHVI**  
Managing Director

**SUDHIR V. VALIA**  
Wholtime Director

**SAILESH T. DESAI**  
Wholtime Director

**UDAY V. BALDOTA**  
Chief Financial Officer

**SUNIL R. AJMERA**  
Company Secretary

Mumbai, 12th August, 2014

Mumbai, 12th August, 2014

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

1 <b>SHARE CAPITAL</b>	As at 31st March, 2014		As at 31st March, 2013	
	Number of Equity Shares	₹ in Million	Number of Equity Shares	₹ in Million
<b>Authorised</b>				
Equity Shares of ₹ 1 each	3,000,000,000	3,000.0	1,500,000,000	1,500.0
	<b>3,000,000,000</b>	<b>3,000.0</b>	<b>1,500,000,000</b>	<b>1,500.0</b>
<b>Issued, Subscribed and Fully Paid Up</b>				
Equity Shares of ₹ 1 each (Refer Note 34)	2,071,163,910	2,071.2	1,035,581,955	1,035.6
	<b>2,071,163,910</b>	<b>2,071.2</b>	<b>1,035,581,955</b>	<b>1,035.6</b>

2 <b>RESERVES AND SURPLUS</b>	As at 31st March, 2014		As at 31st March, 2013	
		₹ in Million		₹ in Million
<b>Capital Reserve</b>				
As per Last Balance Sheet		259.1		259.1
<b>Capital Redemption Reserve</b>				
Opening Balance	154.5		154.5	
Less : Utilised for issue of Bonus shares	154.5		-	
Closing Balance		-		154.5
<b>Securities Premium Account</b>				
Opening Balance	15,099.1		15,099.1	
Less : Utilised for issue of Bonus shares	881.1		-	
Closing Balance		14,218.0		15,099.1
<b>General Reserve</b>				
Opening Balance	31,041.2		30,521.2	
Add: Transferred from Surplus in Statement of Profit and Loss	-		520.0	
Closing Balance		31,041.2		31,041.2
<b>Legal Reserve (Refer Note 48)</b>				
Opening Balance	0.9		-	
Add: Transferred from Surplus in Statement of Profit and Loss	-		0.9	
Closing Balance		0.9		0.9
<b>Foreign Currency Translation Reserve</b>				
Opening Balance	12,327.4		8,560.6	
Add/(Less): Effect of Foreign Exchange rate variations during the year	7,572.2		3,766.8	
Closing Balance		19,899.6		12,327.4
<b>Surplus in Statement of Profit and Loss</b>				
Opening Balance	89,979.5		66,727.7	
Add: Profit for the year	31,414.7		29,830.6	
Less: Dividend proposed to be distributed to Equity Shareholders [₹ 1.5 (Previous Year ₹ 5) per share]	3,106.7		5,177.9	



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2014

₹ in Million

	As at 31st March, 2014		As at 31st March, 2013	
Corporate Dividend Tax	528.0		880.0	
Transferred to Legal Reserve	-		0.9	
Transferred to General Reserve	-		520.0	
	<b>3,634.7</b>		<b>6,578.8</b>	
Closing Balance		117,759.5		89,979.5
		<b>183,178.3</b>		<b>148,861.7</b>
<b>3 LONG-TERM BORROWINGS</b>				
<b>Secured Borrowings</b>				
Term Loans				
From Banks	389.2		372.6	
From Other Parties	46.4	435.6	46.4	419.0
<b>Unsecured Borrowings</b>				
Debentures (Matures in November 2014 - Rate of Interest 5.8% Plus CPI)		-		571.2
Long-Term Maturities of Finance Lease Obligation		2.0		1.9
Term Loans from Other Parties		49.1		160.5
		<b>486.7</b>		<b>1,152.6</b>
<b>4 DEFERRED TAX LIABILITIES (NET)</b>				
<b>Deferred Tax Liabilities</b>				
Depreciation on Fixed Assets	2,690.8		2,129.9	
Others	198.7	2,889.5	24.3	2,154.2
<b>Less :</b>				
<b>Deferred Tax Assets</b>				
Unpaid Liabilities	84.6		51.8	
Others	48.2	132.8	48.9	100.7
		<b>2,756.7</b>		<b>2,053.5</b>
<b>5 OTHER LONG-TERM LIABILITIES</b>				
Trade / Security Deposits Received		88.6		88.0
Interest Accrued but not Due on Borrowings		2.8		1.4
		<b>91.4</b>		<b>89.4</b>
<b>6 LONG-TERM PROVISIONS</b>				
Employee Benefits (Refer Note 42 & 43)		177.2		173.5
Product Returns, Rebates, Medicais etc. (Refer Note 51)		640.8		592.4
MTM Loss on outstanding Forward Contracts		2,032.7		1,293.4
Provision - Other [Refer Note 52(b)]		23,161.9		5,808.0
Income Tax (Net of Advance Income Tax)		3.6		3.3
		<b>26,016.2</b>		<b>7,870.6</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

₹ in Million

	As at 31st March, 2014		As at 31st March, 2013	
<b>7 SHORT-TERM BORROWINGS</b>				
<b>Secured Borrowings</b>				
Loans Repayable on Demand				
From Banks:				
Cash Credit Facility	311.8		630.2	
Others	-	311.8	50.1	680.3
<b>Unsecured Borrowings</b>				
Loans Repayable on Demand :				
Cash Credit Facility from bank	89.6		149.2	
Term Loan from bank	24,002.0	24,091.6	-	149.2
	<b>24,403.4</b>		<b>829.5</b>	
<b>8 TRADE PAYABLES</b>				
Acceptances		-		76.6
Other than Acceptances:				
Due to Micro and Small Enterprises		92.4		760.8
Other Payables		13,190.2		9,742.5
		<b>13,282.6</b>		<b>10,579.9</b>
<b>9 OTHER CURRENT LIABILITIES</b>				
Current Maturities of Long-term Debt		718.5		615.0
Interest Accrued but not Due on Borrowings		19.3		26.5
Investor Education and Protection Fund shall be credited by Unpaid Dividends (not due)		52.4		45.1
Statutory Remittances		828.6		607.2
Payables on Purchase of Fixed Assets		671.9		613.6
Trade / Security Deposits Received		13.0		9.5
Advances from Customers		100.3		87.8
Temporary Overdrawn Bank Balance as per books		28.6		24.0
Others		171.5		157.8
		<b>2,604.1</b>		<b>2,186.5</b>
<b>10 SHORT-TERM PROVISIONS</b>				
Employee Benefits (Refer Note 42)		1,101.7		920.1
Product Returns, Rebates, Medic aids etc. (Refer Note 51)		8,911.7		6,310.6
MTM Loss on outstanding Forward Contracts		192.8		71.5
Income Tax [Net of Advance Income Tax]		2,614.6		1,456.5
Proposed Equity Dividend		3,106.7		5,177.9
Corporate Dividend Tax		528.0		880.0
Provision - Other [Refer Note 52(b)]		3,150.3		-
		<b>19,605.8</b>		<b>14,816.6</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2014

### 11 FIXED ASSETS

Particulars	Gross Block (At Cost)				Depreciation / Amortisation / Impairment				Net Block	
	As at 01.04.13	As at 31.03.14	Deletions during the Year	As at 31.03.14	As at 01.04.13	As at 31.03.14	On Deletions for the year	As at 31.03.14	As at 31.03.14	As at 31.03.14
<b>A. TANGIBLE ASSETS</b>										
Freehold Land	1,021.9	76.3	-	1,105.9	-	-	-	1,105.9	1,021.9	
	(824.4)	(35.7)	(15.3)	(1,021.9)	(-)	(-)	(-)	(1,021.9)	(824.4)	
Leasehold Land	1,172	91.4	-	1,305.7	137.0	13.0	16.7	1,390.0	980.2	
	(1,062.7)	(54.5)	(-)	(1,117.2)	(114.8)	(7.0)	(15.2)	(980.2)	(947.9)	
Buildings	17,460.3	1,356.4	-	19,629.7	4,517.3	389.2	-	5,478.6	14,151.1	12,943.0
	(14,694.8)	(677.6)	(1,616.0)	(17,460.3)	(3,883.9)	(192.8)	(44.7)	(4,517.3)	(12,943.0)	(10,810.9)
Leasehold Improvement on Building	111.9	11.8	-	156.3	13.7	1.4	-	18.5	137.8	98.2
	(104.9)	(7.0)	(-)	(111.9)	(10.1)	(0.7)	(-)	(13.7)	(98.2)	(94.8)
Buildings given under operating lease*	357.4	17.3	-	375.5	79.5	3.1	-	88.9	288.6	277.9
	(347.1)	(10.3)	(-)	(357.4)	(67.6)	(1.6)	(-)	(79.5)	(277.9)	(279.5)
Plant and Equipment	33,563.7	1,659.7	-	38,487.6	18,280.4	1,112.4	-	21,494.5	16,993.1	15,283.3
	(27,694.3)	(989.1)	(1,706.4)	(33,563.7)	(15,333.3)	(680.2)	(478.0)	(18,280.4)	(15,283.3)	(12,361.0)
Plant and Equipment- Leased*	25.3	-	-	25.3	2.9	-	-	4.1	21.2	22.4
	(25.3)	(-)	(-)	(25.3)	(1.7)	(-)	(-)	(2.9)	(22.4)	(23.6)
Vehicles	48.2	13.3	-	556.8	139.6	5.9	-	186.3	370.5	278.6
	(324.6)	(7.7)	(0.4)	(418.2)	(115.7)	(3.7)	(0.1)	(139.6)	(278.6)	(208.9)
Office Equipment	676.2	30.7	-	799.1	448.6	25.0	-	534.5	264.6	227.6
	(410.8)	(5.1)	(195.5)	(676.2)	(234.6)	(3.3)	(171.6)	(448.6)	(227.6)	(176.2)
Furniture and Fixtures	1,273.6	70.7	-	1,441.8	802.4	55.4	-	931.8	510.0	471.2
	(1,053.4)	(40.4)	(80.0)	(1,273.6)	(645.5)	(30.4)	(66.8)	(802.4)	(471.2)	(407.9)
<b>Total Tangible Assets</b>	<b>56,025.7</b>	<b>3,327.6</b>	<b>-</b>	<b>63,885.7</b>	<b>24,421.4</b>	<b>1,605.4</b>	<b>-</b>	<b>27,026.8</b>	<b>34,981.8</b>	<b>31,604.3</b>
Previous Year	(46,542.3)	(1,827.4)	(3,777.5)	(56,025.7)	(20,407.2)	(919.7)	(761.2)	(24,421.4)	(31,604.3)	(26,135.1)
<b>B. INTANGIBLE ASSETS</b>										
Goodwill	9,748.8	1,028.2	-	10,777.0	-	-	-	-	10,777.0	9,748.8
	(631.9)	(42.4)	(9,074.5)	(9,748.8)	(-)	(-)	(-)	(-)	(9,748.8)	(631.9)
Trademarks, Designs and Other Intangible Assets	9,988.2	956.3	-	11,842.3	6,196.1	580.7	-	7,774.5	4,067.8	3,792.1
	(7,094.3)	(431.8)	(1,161.6)	(9,988.2)	(4,565.9)	(271.1)	(547.1)	(6,196.1)	(3,792.1)	(2,528.4)
<b>Total Intangible Assets</b>	<b>19,737.0</b>	<b>1,984.5</b>	<b>-</b>	<b>22,619.3</b>	<b>6,196.1</b>	<b>580.7</b>	<b>-</b>	<b>7,774.5</b>	<b>14,844.8</b>	<b>13,540.9</b>
Previous Year	(7,726.2)	(474.2)	(10,236.1)	(9,988.2)	(4,565.9)	(271.1)	(547.1)	(6,196.1)	(3,540.9)	(3,160.3)
<b>Total Fixed Assets</b>	<b>75,762.7</b>	<b>5,312.1</b>	<b>-</b>	<b>86,505.0</b>	<b>30,617.5</b>	<b>2,186.1</b>	<b>-</b>	<b>36,801.3</b>	<b>49,826.6</b>	<b>45,145.2</b>
Previous Year	(54,268.5)	(2,301.6)	(14,013.6)	(75,762.7)	(24,973.1)	(1,196.8)	(1,308.3)	(30,617.5)	(45,145.2)	(29,295.4)

#### 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 has been acquired in previous year.  
 (d) Excludes Fixed Assets Held for Sale (Refer Note 2).  
 (e) Previous Year figures are in brackets.  
 \* Refer Note 4(a)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

₹ in Million

	As at 31st March, 2014		As at 31st March, 2013	
	Book Value	Market Value	Book Value	Market Value
<b>12 NON-CURRENT INVESTMENTS</b>				
<b>Long Term Investments (At Cost) (Fully Paid Up)</b>				
<b>Quoted</b>				
In Equity Instruments		4,253.7		4,174.9
In Debentures		250.0		250.0
In Bonds		367.3		367.3
<b>Unquoted</b>				
In Equity Instruments (*)		1,845.6		405.6
In Government Securities ₹ 10,000 ( Previous Year ₹ 10,000)		0.0		0.0
In Debentures		115.7		115.7
In Deposits		-		500.0
In Mutual Funds (**)		1,000.0		5,250.0
In Limited Liability Partnerships		43.3		-
		<b>7,875.6</b>		<b>11,063.5</b>
<b>AGGREGATE VALUE OF INVESTMENTS</b>				
<b>Quoted</b>	4,871.0	7,733.8	4,792.2	6,855.4
<b>Unquoted</b>	3,004.6		6,271.3	
* Includes Investment in Associate ₹ 184.4 Million (Previous Year ₹ Nil) [Including goodwill ₹ 173.4 Million (Previous Year ₹ Nil)]				
** Listed				
<b>13 DEFERRED TAX ASSETS</b>				
Unpaid Liabilities		5,816.0		4,356.7
Unabsorbed Loss (Refer Note 47)		51.5		1,622.3
Intangibles		3,136.6		1,415.1
Others		2,862.8		1,781.8
		<b>11,866.9</b>		<b>9,175.9</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

₹ in Million

	As at 31st March, 2014		As at 31st March, 2013	
<b>14 LONG-TERM LOANS AND ADVANCES</b>				
(Unsecured – Considered Good)				
Capital Advances		2,680.6		2,097.9
Security Deposits		174.9		158.6
Loans and Advances to Employees / Others		935.6		2,811.2
Receivable on Account of Assets under Finance Lease [Refer Note 41(e)]		320.2		327.1
Prepaid Expenses		21.8		24.9
Advance Income Tax [Net of Provisions]		5,689.5		2,448.0
Balances with Government Authorities		689.2		509.9
		<b>10,511.8</b>		<b>8,377.6</b>
<b>15 OTHER NON-CURRENT ASSETS</b>				
(Unsecured – Considered Good)				
Interest Accrued on Investments		-		77.0
Unamortised Premium on Investments		1.1		1.6
		<b>1.1</b>		<b>78.6</b>
<b>16 CURRENT INVESTMENTS (AT COST) (FULLY PAID UP)</b>				
<b>A) Current Portion of Long-term Investments</b>				
Unquoted				
In Mutual Funds (*)	15,700.0		7,860.0	
In Deposits	500.0	16,200.0	750.0	8,610.0
<b>B) Other Current Investments</b>				
Quoted				
In Equity Instruments	18.0		2.8	
In Bonds	171.3		161.8	
Unquoted				
In Government Securities	-		217.0	
In Mutual Funds	3,595.3		1,090.1	
In Deposits	-		2,500.0	
In Commercial Paper	-	3,784.6	470.5	4,442.2
		<b>19,984.6</b>		<b>13,052.2</b>
<b>AGGREGATE VALUE OF INVESTMENTS</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Quoted	189.3	195.3	164.6	172.8
Unquoted	19,795.3		12,887.6	
* Listed				

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

₹ in Million

	As at 31st March, 2014		As at 31st March, 2013	
<b>17 INVENTORIES</b>				
Raw and Packing Materials	12,237.0		9,806.1	
Goods-in-Transit	382.5	12,619.5	311.4	10,117.5
Work-in-Progress		5,927.9		4,657.5
Finished Goods	8,587.4		8,470.4	
Goods-in-Transit	549.5	9,136.9	345.6	8,816.0
Stock-in-Trade	2,441.1		1,505.8	
Goods-in-Transit	300.1	2,741.2	135.2	1,641.0
Other Materials and Consumables	804.0		525.0	
Goods-in-Transit	0.6	804.6	20.6	545.6
		<b>31,230.1</b>		<b>25,777.6</b>
<b>18 TRADE RECEIVABLES</b>				
(Unsecured – Considered Good unless stated otherwise)				
Outstanding for a period exceeding Six Months from the date they are due for payment				
Considered Good	2,654.1		2,013.0	
Doubtful	166.9		137.3	
	2,821.0		2,150.3	
Less: Provision for Doubtful Trade Receivables	166.9	2,654.1	137.3	2,013.0
Other Trade Receivables		19,350.1		22,109.3
		<b>22,004.2</b>		<b>24,122.3</b>
<b>19 CASH AND CASH EQUIVALENTS</b>				
<b>Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statement</b>				
Cash on Hand		46.9		7.5
Cheques, Drafts on Hand		138.5		89.4
Balances with Banks				
In Current Accounts	39,714.2		14,205.9	
In Deposit Accounts with Original Maturity of 3 Months or less	3,021.9		4,467.4	
In EEFC Accounts	665.5	43,401.6	1,920.9	20,594.2
		43,587.0		20,691.1
<b>Other Bank Balances</b>				
In Deposit Accounts (Refer Footnote)	32,147.0		19,271.9	
In Earmarked Accounts:				
Unpaid Dividend Accounts	47.2		42.4	
Balances held as Margin Money or Security against Guarantees and Other Commitments (Refer Footnote)	120.3	32,314.5	581.7	19,896.0
		<b>75,901.5</b>		<b>40,587.1</b>

**Footnote**

Other Bank Balances include Deposits amounting to ₹ 22,320.6 Million (Previous Year ₹ 2,256.2 Million) and Margin Monies amounting to ₹ 106.7 Million (Previous Year ₹ 536.7 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, 2014

₹ in Million

	As at 31st March, 2014		As at 31st March, 2013	
<b>20 SHORT-TERM LOANS AND ADVANCES</b>				
(Unsecured – Considered Good unless stated otherwise)				
Security Deposits		49.7		775.1
Loans and Advances to Related Parties (Refer Note 37)		-		738.4
Loans and Advances to Employees / Others				
Secured	261.9		261.8	
Unsecured	4,556.7		2,144.1	
Considered Doubtful	4.5		4.5	
	4,823.1		2,410.4	
Less: Provision for Doubtful Loans and Advances	4.5	4,818.6	4.5	2,405.9
Prepaid Expenses		1,508.1		1,266.7
Balances with Government Authorities		4,700.9		2,653.6
Advance Income Tax [Net of Provisions]		0.3		2,273.8
Advances for Supply of Goods and Services		1,359.8		678.9
Receivable on Account of Assets under Finance Lease [Refer Note 41(e)]		8.1		3.6
		<b>12,445.5</b>		<b>10,796.0</b>
<b>21 OTHER CURRENT ASSETS</b>				
(Unsecured – Considered Good)				
Interest Accrued on Investments / Balance with Bank		510.5		311.3
Unamortised Premium on Investments		0.3		0.3
Export Incentives		681.2		353.5
Insurance Claims		26.5		26.3
Fixed Assets Held for Sale		4.4		3.7
Cenvat Credit available on payment		73.8		-
Other [Refer Note 52(b)]		24,002.0		-
		<b>25,298.7</b>		<b>695.1</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

₹ in Million

	Year ended 31st March, 2014		Year ended 31st March, 2013	
<b>22 REVENUE FROM OPERATIONS</b>				
Sale of Products		161,995.1		114,087.1
Other Operating Revenues		759.7		609.7
		<b>162,754.8</b>		<b>114,696.8</b>
<b>23 OTHER INCOME</b>				
Interest Income:				
Deposits with Banks	1,011.5		1,759.3	
Loans and Advances	459.6		421.7	
Current Investments	222.6		46.9	
Long-term Investments	229.2		75.3	
Others	141.3	2,064.2	65.7	2,368.9
Dividend Income on Long-term Investments		37.3		24.3
Net Gain on Sale of:				
Current Investments	504.0		283.1	
Long-term Investments	2,371.4	2,875.4	835.0	1,118.1
Profit on Sale of Fixed Assets		18.4		7.8
Sundry Balances Written Back		12.4		9.1
Insurance Claims		1.4		61.2
Lease Rental and Hire Charges		96.4		89.2
Miscellaneous Income		416.8		202.3
		<b>5,522.3</b>		<b>3,880.9</b>
<b>24 COST OF MATERIALS CONSUMED</b>				
Raw and Packing Materials				
Inventories at the beginning of the year		10,117.5		8,531.9
Purchases during the year		24,577.8		20,901.8
Foreign currency translation difference		358.1		183.6
Inventories at the end of the year		(12,619.5)		(10,117.5)
		<b>22,433.9</b>		<b>19,499.8</b>
<b>25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK- IN-PROGRESS AND STOCK-IN-TRADE</b>				
Inventories at the beginning of the year		15,114.5		11,802.7
Inventories Acquired on Acquisition		-		557.4
Foreign currency translation difference		1,926.1		469.6
Inventories at the end of the year		(17,806.0)		(15,114.5)
		<b>(765.4)</b>		<b>(2,284.8)</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2014

₹ in Million

	Year ended 31st March, 2014		Year ended 31st March, 2013	
<b>26 EMPLOYEE BENEFITS EXPENSE</b>				
Salaries and Wages		17,185.4		12,568.8
Contribution to Provident and Other Funds		1,745.1		1,432.1
Staff Welfare Expenses		1,813.9		1,344.4
		<b>20,744.4</b>		<b>15,345.3</b>
<b>27 FINANCE COSTS</b>				
Interest Expense on:				
Borrowings		199.6		318.6
Others		24.2		50.3
Net Loss on Foreign Currency Transactions and Translation (considered as Finance Costs)		218.1		62.7
		<b>441.9</b>		<b>431.6</b>
<b>28 OTHER EXPENSES</b>				
Consumption of Materials, Stores and Spare Parts		3,395.8		2,814.2
Conversion and Other Manufacturing Charges		2,588.0		1,792.4
Power and Fuel		2,324.1		1,871.0
Rent		453.8		314.5
Rates and Taxes		488.4		496.0
Insurance		505.0		336.6
Selling and Distribution		11,794.6		5,937.2
Commission and Discount		2,153.2		1,692.9
Repairs				
Buildings	396.3		234.7	
Machinery	1,306.9		978.2	
Others	467.9	2,171.1	364.8	1,577.7
Printing and Stationery		211.8		155.4
Travelling and Conveyance		800.7		496.1
Overseas Travel and Export Promotion		2,120.9		1,678.2
Communication		292.4		211.7
Provision / Write off for Doubtful Trade Receivable / Advances				
Provision for Doubtful Trade Receivable	36.3		94.1	
Sundry Balances / Trade Receivables Written Off	123.5		33.1	
Less: Adjusted out of Provision for earlier years	(1.2)	158.6	(1.3)	125.9
Professional and Consultancy		4,807.2		4,175.5
Donations		16.6		47.6
Loss on Sale / Write Off of Fixed Assets		27.8		5.4
Net Loss on Foreign Currency Transactions and Translation		1,907.8		786.4
Increase / (Decrease) of Excise Duty on Inventory		(16.4)		30.2

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

₹ in Million

	Year ended 31st March, 2014		Year ended 31st March, 2013	
Payment to Auditors				
As Auditors	84.8		52.0	
For Taxation Matters	10.9		7.9	
For Other Services	8.7		0.7	
Reimbursement of Expenses	0.2	104.6	9.2	69.8
Miscellaneous Expenses [Refer Note 52(b)]		6,345.5		3,682.9
		<b>42,651.5</b>		<b>28,297.6</b>
Less:				
Receipts from Research Activities		(402.4)		(340.1)
		<b>42,249.1</b>		<b>27,957.5</b>
<b>29 RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>				
Salaries and Wages		2,938.3		1,961.1
Contribution to Provident and Other Funds		281.2		202.5
Staff Welfare Expenses		226.1		130.4
Consumption of Materials, Stores and Spare Parts		2,164.3		1,744.6
Power and Fuel		111.4		97.6
Rates and Taxes		30.2		148.2
Rent		41.5		22.6
Insurance		18.5		8.2
Repairs				
Buildings	33.8		27.2	
Machinery	98.3		79.9	
Others	84.0	216.1	59.7	166.8
Printing and Stationery		27.6		21.9
Travelling and Conveyance		115.4		62.4
Communication		31.3		21.1
Professional and Consultancy		2,510.3		1,486.1
Loss on Sale of Fixed Assets		10.7		0.2
Miscellaneous Expenses		1,139.1		541.8
		<b>9,862.0</b>		<b>6,615.5</b>
Less:				
Interest Income	1.1		1.4	
Receipts from Research activities	402.4		340.1	
Miscellaneous Income	87.8	491.3	25.0	366.5
		<b>9,370.7</b>		<b>6,249.0</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2014

### 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 Ventures".

- (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 on Consolidation. Goodwill on 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:
- the amount of equity attributable to the minorities at the date on which investment in Subsidiary is made, and
  - the minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

#### II Basis of Accounting

These financial statements have been prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) as notified under Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

#### 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 reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

### 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. In case of the Company, Sun Pharmaceutical Industries, Sun Pharma Sikkim and Sun Pharma Laboratories Limited assets costing ₹ 5,000 or less and in case of Sun Pharmaceutical Spain, SL and Sun Pharmaceuticals Italia S.R.L assets costing € 601 and € 516.4 or less respectively are charged off as expense in the year of purchase. Intangible assets consist of trademarks, designs, technical know-how, non compete fees, other intangible assets and goodwill.

Depreciation / amortisation is provided on Tangible and Intangible assets on straight line method as follows :

	Years
<b>TANGIBLE</b>	
Leasehold Land	50-196
Buildings	5-100
Buildings Taken under finance lease	40
Buildings Given under operating lease	30
Plant and Equipment	3-21
Plant and Equipment Leased	3-21
Vehicles	3-20
Office Equipments	2-21
Furniture and Fixtures	2-17
<b>INTANGIBLE</b>	
Trademarks, Designs, Technical know-how, Non compete fees and Other Intangible Assets	3-20

### V Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis. 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 is recognized when risks 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 chargebacks, 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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

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, Sun Pharmaceutical Industries (Australia) Pty. Ltd. and Sun Pharmaceutical (Bangladesh) Ltd., cost is determined on FIFO basis and 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 Intangible assets under development, 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 Intangible assets under development 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. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. 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.

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 tax 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. 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 for timing differences of items other than unabsorbed depreciation and accumulated losses only to the extent that there is a reasonable certainty that the assets can be realised in future. However, if there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2014

there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed as at each balance sheet date for their realisability.

#### **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 the 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 attributable to the acquisition or construction of qualifying assets upto the date of capitalisation of such assets are capitalised and added to the cost of asset. 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 it is probable that an outflow of resources will be required to settle the obligation in respect of which 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.

#### **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.

#### **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 or may have decreased, 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. Such reversal of impairment loss is recognised in the Statement of Profit and Loss.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

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

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year	
		Year ended 31st March, 2014	Year ended 31st March, 2013
<b>Direct Subsidiaries</b>			
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.	Russia	(See Note e)	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)
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	India	100.00%	100.00% (See Note i)
14 Faststone Mercantile Company Private Limited	India	100.00%	100.00%
15 Neetnav Real Estate Private Limited	India	100.00%	100.00%
16 Realstone Multitrade Private Limited	India	100.00%	100.00%
17 Skisen Labs Private Limited	India	100.00%	100.00%
18 Softdeal Trading Company Private Limited	India	100.00%	100.00%
<b>Step down Subsidiaries</b>			
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%



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year	
		Year ended 31st March, 2014	Year ended 31st March, 2013
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%
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 g)	68.87%	65.89%
44 Taro Pharmaceuticals Inc.	Canada	68.87%	65.89%
45 Taro Pharmaceuticals U.S.A., Inc.	United States of America	68.87%	65.89%
46 Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	68.87%	65.89%
47 Taro Pharmaceuticals Europe B.V.	Netherlands	68.87%	65.89%
48 Taro Pharmaceuticals Ireland Ltd.	Ireland	68.87%	65.89%
49 Taro International Ltd.	Israel	68.87%	65.89%
50 Taro Pharmaceuticals UK Ltd.	United Kingdom	68.87%	65.89%
51 Taro Hungary Intellectual Property Licensing LLC.	Hungary	68.87%	65.89%
52 3 Skyline LLC	United States of America	68.87%	65.89%
53 One Commerce Drive LLC	United States of America	68.87%	65.89%
54 Tarochem Ltd.	Israel	68.87%	65.89%
55 Taro Pharmaceutical Laboratories Inc	United States of America	68.87%	65.89%
56 Taro Pharmaceuticals Canada Ltd.	Canada	68.87%	65.89%
57 Taro Pharmaceutical India Private Ltd.	India	68.87%	65.89%
58 Orta Ltd.	Israel	68.87%	65.89%
59 Sun Universal Ltd.	United Arab Emirates	100.00%	100.00%
60 Khyati Realty ME Ltd.	United Arab Emirates	100.00%	100.00%

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year	
		Year ended 31st March, 2014	Year ended 31st March, 2013
61 Aditya Pharma Private Limited	Hungary	100.00%	100.00%
62 Alkaloida Sweden AB	Sweden	100.00%	100.00%
63 Dusa Pharmaceuticals Inc	United States of America	100.00%	100.00%
64 Dusa Pharmaceuticals New York Inc	United States of America	100.00%	100.00%
65 Sirius Laboratories Inc	United States of America	100.00%	100.00%
66 URL Pharma Inc	United States of America	100.00%	100.00%
67 AR Scientific.Inc	United States of America	100.00%	100.00%
68 Mutual Pharmaceutical Company, Inc.	United States of America	100.00%	100.00%
69 United Research Laboratories, Ltd.	United States of America	100.00%	100.00%
70 Dungan Mutual Associates, LLC	United States of America	100.00%	100.00%
71 URL PharmPro, LLC	United States of America	100.00%	100.00%
72 Universal Enterprises (Pvt) Ltd.	India	100.00%	100% (See Note i)
73 Sun Pharma Switzerland Ltd.	Switzerland	100.00%	-
74 Nogad Holdings	Mauritius	100.00%	-
75 Silverstreet Developers LLP	India	100.00%	-
<b>Name of Partnership Firm</b>			
76 Sun Pharmaceutical Industries	India	-	(See Note i)
77 Sun Pharma Sikkim	India	-	(See Note i)
78 Sun Pharma Drugs	India	(See Note h)	98.00%
<b>Name of controlled Entity</b>			
79 Universal Enterprises (Pvt) Ltd.	India	-	(See Note i)
<b>Jointly Controlled Entity</b>			
80 MSD - Sun LLC	United States of America	50.00%	50.00%
81 S & I Ophthalmic LLC	United States of America	50.00%	-
<b>Name of Subsidiary of Jointly Controlled Entity</b>			
82 MSD - Sun FZ LLC	United Arab Emirates	50.00%	50.00%
<b>Name of Associate</b>			
83 Artes Biotechnology GmbH	Germany	45.00%	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2014

- b The Financial Statements of the subsidiary company at Sr. no. 13 are audited by Deloitte Haskins & Sells LLP. The Financial Statements in respect of all other Subsidiaries, a Partnership Firm and Jointly Controlled Entities are audited by other auditors.
- c In respect of entities at Sr. No. 3, 6, 7, 9, 10 and 11, the reporting date is as of 31st December, 2013 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, 2013 to 31st March, 2013 and 1st January, 2014 to 31st March, 2014, on the basis of their management accounts for the said periods.
- d Entities at Sr. No.73, 74, 75, 81 and 83 have been incorporated / acquired during the year ended 31st March, 2014.
- e With effect from 28th January, 2014 ZAO Sun Pharma Industries Ltd. has been liquidated.
- f With effect from 28th February, 2013 Sun Pharmaceutical Industries Inc. has merged with Caraco.
- g On 27th December, 2013, Taro Pharmaceutical Industries Ltd. (Taro), a subsidiary company through tender offer repurchased 1,959,514 ordinary shares representing 4.4% of its issued and outstanding ordinary share capital and consequently the Group holds 68.87% and 79.24% (Previous Year 65.89% and 77.30%) of beneficial ownership and voting power respectively in the share capital of TARO.
- h With effect from 19th August, 2013 Sun Pharma Drugs has been dissolved.
- i 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.
- j 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2014

	₹ in Million	
	As at 31st March, 2014	As at 31st March, 2013
<b>32 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</b>		
<b>A) Contingent Liabilities</b>		
I) Claims against the Group not acknowledged as debts	844.8	653.5
II) Guarantees given by the bankers on behalf of the Group	704.6	571.5
III) Others :		
Letters of Credit for Imports	2,163.1	548.8
Liabilities Disputed - Appeals filed with respect to :		
Income Tax on account of Disallowances / Additions	12,114.8	7,624.0
Sales Tax on account of Rebate / Classification	48.5	48.4
Excise Duty on account of Valuation / Cenvat Credit	556.7	466.7
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	14.6	13.9
<b>B) Commitments</b>		
I) Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	7,877.5	3,051.1
II) Derivative related commitments - Forward Foreign Exchange Contracts	4,200.0	4,342.4
III) Lease related commitments [Refer Note : 41 (d) (i)]		
IV) Investment related commitments	2,815.8	-

### 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, advice 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2014

#### ii Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period

₹ in Million

	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
<b>Equity shares of ₹ 1 each</b>				
Opening Balance	1,035,581,955	1,035.6	1,035,581,955	1,035.6
Add: Bonus shares issued during the year	1,035,581,955	1,035.6	-	-
Closing Balance	2,071,163,910	2,071.2	1,035,581,955	1,035.6

iii 1,035,581,955 (Previous Year Nil) Equity Shares of ₹ 1 each have been allotted as fully paid up bonus shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

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

₹ in Million

Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dilip Shantilal Shanghvi	231,140,480	11.2	115,570,240	11.2
Viditi Investments Pvt. Ltd.	201,385,320	9.7	100,692,660	9.7
Tejaskiran Pharmachem Industries Pvt. Ltd.	195,343,760	9.4	97,671,880	9.4
Family Investment Pvt. Ltd.	182,927,440	8.8	91,463,720	8.8
Quality Investment Pvt. Ltd.	182,868,640	8.8	91,434,320	8.8

₹ in Million

	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>35 RESEARCH AND DEVELOPMENT EXPENDITURE</b>		
Revenue (Excluding Depreciation)	9,370.7	6,249.0
Capital	555.9	426.8
<b>Total</b>	<b>9,926.6</b>	<b>6,675.8</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2014

	₹ in Million	
	As at 31st March, 2014	As at 31st March, 2013
<b>36 GOODWILL ON CONSOLIDATION (NET) COMPRISES OF:</b>		
<b>A) Goodwill in respect of:</b>		
Caraco Pharmaceutical Laboratories Ltd.	7,292.0	6,778.0
TKS Farmaceutica Ltda	436.3	421.5
Sun Pharma Japan Ltd.	114.4	75.0
Universal Enterprises (Pvt) Ltd.	7.5	7.5
Taro Pharmaceutical Industries Ltd.	11,378.5	4,930.0
<b>Total (A)</b>	<b>19,228.7</b>	<b>12,212.0</b>
<b>Less:</b>		
<b>B) Capital Reserve in respect of:</b>		
Alkaloida Chemical Company Zrt.	882.5	882.5
<b>Total (B)</b>	<b>882.5</b>	<b>882.5</b>
<b>Total (A-B)</b>	<b>18,346.2</b>	<b>11,329.5</b>

### 37 RELATED PARTY DISCLOSURE (AS-18) - AS PER ANNEXURE 'A'

	₹ in Million	
	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>38 ACCOUNTING STANDARD (AS-20) ON EARNINGS PER SHARE</b>		
Profit for the year - used as Numerator for calculating Earnings Per Share	31,414.7	29,830.6
Weighted Average number of Shares used in computing basic and diluted Earnings Per Share	2,071,163,910	2,071,163,910
Nominal value per share (in ₹)	1.0	1.0
Basic and Diluted Earnings Per Share (in ₹)	15.2	14.4

In terms of the resolution passed by the shareholders by way of Postal Ballot on 15th July, 2013, the Company has allotted 1,035,581,955 bonus equity shares on 3rd August, 2013 in the ratio of 1 equity share of ₹ 1 each fully paid up for every equity share of ₹ 1 each held. Consequently, the Earnings Per Share of ₹ 1 each for the previous year have been restated based on the number of equity shares post bonus issue, i.e. 2,071,163,910 equity shares, in accordance with Accounting Standard (AS-20) on 'Earnings Per Share'.

	₹ in Million	
	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>39 ACCOUNTING STANDARD (AS-17) ON SEGMENT REPORTING</b>		
a) Primary Segment		
The Group has identified "Pharmaceuticals" as the only primary reportable business segment.		
b) Secondary Segment (By Geographical Segment)		
India	39,411.6	32,020.9
Outside India	122,583.5	82,066.2
Sale of Products	161,995.1	114,087.1

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2014

- 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 amortisable 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.

	₹ in Million	
	Year ended 31st March, 2014	Year ended 31st March, 2013
(d) Operating lease		
(i) Group as lessee		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	263.3	256.7
later than one year and not later than five years	363.0	463.4
later than five years	103.7	-

	₹ in Million	
	Year ended 31st March, 2014	Year ended 31st March, 2013
(ii) Group as lessor		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	55.0	50.7
later than one year and not later than five years	33.0	78.0
later than five years	-	-



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

	₹ in Million	
	Year ended 31st March, 2014	Year ended 31st March, 2013
e) Finance lease		
Group as lessor		
The future minimum lease payments under non-cancellable finance lease		
not later than one year	39.7	33.9
later than one year and not later than five years	180.5	169.3
later than five years	606.1	640.7
Less : Unearned Finance Income	498.0	513.2
Present value of minimum lease payments receivable aggregate		
not later than one year	8.1	3.6
later than one year and not later than five years	35.1	23.9
later than five years	285.1	303.2

### 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 ₹ 215.0 Million (Previous Year ₹ 175.9 Million).

	₹ in Million	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Contribution to Provident Fund	204.4	162.0
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	10.5	8.5
Contribution to Labour Welfare Fund	0.1	0.1
Employer's Contribution to Family Pension Fund (₹ 20,784)	0.0	5.3

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 ₹ 75.3 Million (Previous Year ₹ 112.4 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

**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, 2014	Year ended 31st March, 2013
In respect of gratuity (funded):		
<b>Reconciliation of liability / (asset) recognised in the Balance Sheet</b>		
Present value of commitments (as per Actuarial Valuation)	515.3	457.9
Fair value of plan assets	(514.7)	(436.6)
Net liability / (asset) in the Balance sheet	0.6	21.3
<b>Movement in net liability / (asset) recognised in the Balance Sheet</b>		
Net liability / (asset) as at the beginning of the year	21.3	(36.0)
Net Commitments transferred	8.6	-
Net expense recognised in the Statement of Profit and Loss	34.3	124.0
Contribution during the year	(63.6)	(66.7)
Net liability / (asset) in the Balance sheet	0.6	21.3
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	50.8	38.1
Interest cost	36.2	26.5
Expected return on plan assets	(34.5)	(29.7)
Actuarial loss/ (gain)	(18.2)	89.1
Expense charged to the Statement of Profit and Loss	34.3	124.0
<b>Return on plan assets</b>		
Expected return on plan assets	34.5	29.7
Actuarial gain	4.4	8.2
Actual return on plan assets	38.9	37.9
<b>Reconciliation of defined-benefit commitments</b>		
Commitments as at the beginning of the year	457.9	311.6
Net Commitments transferred	8.6	-
Current service cost	50.8	38.1
Interest cost	36.2	26.5
Paid benefits	(24.4)	(15.6)
Actuarial (gain) / loss	(13.8)	97.3
Commitments as at the year end	515.3	457.9
<b>Reconciliation of plan assets</b>		
Plan assets as at the beginning of the year	436.6	347.6
Expected return on plan assets	34.5	29.7
Contributions during the year	63.6	66.7
Paid benefits	(24.4)	(15.6)
Actuarial gain	4.4	8.2
Plan assets as at the year end	514.7	436.6

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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

Discount rate	9.31%	8.25%-8.50%
Expected return on plan assets	9.31%	8.25%-8.50%
Expected rate of salary increase	7.00%	6.00%-7.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

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

₹ in Million

	Year ended				
	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Experience adjustment					
On plan liabilities	55.7	32.1	26.5	18.1	57.2
On plan assets	4.4	8.2	6.8	3.4	3.4
Present value of benefit obligation	515.3	457.9	311.6	257.3	219.5
Fair value of plan assets	(514.7)	(436.6)	(347.6)	(284.2)	(236.3)
Excess of obligation over plan assets / (plan assets over obligation)	0.6	21.3	(36.0)	(27.0)	(16.8)

The contribution expected to be made by the Group during financial year ending 31st March, 2015 is ₹ 117.5 Million (Previous Year ₹ 88.5 Million).

Note :

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

- 43** 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.
- 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 recognizes 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2014

A summary of Taro stock activity and related information for the year ended March 2014 :

	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	25,500	\$24.7 - \$68.5	52.3	0.9	220.0
	(329,055)	(\$2.4 - \$68.5)	(26.0)	-	-
Exercised during the year	-23,700	\$24.7 - \$68.5	53.3	-	-
	(-291,555)	(\$2.4 - \$54.5)	(22.6)	-	-
Forfeited during the year	-800	\$55.0 - \$60.4	57.0	-	-
	(-12,000)	(\$39.0 - \$68.5)	(52.6)	-	-
Outstanding at the end of the year	1,000	\$26.0	26.0	0.6	85.0
	(25,500)	(\$24.7 - \$68.5)	(52.3)	(0.9)	(220.0)
Exercisable at the end of the year	1,000	-	26.0	0.6	85.0
	(25,500)	-	(52.3)	(0.9)	(220.0)
Vested and expected to vest at the end of the year	1,000	-	26.0	0.6	85.0
	(25,500)	-	(52.3)	(0.9)	(220.0)

Previous Year figures are in brackets.

**45** The following are the outstanding Derivative Contracts entered by the Company and some of its Subsidiaries as on 31st March, 2014:

Nature of Derivative Contract	Currency	Buy / Sell	Cross Currency	As at	As at
				31st March, 2014	31st March, 2013
				Amount In	Amount In
				Million (USD)	Million (USD)
Forward Contracts	US Dollar	Sell	INR	240.0	300.0
Forward Contracts	US Dollar	Sell	NIS	41.0	41.0
Forward Contracts	US Dollar	Sell	CAD	65.3	96.0
Cross Currency Swaps	NIS	Buy	US Dollar	9.1	18.8
Interest Rate Swaps (Floating to Fixed)	US Dollar	Sell	US Dollar	7.8	9.1

**46** As a result of the Food and Drug Administration (FDA) action on 29th September, 2009 Caraco Pharmaceutical Laboratories Ltd (Caraco) had voluntarily ceased manufacturing operations at its Detroit facility. 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 work plan on 17th March, 2010 and the protocol in third party certification submitted on 5th May, 2010 was accepted by FDA on 24th June, 2010. On 9th May, 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 decided to manufacture. FDA subsequently inspected the facility and on 27th August, 2012 notified that Caraco appears to be in compliance with the consent decree and it may resume operations. Independent audit and follow up audits were conducted subsequently and most recent FDA Inspection has been concluded with no FDA 483 observations being issued. Caraco is currently manufacturing six products. Subsequent to 31st March, 2014, Caraco announced its intention to close the Detroit manufacturing facility in financial year 2014-15. Because of the process of moving production to other sites and current capacities with other facilities, Caraco believes it does not make economic sense to continue to operate this facility.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2014

- 47** Deferred tax asset on net operating losses is mainly pertaining to certain subsidiaries. Such operating losses had arisen mainly on account of expenses on preclinical and clinical trials prior to approval and commercial launch of underlying products. Having regard to the recent history of growth in operations and revenue the Management believes that such events represent virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- 48** Legal reserve was created in accordance with the requirement of Mexican General Corporation Law out of the Reserves of earlier year.
- 49** 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 ₹ 108 Million (Previous Year ₹ 118.7 Million), Liabilities ₹ Nil (Previous Year ₹ 3.8 Million), Revenues ₹ Nil (Previous Year ₹ 22.6 Million) and Losses ₹ 19.2 Million (Previous Year ₹ 65.3 Million) attributable to its Irish Subsidiary has been considered in the Consolidated Financial Statements.
- 50** a) Alkaloida Chemical Company Zrt., a subsidiary of the Company holds 21.14% as on 31st March, 2014 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 has not been 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. has not been consolidated as an "Associate Entity". Accordingly, the investment in Enceladus Pharmaceutical B.V. is accounted in accordance with Accounting Standard 13 - "Accounting for Investments".
- 51** As per the best estimate of the management, provision has been made as per Accounting Standard (AS) 29, 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, 2014	As at 31st March, 2013
<b>Provision*</b>		
Opening balance	9,283.1	6,805.1
Add: Provision for the year	7,971.5	7,068.4
Less: Used/Reversed	(5,894.1)	(4,587.3)
Add/(Less): Foreign currency translation difference	578.5	(3.1)
<b>Closing balance</b>	<b>11,939.0</b>	<b>9,283.1</b>

\* The above includes provisions for Product returns, Chargebacks, Medicaid, cash discount and rebates and pending lawsuits, penalties and fines.

Provisions for product returns, Medicaid (provision at TARO made during the year includes USD 32.5 Million (Previous Year USD 30.0 Million) equivalent to ₹ 1,948.9 Million (Previous Year ₹ 1,628.4 Million) towards claim under state medicaid programme) and indirect rebates are included in short and long term provisions. All other sales deduction 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

- 52** a) The consolidated financial statements of the Company for the year ended 31st March, 2014 were earlier approved by the Board of Directors at their meeting held on 29th May, 2014 on which Statutory Auditors of the Company had issued their report dated 29th May, 2014. Consequent to the Order of the Hon'ble High Court of Gujarat sanctioning the Scheme of Arrangement for demerger and transfer of specified undertaking, with effect from 1st May, 2013, the appointed date, of Sun Pharma Global FZE, a wholly owned subsidiary into the Company, without any consideration on a going concern basis consisting of all the assets and liabilities pertaining to the said undertaking, the standalone financial statements of the Company and Sun Pharma Global FZE were revised to give effect to the said scheme of arrangement with effect from 1st May, 2013. In view of the above, the earlier approved consolidated financial statements are revised only to incorporate the revised financial statements of the aforesaid entities.
- b) On 11th June, 2013, Sun Pharma Global FZE (SPG), a wholly owned subsidiary has entered into settlement agreement for USD 550 million with Pfizer Inc., USA; Wyeth LLC USA and Nycomed GmbH, Germany in settlement of the claim of patent infringement litigation related to generic version of "Protonix". SPG has entered into an agreement with a third party in terms of which the said party has agreed to bear damages on account of patent infringement to the extent of USD 400 Million (equivalent to ₹ 24,002.0 Million) in consideration of SPG agreeing to sell them pharmaceutical products at a negotiated discounted price for a specified period. Accordingly, a provision of USD 438.5 Million (equivalent to ₹ 26,312.2 Million) [including other related expected discount and incidental expenses of USD 38.5 Million (equivalent to ₹ 2,310.2 Million)] towards estimated expected liability on this account, has been accounted for and given effect in these financial statements. The above charge of USD 550 Million [equivalent to ₹ 31,009.9 Million (including ₹ 5,835.8 Million provided during previous year)] has been considered as exceptional item and ₹ 2,381.2 Million has been included in miscellaneous expenses. Movement in provision: Opening balance ₹ 5,808.0 Million; made ₹ 27,555.3 Million; used/reversed ₹ 9,190.5 Million; Foreign currency translation reserve/Exchange fluctuation ₹ 2,139.4 Million and closing balance ₹ 26,312.2 Million.
- 53** In March 2014, the USFDA issued an import alert to the Company for its cephalosporin facility located at Karkhadi, Gujarat in India. The warning letter pertaining to this import alert was issued by the USFDA in May 2014. The letter identifies practices at the facility which are non-compliant with current Good Manufacturing Practice (cGMP) regulations. The Company remains fully committed to compliance and has already initiated several corrective steps to address the observations made by the USFDA. It is committed to working cooperatively and expeditiously with the USFDA to resolve the matters indicated in its letter. Until these matters are resolved to the satisfaction of the USFDA, the USFDA may, in the near term, withhold approval of pending new drug applications from this facility. The contribution of this facility to Sun Pharma's consolidated revenues is not significant.
- 54** Consequent to giving effect to the Scheme of Arrangement as referred in Note 52(a) above, resulting in the absence of net profits in the Company for the year; (i) remuneration to the Managing Director and the Whole-time Directors of the Company for the year ended 31st March, 2014 has exceeded the limits specified under Schedule XIII to the Companies Act, 1956 by ₹ 44.7 Million; and (ii) commission of ₹ 6.4 Million for the year ended 31st March, 2014 to the Non-Executive Directors of the Company has exceeded in terms of section 309(4) read with section 309(5) of the Companies Act, 1956. The Company is in the process of seeking approval from the shareholders of the Company and the Central Government of India in respect of the aforesaid amounts. (The Company means Parent Company).
- 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, the figures of the Consolidated Statement of Profit and Loss for the previous year are not comparable with the current year.
- 56** Statement regarding subsidiary companies as required under Section 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'.
- 57** Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements.
- 58** Previous year's figures are regrouped wherever necessary.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2014

### ANNEXURE 'A'

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

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

1. Key Management Personnel	Mr. Dilip S. Shanghvi	Managing Director
	Mr. Sudhir V. Valia	Wholetime Director
	Mr. Sailesh T. Desai	Wholetime Director
2. Relatives of Key Management Personnel	Mr. Aalok Shanghvi	Son of Managing Director
	Ms. Vidhi Shanghvi	Daughter of Managing Director
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	
	Sugandh Management Consultancy (till 28th February, 2013)	



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

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

₹ in Million

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	
<b>Purchase of Fixed Assets</b>							
Sun Pharma Advanced Research Company Ltd	-	-	-	-	241.2	795.1	241.2
Sun Pharma Advanced Research Company Ltd	-	-	-	-	241.2	795.1	241.2
Sale of goods	-	-	-	-	17.5	24.1	17.5
Sun Pharma Advanced Research Company Ltd	-	-	-	-	17.5	24.1	17.5
Sale of Fixed Assets	-	-	-	-	0.4	-	0.4
Sun Petrochemicals Pvt Ltd	-	-	-	-	0.4	-	0.4
Receiving of Service							
<b>Services</b>							
Sun Pharma Advanced Research Company Ltd	-	-	-	-	434.5	176.3	434.5
Sun Pharma Advanced Research Company Ltd	-	-	-	-	434.5	176.3	434.5
<b>Reimbursement of Expenses</b>							
Sun Pharma Advanced Research Company Ltd	-	-	-	-	13.7	1.3	13.7
Sun Pharma Advanced Research Company Ltd	-	-	-	-	13.7	1.3	13.7
Loans given							
Sugandh Management Consultancy	-	-	-	-	311.0	812.9	311.0
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	32.9	-
Loans Received back							
Sun Pharma Advanced Research Company Ltd	-	-	-	-	311.0	780.0	311.0
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1,049.4	75.0	1,049.4
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1,049.4	75.0	1,049.4
Rendering of Service							
<b>Services</b>							
Sun Petrochemicals Pvt Ltd	-	-	-	-	0.2	-	0.2
Sun Petrochemicals Pvt Ltd	-	-	-	-	0.2	-	0.2
<b>Reimbursement of Expenses</b>							
Sun Pharma Advanced Research Company Ltd	-	-	-	-	47.7	36.9	47.7
Sun Pharma Advanced Research Company Ltd	-	-	-	-	47.7	36.9	47.7

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2014

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

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Interest Income</b>								
Sun Pharma Advanced Research Company Ltd	-	-	-	-	53.8	37.1	53.8	37.1
<b>Rent Income</b>								
Sun Pharma Advanced Research Company Ltd	-	-	-	-	53.8	37.1	53.8	37.1
Navjivan Rasayan (Gujarat) Pvt Ltd	-	-	-	-	1.5	1.5	1.5	1.5
<b>Director's Remuneration</b>								
Mr. Dilip S. Shanghvi	2016	70.6	-	-	-	-	201.6	70.6
Mr. Sudhir V. Valia	104.2	10.3	-	-	-	-	104.2	10.3
Mr. Sailesh T. Desai	88.0	51.8	-	-	-	-	88.0	51.8
<b>Apprenticeship Stipend / Remuneration</b>								
Mr. Aalok Shanghvi	9.4	8.5	-	-	-	-	9.4	8.5
Ms. Vidhi Shanghvi	-	-	19.6	32.8	-	-	19.6	32.8
<b>Outstanding Receivables / (Payables) (Net) as on</b>								
Sun Pharma Advanced Research Company Ltd	(156.0)	(25.3)	(0.7)	(82.3)	(210.2)	731.1	(366.9)	623.5
Sun Petrochemicals Pvt Ltd	-	-	-	-	(210.7)	731.1	(210.7)	731.1
Mr. Dilip S. Shanghvi	(81.7)	(6.2)	-	-	-	-	(81.7)	(6.2)
Mr. Sudhir V. Valia	(70.9)	(16.4)	-	-	-	-	(70.9)	(16.4)
Mr. Aalok Shanghvi	-	-	(1.1)	(82.3)	-	-	(1.1)	(82.3)
Ms. Vidhi Shanghvi	-	-	0.4	(0.0)	-	-	0.4	(0.0)
Mr. Sailesh T. Desai	(3.4)	(2.7)	-	-	-	-	(3.4)	(2.7)

₹ in Million