INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of SUN PHARMACEUTICAL INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company"), in which are also incorporated the financial information of erstwhile Ranbaxy Laboratories Limited, now a division of the Holding Company (hereinafter referred to as "erstwhile Ranbaxy" or "amalgamating company"), as at and for the year ended 31st March, 2015, consequent to its amalgamation into the Holding Company which has been effected on 24th March, 2015, with the appointed date of 1st April, 2014, audited by other auditors (division / component auditors) referred in paragraph 2 of the 'Other Matters' section below, and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements
The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group, its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act read together with our remarks in paragraph 2 of 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 the 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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in paragraph 1(a) and by the other auditors (division / component auditors) in terms of their report referred in paragraph 2, of the 'Other Matters' section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred in paragraph 1(a) and the report of the other auditors (division / component auditors) referred in paragraph 2, of the 'Other Matters' section below, and the consideration of the unaudited financial statements / financial information of the subsidiaries, an associate and jointly controlled entities referred in paragraph 1(b) of the 'Other Matters' section below, and read together with paragraphs 1 and 2 of the 'Emphasis of Matter' section below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

1. We draw attention to Note 59 to the consolidated financial statements. As referred to in the said Note, the consolidated financial statements for the year ended 31st March, 2015 were earlier approved by the Board of Directors of the Holding Company at their meeting held 29th May, 2015 which were subject to revision by the Management of the Holding Company so as to give effect to the Scheme of Arrangement for amalgamation of Sun Pharma Global Inc. (SPG), a wholly owned subsidiary, into the Holding Company w.e.f. 1st January, 2015. Those financial statements were audited by us and our report dated 29th May, 2015, addressed to the Members of the Holding Company, expressed an unqualified opinion on those financial statements and included an Emphasis of Matter paragraph drawing attention to the foregoing matter. Consequent to the Holding Company obtaining the required approvals, the standalone financial statements for the year ended 31st March, 2015 for both, the Holding Company and SPG were revised to give effect to the said Scheme of Arrangement and to provide for proposed dividend by the Holding Company. In view of the above, the earlier approved consolidated financial statements are revised by the Holding Company to incorporate the revised standalone financial statements of the Company and SPG.

2. Apart from the foregoing matter, 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 paragraph 1 above were earlier approved by the Board of Directors of the Holding Company and reported upon by us as aforesaid.

3. (a) We draw attention to Note 55 to the consolidated financial statements. As referred to in the said Note, remuneration to the Managing Director and the Whole-time Directors of the Holding Company for the previous year ended 31st March, 2014 is in excess of the limits specified under Schedule XIII to the Companies Act, 1956 by ₹ 44.7 Million and commission of ₹ 6.4 Million for the previous year ended 31st March, 2014 to the Non-Executive Directors of the Holding Company is in excess, since there is absence of net profits for the previous year under section 309(4) read with section 309(5) of the Companies Act, 1956. In this regard, the Holding Company has made necessary applications to the Central Government for the waiver of the excess remuneration and commission for the previous year ended 31st March, 2014. The Holding Company is awaiting Central Government approval in respect of the said applications.

   (b) We draw attention to Note 55 to the consolidated financial statements. As referred to in the said Note, remuneration to the Managing Director and a Whole-time Director of the Holding Company for the year is in excess of the limits specified under Schedule V to the Companies Act, 2013 by ₹ 20.7 Million. In this regard, the Holding Company has made necessary applications to the Central Government for approving the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. The Holding Company is awaiting Central Government approval in respect of the said applications.

Our opinion is not modified in respect of these matters.

Other Matters

1 (a) We did not audit the financial statements / financial information of 71 subsidiaries, a jointly controlled entity and a partnership firm whose financial statements / financial information reflect total assets of ₹ 290,182.0 Million as at 31st March, 2015, total revenues of ₹ 177,707.1 Million and net cash inflows amounting to ₹ 15,144.9 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 143.2 Million for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements / financial information have not been audited by us. In case of the foreign subsidiaries, the local GAAP financial statements have been restated by the management of the said entities so that these conform to generally accepted accounting principles in India. These financial statements / financial information have been

audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, a jointly controlled entity, a partnership firm and an associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, a jointly controlled entity, a partnership firm and an associate, is based solely on the reports of the other auditors.

1 (b) We did not audit the financial statements / financial information of 44 subsidiaries and 3 jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 12,456.7 Million as at 31st March, 2015, total revenues of ₹ 10,404.2 Million and net cash inflows amounting to ₹ 4,265.3 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 17.6 Million for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and an associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and an associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

2. The consolidated financial statements also include the financial information of erstwhile Ranbaxy consequent to its amalgamation into the Holding Company which has been effected on 24th March, 2015, with the appointed date of 1st April, 2014 (refer Note 56 to the consolidated financial statements). We did not audit the financial information of erstwhile Ranbaxy for the year ended 31st March, 2015, included in the standalone financial statements of the Holding Company, whose financial information reflect total assets of ₹ 56,907.4 Million as at 31st March, 2015, total revenue of ₹ 35,351.1 Million and net cash outflow amounting to ₹ 4,674.2 Million for the year ended on that date, as considered in the said consolidated financial statements. This financial information of erstwhile Ranbaxy has been audited by other auditors (division / component auditors) whose report has been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in respect of erstwhile Ranbaxy and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to erstwhile Ranbaxy is based solely on the report of such other auditors (division / component auditors).

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors referred in paragraph 1(a) above and the report of the other auditors (division / component auditors) referred in paragraph 2 above and the financial statements / financial information certified by the Management referred in paragraph 1(b) above.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company, which is based on our comments and in terms of the comments in the report of the other auditors (division / component auditors) in respect of the amalgamating company referred in paragraph 2 of the 'Other Matters' section above, and the auditors' reports of the subsidiary companies and an associate company, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors referred in paragraph 1(a), and the financial information adequate for the purpose of our audit have been received in respect of the amalgamating company audited by the other auditors (division / component auditors) referred in paragraph 2, of the 'Other Matters' section above.

(c) The report on the financial information of the amalgamating company audited by the other auditors (division / component auditors) referred in paragraph 2 of the 'Other Matters' section above has been sent to us and has been properly dealt with by us in the audit of the standalone financial statements of the Holding Company and in preparing this report.

(d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and an associate company, incorporated in India, none of the directors of the Group companies and its associate company, incorporated in India, is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and in terms of the report of the other auditors referred in paragraph 1(a) and the report of the other auditors (division / component auditors) referred in paragraph 2, of the 'Other Matters' section above:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Notes 32(A)(I), 32(A)(III) and 33 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Notes 6 and 10 to the consolidated financial statements in respect of such items as it relates to the Group.
The jointly controlled entity and the associate did not have any long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and an associate company incorporated in India.

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

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place of Signature: Mumbai
Date: 29th May, 2015 [11th August, 2015 as to effect the matters discussed under paragraphs 1 and 2 of the 'Emphasis of Matter' section above]

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes eight subsidiary companies and an associate company, incorporated in India, to which the Order is applicable, which have been audited by other auditors referred in paragraph 1(a) of the 'Other Matters' section of our report of even date and erstwhile Ranbaxy which has been audited by other auditors (division / component auditors) referred in paragraph 2 of the 'Other Matters' section of our report of even date and our report in respect of these entities and the division (erstwhile Ranbaxy) is based solely on the reports of the other auditors (including division / component auditors) as aforesaid, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of three subsidiary companies incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements / financial information of such entities provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of these entities, since these entities are unaudited, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.

In respect of one subsidiary company incorporated in India, which has been included in the consolidated financial statements based on the audited consolidated financial statements / financial information of its Holding Company, as represented to us by the Management of the Holding Company, that subsidiary is under liquidation and accordingly, reporting under the Order is not applicable, in respect of that subsidiary company.

(i) In respect of the fixed assets of the Holding Company, subsidiary companies and an associate company, incorporated in India:

  (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

  (b) The Holding Company, subsidiary companies and an associate company, incorporated in India, have a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion and the opinion of the other auditors (including division / component auditors), is reasonable having regard to the size of the respective entities and the nature of their assets. Pursuant to the program, certain fixed assets were physically verified by the Management of the respective entities during the year, except that the management of the associate company has not verified any of the fixed assets during the year but had verified all the fixed assets during the previous year. According to the information and explanations given to us and the other auditors (including division / component auditors), no material discrepancies were noticed on such verification carried out during the year.

(ii) In respect of the inventories of the Holding Company, subsidiary companies and an associate company, incorporated in India:

  (a) As explained to us and the other auditors (including division / component auditors), the inventories, except for goods in transit at the Holding Company and one subsidiary company, were physically verified during the year by the Management of the respective entities at reasonable intervals.

  (b) In our opinion and the opinion of the other auditors (including division / component auditors) and according to the information and explanations given to us and the other auditors (including division / component auditors), the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.

  (c) In our opinion and the opinion of the other auditors (including division / component auditors) and according to the information and explanations given to us and the other auditors (including division / component auditors), the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us and the other auditors (including division / component auditors):

  (a) The Holding Company has granted loans to an associate covered in the Register maintained under Section 189 of the Companies Act, 2013 (hereinafter referred to as "the Act"). In respect of such loans:

(I) There is no receipt of the principal amount of ₹ 512.0 Million and the interest thereon of ₹ 88.8 Million.

(II) There is no evidence of reasonable steps having been taken for the recovery of the principal outstanding or interest receivable. As represented to us by the Management of the Holding Company, the Holding Company is evaluating various options to recover its dues in respect of the principal amount and the interest thereon.

Refer Note 62 to the consolidated financial statements

(b) Apart from the foregoing, the Holding Company has not granted any loans, to the extent included in the consolidated financial statements, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.

(c) The subsidiary companies and an associate company, incorporated in India, have not granted any loans, to the extent included in the consolidated financial statements, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act by the respective entities.

(iv) In our opinion and the opinion of the other auditors (including division / component auditors) and according to the information and explanations given to us and the other auditors (including division / component auditors), having regard to the explanations that some of the items purchased are of a special nature and suitable alternative sources are not readily available for obtaining comparable quotations and that some of the items sold are of a special nature where there are no similar transactions with other parties, there is an adequate internal control system in the Holding Company, subsidiary companies and an associate company, incorporated in India, commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our and the other auditors (including division / component auditors) audit, we and the other auditors (including division / component auditors) have not observed any continuing failure to correct major weakness in such internal control system.

(v) According to the information and explanations given to us and the other auditors (including division / component auditors), the Holding Company, subsidiary companies and an associate company, incorporated in India, have not accepted any deposit from the public during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act.

(vi) According to the information and explanations given to us and the other auditors (including division / component auditors):

(a) In our opinion and the opinion of the other auditors (including division / component auditors), the Holding Company, one of the subsidiary companies and an associate company, incorporated in India, have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and the Cost Accounting Records (Pharmaceutical Industry) Rules, 2011 prescribed by the Central Government under subsection (1) of Section 148 of the Act. Neither we nor the other auditors (including division / component auditors) have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(b) In respect of the other subsidiary companies incorporated in India, maintenance of cost records has not been specified by the Central Government under subsection (1) of Section 148 of the Act.

(vii) According to the information and explanations given to us and the other auditors (including division / component auditors), in respect of statutory dues of the Holding Company, subsidiary companies and an associate company, incorporated in India:

(a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities, though there have been slight delays in few cases.

(b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess, as applicable, which have not been deposited as on 31st March, 2015 on account of disputes by the aforesaid entities are given below:

Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Million)
In respect of Holding Company				
Income Tax Act, 1961	Income Tax, Interest and Penalty	Commissioner	1998-99, 2005-06, 2006-07 and 2008-09 to 2010-11	3,202.4
		Income Tax Appellate Tribunal (ITAT)	1995-96, 2007-08 and 2009-10	2,912.4
Sales Tax Act/ VAT (Various States)	Sales Tax, Interest and Penalty	Assistant / Deputy / Joint Commissioner	1998-99 to 2000-01, 2003-04, 2004-05 and 2008-09	3.1
		Tribunal	1999-2000 to 2001-02	1.8
		Appellate Authority	2008-09	1.4
		High Court	1999-2000, 2001-02 to 2003-04 and 2005-06 to 2010-11	24.0
	Entry Tax	Madhya Pradesh Commercial Tax Appellate Board	2009-10	2.5
Wealth Tax Act, 1957	Wealth Tax	Commissioner	2010-11	0.1
		Tribunal	2007-08 to 2009-10	0.3
The Central Excise Act, 1944	Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Delhi	2006 to 2011	4.4
Customs Act, 1962	Custom Duty, Penalty and Interest	High Court	2000-01	15.4
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Assistant / Deputy / Joint Commissioner	1995-96 to 1998-99 and 2000-01 to 2014-15	892.0
		Tribunal	1999-00 to 2013-14	594.3
		High Court	1989-90 to 1998-99 and 2002-03 to 2004-05	60.5
		Supreme Court	1995-96 to 2003-04	21.5
Sales Tax Act (Various States)	Value Added Tax	Additional / Assistant / Deputy / Joint/ Senior Joint Commissioner	2005-06 to 2008-09 and 2010-11 to 2012-13	17.7
		Tribunal	2008-09	1.2
		High Court	2009-10 and 2010-13	94.0
In respect of one of the subsidiary companies incorporated in India				
Income-Tax Act, 1961	Income tax, Interest and Penalty	Commissioner	2010-11 to 2012-13	11,495.5
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Commissioner (Appeals)	2005 to 2014	43.3
		Tribunal	1994 to 2013	326.5
		Supreme Court	2005 to 2007	32.6
Sikkim Ecology Fund and Environment Cess	Environment Cess	Deputy Commissioner of Commercial Taxes	2007 to 2011	21.7
In respect of an Associate Company incorporated in India				
The Finance Act, 1994	Service Tax (excluding interest and penalty)	Commissioner of Central Excise and Service Tax, Hyderabad IV	2007-08	8.5
		Commissioner of Central Excise and Service Tax, Hyderabad IV	2007-08 to 2009-10	4.6
		Commissioner of Central Excise and Service Tax, Hyderabad IV	2006-07 to 2007-08	11.1
The A.P. VAT Act, 2005	Value added tax (excluding interest and penalty)	Deputy Commissioners Commercial Taxes (Appeal)	2009-10, 2010-11 and 2012-13	4.0

(d) The aforesaid entities have been regular in transferring amounts, where applicable, to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

(viii) The Group, its associates and jointly controlled entities does not have consolidated accumulated losses at the end of the financial year and the Group, its associates and jointly controlled entities have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and the opinion of the other auditors (including division / component auditors) and according to the information and explanations given to us and the other auditors (including division / component auditors):

(a) The Holding Company and the subsidiary companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders, as applicable.

(b) As at the balance sheet date, there were defaults in the repayment of dues to financial institutions aggregating ₹ 49.0 Million (including interest of ₹ 18.5 Million), ranging from 142 days to 2,678 days, by an associate company incorporated in India. The associate company incorporated in India did not have any outstanding debentures during the year.

(x) According to the information and explanations given to us and the other auditors (including division / component auditors), the Holding Company, subsidiary companies and an associate company, incorporated in India, have not given guarantees for loans taken by others outside of the Group, its associates and jointly controlled entities from banks and financial institutions.

(xi) In our opinion and the opinion of the other auditors (including division / component auditors) and according to the information and explanations given to us and the other auditors (including division / component auditors):

(a) The term loans have been applied by the Holding Company, except for term loans lying unutilised as at 31st March, 2015, and an associate company incorporated in India during the year for the purposes for which they were obtained.

(b) The subsidiary companies incorporated in India did not have any term loan outstanding during the year.

(xii) To the best of our and the other auditors (including division / component auditors) knowledge and according to the information and explanations given to us and the other auditors (including division / component auditors), no fraud by the Holding Company, its subsidiary companies and an associate company, incorporated in India, and no material fraud on the Holding Company, its subsidiary companies and an associate company, incorporated in India, has been noticed or reported during the year.

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

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place of Signature: Mumbai
Date: 29th May, 2015 [11th August, 2015 as to effect the matters discussed under paragraphs 1 and 2 of the 'Emphasis of Matter' section of our report of even date]

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2015

₹ in Million

	Note No.	As at 31st March, 2015		As at 31st March, 2014	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	2,071.2		2,071.2	
Share Suspense Account	56	334.8		-	
Reserves and Surplus	2	253,825.9	256,231.9	183,178.3	185,249.5
Share Application Money Pending Allotment			149.0		-
Minority Interest			28,511.9		19,211.8
Non-current Liabilities					
Long-term Borrowings	3	13,684.2		486.7	
Deferred Tax Liabilities (Net)	4	985.2		2,756.7	
Other Long-term Liabilities	5	1,863.4		91.4	
Long-term Provisions	6	25,323.4	41,856.2	26,016.2	29,351.0
Current Liabilities					
Short-term Borrowings	7	62,279.2		24,403.4	
Trade Payables	8	31,538.3		13,282.6	
Other Current Liabilities	9	27,659.7		2,604.1	
Short-term Provisions	10	42,052.8	163,530.0	19,605.8	59,895.9
Total			**490,279.0**		**293,708.2**
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets	11A	69,751.8		34,981.8	
Intangible Assets	11B	20,063.3		14,844.8	
Capital Work-In-Progress		15,317.7		8,415.4	
Intangible Assets under Development		5,068.4		-	
		110,201.2		58,242.0	
Goodwill on Consolidation (Net)	36	37,009.6		18,346.2	
Non-current Investments	12	5,988.7		7,875.6	
Deferred Tax Assets	13	18,501.6		11,866.9	
Long-term Loans and Advances	14	26,805.0		10,511.8	
Other Non-current Assets	15	553.5	199,059.6	1.1	106,843.6
Current Assets					
Current Investments	16	21,174.3		19,984.6	
Inventories	17	56,679.9		31,230.1	
Trade Receivables	18	53,123.2		22,004.2	
Cash and Cash Equivalents	19	109,980.4		75,901.5	
Short-term Loans and Advances	20	21,932.5		12,445.5	
Other Current Assets	21	28,329.1	291,219.4	25,298.7	186,864.6
Total			**490,279.0**		**293,708.2**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director

UDAY V. BALDOTA
Chief Financial Officer

SUNIL R. AJMERA
Company Secretary

Mumbai, 11th August, 2015

Mumbai, 11th August, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	Note No.	Year ended 31st March, 2015		Year ended 31st March, 2014	
Revenue from Operations	22	277,178.2		162,754.8	
Less: Excise Duty		2,843.8		1,951.2	
		274,334.4		160,803.6	
Other Income	23	5,476.6		5,522.3	
Total Revenue			**279,811.0**		**166,325.9**
Expenses					
Cost of Materials Consumed	24	41,586.9		22,433.9	
Purchases of Stock-in-Trade		24,659.9		6,124.7	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	1,144.9		(765.4)	
Employee Benefits Expense	26	44,298.6		20,744.4	
Finance Costs	27	5,789.9		441.9	
Depreciation and Amortisation Expense	11	11,947.2		4,092.3	
Other Expenses	28	83,977.1		42,268.3	
Total Expenses			**213,404.5**		**95,340.1**
Profit Before Exceptional Item and Tax			66,406.5		70,985.8
Exceptional Item	53		2,377.5		25,174.1
Profit Before Tax			64,029.0		45,811.7
Tax Expense:					
Current Tax (Net)	58	16,479.3		8,079.6	
Deferred Tax Credit (Net)		(7,332.4)	9,146.9	(1,057.9)	7,021.7
Profit after Tax before Share in Loss of Associates (Net) and Minority Interest			54,882.1		38,790.0
Share in Loss of Associates (Net)			125.6		-
Profit after Tax before adjustment for Minority Interest			54,756.5		38,790.0
Profit attributable to Minority Interest			9,362.7		7,375.3
Profit for the Year attributable to the Shareholders of the Company			45,393.8		31,414.7
Earnings Per Share (Face value per Equity share - ₹ 1)	38				
Basic (₹)			18.9		15.2
Diluted (₹)			18.9		15.2

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
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Company Secretary

Mumbai, 11th August, 2015

Mumbai, 11th August, 2015

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

		Year ended 31st March, 2015	Year ended 31st March, 2014
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	64,029.0	45,811.7
	Adjustments for:		
	Depreciation and Amortisation Expense	11,947.2	4,092.3
	Impairment of Goodwill on Consolidation	1,001.1	-
	Loss on Sale / Write off of Fixed Assets (net)	267.5	9.4
	Finance Costs	5,789.9	441.9
	Interest Income	(2,568.1)	(2,064.2)
	Dividend Income	(0.2)	(37.3)
	Net Gain on Sale of Investments	(2,074.0)	(2,875.4)
	Sundry Balance Written back (net)	(307.6)	(12.4)
	Provision / Write off for Doubtful Trade Receivable / Advances	416.1	158.6
	Expense on Employee Stock Option Scheme	205.0	-
	Provision for other-than-temporary diminution in value of non-current investment in an Associate	163.2	-
	Reversal for diminution in value of current investments	(70.3)	-
	Effect of exchange rate changes	(7,784.7)	(114.4)
	Operating Profit Before Working Capital Changes	**71,014.1**	**45,410.2**
	Changes in working capital:		
	Adjustments for (Increase) / Decrease in Operating Assets:		
	Inventories	1,896.9	(5,452.5)
	Trade Receivables	(10,464.2)	2,222.6
	Loans and Advances	(1,904.0)	3,394.1
	Other Assets	(398.2)	(24,404.0)
	Adjustments for Increase in Operating Liabilities:		
	Trade Payables	3,411.3	2,715.6
	Other Liabilities	2,030.9	256.2
	Provisions	5,035.7	23,339.0
	Cash Generated from Operations	**70,622.5**	**47,481.2**
	Net Income Tax Paid	(17,403.6)	(7,889.2)
	Net Cash Flow from Operating Activities (A)	**53,218.9**	**39,592.0**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital Expenditure on Fixed Assets, including Capital Advances	(23,658.6)	(9,060.0)
	Proceeds from Sale of Fixed Assets	501.0	89.2
	Loans / Inter Corporate Deposits		
	Given / Placed	(6,842.1)	(14,187.6)
	Received back / Matured	3,719.0	8,846.6
	Purchase of Investments	(288,018.9)	(282,650.8)
	Proceeds from Sale of Investments	288,405.9	281,855.1
	Bank Balances not considered as Cash and Cash Equivalents		
	Fixed Deposits / Margin Money Placed	(42,315.3)	(38,148.5)
	Fixed Deposits / Margin Money Matured	41,879.5	27,606.3

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	Year ended 31st March, 2015	Year ended 31st March, 2014
Acquisition of Subsidiaries	(3,194.6)	-
Interest Received	2,885.2	1,942.1
Purchase of Assets given under Finance Lease	(79.1)	-
Receipt of rental on Assets given under Finance Lease	8.1	2.7
Dividend Received	0.2	37.3
Net Cash Flow used in Investing Activities (B)	**(26,709.7)**	**(23,667.6)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	49,792.6	24,038.0
Repayment of Borrowings	(66,617.0)	(885.0)
Net Increase / (Decrease) in Working Capital Borrowings	11,345.5	(403.8)
Proceeds from issue of shares to Minority by Subsidiary	1.6	182.4
Payment to Minority - Repurchase of shares by subsidiary	-	(11,580.9)
Proceeds from allotment of equity shares on exercise of stock options	748.7	-
Finance Costs	(2,513.1)	(229.6)
Dividends Paid	(3,104.8)	(5,175.4)
Tax on Dividend	(528.0)	(880.0)
Net Cash Flow (used in) / from Financing Activities (C)	**(10,874.5)**	**5,065.7**
Net Increase in Cash and Cash Equivalents (A+B+C)	15,634.7	20,990.1
Cash and Cash Equivalents taken over on acquisition of Subsidiaries	91.9	-
Pursuant to the Scheme of Amalgamation (Refer Note 56)	12,426.1	-
Cash and Cash Equivalents at the beginning of the Year	43,587.0	20,691.1
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	1,115.9	1,905.8
Cash and Cash Equivalents at the end of the Year (Refer Note 19)	**72,855.6**	**43,587.0**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

Mumbai, 11th August, 2015

For and on behalf of the Board

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, 11th August, 2015

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		As at 31st March, 2015		As at 31st March, 2014	
1	SHARE CAPITAL	Number of Shares	₹ in Million	Number of Shares	₹ in Million
	Authorised				
	Equity Shares of ₹ 1 each	5,990,000,000	5,990.0	3,000,000,000	3,000.0
	Cumulative Preference of ₹ 100 each	100,000	10.0	-	-
		5,990,100,000	**6,000**	**3,000,000,000**	**3,000.0**
	Issued, Subscribed and Fully Paid Up				
	Equity Shares of ₹ 1 each (Refer Note 34)	2,071,163,910	2,071.2	2,071,163,910	2,071.2
		2,071,163,910	**2,071.2**	**2,071,163,910**	**2,071.2**

₹ in Million

		As at 31st March, 2015		As at 31st March, 2014	
2	RESERVES AND SURPLUS (*)				
	Capital Reserve				
	Opening Balance	259.1		259.1	
	Add:				
	Pursuant to the Scheme of Amalgamation (Refer Note 56)	7.0		-	
	Transferred from Statement of Profit and Loss as per the Local Law of an overseas subsidiary	1.9		-	
	Closing Balance		268.0		259.1
	Capital Redemption Reserve				
	Opening Balance	-		154.5	
	Less: Utilised for issue of bonus shares	-		154.5	
	Closing Balance		-		-
	Securities Premium Account				
	Opening Balance	14,218.0		15,099.1	
	Add:				
	Pursuant to the Scheme of Amalgamation (Refer Note 56)	3,079.7		-	
	Received during the year	594.2		-	
	Transferred from employees stock options outstanding account on exercise of share options	328.4		-	
	Less: Utilised for issue of bonus shares	-		881.1	
	Closing Balance		18,220.3		14,218.0
	Debenture Redemption Reserve				
	Opening Balance	-		-	
	Add: Transferred from General Reserve	750.0		-	
	Closing Balance		750.0		-
	Revaluation Reserve				
	Opening Balance	-		-	
	Add: Pursuant to the Scheme of Amalgamation (Refer Note 56)	43.9		-	
	Less: Utilised during the year	4.1		-	
	Closing Balance		39.8		-
	Share Options Outstanding Account				
	Opening Balance	-		-	
	Add:				
	Pursuant to the Scheme of Amalgamation (Refer Note 56)	205.5		-	

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	As at 31st March, 2015		As at 31st March, 2014	
Amortization during the year (Share option expense, net of options forfeited and lapsed during the year)	205.0		-	
Less: Transferred to Securities Premium on account of exercise of share options	328.4		-	
Closing Balance		82.1		-
General Reserve				
Opening Balance	31,041.2		31,041.2	
Add: Pursuant to the Scheme of Amalgamation (Refer Note 56)	5,519.3		-	
Less:				
Transferred to Debenture Redemption Reserve	750.0		-	
Adjustment by way of reduction from reserves on account of Amalgamation (Refer Note 56)	982.5		-	
Closing Balance		34,828.0		31,041.2
Amalgamation Reserve				
Opening Balance	-		-	
Add: Pursuant to the Scheme of Amalgamation (Refer Note 56)	43.8		-	
Closing Balance		43.8		-
Legal Reserve				
As per Last Balance Sheet		0.9		0.9
(Created in accordance with the requirement of Local Law of an overseas subsidiary)				
Foreign Currency Translation Reserve				
Opening Balance	19,899.6		12,327.4	
Add:				
Pursuant to the Scheme of Amalgamation (Refer Note 56)	6,646.9		-	
Effect of Foreign Exchange rate variations during the year	3,331.8		7,572.2	
Closing Balance		29,878.3		19,899.6
Surplus in Consolidated Statement of Profit and Loss				
Opening Balance	117,759.5		89,979.5	
Add:				
Pursuant to the Scheme of Amalgamation (Refer Note 56)	15,292.9		-	
Profit for the Year	45,393.8		31,414.7	
Less:				
Dividend proposed to be distributed to equity Shareholders [₹ 3.0 (Previous Year ₹ 1.5) per share]	7,219.5		3,106.7	
Corporate Dividend Tax	1,469.7		528.0	
Transferred to Capital Reserve as per the Local Law of an overseas subsidiary	1.9		-	
Deferred Tax in respect of earlier years related to an overseas subsidiary	40.4		-	
Closing Balance		169,714.7		117,759.5
		253,825.9		**183,178.3**

(*) Pursuant to the scheme of arrangement duly approved by the relevant Hon'ble High Courts, the debit balance in the Statement of Profit and Loss of ₹ 34,102.7 Million in the books of the erstwhile Ranbaxy Laboratories Limited (Transferor Company) on the close of 31st March, 2014 has been adjusted by the Transferor Company by reduction of its Capital Reserve and Securities Premium Account of ₹ 1,762.0 Million and ₹ 32,340.7 Million respectively. The remaining balance of ₹ 3,079.7 Million in the Securities Premium Account of the Transferor Company as at close of 31st March, 2014 has been taken over by the Holding Company (Transferee Company) and included in Securities Premium Account, as on 1st April, 2014, being the appointed date of the amalgamation referred in Note 56.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

		As at 31st March, 2015		As at 31st March, 2014	
3	**LONG-TERM BORROWINGS**				
	Secured				
	Term Loans				
	From Banks	327.4		389.2	
	From Other Party	77.3		46.4	
		404.7		435.6	
	Long-term Maturities of Finance Lease Obligation	2.2	406.9	2.0	437.6
	Unsecured				
	Term Loans				
	From Banks	12,764.2		-	
	From Other Parties	513.1	13,277.3	49.1	49.1
	(Refer Note 60)		**13,684.2**		**486.7**
4	**DEFERRED TAX LIABILITIES (NET)**				
	Deferred Tax Liabilities				
	Depreciation on Fixed Assets	4,755.7		2,690.8	
	Others	186.3	4,942.0	198.7	2,889.5
	Less:				
	Deferred Tax Assets				
	Unpaid Liabilities	489.4		84.6	
	Unabsorbed Depreciation / Carried forward Losses [Refer Note 49(a)]	2,820.0		-	
	Others	647.4	3,956.8	48.2	132.8
			985.2		**2,756.7**
5	**OTHER LONG-TERM LIABILITIES**				
	Trade Payables		10.2		-
	Trade / Security Deposits Received		219.7		88.6
	Interest accrued but not due on borrowings		3.4		2.8
	Others(*)		1,630.1		-
	(*) Includes contractual and expected milestone obligations		**1,863.4**		**91.4**
6	**LONG-TERM PROVISIONS**				
	Employee Benefits (Refer Notes 42 and 43)		1,894.6		177.2
	Product Returns, Rebates, Medicaids etc. [Refer Note 52(a)]		750.3		640.8
	MTM Loss on outstanding Forward Contracts / Derivatives Instruments		253.5		2,032.7
	Provision - Others [Refer Notes 52(b) and 53(b)]		22,402.0		23,161.9
	Income Tax (Net of Advance Income Tax)		23.0		3.6
			25,323.4		**26,016.2**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

		As at 31st March, 2015		As at 31st March, 2014	
7	**SHORT-TERM BORROWINGS**				
	Secured				
	Loans Repayable on Demand - From Banks (Refer Note 61)	708.0		311.8	
	Other Loans and Advances - Term Loans from Banks (Refer Note 61)	2,263.1	2,971.1	-	311.8
	Unsecured				
	Loans Repayable on Demand - From Banks	24,081.4		89.6	
	Other Loans and Advances				
	From Bank	22,726.7		24,002.0	
	Commercial Paper	12,500.0	59,308.1	-	24,091.6
			62,279.2		**24,403.4**
8	**TRADE PAYABLES**				
	Acceptances		3.6		-
	Other Payables		31,534.7		13,282.6
			31,538.3		**13,282.6**
9	**OTHER CURRENT LIABILITIES**				
	Current Maturities of Long-term Debt (Refer Note 60)		13,975.8		718.5
	Current Maturities of Finance Lease Obligations (Refer Note 60)		21.9		-
	Interest Accrued but not Due on Borrowings		320.3		19.3
	Investor Education and Protection Fund shall be credited by Unpaid Dividends (not due)		65.7		52.4
	Statutory Remittances		3,258.5		828.6
	Payables on Purchase of Fixed Assets		1,226.8		671.9
	Trade / Security Deposits Received		15.8		13.0
	Advances from Customers		374.5		100.3
	Temporary Overdrawn Bank Balance as per books		112.0		28.6
	Others (*)		8,288.4		171.5
			27,659.7		**2,604.1**
	(*) Includes product settlement, claims, recall charges, expected milestone obligations, trade and other commitments.				
10	**SHORT-TERM PROVISIONS**				
	Employee Benefits (Refer Note 42)		1,717.2		1,101.7
	Product Returns, Rebates, Medicaids etc. [Refer Note 52(a)]		14,442.8		8,911.7
	MTM Loss on outstanding Forward Contracts / Derivative Instruments		5,392.9		192.8
	Income Tax (Net of Advance Income Tax)		5,891.7		2,614.6
	Dividend proposed to be distributed to Equity Shareholders		7,219.5		3,106.7
	Corporate Dividend Tax		1,469.7		528.0
	Provision - Others [Refer Notes 52(b) and 53(b)]		5,919.0		3,150.3
			42,052.8		**19,605.8**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

11 FIXED ASSETS

₹ in Million

Particulars	Gross Block							Depreciation / Amortisation / Impairment							Net Block	
	As At 01.04.14	Consolidation Adjustments	Pursuant to Amalgamation #	Taken over on acquisition ^	Additions / Adjustments During the Year	Deletions / Adjustments During the Year	As at 31.03.15	As at 01.04.14	Consolidation Adjustments	Pursuant to Amalgamation #	Taken over on acquisition ^	For the year	On Deletions For the year	As at 31.03.15	As at 31.03.15	As at 31.03.14
A. TANGIBLE ASSETS																
Freehold Land	1,105.9	(56.7)	715.7	82.3	93.3	27.8	**1,912.7** (c)	-	-	-	-	-	-	**-**	**1,912.7**	1,105.9
	(1,021.9)	(76.3)	(-)	(-)	(7.7)	(-)	(1,105.9)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,105.9)	(1,021.9)
Leasehold Land	1,305.7	29.7	555.0	-	6.9	17.5	**1,879.8** (f)	166.7	5.1	38.1	-	23.6	0.6	**232.9**	**1,646.9**	1,139.0
	(1,117.2)	(91.4)	(-)	(-)	(97.1)	(-)	(1,305.7)	(137.0)	(13.0)	(-)	(-)	(16.7)	(-)	(166.7)	(1,139.0)	(980.2)
Buildings	19,801.6	266.5	12,638.4	1,049.0	5,584.5	128.7	**39,211.3** (a)	5,527.5	10.3	2,843.5 (b)	198.5	1,092.6	31.9	**9,640.5** (b)	**29,570.8**	14,274.1
	(17,629.4)	(1,356.4)	(-)	(-)	(849.0)	(33.2)	(19,801.6)	(4,560.4)	(389.2)	(-)	(-)	(611.1)	(33.2)	(5,527.5)	(14,274.1)	(13,069.0)
Leasehold Improvement on Building	156.3	40.1	742.6	-	12.8	17.5	**934.3**	18.5	32.0	661.9	-	73.7	17.5	**768.6**	**165.7**	137.8
	(111.9)	(11.8)	(-)	(-)	(32.6)	(-)	(156.3)	(13.7)	(1.4)	(-)	(-)	(3.4)	(-)	(18.5)	(137.8)	(98.2)
Buildings Given under operating lease *	205.6	7.5	-	-	-	-	**213.1**	40.0	1.4	-	-	0.5	-	**41.9**	**171.2**	165.6
	(188.3)	(17.3)	(-)	(-)	(-)	(-)	(205.6)	(36.4)	(3.1)	(-)	(-)	(0.5)	(-)	(40.0)	(165.6)	(151.9)
Plant and Equipment	38,487.6	(203.7)	34,246.7	1,426.1	7,005.0	1,654.5	**79,307.2**	21,494.5	(52.4)	16,849.3 (b)	508.1	8,138.6	1,228.9	**45,709.2** (b)	**33,598.0**	16,993.1
	(33,563.7)	(1,659.7)	(-)	(-)	(3,510.4)	(246.2)	(38,487.6)	(18,280.4)	(1,112.4)	(-)	(-)	(2,264.8)	(163.1)	(21,494.5)	(16,993.1)	(15,283.3)
Plant and Equipment Leased *	25.3	0.7	22.9	-	-	3.2	**45.7**	4.1	0.5	17.5	-	4.4	3.2	**23.3**	**22.4**	21.2
	(25.3)	(-)	(-)	(-)	(-)	(-)	(25.3)	(2.9)	(-)	(-)	(-)	(1.2)	(-)	(4.1)	(21.2)	(22.4)
Vehicles	556.8	(109.5)	959.7	-	282.5	238.4	**1,451.1**	186.3	(71.4)	475.1 (b)	-	212.1	132.6	**669.5** (b)	**781.6**	370.5
	(418.2)	(13.3)	(-)	(-)	(160.0)	(34.7)	(556.8)	(139.6)	(5.9)	(-)	(-)	(61.2)	(20.4)	(186.3)	(370.5)	(278.6)
Office Equipment	799.1	(18.5)	742.4	4.7	356.0	47.4	**1,836.3**	534.5	(9.8)	351.1 (b)	3.7	385.2	40.1	**1,224.6** (b)	**611.7**	264.6
	(676.2)	(30.7)	(-)	(-)	(93.5)	(1.3)	(799.1)	(448.6)	(25.0)	(-)	(-)	(61.4)	(0.5)	(534.5)	(264.6)	(227.6)
Furniture and Fixtures	1,441.8	(106.0)	1,844.7	112.8	350.5	66.9	**3,576.9**	931.8	(59.4)	1,026.9 (b)	50.9	399.4	43.5	**2,306.1** (b)	**1,270.8**	510.0
	(1,273.6)	(70.7)	(-)	(-)	(98.2)	(0.7)	(1,441.8)	(802.4)	(55.4)	(-)	(-)	(74.3)	(0.3)	(931.8)	(510.0)	(471.2)
Furniture and Fixtures Leased *	-	(0.1)	0.7	-	-	-	**0.6**	-	(0.1)	0.7	-	-	-	**0.6**	**-**	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total Tangible Assets	**63,885.7**	**(150.0)**	**52,468.8**	**2,674.9**	**13,691.5**	**2,201.9**	**130,369.0**	**28,903.9**	**(143.8)**	**22,264.1**	**761.2**	**10,330.1**	**1,498.3**	**60,617.2**	**69,751.8**	**34,981.8**
Previous Year	(56,025.7)	(3,327.6)	(-)	(-)	(4,848.5)	(316.1)	(63,885.7)	(24,421.4)	(1,605.4)	(-)	(-)	(3,094.6)	(217.5)	(28,903.9)	(34,981.8)	(31,604.3)
B. INTANGIBLE ASSETS																
Goodwill	10,777.0	260.3	3,516.1	-	-	-	**14,553.4**	-	(7.0)	958.4 (b)	-	-	-	**951.4** (b)	**13,602.0**	10,777.0
	(9,748.8)	(1,028.2)	(-)	(-)	(-)	(-)	(10,777.0)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(10,777.0)	(9,748.8)
Computer Software	-	(18.1)	1,981.4	-	286.8	4.7	**2,245.4**	-	(18.4)	1,210.6 (b)	-	258.3	3.8	**1,446.7** (b)	**798.7**	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Trademarks, Designs and Other Intangible Assets	11,842.3	72.2	7,065.7	323.7	640.8	53.2	**19,891.5**	7,774.5	(132.4)	4,970.5 (b)	301.4	1,358.8	43.9	**14,228.9** (b)	**5,662.6**	4,067.8
	(9,988.2)	(956.3)	(-)	(-)	(897.8)	(-)	(11,842.3)	(6,196.1)	(580.7)	(-)	(-)	(997.7)	(-)	(7,774.5)	(4,067.8)	(3,792.1)
Total Intangible Assets	**22,619.3**	**314.4**	**12,563.2**	**323.7**	**927.6**	**57.9**	**36,690.3**	**7,774.5**	**(157.8)**	**7,139.5**	**301.4**	**1,617.1**	**47.7**	**16,627.0**	**20,063.3**	**14,844.8**
Previous Year	(19,737.0)	(1,984.5)	(-)	(-)	(897.8)	(-)	(22,619.3)	(6,196.1)	(580.7)	(-)	(-)	(997.7)	(-)	(7,774.5)	(14,844.8)	(13,540.9)
Total Fixed Assets	**86,505.0**	**164.4**	**65,032.0**	**2,998.6**	**14,619.1**	**2,259.8**	**167,059.3**	**36,678.4**	**(301.6)**	**29,403.6**	**1,062.6**	**11,947.2**	**1,546.0**	**77,244.2**	**89,815.1**	**49,826.6**
Previous Year	(75,762.7)	(5,312.1)	(-)	(-)	(5,746.3)	(316.1)	(86,505.0)	(30,617.5)	(2,186.1)	(-)	(-)	(4,092.3)	(217.5)	(36,678.4)	(49,826.6)	(45,145.2)

Footnotes :

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

(b) Includes Impairment of ₹ 858.5 Million (Previous Year ₹ 64.9 Million) including impairment of ₹ 793.6 Million on fixed assets acquired pursuant to the Scheme of Amalgamation (Refer Note 56).

(c) Freehold land includes land valued at ₹ 25.5 Million pending registration in the name of the Company.

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

(e) Previous Year figures are in brackets and Italics.

(f) Deletions / Adjustments during the year includes refund received from authorities in respect of dismantling charges.

* Refer Note 41(a)

Refer Note 56

^ Refer Note 63

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

		As at 31st March, 2015		As at 31st March, 2014	
12	**NON-CURRENT INVESTMENTS (*)**				
	Long Term Investments (Fully Paid Up)				
	Quoted				
	In Equity Instruments ($)		1,540.0		4,253.7
	In Debentures		253.1		250.0
	In Bonds		1,405.8		367.3
	Unquoted				
	In Equity Instruments (#) (^)		2,133.2		1,845.6
	In Government Securities ₹ 10,000 (Previous Year ₹ 10,000)		0.0		0.0
	In Debentures		115.7		115.7
	In Mutual Funds (@)		-		1,000.0
	In Limited Liability Partnerships		540.9		43.3
			5,988.7		**7,875.6**
	Aggregate Value of Investments	Book Value	Market Value	Book Value	Market Value
	Quoted (at Cost)	4,897.4	10,834.5	4,871.0	7,733.8
	Unquoted (at Cost)	3,776.9		3,004.6	
	Total	**8,674.3**		**7,875.6**	
	Provision for Diminution in value of investments	(2,685.6)		-	

* At Cost less Provision for other than temporary diminution in value, if any

$ Includes Investment in an Associate where the carrying value is ₹ Nil (Previous Year ₹ Nil) [Net of provision for other than temporary diminution in value of investment ₹ 1,698.5 Million (Previous Year ₹ Nil)]. Also, the shares of this entity are thinly traded and therefore, the market value has not been considered for the purpose of assessment of other than temporary diminution in its value.

Current Year includes Investment in an Associate ₹ 440.2 Million. Previous Year includes Investment in another Associate ₹ 184.4 Million including Goodwill ₹ 173.4 Million. This Investment has been reclassified during the year as Jointly Controlled entity.

^ Net of provision for other than temporary diminution in value of investment ₹ 987.1 Million (Previous Year ₹ Nil)

@ Listed

₹ in Million

		As at 31st March, 2015	As at 31st March, 2014
13	**DEFERRED TAX ASSETS**		
	Unpaid Liabilities	8,626.3	5,816.0
	Unabsorbed Loss [Refer Note 49(b)]	97.2	51.5
	Intangibles	3,282.9	3,136.6
	Deferred Revenue	2,177.1	1,400.7
	Others	4,318.1	1,462.1
		18,501.6	**11,866.9**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	As at 31st March, 2015		As at 31st March, 2014	
14 LONG-TERM LOANS AND ADVANCES				
(Unsecured - Considered Good unless stated otherwise)				
Capital Advances				
Considered Good	3,770.5		2,680.6	
Considered Doubtful	66.2		-	
	3,836.7		2,680.6	
Less: Provision for Doubtful Loans and Advances	66.2	3,770.5	-	2,680.6
Security Deposits		441.2		174.9
Loans and Advances to Employees / Others				
Considered Good - Secured	40.3		-	
Considered Good - Unsecured	1,429.6		935.6	
Considered Doubtful	1.9		-	
	1,471.8		935.6	
Less: Provision for Doubtful Loans and Advances	1.9	1,469.9	-	935.6
Receivable on Account of Assets under Finance Lease [Refer Note 41(e)]		389.3		320.2
Prepaid Expenses		96.6		21.8
Advance Income Tax (Net of Provisions)		11,039.6		5,689.5
MAT Credit Entitlement (Refer Note 58)		7,517.0		-
Balances with Government Authorities		853.8		689.2
Advance for supply of goods and services		698.1		-
Other Loans and Advances		529.0		-
		26,805.0		**10,511.8**
15 OTHER NON-CURRENT ASSETS				
(Unsecured – Considered Good)				
Interest Accrued on Investments		48.9		-
Unamortised Premium on Investments		-		1.1
Receivable towards forward contracts / derivative instruments		418.5		-
Others		86.1		-
		553.5		**1.1**
16 CURRENT INVESTMENTS				
A) Current Portion of Long-term Investments (At Cost)				
Unquoted				
In Mutual Funds (*)	6,957.6		15,700.0	
In Deposits	-	6,957.6	500.0	16,200.0
B) Other Current Investments (At Lower of Cost and Fair Value)				
Quoted				
In Equity Instruments	114.9		18.0	
In Debentures	993.6		-	
In Bonds	179.0		171.3	
In Commercial Paper	524.3	1,811.8	-	189.3
Unquoted				
In Mutual Funds		12,404.9		3,595.3
		21,174.3		**19,984.6**
Aggregate Value of Investments	**Book Value**	**Market Value**	**Book Value**	**Market Value**
Quoted	1,811.8	1,880.7	189.3	195.3
Unquoted	19,362.5		19,795.3	
* Listed				

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

		As at 31st March, 2015		As at 31st March, 2014	
17	**INVENTORIES**				
	Raw and Packing Materials	19,607.9		12,237.0	
	Goods-in-Transit	604.0	20,211.9	382.5	12,619.5
	Work-in-Progress		10,780.4		5,927.9
	Finished Goods	19,083.0		8,587.4	
	Goods-in-Transit	353.2	19,436.2	549.5	9,136.9
	Stock-in-trade	5,183.5		2,441.1	
	Goods-in-Transit	283.2	5,466.7	300.1	2,741.2
	Other Materials and Consumables	783.4		804.0	
	Goods-in-Transit	1.3	784.7	0.6	804.6
			56,679.9		**31,230.1**
18	**TRADE RECEIVABLES**				
	(Unsecured – Considered Good unless stated otherwise)				
	Outstanding for a period exceeding six months from the date they are due for payment				
	Considered Good	2,670.6		2,654.1	
	Doubtful	1,344.8		166.9	
		4,015.4		2,821.0	
	Less: Provision for Doubtful Trade Receivables	1,344.8	2,670.6	166.9	2,654.1
	Other Trade Receivables		50,452.6		19,350.1
			53,123.2		**22,004.2**
19	**CASH AND CASH EQUIVALENTS**				
	Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statement				
	Cash on Hand		20.9		46.9
	Cheques on Hand		164.4		138.5
	Balances with Banks				
	In Current Accounts	57,517.4		39,714.2	
	In Deposit Accounts with Original Maturity less than 3 Months	14,903.2		3,021.9	
	In EEFC Accounts	249.7	72,670.3	665.5	43,401.6
			72,855.6		43,587.0
	Other Bank Balances				
	In Deposit Accounts (*)	36,957.8		32,147.0	
	In Earmarked Accounts:				
	Unpaid Dividend Accounts	58.5		47.2	
	Balances held as Margin Money or Security against Guarantees and Other Commitments (*)	108.5	37,124.8	120.3	32,314.5
			109,980.4		**75,901.5**
	(*) Other Bank Balances include Deposits amounting to ₹ 28,052.4 Million (Previous Year ₹ 22,320.6 Million) and Margin Monies amounting to ₹ 96.1 Million (Previous Year ₹ 106.7 Million) which have an Original Maturity of more than 12 Months but residual maturity of less than 12 Months.				

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

		As at 31st March, 2015		As at 31st March, 2014	
20	**SHORT-TERM LOANS AND ADVANCES**				
	(Unsecured – Considered Good unless stated otherwise)				
	Loans and Advances to Related Parties (Refer Note 62)				
	Considered Good	238.0		-	
	Considered Doubtful	274.0		-	
		512.0		-	
	Less: Provision for Doubtful Loans and Advances	274.0	238.0	-	-
	Loans and Advances to Employees / Others				
	Secured	3,360.6		261.9	
	Unsecured	6,901.0		4,556.7	
	Considered Doubtful	4.5		4.5	
		10,266.1		4,823.1	
	Less: Provision for Doubtful Loans and Advances	4.5	10,261.6	4.5	4,818.6
	Prepaid Expenses		2,727.3		1,508.1
	Security Deposits		130.1		49.7
	Balances with Government Authorities		6,537.4		4,700.9
	Advance Income-Tax [Net of Provisions]		199.2		0.3
	Advances for Supply of Goods and Services				
	Unsecured	1,828.9		1,359.8	
	Considered Doubtful	185.1		-	
		2,014.0		1,359.8	
	Less: Provision for Doubtful Loans and Advances	185.1	1,828.9	-	1,359.8
	Receivable on Account of Assets under Finance Lease [Refer Note 41(e)]		10.0		8.1
			21,932.5		**12,445.5**
21	**OTHER CURRENT ASSETS**				
	(Unsecured – Considered Good)				
	Interest Accrued on Investments / Balances with Banks		90.8		510.5
	Interest Accrued and due on loan (Refer Note 62)		88.8		-
	Unamortised Premium on Investments		-		0.3
	Receivable towards forward contracts / derivative instruments		774.9		-
	Export Incentives receivable		1,500.4		681.2
	Insurance Claims receivable		16.5		26.5
	Fixed Assets held for Sale		255.4		4.4
	Cenvat Credit available on payment		-		73.8
	Others [Refer Note 53(b)]		25,602.3		24,002.0
			28,329.1		**25,298.7**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

		Year ended 31st March, 2015		Year ended 31st March, 2014	
22	**REVENUE FROM OPERATIONS**				
	Sale of Products		275,708.8		161,995.1
	Other Operating Revenues		1,469.4		759.7
			277,178.2		**162,754.8**
23	**OTHER INCOME**				
	Interest Income:				
	Deposits with Banks	1,060.5		1,011.5	
	Loans and Advances	839.9		459.6	
	Current Investments	5.4		222.6	
	Long-term Investments	119.5		229.2	
	Others	542.8	2,568.1	141.3	2,064.2
	Dividend Income on Long-term Investments		0.2		37.3
	Net Gain on Sale of:				
	Current Investments	520.2		504.0	
	Long-term Investments	1,553.8	2,074.0	2,371.4	2,875.4
	Profit on Sale of Fixed Assets		3.7		18.4
	Sundry Balances Written Back		307.6		12.4
	Insurance Claims		74.5		1.4
	Lease Rental and Hire Charges		226.8		96.4
	Miscellaneous Income		221.7		416.8
			5,476.6		**5,522.3**
24	**COST OF MATERIALS CONSUMED**				
	Raw and Packing Materials				
	Inventories at the beginning of the year		12,619.5		10,117.5
	Pursuant to the Scheme of Amalgamation (Refer Note 56)		7,736.9		-
	Inventories Acquired on Acquisition		80.4		-
	Purchases during the year		41,298.6		24,577.8
	Foreign currency translation difference		63.4		358.1
	Inventories at the end of the year		(20,211.9)		(12,619.5)
			41,586.9		**22,433.9**
25	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK- IN-PROGRESS AND STOCK-IN-TRADE**				
	Inventories at the beginning of the year		17,806.0		15,114.5
	Pursuant to the Scheme of Amalgamation (Refer Note 56)		19,567.2		-
	Foreign currency translation difference		(545.0)		1,926.1
	Inventories at the end of the year		(35,683.3)		(17,806.0)
			1,144.9		**(765.4)**
26	**EMPLOYEE BENEFITS EXPENSE**				
	Salaries and Wages		36,917.9		17,185.4
	Contribution to Provident and Other Funds		3,671.1		1,745.1
	Expense on Employee Stock Option (ESOP) Scheme		205.0		-
	Staff Welfare Expenses		3,504.6		1,813.9
			44,298.6		**20,744.4**
27	**FINANCE COSTS**				
	Interest Expense		1,805.3		199.6
	Other borrowing costs		1,269.3		24.2
	Net loss on foreign currency transactions and translation		2,715.3		218.1
			5,789.9		**441.9**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

		Year ended 31st March, 2015		Year ended 31st March, 2014	
28	**OTHER EXPENSES**				
	Consumption of Materials, Stores and Spare Parts		6,235.5		3,395.8
	Conversion and Other Manufacturing Charges		4,131.7		2,588.0
	Power and Fuel		5,607.7		2,324.1
	Rent		1,433.2		453.8
	Rates and Taxes		2,279.5		488.4
	Insurance		1,119.4		505.0
	Selling and Distribution		21,904.0		11,794.6
	Commission and Discount		1,863.3		2,153.2
	Repairs and Maintenance				
	Buildings	611.0		396.3	
	Machinery	1,922.1		1,306.9	
	Others	1,438.6	3,971.7	467.9	2,171.1
	Printing and Stationery		409.9		211.8
	Travelling and Conveyance		1,701.3		800.7
	Overseas Travel and Export Promotion		4,431.0		2,120.9
	Communication		829.0		292.4
	Provision / Write off for Doubtful Trade Receivables / Advances				
	Provision for Doubtful Trade Receivables	437.2		36.3	
	Sundry Balances / Trade Receivables Written Off	157.9		123.5	
	Less: Adjusted out of Provision for earlier years	(179.0)	416.1	(1.2)	158.6
	Professional, Legal and Consultancy (*)		14,245.2		4,807.2
	Donations		109.8		16.6
	Loss on Sale / Write Off of Fixed Assets		271.2		27.8
	Decrease of Excise Duty on Inventory		(138.5)		(16.4)
	Net Loss on Foreign Currency Transactions and Translation		968.3		1,907.8
	Payment to Auditors				
	As Auditors	198.8		84.8	
	For Taxation Matters	16.1		10.9	
	For Other Services	12.6		8.7	
	Reimbursement of Expenses	0.6	228.1	0.2	104.6
	Provision for other-than-temporary diminution in value of non-current investment in an associate		163.2		-
	Impairment of Goodwill on Consolidation		1,001.1		-
	Miscellaneous Expenses [Refer Note 53(b)]		11,771.5		6,364.7
			84,953.2		42,670.7
	Less:				
	Receipts from Research Activities		(976.1)		(402.4)
			83,977.1		**42,268.3**
	(*) Current year includes fees to the Statutory auditors of erstwhile Ranbaxy Laboratories Ltd as auditor - ₹ 27.0 Million				
29	**RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS**				
	Salaries and Wages		4,691.8		2,938.3
	Contribution to Provident and Other Funds		459.9		281.2
	Staff Welfare Expenses		367.8		226.1
	Consumption of Materials, Stores and Spare Parts		4,236.4		2,164.3

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

	Year ended 31st March, 2015		Year ended 31st March, 2014	
Conversion and Other Manufacturing Charges		93.5		-
Power and Fuel		487.4		111.4
Rates and Taxes		88.3		30.2
Rent		173.5		41.5
Insurance		45.5		18.5
Repairs				
Buildings	45.4		33.8	
Machinery	192.1		98.3	
Others	267.8	505.3	84.0	216.1
Printing and Stationery		46.9		27.6
Travelling and Conveyance		257.2		115.4
Communication		76.1		31.3
Professional and Consultancy		3,040.0		2,510.3
Loss on Sale of Fixed Assets (Net)		-		10.7
Miscellaneous Expenses		3,803.2		1,139.1
		18,372.8		9,862.0
Less:				
Interest Income [Net of Interest expense on borrowings ₹ 1.1 Million (Previous Year ₹ 1.4 Million)]	2.7		1.1	
Receipts from Research Activities	976.1		402.4	
Miscellaneous Income	14.0	992.8	87.8	491.3
		17,380.0		**9,370.7**

30 SIGNIFICANT ACCOUNTING POLICIES:

I Basis of Consolidation:

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

(a) The Financial Statements of the Holding 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 under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. These Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in the similar circumstances.

Investments in associates have been accounted for by the equity method of consolidation from the date on which it falls within the definition of associates as per Accounting Standard (AS) - 23 “Accounting for Investments in Associates in Consolidated Financial Statements”.

Interests in Jointly Controlled Entities has been accounted for by using the proportionate consolidation method as per AS 27- “Financial Reporting of Interests in Joint Ventures”.

(b) In case of foreign Subsidiaries / Jointly Controlled Entities, both non-integral and 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 Holding Company’s financial statements. Adjustments for effects of significant transactions

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

and events that have occurred between the date of the financial statements of these subsidiaries and the date of the Holding 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:
   i. the amount of equity attributable to the minorities at the date on which investment in Subsidiary is made, and
   ii. the minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

II Basis of Accounting

These Consolidated Financial Statements have been prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) as notified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of the Consolidated Financial Statements are consistent with those followed in the previous year.

III Use of Estimates

The presentation of Consolidated 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.

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. With regard to tangible assets, the Holding Company and its Indian subsidiaries has adopted the useful lives of fixed assets as indicated in Part C of Schedule II of the Companies Act, 2013 and amendment thereto vide notification dated August 29, 2014 issued by Ministry of Corporate Affairs. In case of the Holding Company 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 and other intangible assets including computer software and goodwill.

Revalued tangible fixed assets are carried at fair value less accumulated depreciation/impairment. In case of revaluation of tangible fixed assets, any increase in net book value arising on revaluation is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as a charge in the Consolidated Statement of Profit and Loss, in which case the increase is credited to the Consolidated Statement of Profit and Loss. A decrease in net book value arising on revaluation is recognised as a charge in the Consolidated Statement of Profit and Loss, except to the extent it offsets an existing surplus on the same asset recognised in the revaluation reserve, in which case the decrease is recognised directly in that reserve.

Depreciation for the period is recognised in the Consolidated Statement of Profit and Loss. However, for revalued assets, the additional depreciation relating to revaluation is adjusted by transfer from revaluation reserve to Consolidated Statement of Profit and Loss.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

TANGIBLE	**Years**
Leasehold Land	50-196
Buildings	5-100
Buildings Taken under finance lease	10-40
Buildings Given under operating lease	30
Plant and Equipment	3-25
Plant and Equipment Leased	2-15
Vehicles	3-15
Office Equipments	2-21
Furniture and Fixtures	2-17
INTANGIBLE	
Trademarks, Designs, Technical know-how, Non compete fees and Other Intangible Assets including computer software	2-20

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 rental income under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Total lease rental in respect of an asset taken on operating lease are charged to the Consolidated Statement of Profit and Loss on a straight line basis over the lease term. 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. Other operating income is recognised on an accrual basis or in accordance with the terms of the relevant agreements, if any.

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 and net realisable value. The cost is determined based on weighted average method, except in case of certain raw and packing materials and stock-in-trade specific identification method is applied and in respect of certain other materials and consumables FIFO method is applied. In respect of Sun Pharmaceutical Industries Inc, 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.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

IX Research and Development

The research and development cost is accounted in accordance with Accounting Standard (AS) – 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 Consolidated 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 Consolidated Statement of Profit and Loss.

X Foreign Currency Transactions and Translation

Transactions denominated in foreign currencies are recorded at the exchange rates that approximate 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 Consolidated 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.

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

a) Non-monetary Balance Sheet items, are translated using the exchange rate at the date of transaction i.e., the date when they were acquired.

b) Monetary Balance Sheet items are translated using closing rates at Balance sheet date.

c) Profit and Loss items are translated using the exchange rate prevailing at the date of respective transaction or at the average rates.

d) The net exchange difference resulting from the translation of items in the financial statements of foreign integral operations is recognised as income or expense for the period.

XI Derivative Accounting

Derivative Instruments entered into for hedging the foreign currency fluctuation risk / interest rate risk are accounted for on the principles of prudence as enunciated in Accounting Standard (AS)-1 "Disclosure of Accounting Policies". Pursuant to this, losses, if any, on Mark to Market basis, are recognised in the Consolidated Statement of Profit and Loss and gains are not recognised.

XII Taxes on Income

Provision for tax comprises of Current Tax and Deferred Tax. Current Tax provision is 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.

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However, if there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that 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.

For Indian entities, Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the respective entities will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

XIII Employee Benefits

(a) The Group's contribution in respect of provident fund and other funds is charged to the Consolidated Statement of Profit and Loss each year. With respect to certain employees, contribution is made to the provident fund trust maintained by the Group. Provident fund liability for the trust is as determined on actuarial basis by the independent valuer is charged to the Consolidated Statement of Profit and Loss.

(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, except for certain employees, the gratuity benefit of retirement plan where contribution is made to a gratuity fund established as a trust. Gratuity liability as determined on actuarial basis by the independent valuer is charged to the Consolidated Statement of Profit and Loss.

(c) Pension plan, a defined benefit retirement plan, provides for lump sum payment to eligible employees at retirement. The pension liability, determined on actuarial basis by an independent valuer, is charged to the Consolidated Statement of Profit and Loss.

(d) Liability for accumulated compensated absences of employees being other long term employee benefit is ascertained for on actuarial valuation basis and provided for as per the Group rules.

XIV Employee Stock Option Based Compensation

With respect to employee stock option, the fair value of the options is calculated by using Black Scholes pricing model, in respect of the number of options that are expected to ultimately vest. Such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the fair value of the vested portion of the option at the date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Consolidated Statement of Profit and Loss of that period. In respect of vested options that expire unexercised, the cost is reversed in the Consolidated Statement of Profit and Loss of that period.

XV 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.

XVI 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 Consolidated Financial Statements.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

XVII 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.

XVIII 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 Consolidated 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 Consolidated Statement of Profit and Loss.

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

	Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year	
			Year ended March 31, 2015	Year ended March 31, 2014
Direct Subsidiaries				
1	Green Eco Development Centre Ltd.	India	100.00%	100.00%
2	Sun Pharma Global Inc.	British Virgin Islands	100.00% (see note s)	100.00%
3	ZAO Sun Pharma Industries Ltd.	Russia	-	(see note e)
4	Sun Pharmaceutical (Bangladesh) Ltd.	Bangladesh	72.50%	72.50%
5	Sun Pharmaceutical Industries, Inc. (Previously Known as Caraco Pharmaceutical Laboratories Ltd.)	United States of America	100.00%	100.00%
6	Sun Farmaceutica Do Brasil Ltda (Previously Known as TKS Farmaceutica Ltda)	Brazil	100.00%	100.00%
7	Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%
8	SPIL De Mexico S.A. DE C.V.	Mexico	100.00%	100.00%
9	Sun Pharmaceutical Peru S.A.C.	Peru	99.33%	99.33%
10	OOO “Sun Pharmaceutical Industries” Ltd.	Russia	99.00%	99.00%
11	Sun Pharma de Venezuela, CA.	Venezuela	100.00%	100.00%
12	Sun Pharma Laboratories Limited	India	100.00%	100.00%
13	Faststone Mercantile Company Private Limited	India	100.00%	100.00%
14	Neetnav Real Estate Private Limited	India	100.00%	100.00%
15	Realstone Multitrade Private Limited	India	100.00%	100.00%
16	Skisen Labs Private Limited	India	100.00%	100.00%
17	Sun Pharma Holdings (Previously Known as Nogad Holdings)	Mauritius	100.00% (see note s)	-
18	Softdeal Trading Company Private Limited	India	100.00%	100.00%
19	Ranbaxy Pharmacie Generiques SAS	France	100.00%	-
20	Ranbaxy Drugs Limited	India	100.00%	-
21	Vidyut Investments Limited	India	100.00%	-
22	Gufic Pharma Limited	India	100.00%	-

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Name of Subsidiaries		Country of Incorporation	Proportion of ownership interest for the year	
			Year ended March 31, 2015	Year ended March 31, 2014
23	Ranbaxy Malaysia Sdn. Bhd.	Malaysia	71.22%	-
24	Ranbaxy Nigeria Limited	Nigeria	85.31%	-
25	Ranbaxy (Netherlands) B.V.	Netherlands	100.00%	-
Step down Subsidiaries				
26	Caraco Pharma Inc	United States of America	100.00%	100.00%
27	Chattem Chemicals Inc	United States of America	100.00%	100.00%
28	Taro Development Corporation	United States of America	100.00%	100.00%
29	Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%
30	Sun Pharmaceutical UK Ltd.	United Kingdom	100.00%	100.00%
31	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	Australia	100.00%	100.00%
32	Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%
33	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	100.00%	100.00%
34	Sun Pharmaceuticals Italia S.R.L.	Italy	100.00%	100.00%
35	Sun Pharmaceutical Spain, S.L.U	Spain	100.00%	100.00%
36	Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%
37	Sun Pharmaceuticals France	France	100.00%	100.00%
38	Sun Pharma Global (FZE)	United Arab Emirates	100.00%	100.00%
39	Sun Pharmaceuticals (SA) (Pty) Ltd.	South Africa	100.00%	100.00%
40	Sun Global Canada Pty. Ltd.	Canada	100.00%	100.00%
41	Sun Pharma Philippines Inc.	Philippines	100.00%	100.00%
42	Sun Pharmaceuticals Korea Ltd.	Korea	100.00%	100.00%
43	Sun Global Development FZE	United Arab Emirates	100.00%	100.00%
44	Caraco Pharmaceuticals Pvt. Ltd.	India	100.00%	100.00%
45	Sun Pharma Japan Ltd.	Japan	100.00%	100.00%
46	Sun Pharma HealthCare FZE	United Arab Emirates	100.00%	100.00%
47	Sun Pharma MEA JLT	United Arab Emirates	100.00% (see note g)	100.00%
48	Morley and Company Inc	United States of America	100.00%	100.00%
49	Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%
50	Taro Pharmaceutical Industries Ltd. (TARO)	Israel (See note f)	68.87%	68.87%
51	Taro Pharmaceuticals Inc.	Canada	68.87%	68.87%
52	Taro Pharmaceuticals U.S.A., Inc.	United States of America	68.87%	68.87%
53	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	68.87%	68.87%
54	Taro Pharmaceuticals Europe B.V.	Netherlands	68.87%	68.87%
55	Taro Pharmaceuticals Ireland Ltd.	Ireland	68.87%	68.87%
56	Taro International Ltd.	Israel	68.87%	68.87%
57	Taro Pharmaceuticals UK Ltd.	United Kingdom	68.87%	68.87%
58	Taro Hungary Intellectual Property Licensing LLC.	Hungary	68.87%	68.87%
59	3 Skyline LLC	United States of America	68.87%	68.87%
60	One Commerce Drive LLC	United States of America	68.87%	68.87%
61	Tarochem Ltd.	Israel	68.87% (see note h)	68.87%
62	Taro Pharmaceutical Laboratories Inc	United States of America	68.87%	68.87%
63	Taro Pharmaceuticals Canada Ltd.	Canada	68.87%	68.87%
64	Taro Pharmaceutical India Private Ltd.	India	68.87% (see note o)	68.87%
65	Orta Ltd.	Israel	68.87% (see note h)	68.87%

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	Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year	
			Year ended March 31, 2015	Year ended March 31, 2014
66	Sun Universal Ltd.	United Arab Emirates	100.00% (see note i)	100.00%
67	Khyati Realty ME Ltd.	United Arab Emirates	100.00% (see note i)	100.00%
68	Aditya Pharma Private Limited	Hungary	100.00% (see note j)	100.00%
69	Alkaloida Sweden AB	Sweden	100.00%	100.00%
70	Dusa Pharmaceuticals Inc	United States of America	100.00%	100.00%
71	Dusa Pharmaceuticals New York Inc	United States of America	100.00%	100.00%
72	Sirius Laboratories Inc	United States of America	100.00%	100.00%
73	URL Pharma Inc	United States of America	100.00%	100.00%
74	AR Scientific.Inc	United States of America	100.00%	100.00%
75	Mutual Pharmaceutical Company, Inc.	United States of America	100.00%	100.00%
76	United Research Laboratories, Ltd.	United States of America	100.00%	100.00%
77	Dungan Mutual Associates, LLC	United States of America	100.00%	100.00%
78	URL PharmPro, LLC	United States of America	100.00%	100.00%
79	Universal Enterprises (Pvt) Ltd.	India	100.00%	100.00%
80	Sun Pharma Switzerland Ltd.	Switzerland	100.00%	100.00%
81	Sun Pharma Holdings (Previously Known as Nogad Holdings)	Mauritius	100.00% (see note s)	100.00%
82	Silverstreet Developers LLP	India	100.00%	100.00%
83	Sun Pharma East Africa Limited	Kenya	100.00% (see note d)	-
84	Pharmalucence Inc.	United States of America	100.00% (see note d)	-
85	PI Real Estate Ventures, LLC	United States of America	100.00% (see note d)	-
86	Ranbaxy Australia Proprietary Ltd.	Australia	100.00%	-
87	Ranbaxy Belgium N.V.	Belgium	100.00%	-
88	Ranbaxy Farmaceutica Ltda.	Brazil	100.00%	-
89	Ranbaxy Pharmaceuticals Canada Inc.	Canada	100.00%	-
90	Ranbaxy Egypt (L.L.C.)	Egypt	100.00%	-
91	Rexcel Egypt (L.L.C.)	Egypt	100.00%	-
92	Office Pharmaceutique Industriel et Hospitalier SARL	France	100.00%	-
93	Basics GmbH	Germany	100.00%	-
94	Ranbaxy GmbH	Germany	100.00%	-
95	Ranbaxy Ireland Limited	Ireland	100.00%	-
96	Ranbaxy Italia S.p.A	Italy	100.00%	-
97	Ranbaxy PRP (Peru) SAC.	Peru	100.00%	-
98	Ranbaxy Poland S.P. Zoo	Poland	100.00%	-
99	Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda	Portugal	100.00% (see note l)	-
100	S.C Terapia S.A.	Romania	96.70%	-
101	ZAO Ranbaxy	Russia	100.00%	-
102	Ranbaxy South Africa Proprietary Limited	South Africa	100.00%	-
103	Ranbaxy Pharmaceuticals (Pty) Ltd. (Previously known as Be-Tabs Pharmaceuticals (Proprietary) Ltd.)	South Africa	100.00%	-
104	Be-Tabs Investments (Proprietary) Ltd.	South Africa	100.00%	-
105	Sonke Pharmaceuticals (Proprietary) Ltd.	South Africa	70.00%	-

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Name of Subsidiaries		Country of Incorporation	Proportion of ownership interest for the year	
			Year ended March 31, 2015	Year ended March 31, 2014
106	Laboratorios Ranbaxy, S.L.	Spain	100.00%	-
107	Ranbaxy (UK) Limited.	United Kingdom	100.00%	-
108	Ranbaxy Holdings (UK) Ltd.	United Kingdom	100.00%	-
109	Ranbaxy Europe Limited	United Kingdom	100.00%	-
110	Ranbaxy Inc.	United States of America	100.00%	-
111	Ranbaxy Pharmaceuticals, Inc.	United States of America	100.00%	-
112	Ranbaxy (Thailand) Co., Limited	Thailand	100.00%	-
113	Ranbaxy USA, Inc.	United States of America	100.00% (see note m)	-
114	Ohm Laboratories, Inc.	United States of America	100.00%	-
115	Ranbaxy Laboratories, Inc.	United States of America	100.00%	-
116	Ranbaxy Signature LLC	United States of America	67.50%	-
117	Ranbaxy Morocco LLC	Morocco	100.00%	-
118	Ranbaxy Pharmaceuticals Ukraine LLC	Ukraine	100.00%	-
Name of Partnership Firm				
119	Sun Pharma Drugs	India	-	(see note n)
120	Solrex Pharmaceuticals Company	India	100.00% (see note k)	-
Name of Jointly Controlled Entity				
121	MSD - Sun LLC	United States of America	50.00%	50.00%
122	S & I Ophthalmic LLC	United States of America	50.00%	50.00%
123	Artes Biotechnology GmbH	Germany	45.00%	(see note b)
Name of Subsidiary of Jointly Controlled Entity				
124	MSD - Sun FZ LLC	United Arab Emirates	50.00%	50.00%
Name of Associate				
125	Artes Biotechnology GmbH	Germany	(see note b)	45.00%
126	Zenotech Laboratories Limited	India	46.84%	-
127	Daiichi Sankyo (Thailand) Limited, Thailand	Thailand	26.90%	-

b Investment in Artes Biotechnology GmbH has been reclassified during the year from Associate to Jointly Controlled Entity.

c In respect of entities at Sr. No. 6, 7, 8, 9, 10, 101, 118 and 123 the reporting date is as of December 31, 2014 and different from the reporting date of the Holding 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 January 1, 2014 to March 31, 2014 and January 1, 2015 to March 31, 2015, on the basis of their management accounts for the said periods.

d Entities at Sr. No.83, 84 and 85 have been incorporated / acquired during the year ended March 31, 2015.

e With effect from 28th January, 2014 ZAO Sun Pharma Industries Ltd. has been liquidated.

f The Group holds voting power 79.24% (beneficial ownership 68.87%) in the share capital of TARO.

g With effect from March 1, 2015 Sun Pharma MEA JLT merged with Sun Pharma Global FZE.

h With effect from December 10, 2014 and December 11, 2014 Orta Limited and Tarochem Limited has been dissolved respectively.

i With effect from May 6, 2014 Sun Universal Ltd. and Khyati Realty ME Ltd. has been dissolved.

j With effect from February 28, 2015 Aditya Pharma Private Limited has been liquidated.

k Solrex Pharmaceuticals Company, a partnership firm, in which two subsidiaries of the Holding Company are partners.

l Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda has closed its operation in 2012 and has filed for liquidation in 2013.

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m With effect from October 28, 2014 Ranbaxy USA, Inc. has been liquidated.

n With effect from August 19, 2013 Sun Pharma Drugs has been dissolved.

o Taro Pharmaceutical India Private Ltd. is under liquidation.

p Companies from 19 to 25 and 86 to 118 have become subsidiaries, Companies at 126 and 127 have become associates and entity at No.120 has become partnership firm w.e.f. April 1, 2014 being the appointed date, pursuant to the amalgamation of erstwhile Ranbaxy Laboratories Limited (RLL) into the Holding Company.

q 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.

r Disclosures mandated by the Companies Act, 2013 Schedule III Part II by way of additional information is given in Annexure A.

s With effect from January 1, 2015 Sun Pharma Global Inc. merged with the Holding company and consequently Sun Pharma Holdings (Previously Known as Nogad Holdings) has become direct subsidiary of the Holding Company.

₹ in Million

	As at March 31, 2015	As at March 31, 2014
32 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
A) Contingent Liabilities		
I) Claims against the Group not acknowledged as debts	1,021.3	821.5
II) Guarantees given by the bankers on behalf of the Group	777.6	704.6
III) Liabilities Disputed - Appeals filed with respect to :		
Income Tax on account of Disallowances / Additions	26,706.7	12,114.8
Sales Tax on account of Rebate / Classification	37.9	48.5
Excise Duty on account of Valuation / Cenvat Credit	624.3	556.7
Environment cess	23.3	23.3
ESIC Contribution on account of applicability	0.2	0.2
Service tax on certain services performed outside India under reverse charge basis	156.0	-
Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, enjoyed by the Group	3,248.0	14.0
Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme	15.4	14.6
Fine imposed for anti-competitive settlement agreement by European Commission	689.1	-
Octroi demand on account of rate difference	171.0	-
Alleged breach of social security code contested by French subsidiary (maximum penalty amount)	124.8	-
Other matters - employee / worker related cases, State Electricity Board, Punjab Land Preservation Act related matters etc.	302.7	-
IV) Others:		
Letters of Credit for Imports	1,489.2	2,163.1
Trade commitments	530.6	-
B) Commitments		
I) Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	7,828.3	7,877.5
II) Derivative related commitments - Forward Foreign Exchange Contracts	11,250.0	4,200.0
III) Lease related commitments [Refer Note : 41 (d) (i) and (e) (i)]	1,610.2	730.0
IV) Investment related commitments	2,894.4	2,815.8

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33 LEGAL PROCEEDINGS

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

34 DISCLOSURES RELATING TO SHARE CAPITAL

i Rights, Preferences and Restrictions attached to Equity Shares

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

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

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Equity shares of ₹ 1 each				
Opening Balance	2,071,163,910	2,071.2	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**	**2,071,163,910**	**2,071.2**

iii 1,035,581,955 (upto the end of previous year 1,035,581,955) 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 Number of stock options against which equity shares to be issued by the Holding Company upon vesting and exercise of those stock options by the option holders as per the relevant scheme (Refer Note 44).

v Equity Shares held by each shareholder holding more than 5 percent Equity Shares (excluding Share Suspense Account) in the Holding Company are as follows:

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dilip Shantilal Shanghvi	231,140,480	11.2	231,140,480	11.2
Viditi Investments Pvt. Ltd.	201,385,320	9.7	201,385,320	9.7
Tejaskiran Pharmachem Industries Pvt. Ltd.	195,343,760	9.4	195,343,760	9.4
Family Investment Pvt. Ltd.	182,927,440	8.8	182,927,440	8.8
Quality Investment Pvt. Ltd.	182,868,640	8.8	182,868,640	8.8

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₹ in Million

		Year ended March 31, 2015	Year ended March 31, 2014
35	**RESEARCH AND DEVELOPMENT EXPENDITURE**		
	Revenue (Excluding Depreciation), [net]	17,380.0	9,370.7
	Capital	1,177.5	555.9
	Total	**18,557.5**	**9,926.6**

₹ in Million

		As at March 31, 2015	As at March 31, 2014
36	**GOODWILL ON CONSOLIDATION (NET):**		
	Goodwill in respect of :		
	Sun Pharmaceutical Industries Inc.	11,458.1	7,292.0
	Sun Farmaceutica Do Brasil Ltda	427.4	436.3
	Sun Pharma Japan Ltd.	127.2	114.4
	Universal Enterprises (Pvt) Ltd.	-	7.5
	Taro Pharmaceutical Industries Ltd.	11,849.7	11,378.5
	Artes Biotechnology GmbH	183.1	-
	Ranbaxy Pharmaceuticals (Pty) Ltd. (Previously known as Be-Tabs Pharmaceuticals (Proprietary) Ltd.)	1,331.4	-
	S.C Terapia S.A.	12,015.6	-
	Ranbaxy Ireland Limited	117.0	-
	Ranbaxy Farmaceutica Ltda.	250.3	-
	Gufic Pharma Limited	469.4	-
	Total (A)	**38,229.2**	**19,228.7**
	Less:		
	Capital Reserve in respect of :		
	Alkaloida Chemical Company Zrt.	1,149.5	882.5
	Ranbaxy Nigeria Limited	0.9	-
	Ranbaxy Drugs Limited	27.5	-
	Ranbaxy Malaysia Sdn. Bhd.	41.7	-
	Total (B)	**1,219.6**	**882.5**
	Total (A-B)	**37,009.6**	**18,346.2**

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

		Year ended March 31, 2015	Year ended March 31, 2014
38	**ACCOUNTING STANDARD (AS-20) ON EARNINGS PER SHARE**		
	Profit for the year - used as Numerator for calculating Earnings Per Share (₹ in Million)	45,393.8	31,414.7
	Weighted Average number of Shares used in computing Basic Earnings Per Share (taking into account 334,769,181 Shares with respect to Share Suspense Account for current year)	2,404,936,420	2,071,163,910
	Add: Dilution effect of ESOP shares	1,193,174	-
	Weighted Average number of Shares used in computing Diluted Earnings Per Share	**2,406,129,594**	**2,071,163,910**
	Nominal value per share (in ₹)	1.0	1.0
	Basic Earnings Per Share (in ₹)	18.9	15.2
	Diluted Earnings Per Share (in ₹)	18.9	15.2

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			Year ended March 31, 2015	Year ended March 31, 2014
39	**ACCOUNTING STANDARD (AS-17) ON SEGMENT REPORTING**			
	a)	Primary Segment		
		The Group has identified "Pharmaceuticals" as the only primary reportable business segment.		
	b)	Secondary Segment (by Geographical Segment)		
		India	70,324.0	39,411.6
		Outside India	205,384.8	122,583.5
	Sale of Products		**275,708.8**	**161,995.1**

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

40 Intangible assets consisting of trademarks, designs, technical knowhow, licences, 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 10 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 10 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 Consolidated Statement of Profit and Loss under "Lease Rental and Hire Charges" and "Rent" in Note 23 and Note 28.

₹ in Million

			Year ended March 31, 2015	Year ended March 31, 2014
(d)	**Operating lease**			
	(i)	**Group as lessee**		
		The future minimum lease payments under non-cancellable operating lease		
		not later than one year	602.8	263.3
		later than one year and not later than five years	833.1	363.0
		later than five years	149.5	103.7
	(ii)	**Group as lessor**		
		The future minimum lease payments under non-cancellable operating lease		
		not later than one year	58.6	55.0
		later than one year and not later than five years	85.1	33.0
		later than five years	86.1	-

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₹ in Million

			Year ended March 31, 2015	Year ended March 31, 2014
(e)	**Finance lease**			
	(i)	**Group as lessee**		
		The future minimum lease payments under non-cancellable finance lease		
		not later than one year	22.5	-
		later than one year and not later than five years	2.2	-
		later than five years	-	-
		Present value of minimum lease payments receivable aggregate		
		not later than one year	21.9	-
		later than one year and not later than five years	2.2	-
		later than five years	-	-
	(ii)	**Group as lessor**		
		The future minimum lease payments under non-cancellable finance lease		
		not later than one year	47.3	39.7
		later than one year and not later than five years	171.1	180.5
		later than five years	757.7	606.1
		Less : Unearned Finance Income	576.8	498.0
		Present value of minimum lease payments receivable aggregate not later than one year	10.0	8.1
		later than one year and not later than five years	30.9	35.1
		later than five years	358.4	285.1

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 ₹ 499.2 Million (Previous Year ₹ 215.0 Million).

₹ in Million

	Year ended March 31, 2015	Year ended March 31, 2014
Contribution to Provident Fund	383.1	204.4
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	116.0	10.5
Contribution to Labour Welfare Fund	0.1	0.1
Employer's Contribution to Family Pension Fund ₹ 45,198 (Previous Year ₹ 20,784)	0.0	0.0

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 the Group rules with corresponding charge to the Consolidated Statement of Profit and Loss amounting to ₹ 353.2 Million (Previous Year ₹ 75.3 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 Consolidated Statement of Profit and Loss.

The Group had an obligation towards pension, a define benefit retirement plan with respect to certain employees, who had already retired before March 01, 2013 will continue to receive the pension as per the pension plan.

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Category of Plan Assets : The Group's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India except for certain employees for whom contribution is made to a fund administered under a Trust.

₹ in Million

	Provident Fund (funded)		Gratuity (funded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Reconciliation of liability / (asset) recognised in the Balance sheet				
Present value of commitments (as per Actuarial Valuation)	4,810.2	-	2,169.3	515.3
Fair value of plan assets	(4,806.5)	-	(1,876.6)	(514.7)
Net liability in the Balance sheet	3.7	-	292.7	0.6
Movement in net liability / (asset) recognised in the Balance sheet				
Net liability / (asset) as at the beginning of the year	-	-	0.6	21.3
Pursuant to the Scheme of Amalgamation (Refer Note 56)	-	-	(134.2)	-
Net Commitments transferred	-	-	-	8.6
Net expense recognised in the Consolidated Statement of Profit and Loss	178.1	-	493.4	34.3
Contribution during the year	(174.4)	-	(67.1)	(63.6)
Net liability in the Balance sheet	3.7	-	292.7	0.6
Expense recognised in the Consolidated Statement of Profit and Loss				
Current service cost	180.8	-	143.4	50.8
Interest cost	480.0	-	140.5	36.2
Expected return on plan assets	(395.8)	-	(155.2)	(34.5)
Actuarial loss/ (gain)	31.8	-	364.7	(18.2)
Recognition of unrecognized assets of earlier years	(118.7)	-	-	-
Expense charged to the Consolidated Statement of Profit and Loss	178.1	-	493.4	34.3
Return on plan assets				
Expected return on plan assets	395.8	-	155.2	34.5
Actuarial (loss)/ gain	(29.0)	-	3.3	4.4
Actual return on plan assets	366.8	-	157.4	38.9
Reconciliation of defined-benefit commitments				
Commitments as at the beginning of the year	-	-	515.3	457.9
Pursuant to the Scheme of Amalgamation (Refer Note 56)	4,280.8	-	1,145.0	-
Commitments transferred	68.5	-	-	8.6
Current service cost	180.8	-	143.4	50.8
Employees Contribution during the year	412.1	-	-	-
Interest cost	480.0	-	140.5	36.2
Paid benefits	(614.8)	-	(142.9)	(24.4)
Actuarial (gain) / loss	2.8	-	368.0	(13.8)
Commitments as at the year end	4,810.2	-	2,169.3	515.3
Reconciliation of plan assets				
Plan assets as at the beginning of the year	-	-	514.7	436.6
Pursuant to the Scheme of Amalgamation (Refer Note 56)	4,399.5	-	1,279.2	-
Expected return on plan assets	395.8	-	155.2	34.5
Contributions during the year	174.4	-	67.1	63.6
Employees' contributions during the year	412.1	-	-	-
Plan assets transferred	68.5	-	-	-
Paid benefits	(614.8)	-	(142.9)	(24.4)
Actuarial gain/(loss)	(29.0)	-	3.3	4.4
Plan assets as at the year end	4,806.5	-	1,876.6	514.7

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

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	Provident Fund (funded)		Gratuity (funded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Discount rate	7.80%	-	7.80% to 7.94%	9.31%
Interest rate guarantee	8.75%	-	N.A.	N.A.
Expected return on plan assets **	9.00% to 9.03%	-	7.94% to 9.00%	9.31%
Expected rate of salary increase	N.A.	-	8% to 10%	7.00%
Expected average remaining working lives of employees	20.91 to 26.72 years	-	8.00 to 26.72 years	23 years
Withdrawal	15% to 18%	-	3% to 18%	1%
Retirement age	58 to 60 years	-	58 to 60 years	60 years
Mortality	Indian assured lives mortality (2006-08) ultimate/ Annuitants - LIC (a) (1996-98) ultimate rates	-	Indian assured lives mortality (2006-08)ultimate/ Annuitants - LIC (a) (1996-98) ultimate rates	

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
** On the basis of average rate of earnings expected on the funds invested.

The major categories of plan assets as a percentage of total plan assets are as under:

Particulars	Provident fund (Funded)		Gratuity (funded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Central government securities	22%	-	2%	-
State government securities	16%	-	1%	-
Bonds and securities of public sector/ financial institutions	60%	-	14%	-
Insurer managed funds	-	-	83%	100%
Surplus fund lying uninvested	2%	-	-	-

Particulars	Provident fund (Funded)	
	Year ended March 31, 2015	Year ended March 31, 2014
Present value of defined benefit obligation	(4,810.2)	-
Fair value of plan assets	4,806.5	-
Deficit	(3.7)	-
Experience adjustment loss/ (gain) for plan liability	(23.5)	-
Experience adjustment (gain)/ loss for plan assets	(127.9)	-

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₹ in Million

Experience adjustment	Year ended				
Gratuity	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Experience adjustment					
On plan liabilities	218.3	55.7	32.1	26.5	18.1
On plan assets	3.3	4.4	8.2	6.8	3.4
Present value of benefit obligation	2,169.3	515.3	457.9	311.6	257.3
Fair value of plan assets	(1,876.6)	(514.7)	(436.6)	(347.6)	(284.2)
Excess of obligation over plan assets / (plan assets over obligation)	292.7	0.6	21.3	(36.0)	(27.0)

Notes:

i) The gratuity contribution expected to be made by the Group during financial year ending on March 31, 2016 is ₹ 205.7 Million (Previous Year ₹ 117.5 Million).

ii) Further, during the current year, the erstwhile RLL has recognised an expense of ₹ 111.5 Million pertaining to portion of employers' contribution paid to the statutory authorities and provident fund administration charges, which is included in "Employee benefits expense".

iii) The above disclosures are provided to the extent applicable and available from the individual Financial Statements of the Holding Company and subsidiaries.

The erstwhile RLL primarily provides the following retirement benefits to its employees:

Change in the present value of obligations:	Pension (Unfunded)		Retirement pension payment plan (Unfunded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Pursuant to the Scheme of Amalgamation (Refer Note 56)	957.0	-	34.8	-
Add: Current service cost	-	-	4.2	-
Add: Interest cost	82.1	-	1.1	-
Less: Benefits paid/ settlement	(86.0)	-	-	-
Add: Actuarial loss on obligations	21.7	-	3.7	-
Translation adjustment - gain	-	-	(7.5)	-
Present value of obligation as at the end of the year	974.8	-	36.3	-
Expenses recognised in the Consolidated Statement of Profit and Loss:				
Current service cost	-	-	4.2	-
Add: Interest cost	82.1	-	1.1	-
Add: Net actuarial loss recognised	21.7	-	3.7	-
Expense recognised in the Consolidated Statement of Profit and Loss	103.8	-	9.0	-
Experience adjustment loss for plan liability	4.9	-	-	-

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The following table sets out the assumptions used in actuarial valuation of pension and retirement pension payment plan:

Particulars	Pension (Unfunded)		Retirement pension payment plan (Unfunded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Discount rate	7.8%	-	1.4%	-
Rate of increase in compensation levels ##	N.A.	-	2%-3%	-
Expected average remaining working lives of employees (years)	N.A.	-	19.00 to 26.20 years	-
Mortality	Indian assured lives mortality (2006-08) ultimate/ Annuitants - LIC (a) (1996-98) ultimate rates	-	Table INSEE F 2008 - 2010	-
Disability	5% of mortality rate	-	-	-
Withdrawal	15% - 18%	-	0% - 20%	-
Retirement age	58 - 60 years	-	62 - 65 Years	-

The salary increase takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Retirement pension payment plan:
The experience adjustment for retirement pension payment plan over current and previous four years have not been given as the amounts are immaterial.

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 EMPLOYEE SHARE-BASED PAYMENT PLANS

Erstwhile RLL had the Employee Stock Option Schemes (“ESOSs”) for the grant of stock options to its eligible employees and Directors of the erstwhile RLL and of its subsidiaries. The ESOSs are used to be administered by the Compensation Committee (“Committee”). Options are used to be granted at the discretion of the Committee to the selected employees depending upon certain criterion. As at March 31, 2015, there were two ESOSs, namely, “ESOS 2005” and “ESOP 2011”. ESOS II discontinued on January 17, 2015.

ESOS II provided that the grant price of options would be determined at the average of the daily closing price of the erstwhile RLL’s equity shares on the NSE during a period of 26 weeks preceding the date of the grant. ESOS 2005 provided that the grant price of options would be the latest available closing price on the stock exchange on which the shares of the erstwhile RLL were listed, prior to the date of the meeting of the Committee in which the options were granted. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered. The options vested evenly over a period of five years from the date of grant. Options lapse, if they were not exercised prior to the expiry date, which was ten years from the date of grant.

During the year ended December 31, 2011, a new ESOS scheme was introduced by erstwhile RLL viz “ESOP 2011” with effect from

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July 1, 2011. ESOP - 2011 provides that the grant price will be the face value of the equity share i.e. ₹ 5 per share. The options vested evenly over a period of three years from the date of grant. Options lapsed, if they were not exercised prior to the expiry date, which was three months from the date of the vesting. An ESOP Trust had been formed to administer ESOP-2011 scheme. Shares issued to the ESOP Trust were allocated to the eligible employees upon exercise of stock options from time to time. As per the opinion of the Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India, as on the reporting date, the shares issued to an ESOP Trust but yet to be allocated to the employees be shown as a deduction from the Share Capital with a corresponding adjustment to the loan receivable from ESOP Trust. Accordingly, the Holding Company has adjusted shares held by the ESOP Trust on the reporting date as a deduction from the Share Suspense Account.

Pursuant to the Scheme of Amalgamation, Sun Pharmaceutical Industries Limited ('transferee company') formulated two Employee Stock Option Schemes namely (i) SUN Employee Stock Option Scheme-2015 (ii) SUN Employee Stock Option Plan-2015 (ESOS Schemes) among other things to grant to the eligible employees of erstwhile RLL ('transferor company') stock options. Further, the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.80) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.80) and fractions rounded off to the next higher whole number. The terms and conditions of ESOS Schemes of Sun Pharma are not less favourable than those of ESOS Schemes of erstwhile RLL. Under the ESOS Schemes of Sun Pharma, stock options have been issued to the eligible employees of erstwhile RLL.

The Shareholders' Committee of erstwhile RLL have approved issuance of options under the ESOS as per details given below:

Date of approval	No. of options approved
June 25, 2003	4,000,000
June 30, 2005	4,000,000
May 9, 2011	3,000,000

In accordance with the above approval of issuance of options, stock options have been granted from time to time.

The stock options outstanding as on June 30, 2005 are proportionately adjusted in view of the sub-division of equity shares of the erstwhile RLL from the face value of ₹ 10 each into 2 equity shares of ₹ 5 each.

The movement of the options (post split) granted under ESOS II and ESOS 2005 for the current year is given below:

	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Pursuant to the Scheme of Amalgamation (Refer Note 56)	3,579,582	216.00-561.00	426.16	3.37
Forfeited during the year	(21,578)	450.00-450.00	450.00	-
Exercised during the year*	(1,434,434)	216.00-538.50	419.17	-
Lapsed during the year	(661,639)	216.00-538.50	506.42	-
Outstanding at the end of the year $ (refer to note 1 below)	1,461,931	216.00-561.00	396.28	3.27
Exercisable at the end of the year $ (refer to note 1 below)	1,461,931	216.00-561.00	396.28	3.27
Note 1 - Pursuant to Scheme of Amalgamation				
Outstanding at the end of the year $ ^	1,169,545	270.00-702.00	496.00	-
Exercisable at the end of the year $ ^	1,169,545	270.00-702.00	496.00	-

$ Includes options exercised, pending allotment.

* Weighted average of share price on the date of exercise was ₹ 637.7

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The movement of the options (post split) granted under ESOP - 2011 for the current year is given below:

	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Pursuant to the Scheme of Amalgamation (Refer Note 56)	986,905	5.00	5.00	0.88
Granted during the year	481,766	5.00	5.00	-
Forfeited during the year	(202,133)	5.00	5.00	-
Exercised during the year# **	(675,123)	5.00	5.00	-
Lapsed during the year	(29,628)	5.00	5.00	-
Outstanding at the end of the year @ (refer to note 2 below)	561,787	5.00	5.00	1.65
Exercisable at the end of the year @ (refer to note 2 below)	52,434	5.00	5.00	0.24
Note 2- Pursuant to scheme of Amalgamation				
Outstanding at the end of the year @ ^	449,430	6.25	6.25	-
Exercisable at the end of the year @ ^	41,948	6.25	6.25	-

@ Includes options exercised, pending allotment

Shares allotted by the ESOP Trust against these exercises

** Weighted average of share price on the date of exercise ₹ 621.36

^ Number of shares and exercise price are adjusted in accordance with the Share exchange ratio (0.8:1) as per the Scheme.

During the current year, the Group has recorded a Stock-based employee compensation expense of ₹ 205.0 million. The amount has been determined under a fair value method wherein the fair value of the options is calculated by using Black Scholes pricing model using the following assumptions:

The following table summarizes the assumptions used in calculating the grant date fair value for instrument granted in the year March 31, 2015: @@

Particulars	Year ended March 31, 2015
Grant Date	08-May-14
Dividend yield	0.43%
Expected life of options from the date(s) of grant	1.25, 2.25 and 3.25 years
Risk free interest rate	8.57% (1.25 years)
	8.65% (2.25 years)
	8.71% (3.25 years)
Expected volatility	40.47%
Grant date fair value	₹ 462.39 (1.25 years)
	₹ 460.79 (2.25 years)
	₹ 459.16 (3.25 years)

@@ Assumptions used are as applicable at the date of grant in the context of erstwhile RLL.

The Black –Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materiality affect fair value of the options. The options pricing models do not necessary provide a reliable measurable of fair value of options. The volatility in the share price is based on volatility of historical stock price of the erstwhile RLL for last 60 months.

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The Holding Company has changed its policy with respect to accounting for employee stock options. The erstwhile RLL calculated cost of employee stock options based on the intrinsic value method i.e. the excess of market price over the exercise price of such options as of the date of the grant of options over the exercise price of such options. As explained above, the Holding Company have accounted for employee stock options based on the fair value method. The impact of change in this accounting policy is not significant.

45 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.

A summary of Taro stock activity and related information for the year ended March 31, 2015 :

	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	**1,000**	**26.09**	**26.1**	**0.6**	**85.0**
	(25,500)	(24.7 - 68.5)	(52.3)	(0.9)	(220.0)
Exercised during the year	**1,000**	**26.09**	**26.09**	**0.6**	**85.0**
	(23,700)	(24.7 - 68.5)	(53.3)	-	-
Forfeited during the year	**-**	**55.03 - 60.38**	**57.0**	**-**	**-**
	(800)	(55.0 - 60.4)	(57.0)	-	-
Outstanding at the end of the year	-		-	-	-
	(1,000)	(26.0)	(26.0)	(0.6)	(85.0)
Exercisable at the end of the year	-	-	-	-	-
	(1,000)	-	(26.0)	(0.6)	(85.0)
Vested and expected to vest at the end of the year	-	-	-	-	-
	(1,000)	-	(26.0)	(0.6)	(85.0)

Previous Year figures are in brackets.

46 The following are the outstanding contracts of derivative instruments entered by the Holding Company and some of its Subsidiaries as on March 31, 2015:

Nature of Derivative Contract	Currency	Buy / Sell	Cross Currency	As at March 31, 2015 Amount in Million	As at March 31, 2014 Amount in Million
Forward Contracts	US Dollar	Sell	INR	350.0	240.0
Forward Contracts	US Dollar	Sell	NIS	26.1	41.0
Forward Contracts	US Dollar	Sell	CAD	24.9	65.3
Cross Currency Swaps	NIS	Buy	US Dollar	-	9.1
Interest Rate Swaps (Floating to Fixed)	US Dollar	Sell	US Dollar	6.7	7.8
Forward contracts	US Dollar	Buy	INR	170.0	-

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Nature of Derivative Contract	Currency	Buy / Sell	Cross Currency	As at March 31, 2015 Amount in Million	As at March 31, 2014 Amount in Million
Forward contracts	PLN	Sell	RON	1.7	-
Forward contracts	RUB	Sell	RON	62.6	-
Currency swaps	US Dollar	Buy	INR	30.0	-
Currency Options	US Dollar	Buy	INR	100.0	-
Currency options ** @	US Dollar	Sell	INR	71.0	-
Currency cum interest rate swaps	US Dollar	Buy	INR	100.0	-
Forward contracts (highly probable forecasted transactions)	ZAR	Sell	INR	42.5	-

** structured options @ 2.00 to 2.50 times
@ Cumulative mark to market loss, on above instruments, of ₹ 3,499.3 Million, which has been determined based on valuation provided by banks i.e. counter party.

47 During the year, Sun Pharmaceutical Industries Inc., stopped the manufacturing activities at its Detroit facility. Because of the process of moving production to other sites and current capacities with other facilities, Sun Pharmaceutical Industries Inc., believed it does not make economic sense to continue to operate this facility.

48 Taro Pharmaceutical Industries Ltd had closed during 2010, i.e., prior to acquiring control by the Holding Company, the manufacturing facility of its subsidiary in Ireland and decided to sell the facility. The management of the Group is of the view that the closure does not have material impact on the Group's financials. The related assets of ₹ 79.9 Million (Previous Year ₹ 108.0 Million), Liabilities of ₹ 0.7 Million (Previous Year ₹ Nil), Revenues of ₹ Nil (Previous Year ₹ Nil) and Losses of ₹ 47.5 Million (Previous Year ₹ 19.2 Million) attributable to its Irish Subsidiary have been considered in the Consolidated Financial Statements.

49 a) Deferred tax asset on unabsorbed depreciation/carry forward losses of the Holding Company have been restricted to the extent of deferred tax liability.

b) 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 represents virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

50 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 38.6 Million.

51 a) Alkaloida Chemical Company Zrt., a subsidiary of the Holding Company holds 21.14% as on March 31, 2015 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 Holding 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".

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c) The Holding Company holds 24.91% in the capital of Shimal Research Laboratories Limited. However, as the Holding Company does not have any 'Significant Influence' in Shimal Research Laboratories Limited, as is required under AS 23 - "Accounting for Investments in Associates in Consolidated Financial Statements", the said investment in Shimal Research Laboratories Limited has not been consolidated as an "Associate Entity". Accordingly, the investment in Shimal Research Laboratories Limited is accounted in accordance with Accounting Standard 13 - "Accounting for Investments".

52 a) In respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, provision has been made, which would be required to settle the obligation. The said provisions are made as per the best estimate of the management and disclosure as per Accounting Standard (AS) 29 - "Provisions, Contingent Liabilities and Contingent Assets" has been given below [also in Note (b)]:

₹ in Million

	As at March 31, 2015	As at March 31, 2014
Provision*		
Opening balance	11,939.0	9,283.1
Add: Pursuant to the Scheme of Amalgamation (Refer Note 56)	2,015.9	-
Add: Provision for the year	29,289.6	7,971.5
Less: Used/Reversed	(28,468.5)	(5,894.1)
Add/ (Less): Foreign currency translation Difference	417.1	578.5
Closing balance	**15,193.1**	**11,939.0**

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

b) Movement in provision others: Opening balance ₹ 26,312.2 Million (Previous Year ₹ 5,808.0 Million); Pursuant to the Scheme of Amalgamation ₹ 817.0 Million (Previous Year ₹ Nil); made ₹ 2,223.6 Million (Previous Year ₹ 27,555.3 Million); used/reversed ₹ 2,101.3 Million (Previous Year ₹ 9,190.5 Million); Exchange fluctuation ₹ 1,069.5 Million (Previous Year ₹ 2,139.4 Million) and closing balance ₹ 28,321.0 Million (Previous Year ₹ 26,312.2 Million).

53 a) Exceptional items for year ended March 31, 2015 represents the settlement provision for a litigation concerning its participation in the Texas Medicaid Program. Under the settlement agreement, the Group is making payments to the State of Texas in a series of tranches through August 2015. The Group had settled the matter to avoid any further distraction and uncertainty of continued litigation with the State of Texas.

b) On June 11, 2013, Sun Pharma Global FZE (SPG), a wholly owned subsidiary has entered into settlement agreement for USD 550.0 Million [(including USD 44.0 Million borne by Sun Pharmaceutical Industries Inc. (formerly known as Caraco Pharmaceutical Laboratories Ltd.))] 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 had 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 400.0 Million (equivalent to ₹ 25,000.0 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 16.5 Million (Previous year USD 438.5 Million) (equivalent to ₹ 1,031.7 Million) (Previous Year ₹ 26,312.2 Million) [(including other related expected discount and incidental expenses of USD 16.5 Million (Previous Year USD 38.5 Million) (equivalent to ₹ 1,031.7 Million (Previous Year ₹ 2,310.2 Million))] towards estimated expected liability on this account, has been accounted for and given effect in these Consolidated Financial Statements. The above charge of USD Nil (Previous year USD 443.0 Million) [equivalent to ₹ Nil (Previous Year ₹ 25,174.1 Million)] had been considered as exceptional item and ₹ 1,031.7 Million (Previous Year ₹ 2,381.2 Million) has been included in miscellaneous expenses.

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54 a) In March 2014, the US FDA issued an import alert to the Holding Company for its cephalosporin facility located at Karkhadi, Gujarat in India. The warning letter pertaining to this import alert was issued by the US FDA in May 2014. The letter identifies practices at the facility which are non-compliant with current Good Manufacturing Practice (cGMP) regulations. The Holding Company remains fully committed to compliance and corrective steps are on-going to address the observations made by the US FDA. The Holding Company is committed to working co-operatively and expeditiously with the US FDA to resolve the matters indicated in its letter. Until these matters are resolved to the satisfaction of the US FDA, the US FDA 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.

b) The US FDA had, on January 23, 2014, prohibited from manufacturing and distributing APIs from its Toansa manufacturing facility and finished drug products containing APIs manufactured at this facility into the US regulated market. Consequentially, the Toansa manufacturing facility is subject to certain terms of the Consent decree of permanent injunction entered into by the Holding Company in January 2012.

In addition, the Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had also issued an administrative subpoena dated March 13, 2014 seeking information primarily related to Toansa manufacturing facility for which a Form 483 containing findings of the US FDA was issued in January 2014. The Holding Company is fully cooperating with this information request and is in dialogue with the US DOJ for submission of the requisite information.

55 In the absence of net profits in the Holding Company for the year ended March 31, 2015 remuneration to the Managing Director and a Whole-time Director of the Holding Company for the year ended March 31, 2015 is in excess of the limits specified under Schedule V of the Companies Act, 2013 by ₹ 20.7 Million. In this regard the Holding Company has made necessary applications to the Central Government for approving of the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. Consequent to giving effect to the scheme of arrangement for the merger of Specified Undertaking of Sun Pharma Global FZE into the Holding Company effective from May 1, 2013, resulting in the absence of net profits in the Holding Company for the previous year ended March 31, 2014 (i) remuneration to the Managing Director and the Whole-time Directors of the Holding Company 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 previous year ended March 31, 2014, to the Non-Executive Directors of the Holding Company is in excess, since there is absence of net profits for the previous year under section 309(4) read with section 309(5) of the Companies Act, 1956. The Holding Company has made necessary applications to the Central Government for the waiver of the excess remuneration and commission for the previous year ended March 31, 2014. The Holding Company has obtained approval from the shareholders of the Company in respect of the aforesaid remuneration and commission, as applicable for the years March 31, 2014 and 2015. The approval from the Central Government of India is awaited in respect of the said applications.

56 Pursuant to the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 for amalgamation of erstwhile Ranbaxy Laboratories Ltd (RLL) with the Holding Company as sanctioned by the Hon'ble High Court of Gujarat and Hon'ble High Court of Punjab and Haryana on March 24, 2015 (effective date) all the assets, liabilities and reserves of RLL were transferred to and vested in the Holding Company with effect from 1st April 2014, the appointed date. RLL along with its subsidiaries and associates was operating as an integrated international pharmaceutical organisation with business encompassing the entire value chain in the production, marketing and distribution of pharmaceutical products. The scheme has accordingly been given effect to in these Consolidated Financial Statements.

The amalgamation has been accounted for under the "Pooling of Interest Method" as prescribed under Accounting Standard 14 (AS 14) - "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India and as notified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies Accounts Rules 2014. Accordingly and giving effect in compliance of the Scheme of Arrangement all the assets, liabilities and reserves of RLL, now considered a division of the Company, were recorded in the books of the Holding Company at their carrying amounts and the form as at the appointed date in the books of RLL.

On April 10, 2015, in terms of the Scheme of Arrangement 0.8 equity share of ₹ 1 each (Number of Shares 334,956,764 including 187,583 Shares held by ESOP trust) of the Holding Company has been allotted to the shareholders of RLL for every 1 share of ₹ 5 each (Number of Shares 418,461,476 including 234,479 shares held by ESOP trust) held by them in the share capital of RLL, after

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cancellation of 6,967,542 shares of RLL. These shares have been considered for the purpose of calculation of earnings per share appropriately. An amount of ₹ 982.5 Million being the excess of the amount recorded as share capital to be issued by the Holding Company over the amount of the share capital of erstwhile RLL has been reduced from Reserves.

57 RLL had early adopted Accounting Standard (AS)-30 “Financial Instruments: Recognition and Measurement” and AS 31 “Financial Instruments: Presentation” for accounting of derivative instruments which are outside the scope of Accounting Standard 11 ‘The Effects of Changes in Foreign Exchange Rates’ such as forward contracts to hedge highly probable forecast transactions, option contracts, currency swaps, interest rate swaps etc. In order to align with the Group policy, derivative instruments are now accounted for in accordance with the announcement issued by the Institute of Chartered Accountants of India dated March 28, 2008. On the principles of prudence as enunciated in Accounting Standard 1 “Disclosure of Accounting Policies” which requires to provide losses in respect of all outstanding derivative instruments at the balance sheet date by marking them to market. Accordingly, the unrealized MTM gain of ₹ 905.4 Million as at April 1, 2014 has been reversed and MTM gain as at March 31, 2015 amounting to ₹ 1,121.0 Million has not been recognized in these Consolidated Financial Statements.

58 Out of a MAT credit of ₹ 8,222.7 Million which was written down by the erstwhile RLL during the quarter ended December 31, 2014, an amount of ₹ 7,517.0 Million has been recognized by the Holding Company, on a reassessment by the Management at the year-end, based on convincing evidence that the combined amalgamated entity would pay normal income tax during the specified period and would therefore be able to utilize the MAT credit so recognised. Current tax for the year also includes ₹ 285.1 Million pertaining to earlier years.

59 The consolidated financial statements of the Holding Company for the year ended March 31, 2015 were earlier approved by the Board of Directors of the Holding Company at their meeting held on May 29, 2015 on which Statutory Auditors of the Holding Company had issued their report dated May 29, 2015. Consequent to the Order of the Hon’ble High Court of Gujarat, sanctioning the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 for Amalgamation of Sun Pharma Global Inc. (SPG), a wholly owned subsidiary, into the Holding Company w.e.f. January 1, 2015 (appointed date), filed with the Registrar of Companies on August 6, 2015 (effective date), the standalone financial statements for the year ended March 31, 2015 for both, the Holding Company and SPG were revised to give effect to the said Scheme of Arrangement and to provide for proposed dividend by the Holding Company. In view of the above, the earlier approved consolidated financial statements are revised by the Holding Company to incorporate the revised standalone financial statements of the Company and SPG.

60 Details of Long term borrowings and current maturities of long term debt and finance lease obligations (included under Other Current Liabilities)

A Secured Term Loan from banks:

(I) Long term loan of USD 5.9 Million equivalent ₹ 368.0 Million (Previous Year ₹ 1,071.8 Million) [Included in long term borrowings ₹ 311.0 Million (Previous Year ₹ 353.3 Million) and ₹ 57.0 Million (Previous Year ₹ 718.5 Million) in current maturities of long term debt] which is repayable by October 2020. The loan is secured by building situated at New York.

(II) Loan of BRL 0.8 Million equivalent ₹ 16.4 Million (Previous Year ₹ 35.9 Million) [Included in long term borrowings ₹ 16.4 Million (Previous Year ₹ 35.9 Million) and ₹ Nil (Previous Year ₹ Nil) in current maturities of long term debt] which is repayable by December 2016. The loan is secured by land and factory building situated at Goiania, Brazil.

B Secured Term Loan from Other Parties:

(I) The Holding Company has term loan from Department of Biotechnology of ₹ 77.3 Million (Previous Year ₹ 46.4 Million) secured by hypothecation of assets and goods pertaining to project. The loan is repayable in 10 half yearly installments of ₹ 7.7 Million (Previous Year 4.6 Million) each commencing from March 31, 2017. Last installment is due on December 31, 2021.

C Lease obligation ₹ 24.1 Million (Previous Year ₹ 2.0 Million) [included in long term borrowing ₹ 2.2 Million (Previous Year ₹ 2.0 Million) and ₹ 21.9 Million (Previous Year ₹ Nil) in current maturities of long term lease obligations] repayable by FY 2019-2020 is secured against assets taken on finance lease.

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D Unsecured Term Loan from banks:

(I) Loan of USD 18.9 Million equivalent ₹ 1,181.6 Million (Previous Year ₹ Nil) [Included in long term borrowings ₹ 1,138.3 Million (Previous Year ₹ Nil) and ₹ 43.3 Million (Previous Year ₹ Nil) in current maturities of long term debt] which is repayable in varying amounts by June 2033. The loan is collateralized by substantially all the assets of Pharmalucence Inc.

(II) External Commercial Borrowings (ECBs) has 6 loans of USD 288 Million equivalent to ₹ 18,001.4 Million (Previous Year ₹ Nil) [Included in long term borrowings ₹ 11,625.9 Million (Previous Year ₹ Nil) and ₹ 6,375.5 Million (Previous Year ₹ Nil) in current maturities of long term debt]. For the loans outstanding as at March 31, 2015, the terms of repayment of borrowings are as follows:

(a) USD 100 Million equivalent to ₹ 6,250.5 Million (Previous Year ₹ Nil) loan was taken on June 4, 2013 and is repayable on June 3, 2018.

(b) USD 50 Million equivalent to ₹ 3,125.3 Million (Previous Year ₹ Nil) loan was taken on September 20, 2012 and is repayable on September 19, 2017.

(c) USD 30 Million equivalent to ₹ 1,875.2 Million (Previous Year ₹ Nil) loan was taken on June 30, 2011 and is repayable in 3 equal installments at the end of 4th year, 5th year and 6th year.

(d) USD 30 Million equivalent to ₹ 1,875.2 Million (Previous Year ₹ Nil) loan was taken on September 9, 2010 and is repayable on September 8, 2015.

(e) USD 50 Million equivalent to ₹ 3,125.3 Million (Previous Year ₹ Nil) loan was taken on August 12, 2010 and is repayable on August 11, 2015.

(f) USD 28 Million equivalent to ₹ 1,750.1 Million (Previous Year ₹ Nil). Loan amounting to USD 40 Million equivalent to ₹ 2,500.2 Million (Previous Year ₹ Nil) was taken on March 25, 2011 and is repayable fully by March 24, 2017 in 3 installments viz., 30% each of the drawn amount at the end of 4th year and 5th year each and 40% of the drawn amount at the end of the 6th year. First installment of USD 12 Million equivalent to ₹ 747.9 Million (Previous Year ₹ Nil) has been repaid in current year.

The Holding Company has not defaulted on repayment of loan and interest during the year.

E Unsecured Term Loan from Other Parties:

(I) Unsecured loan from other parties amounting to ₹ 513.1 Million (Previous Year ₹ 49.1 Million) of which ₹ 497.6 Million are repayable after August 2016 on demand and balance of ₹ 15.5 Million (Previous Year ₹ 32.6 Million) is repayable after March 2016 on demand.

F Term Loan from banks (included under current maturities of long term borrowing):

(I) ₹ 5,000 Million (Previous Year ₹ Nil) redeemable non-convertible debentures issued by erstwhile RLL on November 23, 2012 for a period of 36 months at a coupon rate of 9.20% p.a. Such debentures are secured by a pari-passu first ranking charge on the Holding Company's specified fixed assets so as to provide a fixed asset cover of 1.25x and are listed on the National Stock Exchange.

(II) Loan of ₹ 2,500 Million (Previous Year ₹ Nil) is repayable on October 2, 2015. The Holding Company has not defaulted on repayment of loan and interest during the year.

61 SHORT TERM BORROWINGS DETAILS ARE AS FOLLOWS:

First charge has been created on a pari-passu basis, by hypothecation of inventories, trade receivables, outstanding money receivables, claims and bills and other receivables (includes under loans and advances and other assets), both present and future.

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62 LOANS/ADVANCES DUE FROM ASSOCIATES

₹ in Million

	As at March 31, 2015	As at March 31, 2014
Interest bearing with specified repayment schedule:		
Zenotech Laboratories Limited, India *		
Considered good	326.8	-
Considered doubtful	274.0	-
	600.8	-
Less: Provision for doubtful loans / advances	274.0	-
	326.8	**-**

* includes interest accrued and due on loans amounting to ₹ 88.8 Million.

Loans have been granted to the above entity for the purpose of its business.

Consequent to the amalgamation of erstwhile RLL into the Holding Company as referred in Note 56, Zenotech Laboratories Limited ('Zenotech') became an associate of the Holding Company. The erstwhile RLL had granted certain loans to Zenotech which were outstanding and inherited by the Holding Company. The Holding Company has not granted any further loans to Zenotech post effective date i.e. March 24, 2015. The balance of this inherited outstanding loan is ₹ 512.0 Million. The Holding Company is in process of evaluating various options in relation to recovery of the outstanding loans and interest thereon of ₹ 88.8 Million.

63 Pharmalucence Inc., a pharmaceutical company, incorporated in United States of America became subsidiary of the Holding Company on July 16, 2014. Accordingly, these Consolidated Financial Statements includes total assets of ₹ 2,602.6 Million and total liabilities ₹ 1,417.4 Million as on March 31, 2015 and total revenues of ₹ 1,118.6 Million, Loss before Tax of ₹ 97.0 Million and Loss after Tax ₹ 60.6 Million for the period from July 16, 2014 to March 31, 2015.

64 With regard to tangible assets, the Holding Company and its Indian subsidiaries have adopted the useful life of fixed assets as indicated in Part C of Schedule II of the Companies Act, 2013 and amendment thereto vide notification dated August 29, 2014 issued by the Ministry of Corporate Affairs. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, have been fully depreciated, and an amount of ₹ 578.5 Million has been charged to the Consolidated Statement of Profit and Loss. The depreciation expense in the Consolidated Statement of Profit and Loss for the year is higher by ₹ 3,214.1 Million consequent to the change in the useful life of the assets.

65 Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements.

66 In view of the amalgamation as referred in Note 56, the figures for the current year are not comparable with the corresponding figures of the previous year. Previous year's figures are regrouped wherever necessary.

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ANNEXURE 'A'

DISCLOSURES MANDATED BY SCHEDULE III OF COMPANIES ACT, 2013, BY THE WAY OF ADDITIONAL INFORMATION

₹ in Million

Name of the Entity		As at 31st March, 2015 Net Assets, i.e., Total Assets minus Total Liabilities		Year ended 31st March, 2015 Share in Profit/(Loss)	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount
1		2	3	4	5
Parent Entity - Sun Pharmaceutical Industries Limited		88.87	227,713.7	(32.47)	(14,741.3)
Subsidiaries					
Indian					
1	Green Eco Development Centre Ltd.	(0.00)	(3.8)	(0.01)	(4.0)
2	Sun Pharma Laboratories Limited	72.63	186,107.1	(0.50)	(227.0)
3	Faststone Mercantile Company Private Limited	0.00	9.1	(0.00)	(0.0)
4	Neetnav Real Estate Private Limited	0.01	14.0	0.00	1.8
5	Realstone Multitrade Private Limited	0.00	9.1	(0.00)	(0.0)
6	Skisen Labs Private Limited	(0.00)	(9.1)	(0.04)	(18.1)
7	Softdeal Trading Company Private Limited	0.00	8.7	(0.00)	(0.0)
8	Ranbaxy Drugs Limited	0.68	1,730.1	0.07	30.1
9	Vidyut Investments Limited	0.01	23.6	0.00	1.2
10	Gufic Pharma Limited	0.00	4.0	0.00	0.2
11	Universal Enterprises (Pvt) Ltd.	0.00	5.3	(0.00)	(0.0)
12	Silverstreet Developers LLP	1.08	2,776.2	(0.00)	(0.2)
13	Solrex Pharmaceuticals Company	0.68	1,734.3	0.14	61.9
Foreign					
1	Sun Pharma Global Inc.	-	-	(0.01)	(2.9)
2	Sun Pharmaceutical (Bangladesh) Ltd.	0.21	527.6	0.36	163.8
3	Sun Pharmaceutical Industries, Inc. (Previously Known as Caraco Pharmaceutical Laboratories Ltd) (Consolidated with its Subsidiaries and a Jointly Controlled Entity)	5.56	14,239.4	5.87	2,665.4
4	Sun Farmaceutica Do Brasil Ltda (Previously Known as TKS Farmaceutica Ltda)	(0.64)	(1,638.0)	(2.34)	(1,060.3)
5	Sun Pharma De Mexico S.A. DE C.V.	0.23	577.1	0.54	246.6
6	SPIL De Mexico S.A. DE C.V.	0.00	0.2	-	-
7	Sun Pharmaceutical Peru S.A.C.	(0.04)	(102.2)	(0.07)	(30.1)
8	OOO "Sun Pharmaceutical Industries" Ltd.	(0.02)	(61.4)	(0.06)	(25.6)
9	Sun Pharma de Venezuela, CA.	(0.39)	(1,001.8)	(0.96)	(434.4)
10	Ranbaxy Pharmacie Generiques SAS	(0.52)	(1,332.9)	(1.08)	(489.2)
11	Ranbaxy Malaysia Sdn. Bhd.	0.26	665.4	(0.70)	(318.3)
12	Ranbaxy Nigeria Limited	0.35	906.0	0.12	55.1
13	Ranbaxy (Netherlands) B.V.	20.74	53,140.6	(2.46)	(1,117.1)
14	Alkaloida Chemical Company Zrt.	13.78	35,309.1	(2.59)	(1,174.9)
15	Sun Pharmaceutical UK Ltd.	(0.03)	(84.3)	0.05	23.9
16	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	(0.04)	(95.7)	(0.13)	(58.9)
17	Aditya Acquisition Company Ltd.	(0.00)	(8.2)	(0.02)	(8.2)
18	Sun Pharmaceutical Industries (Europe) B.V.	(0.06)	(146.4)	0.06	25.6
19	Sun Pharmaceuticals Italia S.R.L.	(0.12)	(315.5)	0.01	6.7
20	Sun Pharmaceutical Spain, S.L.U	(0.11)	(274.8)	(0.07)	(31.2)
21	Sun Pharmaceuticals Germany GmbH	(0.07)	(186.4)	0.02	10.1
22	Sun Pharmaceuticals France	(0.01)	(14.2)	0.00	0.4
23	Sun Pharma Global (FZE)	31.95	81,853.5	24.40	11,077.3
24	Sun Pharmaceuticals (SA) (Pty) Ltd.	(0.00)	(0.1)	(0.00)	(0.0)
25	Sun Global Canada Pty. Ltd.	(0.00)	(0.9)	(0.00)	(0.0)
26	Sun Pharma Philippines Inc.	(0.07)	(171.1)	(0.19)	(87.4)
27	Sun Pharmaceuticals Korea Ltd.	0.00	4.9	(0.00)	(0.1)

NOTES

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₹ in Million

Name of the Entity		As at 31st March, 2015 Net Assets, i.e., Total Assets minus Total Liabilities		Year ended 31st March, 2015 Share in Profit/(Loss)	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount
1		2	3	4	5
28	Sun Global Development FZE	0.07	176.0	(0.00)	(0.7)
29	Sun Pharma Japan Ltd	(0.08)	(207.1)	(0.21)	(93.9)
30	Sun Pharma HealthCare FZE	0.07	172.2	(0.02)	(11.2)
31	Sun Pharma MEA JLT	(0.00)	(9.7)	(0.05)	(24.3)
32	Sun Laboratories FZE	0.30	763.0	(0.00)	(0.8)
33	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	34.54	88,506.2	65.69	29,821.3
34	Aditya Pharma Private Limited	-	-	(0.00)	(0.1)
35	Alkaloida Sweden AB	(0.02)	(50.9)	(0.07)	(29.7)
36	Sun Pharma Switzerland Ltd.	0.00	5.5	(0.00)	(0.6)
37	Sun Pharma Holdings (Previously Known as Nogad Holdings)	83.51	213,973.5	0.37	166.5
38	Sun Pharma East Africa Limited	(0.00)	(0.8)	(0.00)	(0.9)
39	Ranbaxy Australia Proprietary Ltd.	(0.34)	(868.2)	0.10	46.4
40	Ranbaxy Belgium N.V.	0.01	37.2	0.00	0.1
41	Ranbaxy Farmaceutica Ltda.	(0.25)	(646.5)	(1.19)	(540.3)
42	Ranbaxy Pharmaceuticals Canada Inc.	0.12	319.3	(0.74)	(337.5)
43	Ranbaxy Egypt (L.L.C.)	0.06	165.8	0.04	17.6
44	Rexcel Egypt (L.L.C.)	(0.00)	(5.4)	(0.01)	(6.6)
45	Office Pharmaceutique Industriel et Hospitalier SARL	0.02	59.8	0.00	1.0
46	Basics GmbH	0.33	843.3	0.13	58.5
47	Ranbaxy GmbH	0.00	1.7	-	-
48	Ranbaxy Ireland Limited	0.49	1,251.2	0.49	223.0
49	Ranbaxy Italia S.p.A	0.05	136.9	(0.04)	(18.2)
50	Ranbaxy PRP (Peru) SAC.	(0.02)	(50.2)	(0.06)	(28.0)
51	Ranbaxy Poland S.P. Zoo	0.05	131.3	0.02	11.3
52	Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda	(0.00)	(0.3)	(0.00)	(0.6)
53	S.C Terapia S.A.	2.54	6,499.5	3.20	1,450.4
54	ZAO Ranbaxy	0.15	383.7	(0.18)	(82.8)
55	Ranbaxy South Africa Proprietary Limited (Consolidated with its Subsidiaries)	0.17	436.6	(0.22)	(100.5)
56	Ranbaxy Pharmaceuticals (Pty) Ltd. (Previously known as Be-Tabs Pharmaceuticals (Proprietary) Ltd.)	0.05	130.5	(0.62)	(283.4)
57	Be-Tabs Investments (Proprietary) Ltd.	0.01	20.3	(0.00)	(0.1)
58	Laboratorios Ranbaxy, S.L.	(0.01)	(25.3)	0.46	209.7
59	Ranbaxy (UK) Limited.	0.33	843.7	0.70	315.8
60	Ranbaxy Holdings (UK) Ltd.	1.11	2,839.8	0.00	0.1
61	Ranbaxy Europe Limited	0.06	154.7	0.04	18.8
62	Ranbaxy Inc. (Consolidated with its Subsidiaries)	10.91	27,955.8	6.13	2,782.2
63	Ranbaxy (Thailand) Co., Limited	0.03	65.3	0.08	34.7
64	Ranbaxy Morocco LLC	(0.06)	(143.3)	(0.35)	(158.1)
65	Ranbaxy Pharmaceuticals Ukraine LLC	0.03	66.9	(0.01)	(6.2)
Minority Interest in subsidiaries		(11.13)	(28,511.9)	(20.63)	(9,362.7)
Foreign Joint Ventures					
1	MSD - Sun LLC (Consolidated with its subsidiary)	(0.16)	(408.6)	(1.06)	(483.0)
2	Artes Biotechnology GmbH	(0.00)	(4.0)	(0.01)	(3.9)
Associates (Investment as per the equity method)					
Indian					
1	Zenotech Laboratories Limited	-	-	(0.32)	(143.2)
Foreign					
2	Daiichi Sankyo (Thailand) Limited, Thailand	0.17	440.2	0.04	17.6
Intercompany Elimination and Consolidation Adjustments		(258.02)	(661,128.0)	60.35	27,395.2
Total		**100.00**	**256,231.9**	**100.00**	**45,393.8**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ANNEXURE 'B'

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	
4.	Associates	Zenotech Laboratories Limited	
		Daiichi Sankyo (Thailand) Limited, Thailand	

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Million

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Associates		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Purchases of goods	**-**	**-**	**-**	**-**	**0.3**	**-**	**37.3**	**-**	**37.6**	**-**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	0.3	-	-	-	0.3	-
Zenotech Laboratories Limited	-	-	-	-	-	-	37.2	-	37.2	-
Daiichi Sankyo (Thailand) Limited, Thailand	-	-	-	-	-	-	0.1	-	0.1	-
Purchase of Fixed Assets	**-**	**-**	**-**	**-**	**207.8**	**241.2**	**-**	**-**	**207.8**	**241.2**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	207.8	241.2	-	-	207.8	241.2
Sale of goods	**-**	**-**	**-**	**-**	**15.5**	**17.5**	**639.2**	**-**	**654.7**	**17.5**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	15.5	17.5	-	-	15.5	17.5
Zenotech Laboratories Limited	-	-	-	-	-	-	246.3	-	246.3	-
Daiichi Sankyo (Thailand) Limited, Thailand	-	-	-	-	-	-	392.9	-	392.9	-
Sale of Fixed Assets	**-**	**-**	**-**	**-**	**0.4**	**0.4**	**-**	**-**	**0.4**	**0.4**
Sun Petrochemicals Pvt Ltd	-	-	-	-	0.4	0.4	-	-	0.4	0.4
Receiving of Service										
Services	**-**	**-**	**-**	**-**	**1,377.3**	**434.5**	**1.3**	**-**	**1,378.6**	**434.5**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1,377.3	434.5	-	-	1,377.3	434.5
Daiichi Sankyo (Thailand) Limited, Thailand							1.3	-	1.3	-
Reimbursement of Expenses	**-**	**-**	**-**	**-**	**31.4**	**13.7**	**0.3**	**-**	**31.7**	**13.7**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	31.4	13.7	-	-	31.4	13.7
Daiichi Sankyo (Thailand) Limited, Thailand	-	-	-	-	-	-	0.3	-	0.3	-
Loans given	**-**	**-**	**-**	**-**	**-**	**311.0**	**74.5**	**-**	**74.5**	**311.0**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	311.0	-	-	-	311.0
Zenotech Laboratories Limited	-	-	-	-	-	-	74.5	-	74.5	-
Loans Received back	**-**	**-**	**-**	**-**	**-**	**1,049.4**	**-**	**-**	**-**	**1,049.4**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	1,049.4	-	-	-	1,049.4
Rendering of Service										
Services	**-**	**-**	**-**	**-**	**185.8**	**0.2**	**3.1**	**-**	**188.9**	**0.2**
Sun Petrochemicals Pvt Ltd	-	-	-	-	-	0.2	-	-	-	0.2
Sun Pharma Advanced Research Company Ltd	-	-	-	-	185.8	-	-	-	185.8	-
Daiichi Sankyo (Thailand) Limited, Thailand	-	-	-	-	-	-	3.1	-	3.1	-
Reimbursement of Expenses	**-**	**-**	**-**	**-**	**55.2**	**47.7**	**-**	**-**	**55.2**	**47.7**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	55.2	47.7	-	-	55.2	47.7
Interest Income	**-**	**-**	**-**	**-**	**-**	**53.8**	**61.9**	**-**	**61.9**	**53.8**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	53.8	-	-	-	53.8
Zenotech Laboratories Limited	-	-	-	-	-	-	61.9	-	61.9	-
Rent Income	**-**	**-**	**-**	**-**	**1.5**	**1.5**	**-**	**-**	**1.5**	**1.5**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	1.4	1.4	-	-	1.4	1.4
Navjivan Rasayan (Gujarat) Pvt Ltd	-	-	-	-	0.1	0.1	-	-	0.1	0.1

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₹ in Million

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Associates		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Provision for doubtful Loan and Advance	**-**	**-**	**-**	**-**	**-**	**-**	**274.0**	**-**	**274.0**	**-**
Zenotech Laboratories Limited	-	-	-	-	-	-	274.0	-	274.0	-
Director's Remuneration	**252.7**	**201.6**	**-**	**-**	**-**	**-**	**-**	**-**	**252.7**	**201.6**
Mr. Dilip S. Shanghvi	140.0	104.2	-	-	-	-	-	-	140.0	104.2
Mr. Sudhir V. Valia	101.7	88.0	-	-	-	-	-	-	101.7	88.0
Mr. Sailesh T. Desai	11.0	9.4	-	-	-	-	-	-	11.0	9.4
Apprenticeship Stipend / Remuneration	**-**	**-**	**6.8**	**19.6**	**-**	**-**	**-**	**-**	**6.8**	**19.6**
Mr. Aalok Shanghvi	-	-	6.0	19.0	-	-	-	-	6.0	19.0
Ms. Vidhi Shanghvi	-	-	0.8	0.6	-	-	-	-	0.8	0.6
Outstanding Receivables / (Payables) (Net) as on	**(116.5)**	**(156.0)**	**(1.2)**	**(0.7)**	**189.4**	**(210.2)**	**301.1**	**-**	**372.8**	**(366.9)**
Sun Pharma Advanced Research Company Ltd	-	-	-	-	188.8	(210.7)	-	-	188.8	(210.7)
Zenotech Laboratories Limited	-	-	-	-	-	-	324.4	-	324.4	-
(net of provision for doubtful loans and advance of ₹ 274.0 Million)										
Daiichi Sankyo (Thailand) Limited, Thailand	-	-	-	-	-	-	(23.3)	-	(23.3)	-
Sun Petrochemicals Pvt Ltd	-	-	-	-	0.6	0.5	-	-	0.6	0.5
Mr. Dilip S. Shanghvi	(65.7)	(81.7)	-	-	-	-	-	-	(65.7)	(81.7)
Mr. Sudhir V. Valia	(46.6)	(70.9)	-	-	-	-	-	-	(46.6)	(70.9)
Mr. Aalok Shanghvi	-	-	(1.1)	(1.1)	-	-	-	-	(1.1)	(1.1)
Ms. Vidhi Shanghvi	-	-	(0.1)	0.4	-	-	-	-	(0.1)	0.4
Mr. Sailesh T. Desai	(4.2)	(3.4)	-	-	-	-	-	-	(4.2)	(3.4)