

CORPORATE GOVERNANCE

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Company submits the Corporate Governance Report for the year ended March 31, 2017.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Sun Pharmaceutical Industries Limited's philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems,

delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

Sun Pharmaceutical Industries Limited is committed to learn and adopt the best practices of Corporate Governance.

2. BOARD OF DIRECTORS

The present strength of the Board of Directors of your Company is ten Directors

Composition and category of Directors is as follows:

Category of Directors	Name of the Directors	Inter-se Relationship between Directors
Non-Promoter Non - Executive and Non - Independent Director	Mr. Israel Makov (Chairman)	-
Promoter Executive Director	Mr. Dilip S. Shanghvi (Managing Director)	Brother-in-law of Mr. Sudhir V. Valia
Non-Promoter Executive Directors	Mr. Sudhir V. Valia (Whole-time Director)	Brother-in-law of Mr. Dilip S. Shanghvi
	Mr. Sailesh T. Desai (Whole-time Director)	-
	Mr. Kalyanasundaram Subramanian* (Whole-time Director)	-
Non -Executive Independent Directors	Mr. S. Mohanchand Dadha	-
	Mr. Hasmukh S. Shah	-
	Mr. Keki M. Mistry	-
	Mr. Ashwin S. Dani	-
	Ms. Rekha Sethi	-

*Mr. Kalyanasundaram Subramanian was appointed as Additional Director and Whole -time Director of the Company w.e.f. February 14, 2017.

Number of Board Meetings held during the year ended March 31, 2017 and the dates on which held:

Six Board meetings were held during the year. The dates on which the meetings were held during the year ended March 31, 2017 are as follows:

May 30, 2016, June 23, 2016, August 12, 2016, September 17, 2016, November 10, 2016 and February 14, 2017.

Attendance of each Director at the Board meetings, last Annual General Meeting (AGM), and number of other Directorships and Chairmanships/Memberships of Committee of each Director, is given below:

Name of the Director	Attendance Particulars for the year ended March 31, 2017		*No. of other Directorships and Committee Memberships / Chairmanships as of March 31, 2017		
	Board Meetings	Last AGM held on September 17, 2016	Other Directorships	Committee Memberships**	Committee Chairmanships**
Mr. Israel Makov	6	Yes	-	-	-
Mr. Dilip S. Shanghvi	5	Yes	1	-	-
Mr. Sudhir V. Valia	5	No	4	2	-
Mr. Sailesh T. Desai	6	Yes	2	-	-
Mr. Kalyanasundaram Subramanian	1#	Not Applicable	1	-	-
Mr. S. Mohanchand Dadha	6	Yes	3	1	1
Mr. Hasmukh S. Shah	5	Yes	1	-	1
Mr. Keki M. Mistry	5	No##	9	4	4
Mr. Ashwin S. Dani	4	No	5	2	1
Ms. Rekha Sethi	6	Yes	3	1	1

*The above list of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private Limited, Foreign and Section 8 Companies.

** The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Stakeholders' Relationship Committee only.

Mr. Kalyanasundaram Subramanian was appointed as an Additional Director and a Wholtime Director of the Company w.e.f. February 14, 2017 and therefore entitled to attend only one board meeting.

##Mr. Keki Mistry, Chairman of the Audit Committee and Nomination and Remuneration Committee could not attend the last Annual General Meeting of the Company due to his prior commitments. However, he appointed Mr. Hasmukh Shah, member of the Audit Committee and Ms. Rekha Sethi, member of the Nomination & Remuneration Committee to answer to the shareholders' queries on his behalf at the Annual General Meeting.

3. CODE OF CONDUCT

The Board of Directors has laid down a Global Code of Conduct for all Board members, and all employees, including the senior management of the Company. All the Directors and senior management have affirmed compliance with the Global Code of Conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Managing Director has been annexed as Annexure 'A' to the Corporate Governance Report. The code of conduct has been posted on the website of the Company www.sunpharma.com.

4. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of four independent non-executive Directors viz. Mr. Keki M. Mistry, Mr. S. Mohanchand Dadha, Mr. Ashwin S. Dani and Mr. Hasmukh S. Shah. Mr. Keki M. Mistry is the Chairman of the Committee. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Companies Act, 2013 and also of Regulation 18 of the Listing Regulations, 2015. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Audit Committee.

The terms of reference of the Audit Committee inter alia include: overseeing the Company's financial reporting process, reviewing the quarterly/half-yearly/annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function,

management letters issued by the statutory auditor, recommending the appointment/re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations, scrutiny of inter-corporate loans, review of internal financial control and risk management, review functioning of Whistle Blower/Vigil Mechanism, approval of appointment of CFO, and also statutory compliance issues, etc.

The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

Executives from the Finance Department, representatives of the Statutory Auditors and Internal Auditors are also invited to attend the Audit Committee Meetings, whenever necessary.

The Committee has discussed with the Statutory and Internal auditors about their audit methodology, audit planning and significant observations/ suggestions made by them.

In addition, the Committee has discharged such other role/function as envisaged under Regulation 18 of the Listing Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013.

Six Audit Committee Meetings were held during the year ended March 31, 2017. The dates on which the Meetings were held are as follows:

May 14, 2016, May 30, 2016, June 23, 2016, August 12, 2016, November 10, 2016 and February 14, 2017. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member of the Committee	No. of Audit Committee Meetings attended
Mr. Keki M. Mistry	Chairman	6
Mr. S. Mohanchand Dadha	Member	5
Mr. Hasmukh S. Shah	Member	5
Mr. Ashwin S. Dani	Member	5

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises of three Directors viz. Mr. Keki Mistry, Mr. Israel Makov and Ms. Rekha Sethi. Mr. Keki M. Mistry is the Chairman of the Committee. The constitution of the Nomination and Remuneration Committee meets with the requirements of Section 178 of the Companies Act, 2013 as also the requirements laid down in Regulation 19 of the Listing Regulations, 2015. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee.

The terms of reference of the Nomination and Remuneration Committee inter alia include; to determine the Company's policy on specific remuneration packages for executive directors, to review, recommend and/or approve remuneration to Whole-time Directors, to review and approve the Remuneration Policy of the Company, to formulate criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time.

The Nomination and Remuneration Committee had devised criteria for evaluation of performance of the Directors including Independent Directors. The said criteria provides certain parameters like knowledge, competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution, independent views and judgment, which are in compliance with applicable laws, regulations and guidelines.

Four Nomination and Remuneration Committee Meetings were held during the year ended March 31, 2017. The dates on which the meetings were held are as follows:

May 30, 2016, August 12, 2016, November 10, 2016 and February 14, 2017. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member of the Committee	No. of Nomination and Remuneration Committee Meetings attended
Mr. Keki M. Mistry	Chairman	4
Mr. Israel Makov	Member	4
Ms. Rekha Sethi	Member	4

The Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company has been annexed as Annexure 'B' to the Corporate Governance Report.

6. REMUNERATION OF DIRECTORS

The Managing Director's and Whole-time Directors remuneration is approved by the Board, as per recommendation of the Nomination and Remuneration Committee within the overall limit fixed by the shareholders at their meetings.

The Non-Executive Directors of the Company are entitled to commission, if and to the extent approved by the Board, of 1% as approved by the members, in addition to the sitting fees of ₹ 100,000/- payable to the Non-Executive Directors for attending each meeting of the Board and/or of Committee thereof. No commission was paid to Non-Executive Directors for the year 2016-17.

The details of Remuneration paid/payable to the Directors of the Company for the year ended March 31, 2017 are given below:-

(Amount in ₹)

Directors	Actual Remuneration/Sitting Fees for 2016-17				
	Salary *	Bonus	Perquisites** / Benefits	Sitting Fees	Total
Mr. Dilip S. Shanghvi	2,79,90,000	-	38,14,081	-	3,18,04,081
Mr. Sudhir V. Valia	2,79,90,000	-	35,93,490	-	3,15,83,490
Mr. Sailesh T. Desai	98,67,000	19,73,400	20,60,561	-	1,39,00,961
Mr. Kalsundaram Subramanian	-	-	-	-	-
Mr. Israel Makov	-	-	-	10,00,000	-
Mr. S. Mohanchand Dadha	-	-	-	17,00,000	-
Mr. Hasmukh S. Shah	-	-	-	17,00,000	-
Mr. Keki M. Mistry	-	-	-	16,00,000	-
Mr. Ashwin S. Dani	-	-	-	10,00,000	-
Ms. Rekha Sethi	-	-	-	13,00,000	-

* Salary includes Special Allowance.

** Perquisites include House Rent Allowance, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Directors.

Besides this, all the Whole-time Directors are also entitled to encashment of leave as per Company policy, and gratuity at the end of tenure, as per the rules of the Company.

Pursuant to the approval of the Shareholders at the 22nd Annual General Meeting, the Company had applied to the Central Government under Section 197(3) read with Schedule V of the Companies Act, 2013 for approval of maximum limit of remuneration as approved by members, in view of inadequacy of profits. The approval granted by the Central Government was for ₹ 60,00,000 (Rupees Sixty Lakhs only) per annum for a period of three years with effect from April 1, 2014 to March 31, 2017. Pursuant to calculation as per Part-A of Section II of Schedule V of the Companies Act 2013 read with MCA circular dated September 12, 2016, in case of inadequate profits, based on the calculation of effective capital of our Company as on the last day of financial year preceding the financial year of the respective year of appointment of the Managing Director and Whole-time Directors, the Managing Director and Whole-time Directors are eligible for remuneration upto ₹ 3.04 Crores per annum, each without approval of the Central Government. Accordingly the Company had made several representations to the Central Government to approve the remuneration of the Managing Director and Whole-time Directors upto the aforesaid limit as calculated as per Schedule V. However the Ministry of Corporate Affairs/ Central Government reiterated the approval for remuneration of ₹ 60 Lakhs each per annum for the years from April 1, 2014 to March 31, 2017 for the Managing Director and Whole-time Directors. The Company has made further representation, to

the Central Government for reconsidering the approval on additional grounds for which the response from the MCA is awaited.

Further at the 24th AGM, the members' approval was also obtained for revision in the remuneration of the Managing Director and the Whole-time Directors from April 1, 2016 for the remaining period of their respective current term of appointment upto March 31, 2018 / March 31, 2019, as applicable. Consequently during the year, an application for revision in the remuneration of the Managing Director and a Whole-time Director, from April 1, 2016 for the remaining period of their respective current term of appointment upto March 31, 2018 / March 31, 2019, as applicable, has been made by the Company to the Ministry of Corporate Affairs. The approval in respect of the foregoing application for revision is awaited from the Ministry of Corporate Affairs

In view of the approval for application of revision in remuneration being awaited, for the year 2016-2017, the Company has paid remuneration within the ceiling limit of ₹ 3.04 Crores, as mentioned above, to the Managing Director and Whole-time Director(s). On receipt of the approval from the Central Government of India, the balance amount of remuneration for the year 2016-17, if any, as per their entitlement, shall be paid to the Managing Director and Whole-time Director(s), as applicable, and the same shall be given effect to in the year in which the approval is received. Excess remuneration, if any, after final approval in respect of the application for revision is received, shall be refunded by the respective Managing Director and Whole-time Directors.

The details of remuneration that the Managing Director and the Whole-time Directors are entitled, the remuneration actually paid to them and the maximum limit of the remuneration as approved by the members are explained below:

Directors	Amount of remuneration including contribution to PF entitled for the year 2016-2017, as approved by the Board within the limit as approved by the members (excluding Perquisites such as reimbursement of electricity charges, motor vehicle charges, etc. which shall be taken at actuals)	Actual Amount Paid/ Provided, out of the amount entitled for the year 2016-2017 (including contribution to P.F. and Perquisites such as reimbursement of electricity charges, motor vehicle charges, etc. at actuals)	Amount of Remuneration paid for 2016-2017, after excluding Contribution to PF which is excluded for calculation of limit as per Schedule V of the Companies Act 2013	Maximum Remuneration* p.a. for the current tenure of appointment as approved by the Members, subject to approval of the Central Govt.,
Mr. Dilip Shanghvi**	3,92,93,367	3,18,04,081	2,84,45,281	5,64,00,000
Mr. Sudhir Valia	3,92,93,367	3,15,83,490	2,82,24,690	5,64,00,000
Mr. Sailesh Desai	1,38,61,361	1,39,00,961	1,27,16,921	1,54,00,000

Mr. Kalyansundaram Subramanian has been appointed as an additional and as a Whole-time Director of the Company with effect from February 14, 2017, without any remuneration.

*Company's contribution to provident fund, and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure, are not included in the computation of, ceiling on remuneration and perquisites as aforesaid.

**Commission to Managing Director: Subject to availability of profit and at the rate of not more than 1% of the net profit for the year, the Board of Directors will determine the commission payable within the overall ceiling laid as per the Act, as may be applicable from time to time. However no commission is paid to the Managing Director.

Notes: -

- a) The Agreement with Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, the Executive Directors are for a period of 5 years. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days' notice in writing. The agreement with Mr. Kalyansundaram Subramanian, Wholetime Director, would be entered into, after the 25th Annual General Meeting of the Company, will be for a period of 2 years wef February 14, 2017, and either party to the agreement would be entitled to terminate the agreement by giving to the other party notice of three months in writing.
- b) The Company had formulated two Schemes for grant of stock options to the eligible employees of erstwhile Ranbaxy Laboratories Ltd., pursuant to the Scheme of Arrangement for merger of Ranbaxy Laboratories Ltd., into the Company. None of the Directors are entitled to stock options.
- c) There is no separate provision for payment of severance fees to Whole-time Director(s).
- d) The remuneration of Whole-time Directors consists only of fixed components.

- e) The details of Equity Shares held by Non-Executive Directors as on March 31, 2017:

(Amount in ₹)	
Director	No. of Equity Shares held (held singly or jointly as first holder)
Mr. Israel Makov	Nil
Mr. S. Mohanchand Dadha	Nil
Mr. Hasmukh S. Shah	Nil
Mr. Keki M. Mistry	43,270
Mr. Ashwin S. Dani	Nil
Ms. Rekha Sethi	Nil

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee presently comprises of Mr. S. Mohanchand Dadha, Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia with Mr. Hasmukh S. Shah as the Chairman. The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Companies Act, 2013 and also of Regulation 20 of the Listing Regulations, 2015. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. The Board of Directors has delegated the power of approving transfer of securities to M/s. Link Intime India Pvt. Ltd, and/or the Company Secretary of the Company.

The terms of reference of the Committee inter alia includes the following: To look into redressal of grievances of shareholders, debenture holders and other security holders of the Company, to consider and resolve grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc, to approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities, to oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services, to investigate any activity within its terms of reference, to seek information from share transfer agents, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary and have full access to the information contained in the records of the Company.

The Board has designated severally, Mr. Sunil R. Ajmera, Company Secretary and Mr. Ashok I. Bhuta, Sr. G.M - Secretarial as Compliance Officers.

Four Meetings of the Stakeholders' Relationship Committee were held during the year ended March 31, 2017. The dates on which Meetings were held are as follows: May 30, 2016, August 12, 2016, November 10, 2016 and February 14, 2017. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member of the Committee	No. of Stakeholders' Committee Meetings attended
Mr. Hasmukh S. Shah	Chairman	3
Mr. Sudhir V. Valia	Member	4
Mr. Dilip S. Shanghvi	Member	3
Mr. S. Mohanchand Dadha	Member	4

Investor Complaints:

The total numbers of complaints received and resolved to the satisfaction of shareholders during the year under review were 4.

8. COMMITTEE OF DIRECTORS (ALLOTMENT)

The Committee of Directors (Allotment) presently comprises of Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia, Mr. Sailesh T. Desai, Mr. S. Mohanchand Dadha and Mr. Hasmukh S. Shah. Mr. Sudhir V. Valia is the Chairman of the Committee and Mr. Sunil R. Ajmera, Company Secretary is the Secretary of the Committee.

Three meetings of the Committee of Directors (Allotment) were held during the year ended March 31, 2017. The dates on which Meetings were held are as follows:

May 2, 2016, November 22, 2016 and February 14, 2017. The attendance of each Member of the Committee is given below.

Name of the Director	Chairman / Member of the Committee	No. of Committee of Directors (Allotment) Meetings attended
Mr. Sudhir V. Valia	Chairman	1
Mr. Hasmukh S. Shah	Member	3
Mr. Sailesh T. Desai	Member	3
Mr. S. Mohanchand Dadha	Member	1
Mr. Dilip S. Shanghvi	Member	3

The Committee of Directors (Allotment) inter alia has the following powers: To allot shares pursuant to ESOP Schemes and to issue the equity share certificates to the shareholders holding the shares in physical form, to perform any or all of the acts, deeds, things and matters as may be required in connection with such issue, allotment and Listing of Equity Shares of ₹1/- each

9. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee presently comprises of Mr. Sudhir V. Valia, Ms. Rekha Sethi with Mr. Dilip Shanghvi as the Chairman. The constitution of the Corporate Social Responsibility Committee meets the requirements of section 135 of the Companies Act, 2013. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. The terms of reference of the Corporate Social Responsibility Committee include to formulate and recommend to the Board, a Corporate Social Responsibility Policy, to monitor the Corporate Social Responsibility Policy of the Company from time to time, to recommend the amount of expenditure to be incurred on the activities, to monitor amount spent on the CSR initiatives of the Company as per the CSR policy, to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time. The contents of the CSR Policy of the Company can be accessed through the web link: <http://www.sunpharma.com/policies>.

During the year ended March 31, 2017, two meetings of Corporate Social Responsibility Committee were held on May 30, 2016 and February 14, 2017. The attendance of each member of Committee is as follows:

Name of the Director	Chairman / Member of the Committee	No. of Corporate Social Responsibility Committee Meetings attended
Mr. Dilip S. Shanghvi	Chairman	1
Mr. Sudhir V. Valia	Member	2
Ms. Rekha Sethi	Member	2

10. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of Mr. Dilip S. Shanghvi, Managing Director of the Company, Mr. Sudhir V. Valia, Whole time Director of the Company and Mr. Uday Baldota, CFO of the Company. The Chairman of the Committee is Mr. Dilip Shanghvi. The constitution of the Committee meets the requirements of Regulation 21 of the Listing Regulations, 2015. The terms of reference of the committee inter alia include: to formulate and recommend to the Board a Risk Management Plan/Policy, to implement, monitor and review the risk management plan for the Company, to recommend and implement procedures for risk assessment and minimisation, to monitor the Risk Management Policy of the Company from time to time, to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee.

During the year ended March 31, 2017, two meetings of Risk Management Committee Meetings were held on November 9, 2016 and February 13, 2017. The attendance of each member of committee is as follows:

12. GENERAL BODY MEETINGS

(i) Location and time of the last three Annual General Meetings ("AGM") held are as follows:

Year	Meeting	Location	Date	Time
2013-2014	Twenty-Second AGM	Sir Sayajirao Nagargruh, Akota, Vadodara- 390 020, Gujarat	September 27, 2014	12.00 noon
2014-2015	Twenty- Third AGM	Prof. Chandravadan C. Mehta Auditorium – General Education Center, Maharaja Sayajirao University of Baroda, Near D. N. Hall, PratapGunj, Vadodara-390002, Gujarat	October 31, 2015	9.45 a.m.
2015 –2016	Twenty- Fourth AGM	Sir Sayajirao Nagargruh, Akota, Vadodara-390 020 , Gujarat	September 17, 2016	11.15 a.m.

Name of the Director	Chairman / Member of the Committee	No. of Risk Management Committee Meetings attended
Mr. Dilip S. Shanghvi	Chairman	2
Mr. Sudhir V. Valia	Member	2
Mr. Uday Baldota	Member	2

11. SUBSIDIARY COMPANIES

In accordance with Regulation 16 of the Listing Regulations, 2015, Sun Pharma Laboratories Limited is a material Indian subsidiary Company (whose Debt Securities are listed on BSE) whose turnover or net worth (i.e., paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Mr. S. Mohanchand Dadha, and Ms. Rekha Sethi, Independent Directors of the Company are also Directors on the Board of Sun Pharma Laboratories Limited, as per the requirements specified in Regulation 24 of the Listing Regulations, 2015.

The financial statements including investments made by the unlisted subsidiaries were placed before and reviewed by the Audit Committee of the Company.

The Board of Directors of the Company reviewed periodically, the statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

Copies of the Minutes of the Board Meetings of the unlisted subsidiary Companies were placed at the Board Meetings of the Company held during the year.

The policy for determining material subsidiaries of the Company is available on the website of the Company and can be accessed at <http://www.sunpharma.com/policies>.

(ii) **Special Resolutions passed during the last three Annual General Meetings:**

a) At Twenty-Second Annual General Meeting:

1. Approval under Section 186 of the Companies Act, 2013 upto a maximum limit of ₹ 500 Billion (Rupees Five Hundred Billion only).
2. Approval under Section 180 (1)(c) of the Companies Act, 2013 to borrow money on behalf of the Company upto a maximum limit of ₹ 500 Billion (Rupees Five Hundred Billion only).
3. Approval for further issue of securities for an aggregate amount (inclusive of such premium as may be fixed on the securities) not exceeding ₹ 120 Billion (Rupees One Hundred Twenty Billion only)
4. Approval by members of the Company accorded for remuneration paid to Mr. Dilip S. Shanghvi, Managing Director, (DIN:00005588), of the Company for the financial year 2013-14 which is in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 in view of the absence of profits for the financial year 2013-14.
5. Approval by members of the Company accorded for remuneration paid to Mr. Sudhir V. Valia, Whole-time Director (DIN: 00005561) of the Company for the financial year 2013-14 which is in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 in view of the absence of profits for financial year 2013-14.
6. Approval by members of the Company accorded for remuneration paid to Mr. Sailesh T. Desai, Whole-time Director, (DIN:00005543), of the Company for the financial year 2013-14 which is in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 in view of the absence of profits for financial year 2013-14.
7. Approval by members of the Company accorded for Commission paid to the Non-Executive Directors of the Company (other than the Managing Director and/ or Whole-time Directors) for the financial year 2013-14 which is in excess of the limits prescribed under Companies Act, 1956 in view of the absence of profits for financial year 2013-14.
8. Approval for the payment of Commission to Non-Executive Directors of the Company for each financial

year over a period of five years from the current financial year ending on 31.03.2015 up to and including financial year of the Company ending on 31.03.2019 to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

9. Approval to Mr. Aalok D. Shanghvi, who is relative of Director to hold office or place of profit under the Company for a period of five years from April 1, 2014, and remuneration (excluding reimbursement of expenses, if any) of ₹15,000,000/- (Rupees One Crore Fifty Lakhs Only) per annum.

b) At the Twenty-Third Annual General Meeting.

1. Approval for deletion of Clause 135 (bb) of the Articles of Association of the Company pursuant to Section 14 of the Companies Act, 2013.
2. Approval for further issue of securities for an aggregate amount (inclusive of such premium as may be fixed on the securities) not exceeding ₹ 120 Billion (Rupees One Hundred Twenty Billion only).

c) At the Twenty-Fourth Annual General Meeting.

1. Approval for re-appointment of Mr. Ashwin Dani (DIN 00009126), as Independent Director of the Company for a further term of 2 years, who would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.
2. Approval for re-appointment of Mr. Keki M. Mistry (DIN 00008886), as Independent Director of the Company for a further term of 2 years, who would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.
3. Approval for re-appointment of Mr. Hasmukh Shah (DIN 00152195), as Independent Director of the Company for a further term of 2 years, who would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.
4. Approval for re-appointment of Ms. Rekha Sethi (DIN 06809515), as Independent Director of the Company for a further term of 5 years, who would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.
5. Approval for re-appointment of Mr. S Mohanchand Dadha (DIN 00087414), as Independent Director of the Company for a further term of 2 years, who would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.

6. Approval for ratification of the remuneration payable to M/s. Kailash Sankhlecha & Associates, Cost Accountants, as the Cost Auditors of the Company for audit of cost records maintained by the Company for the financial year 2016-17.
7. Approval for increase in maximum limit of remuneration payable to Mr. Dilip Shanghvi, Managing Director, with effect from April 1, 2016 for the remaining period of his present term of appointment upto March 31, 2018, and to consider approval for payment of the aforesaid remuneration as minimum remuneration in case inadequacy or absence of profits.
8. Approval for increase in maximum limit of remuneration to Mr. Sudhir Valia, Whole-time Director, and to consider approval for payment of the aforesaid remuneration as minimum remuneration with effect from April 1, 2016 for the remaining period of his present term of appointment upto March 31, 2019, in case inadequacy or absence.
9. Approval for increase in maximum limit of remuneration to Mr. Sailesh Desai, Whole-time Director, and to consider approval for payment of the aforesaid remuneration as minimum remuneration with effect from April 1, 2016 for the remaining period of his present term of appointment upto March 31, 2019, in case inadequacy or absence of profits.
10. Approval for adoption of new set of Articles of Association of the Company containing regulations/provisions in line with the Companies Act, 2013.

Proposed Resolution to be Conducted through Postal Ballot:

As directed by the National Company Law Tribunal (NCLT), the Company has also provided the facility for voting by way of Postal Ballot for the approval of the Scheme of Arrangement among Sun Pharma Medisales Pvt Ltd., Ranbaxy Drugs Ltd., Gufic Pharma Ltd., and Sun Pharmaceutical Industries Ltd., vide Notice dated April 26, 2017 for convening the meeting of the Equity Shareholders and their respective shareholders and creditors

13. DISCLOSURES

- ▶ No transaction of a material nature has been entered into by the Company with Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company. Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transaction with the related parties as per Ind AS-24, are disclosed in the Annexure "A" attached to the Notes forming part of the Standalone Financial Statements for the year ended March 31, 2017.

- ▶ There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

- ▶ The Company has laid down procedures to inform Board members about the risk assessment and its minimisation, which is periodically reviewed to ensure that risk control is exercised by the management effectively.

- ▶ The Board of Directors of the Company has approved a whistle blower policy/vigil mechanism to monitor the actions taken on complaints received under the said policy. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company. Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. An Ombudsperson/s has been appointed to receive the complaints through a portal or email or letters who would investigate the complaints with an investigating committee. The final decision would be taken by the Ombudsperson in consultation with the Management and the Audit Committee. The Policy is expected to help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions. The details of establishment of vigil mechanism are available on the website of the Company. No personnel have been denied access to the Audit Committee.

- ▶ Details of the familiarisation programme of the independent directors are available on the website of the Company at <http://www.sunpharma.com/policies>

- ▶ During the year a separate meeting of the independent directors was held on February 14, 2017 inter-alia to review the performance of non-independent directors and the board as a whole.

- ▶ The policy on dealing with the related party transactions is available on the website of the Company and can be accessed at <http://www.sunpharma.com/policies>.

- ▶ The Company avails professional consultancy services from Makov Associates Ltd, in which Mr. Israel Makov, Non-Executive and Non-Independent Director of the Company is interested. Other than this, there are no pecuniary relationships of the Non-Executive Directors with the Company

► Details of compliance and Adoption/Non Adoption of the non- mandatory requirements for the year ended March 31, 2017:

- (i) The Company complies with all the mandatory requirements specified under Listing Regulations, 2015.
- (ii) The Chairman of the Company is a Non-Executive Director. The Company has provided a separate office for the Chairman at the corporate office of the Company and the Chairperson is also allowed reimbursement of expenses incurred in performance of his duties.
- (iii) The Company did not sent half-yearly financial results including summary of the significant events in the last six months to the household of each shareholder as the financial results are published in the newspapers having country wise circulation and the same are also posted on the website of the Company and the websites of BSE and NSE.. However, the Company has started sending quarterly results alongwith summary of significant events from the 3rd quarter ended December 31, 2016 to the shareholders whose e-mail IDs are available with the Company. The press release which is widely published is also sent to the shareholders and is also put on the website of the Company.
- (iv) The auditors have issued an unmodified opinion of the financial statements of the Company.
- (v) The Company has separate position for Chairman and Managing Director
- (vi) The Internal Auditor reports their findings to the Audit Committee of the Company.

14. MEANS OF COMMUNICATION

- **Website:** The Company's website www.sunpharma.com contains a separate dedicated section 'INVESTORS' where shareholders' information is available. The full Annual Report is also available on the website in a user friendly and downloadable form. Apart from this, official news releases, detailed presentations made to media, analysts etc., and the transcript of the conference calls are also displayed on the Company's website.
- **Financial Results:** The annual, half-yearly and quarterly results are regularly posted by the Company on its website www.sunpharma.com. These are also submitted to the Stock Exchanges in accordance with the listing requirements and published in all English Editions of "Financial Express" and Gujarati Edition of 'Financial Express' which is published in Ahmedabad. The Company has started sending quarterly

results from the 3rd quarter ended December 31, 2016 to the shareholders whose e-mail IDs are registered with the Company .

► **Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Board's Report, Auditors' Report, and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual Report.

► **Chairman's Communique:** The Chairman's Speech is placed on the website of the Company.

► **Reminder to Investors:** Reminders for unpaid dividend are sent to shareholders as per records every year.

► **Corporate Filing:** Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with the Stock Exchanges and are available on the website of BSE Ltd. - www.bseindia.com and National Stock Exchange of India Ltd. - www.nseindia.com.

15. GENERAL SHAREHOLDER INFORMATION

15.1 Annual General Meeting:

Date and Time	: Tuseday, September 26, 2017 at 10:45 a.m.
Venue	: Sir Sayajirao Nagargruh, Akota, Vadodara 390 020, Gujarat

15.2 Financial Calendar (tentative):

Results for quarter ending 30th June, 2017 – Second week of August 2017.
Results for quarter ending 30th September, 2017 – Second week of November 2017.
Results for quarter ending 31st December, 2017 – Second week of February 2018.
Audited Results for year ended 31st March, 2018 – Third or Fourth week of May 2018.

15.3 Details of Book-closure for Equity Shareholders:

From Wednesday, September 20, 2017 to Tuesday, September 26, 2017. (both days inclusive)

15.4 Dividend Payment Date:

On or before September 29, 2017

15.5 (i) Listing of Equity Shares on Stock Exchanges

At BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)

(ii) Payment of Listing Fee

Listing Fees for the financial year 2017 -18 have been paid to BSE Limited and National Stock Exchange of India Limited, where the Company's Equity Shares continue to be listed.

15.6 Stock Code: Equity Shares

(a) Trading Symbol BSE Ltd. (Demat Segment)	SUNPHARMA 524715
Trading Symbol National Stock Exchange (Demat Segment)	SUNPHARMA
(b) Demat ISIN Numbers in NSDL and CDSL for Equity Shares of ₹1/- each	ISIN No.INE044A01036

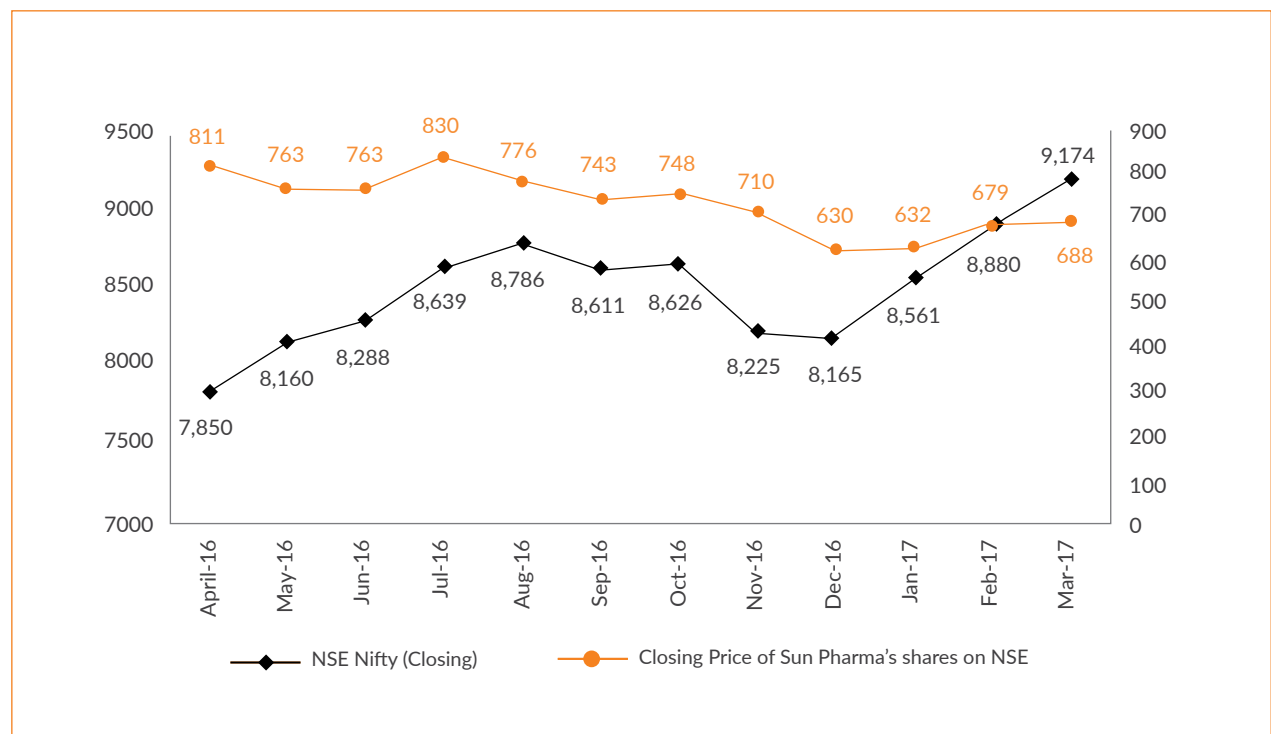
15.7 Stock Market Data -

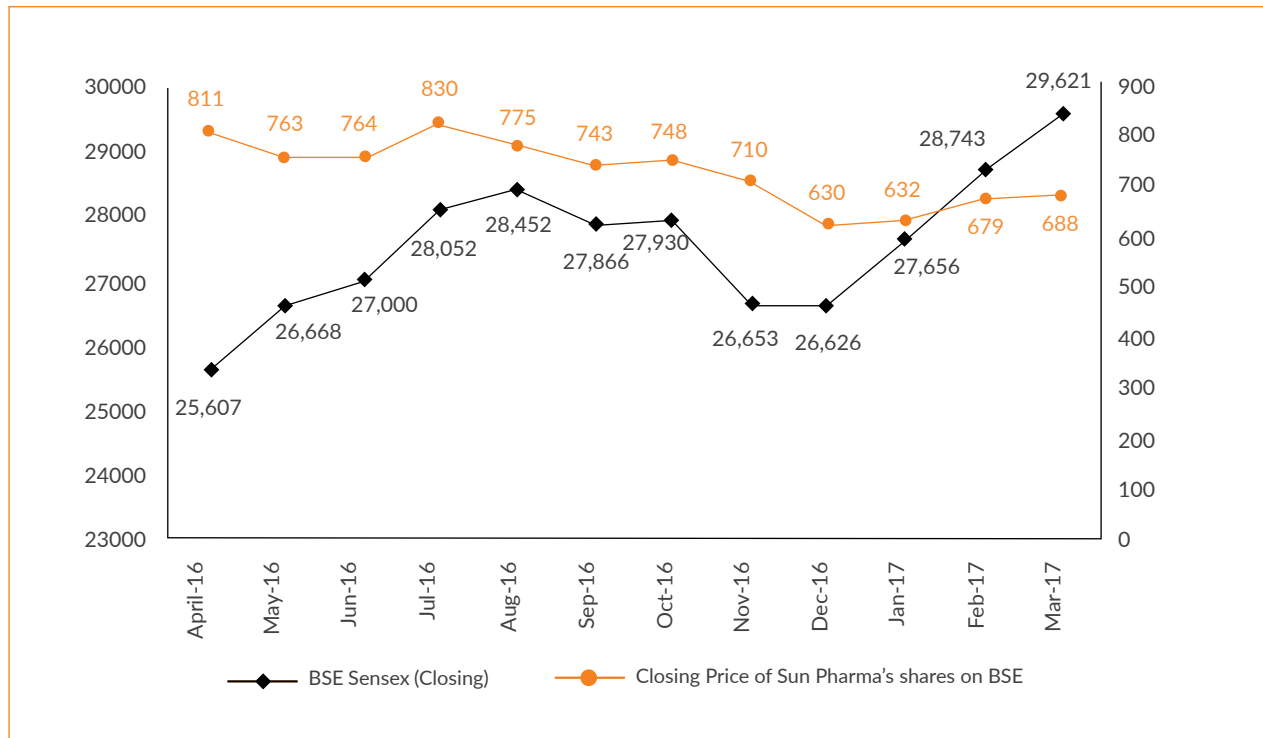
Equity Shares of ₹1/- paid-up value:

	BSE Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2016	840.95	797.00	841.15	797.00
May, 2016	842.05	757.10	842.00	756.00
June, 2016	779.70	710.05	779.35	710.15
July, 2016	839.50	762.00	839.80	762.05
August, 2016	854.50	747.00	854.95	746.60
September, 2016	818.25	732.00	818.50	732.00
October, 2016	772.00	732.00	773.00	732.00
November, 2016	750.00	572.40	749.00	571.90
December, 2016	730.75	608.10	730.95	608.00
January, 2017	656.20	627.20	657.40	627.00
February, 2017	688.80	619.40	689.55	618.40
March, 2017	728.45	671.20	729.05	671.10

(Source: Compiled from data available on BSE and NSE websites)

15.8 Share price performance in comparison to broad-based indices – BSE Sensex and NSE Nifty.





(Source: Compiled from data available on BSE and NSE websites)

Share price performance relative to BSE Sensex based on share price on March 31, 2017.

Period	Sun Pharma Share Price	% Change in	
		BSE Sensex	Sun Pharma relative to Sensex
Year-on-year	-16.08%	16.88%	-32.96%
2 years	-32.73%	5.95%	-38.68%
3 years	19.94%	32.32%	-12.37%
5 years	141.51%	70.19%	71.32%
10 years	552.47%	126.59%	425.87%

Share price performance relative to Nifty based on share price on March 31, 2017

Period	Sun Pharma Share Price	% Change in	
		NIFTY	Sun Pharma relative to NIFTY
Year-on-year	-16.08%	18.55%	-34.63%
2 years	-32.79%	8.04%	-40.83%
3 years	19.73%	36.84%	-17.11%
5 years	141.48%	73.24%	68.24%
10 years	551.38%	140.05%	411.33%

(Source: Compiled from data available on BSE and NSE website)

15.9 Registrars & Transfer Agent

(Share transfer and communication regarding share certificates, dividends and change of address)

Link Intime India Pvt. Ltd.
 C 101, 247 Park , L B S Marg, Vikhroli West, Mumbai 400 083
 E-Mail: RNT.HELPDESK@LINKINTIME.CO.IN
 Tel: 022- 49186000
 Fax : 022- 49186060

15.10 Share Transfer System

Presently, the share transfers which are received in physical form are processed and transferred by Registrar and Share Transfer Agents and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

15.11 Distribution of Shareholding as on March 31, 2017

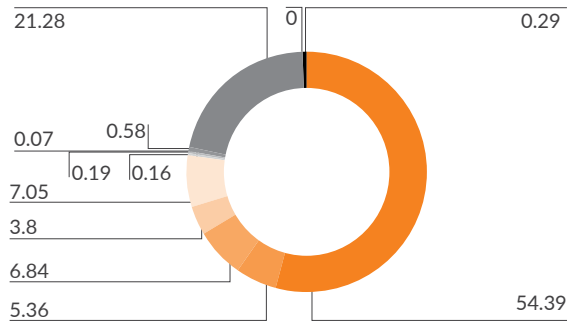
No. of equity shares held	No. of Accounts		Shares of face value ₹1 each/-	
	Numbers	% to total accounts	Number	% to total shares
Upto 5000	565380	98.84	94491129	3.94
5001 - 10000	2865	0.50	20391579	0.85
10001 - 20000	2129	0.37	27356859	1.14
20001 - 30000	331	0.06	8155772	0.34
30001 - 40000	171	0.03	6048830	0.25
40001 - 50000	112	0.02	5141237	0.21
50001 - 100000	297	0.05	21234831	0.89
100001 and above	741	0.13	2216470944	92.38
Total	572026	100.00	2399291181	100.00

15.12 Shareholding Pattern as on March 31, 2017 of Equity Shares as per Regulation 31 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

Particulars	Percentage	No. of Shares
A. Indian Promoters and Persons acting in Concert	54.39	1304855381
B. Mutual Funds and UTI	5.36	128559256
C. Banks/ Financial Institutions and Insurance Companies	6.84	164229063
D. Private Corporate Bodies	3.80	91079824
E. Indian Public	7.05	169073716
F. Directors	0.16	3784017
G. NRIs /OCBs	0.19	4454099
H. Clearing Members	0.07	1770770
I. Trusts	0.58	13847725
J. Foreign Portfolio Investor (Corporate)	21.28	510650573
K. Foreign National	0.00	23000
L. Others	0.29	6963757
Total	100.00	2399291181

SHAREHOLDING PATTERN AS ON MARCH 31, 2017

[%]



- Indian Promoters & Persons Acting in Concert
- Mutual Funds and UTI
- Banks/ Financial Institutions and Insurance Companies
- Private Corporate Bodies
- Indian Public
- Directors & Relatives
- NRIs / OCBs
- Clearing Members
- Trusts
- Foreign Portfolio Investor(Corporate)
- Foreign National
- Others

15.13 Dematerialisation of Shares

About 99.41% of the outstanding Equity shares have been de-materialised up to March 31, 2017. Trading in Shares of the Company is permitted only in de-materialised form w.e.f. November 29, 1999 as per notification issued by the Securities and Exchange Board of India (SEBI).

Liquidity:

Your Company's equity shares are fairly liquid and are actively traded on National Stock Exchange of India Ltd., (NSE) and The BSE Ltd.(BSE). Relevant data for the average daily turnover for the financial year 2016-17 is given below:

	BSE	NSE	BSE + NSE
In no. of share (in Thousands)	424.34	3313.64	3737.98
In value terms (₹ Millions)	311.03	2506.42	2817.45

(Source: Compiled from data available on BSE and NSE website)

15.14 Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2017.

Outstanding Stock Options

The details of Number of Stock Options outstanding as on March 31, 2017 are provided in the Board's Report.

Outstanding Unclaimed Shares

The status of outstanding unclaimed shares in the Unclaimed Share Suspense Account of the Company is as under:-

Particulars	No. of Shareholders	No. of equity shares of ₹1/- each of Sun Pharma
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2016	1,118	398,557
Number of shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from April 1, 2016 to March 31, 2017	11	8,818
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period.	11	8,818
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2017	1,107	389,739*

*The voting rights in respect of these shares shall remain frozen till the claim of the rightful shareholders is approved by the Company.

15.15 Disclosure of commodity price risk and commodity hedging activities

The Company is exposed to foreign exchange risks emanating from our business, assets and liabilities denominated in foreign currency. In order to hedge this risk, the Company proactively uses hedging instruments e.g. forward contracts, options and other simple derivatives from time to time. The Company does not have any significant exposure on commodities directly.

15.16 Plant locations as on March 31, 2017:

1. Survey No.214 and 20, Govt. Industrial Area, Phase-II, Piparia, Silvassa – 396 230, U.T. of D & NH.
2. Plot No.24/2 and No.25, GIDC, Phase- IV, Panoli – 395 116, Dist. Bharuch, Gujarat.
3. A-7 & A-8, MIDC Industrial Area, Ahmednagar – 414 111, Maharashtra.

4. Plot No. 4708, GIDC, Ankleshwar – 393 002, Gujarat.
5. Sathammai Village, Karunkuzhi Post, Maduranthakam T.K. Kanchipuram Dist. Tamil Nadu – 603 303.
6. Halol-Baroda Highway, Near Anand Kendra, Halol, Dist. Panchmahal- 389350 Gujarat.
7. Plot No. 817/A, Karkhadi – 391 450, Taluka: Padra, Distt. Vadodara, Gujarat.
8. Survey no. 259/15, Dadra – 396191, U.T. of D. & NH.
9. Plot No. Z/15, Sez-1, Po. Dahej, Taluko vagra, Dist. Bharuch, Gujarat.
10. Village Toansa, P.O. Railmajra Distt. Nawansahar-144533 (Punjab)
11. A-41, Industrial Area, Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160071 (Punjab)
12. Plot No. K - 5,6,7, Ghirongi Industrial Area, Malanpur, Dist. Bhind, M P.
13. Pharma Manufacturing Industrial Area 3 A.B. Road, Dewas-455001, Madhya Pradesh
14. Sy. No. 16, Ekarajapura, Hoskote, Bengaluru (Karnataka),
15. Plot No. B-2 Madkaim Industrial Estate, Ponda, Goa
16. Plot No. 1341 & 1342 EPIP-1, Hill Top Industrial Area, Village Bhatolikalan (Barotiwala), Baddi – 174103 (H.P.)
17. Village & PO Ganguwala, Tehsil Paonta Sahib-173025, Distt. Sirmour (H.P.)
18. Village Batamandi, Tehsil Paonta Sahib-173025, Distt. Sirmour (H.P.).

15.17 Investor Correspondence

(a) For transfer/dematerialisation of Shares, payment of dividend on Shares, and any other query relating to the shares of the Company	<p>For Shares held in Physical Form Link Intime India Pvt. Ltd. C 101, 247 Park , L B S Marg, Vikhroli West, Mumbai 400 083 E-Mail: RNT.HELPDESK@LINKINTIME.CO.IN Tel: 022- 49186000 Fax : 022- 49186060</p> <p>For Shares held in Demat Form To the Depository Participant.</p>
(b) E-mail id designated by the Company for Investor Complaints	secretarial@sunpharma.com
(c) Any query on Annual Report	<p>Mr. Sunil R. Ajmera/ Mr. Ashok I. Bhuta/ Mr. Nimish Desai, Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon-East, Mumbai - 400 063, sunil.ajmera@sunpharma.com ashok.bhuta@sunpharma.com nimish.desai@sunpharma.com secretarial@sunpharma.com</p>

For and on behalf of the Board

Place : Mumbai
Date : May 26, 2017

Dilip S. Shanghvi
Managing Director

Sudhir V. Valia
Whole-time Director

Sailesh T. Desai
Whole-time Director

ANNEXURE 'A' TO CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2017

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Dilip S. Shanghvi, Managing Director of Sun Pharmaceutical Industries Limited ("the Company") hereby declare that, to the best of my information, all the Board Members and Senior Management Personnel of the Company have affirmed their compliance and undertaken to continue to comply with the Code of Conduct laid down by the Board of Directors of the Company.

For Sun Pharmaceutical Industries Ltd.,

Dilip S. Shanghvi
Managing Director

Date: May 26, 2017

ANNEXURE 'B' REMUNERATION POLICY

I. NEED FOR THE POLICY

- A. Business Need:** Retaining, attracting and managing quality talent is of critical importance to the Company's intellectual property in the knowledge driven global business. This requires a communication by the Company that the organisation cares for its team and values the growth of its team members. This Policy intends to provide clarity & guidance on the remuneration payable to the employees of the Company including Directors & Key managerial Personnel members of senior management and manner or the mechanism in which the Company rewards its team.
- B. Legal requirements:** Section 178 of the Companies Act, 2013 and the Listing Agreement entered into by the Company with the Stock Exchanges require the Board of Directors ("Board") of the Company, on recommendation of the Nomination and Remuneration Committee ("NRC"), to formulate a policy, relating to the remuneration for the directors, key management personnel and other employees.

II. OBJECTIVES OF THE POLICY

- A. Retaining, attracting and managing quality talent.
- B. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the all the employees of the Company at

different levels of the organisation to put in their best efforts run and grow the Company successfully.

- C. Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- D. Ensuring the remuneration to directors, key managerial personnel and senior management is proportionate to the job role & responsibilities and comparable to the industrial standards. Variable Incentive pay, if paid to any employee, should be linked to the performance of such employee and also the Company during such period.
- E. Improving the overall performance and value of the Company by optimum use of its human resources.

III. APPLICABILITY

This Policy lays down the guiding principle for employment agreements entered into/ to be entered into after the approval of the Policy and for changes made to existing employment agreements hereafter.

IV. POLICY STATEMENT

- A. Guiding Principles for remuneration:** The Company shall remunerate all its personnel reasonably and sufficiently as per

industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge & skill required including complexity of his job, work duration and risks associated with the work, and attitude of the worker like, positive outlook, team work, loyalty etc.

B. Components of Remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

- a. **Fixed compensation:** The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
- b. **Variable compensation:** The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.
- c. **Share based payments:** The Board may, on the recommendation of the NRC, issue to certain class of personnel a share and share price related incentive program.
- d. **Non-monetary benefits:** Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance / credit facility, rent free accommodation, Company cars with or without chauffer's, share and share price related incentive, reimbursement of electrify and telephone bills etc.

e. **Gratuity/group insurance:** Personnel may also be awarded to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel.

f. **Commission:** The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.

C. Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation/Class	To be determined by
Director	Members on recommendation of NRC and the Board.
Key Managerial Personnel	Board on recommendation of the NRC
Other employees	Human Resources Head

V. POLICY DEVIATION

The Board/ NRC/ HR Head may deviate from this Policy if there are specific reasons to do so in an individual case.

VI. CHANGE MANAGEMENT

The Board may in consultation with the Nomination and Remuneration Committee amend or modify this Policy in whole or in part, at any time.

Independent Auditor's Certificate on Corporate Governance

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated October 18, 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of SUN PHARMACEUTICAL INDUSTRIES LIMITED ("the Company"), have examined the compliance of the conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("the Listing Regulations").

Managements' Responsibility

3. The compliance of the conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the

Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)
Place: Mumbai
Date: May 26, 2017