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September 23, 2016

National Stock Exchange of India Ltd,

Exchange Plaza, 5th Floor,

Plot No. C/1, G Block,

Bandra Kurla Complex,

Bandra (East),

Mumbai – 400 051.

NSE Code: SUNPHARMA

BSE Limited.,

Market Operations Dept.

P. J. Towers,

Dalal Street,

Mumbai – 400 001.

Stock Code: 524715

Dear Sirs,

Sub: Submission of Annual Report to Stock Exchange under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the 24th Annual Report of the Company for the Financial year 2015-2016 approved and adopted by the members as per the provisions of Companies Act, 2013 at the 24th Annual General Meeting of the Company held on Saturday, September 17, 2016 at 11.15 am at Sir Sayajirao Nagargruh, Akota, Vadodara-390020.

This is for your information and records.

Thanking you,

Yours faithfully,

For Sun Pharmaceutical Industries Limited

A handwritten signature in black ink, appearing to read "A I Bhuta".

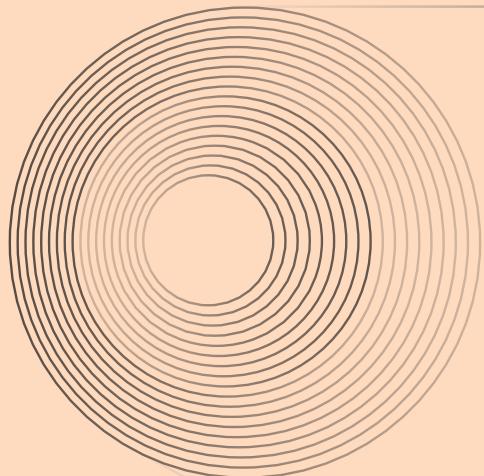
Ashok I. Bhuta

Compliance Officer

Encl: As above



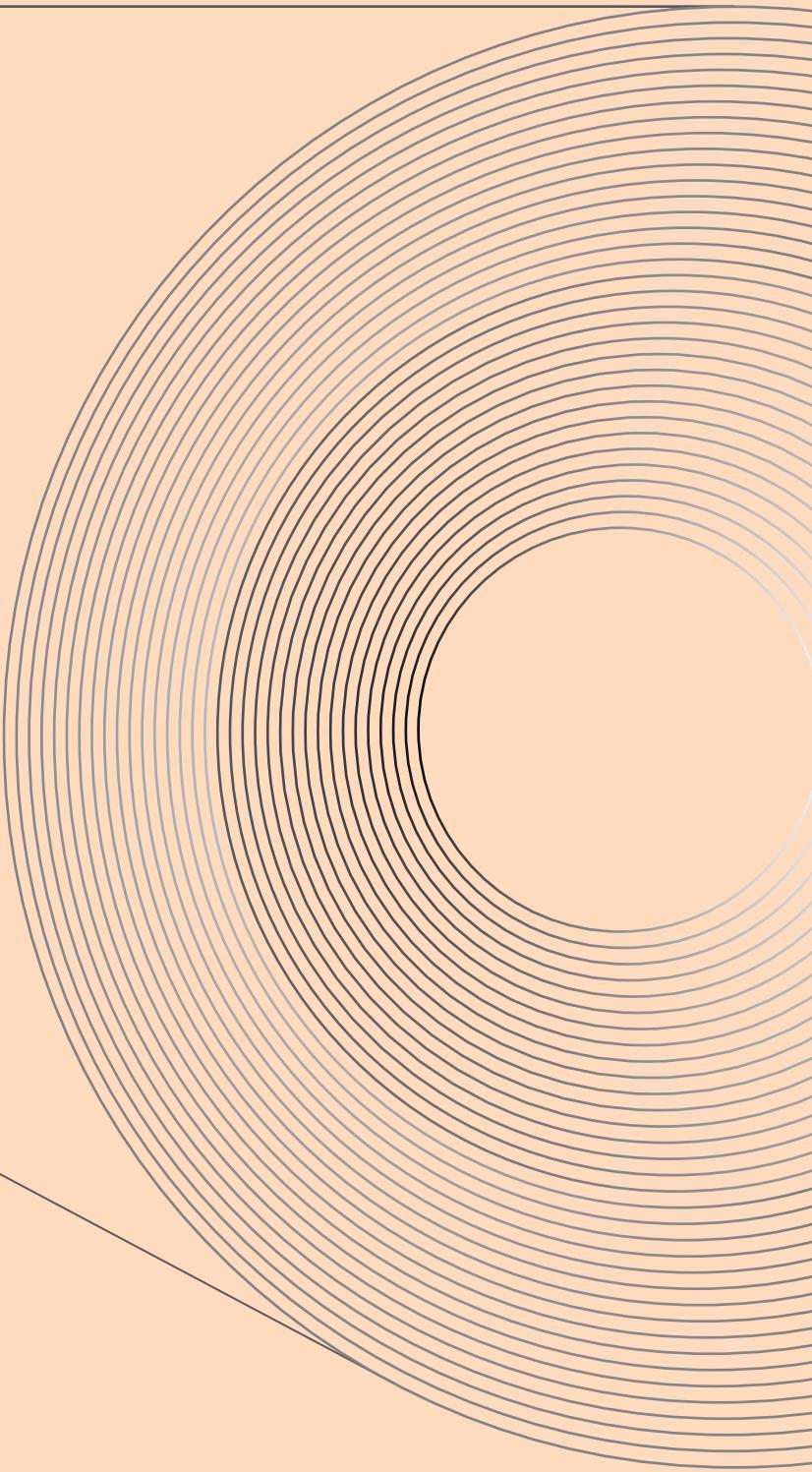
EVOLVING
BETTER
BEING
STRONGER
MOVING
FASTER



As the world's fifth largest specialty generic pharmaceutical enterprise and India's leading pharmaceutical company, we are leveraging the advantages of deeper integration and economies of scale globally. Our global presence is supported by advanced manufacturing facilities, state-of-the-art R&D centres and a multi-cultural workforce comprising over 50 nationalities. We have recently forayed into the Japanese market, further reinforcing our global footprint. Simultaneously, we continue to invest significant resources in enhancing our presence in the specialty segment.

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Our business in India and the world continues to strengthen, despite challenges; and FY16 was a year of consolidation for us.

During the year, we identified improvement areas in existing processes; and worked towards encouraging outcomes. We reinforced focus on global compliance, production processes, people potential, supply chain consistency and being first time right.

We strengthened our competencies in the realms of cost efficiencies, sales force productivity and plant productivity, in line with the evolving market and regulatory environment.

We accelerated execution through improved intra- and inter-functional collaboration.

We continued to invest aggressively in our R&D backbone. The R&D spend enables the development of future product pipeline, including specialty and differentiated products.

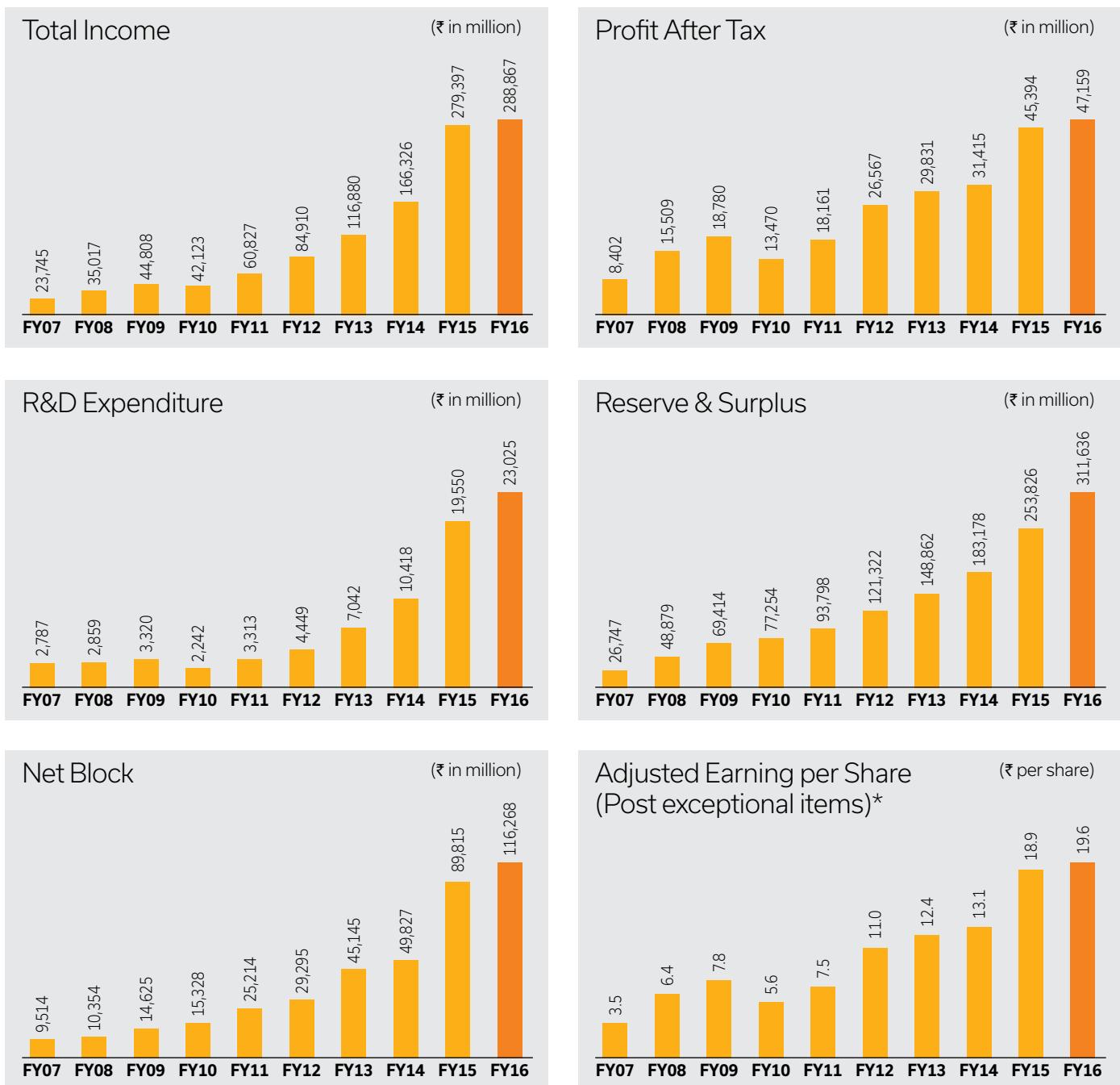
The implementation of the integration with Ranbaxy is well on its way; and we are on track to generate targeted synergies of US\$ 300 million by FY18.

We are committed to our mandate of providing high-quality and affordable medicines, trusted by customers and patients worldwide.

**WE ARE EVOLVING BETTER,
EMERGING STRONGER AND
MOVING FASTER.**

**AND PUTTING PATIENTS
FIRST ACROSS ALL OUR
STRATEGIES.**

KEY PERFORMANCE INDICATORS (CONSOLIDATED)



* During FY05, the Company issued bonus shares in the ratio of one equity share of ₹ 5/- for every share held.

* During FY11, each equity share of ₹ 5/- was split into five equity shares of ₹ 1/- each.

* During FY14, the Company issued bonus shares in the ratio of one equity share of ₹ 1/- for every share held.

* During FY15, the Company's equity shares have increased to 2,406 million due to the merger of erstwhile Ranbaxy Laboratories Ltd. (RLL) with the Company, wherein 0.80 equity share of ₹ 1 each of the Company have been allotted to the shareholders of RLL for every 1.00 share of ₹ 5 each held by them.

TEN YEAR FINANCIAL HIGHLIGHTS

CONSOLIDATED

(₹ in million)

Particular	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Operating Performance										
Income from Operations	22,373	34,606	43,751	38,086	57,279	80,195	112,999	160,804	273,920	282,697
Total Income	23,745	35,017	44,808	42,123	60,827	84,910	116,880	166,326	279,397	288,867
Profit for the year (after minority interest)	8,402	15,509	18,780	13,470	18,161	26,567	29,831	31,415	45,394	47,159
R&D Expenditure	2,787	2,859	3,320	2,242	3,313	4,449	7,042	10,418	19,550	23,025
a) Capital	347	134	222	159	236	362	427	556	1,178	783
b) Revenue	2,440	2,725	3,098	2,083	3,077	4,088	6,616	9,862	18,373	22,242
c) % of Turnover	13%	9%	8%	6%	6%	6%	6%	7%	7%	8%
Financial Position										
Equity Share Capital	967	1,036	1,036	1,036	1,036	1,036	1,036	2,071	2,071	2,407
Reserve and Surplus	26,747	48,879	69,414	77,254	93,798	121,322	148,862	183,178	253,826	311,636
Gross Block	14,252	15,960	21,476	23,340	45,473	54,269	75,763	86,505	167,059	209,998
Net Block	9,514	10,354	14,625	15,328	25,214	29,295	45,145	49,827	89,815	116,268
Investments	2,543	6,565	18,595	31,664	26,557	22,129	24,116	27,860	27,163	13,086
Net Current Assets	26,843	33,995	35,485	28,542	58,622	76,749	86,618	126,969	127,689	176,169
Stock Information										
Number of Shares (million)	193	207	207	207	1,036	1,036	1,036	2,071	2,071	2,407
Adjusted Earning per Share (post exceptional items) (In ₹)*	3.5	6.4	7.8	5.6	7.5	11.0	12.4	13.1	18.9	19.6
Reported Earnings per Share-Basic (In ₹)*	41.7	74.7	87.8	65.2	17.5	25.7	28.8	15.2	18.9	19.6
Reported Earning per Share-Diluted (In ₹)*	38.9	71.8	87.8	65.2	17.5	25.7	28.8	15.2	18.9	19.6

* During FY05, the Company issued bonus shares in the ratio of one equity share of ₹ 5/- for every share held.

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MANAGING DIRECTOR'S LETTER



Dear Shareholders,

The Global Pharmaceutical Market is expected to touch US\$ 1.4 trillion by 2020, compared to US\$ 1.0 trillion in 2015 as per IMS. Demographics, increased incidence of chronic ailments, ageing population, increasing income levels and improved access to healthcare will be the key drivers of pharmaceutical demand in the coming years. However, globally rising health care costs continue to be a major concern for everyone from patients to policymakers. Population growth, ageing citizens and slower global economic growth are likely to pressurise global healthcare budgets. In such an environment, generic drugs are an essential part of any solution to sustaining the healthcare system and are the key drivers of increasing patient access to modern medicines.

However, the global healthcare industry is changing rapidly. Product differentiation is becoming a key driver of success in an ever competitive and demanding industry. Businesses will need to be more innovative as well highly cost competitive to ensure long-term sustainable value for shareholders. At the same time, with increased expectations of various regulators, cGMP compliance is also becoming a key determinant of future success. This requires focused efforts and investments on the part of the industry to remain 24x7 compliant with cGMP norms. Large companies like ours have the capabilities and resources to ensure that we are able to adhere to these norms.

Highlights of FY16

After many years of sustainable growth, our business for FY16 witnessed muted growth and was in line with our annual guidance. We faced anticipated supply constraints and delays in product approvals at the Halol facility driven by the cGMP compliance remediation efforts. This impacted our US revenues for the year. We expect to eventually resolve this in future. However, this did not deter us from continuing to invest heavily in building the specialty business in the US. These investments, as of now, do not have commensurate revenue streams and hence they depress our profitability. Current profitability is after accounting for these investments. Our R&D efforts continue to be directed towards building a strong and differentiated product pipeline. These R&D efforts include a pragmatic mix of initiatives directed towards generating short-term, medium-term and long-term cash flows.

Our subsidiary, Taro has done well, despite increased competition for some of its products. Adverse currency movements in certain emerging markets coupled with a conscious decision to reduce focus on certain non-remunerative businesses impacted our international revenues outside the US. Hence, our overall consolidated revenues were almost flat for the year.

Enhancing presence in the specialty segment

We continue to allocate significant resources towards building the specialty business in the US. The main objective behind this is our intent of building a business, which can generate sustainable value for all our stakeholders. These are long-gestation projects and there are many milestones yet to be crossed to achieve this objective. Our initiatives in this segment cover the entire value-chain, from in-licensing early-to-late stage clinical candidates, as well as getting access to on-market patented products. Dermatology and Ophthalmic are the key segments targeted through these initiatives, besides a few other segments. Today, we are amongst the leading branded companies in the US dermatology segment driven by innovative products like Absorica, Kerastick and the Topicort range of products.

During the year, we invested heavily in the development of Tildrakizumab, which we had in-licensed from Merck in 2014. In May 2016, we announced positive results from the Phase-3 trials of Tildrakizumab to treat chronic plaque psoriasis. We expect to announce the detailed results of these Phase-3 trials at an upcoming medical conference. Post the completion of these Phase-3 trials; we have commenced steps towards filing the Biologics License Application (BLA) for this product with the US FDA.

During the year, we proceeded further with steps towards establishing the required specialty teams for the US market as well as commenced steps towards building the front-end distribution network necessary for the specialty segment.

Ranbaxy Integration

The integration of Ranbaxy into Sun Pharma is on track. Post the Ranbaxy acquisition in FY15, our organisation size had nearly doubled, mandating a significant integration effort to implement common values, systems and processes across the merged entity. The synergy benefits from this integration have started reflecting in our financials in FY16; and we expect to build further on these synergy benefits in FY17. We continue to target US\$ 300 million in synergy benefits from this acquisition by FY18 and are on track to achieve this significant milestone. The key objective of this merger is to accelerate growth and create opportunities for all stakeholders. The combined organisation will benefit from substantial synergies that lie in our technologies, combined pipeline and R&D expertise, wider product portfolio and rationalisation of manufacturing footprint, driven by our larger talent pool.

Global cGMP Compliance

Adherence to the stringent cGMP requirements of global regulators is a non-compromising objective for us. Compliance to these standards has become a key determinant of future success for the pharmaceutical industry. Our Halol facility, which was impacted by cGMP deviations in FY15, underwent a very significant remediation effort in FY16. These efforts are likely to culminate in to a request for re-inspection which we are likely to put in with the US FDA by June 2016. This remediation process has temporarily impacted our supplies and product approvals from this facility, which we expect to improve, once the entire remediation process is completed and the facility gets recertified.

We are gradually progressing on the remediation process at the erstwhile Ranbaxy facilities, which were found to be non-compliant in the past. While significant efforts to make these facilities compliant are on, this will be a time-consuming process. We expect to complete the remediation steps in at least one of these facilities in FY17.

We continue to invest significant time and resources in ensuring that we remain committed to 24x7 cGMP compliance. Over the past year, our cGMP capabilities have been strengthened significantly. Talent with long-standing global expertise has enhanced our abilities in this pertinent area. We are also targeting appropriate technology-based solutions to facilitate cGMP compliance, coupled with an increased focus on requisite manpower training.

Transformation

It is obvious that to generate long-term sustainable value for shareholders, businesses will need to continuously evolve and transform themselves to build a strong foundation for future growth. The key is to improve the underlying fundamentals so that we can aim for delivering much more from our current levels. At Sun Pharma, we have embarked on a transformational journey to make Sun Pharma a **Better, Stronger and Faster** Company. This should help us drive a stable and consistent growth in cash flows, which is a key objective of our corporate philosophy.

Better

It is imperative and expected of us that, as an organisation, we consistently deliver Better quality products. We must become Better by improving the quality of what we do in each of our

businesses and functions. Sustained efforts are being made for improving manufacturing and sales processes. Getting it right the first time is the key objective and it can make a difference between success and failure. For this, care needs to be taken to ensure that right from product development to each of our processes, quality standards and compliance principles are adhered to.

Stronger

Our customers expect us to deliver quality products at highly competitive prices. To achieve this, focus on becoming Stronger through productivity enhancement becomes a key driver. Productivity improvement mandates "doing more with less" and reducing costs and wastages. Cost leadership has been a critical determinant of our past success and will continue to do so in future as well. Sales productivity, throughput and yield will be the key contributors to this overall productivity improvement.

Faster

A better and stronger organisation can do well only if it is Fast in responding to customer requirements. Time-to-market and minimum cycle times are extremely critical in our business. We have to ensure that increasing size does not limit our agility and flexibility. Our ability to make our products available on time consistently to our customers determines our service standards to customers. A responsive organisation requires seamless cross-functional collaboration across all the markets which we service, in order to serve the customer. This helps us in devising the most optimum response to business opportunities.

Overall Outlook

The transformation to a Better, Stronger and Faster company will involve crossing critical milestones over the next few years. As we transition, we have guided for our overall consolidated revenues to grow by 8-10% for FY17.

Persistently working for patients across the world, we are targeting to increase the share of complex generics and specialty products to our overall business in the coming years. This objective will be driven by a combination of our own efforts coupled with relevant inorganic initiatives as well as external partnerships. Our specialty strategy coupled with the benefits from the Ranbaxy merger and the targeted productivity improvements, should favourably impact our profitability in the long-term. Our capable and committed employees will be the key drivers of this profitability.

As a shareholder, you have continuously supported our endeavours over the past many years. As always, we are grateful to you for this confidence.

Warm regards,

Dilip Shanghvi
Managing Director
Sun Pharmaceutical Industries Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL PHARMACEUTICAL INDUSTRY¹

The global pharmaceutical industry is showing signs of recovery, with several positive factors projected for the next five years. Global spending on medicines is expected to reach US\$ 1.4 trillion by 2020, an increase of US\$ 349 billion from 2015.

Spending will be concentrated in developed markets and focused on non-communicable diseases. Specialty therapies will continue to be more significant in developed markets than in pharmerging markets[#].

Global demand for pharmaceuticals will be driven by:

- Demographic trends
- Rise in diagnosis and treatment of chronic conditions
- Ageing and growing global population
- Improved access to healthcare
- Increasing per capita income

The key contributors of the US\$ 349 billion in growth over the next five years will be:

1. Improving access to modern medicines in pharmerging countries;
2. Enhanced use of more expensive branded medicines in developed markets; and
3. Use of cheaper alternatives when loss of exclusivity happens

CHART 1

Global pharmaceutical spending US\$ billion and growth 2010-2020¹

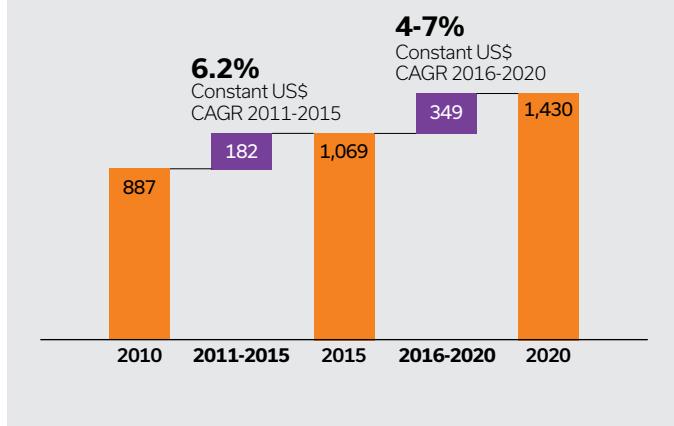
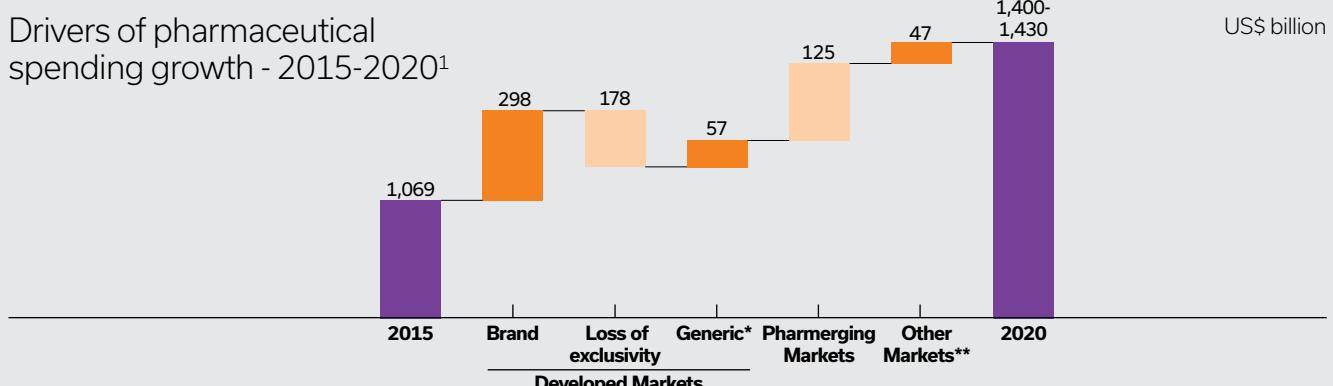


CHART 2



* Generic in developed markets includes Generics US\$ 24 Bn, Non-original Brands US\$ 23 Bn, OTC US\$ 10 Bn

** Other Markets includes Rest of World US\$ 21 Bn and exchange rate effects US\$ 26Bn

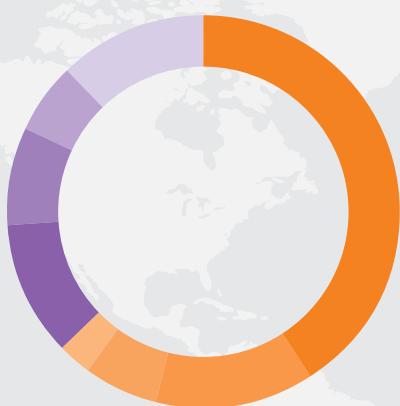
Includes China, Brazil, Russia, India, Venezuela, Poland, Argentina, Turkey, Mexico, Vietnam, South Africa, Thailand, Indonesia, Romania, Egypt, Pakistan, Ukraine, Algeria, Colombia, Nigeria, Saudi Arabia and Russia

TABLE 1Region Spending¹

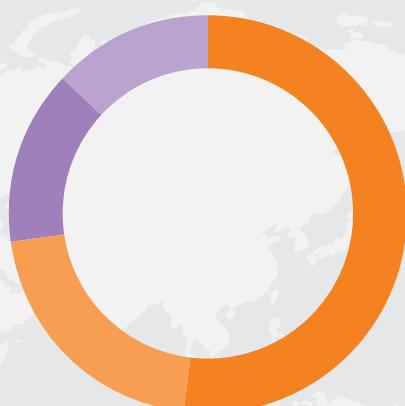
Regions	2015	2011-2015 CAGR	2020	2016-2020 CAGR
Developed Markets	684	4.8%	870-900	3-6%
Pharmerging Markets	249	11.9%	345-375	7-10%
Other Markets	135	5.2%	150-180	1-4%
Global Pharmaceutical Market	1,069	6.2%	1,400-1,430	4-7%

Spending and Growth to 2020

The developed markets will contribute 63% of the spending, driven by the US. Original brands will represent 52% of spending and 85% of global spending will be for medicines to treat non-communicable diseases. These distributions of costs belie the very different perspective on a volume basis where lower-cost/higher-volume medicines dominate the overall use of medicines.

**CHART 3**Medicine Spending in 2020 by geography and product type¹**Country-wise Spending**

- **41%** US
- **13%** EU5
- **6%** Japan
- **3%** Other major developed countries
- **11%** China
- **8%** Other pharmerging countries
- **6%** Brazil/Russia/India
- **12%** Rest of the World

Product-wise Spending

- **52%** Original brands
- **21%** Non-original brands
- **14%** Unbranded
- **13%** OTC



Specialty and traditional medicines

A rising proportion of medicines are specialty medicines. In 2020, 28% of global spending will be for specialty medicines, up from 26% in 2015. Spending will be more focused on specialty medicines in developed markets, accounting for 36% of spending in 2020, compared to only 12% in pharmerging markets.

The use of traditional medicines (non specialty) account for the majority of medicine spending globally, but there are very different patterns of usage and spending in developed markets compared to pharmerging markets. In developed markets, some of the major classes of medicines will experience reduced spending due to patent expiries, whereas differences in disease morbidity and the adoption of innovation drive the remainder of differences.

CHART 4

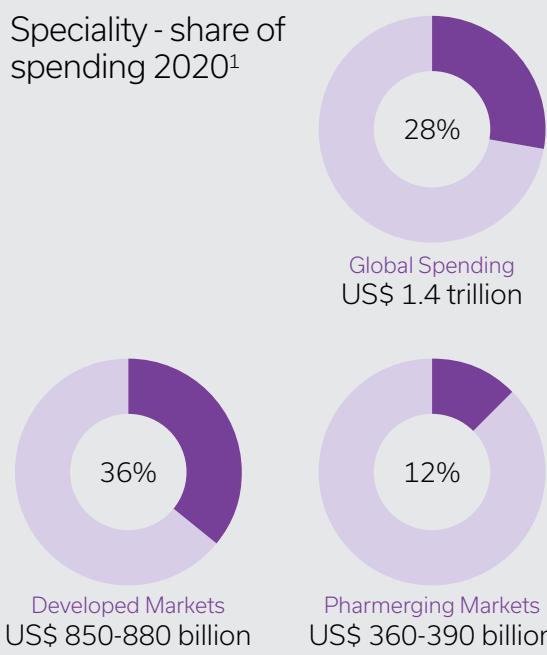
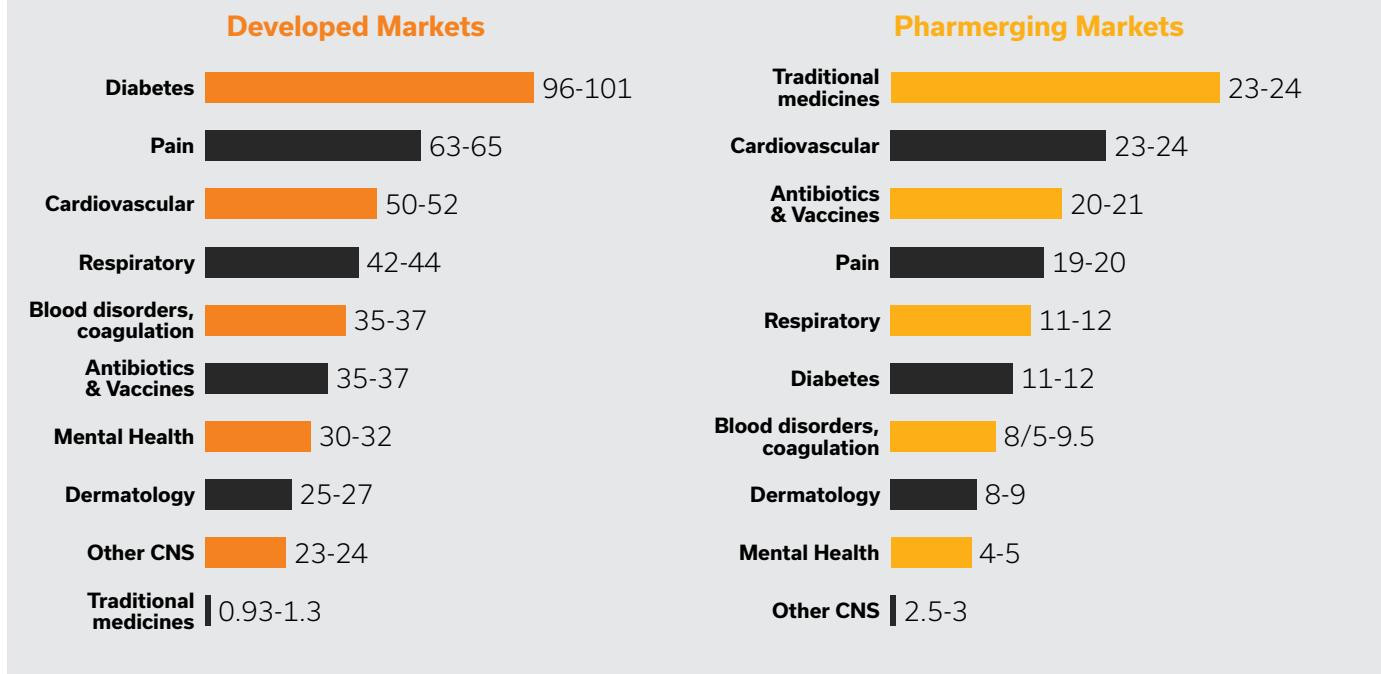


CHART 5Traditional medicines spending in 2020¹

US\$ billion

**GLOBAL GENERICS³**

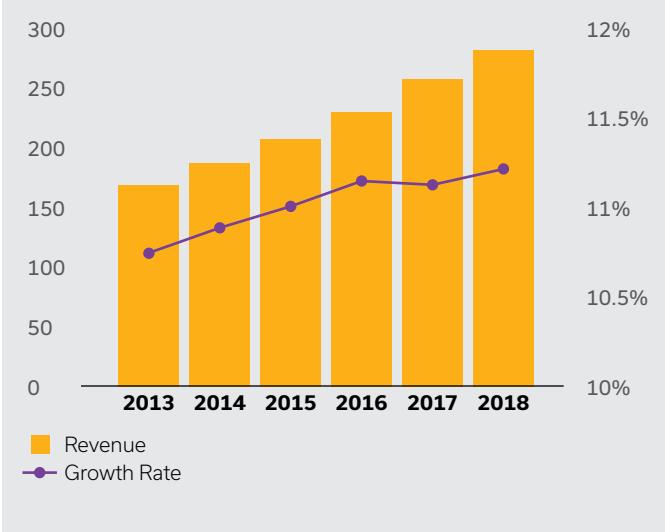
The patent cliff has passed its steepest point, and a steady flow of patent expiries continues to offer opportunities for generics, as cost-conscious governments and other healthcare payers increasingly endorse generic drugs. The global generics market was valued at US\$ 168 billion in 2013; and is expected to reach US\$ 283 billion by 2018, registering an 11% CAGR.

Generic drugs account for around 70% of the US drug market by volume. In Europe they account for around 50%, although the proportion differs significantly by country. To a large extent, the magnitude of savings from generics that each country achieves depends on the utilisation levels and price differentials between the generic and branded versions. In the US, generics use is almost 90% within the off-patent (unprotected) market. However, in some European countries, potential savings are not fully exploited due to lower utilisation of generics in key therapy areas.

Japan, Italy, Spain, Poland and France have adopted pro-generic policies that encourage doctors or pharmacists to substitute generics for branded products. The transition to generics in these markets is gradually increasing.

CHART 6Global Generic Market³

US\$ billion



Key Demand Drivers

Ageing population and life expectancy³

Populations across large parts of the world (Western Europe, Japan, China, Argentina, Thailand, among others) are ageing. This scenario is expected to bolster healthcare spending; and the demand for pharmaceutical products in 2016 and beyond.

Ageing population and growing life expectancy – up from an estimated 72.3 years in 2014 to 73.3 years in 2019 – will bring the 65-plus age category to over 604 million, or 10.8% of the total global population. This number is anticipated to be even higher in Western Europe (nearly 21%) and Japan (28%). Among the factors contributing to increased life expectancy are, declining infant mortality, enhanced living conditions, improved sanitation, better prevention of communicable diseases and growing access to medicine.

Rising income²

Population expansion and rising wealth should be strong drivers of health spending in developing markets, particularly in Asia and the Middle East. By 2019, the number of high-income households (those earning over US\$ 25,000 a year) will likely rise to over 540 million globally; Asia is projected to generate more than half of that growth.

Accessibility and affordability²

The trend towards the adoption of universal healthcare continues, with more countries expanding public or private health care system coverage or deepening it to reduce out-of-pocket spending. In perhaps the most visible example of expanding health care coverage, the US federal and state governments continue to implement health insurance exchanges under the Patient Protection and Affordable Care Act of 2010 (ACA).

Growing chronic diseases^{2,6}

The proliferation of chronic diseases – in part, a consequence of enhanced life expectancy and other factors – is having serious repercussions in both developed and emerging countries. Obesity, cardiovascular diseases, hypertension, and diabetes are now persistent, widespread health problems and will challenge public health systems to meet increasing demand for drugs and treatments.

There are around 387 million diabetes patients globally; and the number is expected to touch 592 million by 2035. China and India have the largest number of diabetes sufferers in the world, at more than 96 million and 66 million, respectively.



Outlook

The global pharmaceutical spending growth will be driven by brands in developed markets and enhanced usage in pharmerging markets, while being partly offset by patent expiries. Brand spending in developed markets is likely to increase by US\$ 298 billion in the next five years, driven by new products and price escalation primarily in the US.

In 2020, the US, EU5 and Japan will have important differences in spending and growth dynamics, compared to what it is today. Pharmerging markets spending will grow primarily from increased use of medicines, while China, the leading pharmerging country, will reach US\$ 160-190 billion in spending with sluggish growth to 2020.

Developed markets

Pharmaceutical spending in developed markets stood at around US\$ 684 billion in 2015. It is estimated to grow at a compound annual growth rate (CAGR) of 3-6% during 2016-20 to reach US\$ 870-900 billion by 2020. Developed markets will continue to account for the majority of medicine spending due to both higher prices per unit; and the mix of newer medicines that bring meaningful clinical benefits to patients facing a wide range of diseases.

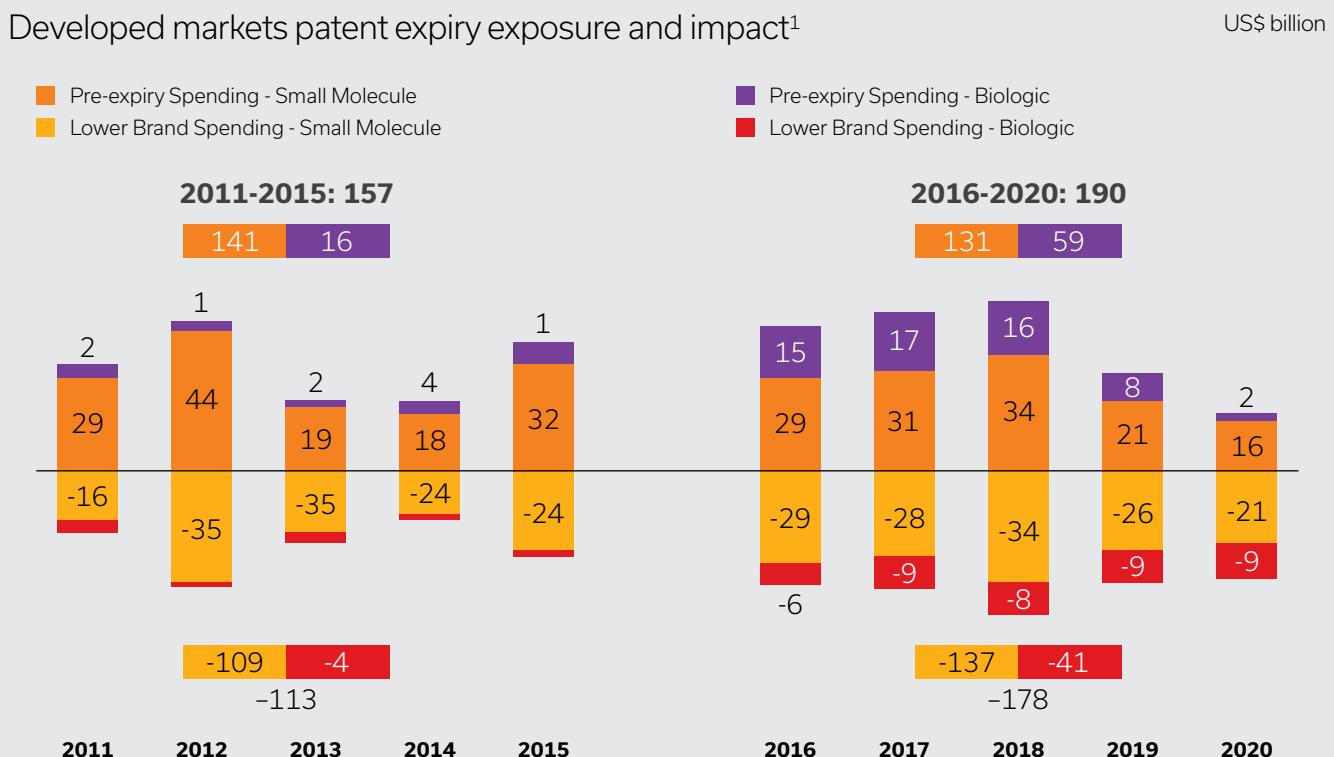
TABLE 2

Region/Country	2015	2010-2015 CAGR	2020	2016-2020 CAGR
US	430	6.1%	560-590	5-8%
EU5	144	2.9%	170-200	1-4%
Germany	41	3.8%	52-62	2-5%
France	31	0.1%	30-38	(-3)-0%
Italy	25	3.1%	30-40	2-5%
UK	28	6.9%	28-38	3-6%
Spain	19	0.7%	20-28	1-4%
Japan	78	2.6%	79-89	0-3%
Canada	19	2.0%	23-33	3-6%
South Korea	13	2.3%	13-20	2-5%
Developed Markets	684	4.8%	870-900	3-6%

Patent expiries in developed markets

The loss of exclusivity for branded products is expected to reduce brand spending by US\$ 178 billion in the next five years, a larger amount vis-à-vis the last five years. The

exposure of brands to loss of exclusivity will be higher, at US\$ 190 billion, over the next five years; and the impact of those expiries on brand spending will be greater as biosimilars begin to have a larger impact.

CHART 7

USA: The US spending on medicines will reach \$560-590 billion in 2020, a 34% increase in spending over 2015 on an invoice price basis. This growth will be driven by innovation, invoice price increases (offset by off-invoice discounts and rebates) and the impact of loss of exclusivity. Spending growth in the next five years will differ from the last four which included the largest patent expiry cluster ever in 2012.

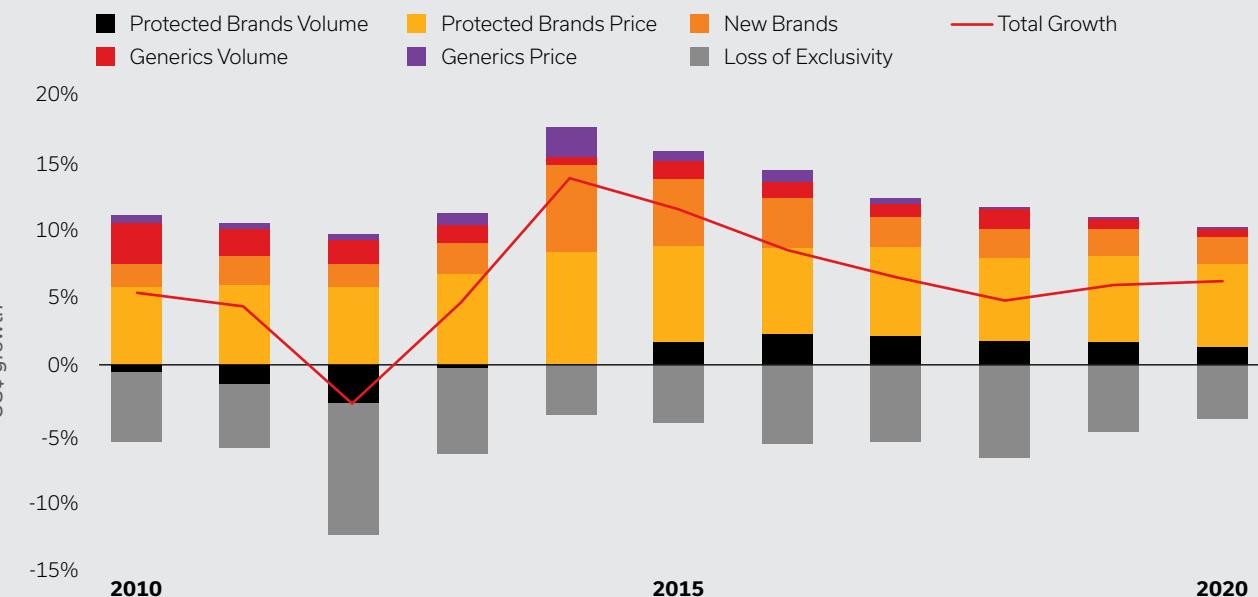
The impact of patent expiries over the next five years, while higher in absolute dollars, will be lower in percentage contribution than the past five years; and no single year will reach the level of 2012. Generic medicines will continue

to provide the vast majority of the prescription medicine usage in the US, rising from 88% to 91-92% of all dispensed prescriptions by 2020.

The Affordable Care Act (ACA) will continue to have an effect on medicine spending during the next five years, primarily due to expanded insurance coverage. ACA access expansion will be largely complete by 2020, bringing modest new demand for medicines, but an increasing share of medicines will be paid for by Medicare, Medicaid, and other government funded or mandated programs each commanding substantial discounts from list prices.

CHART 8

US Pharmaceutical Spending Growth, 2010-2020¹



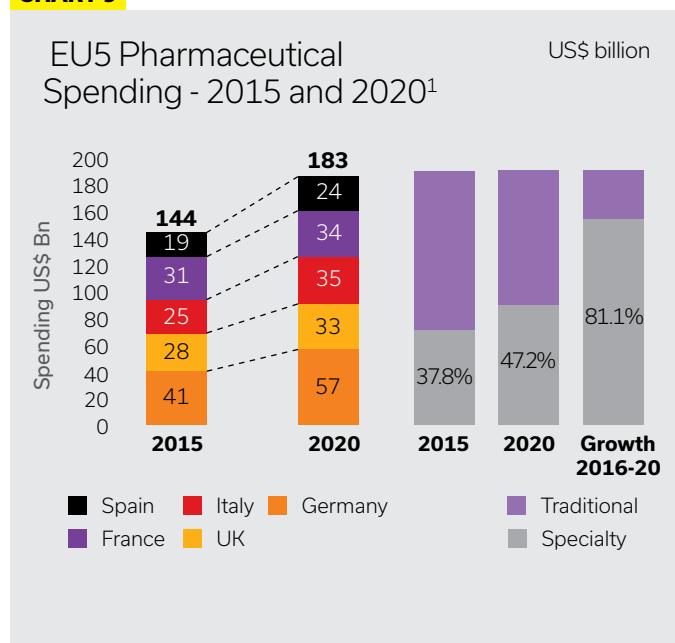
EU5: The top 5 (Germany, France, Italy, Spain and the UK) European markets will spend US\$ 180-190 billion on medicines in 2020, an increase of US\$ 40 billion from 2015, which includes US\$ 19.4 billion of exchange rate effects, mostly driven by Germany and the wider adoption of specialty medicines. Germany will increase spending largely as a result of wider adoption of innovation.

The UK, is re-examining the organisation of the National Health Service (NHS) and historic pricing agreements with the pharmaceutical industry. Spain and Italy each continue to find their economies challenged by the global economic crisis; and have been slow to recover. Other major European countries will face budget challenges for healthcare funding.

A common lever used by European countries to control spending on medicines is to shift usage to generics and realise associated savings. European governments were the first to adopt biosimilar legislation that enables non-original competition to biotech drugs; and by 2020 such drugs will account for most of the savings in developed markets associated with the adoption of biosimilars.

Across Europe, the adoption of specialty medicines will drive higher spending growth; and whereas 81% of the increase will be driven by specialty medicines, it will also be partly led by recovery in spending on non-specialty medicines.

CHART 9



Japan: Japan's pharmaceutical spending stood at approximately US\$ 78.3 billion in 2015. It is estimated to grow at a compound annual growth rate (CAGR) of 0-3% during 2016-2020 to reach US\$ 79-89 billion by 2020. Japan's growth is expected to return to historic patterns through 2020; and the long-term effects of the new price regime will result in average prices to be essentially unchanged from 2015.

2010-15 saw substantial increase in the average prices of medicines as policies designed to reward innovators were implemented. The incentives to wider generic usage will double generic spending, as generic penetration of the unprotected market is targeted by the Ministry of Labor Health and Welfare (MLHW) to reach 80% by 2020, up from 54.4% for the quarter ending June 2015.

Pharmerging markets: Pharmaceutical spending in pharmerging markets stood at around US\$ 249.2 billion in 2015. It is estimated to grow at CAGR of 7-10% during 2016-20 to reach US\$ 345-375 billion by 2020.

Growth in spending on medicines in pharmerging markets is driven primarily by wider use of medicines. The per capita escalation in volume and spending reflect the strong commitment to wider access to healthcare from governments; and expanded private insurance markets that many pharmerging countries are experiencing.

The difference in per capita spending growth and overall spending growth over the next five years reflects population growth. The overall high level of per capita pharmaceutical spending growth reflects both access expansions and the rising mix of higher cost medicines being used in pharmerging markets.

TABLE 3

Pharmerging markets pharmaceutical spending¹

Region/Country	2015	2010-2015 CAGR	2020	2016-2020 CAGR
China	115	14.2%	150-180	6-9%
Tier 2 Markets	57	12.9%	85-95	9-12%
Brazil	28	13.8%	34-44	9-12%
Russia	17	13.0%	29-39	11-14%
India	12	10.9%	13-19	5-8%
Tier 3 Markets	77	8.2%	100-120	6-9%
Pharmerging Markets	249	11.9%	345-375	7-10%

(Pharmerging markets: China, Brazil, Russia, India, Venezuela, Poland, Argentina, Turkey, Mexico, Vietnam, South Africa, Thailand, Indonesia, Romania, Egypt, Pakistan, Ukraine, Algeria, Colombia, Nigeria, Saudi Arabia and Russia)



Global Consumer Healthcare Industry⁷

The global consumer healthcare market grew by 6% CAGR between 2008 and 2014 vis-à-vis pharmaceutical industry CAGR of 4% in the same period.

USA and China represent the biggest markets with 40% market share of the US\$ 119 billion industry. BRIS (Brazil, Russia, India and South Africa) have 9% share, growing at 8% annually.

The market comprises two sets of competition: global bellwethers having extensive resources, strong brands and economies of scale; and local leaders possessing deep understanding of consumers' needs and close relationships with suppliers, distributors, retailers and regulators.

From category perspective, Vitamins and Mineral Supplements (30%) followed by Cough, Cold & Allergy (20%) are two biggest categories. Dermatology (14%), Analgesics (13%) and Gastrointestinals (12%) are the other important categories.

Active Pharmaceutical Ingredients (API)⁴

The Global Active Pharmaceutical Ingredients (API) market accounted for US\$ 121.4 billion in 2014; it is expected to grow at 6.4% CAGR to reach US\$ 198.8 billion by 2022. Patent expiration of prominent drugs, government initiatives, regional penetration and ageing global population are some of the factors that are driving market growth. Strict validation and safety guidelines stated by WHO and fragmented market are the factors that are hampering the API market growth.

The market is segmented on the basis of API type, manufacturers, therapeutic area and geography.

Asia Pacific is projected to be the fastest growing regional market. The fast growth is attributed to patent expirations of drugs, and favorable investments in medical research.

INDIAN PHARMACEUTICAL MARKET^{1,5}

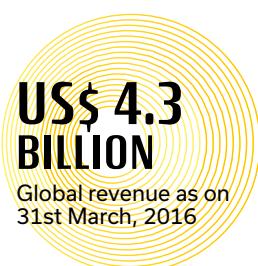
The pharmaceuticals market in India is the third largest in terms of volume and 13th largest in terms of value globally. Branded generics dominate the market with 70%+ share. The country is the largest provider of generic drugs globally with the Indian generics accounting for 20% of global exports in volume terms.

In 2015, the market size of the pharmaceutical industry in India was at US\$ 12.1 billion. Future growth is expected to be driven by increasing consumer spending, rapid urbanisation, and rising healthcare insurance among others.

Going forward, growth in Indian market would also depend on the ability of companies to align their product portfolio towards therapies for chronic diseases (cardiovascular, anti-diabetes, anti-depressants and anti-cancers) that are on the rise.

SUN PHARMACEUTICAL INDUSTRIES LIMITED (SUN PHARMA)

Beginning in 1983 with a portfolio of 5 products, Sun Pharma has emerged as the world's fifth largest specialty generic pharmaceutical company and India's top pharmaceutical company. The Company's vertically integrated business, economies of scale and a skilled team enable delivery of quality products in a timely manner at affordable prices. It provides high-quality, affordable medicines trusted by customers and patients across the world. The Company's global presence is supported by 49 manufacturing facilities, spanning six continents, R&D centers across the globe and a multi-cultural workforce comprising over 50 nationalities.



Sun Pharma is an innovation driven enterprise, supported by strong R&D capabilities comprising about 2,000 scientists and R&D investments of over 8% of annual revenues.

- Sun Pharma is the fifth largest generics company in the US with one of the largest ANDAs pipeline and a portfolio of over 400 approved products
- In India, the Company enjoys leadership across 13 different classes of doctors with 30 brands featuring among the top 300 pharmaceutical brands in India
- Sun Pharma is the largest Indian company in the emerging markets (50+ countries presence) with strong focus on Brazil, Mexico, Russia, Romania and South Africa, among others
- The Company is also present in major markets of Western Europe (6 markets), Canada, ANZ and many others
- The Company is ranked among the top 10 across four global markets in the consumer healthcare business
- The Company produces over 300 APIs, adding around 20 APIs annually

Long-term growth strategies

Sun Pharma's business model comprises four crucial business features to help achieve higher efficiencies, driving sustainable growth.

Creating sustainable revenue streams

- Enhancing the share of specialty business globally
- Achieving differentiation by focusing on technically complex products
- Focusing on key markets—achieving critical mass
- Improvising speed to market
- Ensuring sustained compliance with global regulatory standards

Business development

- Using acquisitions and partnering to bridge critical capability gaps
- Focusing on access to products, technology, market presence
- Ensuring acquisitions yield high return on investment
- Focusing on payback timelines

Cost leadership

- Vertically integrating operations
- Optimising operational costs

Balance profitability and investments for future

- Increasing contribution of specialty and complex products
- Directing future investments towards differentiated products

Our strategic moves

Ramping up specialty pipeline

- In-licensed Tildrakizumab (a monoclonal antibody targeting IL-23) from MSD for treating chronic plaque psoriasis
- Entered into a joint venture with Intrexon Corporation for developing gene-based therapies for ocular diseases
- Acquired Dusa Pharma in US - Enabling access to patented drug-device combination useful for treating Actinic Keratosis, a dermatology ailment
- Acquired InSite Vision - Focuses on developing new specialty ophthalmic products, has three late stage programs

Branded businesses in the US, India and RoW

- Ranked no. 3 branded dermatology company in the US market
- Market leader in specialty chronic segments in India
- Among the largest Indian companies in branded emerging markets

Complex generics in the US

- Firmly established as the no. 1 supplier of generic dermatology products in the US
- Current offerings in the US include many specialty generics across different dosage forms. Future product development targeted at complex generics
- One of the few companies globally to have farm-to-market capabilities for controlled substances
- Key focus areas include dermatology, ophthalmic, oncology, controlled substances, among others

BUSINESS SEGMENTS

- US Business
- Indian Branded Generics Business
- Emerging Markets
- Rest of World*
- Global Consumer Healthcare Business
- Active Pharmaceutical Ingredients (API)



Formulation Plant

* Rest of World - Includes Western Europe, Canada, Australia, New Zealand & other markets

**TABLE 4**

Key acquisitions and joint ventures (JV)

Year	Deals	Country	Rationale
2016	Acquired 14 brands from Novartis	Japan	Entry into Japan
2016	Distribution agreement with AstraZeneca	India	Distribution services agreement in India for brand 'Oxra' & 'Oxramet®' (brands of dapagliflozin, used for diabetes treatment)
2015	Acquisition of InSite Vision	US	Strengthened the branded ophthalmic portfolio in the US
2015	Acquisition of GSK's Opiates Business	Global Markets	Vertical integration for controlled substances business
2015	Distribution agreement with AstraZeneca	India	Distribution services agreement in India for brand 'Axcer®' (brand of ticagrelor, used for the treatment of acute coronary syndrome)
2015	Sun Pharma - Ranbaxy Merger	Global Markets	Further strengthened Sun Pharma's positioning as the 5th largest Global Specialty Generic Pharma Company and No. 1 Pharma Company in India with strong positioning in emerging markets
2014	In-licensing agreement with Merck for Tildrakizumab, a biologic for psoriasis	Global Markets	Strengthened the specialty product pipeline
2014	Acquired Pharmalucence	US	Sterile injectable capacity in the US, supported by strong R&D capabilities
2013	Formation of Sun-Intrexon JV	Global Markets	Strengthen ocular therapies
2013	Acquired URL's generic business	US	Added 107 products to the US portfolio
2012	Acquired DUSA Pharma, Inc.	US	Access to branded derma product
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel	Enables entry into dermatology segment. Enhances presence in US generic market
2008	Acquired Chattem Chemicals, Inc.	Tennessee, US	Import registration with DEA, API Plant approved by DEA in Tennessee, US - access to controlled substances capability
2005	Assets of Able Labs Formulation plant in Bryan	New Jersey, US Ohio, US	Dosage form plant (NJ, US) and Intellectual Property Dosage form plant (Ohio, US)
1997	Acquired Caraco	Detroit, US	Entry into the US market

KEY FINANCIAL INDICATORS

Net sales ₹ Billion

FY16	277
FY15	272

Book value per share ₹ per share

FY16	130.5
FY15	106.5

EBITDA ₹ Billion

FY16	79
FY15	78

Market Capitalisation US\$ Billion

FY16	30
FY15	35

Profit After Tax ₹ Billion

FY16	47
FY15	45

Net Worth ₹ Billion

FY16	314
FY15	256

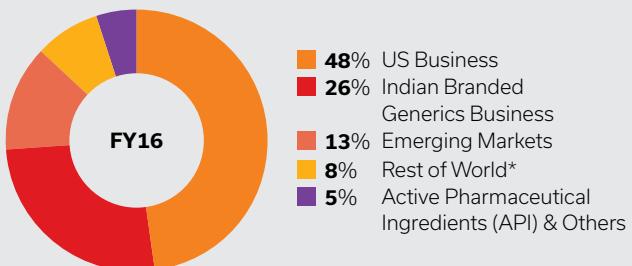
Adjusted Earning per Share (post exceptional items) ₹ per share

FY16	19.6
FY15	18.9

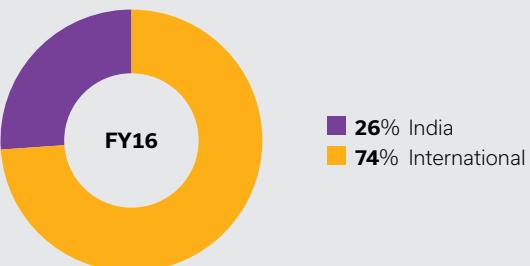
Gross Block ₹ Billion

FY16	210
FY15	167

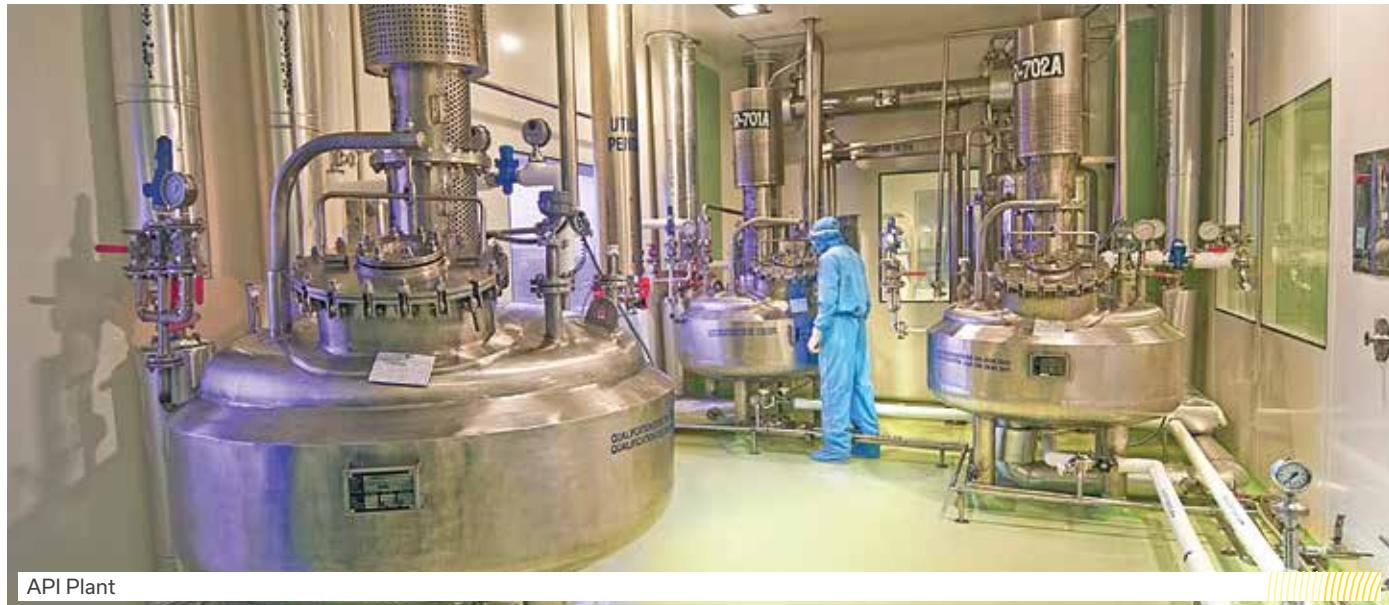
Business-wise revenue share



India-international revenue mix



* Rest of World - Includes Western Europe, Canada, Australia, New Zealand & other markets



API Plant

Operational Highlights, FY16

- In June, 2015 Sun Pharma and AstraZeneca Pharma India Limited (AZPIL) entered into a distribution services agreement in India for AstraZeneca's brand 'Axcer®', a new brand of ticagrelor, a drug used to treat acute coronary syndrome (ACS). This provides customers access to this latest generation treatment option for ACS. Such collaborations are also a part of our stated policy of becoming the partner of choice for the promotion and distribution of innovative pharmaceutical products in the country
- In June 2015, Sun Pharma in-licensed Xelpros (Latanoprost BAK-free eye drops) from Sun Pharma Advanced Research Company (SPARC) for the US market. This was a step further in strengthening the Company's specialty pipeline
- In September 2015, Sun Pharma announced the closure of the acquisition of GSK's opiates business in Australia following the successful completion of this acquisition from GSK announced in March 2015. This acquisition fortifies Sun Pharma's global position with two opiates manufacturing facilities in Port Fairy and Latrobe (both in Australia), complementing its current API manufacturing footprint globally. Sun Pharma now offers a rich basket of opiates product line in addition to a large API portfolio and dosage formulations, covering a broad range of chronic and acute prescription drugs. The acquisition also brings a specialised team to drive business growth. The opiates acquisition allows Sun Pharma to significantly expand its narcotics raw material (NRM) market share, enhances the opiates portfolio and depth in global opiates market and strengthens its strategic position in the global opiates business
- In September 2015, Sun Pharma entered into an agreement to transfer two marketing divisions of its India business, related to the erstwhile Ranbaxy's 'Solus' and 'Solus Care' divisions operating in the central nervous system (CNS), to Strides Arcolab Ltd. for a consideration of ₹ 1,650 million. As per IMS July 2015 MAT report, all the products of these two divisions together accounted for approximately ₹ 920 million in sales. This was done as a part of efforts to consolidate the CNS business in India
- In November 2015, Sun Pharma successfully acquired InSite Vision in the US. InSite Vision focuses on developing new specialty ophthalmic products, including three late stage programs. Sun Pharma is in the process of establishing a branded ophthalmic business in the US. This acquisition of InSite Vision, along with the in-licensing of Xelpros™ (Latanoprost BAK-free eye drops) in June 2015 is a step in this direction. These deals give Sun Pharma access to four late stage branded ophthalmic products in the US
- In December 2015, Sun Pharma received a Warning Letter from the US FDA as a result of the September 2014 inspection, for its facility located at Halol, Gujarat in India. Sun Pharma responded to the US FDA inspection observations with a robust remediation process,



which will be completed by June 2016, with significant investments in automation and training to enhance its quality systems. Sun Pharma has been working with external consultants to ensure its remediation activities have been completed appropriately. Since the inspection in September 2014, Sun Pharma has communicated regularly with the US FDA on the progress of its remediation and on issues of product supply. It has provided periodic updates to the US FDA on its commitments. Post the September 2014 inspection, the US FDA has withheld future product approvals from the Halol facility. This situation may continue until all issues are resolved. Sun Pharma is awaiting a re-inspection of this facility by the US FDA.

- In February 2016, Sun Pharma launched Imatinib Mesylate Tablets (therapeutic equivalent to Gleevec® for indications approved by the FDA) in US market. The US FDA had approved this product in December 2015, which was subsequently commercialised in the US market in February 2016. Under the terms of a settlement agreement with Novartis, a Sun Pharma subsidiary was permitted to launch its version of generic Gleevec® in the United States on 1st February, 2016. Being a First-to-File product, it was granted 180 days of marketing exclusivity by FDA from the time of its launch.

This product was a key contributor to the company's US revenues in FY16. Sun Pharma has also launched an exclusive patient website www.imatinibrx.com providing detailed information about its Imatinib Mesylate product, approved indications and side effects, among others.

- In March 2016, Sun Pharma and AstraZeneca Pharma India Limited (AZPIL) entered into a partnership for the distribution of dapagliflozin, an innovative Type 2 diabetes medicine in India. Dapagliflozin is AZPIL's leading diabetes medicine. Under the agreement, Sun Pharma will promote and distribute dapagliflozin under the brand name 'Oxra®'. AZPIL markets dapagliflozin under the brand name Forxiga® and under the terms of the agreement, both companies will promote, market and distribute dapagliflozin in India under different brand names. Sun Pharma will also gain the rights to promote and distribute the combination of dapagliflozin with metformin under the brand name 'Oxramet™', following regulatory approval. This agreement for dapagliflozin further strengthens Sun Pharma's partnership with AstraZeneca. The addition of this innovative Type 2 diabetes treatment bolsters its diabetes portfolio; and will further enhance the Company's service capabilities to offer customers and patients innovative affordable medicines.

- In March 2016, Sun Pharma took an important step towards establishing its presence in Japan through the acquisition of 14 established prescription brands from Novartis AG and Novartis Pharma AG for a consideration of US\$ 293 million. These brands have combined annualised revenues of approximately US\$ 160 million and address medical conditions across several therapeutic areas. Under the terms of the agreements, Novartis will continue to distribute these brands, for a certain period, pending transfer of all marketing authorisations to Sun Pharma's subsidiary. The acquired brands will be marketed by a reliable and established local marketing partner under the Sun Pharma label. The local marketing partner will also be responsible for distribution of the brands. Japan is a market of strategic interest for Sun Pharma. This acquisition marks Sun Pharma's foray into the Japanese prescription market; and provides it an opportunity to build a larger product portfolio for the future
- In April 2016, Sun Pharma received approval from US FDA for its New Drug Application (NDA) related to BromSite™ (bromfenac ophthalmic solution) 0.075% for the treatment of postoperative inflammation and prevention of ocular pain in patients undergoing cataract surgery. BromSite™ is the first non-steroidal anti-inflammatory drug (NSAID) approved by the US FDA to prevent pain and treat eye inflammation for patients undergoing cataract surgery; other NSAIDs in this class are currently indicated for the treatment of inflammation and reduction of pain. BromSite™ developed by InSite Vision, is the first bromfenac ophthalmic solution formulated in DuraSite™, a polymer-based formulation that can be used to improve solubility, absorption, bioavailability, and residence time as compared to conventional topical therapies. Sun Pharma acquired InSite Vision in November 2015 and is likely to commercialise BromSite™ through its newly formed, US-based division, Sun Ophthalmics, in the second half of 2016. As per IMS MAT January 2016, the US NSAID Ophthalmic market grew by 8%, generating approximately US\$ 400 million in sales and about 4 million prescriptions, providing an attractive market for Sun Pharma to participate
- In May 2016, Sun Pharma announced the successful completion of the two Phase-3 trials for the investigational IL-23p19 inhibitor antibody, Tildrakizumab, in patients with moderate-to-severe plaque psoriasis. The trials met their primary endpoints for both evaluated doses. The co-primary efficacy endpoints of the placebo controlled studies were: the proportion of participants with Psoriasis Area Sensitivity Index 75 (PASI 75)

response at week 12 compared to placebo and the proportion of participants with a Physician's Global Assessment (PGA) score of clear or minimal with at least a 2 grade reduction from baseline at week 12 compared to placebo. The overall safety profile of Tildrakizumab in both Phase-3 clinical trials was consistent with the safety data observed in previously reported studies. The second study also included an etanercept comparator arm, with a key secondary endpoint comparing tildrakizumab and etanercept on PASI 75 and PGA. Tildrakizumab 200mg was superior to etanercept on both PASI 75 and PGA endpoints at week 12, while the 100 mg dose showed superiority to etanercept on PASI 75 only. The preparations for submission of a Biologics License Application for this product to the US FDA are proceeding

The detailed findings from the Phase-3 clinical trials will be presented at upcoming scientific meetings. Sun Pharma had acquired worldwide rights to tildrakizumab from Merck, in 2014. Funded by Sun Pharma subsidiary, Merck is responsible for the completion of Phase-3 trials in patients with mild-to-moderate plaque psoriasis and, as appropriate, submission of a Biologics License Application to the United States Food and Drug Administration (FDA). Merck is also responsible for manufacturing finished goods to support Sun Pharma's initial product launch. Post-approval in the US, Sun Pharma will be responsible for all other regulatory activities, including subsequent submissions, pharmacovigilance, post approval studies, manufacturing and commercialisation of the approved product. Sun Pharma will also be responsible for all regulatory, pharmacovigilance, post-approval studies, manufacturing, and commercialisation of approved products for all non-US markets. Merck is eligible to receive milestone payments, and royalties on sales of tildrakizumab

Outlook

Sun Pharma has embarked on various initiatives globally to drive future growth and profitability and to enhance long-term shareholder value.

- **Investing for the future:** The Company continues to strengthen and build leadership position in key markets and business segments. The Company is focusing on enhancing the share of specialty/branded business and targeting differentiated product offerings. The Company has, over the past year, strengthened its ophthalmology and OTC teams in the US as well as

formed a dedicated team for Tildrakizumab, our IL-23 anti-body which completed Phase-3 clinical trials in May 2016. The Company simultaneously continues to explore opportunities to expand its global footprint

- **Ranbaxy integration:** The Company is targeting synergy benefits of US\$ 300 million from the Ranbaxy acquisition by FY18. This will be achieved by focusing on overall profitability improvement, driven by revenue and procurement synergies, manufacturing rationalisation and various additional cost-management measures. As a part of the integration process, the Company expects to incur certain integration charges to generate long-term synergies from this merger. Also, as a part of the integration process, the Company may decide to discontinue certain non-strategic businesses
- **R&D Investments:** The Company continues to allocate significant resources to R&D to strengthen the specialty pipeline, including patented products and complex generics. This will mandate increased R&D investments, including that for the development of Tildrakizumab
- **cGMP compliance:** The Company's key priority is to ensure continued 24x7 cGMP compliance by continuously enhancing systems, processes and human capabilities to meet global regulatory standards at all its manufacturing facilities. As a part of this process and in order to address the cGMP deviations at its Halol facility, the Company has undertaken various remedial measures. These remedial measures have resulted in supply constraints for some of the products. New approvals for US from this facility have also been delayed. The Company expects this situation to continue for some more time till the facility is re-certified. The remedial action at the Mohali, Dewas, Poanta Sahib and Toansa facilities is on track
- **FY17 Guidance:** The Company expects its overall consolidated revenues to grow at 8-10% for FY17. R&D Investments at approximately 9% of sales will continue to remain high driven by increased investments for developing specialty products as well as higher investments for complex generics. This includes the investments needed for the development of Tildrakizumab. This R&D spending enables development of future product pipeline including specialty and differentiated products. The Company's initiative in building the specialty business in the US will also include investments in establishing the front-end distribution network in specified therapies, investments in attracting specific talent and other investments

BUSINESS SEGMENT REVIEW US BUSINESS

48%

Revenue contribution

₹ 135,169 MN

Revenue from division

572

Cumulative ANDAs filed

As on 31st March, 2016

413

Cumulative ANDAs approved

Sun Pharma is the 5th largest specialty generic pharmaceuticals company in the US market, having its presence in generics, branded and OTC segments. Its key focus areas include dermatology, oncology, controlled substances and ophthalmics, among others. It is one of the very few companies to have farm-to-market capabilities for controlled substances.

Sun Pharma is the leading generic dermatology company and the 3rd largest branded dermatology company in the US. Over the years, it has strengthened its position as the top supplier of generic dermatology products.

The Company has integrated manufacturing facilities, with the capability to manufacture products, both onshore and offshore. Its comprehensive portfolio includes 572 ANDAs filed and 413 approved across various therapies. As on 31st March 2016, 159 ANDAs were pending for US FDA approval, comprising complex generics, first-to-file opportunities and other generics.



US business milestones

FY98

Entered into the US market by acquiring Caraco

FY98 - FY10

Enhanced and strengthened the US business

FY08 onwards

Launched many complex generics and few FTFs

FY10

Acquired Taro Pharma and forayed into the dermatology market

FY13

- Acquired DUSA and entered into the branded specialty market
- Acquired URL's generic business

FY14

Acquired Pharmalucence to get access to sterile injectables capability

FY15

Expanded presence in the US with the addition of Ranbaxy's US business

FY16

Acquired InSite Vision to strengthen the ophthalmic portfolio

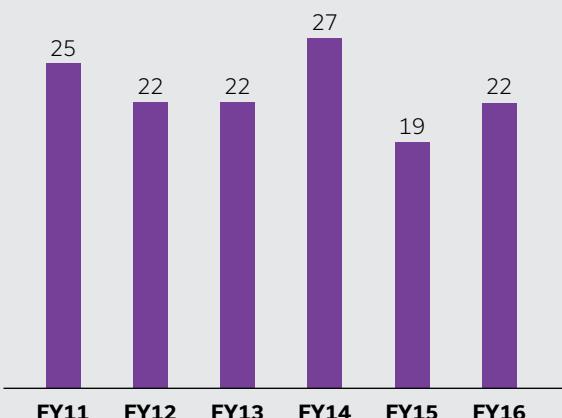
Divisional highlights, FY16

- Revenue from the US generics declined by 2% to ₹ 135,169 million in FY16
- The successful launch of Imatinib Mesylate Tablets (therapeutic equivalent to Gleevec® for indications approved by the US FDA) with 180-day marketing exclusivity was one of the key drivers of revenues in US

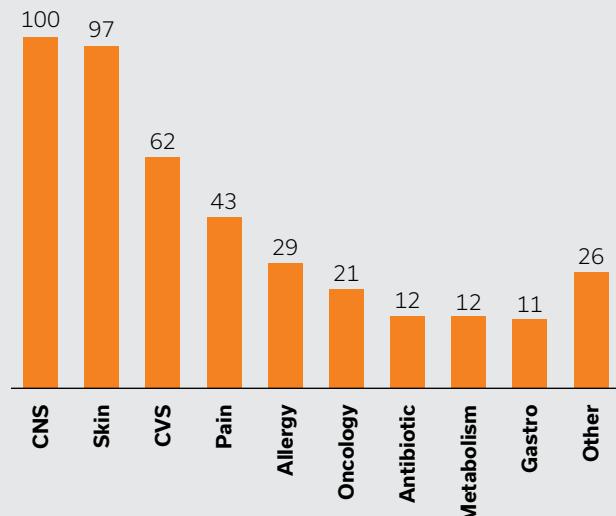
- Overall US revenues continued to be adversely impacted due to price competition, customer consolidation and the temporary supply constraints, arising from the cGMP remediation efforts at Halol facility
- US revenues for Taro Pharma (a 69% subsidiary) grew by 10% driven primarily by the full year impact of prior year price adjustments and increased market share of select products

CHART 10

ANDA Filings



413 ANDA Approvals by Therapeutic Area



Road ahead

- Sun Pharma is focusing on developing a niche portfolio of specialty products, complex generics and high entry barrier segments
- The Company continues to seek synergic inorganic growth opportunities in the US market

INDIAN BRANDED GENERIC BUSINESS

26% **NO. 1**

Revenue contribution

Ranked in Indian pharmaceutical industry, with 8.8% market share

NO. 1

Ranked by prescriptions with 13 different classes of doctors

₹ 72,538 MN

Revenue from division

Sun Pharma enjoys leadership position in chronic segment in India. Besides, it has a strong positioning in the acute segment as well. The Company specialises in technically complex products, offering a comprehensive therapy basket.

Sun Pharma owns 30 of the top 300 pharmaceutical brands in India. The Company has a field force of over 9,200 people, reaching around 600,000 doctors in the country.

Divisional highlights, FY16

- Revenue from Indian branded generics increased by 9% to ₹ 72,538 million in FY16

CHART 11

Therapeutic revenue break-up¹¹

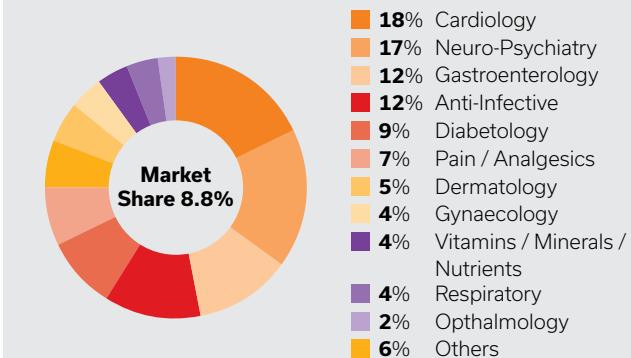


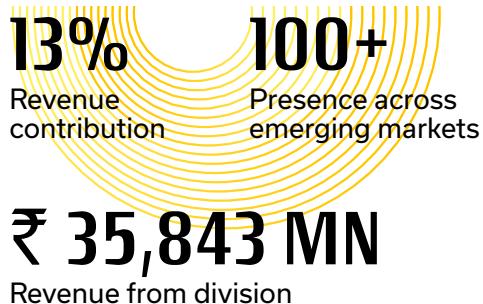
TABLE 5

Leadership in key therapeutic areas⁸

Doctor Category	February 2015	Doctor Category	February 2016
Psychiatrists	1	Psychiatrists	1
Neurologists	1	Neurologists	1
Cardiologists	1	Cardiologists	1
Orthopaedic	1	Orthopaedic	1
Ophthalmologists	1	Ophthalmologists	1
Gastroenterologists	1	Gastroenterologists	1
Nephrologists	1	Nephrologists	1
Diabetologists	1	Diabetologists	1
Consulting Physicians	1	Consulting Physicians	1
Dermatologists	1	Dermatologists	1
Urologists	1	Urologists	1
Chest Physicians	1	Chest Physicians	1
Oncologists	2	Oncologists	1
Gen. Surgeon	2	Gen. Surgeon	2
ENT	3	ENT	2
Gynaecology	3	Gynaecology	3

Outlook

- The Company's future focus will continue to be on strengthening customer relationships and brand building
- Emphasis will be on expanding the product portfolio through a combination of internal development and potential in-licensing opportunities
- Maintain and consolidate leadership across therapeutic segments

EMERGING MARKETS

Sun Pharma has an extensive portfolio of branded products in the emerging world. The Company's key focus markets include Brazil, Mexico, Russia, Romania, South Africa and complementary and affiliated markets. The Company has local manufacturing assets in 10 countries.

Post Ranbaxy's acquisition, Sun Pharma has expanded its presence in various emerging markets. Its competitive sales force, comprising approximately 2,300 people is leveraging the opportunities created due to this acquisition, like cross-selling to further improve the Company's position.

Divisional highlights, FY16

- Revenue for emerging markets declined by 4% to ₹ 35,843 million in FY16
- Overall growth has been adversely impacted by unfavorable currency movement across many key emerging markets

Outlook

- The Company is enhancing its presence in key emerging markets, led by chronic therapies like diabetes, neurology and cardiology
- The Company is focusing on expanding its product basket and presence across new geographies, organically and through partnerships

REST OF WORLD*

8%
Revenue contribution

Presence across
Western Europe,
Canada, ANZ &
Other Markets

₹ 21,618 MN

Revenue from division

Sun Pharma has extensive presence across major markets in Western Europe, Canada, Australia & New Zealand and various other important geographies. The Company primarily focuses on the development and commercialisation of complex generics and differentiated products across these markets.

The Company's product portfolio comprises injectable and hospital products, besides products for the retail market. It maintains a distribution-led business model to expand its reach and strengthen its position across these areas.

Divisional highlights, FY16

- Revenue in Rest of World (RoW) markets decreased by 7% to ₹ 21,618 million in FY16

Road ahead

- The Company plans to expand its differentiated offering into many of these markets
- Improve profitability in developed European markets



* Rest of World - Includes Western Europe, Canada, Australia, New Zealand & other markets

ACTIVE PHARMACEUTICAL INGREDIENTS (API) BUSINESS



298	422
DMF/CEP approvals	DMF/CEP filings

Sun Pharma started producing APIs in 1995 as a crucial endeavor to manufacture complex formulations and products. Today, the Company manufactures over 300 APIs across 14 locations. Every year, around 20 APIs are added to the Company's portfolio.

Sun Pharma prioritises backward integration to ensure cost-efficiency and seamless supply. For APIs, the Company's customers comprise large generic and innovator companies. Its API manufacturing facilities are located in India, Australia, Israel, Hungary and the US.

Divisional highlights, FY16

- Revenue from APIs and other sources increased by 42% to ₹ 14,025 million in FY16
- The API revenues include part impact of the Opiates business acquisition (with effect from September 2016 onwards) in Australia

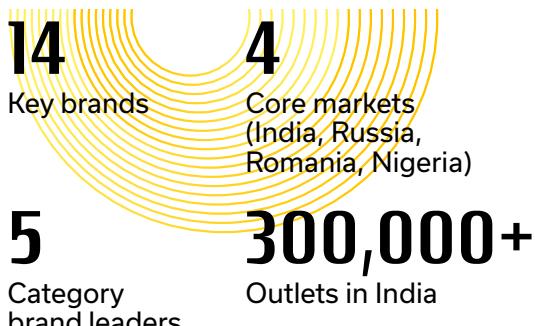
Road ahead

- Focus on enhancing the scale and scope of API operations
- Grow and sustain long-term supply relationships with global customers

GLOBAL CONSUMER HEALTHCARE BUSINESS^{7,9,10}

Sun Pharma is one among the top 10 consumer healthcare companies in India, Romania, Nigeria as well as Myanmar. With a strong presence across 20 countries, the Company's core markets comprise India, Russia, Romania, Nigeria and Myanmar. Besides, there are four growth markets, including Ukraine, Poland, South Africa and Sri Lanka.

Sun Pharma's five brands are category leaders across three markets including India, Romania and Nigeria. The Company's dynamic sales force has helped strengthen its foothold in every market.



Divisional highlights, FY16

- Sun Pharma has roped in Indian cricket team captain M. S. Dhoni as the new brand ambassador of Revital H. M. S. Dhoni is a cricketer known for pushing limits and achieving more and remains a perfect combination of physical fitness, strategic thinking and decision-making; and fits well in the active lifestyle value proposition of Revital H brand. The brand has a stronghold in North, Central and East of India; and seeks to strengthen its market presence in West and South India
- Twenty-five years following its launch in the Indian market, Revital H, India's leading health supplement got a new makeover. Sun Pharma's Global Consumer Healthcare is repositioning this iconic brand for active lifestyle and being 'fit and active'
- The brand Revital H got associated with Patna Pirates as their official health partner for Star Sports Pro Kabbadi League Season 3. Bihar is one of the key markets for health supplement category in India and a priority market for Revital H. The strategic brand association of Revital H with Patna Pirates aims to build stronger connect with consumers in Bihar. In an effort to amplify its association and build significant support for Patna Pirates during the Pro Kabbadi League Season 3, Revital H will leverage a high visibility print, outdoor and radio campaign as well as trade engagements where its retail wholesale partners will get a chance to win Patna Pirates merchandise. Revital H also organised a 'Meet & Greet' session for its trade partners with Patna Pirates during the league
- Volini, India's No. 1 (doctor recommended) pain reliever, associated with world tennis champion, Sania Mirza and captain of Indian football team, Sunil Chhetri as its brand ambassadors. Bringing the two sports icons on board further enhances the association of Brand Volini with sports and high performance. The two eminent personalities also unveiled the brand's latest offering Volini Spray with 360-degree technology. Furthering its ethos of innovation, Volini now offers a 360-degree spray, which enables the can to produce uniform spray pattern for optimal coverage. This enables consumers to reach out to hard-to-reach areas without external assistance at every angle and provides effective relief

Road ahead

- Maintain leadership in existing markets through focus on innovative solutions
- Enhance presence in high growth markets

RESEARCH AND DEVELOPMENT

Sun Pharma's consistent endeavours to invest in research and development (R&D) have helped the Company to create a strong product pipeline, ensuring sustainable growth. Its key R&D centers support the execution of strategies for manufacturing new and innovative products.

The R&D framework comprises over 2,000 research scientists with relevant technical knowhow and expertise in developing generics. Besides, they have profound knowledge in Active Pharmaceutical Ingredients (APIs), Novel Drug Delivery Systems (NDDS) and difficult-to-make technology-intensive products.

The Company's experience and knowledge in pharmaceutical research enables rapid improvement of a diverse range of immediate and novel delivery systems, comprising oral, parenteral, topical and inhalation dosage forms. Sun Pharma's formulation expertise lies in the areas of taste masking, spray-drying, drug-layering, nano-milling, lyophilization and other pharmaceutical unit operations. The Company's unique feature is its ability to develop difficult-to-make APIs and formulations, using advanced technologies.

Sun Pharma's R&D capabilities support the development of diverse products, including liposomal products, inhalers, lyophilized injections, nasal sprays, as well as controlled release dosage forms.

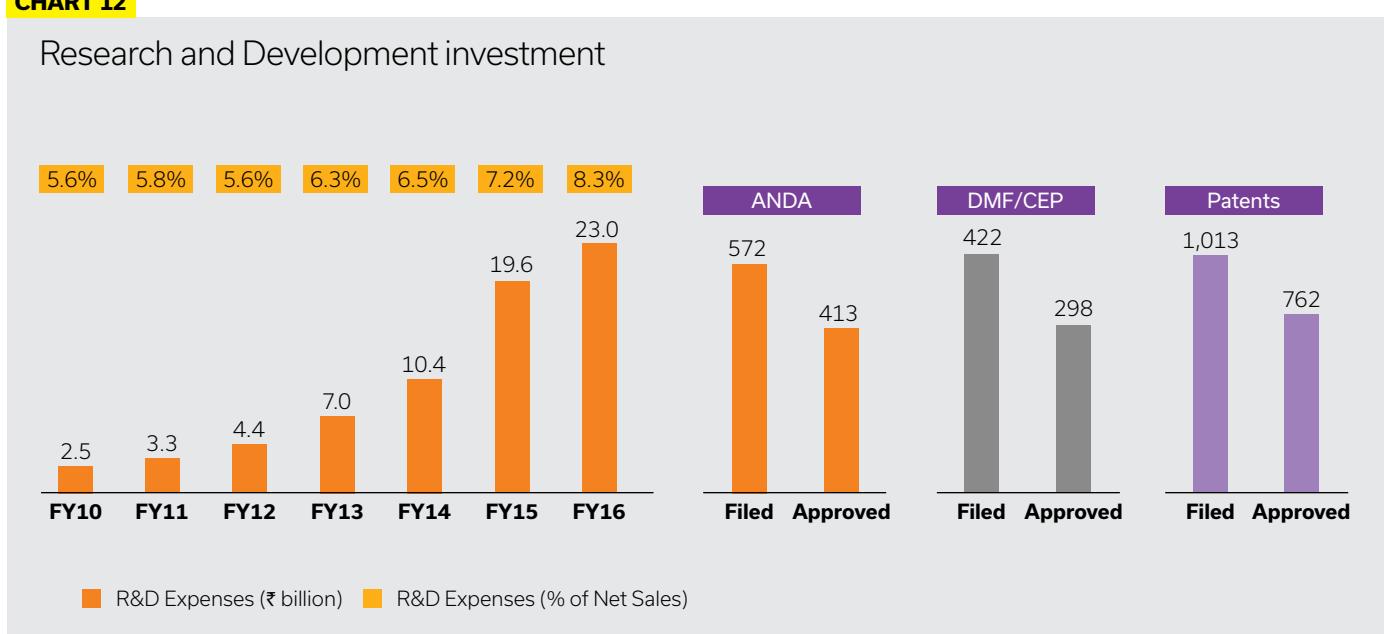
Over the years, Sun Pharma has developed expertise and gathered experience in performing pharmacokinetic and bioequivalence studies. This has facilitated the introduction of generic or branded generic drugs into the international market.

During the year, the Company entered into a tripartite research and option agreement with Israel-based Weizmann Institute of Science and Spain's Health Research Institute of Santiago de Compostela (IDIS). It aims to develop breakthrough products for the treatment of neurological diseases like brain stroke; as well as glioblastoma, a lethal brain cancer.

During the financial year, the Company invested over 8% of its turnover into research and development. Going forward, Sun Pharma aims to develop complex products across multiple dosage forms through its expanded R&D global team.

CHART 12

Research and Development investment



572
Cumulative
ANDAs filed

413
Cumulative
ANDAs approved

422
DMF / CEP
cumulative
applications filed

298
DMF / CEP cumulative
applications approved

1,013
Total patent
applications
submitted

762
Total patents
granted

22
ANDAs filed in FY16

14
ANDAs approved
in FY16

20
DMFs filed in
FY16

10
DMFs approved in
FY16



Best-in-class manufacturing assets

Sun Pharma has always emphasised on ensuring best-in-class quality in design, equipment and operations across its manufacturing facilities globally. These facilities ensure that the Company provides best quality products to patients across 150 nations. With 49 manufacturing facilities spanning across six continents, the Company is focusing on consolidating the network. Its manufacturing units are situated in India, the US, Brazil, Canada, Hungary, Israel, Bangladesh, Mexico, Romania, Ireland, Morocco, Nigeria, South Africa, Malaysia and Australia.

These units are responsible for seamless production of generics, branded generics, specialty products, over-the-counter (OTC) products, anti-retroviral (ARVs) and Active Pharmaceutical Ingredients (APIs). They also produce intermediates in the full range of dosage forms, including tablets, capsules, injectables, ointments, creams and liquids. The Company also manufactures specialty APIs, including controlled substances, steroids, peptides and anti-cancer products.

Sun Pharma's expert team of regulatory affairs specialists is well aware of the globally-relevant regulatory policies and

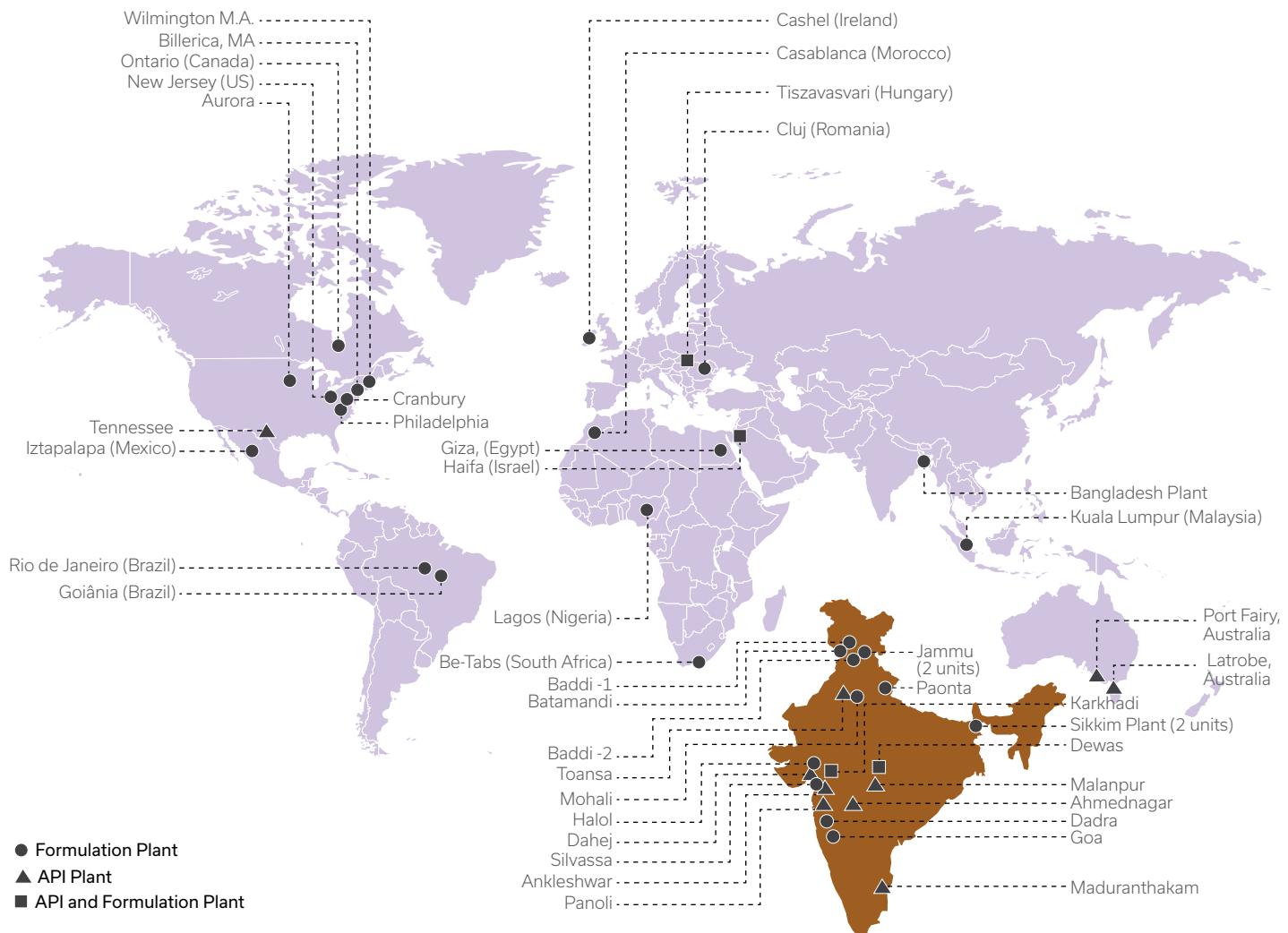
procedures. Besides, they are experienced in timely filing of dossiers, while simultaneously handling the regulatory queries of both authorities and customers.

The Company's facilities have been certified by several regulatory agencies like US FDA, EMA-Europe, MHRA-UK, MCC-South Africa, TGA-Australia, ANVISA-Brazil, WHO-Geneva, BfArM-Germany, KFDA-Korea and PMDA-Japan.

During the year, Sun Pharma received a warning letter from the US FDA for its Halol facility in Gujarat. It was a result of the September 2014 inspection. Sun Pharma responded to the inspection observations with a robust remediation process. The Company is focusing on significant investments in automation and training to enhance its quality systems. It has also been working with external consultants to ensure proper completion of remediation activities.

This year, Sun Pharma completed the acquisition of opiates business in Australia. This acquisition strengthened the Company's global position with two opiates manufacturing facilities in Port Fairy and Latrobe (both in Australia).

Global manufacturing footprint



Our strategic manufacturing locations

35 finished dosage manufacturing sites

- ▶ India: 15
- ▶ US: 6
- ▶ Brazil: 2
- ▶ One each at Canada, Ireland, South Africa, Malaysia, Mexico, Hungary, Israel, Bangladesh, Romania, Morocco, Egypt and Nigeria

Delivery formats

- ▶ Orals: Tablets / Capsules, Semisolids, Liquids and Suppository
- ▶ Injectables / Sterile: Vials, Ampoules, Pre-filled Syringes, Gels, Lyophilized Units, Dry powder, Eye drops, MDI and Aerosols
- ▶ Topicals: Creams and Ointments

14 API manufacturing sites

- ▶ India: 9
- ▶ Australia: 2
- ▶ One each at Israel, US and Hungary

Key API plants

- ▶ The Panoli and Ahmednagar (both in India) has US FDA and European approvals. These have dedicated units for peptides, anti-cancer, steroids and sex hormones among others
- ▶ The Australia, Hungary and the US (Tennessee) facilities undertake controlled substances manufacturing



Formulation Plant

INVESTING IN TALENT

As a leading global pharmaceutical company, Sun Pharma focuses on attracting and nurturing talent to prepare a robust pipeline of future leadership. As a transnational company, Sun has a diverse workforce, which brings a variety of skills and knowledge to take the Company on a higher growth trajectory. As on 31st March, 2016, the Company's multicultural team comprises over 30,000 people across 50 nationalities.

The Company takes significant steps to ensure that the career aspirations of its employees are met through professional growth. Therefore, it organises various training and skill-development activities to enrich employee knowledge and make them future ready.

The Company also offers unique management programs for its people to enhance their management skills, and subsequently, add more value to the system. The Company is committed to create a healthier future, along with its employees.

STRINGENT QUALITY ADHERENCE

Being a leading pharma player worldwide, Sun Pharma adheres to global regulatory guidelines, driven by best-in-class technology and processes. The Company's Quality

Management Team ensures that its every product complies with the accepted standards of globally-recognised regulatory agencies like US FDA, EMEA, MHRA and TGA, among others.

The Company's manufacturing plants have well defined procedures and systems in compliance with cGMP guidelines. Besides, the facilities are guided by a Corporate Quality Unit (CQU) that works along with the regulatory affairs department. CQU ensures that the latest updates in cGMP are being translated into guidelines, SOPs and protocols.

The Company also has an independent Corporate Compliance Department that separately audits every site to strengthen controls and procedures. Besides, the department consistently evaluates the existing systems and processes, and makes subsequent improvements in line with regulatory requirements.

Sun Pharma takes prompt actions in case of any deviation in maintaining quality control measures. During the year, the Company received a warning letter from the US FDA for its Halol facility in Gujarat. It quickly responded to the inspection observations with a robust remediation process.

INTERNAL CONTROL

Sun Pharma believes that internal control is a necessary prerequisite of the principle of Governance and that freedom should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

An independent and empowered Global Internal Audit Function at the corporate level carries out risk-focused audits across all businesses (both in India and overseas), which actively identifies areas, where business process controls are ineffective or may need enhancement. These reviews include financial, operational, compliance controls and risk mitigation plans. The Audit Committee of the Board periodically reviews key findings and provides strategic guidance. The Company's Operating Management closely monitors the internal control environment and ensures that the recommendations are effectively implemented.

DISCLAIMER

Statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from

those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, competitors' pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic conditions within India and the countries within which the Company conducts businesses and other factors such as litigation and labor unrest or other difficulties. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, on the basis of any subsequent development, new information or future events or otherwise except as required by applicable law. Unless the context otherwise requires, all references in this document to 'we', 'us' or 'our' refers to Sun Pharmaceutical Industries Limited and consolidated subsidiaries.

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BOARD'S REPORT

Your Directors take pleasure in presenting the Twenty-Fourth Annual Report and Audited Financial Statements for the year ended 31st March, 2016.

FINANCIAL RESULTS

Particulars	(₹ in million except dividend per share and book value)			
	Standalone		Consolidated	
	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Total Revenue	80,462.8	82,400.2	288,866.8	279,396.7
(Loss) / Profit after tax	(10,733.6)	(14,741.3)	47,159.1	45,393.8
Dividend on Equity Shares	2,406.8	7,219.5	2,406.8	7,219.5
Corporate Dividend tax	74.7	1,469.7	490.0	1,469.7
Transfer to various Reserves	-	-	1,230.8	1.9
Amount of dividend per equity share of ₹ 1/- each	1.0	3.0	1.0	3.0
Book value per equity share ₹ 1/- each*	89	95	130	107

* Including Share Suspense Account for 2014-15.

DIVIDEND

Your Directors are pleased to recommend an equity dividend of ₹ 1/- (Rupee One only) per equity share of face value of ₹ 1/- (Rupee One only) each (previous year ₹ 3/- (Rupees Three only) per equity share) for the year ended 31st March, 2016, subject to the approval of the shareholders at the ensuing Annual General Meeting.

CHANGES IN CAPITAL STRUCTURE

Pursuant to allotment of shares consequent upon merger of erstwhile Ranbaxy Laboratories Limited ("erstwhile Ranbaxy") into the Company, the paid-up share capital of the Company has increased from ₹ 2,07,11,63,910/- to ₹ 2,40,61,20,674/- and consequent to allotment of shares under the Employee Stock Option Schemes of the Company, paid up share capital of the Company increased from ₹ 2,40,61,20,674/- to ₹ 2,40,67,28,499/- during the year ended 31st March, 2016.

Post the financial year, the Company has also allotted 25,460 equity shares under Sun Employee Stock Option Scheme - 2015 on 2nd May, 2016 and paid up share capital of the Company increased from ₹ 2,40,67,28,499/- to ₹ 2,40,67,53,959/-.

REDEMPTION OF NON-CONVERTIBLE DEBENTURES

The Company has made payment of redemption amount and interest pertaining to 5,000 Secured Rated Redeemable Non-Convertible Debentures (NCDs) of the face value of ₹ 10,00,000/- each aggregating to ₹ 500 Crores (listed on National Stock Exchange of India Ltd), on 23rd November, 2015 to the NCD holders of the Company whose names were registered on the Register of beneficial owners maintained by depositories in respect of the NCDs held in electronic form as on Tuesday, 10th November, 2015.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in prescribed form MGT-9 is enclosed as "Annexure A" to this Report.

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

The statement containing the salient features of the financial statements of the Company's subsidiaries/ joint ventures/ associate companies of the Company is given in Form AOC - 1, which forms a part of this Annual Report. Details pertaining to companies that became subsidiaries/

joint ventures /associates and those that ceased to be the subsidiaries/ joint ventures /associates of the Company during the year are provided in Note 30 of the notes to the Consolidated Financial Statements.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Dilip Shanghvi, Managing Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. Keki Mistry, Mr. S. Mohanchand Dadha, Mr. Ashwin Dani, Mr. Hasmukh Shah and Ms. Rekha Sethi, Independent Directors of the Company were appointed for term of 2 (Two) years and their appointment was approved by the shareholders at the 22nd Annual General Meeting of the Company. Their tenure expires at the conclusion of the ensuing 24th Annual General Meeting of the Company. The Nomination and Remuneration Committee at their meeting held on 30th May, 2016 has recommended a second term for all the Independent Directors. The Board of Directors have also recommended appointment for a second term of 2 (Two) years for Mr. Keki Mistry, Mr. S. Mohanchand Dadha, Mr. Ashwin Dani and Mr. Hasmukh Shah upto the conclusion of 26th Annual General Meeting of the Company, and a second term of 5 (Five) years for Ms. Rekha Sethi upto the conclusion of 29th Annual General Meeting, subject to the approval of members at the ensuing Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015").

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

For the purpose of selection of any Director, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Act, Listing Regulations, 2015 or other applicable laws. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, appointment and remuneration of Directors & Senior Management. The summary of Remuneration Policy of the Company is disclosed in the Corporate Governance Report, which forms a part of this Report.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of the Clause 49 of the erstwhile Listing Agreement and as per Regulation 25(7) of the Listing Regulations, 2015 the Company has put in place a Familiarization Programme for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarization Programme is available on the website of the Company www.sunpharma.com and may be accessed through the web link: <http://www.sunpharma.com/policies>.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met 5 (Five) times during the previous financial year on 29th May, 2015, 11th August, 2015, 31st October, 2015, 7th November, 2015 and 12th February, 2016. The particulars of attendance of the Directors at the said meetings are detailed in the Corporate Governance Report of the Company, which forms a part of this Report. The intervening gap between the Meetings was within the period prescribed under the Act, erstwhile Listing Agreement and Listing Regulations, 2015.

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors have laid down the manner for carrying out an annual evaluation of its own performance, its various Committees and individual directors pursuant to the provisions of the Act and relevant Rules and the Corporate Governance requirements as prescribed under Clause 49 of the erstwhile Listing Agreement which are in compliance with Regulation 17 of Listing Regulations, 2015. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as Board Composition, process, dynamics, quality of deliberations, strategic discussions, effective reviews, committee participation, governance reviews etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as Committee composition, process, dynamics, deliberation, strategic discussions, effective reviews etc. The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as Transparency, Analytical Capabilities, Performance, Leadership, Ethics and ability to take balanced decisions regarding stakeholders etc.

In a separate meeting of Independent Directors, performance of Non Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated,

taking into account the views of the Executive Directors and Non-executive Directors. The same was discussed in the Board Meeting that followed the meeting of Independent Directors at which the performance of the Board, its Committee and individual Directors was also discussed.

HUMAN RESOURCES

Your Company considers its employees as most valuable resource and ensures strategic alignment of Human Resource practices to business priorities and objectives. Globally the Company (including subsidiary and associate companies) has a dedicated human capital of over 30,000 employees at various locations across our Corporate Office, R & D Centers & more than 45 Manufacturing locations, dedicated Sales Professionals across various geographies. Our constant endeavor is to invest in people and people processes to improve human capital for the organisation and service delivery to our customers. Attracting, developing and retaining the right talent will continue to be a key strategic imperative and the organisation continues its undivided attention towards that. Your Company strives to provide a conducive and competitive work environment to help the employees excel and create new benchmarks of productivity, efficiency and customer delight. Your Directors would also like to take this opportunity to express their appreciation for the hard work and commitment of the employees of the Company and look forward to their continued contribution. Information as per Section 197 (12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in "Annexure - B" to this report. Further, the information pertaining to 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, pertaining to the names and other particulars of employees is available for inspection at the Registered office of the Company and pursuant to the proviso to Section 136 (1) of the Act, the report and the accounts are being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary/Compliance Officer at Corporate office or Registered office address of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavor of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has

adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. During the year ended 31st March, 2016, no complaints pertaining to sexual harassment was received by the Company.

AUDITORS

Statutory Auditors

The Company's Auditors, Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm's Regn No. 117366W/W-100018), were appointed as the Statutory Auditors of the Company for a period of three years at the 22nd Annual General Meeting of the Company, upto the conclusion of the 25th Annual General Meeting of the Company, subject to ratification by members at every Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Regulation 33 of the Listing Regulations, 2015 the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors' Report for the financial year ended 31st March, 2016 has been issued with an unmodified opinion.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs C. J. Goswami & Associates, Practicing Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure C".

Secretarial Audit Report

There have been observations in the Secretarial Audit Report as follows:

- a) There has been a delay of 3 working days in filing of disclosure under Regulation 30 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for disclosing the aggregate shareholding and voting rights in Zenotech Laboratories Limited (Target Company) as of 31st March, 2015.
- b) During the financial year 2015-16, the Company has published financial results in the English language newspaper but not published in the regional language

newspaper, where the registered office of the Company is situated as per the requirement of Clause 41 of the Listing Agreement / Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board's response to the observations is as follows:

- a) There was an inadvertent delay.
- b) The results were earlier published in daily newspaper which had an English and Gujarati Edition. However, on account of change in newspaper for publication from one daily to another daily (which does not have a Gujarati Edition), the publication of results in the regional language newspaper was missed due to inadvertence.

Cost Auditors

The Company has appointed Messrs. Kailash Sankhlecha & Associates, Cost Accountants, Vadodara as Cost Auditors of our Company for conducting Cost Audit in respect of Bulk Drugs & Formulations of your Company for the year 2016-17.

LOANS, GUARANTEES & INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

RELATED PARTY TRANSACTIONS

The policy on Related Party Transactions as approved by the Board is available on the website of the Company and can be accessed through the web link <http://www.sunpharma.com/policies>. All contracts/arrangements entered by the Company during the previous financial year with the related parties were in the ordinary course of business and on arm's length basis.

The Company has entered into material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, during the year with Sun Pharma Laboratories Limited, a wholly owned subsidiary. The transactions entered into between a holding company and its wholly owned subsidiary of the Company do not require approval of the shareholders. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act, in Form AOC 2 is not applicable.

AUDIT COMMITTEE COMPOSITION

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms a part of this Report.

RISK MANAGEMENT

The Company has developed & implemented an integrated Enterprise Risk Management Framework through which it identifies monitors, mitigates & reports key risks that impacts its ability to meet the strategic objectives. The Board of Directors have constituted a Risk Management Committee which is entrusted with the responsibility of overseeing various strategic, operational and financial risks that the organization faces, along with the adequacy of mitigation plans to address such risks. There is an overarching Risk Management Policy in place that was reviewed and approved by the Board. The details of Risk Management Committee are mentioned in the Corporate Governance Report, which forms a part of this Report.

INTERNAL FINANCIAL CONTROLS

The Company has in place well defined and adequate internal financial control framework. During the year, such controls were tested and no material weaknesses in their design or operation were observed.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee & the meetings held are detailed in the Corporate Governance Report, forming part of this Report. The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee is available on the website of the Company and can be accessed through the web link: <http://www.sunpharma.com/policies>. The average net profits of the Company for last three financial years is negative, therefore the Company was not required to spend on CSR activities during the previous year. However, the Company has voluntarily spent on CSR activities and the Annual Report on CSR activities containing details of voluntary expenditure incurred by the Company including that of erstwhile Ranbaxy and brief details on the CSR activities are given in "Annexure D".

PUBLIC DEPOSITS

The Company has not accepted any deposit from the Public during the year under review, under the provisions of the Act, and the rules framed thereunder.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis on the operations of the Company as prescribed under Part B of Schedule V read with regulation 34 (3) of the Listing Regulations, 2015 is provided in a separate section and forms a part of this Report.

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance and Certificate of the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, 2015 with the Stock Exchanges, are enclosed as a separate section and forms a part of this Report.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure E".

EMPLOYEES' STOCK OPTION SCHEMES

The Company has two Employees' Stock Option Schemes, one through Trust Route and the other by Direct Route, both inherited from erstwhile Ranbaxy. The scheme through Direct Route has been named as Sun Pharma Employee Stock Option Scheme - 2015, and the one through Trust Route as Sun Pharma Employee Stock Option Plan - 2015. Both the schemes were adopted by the Company with certain amendments consequent upon merger of erstwhile Ranbaxy into the Company.

Disclosures with respect to the Employees' Stock Option Schemes are enclosed in "Annexure F".

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has a 'Whistle Blower Policy' for Sun Pharmaceutical Industries Limited (SPIL) and its Indian subsidiaries and a 'Global Whistle Blower Policy' for its Global subsidiaries, in addition to the existing Global Code of Conduct that governs the actions of its employees. In the Corporate Governance Report forming part of this report further details are provided on the vigil mechanism of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) read with Section 134(3)(c) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSOLIDATED ACCOUNTS

In accordance with the requirements of the Act and Listing Regulations 2015, the Consolidated Accounts of the Company and its subsidiaries, form a part of this Annual Report.

CREDIT RATING

ICRA Ltd. has reaffirmed the highest credit rating of 'ICRA A1+/'ICRA AAA (Stable)' for the commercial paper programs and bank facilities of the Company. Further, CRISIL Ltd. has also reaffirmed the highest credit rating of 'CRISIL A1+/'CRISIL AAA (Stable)' for the bank facilities of the Company.

During the year, at the request of the Company, Credit Analysis & Research Ltd., (CARE) has withdrawn the ratings assigned to the Non-Convertible Debenture (NCD) issue and bank facilities of the Company. The Company had voluntarily requested for such withdrawal since it has fully repaid the amounts under the said NCD issue and the bank facilities continue to be rated 'A1+'/'AAA (Stable)' by ICRA Ltd. and CRISIL Ltd.

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Report of the Company for the year ended 31st March, 2016, in line with Green initiative, is made available on the website of the Company (<http://www.sunpharma.com/pdflist/all-documents>) and forms part of the Annual Report, and is kept at the Registered office / Corporate office of the Company for inspection. A copy of the aforesaid report shall be made available to such of those shareholders who are desirous and interested, upon receipt of a written request from them.

ACKNOWLEDGEMENTS

Your Directors wish to thank all stakeholders, employees and business partners, Company's bankers, medical profession and business associates for their continued support and valuable co-operation.

The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

For and on behalf of the Board of Directors

ISRAEL MAKOV
Chairman

30th May, 2016
Mumbai

ANNEXURE TO BOARDS' REPORT

Annexure - A

FORM MGT-9 **EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31.03.2016

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)
of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

i) CIN:	L24230GJ1993PLC019050
ii) Registration date:	1st March, 1993
iii) Name of the Company:	Sun Pharmaceutical Industries Limited
iv) Category/ Sub-category of the Company:	Company Limited By Shares
v) Address of the Registered Office and Contact details:	SPARC, Tandalja, Vadodara 390020, Gujarat
Contact no of registered office:	0265-6615500
vi) Whether listed company:	Yes
vii) Name, Address, and Contact details of Registrar and Transfer Agent:	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai- 400078, Tel no. 022-2596 3838

II PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. no	Name and Description of main products/services	NIC code of the Product/ Service	% to total turnover of the Company
1	Pharmaceuticals	210	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON 31st MARCH, 2016

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
1	SPIL De Mexico S.A. DE C.V.	Mexico	N.A	Subsidiary	100.00	2(87)(ii)
2	Sun Pharmaceutical (Bangladesh) Ltd.	Bangladesh	N.A	Subsidiary	72.50	2(87)(ii)
3	Sun Pharma Holdings	Mauritius	N.A	Subsidiary	100.00	2(87)(ii)
4	Sun Pharma De Mexico S.A. DE C.V.	Mexico	N.A	Subsidiary	75.00	2(87)(ii)
5	Sun Pharmaceutical Peru S.A.C.	Peru	N.A	Subsidiary	99.33	2(87)(ii)
6	OOO "Sun Pharmaceutical Industries" Ltd.	Russia	N.A	Subsidiary	100.00	2(87)(ii)
7	Green Eco Development Centre Limited	India	U90009GJ2010PLC062892	Subsidiary	100.00	2(87)(ii)
8	Sun Pharma De Venezuela, CA	Venezuela	N.A	Subsidiary	100.00	2(87)(ii)
9	Sun Pharma Laboratories Ltd.	India	U25200MH1997PLC240268	Subsidiary	100.00	2(87)(ii)
10	Neetnav Real Estate Private Limited	India	U45200MH2010PTC201611	Subsidiary	100.00	2(87)(ii)
11	Skisen Labs Private Limited	India	U73100MH2005PTC150606	Subsidiary	100.00	2(87)(ii)

Annexure - A

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
12	Softdeal Trading Company Private Ltd	India	U51900MH2006PTC159237	Subsidiary	100.00	2(87)(ii)
13	Faststone Mercantile Company Private Limited	India	U51900MH2006PTC159266	Subsidiary	100.00	2(87)(ii)
14	Realstone Multitrade Private Limited	India	U51900MH2006PTC15889	Subsidiary	100.00	2(87)(ii)
15	Ranbaxy Drugs Ltd.	India	U24232PB1984PLC005725	Subsidiary	100.00	2(87)(ii)
16	Vidyut Investments Ltd.	India	U67120PB1988PLC008444	Subsidiary	100.00	2(87)(ii)
17	Gufic Pharma Ltd.	India	U24231GJ1983PLC006323	Subsidiary	100.00	2(87)(ii)
18	Ranbaxy (Malasiya) Sdn. bhd.	Malasiya	N.A	Subsidiary	71.22	2(87)(ii)
19	Ranbaxy (Netherlands) BV.	Netherlands	N.A	Subsidiary	100.00	2(87)(ii)
20	Ranbaxy Nigeria Ltd.	Nigeria	N.A	Subsidiary	85.31	2(87)(ii)
21	Ranbaxy Pharmacie Generiques	France	N.A	Subsidiary	100.00	2(87)(ii)
22	Sun Pharmaceutical Industries, Inc	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
23	Sun Farmaceutica do Brasil Ltda.	Brazil	N.A	Subsidiary	100.00	2(87)(ii)
24	Universal Enterprises Private Limited	India	N.A	Subsidiary	100.00	2(87)(ii)
25	Office Pharmaceutique Industriel Et Hospitalier	France	N.A	Subsidiary	100.00	2(87)(ii)
26	Sun Pharma Global FZE	United Arab Emirates	N.A	Subsidiary	100.00	2(87)(ii)
27	Sun Pharmaceuticals (SA) (Pty) Ltd	South Africa	N.A	Subsidiary	100.00	2(87)(ii)
28	Sun Laboratories FZE	United Arab Emirates	N.A	Subsidiary	100.00	2(87)(ii)
29	Alkaloida Chemical Company zrt.	Hungary	N.A	Subsidiary	99.99	2(87)(ii)
30	Sun Pharmaceutical Industries (Australia) Pty Ltd.	Australia	N.A	Subsidiary	100.00	2(87)(ii)
31	Sun Global Development FZE	United Arab Emirates	N.A	Subsidiary	100.00	2(87)(ii)
32	Sun Pharmaceuticals Korea Ltd	Korea	N.A	Subsidiary	100.00	2(87)(ii)
33	Sun Global Canada Pty Ltd	Canada	N.A	Subsidiary	100.00	2(87)(ii)
34	Sun Pharma Philippines Inc.	Philippines	N.A	Subsidiary	100.00	2(87)(ii)
35	Sun Pharma Healthcare FZE	United Arab Emirates	N.A	Subsidiary	100.00	2(87)(ii)
36	Sun Pharma Japan Ltd	Japan	N.A	Subsidiary	100.00	2(87)(ii)
37	Sun Pharma East Africa Ltd.	Kenya	N.A	Subsidiary	100.00	2(87)(ii)
38	Caraco Pharmaceuticals Pvt. Ltd.	India	U24100MH2012FTC225970	Subsidiary	100.00	2(87)(ii)
39	Pharmalucence Inc.	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
40	The Taro Development Corporation	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
41	Dusa Pharmaceuticals Inc.	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
42	Chattem Chemicals Inc	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
43	Mutual Pharmaceutical Company, Inc.	United States of America	N.A	Subsidiary	100.00	2(87)(ii)

Annexure - A

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
44	Perryton Wind Power LLC	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
45	PI Real Estate Ventures, LLC	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
46	Morley and Company, Inc.	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
47	Dusa Pharmaceuticals New York Inc.	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
48	Sirius Laboratories Inc.	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
49	URL PharmPro, LLC	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
50	Dungan Mutual Associates, LLC	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
51	Taro Pharmaceutical Industries Ltd	Israel	N.A	Subsidiary	68.98	2(87)(ii)
52	Sun Pharmaceuticals UK Limited	United Kingdom	N.A	Subsidiary	100.00	2(87)(ii)
53	Sun Pharmaceuticals France	France	N.A	Subsidiary	100.00	2(87)(ii)
54	Sun Pharmaceuticals Spain, SLU	Spain	N.A	Subsidiary	100.00	2(87)(ii)
55	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	N.A	Subsidiary	100.00	2(87)(ii)
56	Sun Pharmaceuticals Germany GmbH	Germany	N.A	Subsidiary	100.00	2(87)(ii)
57	Sun Pharmaceuticals Italia S.R.L.	Italy	N.A	Subsidiary	100.00	2(87)(ii)
58	Aditya Acquisition Company Limited	Israel	N.A	Subsidiary	100.00	2(87)(ii)
59	Alkaloida Sweden AB	Sweden	N.A	Subsidiary	100.00	2(87)(ii)
60	Sun Pharma Switzerland Ltd.	Switzerland	N.A	Subsidiary	100.00	2(87)(ii)
61	Taro Pharmaceuticals North America Inc.	Cayman Islands, British West Indies	N.A	Subsidiary	68.98	2(87)(ii)
62	Taro Pharmaceuticals USA Inc	United States of America	N.A	Subsidiary	68.98	2(87)(ii)
63	Taro Hungary Intellectual Property Licensing LLC	Hungary	N.A	Subsidiary	68.98	2(87)(ii)
64	Taro International Ltd.	Israel	N.A	Subsidiary	68.98	2(87)(ii)
65	Taro Pharmaceuticals Europe B.V	Netherlands	N.A	Subsidiary	68.98	2(87)(ii)
66	Taro Pharmaceuticals Inc.	Canada	N.A	Subsidiary	68.98	2(87)(ii)
67	3 Sky Line LLC	United States of America	N.A	Subsidiary	68.98	2(87)(ii)
68	One Commerce Drive LLC	United States of America	N.A	Subsidiary	68.98	2(87)(ii)
69	Taro Pharmaceutical Laboratories Inc.	United States of America	N.A	Subsidiary	68.98	2(87)(ii)
70	Taro Pharmaceuticals (UK) Ltd	United Kingdom	N.A	Subsidiary	68.98	2(87)(ii)
71	Taro Pharmaceutical India Pvt Ltd	India	U51397MH2004PTC144179	Subsidiary	68.98	2(87)(ii)
72	Taro Pharmaceuticals Ireland Ltd	Ireland	N.A	Subsidiary	68.98	2(87)(ii)
73	Taro Pharmaceuticals Canada, Ltd.	Canada	N.A	Subsidiary	68.98	2(87)(ii)
74	S C Terapia SA	Romania	N.A	Subsidiary	96.70	2(87)(ii)
75	Laboratorios Ranbaxy S.L.U.	Spain	N.A	Subsidiary	100.00	2(87)(ii)
76	AO Ranbaxy (Formerly Known as ZAO Ranbaxy)	Russia	N.A	Subsidiary	100.00	2(87)(ii)

Annexure - A

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
77	"Ranbaxy Pharmaceuticals Ukraine" LLC	Ukrain	N.A	Subsidiary	100.00	2(87)(ii)
78	Ranbaxy Pharmaceuticals (Pty) Ltd.	South Africa	N.A	Subsidiary	100.00	2(87)(ii)
79	Ranbaxy South Africa Proprietary Ltd	South Africa	N.A	Subsidiary	100.00	2(87)(ii)
80	Ranbaxy Holdings (UK) Ltd.	United Kingdom	N.A	Subsidiary	100.00	2(87)(ii)
81	Ranbaxy Farmaceutica Ltda.	Brazil	N.A	Subsidiary	100.00	2(87)(ii)
82	Ranbaxy (Thailand) Company Limited	Thailand	N.A	Subsidiary	100.00	2(87)(ii)
83	Ranbaxy (Poland) Sp. zoo	Poland	N.A	Subsidiary	100.00	2(87)(ii)
84	Ranbaxy PRP (Peru) S.A.C.	Peru	N.A	Subsidiary	100.00	2(87)(ii)
85	Ranbaxy Egypt LLC	Egypt	N.A	Subsidiary	100.00	2(87)(ii)
86	Ranbaxy Italia S.P.A.	Italy	N.A	Subsidiary	100.00	2(87)(ii)
87	Ranbaxy (UK) Limited	United Kingdom	N.A	Subsidiary	100.00	2(87)(ii)
88	Ranbaxy Australia Proprietary Limited	Australia	N.A	Subsidiary	100.00	2(87)(ii)
89	Ranbaxy Ireland Limited	Ireland	N.A	Subsidiary	100.00	2(87)(ii)
90	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	Morocco	N.A	Subsidiary	100.00	2(87)(ii)
91	Ranbaxy Pharmaceuticals Canada Inc	Canada	N.A	Subsidiary	100.00	2(87)(ii)
92	Basics GmbH	Germany	N.A	Subsidiary	100.00	2(87)(ii)
93	Ranbaxy GmbH	Germany	N.A	Subsidiary	100.00	2(87)(ii)
94	Be-Tabs Invesments Proprietary Ltd	South Africa	N.A	Subsidiary	100.00	2(87)(ii)
95	Sonke Pharmaceuticals Proprietary Ltd.	South Africa	N.A	Subsidiary	70.00	2(87)(ii)
96	Ranbaxy Inc.	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
97	Ranbaxy Europe Ltd	United Kingdom	N.A	Subsidiary	100.00	2(87)(ii)
98	Ranbaxy Laboratories Inc	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
99	Ranbaxy Pharmaceuticals Inc.	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
100	Ohm Laboratories Inc	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
101	Ranbaxy Signature LLC	United States of America	N.A	Subsidiary	67.50	2(87)(ii)
102	InSite Vision INC	United States of America	N.A	Subsidiary	100.00	2(87)(ii)
103	InSite Vision Ltd.	United Kingdom	N.A	Subsidiary	100.00	2(87)(ii)
104	Rexcel Egypt LLC	Egypt	N.A	Subsidiary	100.00	2(87)(ii)
105	Zenotech Laboratories Limited	India	L27100AP1989PLC010122	Associate	46.84	2(6)
106	Daiichi Sankyo (Thailand) Limited, Thailand	Thailand	N.A	Associate	26.90	2(6)
107	Medinstill LLC	United States of America	N.A	Associate	19.99	2(6)

* directly or indirectly

Annexure - A

IV SHARE HOLDING PATTERN (EQUITY SHARE BREAKUP AS PERCENTAGE OF TOTAL EQUITY AS ON 31st MARCH, 2016)

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A Promoter*										
1) Indian										
a) Individual/HUF	302192200	0	302192200	14.59	308718612	0	308718612	12.83	-1.76	
b) Central Government/ State Government	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corporate	1013012000	12000	1013024000	48.91	1013012000	12000	1013024000	42.09	-6.82	
d) Financial Institutions/ Bank	0	0	0	0.00	0	0	0	0.00	0.00	
e) Any other (Trusts)	1280200	0	1280200	0.06	1280200	0	1280200	0.05	-0.01	
Sub total (A) (1)	1316484400	12000	1316496400	63.56	1323010812	12000	1323022812	54.97	-8.59	
2) Foreign										
a) Individuals (NRIs)	0	0	0	0.00	0	0	0	0.00	0.00	
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	
d) Financial Institutions/ Bank	0	0	0	0.00	0	0	0	0.00	0.00	
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00	
Sub total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00	
Total shareholding of Promoter* (A)=(A) (1)+(A)(2)	1316484400	12000	1316496400	63.56	1323010812	12000	1323022812	54.97	-8.59	
B Public Shareholding										
1) Institutions										
a) Mutual Funds	19961069	2495320	22456389	1.08	72206731	2500782	74707513	3.10	2.02	
b) Financial Institutions/ Bank	32983936	2840	32986776	1.59	92231531	4218	92235749	3.83	2.24	
c) Central Government/ State Government	1382146	0	1382146	0.07	0	0	0	0.00	-0.07	
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
e) Insurance Companies	37575160	0	37575160	1.81	47453661	0	47453661	1.97	0.16	
f) FIIs	413514367	12000	413526367	19.97	363065665	17943	363083608	15.09	-4.88	
g) Foreign Venture Capital	0	0	0	0.00	0	0	0	0.00	0.00	
h) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00	
i) Any other (specify)	Foreign Bank	0	0	0.00	1504	23918	25422	0.00	0.00	
UTI	0	0	0	0.00	1232755	1880	1234635	0.05	0.05	
Sub total (B) (1)	505416678	2510160	507926838	24.52	576191847	2548741	578740588	24.05	-0.48	

Annexure - A

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Non- Institutions									
a) Bodies Corporate	55673274	189150	55862424	2.70	63853210	206057	64059267	2.66	-0.04
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	67563422	9503244	77066666	3.72	112958510	11797649	124756159	5.18	1.46
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	30243098	125000	30368098	1.47	19064370	125000	19189370	0.80	-0.67
c) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
d) Others (specify)									
i) Non Resident Indians(Repatriate)	1402051	131430	1533481	0.07	3151491	380453	3531944	0.15	0.07
ii) Non Resident Indians(Non-Repatriate)	1023184	0	1023184	0.05	2005185	0	2005185	0.08	0.03
Foreign Companies	0	0	0	0.00	813962	0	813962	0.03	0.03
iii) Clearing Member	207850	0	207850	0.01	1653586	0	1653586	0.07	0.06
iv) Directors/ Relatives	3792370	0	3792370	0.18	3794306	0	3794306	0.16	-0.03
v) Trusts	1998490	0	1998490	0.10	8902546	0	8902546	0.37	0.27
vi) Foreign Portfolio Investor (Corporate)	74841129	0	74841129	3.61	272477175	0	272477175	11.32	7.71
vii) Overseas Corporate Bodies	46000	0	46000	0.00	59440	0	59440	0.00	0.00
viii) Foreign Nationals	980	0	980	0.00	31042	0	31042	0.00	0.00
x) Hindu Undivided Family	0	0	0	0.00	3567736	0	3567736	0.15	0.15
Sub total (B) (2)	236791848	9948824	246740672	11.91	492332559	12509159	504841718	20.98	9.06
Total Public shareholding Public Group (B)=(B)(1)+(B)(2)	742208526	12458984	754667510	36.44	1068524406	15057900	1083582306	45.02	8.59
C Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Employee Benefit Trust under SEBI(Share based employee benefit) Regulations,2014	0	0	0	0.00	123381	0	123381	0.01	0.01
GRAND TOTAL (A)+(B)+(C)	2058692926	12470984	2071163910	100.00	2391658599	15069900	2406728499	100.00	0.00

* includes Promoter Group

Annexure - A

ii) Shareholding of Promoters as on 31st March, 2016

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Dilip S. Shanghvi	231140480	11.16	0	231140480	9.60	0	-1.56

Note: There is no change in number of shares held but there is change in percentage of holding due to allotment of shares by Company pursuant to merger of erstwhile Ranbaxy Laboratories Limited into the Company and allotment under ESOP schemes, during the year.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1	Dilip S. Shanghvi	At the beginning of the year	231140480	11.16	N.A N.A
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):		There is no change in number of shares held but there is change in percentage of holding due to allotment of shares by Company pursuant to merger of erstwhile Ranbaxy Laboratories Limited into the Company and allotment under ESOP schemes, during the year	
		At the end of the year		N.A N.A	231140480 9.60

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2016:

Sr. no	For Each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1	Viditi Investment Private Limited	At the beginning of the year 201385320	9.72*	N.A	N.A
		At the end of the year NA	NA	201385320	8.37*
2	Tejaskiran Pharmachem Industries Pvt Ltd	At the beginning of the year 195343760	9.43*	N.A	N.A
		At the end of the year NA	NA	195343760	8.12*
3	Family Investment Private Limited	At the beginning of the year 182927440	8.83*	N.A	N.A
		At the end of the year NA	NA	182927440	7.60*
4	Quality Investment Private Limited	At the beginning of the year 182868640	8.83*	N.A	N.A
		At the end of the year N.A	N.A	182868640	7.60*
5	Virtuous Finance Pvt. Limited	At the beginning of the year 97104040	4.69*	N.A	N.A
		At the end of the year N.A	N.A	97104040	4.03*
6	Virtuous Share Investments Pvt. Ltd.	At the beginning of the year 83976000	4.05*	N.A	N.A
		At the end of the year NA	NA	83976000	3.49*
7	Aditya Medisales Limited	At the beginning of the year 40203960	1.94*	N.A	N.A
		At the end of the year NA	NA	40203960	1.67*
8	Raksha Valia	At the beginning of the year 33922000	1.64*	N.A	N.A
		At the end of the year N.A	N.A	33922000	1.41*

Annexure - A

Sr. no	For Each of the top 10 shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
9	Life Insurance Corporation of India	At the beginning of the year	23934745	1.16	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Various dates during the year**	44943939	1.87		
		At the end of the year		N.A	68878684	2.86
10	Government of Singapore	At the beginning of the year	17195173	0.83	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Various dates during the year**	22583999	0.94		
		At the end of the year		N.A	39779172	1.65

*There is no change in number of shares held but there is change in percentage of holding due to allotment of shares by Company pursuant to merger of erstwhile Ranbaxy Laboratories Limited into the Company and allotment under ESOP schemes, during the year.

** The trading has taken place on various dates therefore the change has been shown on consolidated basis.

v) Shareholding of Directors and Key Managerial Personnel: (held singly or jointly as first holder)

Sr. no	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1	Israel Makov	At the beginning of the year	0	0.00	N.A	N.A
		At the end of the year	NA	NA	0	0.00
2	Dilip S. Shanghvi	At the beginning of the year	231140480	11.16*	N.A	N.A
		At the end of the year	NA	NA	231140480	9.60*
3	Sudhir V. Valia	At the beginning of the year	14384000	0.69*	N.A	N.A
		At the end of the year	NA	NA	14384000	0.60*
4	Sailesh T. Desai	At the beginning of the year	3751020	0.18*	N.A	N.A
		At the end of the year	NA	NA	3751020	0.16*
5	S. Mohanchand Dadha	At the beginning of the year	0	0.00	NA	NA
	Allotment on Corporate Action for merger on 10th April, 2015		16	0.00	16	0.00
		At the end of the year	NA	NA	16	0.00
6	Hasmukh S. Shah	At the beginning of the year	0	0.00	N.A	N.A
		At the end of the year	NA	NA	0	0.00
7	Keki M. Mistry	At the beginning of the year	41350	0.00	N.A	N.A
	Allotment on Corporate Action for merger on 10th April, 2015		1920	0.00	43270	0.00
		At the end of the year	NA	NA	43270	0.00
8	Ashwin S. Dani	At the beginning of the year	0	0.00	N.A	N.A
		At the end of the year	NA	NA	0	0.00
9	Rekha Sethi	At the beginning of the year	0	0.00	N.A	N.A
		At the end of the year	NA	NA	0	0.00

Annexure - A

Sr. no	Name of Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
10	Uday Baldota	At the beginning of the year	22700	0.00	N.A.
		At the end of the year	NA	NA	22700
11	Sunil R. Ajmera	At the beginning of the year	0	0.00	N.A.
		At the end of the year	NA	NA	0

*There is no change in number of shares held but there is change in percentage of holding due to allotment of shares by Company pursuant to merger of erstwhile Ranbaxy Laboratories Limited into the Company and allotment under ESOP schemes, during the year.

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits ⁽²⁾	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,816.3	60,290.5	140.3	68,247.1
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due ⁽¹⁾	170.7	54.5	-	225.1
Total (i+ii+iii)	7,987.0	60,345.0	140.3	68,472.2
Change in Indebtedness during the financial year				
Addition: Principal Amount ⁽³⁾	857.6	81,241.7	-	82,099.3
Reduction: Principal Amount ⁽³⁾	(6,036.1)	(85,817.3)	(8.0)	(91,861.4)
Change: Interest accrued but not due ⁽¹⁾	165.7	(37.3)	-	128.4
Net Change	(5,012.8)	(4,612.9)	(8.0)	(9,633.7)
Indebtedness at the end of the financial year				
i) Principal Amount	2,637.8	55,714.9	132.3	58,485.0
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due ⁽¹⁾	5.0	91.8	-	96.8
Total (i+ii+iii)	2,642.7	55,806.7	132.3	58,581.8

(1) Interest accrued but not due on borrowings.

(2) Deposits are Trade/ Security Deposits Received. The change during the year has been shown on net basis.

(3) Change in the Working Capital facility viz. CC, OD, WDCL & PCFC facilities, forming part of Secured & Unsecured loans, have been shown on net basis.

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager for the year ended 31st March, 2016 (As per Form 16, on actual payment basis)

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. Dilip S. Shangvi	Mr. Sudhir V. Valia	Mr. Sailesh T Desai	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20991558	21380923	12983575	55356056
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	587113	284670	32400	904183
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission as a % of profit	0	0	0	0
5	Others, please specify	0	0	0	0
Total (A)⁽¹⁾		21578671⁽²⁾	21665593⁽³⁾	13015975⁽⁴⁾	56260239

(1) The total Remuneration includes bonus of 2014-15 (previous year) paid in 2015-16 (current year).

(2) Net of refund of ₹ 1.1 Million (Previous Year - Nil) in respect of excess remuneration paid for financial year 2013-14.

(3) Net of refund of ₹ 1.0 Million (Previous Year - Nil) in respect of excess remuneration paid for financial year 2013-14.

(4) This includes Leave Travel Allowance of previous years which was claimed in the current year.

Annexure - A

						(Amount in ₹)
Sr. No.	Particulars of Remuneration	Mr. Dilip S. Shanghvi	Mr. Sudhir V. Valia	Mr. Sailesh T Desai	Total	
Ceiling as per the Act	₹ 1.84 Crores as computed as per Part-A, Section II of Schedule V of the Companies Act, 2013.					
	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 Remuneration as approved by members. However, the approval granted by the Central Government was for ₹ 60,00,000 (Rupees Sixty Lacs only) per annum for a period of three years with effect from 1st April, 2014 to 31st March, 2017 for which the Company has made further representation, to the Central Government. During the year 2015-2016, the Company has paid remuneration upto the permissible limit under Schedule V to the Managing Director and Whole-time Director(s).					

B) Remuneration to other directors for the year ended 31st March, 2016:

(The remuneration to Non-Executive Directors consists only of sitting fees)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Keki Mistry	Ms. Rekha Sethi	Mr. Hasmukh Shah	Mr. S Mohanchand Dadha	Mr. Ashwin Dani	Mr. Israel Makov	
	Independent Directors							
1	Fee for attending board & committee meetings	1100000	1100000	1900000	1600000	800000	0	6500000
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	1100000	1100000	1900000	1600000	800000	0	6500000
2	Other Non-Executive Directors							
	Fee for attending board & committee meetings	0	0	0	0	0	900000	900000
	Commission	0	0	0	0	0	0	0
	Others, please specify							
	Total (2)	0	0	0	0	0	900000	900000
	Total (B)=(1+2)	1100000	1100000	1900000	1600000	800000	900000	7400000
	Overall Ceiling as per the Act	Not applicable since no commission was paid during the year and ₹ 1,00,000 per Director per Meeting for Sitting fees.						
	Total Managerial Remuneration (A+B)	63660239						

Annexure - A

C) Remuneration To Key Managerial Personnel Other Than MD/MANAGER/WTD

Sr. Particulars of Remuneration no.		Key Managerial Personnel			(₹ in Million)
		Mr. Sunil Ajmera (Company Secretary)	Mr. Uday Baldota (Chief Financial Officer)	Total	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.50	32.80	42.30	
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.04	0.15	0.19	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	
2	Stock Option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission as % of profit	0	0	0	
5	Others, please specify	0	0	0	
Total		9.54	32.95	42.49	

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding				- NIL -	
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure - B

INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

(i) Ratio of the remuneration* of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

Name of Director	Ratio of remuneration* of each Director to median remuneration of employees
Mr. Israel Makov	2.32
Mr. Dilip S. Shanghvi	55.60
Mr. Sudhir V. Valia	55.82
Mr. Sailesh T. Desai	33.54
Mr. S. Mohanchand Dadha	4.12
Mr. Hasmukh S. Shah	4.90
Mr. Keki M. Mistry	2.83
Mr. Ashwin S. Dani	2.06
Ms. Rekha Sethi	2.83

(ii) Percentage increase in remuneration* Non-Executive of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year 2015-16:

Name & Designation of Director & KMP	% increase /(decrease) in Remuneration* in the Financial Year 2015-2016
Mr. Israel Makov, Chairman	80.06%
Mr. Dilip S. Shanghvi, Managing Director	(27.55)%
Mr. Sudhir V. Valia, Whole-Time Director	(28.58)%
Mr. Sailesh T. Desai, Whole-Time Director	40.53%
Mr. S. Mohanchand Dadha, Non-Executive, Independent Director	88.24%
Mr. Hasmukh S. Shah, Non-Executive, Independent Director	111.11%
Mr. Keki M. Mistry, Non-Executive, Independent Director	100.00%
Mr. Ashwin S. Dani, Non-Executive, Independent Director	33.33%
Ms. Rekha Sethi, Non-Executive, Independent Director	100.00%
Mr. Sunil Ajmera, Company Secretary	16.72%
Mr. Uday Baldota, Chief Financial Officer	31.41%

* Remuneration includes sitting fees paid. Sitting fees increased from ₹50000 to ₹ 1,00,000 w.e.f. 1st April, 2015. No commission was paid to Non-Executive Directors for the year 2015-16.

(iii) the percentage increase in the median remuneration of employees in the financial year 2015-16 (Median -2016/Median 2015) – 7.21%

(iv) the number of permanent employees on the rolls of Company as on 31st March 2016: 14747

(v) the explanation on the relationship between average increase in remuneration and Company performance:

The Company's Compensation philosophy is related to pay to performers and to be market competitive. We continue to focus on attraction & retention through individual performance.

Annexure - B

(vi) Comparison of the remuneration of the Whole-time Directors and Key Managerial Personnel against the performance of the Company;

	(₹ In Millions)
Aggregate remuneration of Whole-time Directors and Key Managerial Personnel in FY 2015-16	98.75
Remuneration of Whole-time Directors and Key Managerial Personnel as % of Profit Before Tax	Not Applicable due to Loss
Total Revenue of the Company in FY 2015-16[standalone]	80462.8
Remuneration of Whole-time Directors and KMP (as % of revenue)	0.12

(vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year;

Particulars	As on 31st March, 2015	As on 31st March, 2016	% change
Market Capitalisation (₹ in Millions)	2120664.73	1973517.37	-6.94%
PE ratio(standalone)	Not applicable due to loss	Not applicable due to loss	NA
PE ratio(consolidated)	54.2	41.8	-22.7%

Percentage increase / (decrease) in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

Particulars	*Market Price as on 31st March, 2016 (₹)	*Price at IPO (in December, 1994 (₹)	% change
BSE	819.45	1.25	65556
NSE	820.00	1.25	65600

* The IPO price of ₹ 150 per equity share of ₹ 10 /each has been adjusted for split and bonus issues over the years. However, it has not been adjusted for dividend yield.

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in salary of employees other than managerial personnel: 12.42%

Average percentage increase in salary of managerial personnel: 9.90%

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;

	Mr. Dilip S. Shanghvi	Mr. Uday Baldota	Mr. Sunil Ajmera	Mr. Sudhir V. Valia	Mr. Sailesh T. Desai	(₹ in Millions)
Remuneration of Whole-time Directors and KeyManagerial Personnel (as % of Revenue)	0.03	0.04	0.01	0.03	0.02	
Remuneration of Whole-time Directors and Key Managerial Personnel (as % of Profit)			Not Applicable due to Loss			

(x) Key parameters for any variable component of remuneration availed by the directors;

No Variable component paid to Directors for the financial year 2015-16.

Annexure - B

(xi) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year;

The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director i.e. Mr. Sudhir V. Valia, Whole -Time Director during the financial year 2015-16 are as follows:

Gebauer Alexander (Dr.), President & Head-Global R&D, 0.59; Malhotra Ashwani Kumar, Executive Vice President- Global Pharma Manufacturing, 0.63; Bhandari Prabha (Dr.), Head Corporate Quality API Manufacturing, 0.73; Vijayaraghavan Bakthavathsalan (Dr.), Vice President-IP & Project Management, 0.86; Gessner Arno Alexander (Dr.),Head-Global Quality, 0.88; Yamdagni Vipul K., Regional Head Quality Asia 1 (Oral Dosage Manufacturing),0.92; Tiwari Sanjay, Director-Pharma Manufacturing (Dewas), 0.96; Santhakumar P. Rita, Director - Analytical Research,0.98; Mathur Rajeev S., Vice President and Global Head of Regulatory, 0.98; Khurana Jitender Pal Singh, Site Quality Head, 0.99; Sawhney Arun, President, 0.12; Jaju G. K., President and Global Head-Technical Operations, Supply Chain, Procurement & API Marketing, 0.34; Banerjee Indrajit, President,0.36; Sibal Rajeev, Vice President & Head-India Region, 0.40; Patawari S. K., Vice-President, 0.64; Cranmer Martin R.(Dr.), Regional Quality Head-India/Asia Region 1, 0.72; Singh Maninder, Global Financial Controller, 0.79; Kohli Surinder Kumar, Vice President-Global Material Sourcing, 0.83; Loomba Satnam Singh, Head- DF Contract Manufacturing & Loan Licensing, 0.98; Jain Anil Kumar CEO - API Business (SR VP), 0.99; Rajamannar Dr. Thennati, Executive Vice President - R&D, 0.42; Baldota Uday V., Chief Financial Officer, 0.63; Ganorkar Kirti W., Sr. Vice President - Business Development, 0.70; Bhowmick Subhas, Sr. Vice President – R&D (Formulation Development), 0.99.

(xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note : All the details of remuneration given above are as per Form 16 as per Income Tax Act, and the ratios are calculated on that basis.

Annexure - C

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Sun Pharmaceutical Industries Limited,
Vadodara, Gujarat.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practice by **Sun Pharmaceutical Industries Limited ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India ("SEBI") Act, 1992:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 effective up to 14th May, 2015;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 made effective from 15th May, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not applicable to the Company for the year under review;**
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable to the Company for the year under review;**
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **Not applicable to the Company for the year under review;**
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company;**
- h. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013 and made effective from 1st July, 2015;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited ("Stock Exchange(s)") effective up to 30th November, 2015;
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective from 1st December, 2015;

Annexure - C

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above except that:

- i. There has been a delay of 3 working days in filing of disclosure under Regulation 30 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for disclosing the aggregate shareholding and voting rights in Zenotech Laboratories Limited (Target Company) as of 31st March, 2015.
- ii. During the financial year 2015-16, the Company has published financial results in the English language newspaper but not published in the regional language newspaper, where the registered office of the Company is situated as per the requirement of Clause 41 of the Listing Agreement / Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that, we are unable to express our opinion with regard to the remuneration paid to Managing Director and Whole-time Directors of the Company for FY 2015-16 as the Company has made further representation to the Central Government on the letter received from Central Government for approval of maximum remuneration. The reply from Central Government in this regard is awaited.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in case meeting was conducted by issued of shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Respective Plant Heads/Occupiers of R&D Centres of the Company and taken on records by the Board of Directors at their meeting(s), we are of the opinion that the management has:

- a) Adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines;

- b) Identified and complied with following laws applicable to the Company:
- Drugs and Cosmetics Act, 1940 and rules made thereunder;
 - The Narcotic Drugs & Psychotropics Substances Act, 1985;
 - Factories Act, 1948.

We further report that during the year under review:

- The Company has allotted 5,000 9.20% Secured Rated Redeemable Non-Convertible Debentures (NCDs) of the face value of ₹ 1,00,000/- each aggregating ₹ 500 Crores on 10th April, 2015 to the NCD holders who were holding NCDs of erstwhile Ranbaxy Laboratories Limited, as on 7th April, 2015; pursuant to merger of erstwhile Ranbaxy Laboratories Limited into the Company. The NCDs were listed on Wholesale Debt Market segment of National Stock Exchange of India Limited. Further, the Company has paid the interest thereon and redeemed by the due date i.e. 23rd November, 2015.
- The Company has allotted 334,956,764 Equity Shares of ₹ 1/- each aggregating to ₹ 334,956,764/- on 10th April, 2015 to the shareholders of erstwhile Ranbaxy Laboratories Limited pursuant to merger of erstwhile Ranbaxy Laboratories Limited into the Company.
- The Company has allotted 447,825 Equity Shares of ₹ 1/- each to eligible employees who have exercised their options under Sun Employees Stock Options Scheme – 2015 and also allotted 160,000 Equity Shares of ₹ 1/- each to Sun Pharma ESOP Trust under Sun Employees Stock Option Plan – 2015.

For C. J. Goswami & Associates,
Practicing Company Secretaries

CHINTAN J. GOSWAMI

Proprietor

Mem No. - 33697

C. P. No. - 12721

Date: 30th May, 2016.

Place: Mumbai.

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

Annexure - C

ANNEXURE 1 TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Sun Pharmaceutical Industries Limited,
Vadodara, Gujarat.

Our report of even date is to be read along with this letter.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For C. J. Goswami & Associates,
Practicing Company Secretaries

CHINTAN J. GOSWAMI

Proprietor

Mem No. - 33697

C. P. No. - 12721

Date: 30th May, 2016.

Place: Mumbai.

Annexure - D**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16**

Details	Particulars
A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken:	The CSR policy of the Company encompasses its philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.
Reference to the web-link to the CSR policy and projects or programmes:	The Company has identified health, education & livelihood, environment protection, water management and disaster relief as the areas where assistance is provided on a need-based and case-to-case basis. Your Company persisted with participation in such activities at the local, grass-root level during the year. http://www.sunpharma.com/policies
Composition of the CSR Committee:	Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia and Ms. Rekha Sethi
Average net profit of the Company for last three financial years:	Consequent to the loss incurred by the Company in the immediately preceding financial year, the average net profits of the Company for the last three financial years was negative, therefore the Company was not required to spend on CSR activities during the previous year. However, the Company has voluntarily spent on CSR activities.
Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	Not Applicable
Details of CSR spend for the financial year:	
a) Total amount spent for the financial year:	₹ 116.54 Million
b) Amount unspent, if any:	Nil

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the State and District where projects or programs were undertaken	Amount Outlay (Budget) Project or Programwise	Amount spent on the projects or programs	Cumulative expenditure upto to the reporting period	(₹ in Million) Amount spent Directly or through implementing agency
1	Healthcare Project	Healthcare under Item No.(i)	Pan India	80.00	80.00	80.00	Through Implementing Agency
2	Mobile Medical Unit	Healthcare under Item No.(i)	Halol, Nagar, Mohali, Dewas, Toansa and Paonta Sahib	45.27	31.58	32.81	Through Implementing Agency
3	Sanitation Programme	Healthcare under Item No.(i)	- Halol Taluka, Panchmahal Distt,- Panoli, Bharuch District- Nagar Taluka, Ahmednagar Distt.- Madurantakam Taluka, Kanchipuram district	4.73	2.89	4.40	Directly and through Implementing Agency
4	Disaster Relief Programme	Disaster Relief under Item No.(i)	Madurantakam Taluka, Kanchipuram district	0.21	0.21	0.21	Directly
5	Drinking Water Programme	Drinking Water under Item No.(i)	Madurantakam Taluka, Kanchipuram district	0.14	0.08	0.08	Directly
6	Educational Programme	Education under Item No.(ii)	- Halol Taluka, Panchmahal Distt, - Panoli, Bharuch District, - Nagar Taluka, Ahmednagar Distt., - Madurantakam Taluka, Kanchipuram district	3.97	1.24	1.62	Directly
7	Green Belt Development	Environment under Item No.(iv)	Panoli, Bharuch District,	0.48	0.14	0.14	Directly

Annexure - D

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the State and District where projects or programs were undertaken	Amount Outlay (Budget) Project or Programwise	Amount spent on the projects or programs	Cumulative expenditure upto to the reporting period	Amount spent Directly or through implementing agency
8	Art and culture including restoration of buildings	Rural development under Item No.(x)	Halol Taluka, Panchmahal Distt,	0.82	0.02	0.02	Directly
9	Strengthening PDS System	Rural development under Item No.(x)	Madurantakam Taluka, Kanchipuram district	0.64	0.39	0.58	Directly
Grand Total						116.54	-

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Note: Please note that the overhead expenditure is Nil.

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director and Chairman - CSR Committee

SUDHIR V. VALIA
Whole-Time Director and Member - CSR Committee

Place: New York
Date: 30th May, 2016

Place: Mumbai
Date: 30th May, 2016

Annexure - D

CSR ACTIVITIES

Sun Pharma has undertaken various CSR Projects during 2015-16 across locations in India for sustainable development of communities. Our main objective is to emphasize on quality and ensuring the sustainability, hence our implementation approach is strategic in nature, is more inclined towards the sustainability of the projects, addressing community needs, focussing poorest of the poor, downtrodden, and disadvantaged, BPL and weaker sections of society. Company follows a systematic approach by taking-up community needs assessment (CNA) study at all locations. Based on the survey results and recommendation, corporate social responsibility interventions were prioritized and strategy has been worked-out. The projects implemented by Sun Pharma were highly sustainable in nature and contributing towards the social development of the people.

At Sun Pharma, our social responsibility programmes mainly focussed upon Health, Education, Drinking water and Rural Development Projects are designed to improve the quality of life of the people as well as contribute towards a strong economy.

All our CSR efforts stem from our well-articulated CSR Policy which has been posted in public domain.

A wide gamut of our CSR efforts are aimed towards the 'bottom-of-the-pyramid', socio-economically marginalised and opportunity-challenged section of the society.

Health Projects

Mobile Medical Unit Programme

Mobile Medical Unit (MMU) is a primary healthcare project that provides free doorstep health facilities for the marginalised and financially backward section of the society. A full-time dedicated health van, visits the target areas at a regular frequency. It is manned by a dedicated team of qualified experienced doctor, pharmacist and special protection officer, who provide medical check-ups, medicines, expert counselling and referral services for free.

The projects were implemented by the Sun Pharma Community Healthcare Society and HelpAge-India, the main objective of the project is

- Reduction of infant and maternal mortality rate
- Improve health of adolescent girls
- Prevention & control of communicable diseases (with a focus on malaria, tuberculosis) and non-communicable / other prevalent diseases
- Promote awareness on HIV / AIDS

In 2015-16, ₹ 31.5 million was contributed towards the program covering more than 60 villages across the following locations - Halol in Gujarat, Nagar in Maharashtra, Mohali, Toansa in Punjab, Paonta Sahib in Himachal Pradesh, Dewas in Madhya Pradesh. The total numbers of patients treated were 228,788. In addition to this 2.37 lac people were also educated on various health awareness under Preventive and Promotive Healthcare.

Maatra Shishu Swasthya Sewa

A joint CSR initiative between our Company and Daiichi Sankyo, the programme aims to reduce both the Maternal Mortality Rate and Infant Mortality Rate by 50% in 5 years.

Flagged off in November 2011, this financial year saw an amount of ₹ 5.1 million being spent in 82 villages of Vijayganj Mandi & Sunwani Gopal (Dist. Dewas, Madhya Pradesh) benefiting 29,860 persons.

Sanitation Project

In order to align with the national objective of "Sanitation for All by 2019" and to change the socio economic situation of communities, the company has decided to make villages free from open defecation practices, Sun Pharma has undertaken projects for construction of individual toilets.

Sun Pharma has created critical awareness about sanitation schemes, best hygienic practices in 7 villages near to their Ahmednagar, Panoli and Madurantakam and Halol plant to build up their interest towards sanitation

Implemented by the CSR Department and Implementing agency GVT-Dahod, the aim of this programme was two-pronged:

- To construct toilets for the community and thereby provide 100% coverage in villages.
- To conduct intensive Information, Education and Communication (IEC) campaign about sanitation with the involvement of PRIs, Co-operatives, ASHAs, Anganwadi workers, Women Groups, Self Help Groups, NGOs etc.

The project cost was ₹ 2.88 million and it benefited 283 households of Ahmednagar, Panoli and Madurantakam and Halol Taluka.

Disaster Relief Programme

Due to the devastated rainfall in Tamilnadu during the month of November – December 2015 most of the districts were affected, especially Chennai, Kanchipuram and Thiruvalluvar districts are the worse. Because of this unexpected rainfall these three districts are flooded and

Annexure - D

people suffered a lot in getting of basic necessities like milk, water, vegetables and other essential commodities. Recognizing these needs, Sun Pharma had provided necessary support, food packets and medical treatments to affected families. A total of 1,600 families were provided fooding packets and 679 villagers were provided medical treatment under this programme costing ₹ 0.2 million.

Community Drinking Water Supply

During the time of peak summer most of the villages near our plant were struggling for getting drinking water, Sun Pharma had identified this issue and taken up under CSR fund costing ₹ 0.07 million, Under this project company had provided drinking water facility to 960 households for 2 months, in Malaipalayam village of Tamilnadu.

Educational Projects

Promotion of Education by School Infrastructure Development

To facilitate quality education, we contributed towards up-gradation of classroom, schools and also providing proper drinking water facilities at rural schools. The programme has been implemented at various locations e.g. Halol, Panoli, Nagar and Madurantakam by CSR department. The project cost was ₹ 1.24 million benefitting 3,859 students.

Environment Conservation Programme

Tree plantation is one of the effective remedial measures to control problems of air pollution and desertification, and further to its obvious economic benefits, it effectively addresses several important environmental and sustainable development objectives.

It also improves aesthetics. Keeping these in view for socio-ecological benefits company has undertaken roadside plantation at Panoli village and also distributed 2,800 saplings in Madurantakam area with the total cost involvement of ₹ 0.14 million.

Strengthening PDS Systems - Sathammai

Implemented by the CSR Department of Sun Pharma, the aim of this programme is two-pronged:

- To provide good infrastructure facility to keep the essential commodities safe and secure
- To facilitate the local governing body in distributing the material on time by providing required infrastructure facilities

Construction of the 'Public Distribution Centre' has commenced in Sathammnai village of Madurantakam from 1st February 2015 and was completed in 31st May 2015. The total expenses during FY 2015-16 was ₹ 0.38 million. It benefitted 250 households of the village.

Other Project

Promotion of tourism & protecting national heritage

In order to create awareness about importance of rural tourism sites of Halol block, District Administration, Panchmahals has started annual tourism promotion programme, i.e. Panchmohatsav, from the year 2015 so as to promote local art and culture ultimately promoting rural tourism for economic enhancement of the area. There were more than 5000 people benefitted out of this program with cost involvement of ₹ 0.02 million.

Development of Cancer Treatment Hospital

Keeping in view of non-availability of Comprehensive Cancer Care Centre and Research Institute in Central India and increasing number of Cancer patients in all demography, Sun Pharma has supported the development of National Cancer Institute at Nagpur, Maharashtra with the help of Dr. Abaji Thatte Seva Aur Anusandhan Sansthan, Nagpur.

This all with the objective to provide comprehensive cancer treatment, patient care and research through world class oncology care and referral center under sustainable charity project schemes. Under this project, the hospital would be providing patient-friendly treatment facility, ultra-modern diagnostics and high-tech and specialized operation theatre facilities to meet different needs of the medical, patient and career community of oncology,

Other than these the National Cancer Institute would have Linear Accelerators for the Radio Therapy Treatment, Nuclear Medicine Department - Diagnostic & Therapeutic, a dedicated ward for pediatric & neonatal cancer patients, Bone Marrow / Stem Cell Transplant unit, ICUs - MICU, ISCU, PICU Units, Ambulatory Surgery & Daycare Chemotherapy Units, Dedicated pharmacy for drugs at subsidized cost, Social workers and counsellors for help & support, Education and information to patients so as to involve them actively in healthcare.

The project was supported with the total cost involvement of ₹ 80 million during 2015-16.

Annexure - E**CONSERVATION OF ENERGY**

	2015-16	2014-15
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Unit (in '000 KWH)	296,933.7	251,624.2
Total Amount (₹ in Millions)	2,037.7	1,713.1
Rate (₹ /Unit)	6.9	6.8
(b) Own Generation through Diesel Generator		
Units (in '000 KWH)	6,075.1	8,102.4
Units per Litre of Diesel Oil	3.4	3.4
Cost (₹ /Unit)	14.1	16.5
(c) Own Generation through Gas		
Units (in '000 KWH)	3,277.6	16,695.7
Units per M3 of Gas	3.7	3.4
Cost (₹ /Unit)	10.0	12.7
2. Furnace Oil		
Quantity (in '000 Litres)	12,216.7	7,928.3
Total Amount (₹ in Millions)	278.0	319.6
Average Rate	22.8	40.3
3. Gas (for Steam)		
Gas Units (in '000 M3)	15,203.7	17,091.4
Total Amount (₹ in Millions)	511.9	692.0
Average Rate (₹ /Unit)	33.7	40.5
4. Wood / Briquette		
Quantity (in '000 Kgs)	40,973.1	37,237.3
Total Amount (₹ in Millions)	201.3	180.5
Average Rate (₹ /Unit)	4.9	4.8

B. CONSUMPTION PER UNIT OF PRODUCTION

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

C. ENERGY CONSERVATION MEASURES

- Reduce electricity cost by employing Open access power purchase.
- Fuel Cost reduction by fuel switch over cheaper fuel like Gas to FO.
- Use of energy efficient Screw chillier instead of Reciprocating chillier.
- Electricity usages are reduced by confined control on lightings.
- Optimised compressed air requirement by installation dedicated compressor with low pressure delivery & by arresting compressed air leakages.
- Improve boiler system efficiency by improving condensate recovery, installation condensate recovery units & by recovering flash steam.
- Lightings load reduction by utilising servo stabiliser & installation of LED lightings.
- Use of Solar Water heater system for boiler feed water.
- Opt TOD base Electricity bill option to get benefit in electricity bill.
- Use of wind Power instead of DG power.

Annexure - E

- Installation of energy efficient pump instead of conventional pumps.
- Maintain Power Factor near to unity & reduced contract demand.

TECHNOLOGY ABSORPTION

A. Research and Development

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

We continue to make fairly large investments for generic-related pharmaceutical research and technology. Additionally, patient friendly formulations which offer increased convenience to patients, like auto injectors for existing molecules are being pursued for getting regulatory approval. This research supports our generic business across all the markets we are present in, and ensures we have a healthy pipeline for future growth.

At our modern R&D centres, expert scientist teams are engaged in complex developmental research projects in process chemistry and dosage forms, including complex generics based on drug delivery systems. This work across formulations and API supports the short, medium and long term business needs of the Company, in India and world markets.

Projects in formulation development and process chemistry help us introduce a large number of new and novel products to the Indian and rest of the world markets that includes differentiated products with high technology barriers that limits competition and thus helps counter price erosion. Expertise in medicinal/ process chemistry equips us to be integrated right up to the API stage, for important products, advanced intermediates or products where the API is difficult to source. Strong new product development capability is an important part of our strategy, and R&D expertise helps us maintain our leadership position in the Indian and global markets with niche formulations.

The team also works on products that are based on complex drug delivery systems. Complex products like steroids, sex hormones, peptides, carbohydrates immunosuppressant, carbapenems, taxanes anticancer, antidiabetic, cardiovascular and antivirals, which require special skills and technology are developed and scaled up for both API and dosage

forms. This complete integration for some products helps to deliver advanced products to the market faster at competitive pricing. These projects may offer higher value addition and revenues.

The API process development is focused for developing and transferring commercially viable, non-infringing and patentable novel API technologies. The development grid selection for APIs is based on the difficult-to-make API molecules and also novel polymorphic forms of certain APIs for creating value addition. Newer areas of interest include developing differentiated particles size for APIs as per the requirement.

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

In 2015-16, 48 formulations were developed for the Indian/International market. All of these were based on technology developed in-house. Technology for 9 APIs was commercialised. For some of the important APIs that we already manufacture, processes were streamlined or altered so as to have more energy efficient or cost effective or environment friendly processes. Non-infringing processes were developed to gain early market entry in many regulated markets. A large part of our external API sales is to the regulated markets of US / Europe, and earns valuable foreign exchange, as also a reputation for quality and dependability. The Company's formulation brands are exported to over 150 international markets. In addition, our subsidiary Taro's formulation development capability supports the filing and scale up of ANDAs for the US and other markets where it is present.

During the year, the Company has filled 37 Drug Master Files across various countries.

The Department of Scientific and Industrial Research, Ministry of Science and Technology of Government of India has granted approval to the in house research and development facility of your Company under the provision of the Income Tax Act, 1961.

3. Future plan of action

We continue to invest in people, capability development, equipment and infrastructure to compete effectively across world markets. Our subsidiary Taro is likely to continue to invest in R&D as it ramps up its product pipeline.

Annexure - E**4. Expenditure on R&D**

	Year ended 31st March, 2016	(₹ in Million) Year ended 31st March, 2015
a) Capital	543.7	789.4
b) Revenue	9,037.9	8,302.9
c) Total	9,581.6	9,092.3
d) Total R&D expenditure as % of Total Turnover	12.4%	11.8%

B. Technology Absorption, Adaptation and Innovation**1. Efforts in brief, made towards technology absorption, adaptation and innovation**

Year after year, Company continues to invest on R&D, both as revenue expenses as well as capital expenditure. A large part of the spending is for complex products, ANDA filings for the US, and API technologies that are complex and may require dedicated manufacturing blocks. Investments have been made in creating research sites, employing scientifically skilled and experienced manpower, adding equipment, sponsored research and in accessing world class consultants to continuously upgrade the research understanding of the scientific team in the technologies and therapy areas of our interest.

There has been thrust on the development of novel technologies like use of green reagents for chemical transformations in API synthesis and ultrasonic crystallisation for achieving required particle size, Capillary flow reactors for continuous process, Safety related studies using reaction calorimetry. Product Life cycle management has been undertaken for key products. Backward integration is a key strategic objective and many of our products enjoy the benefit of this backward integration.

Process robustness has been implemented for wide range of products which has resulted in positive outcomes with respect to cost and increase in process capability.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution

- (a) Market leader for several complex products. Offers complete baskets of products under specialty therapeutic classes. Strong pipeline of products for future introduction in India, emerging markets, as well as US and European generic market. Ability to challenge patents in the US market, and earn exclusivity.
- (b) Not dependent on imported technology, can make high cost products available at competitive prices by using indigenously developed manufacturing processes and formulation technologies.
- (c) Offer technologically advanced differentiated products which are convenient and safe for administration to patients.
- (d) We are among the few selected companies that have set up completely integrated manufacturing capability for the production of anticancer, hormones, peptide, cephalosporins, immunosuppressant and steroidal drugs.
- (e) The Company has benefited from reduction in cost due to import substitution and increased revenue through higher exports.
- (f) Clinical studies of important products (complex and difficult to formulate) have been carried out at our in-house clinical pharmacology units. This has helped to maintain R&D quality and regulatory compliance with significantly reduced cost.

3. Your company has not imported technology during the last 5 years reckoned from the beginning of the financial year.**C. Foreign Exchange Earnings and Outgo**

	Year ended 31st March, 2016	(₹ in Million) Year ended 31st March, 2015
1. Earnings	42,171.0	48,705.5
2. Outgo	21,582.6	25,563.6

Annexure - F

EMPLOYEES' STOCK OPTION SCHEMES (ESOS)

I. Information regarding SUN Employee Stock Option Scheme and Plan (As on March 31, 2016)

A. Erstwhile Ranbaxy Laboratories Limited ("Ranbaxy") has been merged into Sun Pharmaceutical Industries Limited ("Sun Pharma") effective 24th March, 2015 through a Scheme of Merger as approved by the Hon'ble High Court of Punjab & Haryana and Hon'ble High Court of Gujarat. Pursuant to the Scheme of Merger, Employee Stock Option Schemes and Plan of erstwhile Ranbaxy have been adopted by Sun Pharma with suitable modifications w.e.f. 24th March, 2015 and formulated SUN Employee Stock Option Scheme-2015 and SUN Employee Stock Option Plan-2015. These Schemes are applicable only to the employees of erstwhile Ranbaxy and its subsidiaries, and would continue till the time of expiry/exercise of all the earlier granted stock options. No further options would be granted by the Company under these Scheme and Plan.

A (i) SUN Employee Stock Option Scheme - 2015 [which was earlier Employees Stock Option Schemes (Granted prior to year 2011 of erstwhile Ranbaxy)(Through Direct Allotment Route)]:

Sr. No.	Particulars	SUN Employee Stock Option Scheme-2015
(a)	Date of shareholders' approval	Adopted pursuant to the Scheme of Merger as approved by the Shareholders of the Company on 22nd August, 2014 (High Court Convened meeting) and High Courts.
(b)	Total number of options approved under ESOS	12,00,000 (Twelve lacs) stock options (Being the balance options of erstwhile Ranbaxy, for which Sun Pharma has obtained in-principle approval from the Stock Exchanges)
(c)	Vesting requirements	"Vesting" means the process by which the employee is given the right to apply for Equity Shares of the Company against the options granted. Vesting period shall commence on the expiry of one year from the date of grant of options and the entitlement of an employee will be in the following graduated scale :
		Period of service from the date of grant of options Percentage of options that shall vest
		End of 12 months 20%
		End of 24 months 20%
		End of 36 months 20%
		End of 48 months 20%
		End of 60 months 20%
(d)	Exercise price or pricing formula	Closing price of the Equity Shares of erstwhile Ranbaxy Laboratories Limited ("Ranbaxy") prior to the date of meeting of the Compensation Committee in which stock options were granted, on the stock exchange on which the shares of erstwhile Ranbaxy were listed. If the shares were listed on more than one stock exchange, then the stock exchange where there was highest trading volume on the said date was considered. Exercise price per option of Sun Pharma shall be 1.25 times the exercise price for every Ranbaxy Option.
(e)	Maximum term of options granted	The options granted shall be exercisable till expiry of ten years from the date of their grant and shall lapse upon such expiry.
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	N.A.

Annexure - F

- A (ii) Option movement during the year under SUN Employee Stock Option Scheme-2015 [which was earlier Employees Stock Option Schemes (Granted prior to year 2011 of erstwhile Ranbaxy)]:

Sr. No.	Particulars	Nos.
1.	Number of options - post-merger of erstwhile Ranbaxy with Sun Pharma Add: No. of options on account of rounding off the fraction to the next higher whole number as per the merger Scheme	1,169,545* 41*
	Total number of options outstanding (all the options vested)	1,169,586
2.	Number of options granted during the year	Nil
3.	Number of options forfeited and lapsed during the year	111,022
4.	Number of options vested during the year	Nil
5.	Number of options exercised during the year	447,825
6.	Number of shares arising as a result of exercise of options during the year	447,825
7.	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	₹ 232,395,811.25
8.	Loan repaid by the Trust during the year from exercise price received	N.A.
9.	Number of options outstanding at the end of the year	610,739
10.	Number of options exercisable at the end of the year	610,739

*Pursuant to Scheme of merger of erstwhile Ranbaxy with Sun Pharma, for every stock option held by an eligible employee of erstwhile Ranbaxy became eligible for 0.80 equity share of ₹ 1/- each and any fraction thereof rounded off to the next higher whole number under ESOS Scheme of Sun Pharma.

- B (i) SUN Employee Stock Option Plan-2015 (which was earlier Ranbaxy Employee Stock Option Plan-2011 (Granted from the year 2011 onwards) of erstwhile Ranbaxy) (through Trust route):

Sr. No.	Particulars	SUN Employee Stock Option Plan-2015
(a)	Date of shareholders' approval	Adopted pursuant to the Scheme of Merger as approved by the Shareholders of the Company on 22nd August, 2014 (High Court Convened meeting) and High Courts.
(b)	Total number of options approved under ESOS	3,00,000 (Three lacs) stock options (Being the balance options of erstwhile Ranbaxy, for which Sun Pharma has obtained in-principle approval from the Stock Exchanges)
(c)	Vesting requirements	Options granted would vest not less than one year and not more than three years from the date of grant of such options. The vesting will start at the first anniversary of grant.
(d)	Exercise price or pricing formula	Exercise price per option is ₹6.25/- pursuant to the Scheme of Merger of Ranbaxy with Sun Pharma.
(e)	Maximum term of options granted	Options granted would vest not less than one year and not more than three years from the date of grant of such options.
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	N.A.

- B (ii) Option movement during the year under SUN Employee Stock Option Plan-2015 [which was earlier Ranbaxy Employee Stock Option Plan-2011 (Granted from the year 2011 onwards of erstwhile Ranbaxy)]:

S. No.	Particulars	Nos.
1.	Number of options - post-merger of erstwhile Ranbaxy with Sun Pharma Add: No of options of overseas employees not included in above Add: No. of options on account of rounding off the fraction to the next higher whole number as per the merger Scheme	449,430* 4,968 1,368*
	Total number of options outstanding	455,766
2.	Number of options granted during the year	Nil

Annexure - F

S. No.	Particulars	Nos.
3.	Number of options forfeited and lapsed during the year	61,652
4.	Number of options vested during the year	284,590
5.	Number of options exercised during the year	224,201
6.	Number of shares arising as a result of exercise of options during the year	224,201
7.	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	₹ 1,401,258.75
8.	Loan repaid by the Trust during the year from exercise price received	No
9.	Number of options outstanding at the end of the year	169,913
10.	Number of options exercisable at the end of the year	40,259

*Pursuant to Scheme of merger of erstwhile Ranbaxy with Sun Pharma, for every stock option held by an eligible employee of erstwhile Ranbaxy became eligible for 0.80 equity share of ₹ 1/- each and any fraction thereof rounded off to the next higher whole number under ESOP Plan of Sun Pharma.

Voting rights of shares held by Sun Pharma ESOP Trust

(a) The name of the employees who have not exercised the voting rights directly	Shares were allotted to the Sun Pharma ESOP Trust. The employees holding stock options had no voting right till the allocation of shares to them on exercise of stock options.
(b) The reasons for not voting directly	Stock Options granted to the employees were not exercised. Hence shares were not held by the employees.
(c) The name of the person who is exercising such voting rights	No one attended the AGM on behalf of Sun Pharma ESOP Trust or voted thereat
(d) The number of shares held by or in favour of such employees and the percentage of such shares to the total paid-up share capital of the Company	70,332 Equity Shares of ₹ 1 each of the Company were held by Sun Pharma ESOP Trust, constituting 0.0029% of the total paid-up share capital of the Company.
(e) The date of the general meeting in which such voting power was exercised	31st October, 2015 (Date of AGM of the Company) At the AGM held on 31st October, 2015 no voting power held by Sun Pharma ESOP Trust was exercised.
(f) The resolution on which votes have been cast by persons holding such voting power	Votes had not been exercised on behalf of the Sun Pharma ESOP Trust on any of the resolutions put to vote at the AGM
(g) The percentage of such voting power to the total voting power on each resolution	0.00%
(h) Whether the votes were cast in favour of or against the resolution	Not Applicable

II.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –	
(a)	Senior Managerial Personnel;	: Nil
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	: Nil
(c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	: Nil
III.	Diluted earnings per share (EPS)	: ₹ (4.5)
IV.	(a) Method used to account for ESOS - Intrinsic or fair value	: The Company has calculated the employee compensation cost using the Fair value of the stock options
	(b) Difference between the employee compensation cost so computed at (a) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options	: N.A.
	(c) The impact of this difference on profits and on EPS of the Company	: Loss after tax: ₹ (10,733.6) Mn Less: additional employee compensation cost based on fair value (net of tax) : Nil Adjusted Loss After Tax: ₹ (10,733.6) Mn Adjusted EPS(diluted): ₹ (4.5)

Annexure - F

- V. Weighted-average exercise price and fair value of Stock Options granted: (Post split adjusted price)

[All details given below pertain to Erstwhile Ranbaxy]

Stock options granted on	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Closing market price at NSE on the previous day of the grant (in ₹)
12.01.2001	336.50	145.00	324.15
03.12.2001	297.50	188.50	369.48
01.04.2002	372.50	226.00	449.48
07.02.2003	283.50	132.50	317.45
22.01.2004	496.00	212.50	503.10
17.01.2005	538.50	215.68	534.33
17.01.2006	392.00	194.07	391.15
17.01.2007	430.00	232.57	429.65
16.01.2008	391.00	107.06	390.75
11.06.2008	561.00	172.89	560.75
19.12.2008	219.00	63.31	218.60
21.01.2009	216.00	92.97	215.15
24.02.2010	450.00	218.64	449.60

[All details given below pertain to Erstwhile Ranbaxy]

Stock options granted on	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)			Closing market price at NSE on the previous day of the grant (in ₹)
		Term of Option			
01.07.2011	5.00	1.25 years	2.25 years	3.25 years	541.35
		534.36	532.74	531.09	
21.01.2012	5.00	1.25 years	2.25 years	3.25 years	468.35
		464.49	462.86	461.20	
22.02.2012	5.00	1.25 years	2.25 years	3.25 years	449.20
		441.92	440.29	438.63	
20.01.2013	5.00	1.25 years	2.25 years	3.25 years	482.15
		475.12	473.47	471.81	
25.02.2013	5.00	1.25 years	2.25 years	3.25 years	413.55
		426.83	425.19	423.53	
08.05.2014	5.00	1.25 years	2.25 years	3.25 years	472.15
		462.39	460.79	459.16	

- VI. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

- (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;
 - (b) the method used and the assumptions made to incorporate the effects of expected early exercise;
 - (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and
 - (d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.
- Since no options were granted during the year, hence not applicable

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 31st March, 2016.

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 nine 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) Mr. Sailesh T. Desai (Whole-time Director)	Brother-in-law of Mr. Dilip S. Shanghvi -
Non -Executive Independent Directors	Mr. S. Mohanchand Dadha Mr. Hasmukh S. Shah Mr. Keki M. Mistry Mr. Ashwin S. Dani Ms. Rekha Sethi	- - - - -

Number of Board Meetings held during the year ended 31st March, 2016 and the dates on which held:

Five Board meetings were held during the year. The dates on which the meetings were held during the year ended 31st March, 2016 are as follows:

29th May, 2015, 11th August, 2015, 31st October, 2015, 7th November, 2015 and 12th February, 2016.

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 31st March, 2016		*No. of other Directorships and Committee Memberships / Chairmanships as of 31st March, 2016		
	Board Meetings	Last AGM held on 31st October, 2015	Other Directorships	Committee Memberships**	Committee Chairmanships**
Mr. Israel Makov	5	Yes	-	-	-
Mr. Dilip S. Shanghvi	5	Yes	1	-	-
Mr. Sudhir V. Valia	4	Yes	2	2	-
Mr. Sailesh T. Desai	5	Yes	1	-	-
Mr. S. Mohanchand Dadha	5	Yes	3	1	1
Mr. Hasmukh S. Shah	5	Yes	1	-	1
Mr. Keki M. Mistry	4	Yes	9	5	2
Mr. Ashwin S. Dani	4	Yes	6	2	1
Ms. Rekha Sethi	5	Yes	2	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.

3. CODE OF CONDUCT

The Board of Directors has laid down a 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 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 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.

Four Audit Committee Meetings were held during the year ended 31st March, 2016. The dates on which the Meetings were held are as follows:

29th May, 2015, 11th August, 2015, 7th November, 2015 and 12th February, 2016. 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	3
Mr. S. Mohanand Dadha	Member	4
Mr. Hasmukh S. Shah	Member	4
Mr. Ashwin S. Dani	Member	3

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.

Further details on evaluation of performance of the Board, its Committees and Individual Directors, is provided in the Board's Report.

Four Nomination and Remuneration Committee Meetings were held during the year ended 31st March 2016. The dates on which the meetings were held are as follows:

29th May, 2015, 11th August, 2015, 7th November, 2015 and 12th February, 2016. 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	3
Mr. Israel Makov	Member	4
Ms. Rekha Sethi	Member	4

The key highlights of the Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company which has been approved by the Nomination and Remuneration Committee and the Board of Directors are as follows:

- 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 and skill required including complexity of the 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 Nomination and Remuneration Committee, 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 chauffeur's, share and share price related incentive, reimbursement of electricity 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 Nomination and Remuneration Committee and the Board of Directors.
Key Managerial Personnel	Board of Directors on recommendation of the Nomination and Remuneration Committee
Other employees	Human Resources Head

6. REMUNERATION OF DIRECTORS

The Managing Director and Whole-time Director(s) 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. During the year, the sitting fees was increased from ₹ 50,000 to ₹ 1,00,000 with effect from 1st April, 2015. No commission was paid to Non-Executive Directors for the year 2015-16.

The details of Remuneration paid/payable to the Directors of the Company for the year ended 31st March, 2016 are given below:-

Directors	Actual Remuneration/Sitting Fees Paid/Provided for 2015-16					(Amount in ₹)
	Salary *	Bonus	Perquisites** / Benefits	Sitting Fees	Total Paid	
Mr. Dilip Shanghvi	17,661,440	NIL	2,717,373	-	20,378,813	
Mr. Sudhir Valia	17,988,504	NIL	2,454,379	-	20,442,883	
Mr. Sailesh Desai	8,576,964	1,715,393	1,791,097	-	12,083,454	
Mr. Israel Makov	-	-	-	900,000	900,000	
Mr. S. Mohanchand Dadha	-	-	-	1,600,000	1,600,000	
Mr. Hasmukh S. Shah	-	-	-	1,900,000	1,900,000	
Mr. Keki M. Mistry	-	-	-	1,100,000	1,100,000	
Mr. Ashwin S. Dani	-	-	-	800,000	800,000	
Ms. Rekha Sethi	-	-	-	1,100,000	1,100,000	

* 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.

The Company had made an application to the Central Government for approval of remuneration of Managing Director and Whole-time Directors, as approved by the

Board and the Members. The Company has received letter dated 3rd November, 2015 from the Central Government approving only ₹ 60 lakhs per annum each for Managing Director and Whole-time Directors for three years from 1st April, 2014 to 31st March, 2017. However, pursuant to Schedule V of the Companies Act 2013, in case of inadequate profits, based on the calculation of effective capital of our Company,

the Managing Director and Whole-time Directors are eligible for remuneration upto ₹ 1.84 crores per annum, each without approval of the Central Government. The details of remuneration that the Managing Director and

the Wholetime 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 2015-2016, as approved by the Board within the limit as approved by the members	Actual Amount paid/provided, out of the amount entitled for the year 2015-2016 (including contribution to PF)	Amount of Remuneration paid for 2015-2016, 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. as approved by Board and Members, subject to approval of the Central Govt., for the current tenure of appointment*
Mr. Dilip Shanghvi**	3.42	2.04	1.83	4.62
Mr. Sudhir Valia	3.42	2.04	1.83	4.62
Mr. Sailesh Desai	1.21	1.21	1.11	1.18

* 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.

The Company is permitted to pay upto ₹ 1.84 crores to each Whole-time Director, even without the approval of the Central Government based on the calculation of limit as per Schedule V of the Act. The Company has accordingly, paid remuneration to its Managing Director and Whole time Directors for 2015-16, within the limits of Schedule V of the Act, as applicable.

The Company has made further representation vide letter dated 24th December, 2015 to the Central Government in response to their letter, for approval of the remuneration upto the limit as approved by the members, the response in respect of which is awaited. In case the requisite approval is not received from the Central Government, the excess remuneration would be refunded by the Managing Director and the Whole-time Director.

During the year, payment of remuneration as per their entitlement for the year 2015-16 has been made to them only for part of the year upto the permissible limits. On receipt of the approval from the Central Government, the balance amount of remuneration for the year 2015-16 as per their entitlement shall be paid to the Managing Director and Whole time Director, as applicable, and the same will be given effect to in the year in which the approval is received.

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.
- b) The Company has 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.

- c) None of the Directors are entitled to stock options.
- d) There is no separate provision for payment of severance fees to Whole-time Director(s).
- e) The remuneration of Whole-time Directors consists only of fixed components.
- f) The details of Equity Shares held by Non-Executive Directors as on 31st March, 2016:

Name of the Director	No. of Equity Shares held (held singly or jointly as first holder)
Mr. Israel Makov	Nil
Mr. S. Mohanchand Dadha	16
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, G.M-Legal & Secretarial as Compliance Officers.

Four Meetings of the Stakeholders' Relationship Committee were held during the year ended 31st March, 2016. The dates on which Meetings were held are as follows: 29th May, 2015, 11th August, 2015, 31st October, 2015 and 12th February, 2016. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member of the Committee	No. of Stakeholders' Relationship Committee Meetings attended
Mr. Hasmukh S. Shah	Chairman	4
Mr. Sudhir V. Valia	Member	4
Mr. Dilip S. Shanghvi	Member	4
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 11.

8. COMMITTEE OF DIRECTORS (ALLOTMENT)

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

Five meetings of the Committee of Directors' (Allotment) were held during the year ended

31st March, 2016. The dates on which Meetings were held are as follows: 10th April, 2015, 29th April, 2015, 23rd July, 2015, 31st October, 2015 and 12th February 2016. 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) Committee Meetings attended
Mr. Sudhir V. Valia	Chairman	2
Mr. Hasmukh Shah	Member	5
Mr. Sailesh Desai	Member	5
Mr. S. Mohanchand Dadha	Member	2
Mr. Dilip S. Shanghvi	Member	2

The Committee of Directors (Allotment) interalia has the following powers: To fix / take note of the record date for determining the names of the eligible shareholders of the Ranbaxy who were entitled to receive Equity shares of the Company pursuant to the Scheme of Arrangement for merger of Ranbaxy Laboratories Ltd. into the Company, in the ratio of 4 Equity Share of ₹ 1/- each of the Company for every 5 Equity Shares of ₹ 1/- each held in Ranbaxy as on such record date, and for issue of Non-Convertible Debentures, if any, to decide all matters relating to the issue and allotment of equity shares of ₹ 1/- each and Non-Convertible Debentures, to credit the equity shares/ debenture holders so allotted through NSDL/ CDSL/ Other depository to the concerned beneficiary account 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 and of debentures and to allot shares pursuant to ESOP Schemes, etc.

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>.

One Corporate Social Responsibility Committee Meeting was held on 29th May, 2015, during the year ended 31st March, 2016. 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	1
Ms. Rekha Sethi	Member	1

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 minimization, 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.

Two Risk Management Committee Meetings were held during the year ended 31st March, 2016. The dates on which the meetings were held are as follows:
 11th August, 2015 and 12th February, 2016.

12. GENERAL BODY MEETINGS

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

Year	Meeting	Location	Date	Time
2012-2013	Twenty First AGM	Sir Sayajirao Nagargruh, Akota, Vadodara - 390 020 Gujarat	30th September, 2013	11.30 a.m.
2013-2014	Twenty-Second AGM	Sir Sayajirao Nagargruh, Akota, Vadodara- 390 020, Gujarat	27th September, 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, Pratap Gunj, Vadodara-390002, Gujarat	31st October, 2015	9.45 a.m.

The attendance of each member of committee is as follows:

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 were listed during the year 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-First Annual General Meeting:

1. Approval for increase in upper limit of remuneration payable to Mr. Sudhir V. Valia, Whole-Time Director of the Company, with effect from 1st April, 2013 up to the remaining period of his tenure, i.e 31st March, 2014.
2. Approval for reappointment of Mr. Sudhir V. Valia as Whole-Time Director of the Company for further period of five years on such terms and conditions including remuneration with effect from 1st April, 2014 up to 31st March, 2019.
3. Approval for reappointment of Mr. Sailesh T. Desai as Whole-Time Director of the Company for further period of five years on such terms and conditions including remuneration with effect from 1st April, 2014 up to 31st March, 2019.
4. Approval for appointment and remuneration payable to Mr. Aalok Shanghvi, being a relative of a Director, to hold office/ place of profit for the period from 1st April, 2014 up to 31st March, 2019.
5. Approval for raising funds by the Company by issue of Convertible bonds, debentures, equity shares, Global Depository Receipts, American Depository Receipts, etc not exceeding ₹120 Billion (Rupees One Hundred Twenty Billion only).
6. Approval for increase in the borrowing limit of the Company not exceeding ₹ 500 Billion (Rupees Five Hundred Billion only)
7. Approval for increase in the limit of inter-corporate loans, guarantees and investments to be made by the Company not exceeding ₹ 500 Billion (Rupees Five Hundred Billion only)

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

c) 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).

The details of the voting pattern in respect of Special Resolution passed through postal ballot are as under:

Promoter/ Public	No. of Shares held	No. of votes polled	% of votes Polled on outstanding shares (3)=[(2)/(1)] *100	No. of Votes in favour (4)	No. of votes against (5)	% of votes in favour on votes polled (6)=[(4) (2)]*100	% of votes against on votes polled (7)=[(5)/ (2)]* 100
	(1)	(2)		(4)	(5)	(6)	(7)
Promoters and Promoter Group	1316496400	1303517680	99.014	1303517680	0	100.000	0
Public - Institutional holders	856876805	509014267	59.403	192133584	316880683	37.746	62.254
Public - Others	233122932	48741958	20.908	43672775	5069183	89.600	10.400
Total	2406496137	1861273905	77.344	1539324039	321949866	82.703	17.297

There is no proposal as on the date of this report, for passing any resolution through Postal Ballot.

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 AS-18, are disclosed in the Annexure "A" attached to the Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2016.

(iii) Postal Ballot and Procedure for Postal Ballot

The following special resolution was passed by postal ballot during the year 2015-16.

1. Approval to make loan (s) and/or give any guarantee (s)/provide any security(ies) in connection with loan(s) made and to make investments in shares, debentures and/or any other securities of any other body corporate under section 186 of the Companies Act, 2013 upto a maximum of ₹ 500 Billion only.

The Board had appointed Practicing Company Secretary, C. J. Goswami & Associates, Mumbai as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner. The result of the Postal Ballot was declared on November 6, 2015.

The details of the voting pattern in respect of Special Resolution passed through postal ballot are as under:

- 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 minimization, 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 has been denied access to the Audit Committee.
- Details of the familiarization 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 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 31st March, 2016:
 - (i) The Company complies with all the mandatory requirements specified under clause 49 of the

erstwhile Listing Agreement applicable upto 30th November, 2015 and Listing Regulations, 2015 applicable w.e.f. 1st December, 2015.

- (ii) The Chairman of the Company is a Non-Executive Director.
- (iii) The Company does not send 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 and also posted on the website of the Company and the websites of BSE and NSE.
- (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 'Mint'/'Financial Express'.
- **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, National Stock Exchange of India Ltd. - www.nseindia.com.

15. GENERAL SHAREHOLDER INFORMATION

15.1 Annual General Meeting:

Date and Time	Saturday, 17th September, 2016, at 11.15 a.m.
Venue	Sir Sayajirao Nagargruh, Akota, Vadodara - 390 020, Gujarat

15.2 Financial Calendar (tentative):

Results for quarter ending 30th June, 2016 – Second week of August 2016.
Results for quarter ending 30th September, 2016 – Second week of November 2016.
Results for quarter ending 31st December, 2016 – Second week of February 2017.
Audited Results for year ended 31st March, 2017 – Third or Fourth week of May 2017.

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, 2015	1200.70	913.00	1,200.80	912.25
May, 2015	1010.10	920.00	1,010.00	920.05
June, 2015	918.00	808.00	917.80	807.25
July, 2015	957.00	799.05	957.00	795.25
August, 2015	965.15	820.15	966.00	820.00
September, 2015	918.00	815.30	920.80	815.00
October, 2015	933.70	875.00	933.95	873.25
November, 2015	877.50	706.40	878.15	704.00
December, 2015	824.50	722.00	826.00	721.50
January, 2016	880.00	762.45	878.00	764.00
February, 2016	898.00	803.55	898.45	802.45
March, 2016	876.00	770.80	877.10	770.00

(Source: BSE and NSE website)

15.3 Details of Book-closure for Equity Shareholders:

From Saturday, 10th September, 2016 to Saturday, 17th September, 2016 (both days inclusive)

15.4 Dividend Payment Date:

On or before 21st September, 2016

15.5 (i) Listing of Equity Shares on Stock Exchanges

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

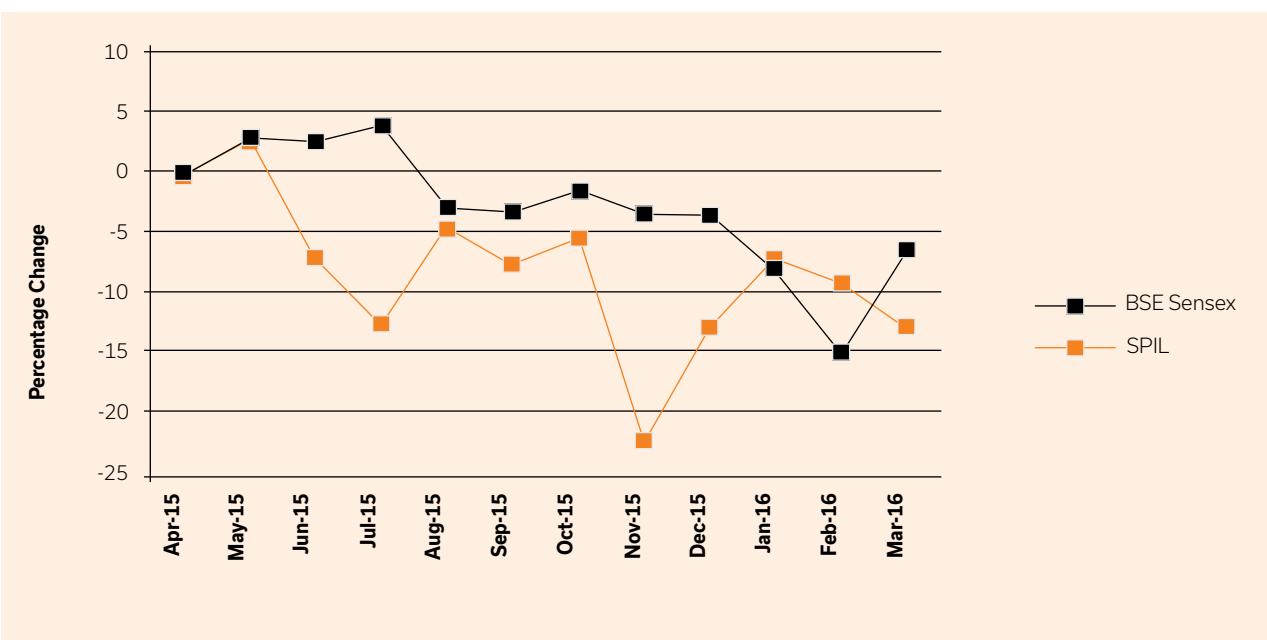
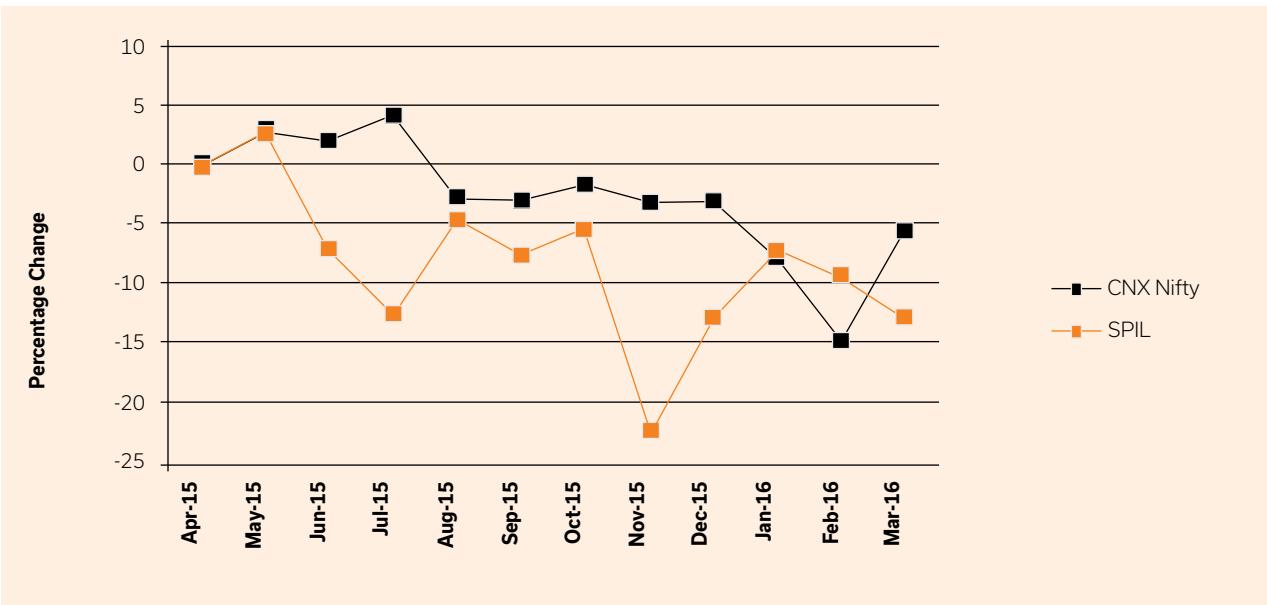
15.5 (ii) Payment of Listing Fee

Listing Fees for the financial year 2016-17 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

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



Share price performance relative to BSE Sensex based on share price on 31st March, 2016.

Period	% Change in		
	Sun Pharma Share Price	Bse Sensex	Sun Pharma Relative to Sensex
Year-on-year	-19.84%	-9.36%	-10.48%
2 years	42.92%	13.20%	29.72%
3 years	100.27%	34.54%	65.73%
5 years	270.96%	30.32%	240.64%
10 years	845.81%	124.66%	721.15%

Share price performance relative to Nifty based on share price on 31st March, 2016

Period	% Change in		
	Sun Pharma Share Price	Nifty	Sun Pharma Relative to Nifty
Year-on-Year	-19.91%	-8.86%	-11.05%
2 Years	42.67%	15.43%	27.24%
3 Years	300.51%	36.18%	264.33%
5 Years	270.62%	32.65%	237.97%
10 Years	853.99%	127.43%	726.56%

(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-13, Kantilal Maganlal Estate Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West), Mumbai - 400 078. E-Mail: sunpharma@linkintime.co.in rnt.helpdesk@linkintime.co.in Tel: 022-25946970, Fax : 022- 25946969
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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.

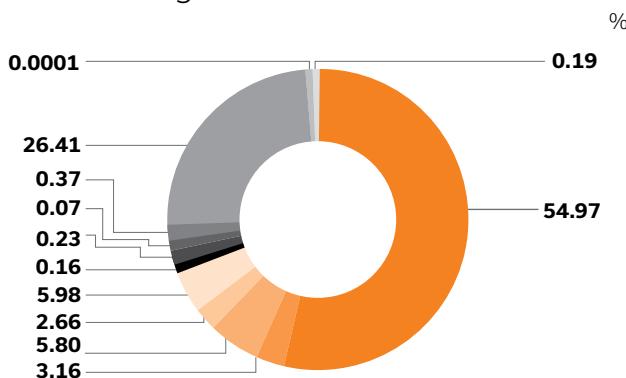
15.11 Distribution of Shareholding as on 31st March, 2016

No. of Equity Shares held	No. of Accounts		Shares of face value ₹1 each/-	
	Numbers	% to total accounts	Number	% to total shares
Upto 5000	432895	98.52	77182459	3.21
5001 - 10000	2769	0.63	19826809	0.82
10001 - 20000	2031	0.46	25923350	1.08
20001 - 30000	321	0.07	7902536	0.33
30001 - 40000	172	0.04	6101133	0.25
40001 - 50000	118	0.03	5368701	0.22
50001 - 100000	262	0.06	18814200	0.78
100001 and above	833	0.19	2245609311	93.31
Total	439401	100.00	2406728499	100.00

15.12 Shareholding Pattern as on 31st March, 2016 of Equity Shares as per Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Particulars	Percentage	No. of Shares
A. Indian Promoters and Persons acting in Concert	54.97	1323022812
B. Mutual Funds and UTI	3.16	75942148
C. Banks/ Financial Institutions and Insurance Companies	5.80	139689410
D. Private Corporate Bodies	2.66	64059267
E. Indian Public	5.98	143945529
F. Directors	0.16	3794306
G. NRIs /OCBs	0.23	5596569
H. Clearing Members	0.07	1653586
I. Trusts	0.37	8902546
J. Foreign Portfolio Investor(Corporate)	26.41	635560783
L. Foreign National	0.00	31042
M. Others	0.19	4530501
Total	100.00	2406728499

Shareholding Pattern as on 31st March 2016



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

15.13 Dematerialisation of Shares

About 99.37% of the outstanding Equity shares have been de-materialised up to 31st March, 2016. 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 2015-16 is given below:

	BSE	NSE	BSE + NSE
In no. of share (in Thousands)	436.36	4945.90	5382.26
In value terms (₹ Millions)	380.19	4337.19	4717.38

(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 31st March, 2016.

Outstanding Stock Options

The details of Number of Stock Options outstanding as on 31st March, 2016 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 1st April, 2015.	1,125	400,820
Number of shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from 1st April, 2015 up to 31st March, 2016.	7	2,263
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period.	7	2,263
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31st March, 2016	1,118	398,557*

*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 31st March, 2016 :

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. Plot No. B-2 Madkaim Industrial Estate, Ponda, Goa
15. Plot No. 1341 & 1342 EPIP-1, Hill Top Industrial Area, Village Bhatolikalan (Barotiwala), Baddi – 174103 (H.P.)
16. Village & PO Ganguwala, Tehsil Paonta Sahib-173025, Distt. Sirmour (H.P.)
17. 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 |
| (b) E-mail id designated by the Company for Investor Complaints |
| (c) Any query on Annual Report |

For Shares held in Physical Form

Link Intime India Pvt. Ltd. C-13, Kantilal Maganlal Estate
Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West)
Mumbai – 400 078.
E-Mail: sunpharma@linkintime.co.in, rnt.helpdesk@linkintime.co.in
Tel: 022-25946970, Fax : 022- 25946969

For Shares held in Demat Form

To the Depository Participant.
secretarial@sunpharma.com

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

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Whole-time Director

SAILESH T. DESAI
Whole-time Director

Place: New York
Date: 30th May, 2016

Place: Mumbai
Date: 30th May, 2016

Place: Mumbai
Date: 30th May, 2016

ANNEXURE TO CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2016

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: 30th May, 2016.

AUDITORS' CERTIFICATE ON COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CHAPTER IV OF THE LISTING REGULATIONS, 2015

To The Members of Sun Pharmaceutical Industries Limited

1. We have examined the compliance of the conditions of Corporate Governance by **SUN PHARMACEUTICAL INDUSTRIES LIMITED** ("the Company"), for the year ended March 31, 2016, as stipulated in:
 - Clause 49 [excluding clause 49(VII)(E)] of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 [excluding Regulation 23(4)] and clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. 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 30, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of SUN PHARMACEUTICAL INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our 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 and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to Note 55 to the standalone financial statements. As referred to in the said Note, remuneration to the Managing Director and a Whole-time Director of the Company for the previous year ended 31st March, 2015 is in excess of the limits specified under Schedule V to the Act by ₹ 20.7 Million. In this regard, we have been informed by the Management of the Company that they have made further representations to the Central Government in respect of their applications for approving the amounts of maximum remuneration for the three years ending 31st March, 2017, including for the excess amounts already paid / provided. The response in respect of the foregoing is awaited from the Central Government.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report 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.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28(A)(i) to the standalone financial statements;
 - ii. The Company has made provision, 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 9 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except a sum of ₹ 9.8 Million, which are held in abeyance due to pending legal cases.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Sun Pharmaceutical Industries Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place: Mumbai

Date: 30th May, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 2 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has 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, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / agreement for sale along with registered power of attorney / consent terms taken on record by the Honorable Bombay City Civil Court at Bombay / share certificate / other documents evidencing title provided to us, we report that, the title deeds, comprising all the immovable properties of freehold land and buildings, are held in the name of the Company as at the balance sheet date, except the following:

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 2 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED)

Particulars of the freehold land	Gross / Net Block as at 31st March, 2016 (₹ in Million)	Remarks
Located in Himachal Pradesh admeasuring 645,150 Square meters	76.3	The title deeds are in the name of Ranbaxy Laboratories Limited, erstwhile Company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of Gujarat and Punjab and Haryana.
Located in Punjab admeasuring 370,527 Square meters	27.2	
Located in Haryana admeasuring 64,161 Square meters	109.0	
Located in Madhya Pradesh admeasuring 91,330 Square meters	5.8	
Located in Karnataka admeasuring 30,362 Square meters	28.3	
Located in Punjab admeasuring 8,364 Square meters	2.5	The title of this land is under dispute in respect of which we have been informed by the Management of the Company that they have filed a Special Leave Petition with the Honorable Supreme Court against the order passed by the Honorable High Court of Punjab and Haryana and the matter is under adjudication.

In respect of a building where the Company is entitled to the right of occupancy and use and disclosed as fixed assets in the standalone financial statements, we report that the agreement / non-convertible preference shares / compulsorily convertible debentures entitling the right of occupancy and use of building, are in the name of the Company as at the balance sheet date.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except the following:

Particulars of the leasehold land	Gross Block as at 31st March, 2016 (₹ in Million)	Net Block as at 31st March, 2016 (₹ in Million)	Remarks
Located in Maharashtra admeasuring 20,000 Square meters.	* 25.8	17.0	The lease agreements are in the name of Crosslands Research Laboratories Limited which was merged with Ranbaxy Laboratories Limited, erstwhile Company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of Gujarat and Punjab and Haryana.
Located in Goa admeasuring 1,000 Square meter	3.3	2.6	

*includes composite consideration for land and building.

Particulars of the leasehold land	Gross Block as at 31st March, 2016 (₹ in Million)	Net Block as at 31st March, 2016 (₹ in Million)	Remarks
Located in Punjab admeasuring 323,866 Square meters	239.6	210.8	The lease agreements are in the name of Ranbaxy Laboratories Limited, erstwhile Company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of Gujarat and Punjab and Haryana.
Located in Madhya Pradesh admeasuring 630,552 Square meters	229.0	220.1	
Located in Gujarat admeasuring 24,000 Square meters	1.0	0.6	The lease agreement is in the name of Gujarat Lyca Limited, erstwhile Company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of Gujarat.

- (ii) As explained to us, the inventories, excluding stocks with some of the third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventories lying with third parties, these have substantially been confirmed by them.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"), and hence reporting under clause (iii)(a) of paragraph 3 of the Order is not applicable. In respect of loans, secured or unsecured, granted during earlier years, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act:
 - (a) In respect of loans granted to wholly owned subsidiaries, where the aggregate amount involved is ₹ 4.8 Million (including interest accrued), the repayments or receipts of principal amounts and interest, where due during the year, have been regular as per stipulations and in respect of loans granted to an associate, there is no repayment or receipt of the principal amount of ₹ 512.0 Million and the interest thereon of ₹ 151.5 Million, which are overdue as per the stipulations.
 - (b) There is no overdue amount remaining outstanding as at the balance sheet date except in respect of amounts of ₹ 512.0 Million and ₹ 135.8 Million of principal and interest respectively, aggregating to ₹ 647.8 Million given to an associate, which has been overdue for more than 90 days, where there is no evidence of reasonable steps having been taken for the recovery of the principal outstanding or interest receivable. As represented by the Management of the Company, the Company is evaluating various options to recover its dues in respect of principal amount and interest.

Refer Note 45 to the standalone financial statements.

- (iv) The Company has not granted any loans, made investments or provided guarantees or securities during the year covered under Section 185 and 186 of the Act and hence reporting under clause (iv) of paragraph 3 of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder and hence reporting under clause (v) of paragraph 3 of the Order is not applicable.

- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities, though there have been slight delays in few cases.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value added Tax which have not been deposited as at 31st March, 2016 on account of disputes, are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in Million) #	Amount paid / adjusted under protest (₹ in Million)
Income Tax Act, 1961	Income Tax, Interest and Penalty	Commissioner (Appeals)	1998-99 to 2000-01, 2005-06 to 2010-11	3,419.6	2,712.7
		Income Tax Appellate Tribunal (ITAT)	1995-96 to 1999-00, 2001-02 to 2004-05, 2007-08, 2009-10 and 2010-11	3,313.2	5,706.5
	Sales Tax Act/ VAT (Various States)	Assistant / Additional / Senior Joint Commissioner	1999 - 00, 2000-01 and 2002-03 to 2012-13	2.7	0.6
		Appellate Authority	1998-99, 2008-09, 2012-13 and 2013-14	2.8	0.4
		Tribunal	1998-99 to 2003-04	3.0	-
		High Court	1999-00, 2001-02 to 2003-04 and 2005-06 to 2010-11	23.5	5.1
	Entry Tax	Madhya Pradesh Commercial Tax Appellate Board	2009-10	2.5	-
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	16.1	-
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Settlement Commission	2000-01	4.2	-
		Commissioner (Appeals)	2001-02 to 2014-15	57.1	4.5
		Tribunal	2001-02 to 2014-15	1,364.2	204.6
		High Court	2001-02 to 2004-05 and 2008-09 to 2013-14	73.1	3.2
		Supreme Court	2002-03 to 2003-04	16.9	16.9

Net of amount paid / adjusted under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of initial public offer, further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in excess of the limits and approvals prescribed under Section 197 read with Schedule V to the Act, to the following managerial personnel:

Managerial Position	Excess amount of remuneration paid / provided (₹ In Million)	Financial year ended	Treatment of the excess remuneration in the respective year standalone financial statements	Steps taken by the Company for securing refund
Managing Director	10.5	31st March, 2015	Charged to the Statement of Profit and Loss	We have been informed by the Management of the Company that they have made further representations to the Central Government in respect of their applications for approving the amounts of maximum remuneration for the three years ending 31st March, 2017, including for the excess amounts already paid / provided. Refer Note 55 to the standalone financial statements
Whole time Director	10.2	31st March, 2015	Charged to the Statement of Profit and Loss	

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place: Mumbai
Date: 30th May, 2016

BALANCE SHEET

AS AT 31ST MARCH, 2016

	Note No.	As at 31st March, 2016		As at 31st March, 2015	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	2,406.6		2,071.2	
Share Suspense Account	48	-		334.8	
Reserves and Surplus	2	212,424.3	214,830.9	225,307.7	227,713.7
Share Application Money Pending Allotment	56(b)		6.7		149.0
Non-current Liabilities					
Long-term Borrowings	3	19,292.7		11,703.2	
Deferred Tax Liabilities (Net)	4	-		-	
Other Long-term Liabilities	5	135.7		143.7	
Long-term Provisions	6	19,245.5	38,673.9	24,225.1	36,072.0
Current Liabilities					
Short-term Borrowings	7	37,337.2		42,528.1	
Trade Payables					
Total outstanding dues of micro enterprises and small enterprises	37	87.4		94.0	
Total outstanding dues of creditors other than micro enterprises and small enterprises		17,637.0		15,673.5	
Other Current Liabilities	8	19,068.3		31,558.3	
Short-term Provisions	9	14,257.9	88,387.8	20,666.9	110,520.8
Total Assets			341,899.3		374,455.5
Non-current Assets					
Fixed Assets					
Tangible Assets	10A	35,129.0		31,152.9	
Intangible Assets	10B	552.7		699.8	
Capital Work-in-Progress		7,677.3		10,863.2	
Intangible Assets under Development		-		42.7	
		43,359.0		42,758.6	
Non-current Investments	11	222,831.1		257,822.3	
Long-term Loans and Advances	12	21,654.7		18,952.3	
Other Non-current Assets	13	617.5	288,462.3	419.5	319,952.7
Current Assets					
Current Investments	14	824.9		939.3	
Inventories	15	21,321.6		21,892.5	
Trade Receivables	16	20,168.1		18,028.2	
Cash and Cash Equivalents	17	1,693.9		4,164.6	
Short-term Loans and Advances	18	7,450.3		6,966.9	
Other Current Assets	19	1,978.2	53,437.0	2,511.3	54,502.8
Total			341,899.3		374,455.5

See accompanying notes 1 to 60 forming part of the Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SSELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner
Mumbai, 30th May, 2016

UDAY V. BALDOTA
Chief Financial Officer
Mumbai

SUNIL R. AJMERA
Company Secretary
Mumbai

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director
New York

SUDHIR V. VALIA
Wholetime Director
Mumbai

SAILESH T. DESAI
Wholetime Director
Mumbai

Date: 30th May, 2016

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015	₹ in Million
Revenue from Operations	20	77,448.9	81,687.4	
Less: Excise Duty		1,304.3	1,403.0	
		76,144.6	80,284.4	
Other Income	21	4,318.2	2,115.8	
Total Revenue		80,462.8	82,400.2	
Expenses				
Cost of Materials Consumed	22	20,198.5	22,611.1	
Purchases of Stock-in-Trade	32	11,700.0	9,342.2	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(684.8)	3,181.0	
Employee Benefits Expense	24	14,805.1	14,876.5	
Finance Costs	25	5,306.4	5,512.5	
Depreciation and Amortisation Expense	10	4,639.8	6,606.8	
Other Expenses	26	34,475.6	35,859.8	
Total Expenses		90,440.6	97,989.9	
Loss Before Exceptional Item and Tax		(9,977.8)	(15,589.7)	
Exceptional Item	47	(701.3)	-	
Loss Before Tax		(10,679.1)	(15,589.7)	
Tax Expense:				
Current Tax	50	54.5	1,080.0	
Deferred Tax Expense / (Credit)		-	54.5	(1,928.4) (848.4)
Loss for the Year		(10,733.6)	(14,741.3)	
Earnings per Share (Face Value per Equity share - ₹ 1)	39			
Basic (in ₹)		(4.5)	(6.1)	
Diluted (in ₹)		(4.5)	(6.1)	
See accompanying notes 1 to 60 forming part of the Financial Statements				

In terms of our report attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants**DILIP S. SHANGHVI**
Managing Director
New York**RAJESH K. HIRANANDANI**
Partner
Mumbai, 30th May, 2016**UDAY V. BALDOTA**
Chief Financial Officer
Mumbai**SUDHIR V. VALIA**
Wholetime Director
Mumbai**SUNIL R. AJMERA**
Company Secretary
Mumbai**SAILESH T. DESAI**
Wholetime Director
Mumbai

Date: 30th May, 2016

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Tax	(10,679.1)	(15,589.7)
Adjustments for:		
Depreciation and Amortisation Expense	4,639.8	6,606.8
Provision for Impairment of Fixed Assets (Disclosed as Exceptional Item)	701.3	-
Loss on Sale of Fixed Assets (net)	82.3	64.8
Finance Costs	5,306.4	5,512.5
Interest Income	(231.2)	(849.8)
Dividend Income	(394.5)	(0.2)
Net Gain on Sale of Investments	(3,426.8)	(988.9)
Provision for Doubtful Trade Receivables / Advances / Sundry balances / Trade Receivables written off (net)	1,155.4	377.2
Sundry Balances Written Back (Net)	(50.0)	-
Expense on Employee Stock Option Schemes	98.8	205.0
Reversal for diminution in value of current investments	-	(70.3)
Provision for other-than-temporary diminution in value of non-current investment in an associate (₹ 16,380)	0.0	306.4
Provision in respect of losses of a subsidiary	122.9	467.4
Net Unrealised Foreign Exchange Gain	(820.2)	(5,771.1)
Operating Loss Before Working Capital Changes	(3,494.9)	(9,729.9)
Changes in working capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	570.9	4,242.7
Trade Receivables	(2,888.3)	2,771.1
Loans and Advances	(1,254.4)	(521.1)
Other Assets	(427.4)	28,356.5
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	1,761.4	1,189.7
Other Liabilities	(1,167.4)	(22,978.2)
Provisions	(2017.1)	89.9
Cash Generated from / (used in) Operations	(8,917.2)	3,420.7
Net Income Tax Paid	(3,527.3)	(1,934.8)
Net Cash Flow from / (used in) Operating Activities (A)	(12,444.5)	1,485.9
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets, including Capital Advances	(5,606.6)	(10,279.8)
Proceeds from Sale of Fixed Assets	144.5	148.4
Loans / Inter Corporate Deposits		
Given / Placed	-	(1,411.5)
Received back / Matured	251.9	11,307.7
Received back / Matured from Subsidiary Companies	-	1,135.6
Purchase of Investments		
Subsidiary Company	(163.5)	(3.1)
Associate (₹ 16,380)	0.0	-
Others	(131,969.1)	(103,605.0)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	Year ended 31st March, 2016	Year ended 31st March, 2015
Proceeds from Sale of Investments			
Subsidiary Companies	38,476.8	8,950.1	
Others	132,268.1	112,962.5	
Bank Balances not considered as Cash and Cash Equivalents			
Fixed Deposits Placed	(30.1)	(3,529.9)	
Fixed Deposits Matured	2,116.8	4,964.2	
Margin Money Placed	(0.2)	(7.4)	
Margin Money Matured	-	3.5	
Interest Received	418.8	892.6	
Dividend Received	394.5	0.2	
Net Cash Flow from Investing Activities (B)	36,301.9	21,528.1	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from allotment of equity shares on exercise of stock options /Share Application Money received	91.3	748.7	
Proceeds from Borrowings			
Subsidiary Company	35,480.0	-	
Others	72,231.3	78,687.4	
Réparation of Borrowings			
Subsidiary Companies	(27,545.7)	-	
Others	(89,805.8)	(95,833.1)	
Net Decrease in Cash Credit Facilities and Working Capital Demand Loans	(2,360.6)	(3,391.3)	
Finance Costs (includes borrowing costs capitalised)	(3,655.2)	(3,319.8)	
Dividend Paid	(7,216.8)	(3,104.8)	
Tax on Dividend	(1,469.7)	(528.0)	
Net Cash Flow used in Financing Activities (C)	(24,251.2)	(26,740.9)	
Net Decrease in Cash and Cash Equivalents (A+B+C)	(393.8)	(3,726.9)	
Cash and Cash Equivalents at the Beginning of the Year	1,932.0	763.2	
Pursuant to the Scheme of Amalgamation (Refer note 48)	-	4,879.3	
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	5.2	16.4	
Cash and Cash Equivalents at the end of the Year (Refer Note 17)	1,543.4	1,932.0	
See accompanying notes 1 to 60 forming part of the Financial Statements			

In terms of our report attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants**DILIP S. SHANGHVI**
Managing Director
New York**RAJESH K. HIRANANDANI**
Partner
Mumbai, 30th May, 2016**UDAY V. BALDOTA**
Chief Financial Officer
Mumbai**SUDHIR V. VALIA**
Wholetime Director
Mumbai**SUNIL R. AJMERA**
Company Secretary
Mumbai**SAILESH T. DESAI**
Wholetime Director
Mumbai

Date: 30th May, 2016

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016		As at 31st March, 2015	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
1 SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 1 each	5,990,000,000	5,990.0	5,990,000,000	5,990.0
Cumulative Preference Shares of ₹ 100 each	100,000	10.0	100,000	10.0
	5,990,100,000	6,000.0	5,990,100,000	6,000.0
Issued, Subscribed and Fully Paid Up				
Equity Shares of ₹ 1 each (Refer Note 29)	2,406,605,118	2,406.6	2,071,163,910	2,071.2
	2,406,605,118	2,406.6	2,071,163,910	2,071.2

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
2 RESERVES AND SURPLUS (*)		
Capital Reserve		
Opening Balance	36,660.2	28,369.0
Add: Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	8,291.2
Closing Balance	36,660.2	36,660.2
Securities Premium Account		
Opening Balance	18,220.3	14,218.0
Add: Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	3,079.7
Add: Received on shares issued during the year	232.9	594.2
Add: Transferred from employee stock options outstanding account on exercise of options	132.0	328.4
Closing Balance	18,585.2	18,220.3
Debenture Redemption Reserve		
Opening Balance	750.0	-
Add: Transferred from General Reserve	-	750.0
Less: Transferred to General Reserve	750.0	-
Closing Balance	-	750.0
Share Options Outstanding Account		
Opening Balance	82.1	-
Add: Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	205.5
Add: Amortisation during the year (Employee stock option expense, net of options forfeited and lapsed during the year)	98.8	205.0
Less: Transferred to Securities premium on account of exercise of options	132.0	328.4
Closing Balance	48.9	82.1
Amalgamation Reserve		
Opening Balance	43.8	-
Add: Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	43.8
Closing Balance	43.8	43.8

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
General Reserve		
Opening Balance	34,029.3	29,260.0
Add: Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	5,519.3
Add: Transferred from Debenture Redemption Reserve	750.0	-
Less: Transferred to Debenture Redemption Reserve	-	750.0
Closing Balance	34,779.3	34,029.3
Surplus in Statement of Profit and Loss		
Opening Balance	135,522.0	160.6
Add: Pursuant to the Scheme of Amalgamation (Refer Note 51)	-	158,791.9
Add: Loss for the Year	(10,733.6)	(14,741.3)
Less: Dividend proposed to be distributed to equity Shareholders - [₹ 1.0 (Previous Year ₹ 3.0 per Share)]	2,406.8	7,219.5
Less: Corporate Dividend Tax (**)	74.7	1,469.7
Closing Balance	122,306.9	135,522.0
	212,424.3	225,307.7

(*) During the previous year, 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 Transferor Company on the close of 31st March, 2014 had 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 had been taken over by the Company (Transferee Company) and was included in Securities Premium Account, as on 1st April, 2014, being the appointed date of the amalgamation referred in Note 48.

(**) Computed in terms of Section 115-O read with sub-sections 1 and 1A of the Income Tax Act, 1961.

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
3 LONG-TERM BORROWINGS		
Secured		
Term Loan from Department of Biotechnology (Refer Note 57A)	77.3	77.3
Unsecured		
Term Loans from Banks (Refer Note 57A)	19,215.4	11,625.9
	19,292.7	11,703.2

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million			
	As at 31st March, 2016		As at 31st March, 2015	
4 DEFERRED TAX LIABILITIES (Net)				
Deferred Tax Liabilities				
Depreciation on Fixed Assets		3,357.0		3,727.2
Others	169.0	3,526.0	165.9	3,893.1
Less :				
Deferred Tax Assets				
Unpaid Liabilities Allowable on payment basis u/s 43B of the Income Tax Act,1961		378.9		426.9
Unabsorbed Depreciation / Carried forward Losses (*)	2,160.0		2,820.6	
Others	987.1	3,526.0	645.6	3,893.1
(*) restricted to the extent of deferred tax liability.				
5 OTHER LONG-TERM LIABILITIES				
Interest accrued but not due on borrowings		4.9		3.4
Trade / Security Deposits Received		130.8		140.3
	135.7		143.7	
6 LONG-TERM PROVISIONS				
Employee Benefits (Refer Note 41)		1,659.5		1,610.6
MTM Loss on outstanding Forward Contracts / Derivative Instruments		-		212.5
Others (Refer Note 58)		17,586.0		22,402.0
	19,245.5		24,225.1	
7 SHORT-TERM BORROWINGS				
Loans Repayable on Demand				
Secured				
From Banks (Refer Note 57B)		2,560.5		2,739.0
Unsecured				
From Banks		26,756.8		27,223.4
Loans and Advances from a related party (Unsecured)		8,019.9		65.7
Other Loans and Advances (Unsecured)				
Commercial Paper		-		12,500.0
	37,337.2		42,528.1	

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	₹ in Million	As at 31st March, 2016	As at 31st March, 2015
8 OTHER CURRENT LIABILITIES			
Current maturities of Long term debt (Refer Note 57A)	1,722.8	13,875.5	
Interest Accrued but not due on borrowings	91.8	221.7	
Unclaimed / Unpaid Dividends	72.8	65.7	
Statutory Remittances	1,339.0	1,196.4	
Payables on Purchase of Fixed Assets	838.5	699.1	
Advances from Customers	275.4	1,035.8	
Trade / Security Deposits Received	1.5	-	
Product Settlement, Claims, Recall Charges and Trade Commitments	14,674.5	14,276.4	
Others	52.0	187.7	
	19,068.3	31,558.3	
9 SHORT-TERM PROVISIONS			
Employee Benefits (Refer Note 41)	611.5	404.6	
MTM Loss on outstanding Forward Contracts / Derivative Instruments	220.8	4,939.9	
Dividend proposed to be distributed to Equity Shareholders	2,406.8	7,219.5	
Corporate Dividend Tax	74.7	1,469.7	
Provision in respect of losses of subsidiaries	1,569.8	1,286.6	
Others (Refer Note 58)	9,374.3	5,346.6	
	14,257.9	20,666.9	

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

10 FIXED ASSETS

Description of Assets	As at 01.04.2015	Pursuant to Amalgamation #	Gross Block (At Cost)		Deletions / Adjustments during the year	As at 31.03.2016	As at 01.04.2015	Pursuant to Amalgamation #	For the year	Deletions for the year	Depreciation / Amortisation / Impairment	On 31.03.2016	As at 31.03.2015	Net Block
			Freehold Land	Leasehold Land										
A. Tangible Assets														
Freehold Land	530.9 (192.1)	- (250.0)	10.2 (88.8)	- (-)	541.1 (530.9)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	541.1 (530.9) (192.1)
Leasehold Land	609.7 (137.8)	- (478.7)	- (-)	609.7 (609.7)	47.3 (11.5)	- (28.9)	6.9 (6.9)	- (-)	- (-)	- (-)	- (-)	54.2 (47.3)	55.5 (56.24)	56.4 (126.3)
Buildings	11,204.0 (3,298.1)	- (6,177.8)	2,475.5 (1,731.0)	11.8 (2.9)	13,667.7 (11,204.0)	2,632.5 (742.2)	- (1,610.9)	661.2 (27.97)	2.2 (0.3)	3,291.5 (2,632.5)	ii) (ii)	10,376.2 (857.15)	8,571.5 (2,555.9)	
Buildings-Leased*	24.5 (24.5)	- (-)	- (-)	24.5 (24.5)	76 (7.1)	- (-)	0.5 (0.5)	- (-)	- (-)	- (-)	- (-)	8.1 (7.6)	16.4 (16.9)	16.9 (17.4)
Plant and Equipment	41,454.0 (14,573.8)	- (23,944.9)	6,516.1 (3,381.0)	448.9 (445.7)	47,521.2 (41,454.0)	21,498.1 (5,553.9)	- (10,867.3)	4,076.6 (5,449.3)	ii) (ii)	353.6 (354.4)	25,221.1 (21,498.1)	ii) (ii)	22,300.1 (19,955.9)	19,955.9 (9,037.9)
Plant and Equipment-Leased*	25.3 (25.3)	- (-)	- (-)	25.3 (25.3)	- (-)	5.9 (4.1)	- (-)	1.2 (1.8)	7.1 (1.8)	- (-)	- (-)	- (-)	- (-)	- (-)
Vehicles	759.8 (289.7)	- (514.0)	68.8 (120.1)	183.5 (164.0)	645.1 (759.8)	293.6 (83.5)	- (167.1)	102.1 (113.4)	ii) (ii)	90.8 (70.4)	304.9 (233.6)	340.2 (466.2)	466.2 (206.2)	
Office Equipment	1,123.5 (416.2)	- (538.4)	84.7 (195.8)	30.8 (26.9)	1,177.4 (1,123.5)	736.8 (231.7)	- (209.8)	127.3 (315.2)	ii) (ii)	25.1 (19.9)	839.0 (736.8)	ii) (ii)	338.4 (386.7)	386.7 (184.5)
Furniture and Fixtures	1,395.5 (421.1)	- (813.4)	165.7 (188.4)	23.1 (27.4)	1,538.1 (1,395.5)	752.5 (187.0)	- (372.7)	145.0 (209.0)	ii) (ii)	20.5 (16.2)	877.0 (752.5)	ii) (ii)	661.1 (643.0)	643.0 (234.1)
Total Tangible Assets (A)	57,127.2 (19,378.6)	- (32,717.2)	9,321.0 (5,705.1)	723.4 (673.7)	65,724.8 (57,177.2)	25,974.3 (6,803.0)	ii) 5,120.8 (13,256.7)	499.3 (6,375.8)	30,595.8 (461.2)	499.3 (25,974.3)	35,129.0 (31,152.9)			
B. Intangible Assets														
(Other than internally generated)														
Computer Software	1,639.4 (-)	- (1,499.7)	67.5 (142.9)	26.6 (3.2)	1,680.3 (1,639.4)	1,047.6 (-)	- (865.1)	194.1 (184.9)	ii) (ii)	23.9 (2.4)	1,217.8 (1,047.6)	ii) (ii)	462.5 (591.8)	591.8 (-)
Trademarks, Designs and Other Intangible Assets	1,184.1 (356.7)	- (795.7)	8.4 (31.7)	- (-)	1,192.5 (1,184.1)	1,076.1 (260.6)	- (769.4)	26.2 (46.1)	- (-)	1,02.3 (1,076.1)	ii) (ii)	90.2 (108.0)	108.0 (96.1)	
Total Intangible Assets (B)	2,823.5 (336.7)	- (2,295.4)	75.9 (174.6)	26.6 (3.2)	2,872.8 (2,823.5)	2,123.7 (260.6)	- (1,634.5)	220.3 (231.0)	23.9 (2.4)	2,320.1 (2,123.7)	552.7 (699.8)			
Total Fixed Assets (A) + (B)	59,950.7 (19,735.3)	- (35,012.6)	9,396.9 (5,879.7)	750.0 (676.9)	68,597.6 (59,950.7)	28,098.0 (7063.6)	- (14,891.2)	5,341.1 (6,606.8)	523.2 (463.6)	32,915.9 (28,098.0)	35,681.7 (31,852.7)			

Footnotes:

- (i) Buildings include ₹ 8,620 (Previous Year ₹ 8,620) towards cost of shares in a Co-operative Housing Society and also includes ₹ 1.1 Million (Previous Year ₹ 1.1 Million) and ₹ 1,133.0 Million (Previous Year ₹ 1,133.0 Million) towards cost of non - convertible Preference shares of face value of ₹ 10/- each and compulsorily convertible Debentures of face value of ₹ 10,000/- each respectively in a company entitling the right of occupancy and use of premises.
- (ii) Includes impairment of ₹ 1,072.9 Million (Previous Year ₹ 371.6 Million) including ₹ 701.3 Million (Previous Year ₹ N) on account of impairment for the year.
- (iii) Freehold land includes land valued at ₹ 25.5 Million (Previous Year ₹ 25.5 Million) pending registration in the name of the Company.
- (iv) Include Leasehold improvements.
- (v) Deletions / Adjustments during the previous year includes refund received from authorities in respect of dismantling charges.
- (vi) Borrowing cost capitalised during the year ₹ 62.1 Million (Previous Year ₹ 56.8 Million).
- (vii) Previous Year figures are in brackets.
- # Refer Note 42(a)

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	As at 31st March, 2016	As at 31st March, 2015
11 NON-CURRENT INVESTMENTS			
Long-term Investments (*)			
Trade Investments			
a) In Equity Instruments			
Quoted			
Zenotech Laboratories Limited an Associate (**)	2,463.5	2,463.5	
16,128,078 (Previous Year 16,127,293) Shares of ₹ 10 each fully paid			
Less: Provision for other-than-temporary diminution in value of non-current investment	(2,463.5)	-	(2,463.5)
Unquoted			
i) In Subsidiary Companies			
Sun Pharmaceutical Industries, Inc.	304.2	304.2	
8,387,666 (Previous Year 8,387,666) fully paid Common Shares of no Par Value			
Sun Farmaceutica do Brasil Ltda	18.3	18.3	
829,288 (Previous Year 829,288) quota of Capital Stock of Real 1 each fully paid			
Sun Pharma De Mexico, S.A. DE C.V.	3.3	3.3	
750 (Previous Year 750) fully paid Common Shares of no Face Value			
Sun Pharmaceutical (Bangladesh) Limited			
434,469 (Previous Year 434,469) Ordinary Shares of 100 Takas each fully paid	36.5	36.5	
Share Application Money	31.6	31.6	
Sun Pharmaceutical Peru S.A.C.	0.0	0.0	
[₹ 21,734 (Previous Year ₹ 21,734)]			
149 (Previous Year 149) Ordinary Shares of Soles 10 each fully paid			
SPII DE Mexico S.A. DE CV	0.2	0.2	
100 (Previous Year 100) Nominative and free Shares of 500 Mexican Pesos each fully paid			
OOO "Sun Pharmaceutical Industries" Limited	8.8	8.8	
Par value stock of 5,249,500 Rouble (Previous Year 5,249,500 Rouble) fully paid			
Green Eco Development Centre Limited	1.0	1.0	
100,000 (Previous Year 100,000) Shares of ₹ 10 each fully paid			
Sun Pharma De Venezuela, C.A.	0.5	0.5	
1,000 (Previous Year 1,000) Shares of Bolivars (Bs.F.) 100 each, Bolivars (Bs.F.) 50 per share paid			
Sun Pharma Laboratories Limited	1.5	1.5	
50,000 (Previous Year 50,000) Shares of ₹ 10 each fully paid			
Faststone Mercantile Company Private Limited	0.1	0.1	
10,000 (Previous Year 10,000) Shares of ₹ 10 each fully paid			

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	As at 31st March, 2016	As at 31st March, 2015	₹ in Million
Neetnav Real Estate Private Limited	0.1	0.1	
10,000 (Previous Year 10,000) Shares of ₹ 10 each fully paid			
Realstone Multitrade Private Limited	0.1	0.1	
10,000 (Previous Year 10,000) Shares of ₹ 10 each fully paid			
Skisen Labs Private Limited	163.6	0.1	
16,360,000 (Previous Year 10,000) Shares of ₹ 10 each fully paid			
Softdeal Trading Company Private Limited	0.1	0.1	
10,000 (Previous Year 10,000) Shares of ₹ 10 each fully paid			
Sun Pharma Holdings	54,031.5	54,031.5	
855,199,716 (Previous Year 855,199,716) Shares of USD 1 each fully paid			
Share Application Money	-	3.1	
Vidut Investments Limited	250.1	250.1	
25,008,400 (Previous Year 25,008,400) Shares of ₹ 10 each fully paid			
Less: Provision for other-than-temporary diminution in value of non-current investment	(239.0)	11.1	
Ranbaxy Drugs Limited	31.0	31.0	
3,100,020 (Previous Year 3,100,020) Shares of ₹ 10 each fully paid			
Gufic Pharma Limited	535.2	535.2	
4,900 (Previous Year 4,900) Shares of ₹ 100 each fully paid			
Ranbaxy (Netherlands) B.V.	39,839.4	39,839.4	
5,473,340 (Previous Year 5,473,340) Ordinary Shares of Euro 100 each fully paid			
Ranbaxy Pharmacie Generiques SAS	4,709.1	4,709.1	
24,116,505 (Previous Year 24,116,505) Ordinary Shares of Euro 1 each fully paid			
Less: Provision for other-than-temporary diminution in value of non-current investment	(4,709.1)	-	
Ranbaxy Malaysia Sdn. Bhd.	36.6	36.6	
3,189,248 (Previous Year 3,189,248) Ordinary Shares of RM 1 each fully paid			
Ranbaxy Nigeria Limited	7.4	7.4	
13,070,648 (Previous Year 13,070,648) Ordinary Shares of Naira 1 each fully paid			
ii) In Associate Company			
Daiichi Sankyo (Thailand) Limited	21.2	21.2	
206,670 (Previous Year 206,670) Ordinary Shares of Bahts 100 each fully paid			

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
iii) In Other Companies		
Enviro Infrastructure Co. Limited	1.0	1.0
100,000 (Previous Year 100,000) Shares of ₹ 10 each fully paid		
Shimal Research Laboratories Limited	934.0	934.0
9,340,000 (Previous Year 9,340,000) Shares of ₹ 10 each fully paid		
Less: Provision for other-than-temporary diminution in value of non-current investment	(934.0)	(934.0)
Shivalik Solid Waste Management Limited	0.2	0.2
20,000 (Previous Year 20,000) Shares of ₹ 10 each fully paid		
Biotech Consortium India Limited	0.5	0.5
50,000 (Previous Year 50,000) Shares of ₹ 10 each fully paid		
Less: Provision for other-than-temporary diminution in value of non-current investment	(0.5)	(0.5)
Nimbua Greenfield (Punjab) Limited	1.4	1.4
140,625 (Previous Year 140,625) Shares of ₹ 10 each fully paid		
Sub-total (a)	95,085.9	94,925.5
b) In Preference Shares (Unquoted)		
In Subsidiary Companies		
Sun Pharma Laboratories Limited	400.0	400.0
4,000,000 (Previous Year 4,000,000) 10% Non-Convertible, Non-Cumulative Redeemable Preference Shares of ₹ 100 each fully paid		
Ranbaxy Drugs Limited	0.0	0.0
250 (Previous Year 250) 10% Non-Convertible Redeemable Preference Shares of ₹ 10 each fully paid. [₹ 2,500 (Previous Year ₹ 2,500)]		
Alkaloida Chemical Company Zrt.	-	402.6
Nil (Previous Year 150,000) 2% Redeemable Preference Shares of \$ 15 each fully paid at a premium of \$ 35 per share		
Sun Pharma Holdings	127,345.2	162,094.2
2,015,593,148 (Previous Year 2,565,593,148) 5% Optionally Convertible Preference Shares USD 1 each fully paid		
Sub-total (b)	127,745.2	162,896.8
c) In Government Securities		
National Savings Certificates ₹ 10,000 (Previous Year ₹ 10,000) (Deposited with Government Authorities)	0.0	0.0
Sub-total (c)	0.0	0.0
Total (a+b+c)	222,831.1	257,822.3

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016		As at 31st March, 2015	
Aggregate Value of Investments	Book Value	Market Value	Book Value	Market Value
Quoted (at Cost)	2,463.5	541.9	2,463.5	729.8
Unquoted (at Cost)	228,713.7		263,704.9	
Total	231,177.2		266,168.4	
Provision for other-than-temporary diminution in value of non-current investment (Quoted)	(2,463.5)		(2,463.5)	
Provision for other-than-temporary diminution in value of non-current investment (Unquoted)	(5,882.6)		(5,882.6)	
(*) At Cost less provision for other than temporary diminution in value, if any.				
(**) The shares of this entity are thinly traded and therefore, market price has not been considered for the purpose of assessment of other than temporary diminution in the value of its non-current investment in Zenotech Laboratories Limited.				

	As at 31st March, 2016		As at 31st March, 2015	
12 LONG-TERM LOANS AND ADVANCES				
(Unsecured – Considered Good unless stated otherwise)				
Capital Advances		2,467.4		2,827.6
Security Deposits		374.3		427.8
Loans and Advances to Related Parties (Refer Note 44)		4.4		4.4
Loans and Advances to Employees / Others				
Secured	23.0		40.3	
Unsecured	80.7	103.7	115.8	156.1
Prepaid Expenses		55.4		61.1
Advance Income Tax [Net of Provisions ₹ 10,894.5 Million (Previous Year ₹ 10,894.5 Million)]		10,062.5		6,589.7
MAT Credit Entitlement (Refer Note 50)		7,517.0		7,517.0
Balances with Government Authorities		1,070.0		1,368.6
	21,654.7		18,952.3	

13 OTHER NON-CURRENT ASSETS			
(Unsecured – Considered Good)			
Receivable towards forward contracts / derivative instruments		616.5	418.5
Deposits Account - Pledged with Government Authorities		1.0	1.0
	617.5		419.5

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
14 CURRENT INVESTMENTS (At lower of cost and fair value)		
In Equity Instruments (Quoted)		
Krebs Biochemicals and Industries Limited	89.3	89.3
1,050,000 (Previous Year 1,050,000) Shares of ₹ 10 each fully paid		
In Mutual Funds (Unquoted)		
Units of Face Value of ₹ 100 each fully paid		
ICICI Prudential Mutual Fund-ICICI Prudential Money Market Fund-Direct Plan-Growth	-	350.0
Nil (Previous Year 1,810,104) Units		
Units of Face Value of ₹ 1,000 each		
Pramerica Mutual Fund-Pramerica Liquid Fund-Direct Plan-Growth Option fully paid	-	500.0
Nil (Previous Year 335,039) Units		
		850.0
In Commercial Paper (Unquoted)		
Housing Development Finance Corporation Limited-90D CP11APR16	491.0	-
1,000 (Previous Year Nil) Units of ₹ 500,000 each fully paid		
JM Financial Products Limited- 85D CP 28APR16	244.6	-
500 (Previous Year Nil) Units of ₹ 500,000 each fully paid		
	735.6	-
Total	824.9	939.3
Aggregate Value Of Investments	Book Value	Market Value
Quoted	89.3	112.3
Unquoted	735.6	850.0

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
15 INVENTORIES		
Raw Materials and Packing Materials	7,949.1	9,565.7
Goods-in-Transit	602.3	8,551.4
Work-in-Progress (Refer Note 34)		6,322.0
Finished Goods	5,621.1	4,175.5
Goods-in-Transit (Refer Note 34)	-	5,621.1
Stock in trade	379.3	1,326.7
Goods-in-Transit (Refer Note 34)	61.0	440.3
Other Materials and Consumables	386.8	304.8
	21,321.6	21,892.5

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			₹ in Million
	As at 31st March, 2016	As at 31st March, 2015	
16 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	3,723.8	2,592.1	
Considered Doubtful	944.1	467.0	
	4,667.9	3,059.1	
Less: Provision for Doubtful Trade Receivables	944.1	3,723.8	467.0 2,592.1
Other Trade Receivables			
Considered Good	16,444.3	15,436.1	
Considered Doubtful	169.9	-	
	16,614.2	15,436.1	
Less: Provision for Doubtful Trade Receivables	169.9	16,444.3	- 15,436.1
	20,168.1	18,028.2	
17 CASH AND CASH EQUIVALENTS			
Balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statements			
Cash on Hand	5.5	7.9	
Cheques on Hand	3.8	40.0	
Balances with Banks			
In Current Accounts	368.0	1,624.8	
In Deposit Accounts with Original Maturity less than 3 Months	-	13.7	
In EEFC Accounts	1,166.1	1,534.1	245.6 1,884.1
	1,543.4	1,932.0	
Other Bank Balances			
In Deposit Accounts (*)	17.3	2,104.0	
In Earmarked Accounts			
Unpaid Dividend Accounts	63.0	58.6	
Balances held as Margin Money or Security against Guarantees and Other Commitments (*)	70.2	150.5	70.0 2,232.6
	1,693.9	4,164.6	
(*) Other Bank Balances include Deposits amounting to ₹ 2.8 Million (Previous Year Nil) and Margin Monies amounting to ₹ 70.2 Million (Previous Year ₹ 70.0 Million) which have an Original Maturity of more than 12 Months.			

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million		
	As at 31st March, 2016		As at 31st March, 2015
18 SHORT-TERM LOANS AND ADVANCES			
(Unsecured - Considered Good unless stated otherwise)			
Loans and Advances to a Related Party (Refer Note 44)			
Considered Good	-		238.4
Considered Doubtful	512.0		274.0
512.0	512.0	512.4	
Less: Provision for Doubtful Loans and Advances	512.0	-	274.0 238.4
Loans and Advances to Employees / Others			
Secured Considered Good	4.6		13.6
Unsecured Considered Good	200.9		481.7
Considered Doubtful	4.5		4.5
210.0	210.0	499.8	
Less: Provision for Doubtful Loans and Advances	4.5	205.5	4.5 495.3
Prepaid Expenses		238.0	716.0
Security Deposits		70.2	60.6
Balances with Government Authorities		5,758.1	4,530.7
Advances for Supply of Goods and Services			
Unsecured	1,178.5		925.9
Considered Doubtful	184.2		185.1
1,362.7	1,362.7	1,111.0	
Less: Provision for Doubtful Loans and Advances	184.2	1,178.5	185.1 925.9
	7,450.3	7,450.3	6,966.9
19 OTHER CURRENT ASSETS			
(Unsecured - Considered Good unless stated otherwise)			
Interest Accrued and due on loans (Refer Note 44)			
Considered Good	-		114.4
Considered Doubtful	151.5		-
151.5	151.5	114.4	
Less: Provision for Doubtful Interest Accrued and due on loans	151.5	-	- 114.4
Receivable towards forward contracts / derivative instruments		-	772.9
Export Incentives receivable		1,936.4	1,500.3
Fixed Assets held for sale		34.4	34.4
Others	7.4		89.3
	1,978.2	1,978.2	2,511.3

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
20 REVENUE FROM OPERATIONS		
Sale of Products	72,624.6	78,824.7
Other Operating Revenues	4,824.3	2,862.7
	77,448.9	81,687.4
21 OTHER INCOME		
Interest Income on:		
Deposits with Banks	125.5	340.0
Loans and Advances	11.8	302.7
Current Investments	11.6	-
Long-term Investments	-	42.5
Others	82.3	231.2
Dividend Income on Long-term Investments in Subsidiary	394.3	-
Others	0.2	394.5
Net Gain on Sale of:		
Current Investments	184.6	172.0
Long-term Investments - Subsidiary	3,242.2	-
Long-term Investments - Others	-	3,426.8
Sundry Balances Written Back (Net)	50.0	-
Insurance Claims	31.4	4.1
Lease Rental and Hire Charges	182.6	170.3
Miscellaneous Income	1.7	102.5
	4,318.2	2,115.8
22 COST OF MATERIALS CONSUMED (REFER NOTE 31)		
Raw and Packing Materials:		
Inventories at the beginning of the year	9,889.1	5,116.4
Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	5,653.1
Purchases during the year	18,860.8	21,730.7
Inventories at the end of the year	(8,551.4)	(9,889.1)
	20,198.5	22,611.1
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year	11,698.6	3,679.1
Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	11,200.5
Inventories at the end of the year	(12,383.4)	(11,698.6)
	(684.8)	3,181.0

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
24 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	12,661.4	12,801.3
Contribution to Provident and Other Funds	1,132.3	974.1
Expense on Employee Stock Option Schemes	98.8	205.0
Staff Welfare Expenses	912.6	896.1
	14,805.1	14,876.5
25 FINANCE COSTS		
Interest Expense	2,932.3	2,940.0
Other borrowing costs	42.9	48.7
Net loss on foreign currency transactions and translation	2,331.2	2,523.8
	5,306.4	5,512.5
26 OTHER EXPENSES		
Consumption of Stores, Spare Parts and Other Materials	3,603.8	3,454.9
Conversion and Other Manufacturing Charges	2,017.6	1,930.4
Power and Fuel	3,704.8	3,825.2
Rent	377.7	518.6
Rates and Taxes	739.0	556.5
Insurance	416.2	380.4
Selling and Distribution	3,883.0	3,788.4
Commission and Discount	441.4	528.3
Repairs and maintenance		
Buildings	199.2	193.8
Machinery	907.7	861.8
Others	900.0	2,006.9
Printing and Stationery	164.7	176.1
Travelling and Conveyance	535.6	605.4
Overseas Travel and Export Promotion	5,127.8	4,346.6
Communication	318.1	402.4
Provision / Write off for Doubtful Trade Receivables / Advances		
Provision for Doubtful Trade Receivables / Advances	1,057.9	388.7
Sundry Balances / Trade Receivables written off (Net)	119.8	74.4
Less: Adjusted out of Provision of earlier year	(22.3)	1,155.4
Professional, Legal and Consultancy	6,260.0	(*) 8,256.6
Donations	26.8	49.0
Loss on Sale / Write off of Fixed Assets (Net)	82.3	64.8
(Decrease) / Increase of Excise Duty on Inventories	138.4	(14.1)
Net Loss on Foreign Currency Transactions and Translation (other than considered as Finance Cost)	2,145.8	1,065.9
[Includes exchange loss of ₹ 160.3 Million (Previous Year ₹ 252.6 Million) in respect of Provision for losses of a subsidiary]		
Payments to Statutory Auditors (Net of input credit, where applicable)		
For Audit @	22.9	15.5

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

			₹ in Million
	Year ended 31st March, 2016	Year ended 31st March, 2015	
For Other Services	24.5	1.5	
Reimbursement of Expenses	0.6	48.0	0.1
@ includes ₹ 0.7 Million (Previous year ₹ 1.8 Million) in respect of previous year			17.1
Provision for other-than-temporary diminution in value of non-current investment in an associate (₹ 16,380)	0.0		306.4
Provision in respect of losses of a subsidiary	122.9		467.4
Miscellaneous Expenses	2,431.1		3,726.4
	35,747.3	36,835.9	
Less :			
Receipts from Research Activities	(1,271.7)		(976.1)
	34,475.6	35,859.8	
(*) Includes fees to the statutory auditors of erstwhile Ranbaxy Laboratories Limited as auditors - ₹ 27.0 Million			
NOTE: RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE STATEMENT OF PROFIT AND LOSS.			
Salaries and Wages	2,608.6	2,363.8	
Contribution to Provident and Other Funds	161.9	177.0	
Staff Welfare Expenses	165.3	173.0	
Consumption of Stores, Spare Parts and Others Material	2,746.5	2,572.1	
Conversion and Other Manufacturing Charges	-	93.5	
Power and Fuel	378.9	439.0	
Rent	96.9	136.6	
Rates and Taxes	35.9	4.9	
Insurance	32.9	36.0	
Repairs and Maintenance			
Buildings	27.0	15.0	
Machinery	191.2	119.7	
Others	200.9	419.1	237.8
Printing and Stationery	29.1	34.5	
Travelling and Conveyance	263.5	186.8	
Communication	53.8	51.7	
Professional, Legal and Consultancy	1,464.6	1,061.6	
Loss on Sale / Write off of Fixed Assets (Net)	0.6	-	
Miscellaneous Expenses	580.3	599.9	
	9,037.9	8,302.9	
Less :			
Net Interest Income [net of Interest expense on borrowings ₹ 1.6 Million (Previous year ₹ 1.1 Million)]	2.1	2.7	
Receipts from Research Activities	1,271.7	976.1	
Miscellaneous Income	13.9	1,287.7	14.0
	7,750.2	7,310.1	

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

27 SIGNIFICANT ACCOUNTING POLICIES

I Basis of Accounting

These financial statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

II Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles in India 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 amounts of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

III Fixed Assets and Depreciation / Amortisation

Fixed Assets including intangible assets are stated at historical cost (net of cenvat credit) less accumulated depreciation/amortisation thereon and impairment losses, if any. Depreciation on tangible assets is provided on straight line method on the basis of useful lives of fixed assets as indicated in Part C of Schedule II of the Companies Act, 2013 and amendment thereto vide notification dated 29th August, 2014 issued by Ministry of Corporate Affairs. Assets costing ₹ 5,000/- or less are charged off as expense in the year of purchase. Intangible assets consisting of trademarks, designs, technical knowhow, non-compete fees and other intangible assets, including computer software, are amortised on straight line method from the date they are available for use, over the useful life of the assets (5-20 years), as estimated by the Management. Leasehold land is amortised over the period of lease.

IV 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 is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Total lease rental in respect of an fixed asset taken on operating lease is charged to the 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". Assets leased by the Company in its capacity as a lessee, where substantially all the risk and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments. Liability is created for an equivalent amount.

V Revenue Recognition

Sale of products is recognised when risks and rewards of ownership of the products are passed on to the customers, which is generally on despatch of products. Export sales are recognised on the basis of Bill of lading / Airway bill. Sales include delayed payment charges and are stated net of returns including provision made on account of estimated breakages and expiry date based on past experience, applicable discounts, and VAT / Sales Tax, if any. Other operating income is recognised on an accrual basis and where applicable in accordance with the terms of the relevant agreements.

VI Investments

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

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

VII 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 specific identification method is applied and in respect of certain other materials and consumables FIFO method is applied.

VIII 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 Statement of Profit and Loss, as incurred. All subsequent expenditure incurred for product development on the application of research findings or other knowledge upon demonstration of probability of future economic benefits, prior to the commencement of production, to the extent identifiable and possible to segregate are accumulated and carried forward as development expenditure under Intangible assets under development, to be capitalised as an intangible asset on completion of the project. In case a project does not proceed as per expectations / plans, the same is abandoned and the amount classified as development expenditure under Intangible assets under development is charged off to the Statement of Profit and Loss.

IX Foreign Currency Transactions

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

X 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 Statement of Profit and Loss and gains are not recognised.

XI 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 the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward for timing differences only to the extent that there is a reasonable certainty that the assets can be realised in future. However, if there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that 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.

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the 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 Company will pay normal

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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.

XII Employee Benefits

- (a) The Company's contribution in respect of provident fund and other funds is charged to the Statement of Profit and Loss each year. With respect to certain employees contribution is made to the provident fund trust maintained by the Company. Provident fund liability for the trust is as determined on actuarial basis by the independent valuer is charged to the Statement of Profit and Loss.
- (b) With respect to gratuity liability, Company 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 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 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 by an independent valuer and provided for as per the Company rules.
- (e) Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they arise.

XIII 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 vesting period. 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 Statement of Profit and Loss of that period. In respect of vested options that expire unexercised, the cost is reversed in the Statement of Profit and Loss of that period.

XIV Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets upto the date of capitalisation of such assets are capitalised and added to the cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

XV Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

XVI Government Grants / Subsidy

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

XVII Impairment of Assets

The Company assesses, at each Balance Sheet date, whether there is any indication that an asset may be impaired. An intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use is tested for impairment each financial year even if there is no indication that the asset is impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the 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 being recognised. Such reversal of impairment loss is recognised in the Statement of Profit and Loss.

XVIII Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current.

		₹ in Million	
		As at 31st March, 2016	As at 31st March, 2015
28	A Contingent Liabilities and Commitments (to the extent not provided for)		
i	Contingent Liabilities		
a	Claims against the Company not acknowledged as debts	36.6	26.0
b	Liabilities Disputed - Appeals filed with respect to :		
	Income Tax on account of Disallowances / Additions	19,026.8	11,087.7
	Sales Tax on account of Rebate / Classification	38.8	37.9
	Excise Duty on account of Valuation / Cenvat Credit	1,016.1	164.5
	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 Company	3,326.4	3,248.0
	Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced License Scheme	15.4	15.4
	Fine imposed for anti-competitive settlement agreement by European Commission	773.0	689.1
	Octroi demand on account of rate difference	171.0	171.0
	Other matters - employee / worker related cases, State electricity board, Punjab Land Preservation Act related matters etc.	201.1	237.4
	Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.		

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	As at 31st March, 2016	As at 31st March, 2015
Legal Proceedings			
The Company and / or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims and other regulatory matters relating to conduct of its business. The Company 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 Company believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters will not have material adverse effect on its Financial Statements.			
c Others :			
Trade commitments		-	530.6
Letter of comfort on behalf of subsidiaries, to the extent of limits		-	2,873.1
ii Commitments			
a Estimated amount of contracts remaining to be executed on capital account [net of advances].		3,098.8	2,535.8
b Uncalled liability on partly paid investments		0.5	0.5
c Derivative related Commitments - Forward Foreign Exchange Contracts (Refer Note 59)		7,951.2	11,250.0
d Non cancellable lease commitments (Refer Note 42)		80.4	161.7
B Guarantees given by the bankers on behalf of the Company		502.1	435.9
C Letters of Credit for Imports		740.2	1,020.5

29 DISCLOSURES RELATING TO SHARE CAPITAL

i Rights, Preferences and Restrictions attached to Equity Shares

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

ii Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period (previous year excluding share suspense account)

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Equity shares of ₹ 1 each				
Opening Balance	2,071,163,910	2,071.2	2,071,163,910	2,071.2
Add : Shares allotted during the year pursuant to the scheme of Amalgamation (Refer Note 48)	334,770,248	334.8	-	-
Add : Shares allotted to employees on exercise of employee stock options (excluding shares held by ESOP trust (Refer Note 29 iii))	670,960	0.6	-	-
Closing Balance	2,406,605,118	2,406.6	2,071,163,910	2,071.2

- iii The movement of shares issued to ESOP Trust at Face value is as follows: (previous year excluding share suspense account) :

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Equity shares of ₹ 1 each				
Shares allotted during the year pursuant to scheme of amalgamation (Refer Note 48)	186,516	0.2	-	-
Add: Shares allotted to the ESOP Trust	160,000	0.1	-	-
Less: Shares issued on exercise of employee stock options by ESOP Trust	223,135	0.2	-	-
At the end of the period	123,381	0.1	-	-

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- iv 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.
- v 334,956,764 (Previous year Nil) Equity shares of ₹ 1 each have been allotted during the year pursuant to scheme of Amalgamation without payment being received in cash (Refer Note 48).
- vi Refer Note 56 for number of employee stock options against which equity shares are to be issued by the Company / ESOP Trust upon vesting and exercise of those stock options.

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

Name of Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dilip Shantilal Shangvi	231,140,480	9.6	231,140,480	11.2
Viditi Investment Pvt. Ltd.	201,385,320	8.4	201,385,320	9.7
Tejaskiran Pharmachem Industries Pvt. Ltd.	195,343,760	8.1	195,343,760	9.4
Family Investment Pvt. Ltd.	182,927,440	7.6	182,927,440	8.8
Quality Investments Pvt. Ltd.	182,868,640	7.6	182,868,640	8.8

	₹ in Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
30 RESEARCH AND DEVELOPMENT EXPENDITURE		
Revenue (Excluding Depreciation) [net]	7,750.2	7,310.1
Capital	543.7	789.4
Total	8,293.9	8,099.5

	₹ in Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
31 INFORMATION RELATING TO CONSUMPTION OF MATERIALS		
Raw and Packing Materials		
Raw Materials	17,014.2	18,814.0
Packing Materials	3,184.3	3,797.1
Total	20,198.5	22,611.1
None of the items individually account for more than 10% of total consumption.		
Imported and Indigenous	%	%
Raw and Packing Materials		
Imported	40.76	8,233.5
Indigenous	59.24	11,965.0
Total	100.00	20,198.5
	100.00	22,611.1
Stores, Spare Parts and Other Materials		
Imported	21.46	773.4
Indigenous	78.54	2,830.4
Total	100.00	3,603.8
	100.00	3,454.9

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
32 INFORMATION RELATING TO PURCHASES OF STOCK-IN-TRADE		
Formulations	9,277.6	8,429.8
Bulk Drugs	2,366.9	905.0
Others	55.5	7.4
Total	11,700.0	9,342.2

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
33 INFORMATION RELATING TO SALE OF PRODUCTS		
Formulations	58,696.9	60,516.0
Bulk Drugs	13,278.0	18,285.2
Others	649.7	23.5
Total	72,624.6	78,824.7

	Stock in Trade	Finished Goods	Work-in- Progress		Stock in Trade	Finished Goods	Work-in- Progress
34 INFORMATION RELATING TO INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE							
Formulations	387.3	3,388.5	2,030.8		1,269.7	2,543.2	1,527.8
Bulk Drugs	53.0	2,232.6	4,291.2		118.8	1,648.0	4,591.1
Total	440.3	5,621.1	6,322.0		1,388.5	4,191.2	6,118.9

	₹ in Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
35 INCOME/EXPENDITURE IN FOREIGN CURRENCY		
Income		
Exports (FOB basis)	39,571.7	46,235.0
Interest and Dividend	394.3	176.4
Royalty	429.7	541.6
Others*	1,775.3	1,752.5
Expenditure		
Raw Materials (CIF basis)	5,884.6	6,323.2
Packing Materials (CIF basis)	592.2	1,510.9
Capital Goods (CIF basis)	2,012.2	3,636.6
Spares and Components (CIF basis)	393.2	758.4
Professional, Legal and Consultancy Charges	4,761.8	4,732.2
Overseas Travel	59.7	50.3
Interest	531.7	801.6
Royalty	67.7	224.0
Others	7,279.5	7,526.3

* Includes sale of product rights and brands, services charges, processing charges and freight & insurance recoveries

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36 The net Exchange Loss of ₹ 4,665.0 Million (Previous Year ₹ 3,861.1 Million) is included in Revenue from Operations, Cost of Materials Consumed, Finance Costs and Other Expenses in the Statement of Profit and Loss, as applicable.

37 DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

	₹ in Million	As at 31st March, 2016	As at 31st March, 2016
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	87.4 (interest ₹ Nil)	94.0 (interest ₹ Nil)	-
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
iv. The amount of interest due and payable for the year	-	-	-
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
vi. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

38 RELATED PARTY DISCLOSURES (AS-18) - AS PER ANNEXURE 'A'

	Year ended 31st March, 2016	Year ended 31st March, 2015
Loss for the year (₹ in Million)- used as Numerator for calculating Earnings per share	(10,733.6)	(14,741.3)
Weighted Average number of Shares used in computing Basic Earnings Per Share (taking into account Equity Shares with respect to Share Suspense Account in the previous year)	2,406,379,179	2,404,936,420
Add: Dilution effect of Employee Stock Options	1,059,730	1,193,174
Weighted Average number of Shares used in computing Diluted Earnings Per Share	2,407,438,909	2,406,129,594
Nominal Value Per Share (in ₹)	1	1
Basic Earnings Per Share (in ₹)	(4.5)	(6.1)
Diluted Earnings Per Share (in ₹)	(4.5)	(6.1)

Since the Company has loss for the year and in the previous year, the impact of employee stock option is anti dilutive. Therefore the basic and diluted earnings per share are the same.

	Year ended 31st March, 2016	Year ended 31st March, 2015
40 ACCOUNTING STANDARD (AS-17) ON SEGMENT REPORTING		
(a) Primary Segment		
The Company has identified "Pharmaceuticals" as the only primary reportable business segment.		
(b) Secondary Segment (by Geographical Segment)		
India	31,018.9	30,515.5
Outside India	41,605.7	48,309.2
Sale of Products	72,624.6	78,824.7

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

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41 ACCOUNTING STANDARD (AS-15) ON EMPLOYEE BENEFITS

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other Statutory Funds are made only by the Company. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 587.9 Million (Previous year ₹ 558.2 Million)

	₹ in Million	Year ended 31st March, 2016	Year ended 31st March, 2015
Contribution to Provident Fund and Family Pension Fund	474.7	484.7	
Contribution to Superannuation Fund	90.3	51.6	
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	22.8	21.8	
Contribution to Labour Welfare Fund	0.1	0.1	

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. Provision for Gratuity is based on actuarial valuation done by independent actuary as at the year end. Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 313.8 Million (Previous Year ₹ 244.6 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

The Company had an obligation towards pension, a defined benefit retirement plan, with respect to certain employees, who had already retired before 1st March, 2013, will continue to receive the pension as per the pension plan.

The Company had an obligation towards provident fund, a defined benefit plan, with respect to certain employees upto 31st March 2015 and in the current year the contribution for the same is made to RPF which has been included in defined contribution plan.

Category of Plan Assets : The Company'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 Trust.

	Year ended 31st March, 2016			Year ended 31st March, 2015		
	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)
Expense recognised in the Statement of Profit and Loss						
Current service cost	-	-	166.0	-	180.8	117.2
Interest cost	76.6	347.6	139.5	82.1	480.0	120.1
Expected return on plan assets	-	(393.4)	(138.3)	-	(395.8)	(128.3)
Actuarial loss / (gain)	(32.8)	7.9	309.2	21.7	31.8	221.6
Recognition of unrecognized liabilities / (assets) of earlier years	-	3.7	-	-	(118.7)	-

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	Year ended 31st March, 2016			Year ended 31st March, 2015			₹ in Million
	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)	
Excess of planned assets over commitments not recognised in the Balance Sheet #	-	34.2	-	-	-	-	
Expense charged to the Statement of Profit and Loss	43.8	-	476.4	103.8	178.1	330.6	
Reconciliation of defined-benefit commitments							
Commitments as at the beginning of the year	974.8	4,810.2	1,792.3	-	-	-	305.7
Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	-	-	957.0	4,280.8	1,134.1	
Commitments transferred		28.9	-	-	68.5	16.0	
Current service cost	-	-	166.0	-	180.8	117.2	
Employees' Contributions during the year	-	-	-	-	412.1	-	
Interest cost	76.6	347.6	139.5	82.1	480.0	120.1	
Benefits paid	(87.9)	(588.1)	(244.7)	(86.0)	(614.8)	(126.0)	
Actuarial loss / (gain)	(32.8)	-	316.0	21.7	2.8	225.2	
Commitments as at the year end	930.7	4,598.6	2,169.1	974.8	4,810.2	1,792.3	

	Year ended 31st March, 2016		Year ended 31st March, 2015		₹ in Million
	Provident Fund (Funded)	Gratuity (Funded)	Provident Fund (Funded)	Gratuity (Funded)	
Reconciliation of liability / (asset) recognised in the Balance sheet					
Present value of commitments (as per Actuarial Valuation)	4,598.6	2,169.1	4,810.2	1,792.3	
Fair value of plan assets	(4,632.8)	(1,728.0)	(4,806.5)	(1,569.3)	
Excess of planned assets over commitments not recognised in the Balance Sheet #	34.2	-	-	-	
Net liability / (asset) in the Balance sheet	-	441.1	3.7	223.0	
Return on plan assets					
Expected return on plan assets	393.4	138.3	395.8	128.3	
Actuarial gain / (loss)	(7.9)	(6.8)	(29.0)	3.6	
Actual return on plan assets	385.5	131.5	366.8	131.9	
Reconciliation of plan assets					
Plan assets as at the beginning of the year	4,806.5	1,569.3	-	248.2	
Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	-	4,399.5	1,271.8	
Plan assets transferred	28.9	-	68.5	-	
Expected return on plan assets	393.4	138.3	395.8	128.3	
Employer's Contributions during the year	-	258.3	174.4	43.4	
Employees' Contributions during the year	-	-	412.1	-	
Benefits paid	(588.1)	(244.7)	(614.8)	(126.0)	
Actuarial gain / (loss)	(7.9)	6.8	(29.0)	3.6	
Plan assets as at the year end	4,632.8	1,728.0	4,806.5	1,569.3	

Represents increase in surplus, which in the absence of any right to claim the surplus as refund or expected reduction in future contribution to the plan, is unrecognised.

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Actuarial assumptions:

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

	Year ended 31st March, 2016			Year ended 31st March, 2015		
	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)
Discount rate	7.54%	7.54%	In range of 7.54% to 7.56%	7.80%	7.80%	In range of 7.80% to 7.94%
Expected return on plan assets	N.A.	8.80%	In range of 7.54% to 7.56%	N.A.	9% to 9.03%	In range of 7.94% to 9.00%
Expected rate of salary increase	N.A.	N.A.	10.00%	N.A.	N.A.	8.00%
Interest rate guarantee	N.A.	8.80%	N.A.	N.A.	8.75%	N.A.
Expected average remaining working life of employees (years)	N.A.	20.91 - 26.72	17.52 - 26.72	N.A.	20.91 - 26.72	20.91 - 26.72
Mortality	Indian Assured Lives Mortality (2006-08)			Indian Assured Lives Mortality (2006-08) Ultimate		
Withdrawal	N.A.	15% - 18%	8% - 18%	N.A.	15% - 18%	3% - 18%
Retirement Age (years)	N.A.	58 and 60	58 and 60	N.A.	58 and 60	58 and 60
The major categories of plan assets as a percentage of total plan assets are as under						
Central government securities	N.A.	21%	1%	N.A.	22%	2%
State government securities	N.A.	12%	-	N.A.	16%	1%
Bonds and securities of public sector / financial institutions	N.A.	53%	9%	N.A.	60%	14%
Insurer managed funds (Funded with LIC, break-up not available)	N.A.	-	89%	N.A.	-	83%
Surplus fund lying uninvested	N.A.	14%	1%	N.A.	2%	-

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

	₹ in Million				
	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Experience adjustment (Gratuity)					
On plan liabilities	120.9	181.1	45.2	20.2	25.2
On plan assets	(6.8)	3.6	0.1	4.7	6.4
Present value of commitments	2,169.1	1,792.3	305.7	256.9	299.2
Fair value of plan assets	(1,728.0)	(1,569.3)	(248.2)	(249.3)	(333.4)
Net liability / (asset) in the Balance Sheet	441.1	223.0	57.5	7.6	(34.2)

The contribution expected to be made by the Company for gratuity, during financial year ending 31st March, 2017 is ₹ 314.1 Million (Previous Year ₹ 177.2 Million).

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	31st March, 2016		31st March, 2015	
	Pension plan	Provident fund	Pension plan	Provident fund
In respect of Pension fund and Provident fund:				
Experience adjustment				
On plan liabilities	(70.8)	-	4.9	(23.5)
On plan assets	-	(7.9)	-	(127.9)
Present value of benefit obligation	930.7	(4,598.6)	974.8	(4,810.2)
Fair value of plan assets	-	4,632.8	-	4,806.5
Excess of obligation over plan assets / (plan assets over obligation)	930.7	(34.2)	974.8	3.7

Pursuant to the scheme of amalgamation (Refer Note 48)

In respect of the erstwhile Ranbaxy Laboratories Limited (erstwhile RLL), the Company has recognised an expense of ₹ 68.2 Million (Previous year ₹ 16.8 Million) pertaining to portion of employers' contribution paid to the statutory authorities, which is included in "Employee benefits expense".

42 ACCOUNTING STANDARD (AS-19) ON LEASES

(a) The Company has given certain premises and Plant and Machinery under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 10 years under leave and license / lease and are renewable by mutual consent on mutually agreeable terms. The Company has received refundable interest free security deposits where applicable in accordance with the agreed terms. (b) The Company 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 periods 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 Company has given refundable interest free security deposits in accordance with the agreed terms. (c) Lease receipts / payments are recognised in the Statement of Profit and Loss under "Lease Rental and Hire Charges" & "Rent" in Note 21 and 26 respectively. (d) The future minimum lease payments in respect of assets taken on non cancellable operating leases are as under

	₹ in Million	
	31st March, 2016	31st March, 2015
i Not later than one year	62.2	64.0
ii Later than one year and not later than five years	18.2	91.4
iii Later than five years	-	6.3
Total	80.4	161.7

43 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 116.5 Million (Previous Year ₹ 46.7 Million).

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	(₹ in Million)			
	As at 31st March, 2016	Maximum Balance	As at 31st March, 2015	Maximum Balance
	2015-16			2014-15
44 LOANS / ADVANCES GIVEN TO SUBSIDIARIES AND AN ASSOCIATES				
(a) Loans / Advances outstanding from Subsidiaries				
Green Eco Development Centre Ltd	4.4	4.4	4.4	4.4
Skisen Labs Private Limited	-	-	-	356.0
Neetnav Real Estate Private Limited	-	0.4	0.4	148.6
Ranbaxy Drugs Limited	-	25.6	25.6	314.5
Ranbaxy (Netherlands) BV	-	-	-	9,642.7
Advances: Share Application Money to				
Sun Pharma De Mexico, S.A. DE C.V.	-	-	-	161.4
	4.4	30.4		
Note: includes interest accrued on loans				
(b) Loans / Advances outstanding from an Associate				
Loans				
Interest bearing with specified payment schedule:				
Zenotech Laboratories Limited, India *	663.5		600.8	
Considered good	-		326.8	
Considered doubtful	663.5		274.0	
	663.5		600.8	
Less: Provision for doubtful loans / advances	663.5		274.0	
	-	326.8		

* includes interest accrued on loans amounting to ₹ 151.5 Million (Previous Year ₹ 88.8 Million)

These loans have been granted to the above entities for the purpose of their business.

- 45** Consequent to the amalgamation of erstwhile RLL into the Company as referred in Note 48, Zenotech Laboratories Limited ('Zenotech') had become an associate of the Company. The erstwhile RLL had granted certain loans to Zenotech which were outstanding and inherited by the Company. The Company has not granted any further loans to Zenotech post effective date of amalgamation i.e. 24th March, 2015. The balance of this inherited outstanding loan is ₹ 512.0 Million. The Company is in process of evaluating various options in relation to recovery of the outstanding loans and interest thereon of ₹ 151.5 Million (Previous year ₹ 88.8 Million). During the year, Zenotech's reference to the Board for Industrial and Financial Reconstruction (BIFR) had already been registered as case no. 115/2015 under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985.
- 46** Intangible assets consisting of trademarks, designs, technical knowhow, non compete fees and other intangible assets are stated at cost of acquisition based on their agreements and are available to the Company in perpetuity. The 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 Company.
- 47** Exceptional item for the year represents charge on account of impairment of fixed assets. This charge has arisen on account of the integration and optimization exercise being carried out for certain manufacturing facilities.

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- 48** Pursuant to the Scheme of Arrangement u/s 391 to 394 of the Companies Act 1956 for amalgamation of erstwhile RLL with the Company as sanctioned by the Hon'ble High Court of Gujarat and Hon'ble High Court of Punjab and Haryana on 24th March, 2015 (effective date) all the assets, liabilities and reserves of erstwhile RLL were transferred to and vested in the Company with effect from 1st April, 2014, the appointed date. Erstwhile 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 was accordingly been given effect to in the financial statements for the year ended 31st March, 2015.
The amalgamation was accounted for under the "Pooling of Interest Method" as prescribed under Accounting Standard 14- "Accounting for Amalgamations" (AS 14) as specified under section 133 of the Companies Act 2013. Accordingly and giving effect in compliance of the Scheme of Arrangement all the assets, liabilities and reserves of erstwhile RLL were recorded in the books of the Company at their carrying amounts and in the same form as at the appointed date in the books of erstwhile RLL.
On 10th April, 2015, in terms of the Scheme of Arrangement 0.80 equity share of ₹ 1 each (Number of Shares 334,956,764 including 186,516 Shares held by ESOP trust) of the Company has been allotted to the shareholders of erstwhile RLL for every 1 share of ₹ 5 each (Number of Shares 418,695,955 including 233,146 shares held by ESOP trust) held by them in the share capital of erstwhile RLL, after cancellation of 6,967,542 shares of erstwhile RLL. These shares were considered for the purpose of calculation of earnings per share appropriately. An amount of ₹ 1,792.4 Million being the excess of share capital of erstwhile RLL over the amount recorded as the share capital (which was outstanding to be issued by the Company as on 31st March, 2015 and disclosed as Share Suspense Account) was credited to Capital Reserve.
- 49** Erstwhile 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 Company's accounting policy, derivative instruments were accounted for in accordance with the announcement issued by the Institute of Chartered Accountants of India dated 28th March, 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 unrealised MTM gain of ₹ 905.4 Million as at 1st April, 2014 was reversed in the financial statements for the year ended 31st March, 2015.
- 50** Out of a MAT credit entitlement of ₹ 8,222.7 Million which was written down by the erstwhile RLL during the quarter ended 31st December 2014, an amount of ₹ 7,517.0 Million was recognized by the Company in the year ended 31st March, 2015, on a reassessment by the Management, 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 entitlement so recognised.
- 51** Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 for amalgamation of erstwhile Sun Pharma Global Inc.(Transferor Company) with the Company, with effect from 1st January, 2015 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat, filed with the Registrar of Companies on 6th August, 2015 (effective date), all the assets, liabilities, reserves and surplus of Transferor Company were transferred to and vested in the Company without any consideration, on going concern basis. Transferor Company was a wholly owned subsidiary of the company and was engaged in the business activities of strategic and non-strategic investments and financing mainly to its group subsidiary or associate companies worldwide. The amalgamation was accounted for under the "Pooling of Interest Method" as prescribed under Accounting Standard 14- "Accounting for Amalgamations" (AS 14) specified under section 133 of the Companies Act, 2013. The scheme was given effect to

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in the financial statements for the year ended 31st March, 2015 and accordingly all the assets, liabilities, reserves and surplus of Transferor Company were recorded in the books of the Company at their carrying amounts and in the same form as at the appointed date in the books of the Transferor Company. Transferor Company being a wholly owned subsidiary of the Company neither any shares were required to be issued nor any consideration was paid. The Equity Share Capital, Preference Share Capital, Share application money pending allotment and securities premium account of the Transferor Company and the carrying value of investment in Equity Shares, Preference Shares and Share application money of the Transferor Company in the books of the Transferee Company stood cancelled. Accordingly the difference of ₹ 6,498.8 Million between the amount of share capital of the Transferor Company and the consideration being Nil, after adjusting for the carrying value of Investments in the books of the Company, was credited to Capital Reserve.

- 52** With regard to tangible assets, the Company has 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 29th August, 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 1st April, 2014, were fully depreciated and an amount of ₹ 491.8 Million was charged to the Statement of Profit and Loss for the year ended 31st March, 2015.
- 53** Since the US-FDA import alert on cephalosporin product manufactured at Karkhadi facility in March 2014, the Company remained fully committed to implement all corrective measures to address the observations made by the US-FDA with the help of third party consultant. Substantial progress has been made at the Karkhadi facility in terms of completing the action items to address the observations made by the US-FDA in its warning letter issued in May 2014. The Company is continuing to work closely and co-operatively with the US-FDA to resolve the matter. The contribution of this facility to Company's revenues is not significant.
- 54** (a) The US-FDA, on 23rd January, 2014, had prohibited using API manufactured at Toansa facility for manufacture of finished drug products intended for distribution in the U.S. market. Consequentially, the Toansa manufacturing facility was subject to certain terms of the consent decree of permanent injunction entered into by the 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 13th March, 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 Company is continuing to fully cooperate and is in dialogue with the US DOJ, and continuing to provide requisite information.
- (b) In December 2015, the US-FDA issued warning letter to the Company with respect to its manufacturing facility at Halol. The Company remains fully committed to implement all corrective measures to address the observations made by the US-FDA with the help of third party consultant. The Company is providing regular updates to US-FDA on the progress of the corrective actions committed in the response to warning letter. The Company is continuing to manufacture and distribute products to the U.S from Halol facility and at the same time working closely and co-operatively with the US-FDA to resolve the matter.

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55 In the absence of net profits in the Company for the previous year ended 31st March, 2015, remuneration to the Managing Director and a Whole-time Director of the Company for the previous year ended 31st March, 2015 was in excess of the limits specified under Schedule V to the Companies Act, 2013 by ₹ 20.7 Million. In this regard the Company had made necessary applications to the Central Government of India for approving of the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. During the year, the Company has received a letter from the Central Government of India approving the remuneration of ₹ 6.0 Million per annum each to the Managing Director and each of Whole-time Directors of the Company for the three years ending 31st March, 2017, which is lower than the limits of maximum remuneration prescribed under Schedule V to the Companies Act, 2013, and in respect of which, the Company has made further representations to the Central Government of India. The response in respect of the foregoing is awaited from the Central Government of India. For the current year, the remuneration paid is within the limits prescribed under Schedule V to the Companies Act, 2013. On receipt of the approval from the Central Government of India, the balance amount of remuneration for the current year, as per their entitlement, shall be paid to the Managing Director and a Whole-time Director, as applicable, and the same shall be given effect to in the year in which the approval is received.

56 EMPLOYEE SHARE-BASED PAYMENT PLANS

(a) Erstwhile RLL had Employee Stock Option Schemes ("ESOSs") namely, Employees Stock Option Scheme -II (ESOS-II), Employees Stock Option Scheme 2005 (ESOS 2005) and Employees Stock Option Plan 2011 (ESOP 2011) for the grant of stock options to the eligible employees and Directors of the Erstwhile RLL and its subsidiaries. ESOS-II had been discontinued from 17th January, 2015. The ESOSs is administered by the Compensation Committee ("Committee"). Options are granted at the discretion of the Committee to selected employees depending upon certain criterion. Each option comprises one underlying equity share.

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 are not exercised prior to the expiry date, which was ten years from the date of grant.

ESOP 2011 provided that the grant price of options would 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 lapse, 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. Shares issued to the ESOP Trust were allocated to the eligible employees upon exercise of stock options from time to time. As per the Guidance Note on Accounting for Employee Share based Payments issued by the Institute of Chartered Accountants of India, the shares issued to an ESOP Trust but yet to be allocated to the employees as on the reporting date have been deducted from the Share Capital with a corresponding adjustment to the loan receivable from ESOP Trust. Accordingly, the Company has adjusted shares held by the ESOP Trust on the reporting date from the Share Capital / Share Suspense Account.

The Shareholders' Committee of Erstwhile RLL had approved issuance of options under the ESOS's as per details given below:

Date of approval	Scheme	Original No. of options approved
25 June 2003	ESOS - II	4,000,000
30 June 2005	ESOS 2005	4,000,000
09 May 2011	ESOP 2011	3,000,000

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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 30 June 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.

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 (SUN-ESOS 2015) to administer ESOS 2005 (ii) SUN Employee Stock Option Plan-2015 (SUN-ESOP 2015) to administer ESOP 2011. These scheme provide that 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, of transferee company are not less favourable than those of ESOSs of erstwhile RLL. No new grants shall be made under these schemes and these schemes shall operate only for the purpose of administering the exercise of options already granted / vested on an employee pursuant to SUN-ESOS 2015 and SUN-ESOP 2015.

The movement of the options (post split) granted under SUN-ESOS 2015 for the current year is given below:

	Stock options (numbers)	Range of Exercise prices (₹)	Weighted- average exercise prices (₹)	Weighted- average remaining contractual life (years)
Outstanding at the commencement of the year				
Number of options – post-merger of Erstwhile RLL with the transferee company	1,169,545	270.00-703.00	496.0	3.3
No. of options on Account of rounding off of the fraction to the next higher whole Number as per the merger Scheme	41	270.00-703.00	496.0	3.3
Total Number of options outstanding	1,169,586	270.00-703.00	496.0	3.3
Exercised during the year \$	(447,825)	270.00-703.00	518.9	-
Lapsed during the year	(111,022)	270.00-703.00	479.9	-
Outstanding at the end of the year *	610,739	270.00-703.00	480.9	2.5
Exercisable at the end of the year *	610,739	270.00-703.00	480.9	-

* Includes options exercised, pending allotment.

\$ Weighted average share price on the date of exercise ₹ 823.63

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

The movement of the options (post split) granted under SUN-ESOP 2015 for the current year is given below:

	Stock options (numbers)	Exercise price (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year				
Number of options – post-merger of Erstwhile RLL with the transferee company	449,430	6.3	6.3	1.7
No. of options on Account of rounding off of the fraction to the next higher whole Number as per the merger Scheme	1,368	6.3	6.3	0.9
No of options of certain overseas employees	4,968	6.3	6.3	0.9
Total Number of options outstanding	455,766	6.3	6.3	0.9
Forfeited during the year	(43,326)	6.3	6.3	-
Exercised during the year #^	(224,201)	6.3	6.3	-
Lapsed during the year	(18,326)	6.3	6.3	-
Outstanding, end of the year	169,913	6.3	6.3	1.1
Exercisable at the end of the year \$	40,259	6.3	6.3	0.2

\$ Includes options exercised, pending allotment.

Shares allotted by the ESOP Trust against the options exercised including 1,066 shares equivalent to 1,333 shares issued by Erstwhile RLL prior to 10th April, 2015.

^ Weighted average share price on the date of exercise ₹ 848.68

During the current year, the Company has recorded a Stock-based employee compensation expense of ₹ 98.8 Million (Previous Year ₹ 205.0 Million). The amount has been determined under a fair value method wherein the grant date fair value of the options was calculated by using Black Scholes pricing model.

The movement of the options (post split) granted under ESOS II and ESOS 2005 for the previous 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	3,579,582	216.00-561.00	426.2	3.4
Forfeited during the year	(21,578)	450.00-450.00	450.0	-
Exercised during the year *	(1,434,434)	216.00-538.50	419.2	-
Lapsed during the year	(661,639)	216.00-538.50	506.4	-
Outstanding at the end of the year \$	1,461,931	216.00-561.00	396.3	3.3
Exercisable at the end of the year \$	1,461,931	216.00-561.00	396.3	3.3
Pursuant to the Scheme of Amalgamation				
Outstanding, end of the year ^	1,169,545	270.00-703.00	496.0	3.3
Exercisable at the end of the year ^	1,169,545	270.00-703.00	496.0	3.3

\$ Includes options exercised, pending allotment.

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

^ Number of shares and exercise price are adjusted in accordance with the share exchange ratio (0.8) as per the scheme

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

	Stock options (numbers)	Exercise price (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Pursuant to the Scheme of Amalgamation	986,905	5.0	5.0	0.9
Granted during the year	481,766	5.0	5.0	-
Forfeited during the year	(202,133)	5.0	5.0	-
Exercised during the year #*	(675,123)	5.0	5.0	-
Lapsed during the year	(29,628)	5.0	5.0	-
Outstanding, end of the year	561,787	5.0	5.0	1.7
Exercisable at the end of the year \$	52,434	5.0	5.0	0.2
Pursuant to the Scheme of Amalgamation				
Outstanding, end of the year ^	449,430	6.3	6.3	1.7
Exercisable at the end of the year ^	41,948	6.3	6.3	0.2

\$ Includes options exercised, pending allotment.

Shares allotted by the ESOP Trust against these exercises

* Weighted average 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) as per the scheme

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

Particulars	Year ended 31 March, 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 materially affect fair value of the options. The options pricing models do not necessarily 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.

- (b) As at March 31, 2016, the Company has received an amount of ₹ 6.7 Million towards share application money towards 13,780 equity shares of the Company [As at March 31, 2015 ₹ 149.0 Million towards 280,474 equity shares (no. of shares post merger) at a premium of ₹ 6.7 Million (As at March 31, 2015 ₹ 148.7 Million)]. The Company will allot these equity shares during the next financial year. The Company has sufficient authorised capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and are not available for use by the Company.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

57 (A) Details of Long term borrowings and current maturities of long term debt (included under Other Current Liabilities)

- (I) Unsecured External Commercial Borrowings (ECBs) has 6 loans aggregating of USD 266 Million (Previous Year USD 288 Million) equivalent to ₹ 17,625.2 Million (Previous Year ₹ 18,001.4 Million) [(included in long term borrowings ₹ 15,902.4 Million (Previous Year ₹ 11,625.9 Million) and ₹ 1,722.8 Million (Previous Year ₹ 6,375.5 Million) in current maturity of long term debt)]. For the ECB loans outstanding as at 31st March, 2016, the terms of repayment for borrowings are as follows:
- (a) Nil (Previous Year USD 50 Million) equivalent to Nil (Previous Year ₹ 3,125.2 Million) The loan was taken on 12th August, 2010. The outstanding amount has been repaid in Current Year.
 - (b) Nil (Previous Year USD 30 Million) equivalent to Nil (Previous Year ₹ 1,875.2 Million) The loan was taken on 9th September, 2010. The outstanding amount has been repaid in Current Year.
 - (c) USD 20 Million (Previous Year USD 30 Million) equivalent to ₹ 1,325.2 Million (Previous Year ₹ 1,875.2 Million) The loan was taken on 30th June, 2011 and is repayable in 3 equal installments of USD 10 Million each at the end of 4th year, 5th year and 6th year. First installment of USD 10 Million has been repaid in Current Year and the last instalment is due on 30th June, 2017.
 - (d) USD 50 Million (Previous Year USD 50 Million) equivalent to ₹ 3,313.0 Million (Previous Year ₹ 3,125.2 Million) The loan was taken on 20th September, 2012 and is repayable on 19th September, 2017.
 - (e) USD 100 Million (Previous Year USD 100 Million) equivalent to ₹ 6,626.0 Million (Previous Year ₹ 6,250.5 Million) The loan was taken on 4th June, 2013 and is repayable on 3rd June, 2018.
 - (f) USD 16 Million (Previous Year USD 28 Million) equivalent to ₹ 1,060.2 Million (Previous Year ₹ 1,750.1 Million) Loan of USD 40 Million was taken on 25th March, 2011 and is repayable in 3 installments viz., 30% each of the drawn amount at the end of 4th year and 5th year and 40% of the drawn amount at the end of the 6th year. Second installment of USD 12 Million has been repaid in Current Year and first instalment of USD 12 Million was repaid in Previous Year. The last instalment is due on 24th March, 2017.
 - (g) USD 50 Million (Previous Year Nil) equivalent to ₹ 3,313.0 Million (Previous Year Nil) The loan was taken on 11th August, 2015 and is repayable on 11th August, 2017.
 - (h) USD 30 Million (Previous Year Nil) equivalent to ₹ 1,987.8 Million (Previous Year Nil) The loan was taken on 9th September, 2015 and is repayable on 8th September, 2017.
- (II) Unsecured Loan under Foreign Currency Non Resident (FCNR B) Scheme of USD 50 Million (Previous Year Nil) equivalent to ₹ 3,313.0 Million (Previous Year Nil). The loan was taken on 19th August, 2015 and is repayable on 18th August, 2017.
- (III) Redeemable non-convertible debentures of Nil (Previous Year ₹ 5,000.0 Million) issued on 23rd November, 2012 for a period of 36 months at a coupon rate of 9.20% p.a. Such debentures were secured by a pari-passu first ranking charge on the Company's specified fixed assets so as to provide a fixed asset cover of 1.25x and were listed on the National Stock Exchange. The loan was taken on 23rd November, 2012 and has been repaid in Current Year.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- (IV) Unsecured Term Loan of Nil (Previous Year ₹ 2,500.0 Million) has been repaid in Current Year.
- (V) Secured Term Loan from Department of Biotechnology of ₹ 77.3 Million (Previous Year ₹ 77.3 Million) has been secured by hypothecation of assets and goods of the Company. The loan is repayable in 10 (Previous Year 10) half yearly instalments of ₹ 7.7 Million (Previous Year ₹ 7.7 Million) each commencing from 26th September, 2017, last instalment is due on 26th March, 2022.

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

(B) Details of securities for Short term Borrowings are as follows:

First charge has been created on a pari-passu basis, by hypothecation of inventories and receivables, both present and future.

- 58** In respect of any present obligation as a result of past event that could lead to a probable outflow of resources, provisions have 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 & Contingent Assets" has been given below :

	As at 31st March, 2016			As at 31st March, 2015		
	Product and Sales related *	Consultancy charges	Total	Product and Sales related *	Consultancy charges	Total
At the commencement of the year	27,240.4	508.1	27,748.5	26,312.2	-	26,312.2
Add :Pursuant to the Scheme of amalgamation (Refer Note 48)	-	-	-	609.1	-	609.1
Add: Provision for the year	829.3	-	829.3	1,149.3	508.1	1,657.4
Add : Foreign Currency Exchange Fluctuation	1,388.6	-	1,388.6	1,056.4	-	1,056.4
Less: Utilisation / Settlement	2,498.0	508.1	3,006.1	1,886.5	-	1,886.5
At the end of the year	26,960.3	-	26,960.3	27,240.5	508.1	27,748.6

(*) includes provision for trade commitments, discounts, rebates and product returns

- 59** (a) The following are the outstanding contracts of derivative instruments entered into by the Company as on 31st March, 2016

	Currency	Buy/Sell	Cross Currency	31st March, 2016	Amount in Million 31st March, 2015
Forward contract	USD	Sell	INR	\$140.0	\$350.0
Forward contracts	USD	Buy	INR	\$14.0	\$170.0
Currency swaps	USD	Buy	INR	-	\$30.0
Currency options	USD	Buy	INR	\$100.0	\$100.0
Currency options **	USD	Sell	INR	\$1.0	\$71.0
Interest rate swaps	USD	Buy	INR	\$40.0	-
Currency cum interest rate swaps	USD	Buy	INR	\$50.0	\$100.0
Forward contracts	ZAR	Sell	INR	-	ZAR 42.5

** Structured Options @ 2.00 to 2.50 times

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(i) Amounts receivable in foreign currency on account of the following :

	Currency	As at 31st March, 2016		As at 31st March, 2015	
		Amount in Million		Amount in Million	
Exports of Goods and Services	US Dollar	\$ 30.9	₹ 2,047.4	-	-
	Euro	€ 21.5	₹ 1,620.1	€ 17.3	₹ 1,159.9
	Great Britain Pound	£ 0.3	₹ 28.8	£ 2.0	₹ 181.1
	Russian Ruble	RUB 1,219.7	₹ 1,194.1	RUB 1,156.5	₹ 1,240.4
	Bangladesh Taka	BDT 223.0	₹ 188.4	BDT 191.1	₹ 152.9
	South African Rand	ZAR 466.9	₹ 2,087.2	ZAR 70.8	₹ 362.2
	Australian Dollar	AUD 11.8	₹ 599.7	AUD 4.4	₹ 210.9
	Malaysian Ringgit	MYR 5.4	₹ 92.5	MYR 2.5	₹ 42.0
	Japanese Yen	-	-	¥ 14.3	₹ 7.4
	Nigerian Naira	NGN 68.5	₹ 22.8	NGN 22.7	₹ 7.2
	Canadian Dollar	-	-	CAD 1.9	₹ 91.9
	Polish Zloty	-	-	PLN 1.3	₹ 21.7
	Others	-	₹ 54.1	-	₹ 24.3
Cash and Bank balances	US Dollar	\$ 17.8	₹ 1,179.4	\$ 6.4	₹ 400.4
	Euro	€ 0.9	₹ 69.1	€ 0.2	₹ 13.2
	Russian Ruble	RUB 26.6	₹ 26.0	RUB 65.5	₹ 70.2
	West African CFA Franc	CFR 92.5	₹ 10.6	CFR 176.0	₹ 16.8
	Chinese Yuan Renminbi	RMB 0.4	₹ 4.0	RMB 2.0	₹ 20.1
	Others	-	₹ 8.6	-	₹ 16.3

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- (ii) Amounts payable in foreign currency on account of the following :

	Currency	As at 31st March, 2016		As at 31st March, 2015		
		Amount in Million		Amount in Million		
Import of Goods and Services	US Dollar	\$ 63.5	₹ 4,204.8	\$ 28.5	₹ 1,752.8	
	Euro	€ 16.7	₹ 1,250.5	€ 26.2	₹ 471.2	
	Great Britain Pound	£ 1.7	₹ 157.6	£ 1.6	₹ 148.9	
	Japanese Yen	¥ 8.4	₹ 4.9	¥ 5.1	₹ 2.5	
	Israel Shakel	ILS 3.3	₹ 56.8	ILS 0.6	₹ 9.0	
	Russian Ruble	RUB 2.6	₹ 2.6	RUB 59.0	₹ 63.4	
	Australian Dollar	AUD 0.6	₹ 31.3	AUD 0.4	₹ 18.9	
	UAE Dinar	AED 0.3	₹ 5.6	AED 0.8	₹ 12.8	
	Kazakhstani Tenge	KZT 39.7	₹ 7.7	KZT 27.4	₹ 9.2	
	Central African Franc	CFR 403.5	₹ 46.2	CFR 404.1	₹ 41.7	
	Vietnamese Dong	VND 38.3	₹ 113.7	VND 1,430.5	₹ 4.2	
	South African Rand	ZAR 33.4	₹ 149.1	ZAR 0.2	₹ 1.1	
	Others	-	₹ 40.3	-	₹ 12.3	
Product settlement, claims, recall charges and trade commitments	US Dollar	\$ 221.5	₹ 14,674.5	\$ 228.5	₹ 14,276.4	
	Euro	€ 20.8	₹ 1,569.8	€ 19.2	₹ 1,286.6	
	Commission Payable	US Dollar	\$ 6.1	₹ 404.4	\$ 5.8	₹ 361.1
	Euro	€ 0.9	₹ 68.5	€ 0.9	₹ 62.4	
	Loans (include interest accrued but not due on borrowings)	US Dollar	\$ 607.4	₹ 40,246.3	\$ 327.8	₹ 20,486.7

60 Previous year figures are regrouped wherever necessary.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

ANNEXURE "A"

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

Names of related parties where control exists and description of relationships

1. Subsidiaries

Green Eco Development Centre Limited
Sun Pharma Global Inc. (Refer Footnote 4)
Sun Pharmaceutical (Bangladesh) Limited
Sun Pharmaceutical Industries, Inc.
SUN Farmaceutica Do Brasil Ltda.
Sun Pharma De Mexico S.A. DE C.V.
SPIIL De Mexico S.A. DE C.V.
Sun Pharmaceutical Peru S.A.C.
OOO "Sun Pharmaceutical Industries" Ltd.
Sun Pharma De Venezuela, CA.
Sun Pharma Laboratories Limited
Faststone Mercantile Company Private Limited
Neetnav Real Estate Private Limited
Realstone Multitrade Private Limited
Skisen Labs Private Limited
Softdeal Trading Company Private Limited
Ranbaxy Pharmacie Generiques
Ranbaxy Drugs Limited
Vidyut Investments Limited
Gufic Pharma Limited
Ranbaxy (Malaysia) Sdn. Bhd.
Ranbaxy Nigeria Limited
Ranbaxy (Netherlands) B.V.
Caraco Pharma Inc. (Refer Footnote 5)
Chattom Chemicals, Inc
The Taro Development Corporation
Alkaloida Chemical Company Zrt.
Sun Pharmaceutical UK Limited
Sun Pharmaceutical Industries (Australia) Pty Limited
Aditya Acquisition Company Ltd.
Sun Pharmaceutical Industries (Europe) B.V.
Sun Pharmaceuticals Italia S.R.L.
Sun Pharmaceutical Spain, S.L.U
Sun Pharmaceuticals Germany GmbH
Sun Pharmaceuticals France
Sun Pharma Global FZE
Sun Pharmaceuticals (SA) (Pty) Ltd.
Sun Global Canada Pty. Ltd.
Sun Pharma Philippines, Inc.
Sun Pharmaceuticals Korea Ltd.
Sun Global Development FZE
Caraco Pharmaceuticals Private Limited
Sun Pharma Japan Ltd.
Sun Pharma Healthcare FZE
Sun Pharma MEA JLT (Refer Footnote 3)
Morley & Company, Inc.
Sun Laboratories FZE
Taro Pharmaceutical Industries Ltd. (TARO)
Taro Pharmaceuticals Inc.
Taro Pharmaceuticals U.S.A., Inc.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

ANNEXURE "A"

Taro Pharmaceuticals North America, Inc.
Taro Pharmaceuticals Europe B.V.
Taro Pharmaceuticals Ireland Limited
Taro International Ltd.
Taro Pharmaceuticals (UK) Limited
Taro Hungary Intellectual Property Licensing Limited Liability Company
3 Skyline LLC
One Commerce Drive LLC
Tarochem Limited (Refer Footnote 2)
Taro Pharmaceutical Laboratories Inc
Taro Pharmaceuticals Canada, Ltd.
Taro Pharmaceutical India Private Limited. (Refer Footnote 8)
Orta Ltd. (Refer Footnote 2)
Sun Universal Ltd (Refer Footnote 2)
Khyati Realty ME Ltd. (Refer Footnote 2)
Aditya Pharma Private Limited (Refer Footnote 2)
Alkaloida Sweden AB
Dusa Pharmaceuticals, Inc
Dusa Pharmaceuticals New York, Inc.
Sirius Laboratories Inc
URL Pharma, Inc (Refer Footnote 11)
AR Scientific, Inc (Refer Footnote 10)
Mutual Pharmaceutical Company Inc.
United Research Laboratories, Limited (Refer Footnote 10)
Dungan Mutual Associates, LLC
URL PharmaPro, LLC
Universal Enterprises Private Limited
Sun Pharma Switzerland Limited
Sun Pharma Holdings
Silverstreet Developers LLP
Sun Pharma East Africa Limited (Refer Footnote 1)
Pharmalucence, Inc. (Refer Footnote 1)
PI Real Estate Ventures, LLC (Refer Footnote 1)
Ranbaxy Australia Pty Ltd
Ranbaxy Belgium N.V. (Refer Footnote 9)
Ranbaxy Farmaceutica Ltda.
Ranbaxy Pharmaceuticals Canada Inc.
Ranbaxy Egypt LLC
Rexcel Egypt LLC
Office Pharmaceutique Industriel Et Hospitalier
Basics GmbH
Ranbaxy GmbH
Ranbaxy Ireland Limited
Ranbaxy Italia S.P.A.
Ranbaxy PRP (Peru) S.A.C.
Ranbaxy (Poland) Sp Z o.o.
Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda (Refer Footnote 9)
S.C Terapia S.A.
AO Ranbaxy (Formerly Known as ZAO Ranbaxy)
Ranbaxy South Africa Proprietary Limited
Ranbaxy Pharmaceuticals Proprietary Limited

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ANNEXURE "A"

Be-Tabs Investments Proprietary Limited
Sonke Pharmaceuticals Proprietary Limited
Laboratorios Ranbaxy, S.L.U
Ranbaxy (U.K.) Limited
Ranbaxy Holdings (U.K.) Limited
Ranbaxy Europe Limited
Ranbaxy Inc.
Ranbaxy Pharmaceuticals, Inc.
Ranbaxy (Thailand) Company Limited
Ranbaxy USA, Inc. (Refer Footnote 2)
Ohm Laboratories, Inc.
Ranbaxy Laboratories, Inc.
Ranbaxy Signature LLC
Sun Pharmaceuticals Morocco LLC (Formerly Known As Ranbaxy Morocco LLC)
"Ranbaxy Pharmaceuticals Ukraine" LLC
Perryton Wind Power LLC (Refer Footnote 6)
Insite Visions Incorporated (Refer Footnote 6)
Insite Vision Ltd. (Refer Footnote 6)
Thea Acquisition Corporation (Refer Footnotes 6 and 12)
Zalicus Pharmaceuticals Limited (Refer Footnote 7)
Solrex Pharmaceuticals Company

Names of related parties where there are transactions and description of relationships

2. Jointly Controlled Entities

S & I Ophthalmic LLC

3. Associate

Zenotech Laboratories Limited
Daiichi Sankyo (Thailand) Limited

4. Key Management Personnel

Mr. Dilip S. Shangvi	Managing Director
Mr. Sudhir V. Valia	Wholetime Director
Mr. Sailesh T. Desai	Wholetime Director

5. Relatives of Key Management Personnel

Mr. Aalok Shangvi	Son of Managing Director
Ms. Vidhi Shangvi	Daughter of Managing Director

6. 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

Footnote

- 1 Incorporated / Acquired during the previous year
- 2 Dissolved / liquidated during the previous year
- 3 Merged with Sun Pharma Global FZE during the previous year
- 4 Since amalgamated into the Company on January 1, 2015
- 5 Merged with Sun Pharmaceutical Industries, Inc. during the year
- 6 Incorporated / Acquired during the year
- 7 Acquired and merged with Taro Pharmaceutical Industries Ltd. during the year
- 8 Taro Pharmaceutical India Private Ltd. is under liquidation
- 9 Dissolved / Liquidated during the year
- 10 Merged with URL Pharma Inc during the year
- 11 Merged with Mutual Pharmaceutical Company, Inc. during the year
- 12 Merged with Insite Visions incorporated during the year

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

ANNEXURE "A"

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Subsidiaries	Joint Controlled Entities	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprise under significant Influence of Key Management Personnel or their relatives	₹ in Million	
							Total	31-03-15
Particulars	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15
Purchase of goods	2,078.4	1,980.0	-	20.6	37.3	-	1.1	0.3
Solex Pharmaceuticals Company	1,207.2	946.3	-	-	-	-	-	2,011.6
Sun Pharma Laboratories Limited	689.5	468.4	-	-	-	-	-	946.3
Alkaloida Chemical Company Zrt.	98.2	24.9	-	-	-	-	-	689.5
Ohm Laboratories, Inc.	2.8	228.5	-	-	-	-	-	468.4
Others	80.7	92.9	-	20.6	37.3	-	-	243.9
Purchase of Fixed Assets	0.5	1,134.1	-	-	-	-	1.1	0.3
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	2.8
Sun Pharma Laboratories Limited	0.5	-	-	-	-	-	4.0	4.5
Neethav Real Estate Private Limited (Refer Footnote (i) to Note 10)	-	1,134.1	-	-	-	-	-	130.5
Purchase of Undertaking	-	980.0	-	-	-	-	-	1,134.1
Sun Pharma Laboratories Limited	-	980.0	-	-	-	-	-	-
Sale of goods	23,042.6	30,297.7	-	340.4	392.9	-	10.0	15.5
Sun Pharma Global (FZE)	3,311.7	3,648.6	-	-	-	-	-	23,393.0
Sun Pharma Laboratories Limited	2,632.2	3,891.9	-	-	-	-	-	30,706.1
Ohm Laboratories, Inc.	922.9	7,306.6	-	340.4	392.9	-	-	3,311.7
Others	16,175.8	15,450.6	-	-	-	-	-	3,648.6
Sale of Fixed Assets	86.3	74.8	-	-	-	-	-	2,632.2
Sun Pharma Laboratories Limited	65.8	13.7	-	-	-	-	-	3,891.9
Solex Pharmaceuticals Company	15.8	20.5	-	-	-	-	-	922.9
AO Ranbaxy	3.9	384	-	-	-	-	-	7,306.6
Others	0.8	2.2	-	-	-	-	-	15.5
Receiving of Service	-	-	-	-	-	-	-	16,526.2
Services	1,609.9	1,710.1	-	0.5	-	-	0.4	0.4
S.C.Terapia SA	262.7	461.7	-	-	-	-	-	15.8
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	-	20.5
Ohm Laboratories, Inc.	211.6	20.2	-	-	-	-	-	38.4
Ranbaxy Europe Limited	161.4	309.9	-	-	-	-	-	3.9
							-	309.9
							-	161.4

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

ANNEXURE "A"

Particulars	Subsidiaries	Joint Controlled Entities	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprise under significant influence of Key Management Personnel or their relatives	₹ in Million	
							31-03-16	31-03-15
Particulars	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15
Others	974.2	918.3	-	0.5	-	-	974.2	918.8
Reimbursement of Expenses	1,101.2	1,066.0	-	0.3	-	2.8	-	1,104.0
Sun Pharmaceutical Industries, Inc.	320.7	614.7	-	-	-	-	-	320.7
Sun Pharmaceutical Industries (Europe) B.V.	159.9	152.0	-	-	-	-	-	159.9
Sun Pharmaceuticals France	149.8	31.0	-	-	-	-	-	149.8
Ranbaxy Pharmaceuticals (Py) Ltd.	149.1	-	-	-	-	-	-	149.1
Sun Pharma Global (FZE)	7.6	133.1	-	-	-	-	-	7.6
Others	314.1	135.2	-	0.3	-	-	2.8	316.9
Rendering of Service	-	-	-	-	-	-	-	135.5
Services	1,132.5	1,750.0	0.1	21.2	-	-	232.6	185.8
Sun Pharma Laboratories Limited	424.0	399.6	-	-	-	-	-	424.0
Ranbaxy Pharmaceuticals, Inc.	297.4	370.4	-	-	-	-	-	297.4
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	232.6	185.8
Sun Pharma Global (FZE)	205.8	110.1	-	-	-	-	-	205.8
Ranbaxy Inc.	2.8	435.0	-	-	-	-	-	2.8
Others	202.5	434.9	0.1	21.2	-	-	-	202.6
Reimbursement of Expenses	147.8	692.1	-	-	-	-	41.6	55.2
Sun Pharma Global (FZE)	130.6	176.3	-	-	-	-	-	130.6
Sun Pharma Advanced Research Company Ltd	-	-	-	-	-	-	41.6	55.2
Sun Pharma Laboratories Limited	3.6	475.8	-	-	-	-	-	3.6
Others	13.6	40.0	-	-	-	-	-	13.6
Finance (including loans, investment and equity contributions)	163.5	-	-	-	-	-	-	163.5
Skiens Labs Private Limited	-	-	-	-	-	-	-	-
Purchase of Investment in an Associate	-	-	0.0	-	-	-	0.0	-
Zenotech Laboratories Limited (₹ 16,380)	-	-	0.0	-	-	-	-	0.0

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

ANNEXURE "A"

Particulars	Subsidiaries	Joint Controlled Entities	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprise under significant influence of Key Management Personnel or their relatives	₹ in Million	
							31-03-16	31-03-15
Particulars							31-03-16	31-03-15
Loans given / Deposit	-	1,287.5	-	74.5	-	-	-	-
Sun Pharma Global (FZE)	-	1,133.2	-	-	-	-	-	1,362.0
Neetrav Real Estate Private Limited	-	148.6	-	-	-	-	-	1,133.2
Others		5.7	-	74.5	-	-	-	148.6
Loans received back	0.4	18,944.9	-	-	-	-	0.4	18,944.9
Ranbaxy (Netherlands) B.V.	-	9,237.0	-	-	-	-	-	9,237.0
Alkaloida Chemical Company Zrt.	-	7,649.4	-	-	-	-	-	7,649.4
Others	0.4	2,058.5	-	-	-	-	0.4	2,058.5
Redemption of Preference Shares in Subsidiary	473.9	-	-	-	-	-	-	473.9
Alkaloida Chemical Company Zrt.	-	473.9	-	-	-	-	-	473.9
Sales of Investment in Sun Pharma Holding	37,994.6	-	-	-	-	-	-	37,994.6
Sun Pharma Laboratories Limited	37,994.6	-	-	-	-	-	-	37,994.6
Loan Taken	35,480.0	65.7	-	-	-	-	-	35,480.0
Sun Pharma Laboratories Limited	35,480.0	-	-	-	-	-	-	35,480.0
Neetrav Real Estate Private Limited	-	65.7	-	-	-	-	-	65.7
Loan Repaid	27,545.7	-	-	-	-	-	-	27,545.7
Sun Pharma Laboratories Limited	27,480.0	-	-	-	-	-	-	27,480.0
Neetrav Real Estate Private Limited	-	65.7	-	-	-	-	-	65.7
Dividend Income on Preference share	394.3	-	-	-	-	-	-	394.3
Alkaloida Chemical Company Zrt.	394.3	-	-	-	-	-	-	394.3
Interest Income	-	208.3	-	69.9	61.9	-	-	69.9
Zentech Laboratories Limited	-	-	-	69.9	61.9	-	-	61.9
Ranbaxy (Netherlands) B.V.	-	157.9	-	-	-	-	-	157.9
Others	-	50.4	-	-	-	-	-	50.4
Interest Expense	1,188.8	3.6	-	-	-	-	-	3.6
Sun Pharma Laboratories Limited	1,187.9	-	-	-	-	-	-	1,187.9

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

ANNEXURE "A"

Particulars	Subsidiaries	Joint Controlled Entities	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprise under Significant Influence of Key Management Personnel or their relatives	₹ in Million	
							31-03-16	31-03-15
Particulars	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15
Nettav Real Estate Private Limited	0.9	3.6	-	-	-	-	-	0.9
Rent Income	23.8	18.9	-	-	-	-	1.4	1.5
Sum Pharma Laboratories Limited	23.8	18.9	-	-	-	-	-	23.8
Others	-	-	-	-	-	-	1.4	1.5
Rent Expense	9.6	0.4	-	-	-	-	-	9.6
Soflex Pharmaceuticals Company	8.9	-	-	-	-	-	-	8.9
Nettav Real Estate Private Limited	0.7	0.4	-	-	-	-	-	0.7
Provision for doubtful Loans and Advances (including Interest in current year)	-	-	389.5	274.0	-	-	-	389.5
Zenotech Laboratories Limited	-	-	389.5	274.0	-	-	-	389.5
Director's Remuneration (Refer Note 55)	-	-	-	50.8	73.8	-	-	50.8
Mr. Dilip S. Shangvi*	-	-	-	19.3	31.5	-	-	19.3
Mr. Sudhir V. Valia **	-	-	-	19.4	31.3	-	-	19.4
Mr. Sailesh T. Desai	-	-	-	12.1	11.0	-	-	12.1
Apprenticeship Stipend /Remuneration	-	-	-	-	130	6.8	-	13.0
Mr. Aalok D. Shangvi	-	-	-	-	-	12.1	6.0	-
Ms. Vidhi D. Shangvi	-	-	-	-	-	0.9	0.8	-
Letters of comfort given on behalf of subsidiary	-	3360	-	-	-	-	-	3360
S.C.Terapia S.A.	-	3360	-	-	-	-	-	-
Withdrawal of letters of comfort given on behalf of subsidiaries	2,873.1	3,541.5	-	-	-	-	-	2,873.1
Ranbaxy Nigeria Limited	576.3	-	-	-	-	-	-	576.3
Ranbaxy Malaysia Sdn. Bhd.	556.2	-	-	-	-	-	-	556.2
Ranbaxy (Netherlands) BV.	414.8	1,250.1	-	-	-	-	-	414.8
Ranbaxy Egypt (LLC.)	406.3	-	-	-	-	-	-	406.3
S.C.Terapia S.A.	398.5	1,980.9	-	-	-	-	-	398.5
Ranbaxy Pharmacie Generiques SAS	336.0	310.5	-	-	-	-	-	336.0
Ranbaxy (UK) Limited	185.0	-	-	-	-	-	-	185.0

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

ANNEXURE "A"

Particulars	Subsidiaries	Joint Controlled Entities	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprise under significant influence of Key Personnel or their relatives	₹ in Million	
							31-03-16	31-03-15
Outstanding Letters of Comfort issued on behalf of entities	- 2,873.1	-	-	-	-	-	-	- 2,873.1
Ranbaxy Nigeria Limited	- 576.3	-	-	-	-	-	-	- 576.3
Ranbaxy Malaysia Sdn. Bhd.	- 556.2	-	-	-	-	-	-	- 556.2
Ranbaxy (Netherlands) B.V.	- 414.8	-	-	-	-	-	-	- 414.8
Ranbaxy Egypt (LLC)	- 406.3	-	-	-	-	-	-	- 406.3
S.C.Terapia SA,	- 398.5	-	-	-	-	-	-	- 398.5
Ranbaxy Pharmacie Generiques SAS	- 336.0	-	-	-	-	-	-	- 336.0
Ranbaxy (U.K.) Limited	- 185.0	-	-	-	-	-	-	- 185.0
Balance Outstanding as at the end of the year	(15,630.2) (8,080.5)	0.9	1.3	1.8	320.4	(5.4) (16.4)	(2.4) (1.2)	134.6 23.0 (15,500.7) (7,753.4)
Receivables [net of provision Nil (Previous Year ₹ 58.3 Million) in respect of a Subsidiary]	8,966.6 6,335.1	0.9	1.3	1.8	-	-	-	134.6 23.0 9,103.9 6,339.4
Payables	(16,581.2) (14,419.6)	-	-	(6.4)	(54) (16.4)	(2.4) (1.2)	-	(16,589.0) (14,443.6)
Loans Taken	(8,020.0) (0.4)	-	-	-	-	-	-	(8,020.0) (0.4)
Loans Given [net of provision ₹ 663.5 Million (Previous Year ₹ 274.0 Million) in respect of an Associate]	4.4 4.4	-	-	326.8	-	-	-	4.4 331.2

* Net of refund of ₹ 1.1 Million (Previous Year - Nil) in respect of excess remuneration paid for financial year 2013-14
 ** Net of refund of ₹ 1.0 Million (Previous Year - Nil) in respect of excess remuneration paid for financial year 2013-14

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") 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, 2016, 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 prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of 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. 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. 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 to in sub-paragraph (a) of the Other Matters paragraph 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, 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, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to Note 53 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 previous year ended 31st March, 2015 is in excess of the limits specified under Schedule V to the Act by ₹ 20.7 Million. In this regard, we have been informed by the Management of the Holding Company that they have made further representations to the Central Government in respect of their applications for approving the amounts of maximum remuneration for the three years ending 31st March, 2017, including for the excess amounts already paid / provided. The response in respect of the foregoing is awaited from the Central Government.

Our opinion is not modified in respect of this matter.

OTHER MATTERS

- a) We did not audit the financial statements / financial information of 73 subsidiaries and a jointly controlled entity, whose financial statements / financial information reflect total assets of ₹ 349,127.1 Million as at 31st March, 2016, total revenues of ₹ 181,053.4 Million and net cash inflows amounting to ₹ 3,304.9 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 ₹ 22.1 Million for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of 2 associates, 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 and associates, is based solely on the reports of the other auditors.
- b) We did not audit the financial statements / financial information of 37 subsidiaries and 3 jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 10,121.4 Million as at 31st March, 2016, total revenues of ₹ 11,078.7 Million and net cash inflows amounting to ₹ 987.7 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 ₹ 3.4 Million for the year ended 31st March, 2016, 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, 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.

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 and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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.
- c) 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.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the 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, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and an associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting in respect of the Holding Company, its subsidiary companies and an associate company incorporated in India.
- 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:
 - 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 31(A)(I), 31(A)(II) and 32 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 9 to the consolidated financial statements in respect of such items as it relates to the Group. The jointly controlled entities 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 except a sum of ₹ 9.8 Million, which are held in abeyance by the Holding Company due to pending legal cases.

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

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place: Mumbai
Date: 30th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and the associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 12 subsidiary companies (excluding a subsidiary company under liquidation) and an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies 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: Mumbai
Date: 30th May, 2016

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2016

₹ in Million

	Note No.	As at 31st March, 2016		As at 31st March, 2015	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	2,406.6		2,071.2	
Share Suspense Account	54	-		334.8	
Reserves and Surplus	2	311,635.6	314,042.2	253,825.9	256,231.9
Share Application Money Pending Allotment	43(b)		6.7		149.0
Minority Interest			40,852.5		28,511.9
Non-current Liabilities					
Long-term Borrowings	3	31,167.3		13,684.2	
Deferred Tax Liabilities (Net)	4	616.1		753.1	
Other Long-term Liabilities	5	2,237.1		1,863.4	
Long-term Provisions	6	20,797.0	54,817.5	25,323.4	41,624.1
Current Liabilities					
Short-term Borrowings	7	52,213.7		62,279.2	
Trade Payables					
Total outstanding dues of micro enterprises and small enterprises		111.4		109.6	
Total outstanding dues of creditors other than micro enterprises and small enterprises		34,784.4		32,755.8	
Other Current Liabilities	8	11,192.4		22,795.9	
Short-term Provisions	9	34,174.7	132,476.6	43,527.6	161,468.1
Total Assets			542,195.5		487,985.0
Non-current Assets					
Fixed Assets					
Tangible Assets	10A	75,559.2		69,751.8	
Intangible Assets	10B	40,708.5		20,063.3	
Capital Work-in-Progress		12,034.6		15,317.7	
Intangible Assets under Development		5,303.7		5,068.4	
		133,606.0		110,201.2	
Goodwill on Consolidation (Net)	35	41,811.1		37,009.6	
Non-current Investments	11	5,933.2		5,988.7	
Deferred Tax Assets (Net)	12	21,875.2		18,269.5	
Long-term Loans and Advances	13	29,360.3		26,805.0	
Other Non-current Assets	14	964.0	233,549.8	553.5	198,827.5
Current Assets					
Current Investments	15	7,152.8		21,174.3	
Inventories	16	64,236.3		56,679.9	
Trade Receivables	17	67,958.9		51,061.3	
Cash and Cash Equivalents	18	139,892.5		109,980.4	
Short-term Loans and Advances	19	26,403.9		21,932.5	
Other Current Assets	20	3,001.3	308,645.7	28,329.1	289,157.5
Total			542,195.5		487,985.0

See accompanying notes 1 to 63 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, 30th May, 2016

UDAY V. BALDOTA
Chief Financial Officer
Mumbai

SUNIL R. AJMERA
Company Secretary
Mumbai

For and on behalf of the Board

DILIP S. SHANGHVI
Managing Director
New York

SUDHIR V. VALIA
Wholetime Director
Mumbai

SAILESH T. DESAI
Wholetime Director
Mumbai

Date : 30th May, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015	₹ in Million
Revenue from Operations	21	285,177.0	276,651.4	
Less: Excise Duty		2,479.9	2,731.3	
		282,697.1	273,920.1	
Other Income	22	6,169.7	5,476.6	
Total Revenue		288,866.8	279,396.7	
Expenses				
Cost of Materials Consumed	23	43,881.3	41,586.9	
Purchases of Stock-in-Trade		25,429.2	24,659.9	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(4,478.6)	1,144.9	
Employee Benefits Expense	25	47,971.3	45,026.4	
Finance Costs	26	4,768.9	5,789.9	
Depreciation and Amortisation Expense	10	10,135.2	11,947.2	
Other Expenses	27	86,655.0	82,835.0	
Total Expenses		214,362.3	212,990.2	
Profit Before Exceptional Item and Tax		74,504.5	66,406.5	
Exceptional Item	51	(6,851.7)	(2,377.5)	
Profit Before Tax		67,652.8	64,029.0	
Tax Expense:				
Current Tax (Net)	56	11,954.6	16,479.3	
Deferred Tax Credit (Net)		(2,605.6)	9,349.0	(7,332.4) 9,146.9
Profit after Tax before Share in Loss of Associates (Net) and Minority Interest		58,303.8	54,882.1	
Share in Loss of Associates (Net)		18.7	125.6	
Profit after Tax before adjustment for Minority Interest		58,285.1	54,756.5	
Share of Profit attributable to Minority Interest		11,126.0	9,362.7	
Profit for the Year attributable to the Shareholders of the Company		47,159.1	45,393.8	
Earnings per Share (Face Value per Equity share - ₹ 1)	37			
Basic (in ₹)		19.6	18.9	
Diluted (in ₹)		19.6	18.9	

See accompanying notes 1 to 63 forming part of the Consolidated Financial Statements

In terms of our report attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

DILIP S. SHANGHVI
Managing Director
New York

RAJESH K. HIRANANDANI
Partner
Mumbai, 30th May, 2016

UDAY V. BALDOTA
Chief Financial Officer
Mumbai

SUDHIR V. VALIA
Wholetime Director
Mumbai

SUNIL R. AJMERA
Company Secretary
Mumbai

SAILESH T. DESAI
Wholetime Director
Mumbai

Date : 30th May, 2016

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	67,652.8	64,029.0
Adjustments for:		
Depreciation and Amortisation Expense	10,135.2	11,947.2
Provision for Impairment of Fixed Assets (including amount considered in exceptional items)	5,474.9	-
Impairment of Goodwill on Consolidation (including amount considered in exceptional items)	1,448.5	1,001.1
(Profit) /Loss on Sale / Write off of Fixed Assets (net) (including amount considered in exceptional items)	(400.4)	267.5
Finance Costs	4,768.9	5,789.9
Interest Income	(2,659.3)	(2,568.1)
Dividend Income	(502.9)	(0.2)
Net Gain on Sale of Investments	(1,381.3)	(2,074.0)
Sundry Balance Written back (net)	(175.2)	(307.6)
Provision for Doubtful Trade Receivables / Advances / Sundry Balances / Trade Receivables written off (net)	1,519.6	416.1
Expense on Employee Stock Option Scheme	98.8	205.0
Provision for other-than-temporary diminution in value of non-current investment in an Associate (₹ 16,380)	0.0	163.2
Provision for other-than-temporary diminution in value of non-current investment	166.8	-
Reversal for diminution in value of current investments	-	(70.3)
Effect of exchange rate changes	(1,223.6)	(7,033.7)
Operating Profit Before Working Capital Changes	84,922.8	71,765.1
Changes in working capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	(1,667.4)	1,896.9
Trade Receivables	(18,088.7)	(10,464.2)
Loans and Advances	(2,830.1)	283.5
Other Assets	24,746.6	(398.2)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	1,990.4	3,411.3
Other Liabilities	(634.6)	2,030.9
Provisions	(860.6)	5,035.7
Cash Generated from Operations	87,578.4	73,561.0
Net Income Tax Paid	(19,884.6)	(17,403.6)
Net Cash Flow from Operating Activities (A)	67,693.8	56,157.4
CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets, including Capital Advances	(33,824.6)	(23,418.8)
Proceeds from Sale of Fixed Assets	706.0	501.0
Loans / Inter Corporate Deposits		
Given / Placed	(5,045.7)	(9,029.6)
Received back / Matured	5,120.3	3,719.0
Purchase of Investments [including Associate ₹ 16,380 (Previous Year ₹ Nil)]	(400,890.1)	(288,018.9)
Proceeds from Sale of Investments	416,414.1	288,405.9

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	Year ended 31st March, 2016	Year ended 31st March, 2015
Bank Balances not considered as Cash and Cash Equivalents			
Fixed Deposits / Margin Money Placed	(66,025.5)	(42,315.3)	
Fixed Deposits / Margin Money Matured	46,731.2	41,879.5	
Acquisition of Companies / business unit (Refer Note 60)	(10,713.6)	(3,194.6)	
Interest Received	2,465.9	2,885.2	
Purchase of Fixed Assets given under Finance Lease	-	(79.1)	
Receipt of rental on Fixed Assets given under Finance Lease	10.0	8.1	
Dividend Received	502.9	0.2	
Net Cash Flow used in Investing Activities (B)	(44,549.1)	(28,657.4)	
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings	82,945.3	79,183.7	
Repayment of Borrowings	(90,764.9)	(96,644.8)	
Net Increase in Cash Credit Facilities and Working Capital Demand Loans	662.1	11,982.2	
Proceeds from issue of shares to Minority by Subsidiary	-	1.6	
Payment to Minority - Repurchase of shares by subsidiary / dividend payment	(495.2)	-	
Proceeds from Allotment of Equity Shares on Exercise of Stock Options / Share Application Money received	91.3	748.7	
Finance Costs (includes borrowing costs capitalised)	(2,995.3)	(3,503.9)	
Dividends Paid	(7,216.8)	(3,104.8)	
Tax on Dividend	(1,469.7)	(528.0)	
Net Cash Flow used in Financing Activities (C)	(19,243.2)	(11,865.3)	
Net Increase in Cash and Cash Equivalents (A+B+C)	3,901.5	15,634.7	
Cash and Cash Equivalents at the beginning of the Year	72,855.6	43,587.0	
Cash and Cash Equivalents taken over on acquisition of Subsidiaries	214.3	91.9	
Pursuant to the Scheme of Amalgamation (Refer Note 54)	-	12,426.1	
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	4,224.6	1,115.9	
Cash and Cash Equivalents at the end of the Year (Refer Note 18)	81,196.0	72,855.6	

See accompanying notes 1 to 63 forming part of the Consolidated Financial Statements

In terms of our report attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants**DILIP S. SHANGHVI**
Managing Director
New York**RAJESH K. HIRANANDANI**
Partner
Mumbai, 30th May, 2016**UDAY V. BALDOTA**
Chief Financial Officer
Mumbai**SUDHIR V. VALIA**
Wholetime Director
Mumbai**SUNIL R. AJMERA**
Company Secretary
Mumbai**SAILESH T. DESAI**
Wholetime Director
Mumbai

Date : 30th May, 2016

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016		As at 31st March, 2015	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
1 SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 1 each	5,990,000,000	5,990.0	5,990,000,000	5,990.0
Cumulative Preference shares of ₹ 100 each	100,000	10.0	100,000	10.0
	5,990,100,000	6,000	5,990,100,000	6,000
Issued, Subscribed and Fully Paid Up				
Equity Shares of ₹ 1 each (Refer Note 33)	2,406,605,118	2,406.6	2,071,163,910	2,071.2
	2,406,605,118	2,406.6	2,071,163,910	2,071.2

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
2 RESERVES AND SURPLUS(*)		
Capital Reserve		
Opening Balance	268.0	259.1
Add:		
Pursuant to the Scheme of Amalgamation (Refer Note 54)	-	7.0
Transferred from Surplus in Consolidated Statement of Profit and Loss as per the Local Law of an overseas subsidiary	188.9	1.9
Closing Balance	456.9	268.0
Securities Premium Account		
Opening Balance	18,220.3	14,218.0
Add:		
Pursuant to the Scheme of Amalgamation (Refer Note 54)	-	3,079.7
Received on Shares issued during the year	232.9	594.2
Transferred from employees stock options outstanding account on exercise of options	132.0	328.4
Closing Balance	18,585.2	18,220.3
Debenture Redemption Reserve		
Opening Balance	750.0	-
Add: Transferred from Surplus in Consolidated Statement of Profit and Loss	1,041.7	-
Add: Transferred from General Reserve	-	750.0
Less: Transferred to General Reserve	750.0	-
Closing Balance	1,041.7	750.0
Revaluation Reserve		
Opening Balance	39.8	-
Add: Pursuant to the Scheme of Amalgamation (Refer Note 54)	-	43.9
Less: Utilised during the year	39.8	4.1
Closing Balance	-	39.8

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	As at 31st March, 2016	As at 31st March, 2015
Share Options Outstanding Account			
Opening Balance		82.1	-
Add:			
Pursuant to the Scheme of Amalgamation (Refer Note 54)		-	205.5
Amortisation during the year (Employee stock option expense, net of options forfeited and lapsed during the year)		98.8	205.0
Less: Transferred to Securities premium on account of exercise of options		132.0	328.4
Closing Balance		48.9	82.1
General Reserve			
Opening Balance		34,828.0	31,041.2
Add:			
Pursuant to the Scheme of Amalgamation (Refer Note 54)		-	5,519.3
Transferred from Debenture Redemption Reserve		750.0	-
Less:			
Transferred to Debenture Redemption Reserve		-	750.0
Adjustment by way of reduction from reserves on account of Amalgamation (Refer Note 54)		-	982.5
Closing Balance		35,578.0	34,828.0
Amalgamation Reserve			
Opening Balance		43.8	-
Add: Pursuant to the Scheme of Amalgamation (Refer Note 54)		-	43.8
Closing Balance		43.8	43.8
Legal Reserve			
Opening Balance		0.9	0.9
Add: Transferred from Surplus in Consolidated Statement of Profit and Loss (Created in accordance with the requirement of Local Law of an overseas subsidiary)		0.2	-
Closing Balance		1.1	0.9
Foreign Currency Translation Reserve			
Opening Balance		29,878.3	19,899.6
Add:			
Pursuant to the Scheme of Amalgamation (Refer Note 54)		-	6,646.9
Effect of Foreign Exchange rate variations during the year		13,255.5	3,331.8
Closing Balance		43,133.8	29,878.3

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	As at 31st March, 2016	As at 31st March, 2015
Surplus in Consolidated Statement of Profit and Loss			
Opening Balance	169,714.7	117,759.5	
Add:			
Pursuant to the Scheme of Amalgamation (Refer Note 54)	-	15,292.9	
Profit for the Year	47,159.1	45,393.8	
Less:			
Dividend proposed to be distributed to equity Shareholders [₹ 1.0 (Previous Year ₹ 3.0) per share]	2,406.8	7,219.5	
Corporate Dividend Tax	490.0	1,469.7	
Transferred to Debenture Redemption Reserve	1,041.7	-	
Transferred to Capital Reserve as per the Local Law of an overseas subsidiary	188.9	1.9	
Transferred to Legal Reserve in accordance with the requirement of Local Law of an overseas subsidiary	0.2	-	
Deferred Tax in respect of earlier years related to an overseas subsidiary	-	40.4	
Closing Balance	212,746.2	169,714.7	
	311,635.6	253,825.9	

(*) During the previous year, 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 Transferor Company on the close of March 31, 2014 had 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 Accounts of the Transferor Company as at close of March 31, 2014 had been taken over by the Holding Company (Transferee Company) and was included in Securities Premium Account, as on April 1, 2014, being the appointed date of the amalgamation referred in note 54.

	₹ in Million	As at 31st March, 2016	As at 31st March, 2015
3 LONG-TERM BORROWINGS			
(Refer Note 57)			
Secured			
Term Loans			
From Banks	-	327.4	
From Another Party	77.3	77.3	
	77.3	404.7	
Long-term Maturities of Finance Lease Obligations	715.8	793.1	2.2
	715.8	793.1	406.9
Unsecured			
Redeemable Non-Convertible Debentures	10,000.0	-	
Term Loans			
From Banks	20,374.2	12,764.2	
From Other Parties	-	20,374.2	513.1
	-	20,374.2	13,277.3
	31,167.3	13,684.2	

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million			
	As at 31st March, 2016		As at 31st March, 2015	
4 DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liabilities				
Depreciation on Fixed Assets	4,141.0		4,523.6	
Others	190.1	4,331.1	186.3	4,709.9
Less:				
Deferred Tax Assets				
Unpaid Liabilities	537.6		489.4	
Unabsorbed Depreciation / Carried forward Losses [Refer Note 47(a)]	2,160.0		2,820.0	
Others	1,017.4	3,715.0	647.4	3,956.8
	616.1		753.1	
5 OTHER LONG-TERM LIABILITIES				
Trade Payables	-		10.2	
Trade / Security Deposits Received		212.7		219.7
Interest accrued but not due on borrowings		4.9		3.4
Others(*)		2,019.5		1,630.1
(*) Includes contractual and expected milestone obligations	2,237.1		1,863.4	
6 LONG-TERM PROVISIONS				
Employee Benefits (Refer Notes 41 and 42)		2,353.9		1,894.6
MTM Loss on outstanding Forward Contracts / Derivatives Instruments	-		253.5	
Income Tax (Net of Advance Income Tax)		19.1		23.0
Others (Refer Note 50)		18,424.0		23,152.3
	20,797.0		25,323.4	
7 SHORT-TERM BORROWINGS				
Loans Repayable on Demand				
Secured				
From Bank (Refer Note 58)		2,560.5		2,739.0
Unsecured				
From Bank		48,040.8		46,808.1
Other Loans and Advances				
Secured				
Term Loan from Bank (Refer Note 58)		204.5		232.1
Unsecured				
From Bank	1,407.9		-	
Commercial Paper	-	1,407.9	12,500.0	12,500.0
	52,213.7		62,279.2	

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016	As at 31st March, 2015	₹ in Million
8 OTHER CURRENT LIABILITIES			
Current Maturities of Long-term Debt (Refer Note 57)	1,770.7	13,975.8	
Current Maturities of Finance Lease Obligations (Refer Note 57)	32.7	21.9	
Interest Accrued but not Due on Borrowings	439.2	320.3	
Unclaimed / Unpaid Dividends	72.8	65.7	
Statutory Remittances	3,584.1	3,258.5	
Payables on Purchase of Fixed Assets	2,086.3	1,226.8	
Advances from Customers	719.1	374.5	
Trade / Security Deposits Received	17.7	15.8	
Temporary Overdrawn Bank Balance as per books	226.6	112.0	
Others (*)	2,243.2	3,424.6	
	11,192.4	22,795.9	
(*) Includes claims, recall charges, contractual and expected milestone obligations, trade and other commitments.			
9 SHORT-TERM PROVISIONS			
Employee Benefits (Refer Note 41)	1,631.5	1,717.2	
MTM Loss on outstanding Forward Contracts / Derivative Instruments	220.8	5,392.9	
Income Tax (Net of Advance Income Tax)	2,453.0	5,891.7	
Dividend proposed to be distributed to Equity Shareholders	2,406.8	7,219.5	
Corporate Dividend Tax	490.0	1,469.7	
Provision - Others (Refer Note 50)	26,972.6	21,836.6	
	34,174.7	43,527.6	

10 FIXED ASSETS

Particulars	₹ in Million													
	As At 01/04/15	Consolidation Adjustments	Pursuant to Amalgamation #	Gross Block Taken over on acquisition ^	Additions @/ Adjustments During the Year	Deletions / Adjustments During the Year	As at 31/03/16	Consolidation Adjustments	Depreciation / Amortisation / Impairment Pursuant to Amalgamation #	On takeover on acquisition ^	Deletions during the year	As at 31/03/16	As at 31/03/15	
A. Tangible Assets														
Freehold Land	1,912.7	719	-	1,405	61.0	2,064.1	-	0.9	-	23.5 [b]	-	24.4	2,039.7 19.17	
Leased Land	1,059	(567)	715.7	82.3	93.3	278	1,912.7 [c]	-	-	-	-	-	1,912.7 110.9	
Buildings	1,879.8	66.9	-	6.9	175	1,946.7 [f]	232.9	11.6	-	23.6	-	26.1	1,678.6 164.69	
Buildings	1,305.7	297	55.0	-	4,908.9	733.6	44,736.8	166.7	51	381	-	23.9	1,046.9 1,139.30	
Buildings Taken under Finance Lease*	1,901.6	266.5	1,263.84	1,049.0	5,844.5	128.7	39,211.3 [a]	5,527.5	103	2,833.5	198.5	1,092.6	55.91 13,826.4 [b] 9,640.5 [b]	30,704 29,707.8 14,244.1
Leasedhold Improvement Building	175.9	12.5	-	65.4	0.9	253.9	-	22.2	1.3	-	-	-	-	-
Buildings Given under operating lease	156.3	6.8	-	12.8	-	175.9	-	18.5	0.8	-	-	29	-	22.2 153.7 137.8
Plant and Equipment	23.1	11.3	-	-	-	224.4	-	41.9	2.1	-	-	0.5	-	44.5 179.9 171.2
Plant and Equipment	205.6	7.5	-	-	-	213.1	-	40.0	1.4	-	-	0.5	-	41.9 171.2 165.6
Plant and Equipment	79,307.2	1,973.4	-	156.7	11,437.8	1,636.3	91,238.8	45,709.2	1,317.7	-	101.1	8,094.3 [b]	1,240.2 53,981.9 [b] 45,709.2 [b]	37,256.7 33,598.0 16,995.1
Furniture and Fixtures	38,487.6	(203.7)	34,246.7	1,426.1	7,005.0	1,645.5	79,307.2	21,494.5	(62.4)	16,849.3	508.1	8,188.6	1,228.9 33,980.0 16,995.1	-
Furniture and Fixtures given under Operating Lease*	45.7	1.2	-	-	-	25.3	216	-	23.3	1.1	-	3.1	71 20.4 1.2 22.4	-
Vehicles	1,451.1	(4.4)	-	-	-	166.0	239.4	1,373.3	669.5	8.5	-	211.7 [b]	134.0 75.57 [b] 61.76 781.6	-
Office Equipment	556.8	(105.5)	959.7	-	282.5	288.4	1,451.1	186.3	(71.4)	475.1	-	221.1	132.6 663.5 781.6 370.5	-
Computer Software	1,836.3	32.7	-	13	255.8	51.5	2,054.6	1,274.6	269	-	1.2	224.0 [b]	43.1 1,433.6 [b] 62.10 61.17	-
Trademarks, Designs and other intangible Assets	799.1	(105.5)	742.4	47	356.0	474	1,836.3	534.5	(98)	351.1	37	385.2 40.1 1,228.4 [b]	611.7 1,307.3 12,708 127.08 510.0	-
Total Tangible Assets	130,389.0	3,696.1	-	204.8	18,033.7	2,878.9	18,424.7	60,617.2	1,944.6	-	117.3	13,296.0 2,109.6 73,865.5 75,559.2 69,751.8	-	
B. Intangible Assets	Previous Year										0.6			
Goodwill	14,553.4	826.0	-	24.7	-	-	15,623.1	951.4	509	-	493.3 [b]	-	1,495.6 [b] 14,127.5 13,602.0	
Computer Software	10,777.0	260.3	3,516.1	-	-	-	14,553.4	-	-	-	-	-	955.4 13,622.0 10,777.0	
Trademarks, Designs and other intangible Assets	22,454	32.4	-	-	134.1	294	2,382.5	1,446.7	208	-	285.3 [b]	269 1,725.9 [b] 656.6 788.7	-	
Total Intangible Assets	19,801.5	(18.1)	1,981.4	-	266.8	47	2,245.4	(18.4)	1,210.6	-	285.3 38 1,446.7	788.7 5,662.6 4,067.8	-	
Footnotes :	(a) Buildings include ₹ 8,620 (Previous Year ₹ 8,620) towards cost of shares in a Co-operative Housing Society.										(b) Includes impairment of ₹ 6,373.2 Million (Previous Year ₹ 835.5 Million) including ₹ 5,54.7 Million (Previous Year ₹ Nil) on account of impairment for the year, of which ₹ 39.8 Million (Previous Year ₹ Nil) is utilised from Revaluation Reserve.			
	(c) Freehold Land includes land valued at ₹ 2.55 Million (Previous Year ₹ 25.5 Million) pending registration in the name of the Holding Company.										(d) Excludes Fixed Assets for Sale (Refer Note 20).			
	(e) Previous Year figures are in italics.										(f) Delays / Adjustments during the previous year includes refund received from authorities in respect of dismantling charges.			
	(g) Borrowing cost capitalised during the year ₹ 162.1 Million (Previous Year ₹ 239.9 Million)										* Refer Note 40 ^ Refer Note 54 @ Refer Note 60(a)			

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
11 NON-CURRENT INVESTMENTS (*)		
Long Term Investments (Fully Paid Up)		
Quoted		
In Equity Instruments (\$)	1,628.3	1,540.0
In Debentures / Bonds	636.1	1,658.9
Unquoted		
In Equity Instruments (#)	2,053.7	2,133.2
In Government Securities ₹ 10,000 (Previous Year ₹ 10,000)	0.0	0.0
In Debentures	115.7	115.7
In Limited Liability Partnerships	1,499.4	540.9
	5,933.2	5,988.7
Aggregate Value of Investments	Book Value	Market Value
Quoted (at Cost)	3,962.9	7,297.1
Unquoted (at Cost)	4,822.7	3,776.9
Total	8,785.6	8,674.3
Provision for other-than-temporary diminution in value of non-current investments (Quoted)	(1,698.5)	(1,698.5)
Provision for other-than-temporary diminution in value of non-current investments (Unquoted)	(1,153.9)	(987.1)
Total	(2,852.4)	(2,685.6)

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

\$ Includes Investment in Zenotech Laboreties Limited, 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 ₹ 1,698.5 Million)]. Also, the shares of this entity are thinly traded and therefore, market price has not been considered for the purpose of assessment of other-than-temporary diminution in the value of investment.

Includes Investment in Associates at carrying value: Daiichi Sankyo (Thailand) Limited ₹ 444.5 Million (Previous Year ₹ 440.2 Million) and Medinstill LLC ₹ 1,302.9 Million (Previous Year Nil) [Refer Note 30(w)].

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
12 DEFERRED TAX ASSETS (Net)		
Unpaid Liabilities	12,455.7	9,322.2
Unabsorbed Loss [Refer Note 47(b)]	590.1	97.2
Intangibles	2,954.7	3,282.9
Inventory and Other Related Items	4,929.9	4,357.6
Others	1,479.3	22,409.7
Less :		
Deferred Tax Liabilities		
Fixed assets	344.0	-
Others	190.5	534.5
	21,875.2	18,269.5

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

				₹ in Million
	As at 31st March, 2016		As at 31st March, 2015	
13 LONG-TERM LOANS AND ADVANCES				
(Unsecured - Considered Good unless stated otherwise)				
Capital Advances				
Considered Good	4,181.4		3,770.5	
Considered Doubtful	73.4		66.2	
	4,254.8		3,836.7	
Less: Provision for Doubtful Loans and Advances	73.4	4,181.4	66.2	3,770.5
Security Deposits		390.8		441.2
Loans and Advances to Other Parties (including Employees)				
Considered Good - Secured			40.3	
Considered Good - Unsecured	694.5		1,429.6	
Considered Doubtful	2.7		1.9	
	697.2		1,471.8	
Less: Provision for Doubtful Loans and Advances	2.7	694.5	1.9	1,469.9
Receivable on Account of Assets given under Finance Lease [Refer Note 40(e)]		378.7		389.3
Prepaid Expenses		114.2		96.6
Advance Income Tax (Net of Provisions)		14,226.5		11,039.6
MAT Credit Entitlement (Refer Note 56)		7,517.0		7,517.0
Balances with Government Authorities		1,080.0		1,382.8
Advance for supply of goods and services		777.2		698.1
		29,360.3		26,805.0

14 OTHER NON-CURRENT ASSETS

(Unsecured - Considered Good)				
Interest Accrued on Investments		-		48.9
Receivable towards forward contracts / derivative instruments		616.5		418.5
Others		347.5*		86.1
		964.0		553.5

(*) Includes receivable towards sale of manufacturing facility.

15 CURRENT INVESTMENTS

A) Current Portion of Long-term Investments (At Cost)				
Unquoted				
In Mutual Funds (*)		250.0		6,957.6
B) Other Current Investments (At Lower of Cost and Fair Value)				
Quoted				
In Equity Instruments	98.6		114.9	
In Debentures	-		993.6	
In Bonds	214.4	313.0	179.0	1,287.5
Unquoted				
In Mutual Funds		5,365.4		12,404.9
In Commercial Paper		1,224.4		524.3
		7,152.8		21,174.3

Aggregate Value of Investments

	Book Value	Market Value	Book Value	Market Value
Quoted	313.0	349.0	1,287.5	1,349.0
Unquoted	6,839.8		19,886.9	
* Listed				

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million			
	As at 31st March, 2016		As at 31st March, 2015	
16 INVENTORIES				
Raw and Packing Materials	20,336.1		19,607.9	
Goods-in-Transit	1,067.0	21,403.1	604.0	20,211.9
Work-in-Progress		12,096.2		10,780.4
Finished Goods	23,720.5		19,083.0	
Goods-in-Transit	356.1	24,076.6	353.2	19,436.7
Stock-in-trade	5,400.7		5,183.5	
Goods-in-Transit	305.7	5,706.4	283.2	5,466.7
Other Materials and Consumables	951.6		783.4	
Goods-in-Transit	2.4	954.0	1.3	784.7
	64,236.3		56,679.9	
17 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	3,176.7		2,670.6	
Considered Doubtful	1,754.4		1,276.8	
	4931.1		3,947.4	
Less: Provision for Doubtful Trade Receivables	1754.4	3,176.7	1,276.8	2,670.6
	64,952.1		48,390.7	
Other Trade Receivables				
Considered Good	64,782.2		48,390.7	
Considered Doubtful	169.9		-	
	64,952.1		48,390.7	
Less: Provision for Doubtful Trade Receivables	169.9	64,782.2	-	48,390.7
	67,958.9		51,061.3	
18 CASH AND CASH EQUIVALENTS				
Balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statement				
Cash on Hand		18.0		20.9
Cheques on Hand		143.6		164.4
Balances with Banks				
In Current Accounts	52,982.6		57,517.4	
In Deposit Accounts with Original Maturity less than 3 Months	26,885.4		14,903.2	
In EEFC Accounts	1,166.4	81,034.4	249.7	72,670.3
	81,196.0		72,855.6	
Other Bank Balances				
In Deposit Accounts (*)	58,536.2		36,957.8	
In Earmarked Accounts:				
Unpaid Dividend Accounts	63.0		58.5	
Balances held as Margin Money or Security against Guarantees and Other Commitments (*)	97.3	58,696.5	108.5	37,124.8
	139,892.5		109,980.4	
(*) Other Bank Balances include Deposits amounting to ₹ 46,848.6 Million (Previous Year ₹ 28,052.4 Million) and Margin Monies include ₹ 97.3 Million (Previous Year ₹ 96.1 Million) which have an Original Maturity of more than 12 Months.				

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million		
	As at 31st March, 2016		As at 31st March, 2015
19 SHORT-TERM LOANS AND ADVANCES			
(Unsecured - Considered Good unless stated otherwise)			
Loans and Advances to a Related Party			
Considered Good	-		238.0
Considered Doubtful	512.0		274.0
512.0			512.0
Less: Provision for Doubtful Loans and Advances	512.0	-	274.0 238.0
Loans and Advances to Other Parties (including Employees)			
Secured Considered Good	409.0		3,360.6
Unsecured Considered Good	10,316.2		6,901.0
Unsecured Considered Doubtful	4.5		4.5
10,729.7			10,266.1
Less: Provision for Doubtful Loans and Advances	4.5	10,725.2	4.5 10,261.6
Prepaid Expenses		2,680.0	2,727.3
Security Deposits		177.8	130.1
Balances with Government Authorities		7,855.3	6,537.4
Advance Income-Tax [Net of Provisions]		1,499.7	199.2
Advances for Supply of Goods and Services			
Considered Good	3,455.3		1,828.9
Considered Doubtful	184.2		185.1
3,639.5			2,014.0
Less: Provision for Doubtful Loans and Advances	184.2	3,455.3	185.1 1,828.9
Receivable on Account of Assets under Finance Lease		10.6	10.0
[Refer Note 40(e)]			
		26,403.9	21,932.5

20 OTHER CURRENT ASSETS

(Unsecured - Considered Good unless stated otherwise)			
Interest Accrued on Investments / Balances with Banks		284.4	90.8
Interest Accrued and due on loans			
Considered Good	4.9		88.8
Considered Doubtful	151.5		-
156.4			88.8
Less: Provision for Doubtful on Interest Accrued and due on loans	151.5	4.9	- 88.8
Receivable towards forward contracts / derivative instruments		-	774.9
Export Incentives receivable		1,936.4	1,500.4
Fixed Assets held for Sale		350.6	255.4
Others*		425.0	25,618.8
		3,001.3	28,329.1

(*) Current year includes receivable towards sale of manufacturing facility and previous year includes receivable from a third party, which has agreed to bear damages paid by a subsidiary on account of patent infringement in consideration of the Group agreeing to sell them pharmaceutical products at a negotiated discounted price for a specified period.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

			₹ in Million
	Year ended 31st March, 2016	Year ended 31st March, 2015	
21 REVENUE FROM OPERATIONS			
Sale of Products	279,921.5	275,182.0	
Other Operating Revenues	5,255.5	1,469.4	
	285,177.0	276,651.4	
22 OTHER INCOME			
Interest Income on:			
Deposits with Banks	1,263.3	1,060.5	
Loans and Advances	1,033.0	839.9	
Current Investments	65.0	5.4	
Long-term Investments	59.9	119.5	
Fixed Assets Given Under Finance Lease	37.2	31.6	
Others	200.9	2,659.3	511.2
Dividend Income on Long-term Investments	502.9	0.2	
Net Gain on Sale of:			
Current Investments	871.5	520.2	
Long-term Investments	509.8	1,381.3	1,553.8
Profit on Sale of Fixed Assets	591.7	3.7	
Sundry Balances Written Back (Net)	175.2	307.6	
Insurance Claims	284.7	74.5	
Lease Rental and Hire Charges	243.9	226.8	
Miscellaneous Income	330.7	221.7	
	6,169.7	5,476.6	
23 COST OF MATERIALS CONSUMED			
Raw and Packing Materials:			
Inventories at the beginning of the year	20,211.9	12,619.5	
Pursuant to the Scheme of Amalgamation (Refer note 54)	-	7,736.9	
Inventories Acquired on Acquisition (Refer note 60)	3,724.3	80.4	
Purchases during the year	40,929.5	41,298.6	
Foreign currency translation difference	418.7	63.4	
Inventories at the end of the year	(21,403.1)	(20,211.9)	
	43,881.3	41,586.9	
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Inventories at the beginning of the year	35,683.3	17,806.0	
Pursuant to the Scheme of Amalgamation (Refer note 54)	-	19,567.2	
Foreign currency translation difference	1,717.3	(545.0)	
Inventories at the end of the year	(41,879.2)	(35,683.3)	
	(4,478.6)	1,144.9	

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
25 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	40,144.3	37,645.7
Contribution to Provident and Other Funds	3,959.6	3,671.1
Expense on Employee Stock Option Schemes	98.8	205.0
Staff Welfare Expenses	3,768.6	3,504.6
	47,971.3	45,026.4
26 FINANCE COSTS		
Interest Expense	2,411.8	3,007.3
Other borrowing costs	62.6	67.3
Net loss on foreign currency transactions and translation	2,294.5	2,715.3
	4,768.9	5,789.9
27 OTHER EXPENSES		
Consumption of Stores, Spare Parts and Other Materials	5,633.7	6,235.5
Conversion and Other Manufacturing Charges	4,439.8	4,131.7
Power and Fuel	5,454.4	5,607.7
Rent	1,332.5	1,433.2
Rates and Taxes	2,052.1	2,279.5
Insurance	1,215.9	1,119.4
Selling and Distribution	20,739.7	20,852.9
Commission and Discount	1,440.5	1,511.1
Repairs and Maintenance		
Buildings	533.8	611.0
Machinery	2,084.3	1,922.1
Others	1,362.8	3,980.9
Printing and Stationery	359.2	409.9
Travelling and Conveyance	1,779.9	1,701.3
Overseas Travel and Export Promotion	5,201.4	4,431.0
Communication	757.0	829.0
Provision / Write off for Doubtful Trade Receivables / Advances		
Provision for Doubtful Trade Receivables / Advances	1,312.3	437.2
Sundry Balances / Trade Receivables Written off (Net)	245.7	157.9
Less: Adjusted out of Provision for earlier years	(38.4)	1,519.6
Professional, Legal and Consultancy	18,957.2	(*)16,518.3
Donations	173.9	109.8
Loss on Sale / Write Off of Fixed Assets	155.8	271.2
Increase / (Decrease) of Excise Duty on Inventories	115.4	(63.3)
Net Loss on Foreign Currency Transactions and Translation (Other than considered as Finance Cost)	1,577.3	968.3
Payment to Auditors		
For Audit @	193.3	198.8
For Taxation Matters	16.6	16.1
For Other Services	46.7	12.6
Reimbursement of Expenses	0.9	257.5
	0.6	228.1

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31st March, 2016	Year ended 31st March, 2015	₹ in Million
Provision for other-than-temporary diminution in value of non-current investment	166.8	-	
Provision for other-than-temporary diminution in value of non-current investment in an associate (₹ 16,380)	0.0	163.2	
Impairment of Goodwill on Consolidation	-	1,001.1	
Provision for Impairment of Fixed Asset	511.2	-	
Miscellaneous Expenses	9,771.9	9,431.6	
	87,593.6	83,558.3	
Less:			
Receipts from Research Activities	(938.6)	(723.3)	
	86,655.0	82,835.0	
(*) Previous Year includes fees to the Statutory auditors of erstwhile Ranbaxy Laboratories Limited as auditors - ₹ 27.0 Million			
@ includes ₹ 0.7 Million (Previous Year ₹ 1.8 Million) in respect of previous year.			
28 RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS			
Salaries and Wages	4,872.2	4,691.8	
Contribution to Provident and Other Funds	441.7	459.9	
Staff Welfare Expenses	368.6	367.8	
Consumption of Stores, Spare Parts and Other Materials	3,443.1	4,236.4	
Conversion and Other Manufacturing Charges	-	93.5	
Power and Fuel	347.8	487.4	
Rates and Taxes	104.0	88.3	
Rent	136.9	173.5	
Insurance	39.1	45.5	
Repairs and Maintenance			
Buildings	66.6	45.4	
Machinery	253.0	192.1	
Others	230.2	549.8	
Printing and Stationery	37.9	46.9	
Travelling and Conveyance	319.5	257.2	
Communication	80.9	76.1	
Professional, Legal and Consultancy	9,933.4	5313.1	
Loss on Sale / Write off of Fixed Assets	0.6	-	
Miscellaneous Expenses	1,566.9	1,530.1	
	22,242.4	18,372.8	
Less:			
Interest Income [Net of Interest expense on borrowings ₹ 1.6 Million (Previous Year ₹ 1.1 Million)]	2.1	2.7	
Receipts from Research Activities	938.6	723.3	
Miscellaneous Income	13.9	954.6	
	21,287.8	17,632.8	

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

29 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 prescribed under section 133 of the Companies Act, 2013 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 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.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

II Basis of Accounting

These Consolidated Financial Statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 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 in India 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 have 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.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

Tangible	Years
Leasehold Land	50-196
Leasehold Improvements	3-10
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 (Refer Note 39)	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 is 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 fixed asset taken on operating lease is 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".

Assets leased by the Group in its capacity as a lessee, where substantially all the risk and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments. Liability is created for an equivalent amount.

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, discounts, 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 and where applicable in accordance with the terms of the relevant agreements.

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 value.

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-

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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., Ranbaxy Pharmacie Generiques SAS and Sun Pharmaceutical (Bangladesh) Ltd., cost is determined on FIFO basis and in respect of Taro Pharmaceutical Industries Ltd, cost is determined on average cost basis.

IX Research and Development

The research and development cost is accounted in accordance with Accounting Standard (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 forward exchange contracts relating to monetary items as at the balance sheet date, 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 at the average rate.

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- 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 only to the extent that there is a reasonable certainty that the assets can be realised in future. However, if there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that 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 by an independent valuer and provided for as per the Group rules.
- (e) Actuarial gains and losses are recognised in the Consolidated Statement of Profit and loss in the year in which they arise.

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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 vesting period. 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 cannot be made. Contingent Assets are not recognised in the Consolidated Financial Statements.

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. Intangible assets that are amortised over a period exceeding ten years from the date when the asset is available for use are tested for impairment each financial year even if there is no indication the asset is 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.

XIX Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

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- 30** a) The Consolidated Financial Statements comprise the consolidation of the financial statements of the Holding Company, its subsidiaries, associates and Jointly Controlled Entities, as under:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year ended	
		31st March, 2016	31st March, 2015
Direct Subsidiaries			
1 Green Eco Development Centre Limited	India	100.00%	100.00%
2 Sun Pharma Global Inc.	British Virgin Islands	-	100.00% (see note q)
3 Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	72.50%	72.50%
4 Sun Pharmaceutical Industries, Inc.	United States of America	100.00%	100.00%
5 Sun Farmaceutica do Brasil Ltda.	Brazil	100.00%	100.00%
6 Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%
7 SPIL De Mexico S.A. DE C.V.	Mexico	100.00%	100.00%
8 Sun Pharmaceutical Peru S.A.C.	Peru	99.33%	99.33%
9 OOO "Sun Pharmaceutical Industries" Limited	Russia	100.00%	99.00%
10 Sun Pharma De Venezuela, C.A.	Venezuela	100.00%	100.00%
11 Sun Pharma Laboratories Ltd	India	100.00%	100.00%
12 Faststone Mercantile Company Private Limited	India	100.00%	100.00%
13 Neetnav Real Estate Private Limited	India	100.00%	100.00%
14 Realstone Multitrade Private Limited	India	100.00%	100.00%
15 Skisen Labs Private Limited	India	100.00%	100.00%
16 Sun Pharma Holdings	Mauritius	100.00%	100.00% (see note q)
17 Softdeal Trading Company Private Limited	India	100.00%	100.00%
18 Ranbaxy Pharmacie Generiques	France	100.00%	100.00%
19 Ranbaxy Drugs Limited	India	100.00%	100.00%
20 Vidyut Investments Limited	India	100.00%	100.00%
21 Gufic Pharma Limited	India	100.00%	100.00%
22 Ranbaxy (Malaysia) Sdn. Bhd.	Malaysia	71.22%	71.22%
23 Ranbaxy Nigeria Limited	Nigeria	85.31%	85.31%
24 Ranbaxy (Netherlands) B.V.	Netherlands	100.00%	100.00%
Step down Subsidiaries			
25 Caraco Pharma Inc.	United States of America	100.00% (see note s)	100.00%
26 Chattem Chemical, Inc.	United States of America	100.00%	100.00%
27 The Taro Development Corporation	United States of America	100.00%	100.00%
28 Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%
29 Sun Pharmaceuticals UK Limited	United Kingdom	100.00%	100.00%
30 Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	100.00%	100.00%
31 Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%
32 Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	100.00%	100.00%
33 Sun Pharmaceuticals Italia S.R.L.	Italy	100.00%	100.00%
34 Sun Pharmaceutical Spain, S.L.U.	Spain	100.00%	100.00%
35 Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%
36 Sun Pharmaceuticals France	France	100.00%	100.00%
37 Sun Pharma Global FZE	United Arab Emirates	100.00%	100.00%
38 Sun Pharmaceuticals (SA) (Pty) Ltd.	South Africa	100.00%	100.00%
39 Sun Global Canada Pty Ltd.	Canada	100.00%	100.00%
40 Sun Pharma Philippines, Inc.	Philippines	100.00%	100.00%
41 Sun Pharmaceuticals Korea Ltd.	Korea	100.00%	100.00%

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Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year ended	
		31st March, 2016	31st March, 2015
42 Sun Global Development FZE	United Arab Emirates	100.00%	100.00%
43 Caraco Pharmaceuticals Private Limited	India	100.00%	100.00%
44 Sun Pharma Japan Ltd.	Japan	100.00%	100.00%
45 Sun Pharma Healthcare FZE	United Arab Emirates	100.00%	100.00%
46 Sun Pharma MEA JLT	United Arab Emirates	-	100% (see note e)
47 Morley & Company, Inc.	United States of America	100.00%	100.00%
48 Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%
49 Taro Pharmaceutical Industries Ltd. (TARO)	Israel (See note d)	68.98%	68.87%
50 Taro Pharmaceuticals Inc.	Canada	68.98%	68.87%
51 Taro Pharmaceuticals USA, Inc.	United States of America	68.98%	68.87%
52 Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	68.98%	68.87%
53 Taro Pharmaceuticals Europe B.V.	Netherlands	68.98%	68.87%
54 Taro Pharmaceuticals Ireland Limited	Ireland	68.98%	68.87%
55 Taro International Ltd.	Israel	68.98%	68.87%
56 Taro Pharmaceuticals (UK) Limited	United Kingdom	68.98%	68.87%
57 Taro Hungary Intellectual Property Licensing Limited Liability Company	Hungary	68.98%	68.87%
58 3 Skyline LLC	United States of America	68.98%	68.87%
59 One Commerce Drive LLC	United States of America	68.98%	68.87%
60 Tarochem Limited	Israel	-	68.87% (see note f)
61 Taro Pharmaceutical Laboratories Inc	United States of America	68.98%	68.87%
62 Taro Pharmaceuticals Canada, Ltd.	Canada	68.98%	68.87%
63 Taro Pharmaceutical India Private Limited	India (see note m)	68.98%	68.87%
64 Orta Ltd.	Israel	-	68.87% (see note f)
65 Sun Universal Ltd.	United Arab Emirates	-	100% (see note g)
66 Khyati Realty ME Ltd.	United Arab Emirates	-	100% (see note g)
67 Aditya Pharma Private Limited	Hungary	-	100% (see note h)
68 Alkaloida Sweden AB	Sweden	100.00%	100.00%
69 Dusa Pharmaceuticals, Inc.	United States of America	100.00%	100.00%
70 Dusa Pharmaceuticals New York, Inc.	United States of America	100.00%	100.00%
71 Sirius Laboratories Inc	United States of America	100.00%	100.00%
72 URL Pharma, Inc.	United States of America	100.00%	100.00% (see note v)
73 AR Scientific.Inc	United States of America	100.00% (see note u)	100.00%
74 Mutual Pharmaceutical Company Inc.	United States of America	100.00%	100.00%
75 United Research Laboratories, Limited	United States of America	100.00% (see note u)	100.00%
76 Dungan Mutual Associates, LLC	United States of America	100.00%	100.00%
77 URL PharmPro, LLC	United States of America	100.00%	100.00%
78 Universal Enterprises Private Limited	India	100.00%	100.00%
79 Sun Pharma Switzerland Limited	Switzerland	100.00%	100.00%
80 Silverstreet Developers LLP	India	100.00% (see note o)	100.00%

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Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year ended	
		31st March, 2016	31st March, 2015
81 Sun Pharma East Africa Limited	Kenya	100.00%	100.00%
82 Pharmalucence, Inc.	United States of America	100.00%	100.00%
83 PI Real Estate Ventures, LLC	United States of America	100.00%	100.00%
84 Ranbaxy Australia Pty Ltd	Australia	100.00%	100.00%
85 Ranbaxy Belgium N.V.	Belgium	100.00% (see note r)	100.00%
86 Ranbaxy Farmaceutica Ltda.	Brazil	100.00%	100.00%
87 Ranbaxy Pharmaceuticals Canada Inc.	Canada	100.00%	100.00%
88 Ranbaxy Egypt LLC	Egypt	100.00%	100.00%
89 Rexcel Egypt LLC	Egypt	100.00%	100.00%
90 Office Pharmaceutique Industriel Et Hospitalier	France	100.00%	100.00%
91 Basics GmbH	Germany	100.00%	100.00%
92 Ranbaxy GmbH	Germany	100.00%	100.00%
93 Ranbaxy Ireland Limited	Ireland	100.00%	100.00%
94 Ranbaxy Italia S.P.A	Italy	100.00%	100.00%
95 Ranbaxy-PRP (Peru) S.A.C.	Peru	100.00%	100.00%
96 Ranbaxy (Poland) Sp. Z.o.o.	Poland	100.00%	100.00%
97 Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda	Portugal	100.00% (see note j)	100.00%
98 S.C Terapia S.A.	Romania	96.70%	96.70%
99 AO Ranbaxy (Formerly known as ZAO Ranbaxy)	Russia	100.00%	100.00%
100 Ranbaxy South Africa Proprietary Limited	South Africa	100.00%	100.00%
101 Ranbaxy Pharmaceutical Proprietary Limited	South Africa	100.00%	100.00%
102 Be-Tabs Investments Proprietary Limited	South Africa	100.00%	100.00%
103 Sonke Pharmaceuticals Proprietary Limited	South Africa	70.00%	70.00%
104 Laboratorios Ranbaxy, S.L.U.	Spain	100.00%	100.00%
105 Ranbaxy (U.K.) Limited	United Kingdom	100.00%	100.00%
106 Ranbaxy Holdings (U.K.) Limited	United Kingdom	100.00%	100.00%
107 Ranbaxy Europe Limited	United Kingdom	100.00%	100.00%
108 Ranbaxy Inc.	United States of America	100.00%	100.00%
109 Ranbaxy Pharmaceuticals, Inc.	United States of America	100.00%	100.00%
110 Ranbaxy (Thailand) Company Limited	Thailand	100.00%	100.00%
111 Ranbaxy USA, Inc.	United States of America	- (see note k)	100.00%
112 Ohm Laboratories Inc.	United States of America	100.00%	100.00%
113 Ranbaxy Laboratories, Inc.	United States of America	100.00%	100.00%
114 Ranbaxy Signature LLC	United States of America	67.50%	67.50%
115 Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	Morocco	100.00%	100.00%
116 "Ranbaxy Pharmaceuticals Ukraine" LLC	Ukraine	100.00%	100.00%
117 Perryton Wind Power LLC	United States of America	100% (see note c)	-
118 Insite Vision Incorporated	United States of America	100% (see note c)	-
119 Insite Vision Ltd.	United Kingdom	100% (see note c)	-
120 Thea Acquisition Corporation	United States of America	100.00% (see note c and t)	-
121 Zalicus Pharmaceuticals Limited	Canada	100.00% (see note c and l)	-

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Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year ended	
		31st March, 2016	31st March, 2015
Name of Partnership Firm			
122 Solrex Pharmaceuticals Company	India (see note i)	100.00%	100.00%
Name of Jointly Controlled Entities			
123 MSD - Sun LLC	United States of America	50.00% (see note p)	50.00%
124 S & I Ophthalmic LLC	United States of America	50.00%	50.00%
125 Artes Biotechnology GmbH	Germany	45.00%	45.00%
Name of Subsidiary of Jointly Controlled Entities			
126 MSD - Sun FZ LLC	United Arab Emirates	50% (see note p)	50.00%
Name of Associates			
127 Zenotech Laboratories Limited	India	46.84%	46.84%
128 Daiichi Sankyo (Thailand) Ltd.	Thailand	26.90%	26.90%
129 Medinstill LLC	United States of America	19.99% (see note w)	-

- b In respect of entities at Sr. No. 5, 6, 7, 8, 9, 99, 116, 118, 119 and 125 the reporting date is as of 31st December, 2015 and different from the reporting date of the Holding Company. In terms of Accounting Standard 21, adjustments have been made for significant transactions of these subsidiaries for the periods from 1st January, 2015 to 31st March, 2015 and 1st January, 2016 to 31st March, 2016, on the basis of their management accounts for the said periods.
- c Entities at Sr. No. 117 to 121 have been incorporated / acquired during the year ended 31st March, 2016.
- d The Group holds voting power of 79.32% (beneficial ownership 68.98%) [Previous Year 79.24% (Beneficial ownership 68.87%)] in the share capital of TARO.
- e With effect from 1st March, 2015 Sun Pharma MEA JLT merged with Sun Pharma Global FZE.
- f With effect from 10th December, 2014 and 11th December, 2014, Orta Limited and Tarochem Limited have been liquidated respectively.
- g With effect from 6th May, 2014, Sun Universal Limited and Khyati Realty ME Limited have been liquidated.
- h With effect from 28th February, 2015 Aditya Pharma Private Limited has been liquidated.
- i Solrex Pharmaceuticals Company is a partnership firm, in which two subsidiaries of the Holding Company are partners.
- j Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda has been liquidated on 30th June, 2015.
- k With effect from 28th October, 2014, Ranbaxy USA, Inc. has been liquidated.
- l Zalicus Pharmaceuticals Limited was acquired during the year and subsequently amalgamated in Taro Pharmaceuticals Inc., on 5th October, 2015.
- m Taro Pharmaceutical India Private Ltd. is under liquidation.
- n During the previous year, entities at Sr. Nos. 18 to 24 and 84 to 116 have become subsidiaries, entities at Sr. Nos. 127 and 128 have become associates and entity at the Sr. No. 122 have become partnership firm w.e.f. 1st April, 2014 being the appointed date, pursuant to the amalgamation of erstwhile Ranbaxy Laboratories Limited (RLL) into the Holding Company.
- o During the year, the Group has sold its investment in Silverstreet Developers LLP with effect from 1st April, 2015.
- p MSD-Sun LLC and MSD-Sun FZ LLC are in the process of liquidation.
- q With effect from 1st January, 2015, Sun Pharma Global Inc. merged with the Holding company and consequently Sun Pharma Holdings has become direct subsidiary of the Holding Company.
- r With effect from 1st March, 2016, Ranbaxy Belgium N.V. has been liquidated.
- s With effect from 20th August, 2015, Caraco Pharma Inc., has been merged with Sun Pharmaceutical Industries, Inc.

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- t With effect from 2nd November, 2015, Thea Acquisition Corporation has been merged with Insite Vision Incorporated.
- u With effect from 1st April, 2015, AR Scientific Inc. and United Research Laboratories Limited, have merged into URL Pharma Inc.
- v With effect from 28th April, 2015, URL Pharma Inc., has merged into Mutual Pharmaceutical Company, Inc.
- w During the year, investment in Medinstill LLC has been determined as investment in associate.
- x 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.
- y Disclosures mandated by the Companies Act, 2013 Schedule III Part II by way of additional information is given in Annexure A.

	₹ in Million	
	As at 31st March, 2016	As at 31st March, 2015
31 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
A) Contingent Liabilities		
I) Claims against the Group not acknowledged as debts	1,127.5	1,021.3
II) Liabilities Disputed - Appeals filed with respect to :		
Income Tax on account of Disallowances / Additions	30,915.7	26,706.7
Sales Tax on account of Rebate / Classification	38.8	37.9
Excise Duty on account of Valuation / Cenvat Credit	2,025.3	624.3
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	3,326.4	3,248.0
Demand by JDGFT, import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme	15.4	15.4
Fine imposed for anti-competitive settlement agreement by European Commission	773.0	689.1
Octroi demand on account of rate difference	171.0	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.	284.4	302.7
III) Trade commitments	-	530.6
Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
B) Commitments		
I) Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	9,085.0	7,828.3
II) Derivative related commitments - Forward Foreign Exchange Contracts (Refer Note 45)	7,951.2	11,250.0
III) Lease related commitments [Refer Note : 40 (d) (i) and (e) (i)]	3,004.3	1,610.2
IV) Investment related commitments	246.6	2,894.4
C) Guarantees Given by the bankers on behalf of the Group	819.1	776.9
D) Letters of Credit for Imports	1,855.9	1,489.2

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32 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 respective 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.

33 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 (previous year excluding share suspense account):

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Equity shares of ₹ 1 each				
Opening Balance			2,071,163,910	2,071.2
Add: Shares allotted during the year pursuant to the scheme of Amalgamation (Refer Note 54)	334,770,248	334.8	-	-
Add : Shares allotted to employees on exercise of employee stock options [excluding shares held by ESOP trust (Refer Note 33(iii))]	670,960	0.6	-	-
Closing Balance	2,406,605,118	2,406.6	2,071,163,910	2,071.2

iii The movement of shares issued to ESOP trust at face value is as follows (previous year excluding share suspense account):

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Equity shares of ₹ 1 each				
Shares allotted during the year pursuant to Scheme of Amalgamation (Refer Note 54)	186,516	0.2	-	-
Add: Shares allotted to the ESOP trust	160,000	0.1	-	-
Less: Shares issued on exercise of employee stock options by ESOP Trust	223,135	0.2	-	-
At the end of the year	123,381	0.1	-	-

iv 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.

v 334,956,764 (Previous Year Nil) Equity shares of ₹ 1 each have been allotted during the year pursuant to scheme of Amalgamation without payment being received in cash (Refer Note 54).

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- vi Refer note 43 for number of employee stock options against which equity shares are to be issued by the Holding Company / ESOP Trust upon vesting and exercise of those stock options.
- vii **Equity Shares held by each shareholder holding more than 5 percent Equity Shares (Previous Year excluding Share Suspense Account) in the Holding Company are as follows:**

Name of Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dilip Shantilal Shangvi	231,140,480	9.6	231,140,480	11.2
Viditi Investment Pvt. Ltd.	201,385,320	8.4	201,385,320	9.7
Tejaskiran Pharmachem Industries Pvt. Ltd.	195,343,760	8.1	195,343,760	9.4
Family Investment Pvt. Ltd.	182,927,440	7.6	182,927,440	8.8
Quality Investments Pvt. Ltd.	182,868,640	7.6	182,868,640	8.8

	₹ In Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
34 RESEARCH AND DEVELOPMENT EXPENDITURE		
Revenue (Excluding Depreciation), [net]	21,287.8	17,632.8
Capital	782.6	1,177.5
Total	22,070.4	18,810.3

35 GOODWILL ON CONSOLIDATION (NET):

Goodwill in respect of :		
Sun Pharmaceutical Industries, Inc.	11,829.0	11,458.1
Sun Farmaceutica do Brasil Ltda	430.4	427.4
Sun Pharma Japan Limited	119.8	127.2
Taro Pharmaceutical Industries Limited	12,858.5	11,849.7
Artes Biotechnology GmbH	193.6	183.1
Insite Vision Incorporated	4,943.8	-
Ranbaxy Pharmaceuticals (Pty) Limited	-	1,331.4
S.C Terapia S.A.	12,015.6	12,015.6
Ranbaxy Ireland Limited	-	117.0
Ranbaxy Farmaceutica Ltda.	250.3	250.3
Gufic Pharma Limited	469.4	469.4
Total (A)	43,110.4	38,229.2
Less:		
Capital Reserve in respect of :		
Alkaloida Chemical Company Zrt.	1,229.2	1,149.5
Ranbaxy Nigeria Limited	0.9	0.9
Ranbaxy Drugs Limited	27.5	27.5
Ranbaxy Malaysia Sdn. Bhd.	41.7	41.7
Total (B)	1,299.3	1,219.6
Total (A-B)	41,811.1	37,009.6

36 RELATED PARTY DISCLOSURES (AS-18) - AS PER ANNEXURE 'B'

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	₹ in Million	
	Year ended 31st March, 2016	Year ended 31st March, 2015
37 ACCOUNTING STANDARD (AS-20) ON EARNINGS PER SHARE		
Profit for the year (₹ in Million) - used as Numerator for calculating Earnings Per Share	47,159.1	45,393.8
Weighted Average number of Shares used in computing Basic Earnings Per Share (taking into account Equity Shares with respect to Share Suspense Account for previous year)	2,406,379,179	2,404,936,420
Add: Dilution effect of Employee Stock Options	1,059,730	1,193,174
Weighted Average number of Shares used in computing Diluted Earnings Per Share	2,407,438,909	2,406,129,594
Nominal value per share (in ₹)	1.0	1.0
Basic Earnings Per Share (in ₹)	19.6	18.9
Diluted Earnings Per Share (in ₹)	19.6	18.9
38 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	75,947.6	69,797.3
Outside India	203,973.9	205,384.7
Sale of Products	279,921.5	275,182.0

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

39 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.

40 (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 periods range between 11 months to 10 years under leave and license / 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 22 and Note 27.

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		₹ in Million	Year ended 31st March, 2016	Year ended 31st March, 2015
(d) Operating lease				
(i) Group as lessee				
The future minimum lease payments under non-cancellable operating lease				
not later than one year	596.3	602.8		
later than one year and not later than five years	840.1	833.1		
later than five years	209.2	149.5		
(ii) Group as lessor				
The future minimum lease payments under non-cancellable operating lease				
not later than one year	28.0	58.6		
later than one year and not later than five years	107.9	85.1		
later than five years	67.6	86.1		
(e) Finance lease				
(i) Group as lessee				
The future minimum lease payments under non-cancellable finance lease				
not later than one year	134.6	22.5		
later than one year and not later than five years	569.5	2.2		
later than five years	654.5	-		
Less : Unearned Finance charges	610.1	0.6		
Present value of minimum lease payments payable aggregate				
not later than one year	32.7	21.9		
later than one year and not later than five years	223.7	2.2		
later than five years	492.1	-		
(ii) Group as lessor				
The future minimum lease payments under non-cancellable finance lease				
not later than one year	46.8	47.3		
later than one year and not later than five years	165.8	171.1		
later than five years	716.2	757.7		
Less : Unearned Finance Income	539.5	576.8		
Present value of minimum lease payments receivable aggregate				
not later than one year	10.6	10.0		
later than one year and not later than five years	28.3	30.9		
later than five years	350.4	358.4		

41 ACCOUNTING STANDARD (AS-15) ON EMPLOYEE BENEFITS

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Corporation (ESIC) and other 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 and Other Statutory Funds are made only by the Group. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 750.1 Million (Previous Year ₹ 679.6 Million).

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	₹ in Million	Year ended 31st March, 2016	Year ended 31st March, 2015
Contribution to Provident Fund and Family Pension Fund	620.5	602.4	
Contribution to Superannuation Fund	90.3	51.6	
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	26.3	25.5	
Contribution to Labour Welfare Fund	12.9	0.1	
Employer's Contribution to Family Pension Fund - (Previous Year ₹ 45,198)	0.1	0.0	

In respect of Gratuity, a defined benefit plan, Contributions are made to LIC's Recognised Group Gratuity Fund Scheme. 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 ₹ 465.2 Million (Previous Year ₹ 353.2 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the 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 1st March, 2013 will continue to receive the pension as per the pension plan.

The Group had an obligation towards provident fund, a defined benefit plan, with respect to certain employees upto 31st March, 2015 and in the current year the contribution for the same is made to RPF which has been included in defined contribution plan.

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.

	Provident Fund (funded)		Gratuity (funded)	
	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Reconciliation of liability / (asset) recognised in the Balance sheet				
Present value of commitments (as per Actuarial Valuation)	4,598.6	4,810.2	2,722.2	2,169.3
Fair value of plan assets	(4,632.8)	(4,806.5)	(2,141.4)	(1,876.6)
Excess of planned assets over commitments not recognised in the Balance Sheet #	34.2	-	-	-
Net liability in the Balance sheet	-	3.7	580.8	292.7
Expense recognised in the Consolidated Statement of Profit and Loss				
Current service cost	-	180.8	213.4	143.4
Interest cost	347.6	480.0	169.4	140.5
Expected return on plan assets	(393.4)	(395.8)	(163.0)	(155.2)
Actuarial loss/ (gain)	7.9	31.8	442.9	364.7
Recognition of unrecognized liabilities/(assets) of earlier years	3.7	(118.7)	-	-

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	₹ in Million			
	Provident Fund (funded)		Gratuity (funded)	
	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Excess of planned assets over commitments not recognised in the Balance Sheet #	34.2	-	-	-
Expense charged to the Consolidated Statement of Profit and Loss	-	178.1	662.7	493.4
Return on plan assets				
Expected return on plan assets	393.4	395.8	163.0	155.2
Actuarial (loss)/gain	(7.9)	(29.0)	(4.2)	3.3
Actual return on plan assets	385.5	366.8	158.8	158.5
Reconciliation of defined-benefit commitments				
Commitments as at the beginning of the year	4,810.2	-	2,169.3	515.3
Pursuant to the Scheme of Amalgamation (Refer Note 54)	-	4,280.8	-	1,145.0
Commitments transferred	28.9	68.5	-	-
Current service cost	-	180.8	213.4	143.4
Employees' contributions during the year	-	412.1	-	-
Interest cost	347.6	480.0	169.4	140.5
Benefits paid	(588.1)	(614.8)	(268.6)	(142.9)
Actuarial (gain) / loss	-	2.8	438.7	368.0
Commitments as at the year end	4,598.6	4,810.2	2,722.2	2,169.3
Reconciliation of plan assets				
Plan assets as at the beginning of the year	4,806.5	-	1,876.6	514.7
Pursuant to the Scheme of Amalgamation (Refer Note 54)	-	4,399.5	-	1,279.2
Expected return on plan assets	393.4	395.8	163.0	155.2
Employer's Contributions during the year	-	174.4	374.6	67.1
Employees' contributions during the year	-	412.1	-	-
Plan assets transferred	28.9	68.5	-	-
Benefits paid	(588.1)	(614.8)	(268.6)	(142.9)
Actuarial gain/(loss)	(7.9)	(29.0)	(4.2)	3.3
Plan assets as at the year end	4,632.8	4,806.5	2,141.4	1,876.6

Represents increase in surplus, which in the absence of any right to claim the surplus as refund or expected reduction in future contribution to the plan, is unrecognised.

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

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Actuarial Assumptions	Provident Fund (funded)		Gratuity (funded)	
	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Discount rate	7.54%	7.80%	7.54% to 7.90%	7.80% to 7.94%
Interest rate guarantee	8.80%	8.75%	N.A.	N.A.
Expected return on plan assets **	8.80%	9.00% to 9.03%	7.54% to 9.00%	7.94% to 9.00%
Expected rate of salary increase	N.A.	N.A.	8% to 10%	8% to 10%
Expected average remaining working lives of employees	20.91 to 26.72 years	20.91 to 26.72 years	8.00 to 26.72 years	8.00 to 26.72 years
Withdrawal	15% to 18%	15% to 18%	8% to 18%	3% to 18%
Retirement age	58 to 60 years			
Mortality	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)

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 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Central government securities	21%	22%	1%	2%
State government securities	12%	16%	-	1%
Bonds and securities of public sector/ financial institutions	53%	60%	9%	14%
Insurer managed funds (Funded with LIC, break-up not available)	-	-	89%	83%
Surplus fund lying uninvested	14%	2%	1%	-

Particulars	₹ in Million	
	Provident fund (Funded)	Gratuity (Funded)
	Year ended 31st March, 2016	Year ended 31st March, 2015
Present value of defined benefit obligation	(4,598.6)	(4,810.2)
Fair value of plan assets	4,632.8	4,806.5
Excess of (obligation over plan assets) / plan assets over obligation	34.2	(3.7)
Experience adjustment loss/ (gain) for plan liability	-	(23.5)
Experience adjustment (gain)/ loss for plan assets	(7.9)	(127.9)

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Experience adjustment	₹ in Million				
	31st March, 2016	31st March, 2015	Year ended 31st March, 2014	31st March, 2013	31st March, 2012
Gratuity					
Experience adjustment					
On plan liabilities - loss / (gain)	154.9	218.3	55.7	32.1	26.5
On plan assets - gain / (loss)	(4.2)	3.3	4.4	8.2	6.8
Present value of commitments	2,722.2	2,169.3	515.3	457.9	311.6
Fair value of plan assets	(2,141.4)	(1,876.6)	(514.7)	(436.6)	(347.6)
Net liability / (assets) in the balance sheet	580.8	292.7	0.6	21.3	(36.0)

Notes:

- i) The gratuity contribution expected to be made by the Group during financial year ending on 31st March, 2017 is ₹ 413.0 Million (Previous Year ₹ 205.7 Million).
- ii) In respect of the erstwhile RLL, the Holding Company has recognised an expense of ₹ 68.2 Million (Previous Year ₹ 16.8 Million) pertaining to portion of employers' contribution paid to the statutory authorities, 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 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Present value of obligation as at the commencement of the year	974.8	-	36.3	-
Pursuant to the Scheme of Amalgamation (Refer Note 54)	-	957.0	-	34.8
Add: Current service cost	-	-	4.7	4.2
Add: Interest cost	76.6	82.1	0.6	1.1
Less: Benefits paid/ settlement	(87.9)	(86.0)	(3.3)	-
Add: Actuarial (gain) / loss on obligations	(32.8)	21.7	(4.1)	3.7
Translation adjustment - gain	-	-	4.2	(7.5)
Present value of obligation as at the end of the year	930.7	974.8	38.4	36.3
Expenses recognised in the Consolidated Statement of Profit and Loss:				
Current service cost	-	-	4.7	4.2
Add: Interest cost	76.6	82.1	0.6	1.1
Add: Net actuarial (gain) / loss recognised	(32.8)	21.7	(4.1)	3.7
Expense recognised in the Consolidated Statement of Profit and Loss	43.8	103.8	1.2	9.0
Experience adjustment	(70.8)	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 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Discount rate	7.54%	7.80%	1.50%	1.40%
Rate of increase in compensation levels ##	N.A.	N.A.	2%-3%	2%-3%
Expected average remaining working lives of employees (years)	N.A.	N.A.	14.00 to 25.30 years	19.00 to 26.20 years
Mortality	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)	Table INSEE F 2008 - 2010	Table INSEE F 2008 - 2010
Disability		5% of mortality rate	-	-
Withdrawal	N.A.	15% - 18%	0% - 20%	0% - 20%
Retirement age	N.A.	58 - 60 years	62 - 65 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.

- 42** 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.

43 EMPLOYEE SHARE-BASED PAYMENT PLANS

- (a) Erstwhile RLL had Employee Stock Option Schemes ("ESOSs") namely, Employees Stock Option Scheme -II (ESOS-II), Employees Stock Option Scheme 2005 (ESOS 2005) and Employees Stock Option Plan 2011 (ESOP 2011) for the grant of stock options to the eligible employees and Directors of the Erstwhile RLL and its subsidiaries. ESOS-II had been discontinued from 17th January, 2015. The ESOSs are administered by the Compensation Committee ("Committee"). Options are granted at the discretion of the Committee to selected employees depending upon certain criterion. Each option comprises one underlying equity share.

ESOS 2005 scheme 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 are not exercised prior to the expiry date, which was ten years from the date of grant.

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ESOP 2011 provided that the grant price of options would 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 lapse, 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. Shares issued to the ESOP Trust were allocated to the eligible employees upon exercise of stock options from time to time. As per the Guidance Note on Accounting for Employee Share based Payments issued by the Institute of Chartered Accountants of India, the shares issued to an ESOP Trust but yet to be allocated to the employees as on the reporting date have been deducted 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 from the Share Capital/Share Suspense Account.

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

Date of approval	Scheme	Original No. of options approved
25th June, 2003	ESOS - II	4,000,000
30th June, 2005	ESOS 2005	4,000,000
9th May, 2011	ESOP 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 30th June, 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.

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 (SUN-ESOS 2015) to administer ESOS 2005 (ii) SUN Employee Stock Option Plan-2015 (SUN-ESOP 2015) to administer ESOP 2011. These scheme provides that 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 ESOSs of transferee company are not less favourable than those of ESOSs of erstwhile RLL. No new grants shall be made under these schemes and these schemes shall operate only for the purpose of administering the excursive of options already granted / vested on an employee pursuant to SUN-ESOS 2015 and SUN-ESOP 2015.

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The movement of the options (post split) granted under SUN-ESOS 2015 for the current year is given below:

	Stock options (numbers)	Range of exercise prices (₹)	Weighted- average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year				
Number of options – post-merger of erstwhile RLL with the transferee Company	1,169,545	270.00-703.00	496.0	3.3
No. of options on Account of rounding off of the fraction to the next higher whole Number as per the merger Scheme	41	270.00-703.00	496.0	3.3
Total Number of options outstanding	1,169,586	270.00-703.00	496.0	3.3
Exercised during the year \$	(447,825)	270.00-703.00	518.9	-
Lapsed during the year	(111,022)	270.00-703.00	479.9	-
Outstanding at the end of the year *	610,739	270.00-703.00	480.9	2.5
Exercisable at the end of the year *	610,739	270.00-703.00	480.9	-

*Include options exercised, pending allotment.

\$ Weighted average share price on the date of exercise ₹ 823.63

The movement of the options (post split) granted under SUN-ESOP - 2015 for the current year is given below:

	Stock options (numbers)	Exercise price (₹)	Weighted- average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year				
Number of options – post-merger of erstwhile RLL with the transferee company	449,430	6.3	6.3	1.7
No. of options on Account of rounding off of the fraction to the next higher whole Number as per the merger Scheme	1,368	6.3	6.3	0.9
No of options of certain overseas employees	4,968	6.3	6.3	0.9
Total number of options outstanding	455,766	6.3	6.3	0.9
Forfeited during the year	(43,326)	6.3	6.3	-
Exercised during the year #^	(224,201)	6.3	6.3	-
Lapsed during the year	(18,326)	6.3	6.3	-
Outstanding, end of the year \$	169,913	6.3	6.3	1.1
Exercisable at the end of the year \$	40,259	6.3	6.3	0.2

\$ Include options exercised, pending allotment.

Shares allotted by the ESOP Trust against the options exercised including 1,066 shares equivalent to 1,333 shares issued by erstwhile RLL prior to 10th April, 2015.

^ Weighed average share price on the date of exercise ₹ 848.68.

During the current year, the Holding Company has recorded a Stock-based employee compensation expense of ₹ 98.8 Million (Previous Year ₹ 205.0 Million). The amount has been determined under a fair value method wherein the grant date fair value of the options is calculated by using Black Scholes pricing model.

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The movement of the options (post split) granted under ESOS II and SUN-ESOS 2015 for the previous 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	3,579,582	216.00-561.00	426.2	3.4
Forfeited during the year	(21,578)	450.00-450.00	450.0	-
Exercised during the year*	(1,434,434)	216.00-538.50	419.2	-
Lapsed during the year	(661,639)	216.00-538.50	506.4	-
Outstanding at the end of the year \$	1,461,931	216.00-561.00	396.3	3.3
Exercisable at the end of the year \$	1,461,931	216.00-561.00	396.3	3.3
Pursuant to the Scheme of Amalgamation				
Outstanding, end of the year^	1,169,545	270.00-703.00	496.0	3.3
Exercisable at the end of the year^	1,169,545	270.00-703.00	496.0	3.3

\$ Includes options exercised, pending allotment.

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

^ Number of shares and exercise price are adjusted in accordance with the share exchange ratio (0.8) as per the scheme

The movement of the options (post split) granted under SUN-ESOP 2015 for the previous year is given below:

	Stock options (numbers)	Exercise price (₹)	Weighted- average exercise prices (₹)	Weighted-average remaining contractual life (years)
Pursuant to the Scheme of Amalgamation	986,905	5.0	5.0	0.9
Granted during the year	481,766	5.0	5.0	-
Forfeited during the year	(202,133)	5.0	5.0	-
Exercised during the year #*	(675,123)	5.0	5.0	-
Lapsed during the year	(29,628)	5.0	5.0	-
Outstanding, end of the year	561,787	5.0	5.0	1.7
Exercisable at the end of the year \$	52,434	5.0	5.0	0.2
Pursuant to the Scheme of Amalgamation				
Outstanding, end of the year^	449,430	6.3	6.3	1.7
Exercisable at the end of the year^	41,948	6.3	6.3	0.2

\$ Includes options exercised, pending allotment

Shares allotted by the ESOP Trust against these exercises

* Weighted average 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) as per the scheme.

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

Particulars	Year ended 31st March, 2015
Grant Date	8th May, 2014
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

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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 materially affect fair value of the options. The options pricing models do not necessarily 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.

- (b) As at March 31, 2016, the Holding Company has received an amount of ₹ 6.7 Million towards share application money towards 13,780 equity shares of the Holding Company [As at 31st March, 2015 ₹ 149.0 Million towards 280,474 equity shares (no. of shares post merger)] at a premium of ₹ 6.7 Million (As at 31st March, 2015 ₹ 148.7 Million). The Holding Company will allot these equity shares during the next financial year. The Holding Company has sufficient authorised capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and are not available for use by the Holding Company.
- 44** Stock-based compensation is accounted at Taro Pharmaceutical Industries Limited (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 1st January, 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 31st March, 2016:

	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	-	-	-	-	-
Exercised during the year	(1,000)	(26.09)	(26.09)	(0.6)	(85.0)
Forfeited during the year	-	-	-	-	-
Outstanding at the end of the year	(-)	(55.03 - 60.38)	(57.0)	(-)	(-)

Previous Year figures are in brackets.

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- 45** The following are the outstanding contracts of derivative instruments entered by the Holding Company and some of its Subsidiaries as on 31st March, 2016:

Nature of Derivative Contract	Currency	Buy / Sell	Cross Currency	As at 31st March, 2016 Amount in Million	As at 31st March, 2015 Amount in Million
Forward Contract	US Dollar	Sell	INR	140.0	350.0
Forward Contracts	US Dollar	Sell	NIS	-	26.1
Forward Contracts	US Dollar	Sell	CAD	-	24.9
Interest Rate Swaps (Floating to Fixed)	US Dollar	Sell	US Dollar	-	6.7
Forward contracts	US Dollar	Buy	INR	14.0	170.0
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	100.0
Currency options **	US Dollar	Sell	INR	1.0	71.0
Interest rate swaps	US Dollar	Buy	INR	40.0	-
Currency cum interest rate swaps	US Dollar	Buy	INR	50.0	100.0
Forward contracts	ZAR	Sell	INR	-	42.5

** structured options @ 2.00 to 2.50 times

- 46** 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 ₹ 79.5 Million (Previous Year ₹ 79.9 Million), Liabilities of ₹ 1.3 Million (Previous Year ₹ 0.7 Million), Revenues of ₹ Nil (Previous Year ₹ Nil) and Losses of ₹ 15.4 Million (Previous Year ₹ 47.5 Million) attributable to its Irish Subsidiary have been considered in the Consolidated Financial Statements.

- 47** 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 unabsorbed losses is mainly pertaining to two subsidiaries. In case of one subsidiary, losses have arisen mainly on account of one time impairment loss recognised as an exceptional item during the year and having regard to the history of profits/growth in operations, the Management believes that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. In respect of another subsidiary, which is acquired during the year, having regard to contracts entered for providing services, the Management believes that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

- 48** Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 171.0 Million (Previous Year ₹ 74.3 Million).

- 49** a) 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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- b) 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".
- 50** 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:

Particulars	As at 31st March, 2016		As at 31st March, 2016	
	Product and Sales related*	Consultancy Charges	Product and Sales related*	Consultancy Charges
Provision				
Opening balance	43,804.3	1,184.6	38,251.2	-
Add: Pursuant to the Scheme of Amalgamation (Refer Note 54)	-	-	2,573.6	-
Add: Provision for the year	11,905.3	-	15,133.1	1,184.6
Less: Utilisation/Settlement	(12,830.5)	(1,184.6)	(13,164.8)	-
Add/ (Less): Foreign currency translation Difference	2,517.5	-	1,011.2	-
Closing balance	45,396.6	-	43,804.3	1,184.6

* Includes provision for Trade commitments, discounts, rebates, product returns, Medicais and contingency provision.

- 51** a) Exceptional items for the year ended 31st March, 2016 represents charge on account of impairment of fixed assets and other related costs and write down of the carrying value of goodwill on consolidation. This charge has arisen on account of the integration and optimization exercise being carried out for certain manufacturing facilities.
- b) Exceptional item for the year ended 31st March, 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.
- 52** a) Since the US-FDA issued an import alert on cephalosporin product manufactured at Karkhadi facility in March 2014, the Holding Company remained fully committed to implement all corrective measures to address the observations made by the US-FDA with the help of third party consultant. Substantial progress has been made at the Karkhadi facility in terms of completing the action items to address the observations made by the US-FDA in its warning letter issued in May 2014. The Holding Company is continuing to work closely and co-operatively with the US-FDA to resolve the matter. The contribution of this facility to Holding Company's revenues is not significant.
- b) The US-FDA, on 23rd January, 2014, had prohibited using API manufactured at Toansa facility for manufacture of finished drug products intended for distribution in the U.S. market. Consequentially, the Toansa manufacturing facility was 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 13th March, 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 continuing to fully cooperate and is in dialogue with the US DOJ, and continuing to provide requisite information.

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- c) In December 2015, the US-FDA issued warning letter to the Holding Company with respect to its manufacturing facility at Halol. The Holding Company remains fully committed to implement all corrective measures to address the observations made by the US-FDA with the help of third party consultant. The Holding Company is providing regular updates to US-FDA on the progress of the corrective actions committed in the response to warning letter. The Holding Company is continuing to manufacture and distribute products to the U.S from Halol facility and at the same time working closely and co-operatively with the US-FDA to resolve the matter.
- 53** In the absence of net profits in the Holding Company for the previous year ended 31st March, 2015, remuneration to the Managing Director and a Whole-time Director of the Holding Company for the previous year ended 31st March, 2015 was in excess of the limits specified under Schedule V to the Companies Act, 2013 by ₹ 20.7 Million. In this regard the Holding Company had made necessary applications to the Central Government of India for approving of the amounts of maximum remuneration payable, which includes the excess amounts already paid / provided. During the year, the Holding Company has received a letter from the Central Government of India approving the remuneration of ₹ 6.0 Million per annum each to the Managing Director and each of Whole-time Directors of the Holding Company for the three years ending 31st March, 2017, which is lower than the limits of maximum remuneration prescribed under Schedule V to the Companies Act, 2013, and in respect of which, the Holding Company has made further representations to the Central Government of India. The response in respect of the foregoing is awaited from the Central Government of India. For the current year, the remuneration paid is within the limits prescribed under Schedule V to the Companies Act, 2013. On receipt of the approval from the Central Government of India, the balance amount of remuneration for the current year, as per their entitlement, shall be paid to the Managing Director and a Whole-time Director, as applicable, and the same shall be given effect to in the year in which the approval is received.
- 54** Pursuant to the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 for amalgamation of erstwhile 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 24th March, 2015 (effective date) all the assets, liabilities and reserves of erstwhile RLL were transferred to and vested in the Holding Company with effect from 1st April 2014, the appointed date. Erstwhile 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 was accordingly been given effect to in the Consolidated Financial Statements for the year ended 31st March, 2015.

The amalgamation was accounted for under the "Pooling of Interest Method" as prescribed under Accounting Standard 14 - "Accounting for Amalgamations" (AS 14) as specified under section 133 of the Companies Act 2013. Accordingly and giving effect in compliance of the Scheme of Arrangement all the assets, liabilities and reserves of erstwhile RLL were recorded in the books of the Holding Company at their carrying amounts and in the same form as at the appointed date in the books of erstwhile RLL.

On 10th April, 2015, in terms of the Scheme of Arrangement 0.8 equity share of ₹ 1 each (Number of Shares 334,956,764 including 186,516 Shares held by ESOP trust) of the Holding Company has been allotted to the shareholders of erstwhile RLL for every 1 share of ₹ 5 each (Number of Shares 418,695,955 including 233,146 shares held by ESOP trust) held by them in the share capital of erstwhile RLL, after cancellation of 6,967,542 shares of erstwhile RLL. These shares were considered for the purpose of calculation of earnings per share appropriately. The net effect of ₹ 982.5 Million being the difference between the amount recorded as share capital, the amount of the share capital of erstwhile RLL and cancellation of shares of erstwhile RLL has been reduced from Reserves.

- 55** Erstwhile 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

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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's accounting policy, derivative instruments were accounted for in accordance with the announcement issued by the Institute of Chartered Accountants of India dated 28th March, 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 unrealised MTM gain of ₹ 905.4 Million as at 1st April, 2014 was reversed in the Consolidated Financial Statements for the year ended 31st March, 2015.

- 56** Out of a MAT credit entitlement of ₹ 8,222.7 Million which was written down by the erstwhile RLL during the quarter ended 31st December, 2014, an amount of ₹ 7,517.0 Million was recognized by the Holding Company in the year ended 31st March, 2015, on a reassessment by the Management, 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 previous year also includes ₹ 285.1 Million pertaining to earlier years.
- 57** 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 ₹ Nil (Previous Year USD 5.9 Million - ₹ 368.0 Million) [Included in long term borrowings ₹ Nil (Previous Year ₹ 311.0 Million) and ₹ Nil (Previous Year ₹ 57.0 Million) in current maturities of long term debt] which was repayable by October 2020 has been repaid during the year. The loan was secured by building situated at New York.
- (II) Loan of ₹ Nil (Previous Year BRL 0.8 Million - ₹ 16.4 Million) included in long term borrowings ₹ Nil (Previous Year ₹ 16.4 Million) which was repayable by December 2016 has been repaid during the year. The loan was secured by land and factory building situated at Goiania, Brazil.

B Secured Term Loan from Other Parties:

The Holding Company has term loan from Department of Biotechnology of ₹ 77.3 Million (Previous Year ₹ 77.3 Million) secured by hypothecation of assets and goods of the Holding Company. The loan is repayable in 10 (Previous Year 10) half yearly installments of ₹ 7.7 Million (Previous Year 7.7 Million) each commencing from 26th September, 2017. Last installment is due on 26th March, 2022.

- C** Lease obligations of USD 11.3 Million equivalent to ₹ 748.5 Million (Previous Year USD 0.4 Million equivalent to ₹ 24.1 Million) [included in long term borrowing ₹ 715.8 Million (Previous Year ₹ 2.2 Million) and ₹ 32.7 Million (Previous Year ₹ 21.9 Million) in current maturities of long term finance lease obligations] repayable by FY 2019-2025 is secured against assets taken on finance lease.

D Unsecured Term Loan from banks:

- (I) Loan of USD 18.2 Million equivalent ₹ 1,206.7 Million (Previous Year USD 18.9 Million equivalent ₹ 1,181.6 Million) [Included in long term borrowings ₹ 1,158.8 Million (Previous Year 1,138.3 Million) and ₹ 47.9 Million (Previous Year ₹ 43.3 Million) 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 aggregating to USD 266.0 Million equivalent to ₹ 17,625.2 Million (Previous Year USD 288.0 Million ₹ 18,001.4 Million) [Included in long term borrowings ₹ 15,902.4 Million (Previous Year ₹ 11,625.9 Million) and ₹ 1,722.8 Million (Previous Year ₹ 6,375.5 Million)]

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in current maturities of long term debt]. For the loans outstanding as at 31st March, 2016, the terms of repayment of borrowings are as follows:

- (a) Nil (Previous Year USD 50.0 Million) equivalent to Nil (Previous Year ₹ 3125.2 Million) The loan was taken on 12th August, 2010. The outstanding amount has been repaid in Current Year.
 - (b) Nil (Previous Year USD 30.0 Million) equivalent to Nil (Previous Year ₹ 1,875.2 Million) The loan was taken on 9th September, 2010. The outstanding amount has been repaid in Current Year.
 - (c) USD 20.0 Million equivalent to ₹ 1,325.2 Million (Previous Year USD 30.0 Million ₹ 1,875.2 Million). The loan was taken on 30th June, 2011 and is repayable in 3 equal installments at the end of 4th year, 5th year and 6th year. First installment of USD 10 Million equivalent to ₹ 637.9 Million has been repaid in current year and the last instalment is due on 30th June, 2017.
 - (d) USD 50.0 Million equivalent to ₹ 3,313.0 Million (Previous Year USD 50.0 Million ₹ 3,125.2 Million). The loan was taken on 20th September, 2012 and is repayable on 19th September, 2017.
 - (e) USD 100.0 Million equivalent to ₹ 6,626.0 Million (Previous Year USD 100.0 Million ₹ 6,250.5 Million). The loan was taken on 4th June, 2013 and is repayable on 3rd June, 2018.
 - (f) USD 16.0 Million equivalent to ₹ 1,060.2 Million (Previous Year USD 28.0 Million ₹ 1,750.1 Million). Loan of USD 40 Million was taken on 25th March, 2011 and is repayable 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. Second installment of USD 12.0 Million has been repaid in current year. First instalment of USD 12.0 was repaid in previous year. The last instalment is due on 24th March, 2017.
 - (g) USD 50.0 Million equivalent to ₹ 3,313.0 Million (Previous Year ₹ Nil). The loan was taken on 11th August, 2015 and is repayable on 11th August, 2017.
 - (h) USD 30.0 Million equivalent to ₹ 1,987.8 Million (Previous Year ₹ Nil). The loan was taken on 9th September, 2015 and is repayable on 8th September, 2017.
- (III) Foreign Currency Non Resident Loan (FCNR) Scheme of USD 50 Million equivalent to ₹ 3,313.0 Million (Previous Year ₹ Nil). The loan was taken on 19th August, 2015 and is repayable on 18th August, 2017.

E Unsecured Debentures:

₹ 10,000.0 Million (Previous Year ₹ Nil) Rated unsecured listed redeemable non-convertible debentures at a coupon rate of 7.94% p.a. were issued by Sun Pharma Laboratories Limited ("SPLL" - the Wholly owned subsidiary) on 23rd December, 2015. Following are the details:

Particulars	Face Value (₹)	Redemption Amount (₹ in Million)	Date of Redemption
Rated Unsecured Listed Redeemable 5,000 Non-Convertible Debentures Series 2	1,000,000	5,000.0	23rd March, 2019
Rated Unsecured Listed Redeemable 5,000 Non-Convertible Debentures Series 1	1,000,000	5,000.0	22nd December, 2017

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F Unsecured Term Loan from Other Parties:

Unsecured loan from other parties amounting to ₹ Nil (Previous Year ₹ 513.1 Million) of which ₹ Nil (Previous Year ₹ 497.6 Million) was repayable after August 2016 on demand and balance of ₹ Nil (Previous Year ₹ 15.5 Million) was repayable after March 2016 on demand. The above loans has been repaid during the year.

G Term Loan from banks and Debentures (included under current maturities of long term borrowing):

- (I) ₹ Nil (Previous Year ₹ 5,000.0 Million) redeemable non-convertible debentures issued on 23rd November, 2012 for a period of 36 months at a coupon rate of 9.20% p.a. were repaid during the year. Such debentures were 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 were listed on the National Stock Exchange.
- (II) Loan of ₹ Nil (Previous Year ₹ 2,500.0 Million) was repaid during the year.

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

58 DETAILS OF SECURITIES FOR SHORT TERM BORROWINGS ARE AS UNDER:

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.

	As at 31st March, 2016	As at 31st March, 2015
59 LOANS/ADVANCES DUE FROM AN ASSOCIATES		
Interest bearing with specified repayment schedule:	₹ In Million	₹ In Million
Zenotech Laboratories Limited, India *	-	326.8
Considered good	663.5	274.0
Considered doubtful	663.5	600.8
Less: Provision for doubtful loans / advances	663.5	274.0
	-	326.8

* includes interest accrued and due on loans amounting to ₹ 151.5 Million (Previous Year ₹ 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 54, Zenotech Laboratories Limited ('Zenotech') had become 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 of amalgamation i.e. 24th March, 2015. The balance of this inherited outstanding loan is ₹ 512.0 Million (Previous Year ₹ 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 ₹ 151.5 Million (Previous Year ₹ 88.8 Million). During the year, Zenotech's reference to the Board for Industrial and Financial Reconstruction (BIFR) had already been registered as case no. 115/2015 under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985.

- 60 a) Insite Vision Incorporated, a pharmaceutical company, incorporated in United States of America became subsidiary of the Holding Company on 2nd November, 2015. Accordingly, these Consolidated Financial Statements includes total assets of ₹ 899.9 Million and total liabilities ₹ 991.8 Million as on 31st March, 2016 and total revenues of ₹ 2.1 Million, loss before tax of ₹ 483.8 Million and loss after tax ₹ 90.7 Million for the period from 2nd November, 2015 to 31st March, 2016.**

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- b) On 1st September, 2015, the Group acquired opiate business from GSK in Australia. Accordingly, these Consolidated Financial Statements includes total assets of ₹ 8,904.7 Million and total liabilities ₹ 2,603.6 Million as on 31st March, 2016 and total revenues of ₹ 1,996.0 Million, loss before tax and loss after tax ₹ 127.5 Million for the period from 1st September, 2015 to 31st March, 2016.
- 61** 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 29th August, 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 1st April, 2014, were fully depreciated, and an amount of ₹ Nil (Previous Year ₹ 578.5 Million) was charged to the Consolidated Statement of Profit and Loss for the year ended 31st March, 2015.
- 62** Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements.
- 63** Previous year's figures are regrouped/reclassified wherever necessary.

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ANNEXURE 'A'

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

Name of the Entity	Net Assets, i.e., total assets minus total liabilities			2015-16 As % of consolidated net assets	2014-15 As % of consolidated net assets	Amount (₹ in Million)	Amount (₹ in Million)	Share in profit/(loss)	2014-15 As % of consolidated profit/(loss)	Amount (₹ in Million)
	2015-16	2014-15	As % of consolidated net assets							
1 Parent Entity - Sun Pharmaceutical Industries Limited	2	3	4	5	6	7	8	9	10	11
Subsidiaries										
Indian										
1 Green Eco Development Centre Ltd.	(0.00)	(3.8)	(0.00)	(3.8)	(0.00)	(0.0)	(0.0)	(0.01)	(4.0)	(4.0)
2 Sun Pharma Laboratories Limited	60,622	190,356.7	72,63	186,07.1	14.22	6,704.9	(0.50)	(227.0)	(0.0)	(227.0)
3 Faststone Mercantile Company Private Limited	0.00	10.7	0.00	9.1	0.00	1.6	(0.00)	(0.0)	1.8	1.8
4 Neethav Real Estate Private Limited	0.00	15.1	0.01	14.0	0.00	1.1	0.00	(0.0)	(0.0)	(0.0)
5 Realstone Multitrade Private Limited	0.00	10.7	0.00	9.1	0.00	1.6	(0.00)	(0.0)	(0.0)	(0.0)
6 Skisen Labs Private Limited	0.00	0.1	(0.00)	(9.1)	(0.33)	(154.3)	(0.04)	(18.1)	(0.0)	(0.0)
7 Softdeal Trading Company Private Limited	0.00	10.1	0.00	8.7	0.00	1.5	(0.00)	(0.0)	(0.0)	(0.0)
8 Ranbaxy Drugs Limited	0.07	215.9	0.68	1,730.1	0.00	0.4	0.07	(30.1)	1.2	1.2
9 Vidyut Investments Limited	0.01	24.8	0.01	23.6	0.00	1.1	0.00	(0.0)	0.2	0.2
10 Gufic Pharma Limited	0.00	4.2	0.00	4.0	0.00	0.2	0.00	(0.0)	(0.0)	(0.0)
11 Universal Enterprises (Pvt) Ltd.	0.00	5.3	0.00	5.3	0.00	0.0	(0.00)	(0.0)	(0.0)	(0.0)
12 Silverstreet Developers LLP	-	-	1.08	2,776.2	-	-	(0.00)	(0.0)	(0.2)	(0.2)
13 Solrex Pharmaceuticals Company	0.58	1,834.1	0.68	1,734.3	0.26	123.0	0.14	61.9	61.9	61.9
Foreign										
1 Sun Pharma Global Inc.	-	-	-	-	-	-	(0.01)	(2.9)	(2.9)	(2.9)
2 Sun Pharmaceutical (Bangladesh) Ltd.	0.23	721.1	0.21	527.6	0.34	162.5	0.36	163.8	163.8	163.8
3 Sun Pharmaceutical Industries, Inc. (Consolidated with its Subsidiaries, Jointly Controlled Entity and an Associate)	4.55	14,281.4	5.56	14,239.4	(181) #	(855.3)	5.87	2,665.4	2,665.4	2,665.4
4 Sun Farmaceutica Do Brasil Ltda.	(0.69)	(2,153.1)	(0.64)	(1,638.0)	(1.28)	(603.4)	(2.34)	(1,060.3)	(246.6)	(246.6)
5 Sun Pharma De Mexico SA DE CV	0.23	710.1	0.23	577.1	0.37	173.2	0.54	-	-	-
6 SPIL De Mexico SA DE CV	0.00	0.2	0.00	0.2	-	-	-	-	-	-
7 Sun Pharmaceutical Peru S.A.C.	(0.04)	(127.9)	(0.04)	(102.2)	(0.06)	(29.7)	(0.07)	(30.1)	(0.06)	(25.6)
8 OOO "Sun Pharmaceutical Industries" Ltd.	(0.05)	(165.0)	(0.02)	(61.4)	(0.26)	(123.3)	(0.06)	(434.4)	(0.96)	(434.4)
9 Sun Pharma De Venezuela, C.A.	(0.37)	(1,152.5)	(0.39)	(1,001.8)	(1.62)	(761.7)	(1.08)	(489.2)	(1.08)	(489.2)
10 Ranbaxy Pharmacie Generiques	(0.52)	(1,623.8)	(0.52)	(1,332.9)	(0.27)	(125.8)	(0.70)	(318.3)	(0.70)	(318.3)
11 Ranbaxy Malaysia Sdn. Bhd.	0.09	294.0	0.26	665.4	(0.76)	(358.1)	(0.12)	55.1	55.1	55.1
12 Ranbaxy Nigeria Limited	0.34	1,055.6	0.35	906.0	0.22	104.8	0.12	-	-	-
13 Ranbaxy (Netherlands) BV	16.87	52,964.2	20.74	53,140.6	(7.05)	(3,326.5)	(2.46)	(1,117.1)	(2.46)	(1,117.1)
14 Alkaloida Chemical Company Zrt.	8.41	26,395.3	13.78	35,309.1	(1.45)	(685.7)	(2.59)	(1,174.9)	(2.59)	(1,174.9)
15 Sun Pharmaceutical UK Ltd.	(0.03)	(1,070)	(0.03)	(84.3)	(0.05)	(21.2)	0.05	23.9	0.05	23.9
16 Sun Pharmaceutical Industries (Australia) Pty Limited	0.76	2,394.6	(0.04)	(95.7)	(0.52)	(246.8)	(0.13)	(58.9)	0.02	10.1
17 Aditya Acquisition Company Ltd.	0.00	0.1	(0.00)	(8.2)	0.02	8.6	(0.02)	(8.2)	(8.2)	(8.2)
18 Sun Pharmaceutical Industries (Europe) B.V.	(0.05)	(148.8)	(0.06)	(146.4)	0.03	15.9	0.06	25.6	0.06	25.6
19 Sun Pharmaceuticals Italia S.R.L.	(0.12)	(379.3)	(0.12)	(315.5)	(0.05)	(23.7)	0.01	6.7	0.01	6.7
20 Sun Pharmaceutical Spain, S.L.U.	(0.12)	(371.0)	(0.11)	(274.8)	(0.13)	(61.2)	(0.07)	(31.2)	(0.07)	(31.2)
21 Sun Pharmaceuticals Germany GmbH	(0.07)	(204.7)	(0.07)	(186.4)	0.01	5.9	0.02	10.1	0.02	10.1

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Name of the Entity	Net Assets, i.e., total assets minus total liabilities						Share in profit/(loss)	
	2015-16		2014-15		2015-16			
	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit/(loss)	Amount (₹ in Million)		
1	2	3	4	5	6	7	8	
22 Sun Pharmaceuticals France	(0.00)	(15.0)	(0.01)	(14.2)	0.00	1.6	0.00	
23 Sun Pharma Global (FZE)	35.31	110,892.7	31.95	81,853.5	50.79	23,951.0	24.40	
24 Sun Pharmaceuticals (SA) (Pty) Ltd.	(0.00)	(0.1)	(0.00)	(0.1)	(0.00)	(0.0)	(0.0)	
25 Sun Global Canada Pty. Ltd.	(0.00)	(1.2)	(0.00)	(0.9)	(0.00)	(0.2)	(0.0)	
26 Sun Pharma Philippines, Inc.	(0.10)	(308.9)	(0.07)	(171.1)	(0.28)	(131.1)	(0.19)	
27 Sun Pharmaceuticals Korea Ltd.	0.00	4.5	0.00	4.9	(0.00)	(0.2)	(0.0)	
28 Sun Global Development FZE	0.06	185.9	0.07	176.0	(0.00)	(0.7)	(0.0)	
29 Sun Pharma Japan Ltd.	(0.11)	(339.6)	(0.08)	(207.1)	(0.21)	(98.7)	(0.21)	
30 Sun Pharma HealthCare FZE	0.06	182.5	0.07	172.2	(0.00)	(0.1)	(0.02)	
31 Sun Pharma MEA JLT	-	-	(0.00)	(9.7)	-	-	(0.05)	
32 Sun Laboratories FZE	(0.08)	(239.5)	0.30	763.0	(2.18)	(1,028.1)	(0.00)	
33 Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	40.85	128,284.6	34.54	88,506.2	75.22	35,472.3	65.69	
34 Aditya Pharma Private Limited	-	-	-	-	0.00	0.0	(0.00)	
35 Alkaloida Sweden AB	(0.01)	(45.9)	(0.02)	(50.9)	0.02	11.3	(0.07)	
36 Sun Pharma Switzerland Limited	0.00	5.4	0.00	5.5	(0.00)	(0.5)	(0.0)	
37 Sun Pharma Holdings	72.23	226,846.2	83.51	213,973.5	(0.01)	(3.1)	0.37	
38 Sun Pharma East Africa Limited	(0.01)	(42.4)	(0.00)	(0.8)	(0.09)	(40.8)	(0.00)	
39 Ranbaxy Australia Pty Ltd.	(0.28)	(892.8)	(0.34)	(868.2)	0.07	33.6	0.10	
40 Ranbaxy Belgium NV	-	-	0.01	37.2	0.01	3.2	0.00	
41 Ranbaxy Farmaceutica Ltda.	(0.33)	(1,036.7)	(0.25)	(646.5)	(0.88)	(416.8)	(1.19)	
42 Ranbaxy Pharmaceuticals Canada Inc.	0.13	414.4	0.12	319.3	0.17	79.4	(0.74)	
43 Ranbaxy Egypt LLC	0.01	21.2	0.06	165.8	(0.31)	(145.5)	0.04	
44 Rexel Egypt LLC	(0.00)	(6.6)	(0.00)	(5.4)	(0.00)	(1.9)	(0.01)	
45 Office Pharmaceutique Industriel et Hospitalier SARL	0.02	70.5	0.02	59.8	0.01	3.5	0.00	
46 Basics GmbH	0.28	872.6	0.33	843.3	(0.15)	(69.1)	0.13	
47 Ranbaxy GmbH	0.00	1.9	0.00	1.7	-	-	-	
48 Ranbaxy Ireland Limited	0.31	963.3	0.49	1,251.2	(0.73)	(345.8)	0.49	
49 Ranbaxy Italia S.P.A.	0.02	58.7	0.05	136.9	(0.73)	(345.5)	(0.04)	
50 Ranbaxy PRD (Peru) SAC.	(0.02)	(71.4)	(0.02)	(50.2)	(0.05)	(22.7)	(0.06)	
51 Ranbaxy (Poland) Sp. Z.o.o.	0.05	156.6	0.05	131.3	0.03	16.0	0.02	
52 Ranbaxy Portugal - Com E Desenvolv. De Prod. Farmaceuticos Unipessoal Lda	-	-	(0.00)	(0.3)	(0.00)	(1.6)	(0.00)	
53 S.C Terapia SA	2.93	9,212.4	2.54	6,499.5	4.13	1,947.3	3.20	
54 AO Ranbaxy (Formerly known as Zao Ranbaxy)	0.22	703.8	0.15	383.7	0.44	205.9	(0.18)	
55 Ranbaxy South Africa Proprietary Limited (Consolidated with its Subsidiaries)	0.18	553.5	0.17	436.6	0.39	183.3	(0.22)	
56 Ranbaxy Pharmaceuticals Proprietary Limited	(0.36)	(1,131.3)	0.05	130.5	(2.81)	(1,325.8)	(0.62)	
57 Be-Tabs Investments Proprietary Limited	0.01	15.9	0.01	20.3	(0.00)	(2.0)	(0.00)	
58 Laboratorios Ranbaxy S.L.U.	0.05	162.8	(0.01)	(25.3)	0.39	183.6	0.46	
59 Ranbaxy (UK) Limited	0.38	1,201.1	0.33	843.7	0.73	343.6	0.70	
60 Ranbaxy Holdings (UK) Limited	0.93	2,925.9	1.11	2,839.8	(0.00)	(0.9)	0.00	
61 Ranbaxy Europe Limited	0.06	174.6	0.06	154.7	0.03	15.7	0.04	

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Name of the Entity	Net Assets, i.e., total assets minus total liabilities					Share in profit/(loss)		
	2015-16	2014-15	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit/(loss)	Amount (₹ in Million)
1	2	3	4	5	6	7	8	9
62 Ranbaxy Inc. (Consolidated with its Subsidiaries)	11.79	37,035.5	10.91	27,955.8	15.49	7,307.3	6.13	2,782.2
63 Ranbaxy (Thailand) Company Limited	0.02	65.0	0.03	65.3	0.00	0.9	0.08	34.7
64 Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	(0.05)	(166.0)	(0.06)	(143.3)	(0.02)	(9.8)	(0.35)	(158.1)
65 "Ranbaxy Pharmaceuticals Ukraine" LLC	0.03	87.5	0.03	66.9	0.06	28.3	(0.01)	(6.2)
Minority Interest in subsidiaries								
1 MSD - Sun LLC (Consolidated with its subsidiary)	0.00	0.7	(0.16)	(408.6)	0.38	180.5	(1.06)	(483.0)
2 Artes Biotechnology GmbH	(0.01)	(17.8)	(0.00)	(4.0)	(0.03)	(13.2)	(0.01)	(3.9)
Associates								
Indian								
1 Zenotech Laboratories Limited	-	-	-	-	-	-	(0.32)	(143.2)
Foreign								
2 Daiichi Sankyo (Thailand) Ltd.	0.14	444.6	0.17	440.2	0.01	3.3	0.04	176
Intercompany Elimination and Consolidation Adjustments	(210.81)	(662,032.7)	(258.02)	(661,128.0)	6.62	3,121.6	60.35	27,395.2
Total	100.00	314,042.2	100.00	256,231.9	100.00	47,159.1	100.00	45,393.8

Include share of (loss) from an associate amounting to ₹ 22.1 Million

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 Mr. Sudhir V. Valia Mr. Sailesh T. Desai	Managing Director Wholetime Director Wholetime Director
2. Relatives of Key Management Personnel	Mr. Aalok D. Shanghvi Ms. Vidhi D. Shanghvi	Son of Managing Director Daughter of Managing Director
3. Enterprise under significant influence of key Management Personnel or their relatives (with whom there are transactions)	Sun Petrochemicals Pvt Ltd Navjivan Rasayan (Gujarat) Pvt Ltd Sun Pharma Advanced Research Company Ltd	
4. Jointly Controlled Entity (with Whom there are transactions)	S & I Ophthalmic LLC	
5. Associates (with Whom there are transactions)	Zenotech Laboratories Limited Daiichi Sankyo (Thailand) Limited	

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Enterprise under significant influence of Key Management Personnel or their relatives	Jointly Controlled Entity	Associates	Total	₹ in Million			
							31.03.2016	31.03.2015		
Purchases of goods										
Sun Pharma Advanced Research Company Ltd	-	-	11.0	0.3	-	20.6	37.3	21.7	37.6	37.6
Zenotech Laboratories Limited	-	-	11.0	0.3	-	-	-	1.1	0.3	0.3
Daiichi Sankyo (Thailand) Limited	-	-	-	-	-	20.5	37.2	20.5	37.2	37.2
Purchase of Fixed Assets										
Sun Pharma Advanced Research Company Ltd	-	-	207.8	-	-	0.1	0.1	-	-	207.8
Sun Pharma Advanced Research Company Ltd	-	-	207.8	-	-	-	-	-	-	207.8
Sale of goods										
Sun Pharma Advanced Research Company Ltd	-	-	100.0	15.5	-	531.5	639.2	541.5	634.7	634.7
Zenotech Laboratories Limited	-	-	-	-	-	-	-	100.0	15.5	15.5
Daiichi Sankyo (Thailand) Limited	-	-	-	-	-	531.5	392.9	531.5	392.9	392.9
Sale of Fixed Assets										
Sun Petrochemicals Pvt Ltd	-	-	0.4	0.4	-	-	-	0.4	0.4	0.4
Receiving of Service										
Services										
Sun Pharma Advanced Research Company Ltd	-	-	1398.7	1,377.3	-	-	-	1.3	1,368.7	1,378.6
Daiichi Sankyo (Thailand) Limited	-	-	1398.7	1,377.3	-	-	-	-	1,368.7	1,377.3
Reimbursement of Expenses										
Sun Pharma Advanced Research Company Ltd	-	-	61.7	31.4	-	-	-	0.3	61.7	31.7
Daiichi Sankyo (Thailand) Limited	-	-	61.7	31.4	-	-	-	-	61.7	31.4
Loans given										
Zenotech Laboratories Limited	-	-	-	-	-	-	-	74.5	-	74.5
Rendering of Service										
Services										
Sun Pharma Advanced Research Company Ltd	-	-	555.0	185.8	0.0	106.0	3.2	3.1	558.2	199.5
Daiichi Sankyo (Thailand) Limited	-	-	-	-	-	-	-	-	555.0	185.8
S & Ophthalmic LLC ₹ 44,016)	-	-	-	-	-	0.0	106.0	-	3.2	3.1
Reimbursement of Expenses										
Sun Pharma Advanced Research Company Ltd	-	-	416.0	55.2	-	-	-	-	0.0	106.0
Zenotech Laboratories Limited	-	-	416.0	55.2	-	-	-	-	416.0	55.2
Interest Income										
Zenotech Laboratories Limited	-	-	-	-	-	-	-	69.9	61.9	61.9
Rent Income										
Sun Pharma Advanced Research Company Ltd	-	-	1.4	1.5	-	-	-	-	1.4	1.5
Hariyuan Rasayat (Gujarat) Pvt Ltd	-	-	1.4	1.4	-	-	-	1.4	1.4	1.4
Purchase of Investment in an Associate										
Zenotech Laboratories Limited ₹ 16,380)	-	-	-	-	-	-	-	-	-	0.1
Provision for doubtful Loan and Advance (including interest in current year)										
Zenotech Laboratories Limited	-	-	-	-	-	389.5	274.0	389.5	274.0	274.0
			-	-	-	389.5	274.0	389.5	274.0	274.0

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Enterprise under significant influence of Key Management Personnel or their relatives	Jointly Controlled Entity		Associates	Total	₹ in Million
				31.03.2016	31.03.2015			
Director's Remuneration				31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016 31.03.2015
Mr. Dilip S. Shanghvi*	242.4	252.7	-	-	-	-	-	242.4 252.7
Mr. Sudhir V. Valia **	135.3	140.0	-	-	-	-	-	135.3 140.0
Mr. Suresh T. Desai	95.0	101.7	-	-	-	-	-	95.0 101.7
Apprenticeship Stipend / Remuneration	12.1	11.0	-	-	-	-	-	12.1 11.0
Mr. Aalok D. Shanghvi	-	-	13.0	6.8	-	-	-	13.0 6.8
Ms. Vithi D. Shanghvi	-	-	12.1	6.0	-	-	-	12.1 6.0
Balances Outstanding as at the end of the year	0.9	0.8	-	-	-	-	-	0.9 0.8
Receivables	(102.3)	(116.5)	(2.3)	(1.2)	241.6	189.4	0.4	(13.5) 301.1 123.9 373.4
Payables	-	-	-	-	241.6	189.4	0.4	- 242.0 190.0
Loans given (including interest thereon)	(102.3)	(116.5)	(2.3)	(1.2)	-	-	-	(143.4) (118.1) (25.7) 326.8 326.8

[Net of provision for doubtful loans and advances and interest thereon ₹ 663.5 Million [Previous Year ₹ 274.0 Million]]

* Net of refund of ₹ 1.1 Million (Previous Year - ₹ Nil) in respect of excess remuneration paid for financial year 2013-14.

** Net of refund of ₹ 1.0 Million (Previous Year - ₹ Nil) in respect of excess remuneration paid for financial year 2013-14.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

FORM AOC - I

**PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013 READ WITH THE RULES
5 OF COMPANIES (ACCOUNTS) RULES 2014**

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

PART "A": SUBSIDIARIES

Sr No	Name of the Subsidiary Company	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Turnover	(Loss)/before Taxation	Profit / Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	Proposed Shareholding %	
1	Green Eco Development Centre Limited	INR	100	10	(4.8)	0.6	4.4	-	-	-	-	-	-	100.00%	
2	Sun Pharmaceutical (Bangladesh) Limited	BDT	0.95	50.7	718.5	1188.2	4190	-	1,126.55	2,561	92.5	1,636	-	72.50%	
3	Sun Pharmaceutical Industries, Inc.	USD	66.26	144,157.1	(115,393.2)	66,054.5	64,036.6	2,802.2	34,283.8	(4,265.31)	(1,388.4)	(2,877.2)	-	100.00%	
4	Sun Pharmaceutical do Brasil Ltda	BRL	18.43	102.7	(2,378.6)	706.0	2,981.9	-	544.4	(1,135.7)	-	(1,135.7)	-	100.00%	
5	Sun Pharma De Mexico S.A. De C.V.	MXN	3.84	3.9	718.6	753.5	31.0	-	1,082.8	326.7	95.8	2,299	-	75.00%	
6	SPII De Mexico S.A. De C.V.	MXN	3.84	0.2	-	0.2	-	-	-	-	-	-	-	100.00%	
7	Sun Pharmaceutical Peru S.A.C.	PEN	19.62	0.0	(125.7)	1.6	127.3	-	-	(32.5)	-	(32.5)	-	99.33%	
8	000 Sun Pharmaceutical Industries Ltd.	RUB	0.98	0.0	(122.8)	263.4	386.2	-	842.9	(54.9)	(6.4)	(48.5)	-	100.00%	
9	Sun Pharma De Venezuela C.A.	VEF	6.62	0.3	(1,152.8)	598	1,212.3	-	-	(485.7)	-	(485.7)	-	100.00%	
10	Chattem Chemicals, Inc.	USD	66.26	2,281.6	1,565.0	4,150.0	3,033.6	-	1,883.7	305.3	131.7	1,736	-	100.00%	
11	The Icaro Development Corporation	USD	66.26	0.0	(0.5)	1,315.9	1,316.4	-	-	-	-	-	-	100.00%	
12	Alkaidea Chemical Company Ltd.	USD	66.26	5,914.4	20,480.9	38,674.4	12,279.1	6.8	8,909	(688.4)	-	(688.4)	-	99.99%	
13	Sun Pharmaceuticals UK Limited	GBP	95.32	0.1	(107.1)	239.8	346.8	-	318.7	(20.0)	-	(20.0)	-	100.00%	
14	Sun Pharmaceutical Industries (Australia) Pty Ltd	AUD	50.86	2,779.4	(384.8)	8,920.6	6,526.0	-	2,304.1	(282.5)	-	(282.5)	-	100.00%	
15	Aditya Acquisition Company Ltd.	ILS	17.50	0.0	0.1	566	565	-	242.5	133	4.1	92	-	100.00%	
16	Sun Pharmaceutical Industries (Europe) B.V.	EURO	75.28	14	(150.2)	335.4	484.2	-	534.3	153	-	153	-	100.00%	
17	Sun Pharmaceutical Italia S.R.L.	EURO	75.38	0.8	44.7	396.0	350.5	-	328.4	43	51.8	147.5	-	100.00%	
18	Sun Pharmaceuticals Spain, S.L.U.	EURO	75.28	0.2	(371.2)	102.7	473.7	-	135.3	(42.9)	39.7	(82.6)	-	100.00%	
19	Sun Pharmaceuticals Germany GmbH	EURO	75.28	19	(206.6)	6,546	8,933	-	285.9	41	-	41	-	100.00%	
20	Sun Pharmaceuticals France	EURO	75.28	28	(417.0)	233.7	288.7	-	178.2	99	-	99	-	100.00%	
21	Sun Pharma Global TZE	USD	66.26	273.3	115,074.5	117,986.5	2,638.7	6,664.0	38,610.9	28,573.3	-	28,573.3	-	100.00%	
22	Sun Pharmaceuticals SA (Pty) Ltd	ZAR	4.47	0.0	(0.1)	0.1	-	-	-	-	-	-	-	100.00%	
23	Sun Global Canada Pty Ltd.	USD	66.26	0.1	(1.3)	-	1.2	-	-	(0.2)	-	(0.2)	-	100.00%	
24	Sun Laboratories TZE	USD	66.26	811.8	(1,051.3)	57	245.2	-	-	(1,048.4)	-	(1,048.4)	-	100.00%	
25	Sun Global Development TZE	JPY	0.59	92.9	(432.5)	450	384.6	-	17.5	(105.2)	-	(105.2)	-	100.00%	
26	Sun Pharma Japan Ltd	USD	144	12.4	(321.3)	247.0	555.9	-	178.6	(130.7)	-	(130.7)	-	100.00%	
27	Sun Pharma Philippines, Inc.	PHP	1.26	189.4	(66.9)	182.5	0.0	-	-	(0.1)	-	(0.1)	-	100.00%	
28	Sun Pharma Healthcare TZE	USD	66.26	0.1	58	(1.3)	58	-	-	(0.2)	-	(0.2)	-	100.00%	
29	Sun Pharmaceuticals Korea Ltd	KRW	0.06	0.1	(0.1)	0.1	-	-	-	0.1	-	0.1	-	100.00%	
30	Caraco Pharmaceuticals Private Limited	INR	100	400.5	189.4	(55.5)	208.9	200	-	(0.7)	-	(0.7)	-	100.00%	
31	Sun Pharma Laboratories Limited	INR	100	400.5	189.5	62	210,825.2	6,820.6	-	17.5	(105.2)	0.2	(105.4)	-	100.00%
32	Morey & Company, Inc.	USD	66.16	0.2	(0.1)	0.2	-	-	17.5	(105.2)	0.2	(105.2)	-	100.00%	
33	Taro Pharmaceutical Industries Ltd.	USD	66.26	174.247	110,522.8	131,529.8	3,572.2	-	25,719.6	19,247.4	-	2,646.2	16,601.2	-	68.98%
34	Taro Pharmaceuticals Inc.	CAD	51.13	15.1	61,796.6	63,340.3	1,728.6	-	29,565.6	22,889.0	3,556.4	19,332.6	-	68.98%	
35	Taro Pharmaceuticals (USA), Inc.	USD	66.26	558.2	(685.2)	52,609.6	52,736.7	224.3	56,862.2	11,186	399.4	719.2	-	68.98%	
36	Taro Pharmaceuticals North America, Inc.	USD	66.26	232.7	18,738.9	19,891.7	920.1	-	5,447.2	2,274.2	-	2,274.2	-	68.98%	
37	Taro Pharmaceuticals Europe B.V.	EURO	75.28	14	(341.1)	20	347	-	-	(1.6)	-	(1.6)	-	68.98%	
38	Taro Pharmaceuticals Ireland Limited	EURO	75.28	150.6	(394.5)	80.1	324.0	-	-	(1.9)	-	(1.9)	-	68.98%	
39	Taro International Ltd	USD	66.26	30.3	320.0	289.7	-	-	443.1	30.8	3.5	27.3	-	68.98%	
40	Taro Pharmaceuticals (UK) Limited	GBP	95.32	0.0	(721.9)	237.1	959.0	-	163.4	(23.2)	-	(23.2)	-	68.98%	
41	Taro Hungary Intellectual Property Licensing Limited	USD	66.26	105.3	0.0	105.5	0.2	-	-	6.7	0.7	6.0	-	68.98%	
	Liability Company	CAD	5,113	0.0	0.0	0.1	-	-	-	-	-	-	-	-	
42	Taro Pharmaceuticals Canada, Ltd.	INR	1.00	0.1	0.6	0.7	-	-	-	-	-	-	-	68.98%	
43	Taro Pharmaceutical India Private Limited	SEK	8.13	0.4	11.3	533.0	521.3	-	-	376.9	113	-	113	-	
44	Alkaloida Sweden AB	USD	66.26	0.7	2,517.2	11,886.7	9,368.8	-	-	6,846.4	775.3	1,366.4	(1,357.3)	-	
45	Disa Pharmaceuticals Inc.	USD	66.26	4,895.1	6,341.7	11,930.5	7,837	-	-	2,276.0	(2,714.0)	(1,557.3)	(246.4)	-	
46	Mutual Pharmaceutical Company Inc.	USD	66.26	1,817.7	(215.5)	(286.4)	10.8	-	-	0.246.4	-	(196.2)	-	100.00%	
47	Dungan Mutual Associates, LLC	USD	66.26	3,720.0	(500.0)	(959.3)	(78.3)	-	-	2,081.7	2,081.7	16	16	-	
48	URL PharmaPro LLC	USD	66.26	100.0	10.6	107	0.0	-	-	23	-	-	-	100.00%	
49	Faststone Merchant Company Private Limited	INR	1.00	0.1	30	121	3,075.1	3,060.0	3,049.1	12	16	0.5	11	-	
50	NeftxRay Real Estate Private Limited	INR	1.00	0.1	106	107	0.0	107	-	-	-	-	-	100.00%	
51	Redstone Multifunds Private Limited	INR	1.00	0.1	106	107	0.0	107	-	-	-	-	-	100.00%	
52	Skien Labs Private Limited	INR	1.00	163.6	(163.5)	0.1	0.0	-	(138.8)	(153.5)	0.8	(154.3)	-	100.00%	
53	Softree Trading Company Private Limited	INR	1.00	0.1	100	101	0.0	101	-	-	2.2	0.7	1.5	100.00%	
54	Universal Enterprises Private Limited	INR	1.00	4.5	8.8	5.3	0.0	-	-	-	(0.5)	-	-	100.00%	
55	Sun Pharma Switzerland Limited	CHF	68.60	6.9	(15)	57	0.3	-	-	-	-	-	-	-	

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Sr No	Name of the Subsidiary Company	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investments Other than investment in subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	Proposed Shareholding %	
56	SunPharma Holdings	USD	66.26	236,665.0	373.3	227,042.4	4.1	-	(32)	(317)	(32)	-	100.00%		
57	Pharmalience Inc.	USD	66.26	5,720.0	(286.0)	6,351.4	912.0	-	1,641.1	(115.1)	(2026)	-	100.00%		
58	P'Real Estate Ventures LLC	USD	66.26	5,965.5	790	1,882.3	1,266.8	-	206.2	1,240	45.0	790	-	100.00%	
59	Sun Pharma East Africa Limited	KS	0.65	0.1	(35.4)	201.4	236.7	-	125.7	(48.7)	(14.0)	(137)	-	100.00%	
60	Ranbaxy Drugs Limited	INR	100	310	1,823.2	1,854.2	0.9	1,824.7	-	123.3	0.1	123.2	-	100.00%	
61	Vigilant Investments Limited	INR	100	250.1	(233.8)	26.5	0.2	-	18	(0.9)	2.7	-	100.00%		
62	Gulfic Pharma Limited	EUR	75.28	367.0	245.0	3,881.0	3,269.0	-	2084.6	86.4	44.0	42.4	-	100.00%	
63	Basics GmbH	EURO	75.28	19	-	455.4	433.5	-	202.5	-	-	-	-	100.00%	
64	Ranbaxy GmbH	UAH	232	100.7	(0.7)	295.3	195.5	-	537.1	(11)	30	(41)	-	100.00%	
65	Ranbaxy Pharmaceuticals Ukraine LLC	MAD	6.85	83.8	(229.6)	769.6	915.4	-	740.4	296	3.7	259	-	100.00%	
66	SunPharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	PEN	19.62	85.2	(155.9)	55.7	126.4	-	46.7	11.7	-	11.7	-	100.00%	
67	Ranbaxy - PIP/Praju S.A.C.	GBP	95.32	291.27	132.9	3,054.2	8.6	-	(0.9)	(0.9)	-	(0.9)	-	100.00%	
68	Ranbaxy Holdings (UK) Ltd.,	EURO	75.28	1,878.1	(350.9)	788.5	2,412.3	-	1,738.4	(131.0)	-	(131.0)	-	100.00%	
69	Ranbaxy Pharma Generici	EURO	75.28	100.1	(29.6)	2,304	1,599	-	35.6	36	-	36	-	100.00%	
70	Office Pharmaceutical Industriel Et Hospitalier	EURO	75.28	38	59.2	862.7	799.7	-	1,293.2	(2088)	45.9	(204.3)	-	100.00%	
71	Ranbaxy Italia S.p.A.	EURO	75.28	42.3	121.28	45.1	-	-	-	-	-	-	-	100.00%	
72	Ranbaxy Belgium NV.	ZAR	4.47	0.0	(11,277)	2,936.4	4,064.1	-	1,522.6	(1245.3)	-	(1245.3)	-	100.00%	
73	Ranbaxy Pharmaceutical Proprietary Limited	ZAR	4.47	0.0	92.2	1,789.3	1,697.1	-	2,856.9	161.3	45.6	115.7	-	100.00%	
74	Sonic Pharmaceuticals Proprietary Limited	ZAR	4.47	16	485.8	2,002.6	1,515.2	-	1,061.5	84.6	-	84.6	-	100.00%	
75	Ranbaxy South Africa Proprietary Limited	EGP	7.46	36.2	(165.5)	6,418.1	6,221	-	3,238.5	(1285)	13.9	(1424)	-	100.00%	
76	Ranbaxy Egypt Company (LLC)	EGP	7.46	18	(8.4)	80.3	86.9	-	22.4	(1.6)	-	(1.6)	-	100.00%	
77	Recief Egypt Company (LLC)	GBP	95.32	2,073.2	(768.5)	2,748.5	1,443.8	-	3,190.4	332.7	9.8	322.9	-	100.00%	
78	Ranbaxy (UK) Limited	PLN	17.63	75.6	81.0	208.4	51.8	-	543.0	22.2	5.7	16.5	-	100.00%	
79	Ranbaxy (Poland) Sp. Z.o.o.	NGN	0.33	13.3	1,102.0	2,704.8	1,589.5	-	1,154.5	254.9	130.0	124.9	-	85.31%	
80	Ranbaxy Nigeria Limited	THB	1.88	31.1	30.4	160.9	99.4	-	205.2	15	3.5	(20)	-	100.00%	
81	Ranbaxy (Thailand) Company Limited	USD	66.26	1,201.2	3,248.9	3,1045.8	2,595.7	-	206,325.2	(1810.2)	(624.5)	(1185.7)	-	100.00%	
82	Ohm Laboratories Inc.	USD	66.26	1,981.9	8,055.6	31,020.8	20,931.6	-	13,882.9	5,526.0	1,952.6	3,573.4	-	100.00%	
83	Ranbaxy Laboratories Inc.	USD	66.26	1.3	(362.9)	14.5	374.1	-	273.1	229.7	-	229.7	-	67.50%	
84	Ranbaxy Signature LLC	USD	66.26	0.0	6,701.7	64,988.8	57,791.1	-	17,953.1	334.5	145.8	188.7	-	100.00%	
85	Ranbaxy Pharmaceuticals Inc.	USD	66.26	3,789.2	11,891.9	38,493.3	22,561.0	-	1,300.1	(111)	87.1	(98.2)	-	100.00%	
86	Ranbaxy Ireland Ltd	EURO	75.28	535.4	427.3	2,010.7	1,048.0	-	3,448.3	(306.9)	(10.6)	(296.3)	-	100.00%	
87	Ranbaxy Ireland Ltd	RUB	0.98	159.2	454.6	2,966.2	2,352.4	-	3,545.2	109.8	42.7	67.1	-	100.00%	
88	AQ Ranbaxy (Formerly Known ZAO Ranbaxy)	EURO	75.28	75.3	93.6	1,230.0	1,230.0	-	1,421.9	19.1	-	19.1	-	100.00%	
89	Laboratorios Ranbaxy S.L.	MYR	16.97	1,358.1	161.1	1,521.6	1,224.7	-	1,320.9	(376.1)	-	(376.1)	-	71.22%	
90	Ranbaxy (Malaysia) Sdn. Bhd.	BRL	18.43	320.0	(1,339.0)	900.7	1,191.7	-	1,133.3	(447.1)	-	(447.1)	-	100.00%	
91	Ranbaxy Farmaceutica Ltda.	BRL	95.32	10	173.6	226.8	52.2	-	271.9	6.1	15.1	-	-	100.00%	
92	Ranbaxy Europe Limited	AUD	50.96	467.9	(1361.0)	1,050.2	1,945.1	-	2,006.0	354	-	354	-	100.00%	
93	Ranbaxy Australia Pty Ltd	CAD	51.13	115.1	299.3	1,457.0	1,042.6	-	766.65	81.3	-	81.3	-	100.00%	
94	Ranbaxy Pharmaceutical Canada Inc.	RON	16.63	421.2	9,468.6	13,143.8	3,254.0	-	9,124.7	2,281.3	341.4	1,939.9	-	96.70%	
95	S.C. Terapia S.A.	ZAR	4.47	0.0	140	159	19	-	-	(0.6)	1.3	(1.9)	-	100.00%	
96	Be-Tabs Investments Proprietary Limited	Euro	75.28	0.4	(94)	0.0	0.0	-	-	(1.6)	0.1	(1.7)	-	100.00%	
97	Ranbaxy Portugal - Com E Desenvolvimento de Prod	Portuguese Unipessoal Lda	USD	66.26	412,024	11,761.8	52,974.3	10.1	1,099	-	205.1	-	205.1	-	100.00%
98	Ranbaxy (Netherlands) BV	USD	66.26	0.0	66.71	1,945.2	1,298.1	-	93.0	(455.3)	(1112.4)	647.1	-	100.00%	
99	Insite Vision Incorporated	USD	66.26	-	-	-	-	-	-	-	-	-	-	100.00%	

Note:

1 0.0' represents amount less than 0.05 million and rounded off

2 The above does not include 3 Skyline LLC, One Commerce Drive LLC, Sirius Laboratories Inc, Perryon Wind Power LLC, Insite Vision Ltd, Dusa Pharmaceuticals New York Inc., Taro Pharmaceutical Laboratories Inc being subsidiaries of Taro Pharmaceutical Industries Ltd. Caraco Pharma Inc. as they have no operation and does not have any Assets, Liabilities or Equity as on the close of their Financial Year.

3 With effect from 20th August, 2015 Caraco Pharma Inc. has been merged with Sun Pharmaceutical Industries Inc.

4 With effect from 1st April, 2015 AR Scientific Inc. and United Research Laboratories Limited, have merged into URL Pharma Inc.,

5 With effect from 28th April, 2015 URL Pharma Inc. has merged into Mutual Pharmaceutical Company Inc.

6 During the year, the Group has sold its investment in Silverstreet Developers LLP with effect from 1st April, 2015.

7 With effect from 2nd November, 2015, Thea Acquisition Corporation has been merged with Insite Vision incorporated.

8 Zalcus Pharmaceuticals Limited was acquired during the year and subsequently amalgamated in Taro Pharmaceuticals Inc., on 5th October, 2015.

9 Ranbaxy Portugal - Com E Desenvolvimento de Prod Farmaceuticos Unipessoal Lda has been liquidated on 30th June, 2015.

10 With effect from 1st March, 2016, Ranbaxy Belgium NV, has been liquidated.

PART "B" : ASSOCIATE COMPANIES AND JOINT VENTURES

Sr. No	Name of Associates/Joint Ventures	Jointly Controlled Entity				Associate	Shimal Research Laboratories Limited	Medinstill LLC
	Artes Biotechnology GmbH	MSD - Sun LLC	S & I Ophthalmic LLC	Zenotech Laboratories Limited	Daiichi Sankyo (Thailand) Limited	Enceladus Pharmaceutical B.V.	NA	NA
1.	Latest audited Balance Sheet Date	31-Dec-15	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
2.	Shares of Associate/Joint Ventures held by the company on the year end							
	No.	15,853	NA	NA	16,127,293	890,874	116,676	9,340,000
	Amount of investment in Associates/Joint Venture	280.9	0.7	383.4	2,463.5	-	296.8	934.00
	Extend of Holding %	45.00%	50.00%	50.00%	46.84	26.9	23.35%	24.91%
3.	Description of how there is significant influence	NA	NA	NA	NA	NA	NA	NA
4.	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	Refer note 49(a)	Refer Note 49(b)	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	62.5	0.7	383.4	(272.6)	1,259.5	NA	1302.9
6.	Profit / Loss for the year							
	i. Considered in Consolidation	3.4	184.0	(135.3)	(143.2)	17.6	NA	NA
	ii. Not Considered in Consolidation	4.1	184.0	(135.3)	143.2	(176)	NA	(119.5)
							NA	(478.4)

For and on behalf of the Board

DILIP S.SHANGHVI
Managing Director
 New York

UDAY V. BALDOTA
Chief Financial Officer
 Mumbai

SUDHIR V. VALIA
Wholifetime Director
 Mumbai

SAILESH T. DESAI
Wholifetime Director
 Mumbai

Date : 30th May, 2016

NOTES

CORPORATE INFORMATION

BOARD OF DIRECTORS

Israel Makov

Chairman

Dilip S. Shanghvi

Managing Director

Sudhir V. Valia

Whole-time Director

Sailesh T. Desai

Whole-time Director

S. Mohanchand Dadha

Director

Hasmukh S. Shah

Director

Keki M. Mistry

Director

Ashwin Dani

Director

Rekha Sethi

Director

CHIEF FINANCIAL OFFICER

Uday V. Baldota

COMPANY SECRETARY

Sunil R. Ajmera

email: secretarial@sunpharma.com

AUDITORS

Deloitte Haskins & Sells

Chartered Accountants, Mumbai

BANKERS

Bank of Baroda

Bank of Nova Scotia

Citibank N.A

Deutsche Bank

Hong Kong and Shanghai Banking

Corporation Ltd

ICICI Bank Ltd

Kotak Mahindra Bank Ltd

Punjab National Bank

Royal Bank of Scotland

Standard Chartered

State Bank of India

REGISTRARS & SHARE TRANSFER

AGENTS

Link Intime India Pvt. Ltd.

C/13, Kantilal Maganlal Estate,

Pannalal Silk Mills Compound,

L B S Marg, Bhandup (West),

Mumbai – 400 078

Tel: (022)-25946970

Fax: (022)-25946969

E-mail: sunpharma@linkintime.co.in

rnt.helpdesk@linkintime.co.in

PLANTS

1. Silvassa, Dadra & Nagar Haveli, India.
2. Dadra, Dadra & Nagar Haveli, India.
3. Halol, Gujarat, India.
4. Panoli, Gujarat, India.
5. Ankleshwar, Gujarat, India.
6. Karkhadı, Gujarat, India.
7. Ahmednagar, Maharashtra, India.
8. Maduranthakam, Tamil Nadu, India.
9. Dahej, Gujarat, India.
10. Mohali, Punjab, India.
11. Ponda, Goa, India.
12. Paonta Sahib, Himachal Pradesh, India.
13. Batamandi, Himachal Pradesh, India.
14. Baddi, Himachal Pradesh, India.
15. Baddi -2, Himachal Pradesh, India.
16. Dewas, Madhya Pradesh, India.
17. Malanpur, Madhya Pradesh, India.
18. Toansa, Punjab, India.
19. Sun Pharma Laboratories Ltd.
Jammu, Jammu & Kashmir, India.
20. Sun Pharma Laboratories Ltd.
Samba, Jammu & Kashmir, India.
21. Sun Pharma Laboratories Ltd.
Ranipool, Sikkim, India.
22. Sun Pharma Laboratories Ltd.
Setipool, Sikkim, India.
23. Sun Pharmaceutical (Bangladesh) Ltd.
Joydevpur, Gazipur, Bangladesh.
24. Sun Farmaceutica Do Brasil Ltda (TKS
Farmaceutica Ltda) Jardim Pompeia,
Goiania, Brazil.
25. Ranbaxy Farmaceutica Ltda
São Gonçalo, Rio de Janeiro, Brazil.
26. Taro Pharmaceuticals Inc.
Brampton, Ontario, Canada.
27. Ranbaxy Egypt (L.L.C.)
October City, Giza, Egypt.
28. Alkaloida Chemical Company Zrt
Tiszavasvari, Kabay, Hungary.
29. Ranbaxy Ireland Ltd.
Cashel, Tipperary, Ireland
30. Taro Pharmaceutical Industries Ltd.
Haifa Bay, Israel.
31. Ranbaxy Malaysia Sdn. Bhd.
Kuala Lumpur, Malaysia.
32. Ranbaxy Morocco LLC
Casablanca, Morocco.
33. Sun Pharma de Mexico S.A.
El Sifon, Iztapalapa, Mexico.
34. Ranbaxy Nigeria Limited
Lagos, Nigeria.
35. S.C Terapia S. A. Cluj, Romania.
36. Ranbaxy Pharmaceuticals (Pty) Ltd.
Roodepoort, Johannesburg, South
Africa.
37. Chattem Chemicals, Inc.
Chattanooga, USA.
38. Dusa Pharmaceuticals Inc.
Wilmington, Massachusetts, USA.
39. Sun Pharmaceutical Industries Inc.
Cranbury, New Jersey, USA.
40. URL Pharmaceuticals Inc. Aurora, USA.
41. URL Pharmaceuticals Inc.
Philadelphia, USA.
42. Pharmalucence Inc.
Billerica, Massachusetts, USA.
43. Ohm Laboratories, Inc.
Brunswick, New Jersey, USA.
44. Sun Pharmaceutical Industries
(Australia) Pty Ltd, Latrobe, Australia
45. Sun Pharmaceutical Industries
(Australia) Pty Ltd, Port Fairy, Australia

OFFICES

Registered Office

Sun Pharma Advanced Research Centre
(SPARC), Tandalja,
Vadodara – 390 020, Gujarat.

Corporate Office

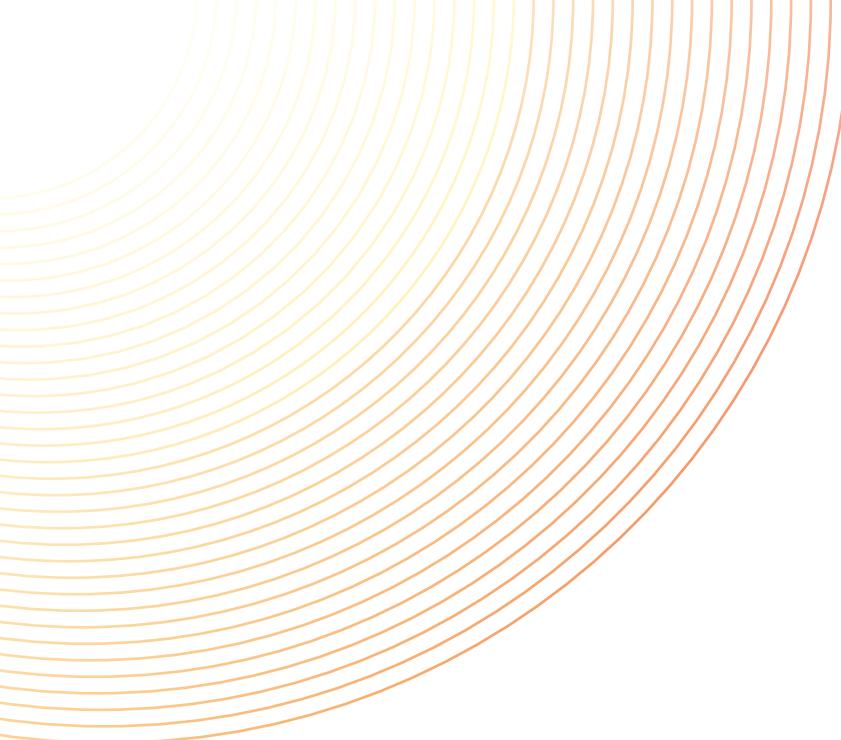
SUN HOUSE, CTS No. 201 B/1,
Western Express Highway,
Goregaon (E), Mumbai 400063,
Maharashtra.

MAJOR RESEARCH CENTRES

1. F.P.27, Part Survey No. 27,
C.S. No. 1050, TPS No. 24, Village
Tandalja, District, Vadodara - 390 020,
Gujarat.
2. 17-B, Mahal Industrial Estate, Mahakali
Caves Road, Andheri (East),
Mumbai - 400 093, Maharashtra.
3. Village Sarhaul, Sector-18,
Gurgaon - 122015 (Haryana).
4. Chemistry and Discovery Research
Israel, 14 Hakitor Street, P.O. Box 10347
Haifa Bay 2624761, Israel.
5. Taro Pharmaceuticals Inc., 130 East
Drive, Brampton, Ontario L6T 1C1,
Canada.
6. Ohm Laboratories Inc., Terminal Road,
New Brunswick, New Jersey 08901 USA



Mr. Dilip Shangvi receiving the Padmashree Award from the Hon'ble President of India



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BUSINESS RESPONSIBILITY REPORT

MESSAGE FROM THE DIRECTOR'S DESK

Corporates around the world are witnessing a paradigm shift in conducting business as usual. And the global pharmaceutical industry, that touches innumerable lives, is no exception to this reality. In such a scenario, business models must be willing to manage the emerging expectations of a wider set of stakeholders and address evolving priorities across the triple bottom-line.

At Sun Pharma, we have always believed in growing at the intersection of business health, environmental stewardship, community wellbeing and stakeholder satisfaction.

So while we take pride of expanding our global footprint and maximising shareholder returns, what gives us genuine satisfaction is the fact that we are making medicines more accessible and affordable. While we retain our leadership status in speciality generics industry with relentless zeal, what we fiercely guard are our values and our commitment to put patients first.

We assume equal responsibility to all our stakeholders – be it patients, healthcare professionals, community, planet, regulatory bodies, suppliers, distributors, employees, or shareholders.

Though social responsibility and environmental stewardship was practiced at Sun Pharma since the company came into existence, three years ago we integrated all these components in one interconnected model based on the National Voluntary Guidelines (NVG).

This advanced our efforts and allied them to national goals. We continued to expand our CSR ambit, both by spearheading strategic, long-term projects such as the setup of a 450-bed, state-of-the-art Cancer Hospital as well as pressing into action need-specific interventions like providing relief to flood victims of Kanchipuram District. As did we enhance the quality of life of our communities, so did we reduce our dependence on scarce resources by implementing Clean Development Mechanism (CDM) projects at our operations and continued to share value with our employees in terms of growth and developmental opportunities.

As we further our growth journey, this new model is truly empowering us to accelerate our sustainability initiatives and outcomes.

Employee Wellness

Our most valuable asset is our multi-cultural team. With a strength of 30,000+ employees, we invest our energy in engaging, nurturing and motivating them to grow. In FY16, we increased our investments in training and development of workforce. We are also inculcating in our team, the value of responsible growth. This ensures that each one of them serves the community and protects the environment, while performing their roles.

Environment Wellness

An all-inclusive EHS (Environment, Health and Safety) policy is in place to ensure a safe environment in the workplace and a better environment in the world. Technology-based differentiations in our energy efficiency initiatives rival those in our products. In FY16, 1.15 million kWh of green energy was generated. 'Zero Liquid Discharge' is the norm in many of our plants, while the remaining plants are leading towards it.

Community Wellness

We leverage the intrinsic nature of our business to further the cause of healthcare and care for patients across the economic strata. While making medicines which are more accessible and affordable is our role, we also up the ante by offering certain medicines free of cost to the socially challenged.

Beyond our medicines, we are also investing in community healthcare infrastructure, quality education, water & sanitation, and livelihoods. We undertake various local-level community programmes based on the needs of the residents. One among our spearhead CSR programs, is our 'livelihood training model' where we empower people with employment-oriented skills. In FY16, we offered livelihood training to 200+ people.

This Business Responsibility Report (BRR) is a summary of our endeavours. I welcome your feedback on this report, as your insights will only help us to enhance our triple bottom-line performance.

Regards,

Sudhir V. Valia
Whole-time Director

Overview

Being leaders in the industry with 30,000+ employees worldwide, 49 manufacturing sites, 150+ markets served and a portfolio of 2,000+ marketed products, we at Sun Pharma strongly believe that business and responsibility are complementary to each other.

Lasting value can only be created, if the right balance between the triple bottom lines of economic, environmental and social is achieved.

This Business Responsibility Report is testament to our accountability towards all our stakeholders. In line with SEBI's proposed index and the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', the report summarises our efforts to conduct business with responsibility.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L24230GJ1993PLC019050
2	Name of the Company	SUN PHARMACEUTICAL INDUSTRIES LIMITED
3	Registered Address	SPARC, TANDALJA, VADODARA - 390 020, GUJARAT
4	Website	http://www.sunpharma.com/
5	E-mail id	secretarial@sunpharma.com
6	Financial Year reported	01-April-2015 to 31-March-2016
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	'Pharmaceuticals' is the primary reportable segment
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Cip-Isotretinoin Liposomal Doxorubicin Imatinib
9	Total number of locations where business activity is undertaken by the Company	
1	Number of international locations (Provide details of major 5)	US, Romania, Canada, Russia, South Africa
2	Number of national locations	Facilities - Halol, Panoli, Karkhadi, Ankleshwar and Dahej (all in Gujarat), Baddi, Paonta Sahib and Batamandi (all in Himachal Pradesh), Mohali and Toansa (all in Punjab), Malanpur and Dewas (both in Madhya Pradesh), Ahmednagar (Maharashtra), Maduranthakam (Tamil Nadu), Dadra, Silvassa, Jammu, Sikkim, Goa R&D Centres – Vadodara (Gujarat) and Mumbai (Maharashtra), Gurgaon (Haryana) Registered and corporate offices – Vadodara (Gujarat) and Mumbai (Maharashtra) respectively. Pan-India Distribution Network
10	Markets served by the Company - local / state / national / international	Over 150 markets served across 5 continents - Asia, Americas, Europe, Africa and Australia

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1 Paid-up capital (₹)	2,406.6 million
2 Total turnover (₹)	80,463 million (standalone)
3 Total profit after taxes (₹)	(10,734) million (standalone)
4 Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Due to losses recorded in the last 3 years, the company is not required to allocate any amount towards CSR. However, it has voluntarily spent ₹ 116.5 million on CSR activities for the year
5 List of activities in which the above expenditure has been incurred	Refer Principle 8 'Equitable Development'

SECTION C: OTHER DETAILS

1 Does the Company have any Subsidiary Company / Companies?	Yes
2 Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	There is no direct participation
3 Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	In due course of time, Sun Pharma intends to take its sustainability policies and initiatives beyond the boundaries of its manufacturing facilities and spread awareness amongst the relevant stakeholders.

SECTION D: BR INFORMATION**1 a. Details of the Director / Directors responsible for implementation of the BR (Business Responsibility) policy / policies**

# DIN Number	5561
# Name	Mr. Sudhir V. Valia
# Designation	Whole-time Director

b. Details of the BR head

# DIN Number (if applicable)	Mr. Sudhir V. Valia, Whole-time Director of Sun Pharma, oversees the BR implementation. However the Company does not have a BR head as of now
# Name	
# Designation	
# Telephone number	
# E-mail id	

2 Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

	P1	P2	P3	P4	P5	P6	P7	P8	P9
1 Do you have a policy / policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and is approved by the Board								
3 Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the policies are compliant with respective principles of NVG guidelines								
4 Has the policy being approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?	All the policies have been approved by the Board and have been signed by the Managing Director								
5 Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	The Board has appointed Mr. Sudhir Valia, Whole-time Director - Sun Pharma, to oversee policy implementation								
6 Indicate the link for the policy to be viewed online?	Copies will be made available on receipt of written request from shareholders								
7 Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to internal stakeholders. The external stakeholders will be communicated in due course								
8 Does the company have an in-house structure to implement the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9 Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10 Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	It will be done in due course								

3 Governance related to BR

1 Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company? Within 3 months, 3-6 months, Annually, More than 1 year	Annual
2 Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The BR report for FY16 can be accessed through the link: http://www.sunpharma.com/pdflist/all-documents . It is published annually

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

All successful and sustainable companies have one thing in common – good governance practices. At Sun Pharma, our governance is grounded on the foundation of ethics and driven by principled leaders as well as robust mechanisms, policies and processes, ensuring high standards of transparency and accountability. This has not just helped us gain shareholder trust and market leadership, but also fulfil our responsibility towards the employees, communities and the environment.

Key principles of our corporate governance philosophy:

- High levels of transparency
- Accountability
- Consistent value systems
- Delegation of responsibility across all facets of operations

Key enablers to ensure consistent implementation of these principles:

Leadership

Our Directors bring forth a wealth of experience and entrepreneurship, steering the company towards sustainable growth consistent with our values of integrity and accountability.

Board Committees

Dedicated board committees are in place which are led by the top management to oversee core areas of governance.

Code of Conduct & Policy

We enable our employees to thrive through fair means detailed in our code of conduct. Along with the code, various policies on significant subjects are designed to cover all areas of operations.

We are continuously and consistently raising the bar on our commitment to the best benchmarks of governance.

We also actively solicit feedback from all our stakeholders on our business conduct, and keep our code and policies updated. In this reporting year, we received 11 stakeholder concerns, all of which have been resolved.

PRINCIPLE 2: PRODUCT LIFE CYCLE SUSTAINABILITY

Being in the business of healthcare, well-being of patients is our first priority. At the same time, we are equally committed to ensure well-being of our neighbourhood community and the environment. We continue to make our products

affordable and accessible, by adopting equitable and sustainable practices.

More Power to Patients

It is a travesty of our times that the balm of medicine is burning the hole in our pockets. As a leading pharmaceutical company, we consider it our responsibility to make quality healthcare solutions more affordable and accessible.

Our product agenda continues to be 'more the affordability of our products, more is our reachability to the patients'.

We also distribute some of our critical life-saving products at no cost, to those in need. Three such products that have broken the affordability and accessibility barrier are:

Rilutor (Riluzole)

Used for treating Amyotrophic Lateral Sclerosis (a life threatening disease), this product is distributed free of cost to all patients.

Decitabine

An enabler to oncology therapy, it is available at a significant discount compared to innovator's price.

Istavel

A diabetes care drug, it is available at a significant discount, compared to global price.

More Power to People

While alleviating the physical distress through our products, we also focus on elevating the socio-economical stress in the neighbouring communities by sourcing local material and labour wherever possible. This optimises logistics, considerably reducing the carbon footprint.

To ensure that we do not compromise on quality, we invest a lot in upgrading our local suppliers in terms of technical skills and quality parameters. Their capabilities and capacities are also spruced up by offering advances or short term credits.

Our facilities at Ahmednagar, Panoli and Sikkim have identified and encouraged various such local vendors.

More Power to the Planet

Nature sustains life; it must be nurtured for a better quality of life. We are committed to cultivate a culture of conservation in our operations and continue to enhance our manufacturing processes through the lens of eco-efficiency. For more details regarding this, please refer Principle 6 of this report.

Calculating our environmental performance per product poses unique challenges, owing to a diverse product portfolio and complex production processes. We, therefore, monitor and manage our total annual water and energy performance vis-à-vis our total annual production.

Production:

API: 3,488 tonne
Formulations: 157,85 million

Water usage: 2,780,074 KL

Energy Usage:

Electricity (kWh)	LDO (L)	FO (L)	HSD (L)	Briquette (MT)
323,891,258	15,282,323	16,157,485	3,460,168	4,321,840

PRINCIPLE 3: EMPLOYEE WELL-BEING

People are the key to the success of an organisation. At Sun Pharma, we empower our employees by providing them a safe workplace, friendly policies, growth opportunities and learning options, thereby creating an environment where their personal and professional goals get fructified.

An all-encompassing HR policy covers all the aspects, right from recruitment to retention leading to an overall development of our employees. This policy is analysed on a periodic basis and upgraded to address emerging industry trends and employee expectations

Key tenets of Sun Pharma's talent management approach:

Employee Engagement

One of the significant enablers of ensuring employee wellbeing is active engagement. Several two-way communication platforms are in place for employees to express themselves, know more about the organisation as well as raise queries and concerns. Employee feedback is promptly solicited at Sun Pharma. This results in a motivated workforce, lesser turnover, better quality and productivity.

Continuous Learning

We invest significantly in providing development opportunities to our people, based on their function and aptitude. Training is imparted via our internal and external competency development platforms. For our talented employees who have completed three years with us, we advance their aptitude by providing training in elite institutions.

Equality of Opportunity

Merit is the only way to enter and grow at Sun Pharma, and there is no place for bias, discrimination and harassment. We respect the diversity and encourage a fine amalgam of talent from different age groups, genders, castes, domains, religions, cultural backgrounds etc. Such a diverse human capital brings to the table, multiple thought processes resulting in innovative solutions.

As of 31st March, 2016, we had a total workforce, including all our subsidiaries, of over 32,000 employees on our payroll. Of these, women employees accounted for 3,670 and 22 were employees with disabilities.

Freedom of Association

Union of employees that pursue the interests of its members, keeping in mind the overall business environment, is given due credit. At present, there is a management-recognised employee association, which covers approximately 5% of our employee membership.

Health and Safety

Wellness of the workforce is given pivotal importance at Sun Pharma. Our robust Environment, Health and Safety (EHS) policy and operating guidelines ensure a safe and healthy environment.

Compliance to ISO/OHSAS 18001 standards and to the laws of the land is non-negotiable.

We continue to devote our resources in imparting safety training, designed in such a way that each employee is aware of all the do's and don'ts of operational safety, right from prevention to emergency management. The reporting year saw the safety and skill up-gradation training of approximately 45% of our employees, including 17% of women employees.

We encourage reporting of accidents, injuries and near-misses, which enables us to be better prepared in the future. Safe work practices are endorsed and the usage of unsafe equipment is disallowed.

Key ingredients of our occupational health and safety approach:

- Safe Working Systems
- Use of Personal Protective Equipment (PPE)
- Safety Inspections & Audits
- Emergency Preparedness
- Safety Risk Management

Recognition & Recreation

Operational productivity is a by-product of a healthy, happy and motivated workforce. Recreation and recognition are great enablers to boost our employee happiness quotient. A merit-based talent recognition and recreation module has been designed. Some of its features are illustrated below:

- › Special celebration to accord due recognition to the retiring employee
- › Long-service award to recognise the loyalty and commitment of employees
- › Family picnics to foster camaraderie

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

Engagement leads to exchange of ideas, redressal of concerns and convergence of interests, leading to reinforced trust, long-term association and win-win relationship.

Complementing this well-established fact, is our comprehensive engagement mechanism which enables a proactive dialogue with our internal as well as external stakeholders. We solicit stakeholder expectations and accordingly streamline our policies, processes and products with a view to address the same.

'Inclusivity', 'accountability' and 'responsibility' are three ingredients of our engagement formula that creates and sustains, a winning chemistry between us and our stakeholders.

Inclusivity

We engage with all our internal or external stakeholders, who have an impact, direct or indirect, on our business. Some of our key stakeholders include:

- › Employees
- › Neighbouring Communities
- › Patients
- › Healthcare Professionals
- › Investors & Shareholders
- › Vendors, Suppliers & Distributors
- › Government & Regulators

Accountability

We are answerable to all our stakeholders. We stay committed towards disbursing reliable information with highest standards of integrity, having a sincere interaction with all stakeholders as well as encouraging constructive collaborations that advance exchange of best practices.

Some of the major platforms we use to communicate include:

Corporate Website | Annual Reports | Quarterly Reports | Investor Presentations

Official Press Releases | Vendor Meets | Customer Feedback Sessions | Dedicated Portals for Employees, Vendors and Field staff

Responsibility

Stakeholders are the ones who fuel our sustenance as well as the ones who are impacted by our business. We therefore, act as an instrument to responsibly balance the interests of all stakeholders. Careful consideration is given to those who need more resources to uplift themselves. Initiatives are designed to continuously and consistently provide more amenities and opportunities to them. For details, please refer Principle 8.

PRINCIPLE 5: HUMAN RIGHTS

Human rights form the foundation of a just society. Fundamental in nature and applicable universally - we adhere to this principle regardless of the nation, location, language, religion, ethnic origin or any other status of any person.

Our all-encompassing Human Rights Policy covering various principles ranging from freedom of association to freedom from harassment, applied across our operations is testimony to our commitment.

Our actions emanating from these policies speak louder than our intentions. Not only are we compliant with all the statutory laws and regulations, we have grievance redressal mechanisms in place for violations, if any. In the reporting year, there were no human rights violation complaints, relating either to child, forced and involuntary labour or sexual harassment / discriminatory employment, against the Company.

PRINCIPLE 6: ENVIRONMENT

By limiting the definition of growth to just economic development, mankind is ironically progressing towards a time where basic needs like clean air, fresh water, rich biodiversity and required natural resources are getting scarce. At Sun Pharma, we are vigilant of the emerging situation and investing in measures that convert these challenges into opportunities. Be it conservation measures or reducing our dependence on limited resources, we are not only reducing the burden on the environment, but also on our operational costs.

A robust Environment, Health & Safety (EHS) policy is in place which is encouraging our employees to be more ecologically aware and our vigilant teams to be more cautious in pre-empting potential threats by developing relevant measures to address them.

Summarised below are our green must dos:

- Ensure statutory compliance
- Optimise natural resources
- Effect continuous improvement in environment management
- Innovate greener technologies and processes
- Spread green awareness across internal and external stakeholders

Waste Management

Effective waste management is accomplished at Sun Pharma through a host of well-laid-out and continuously-monitored procedures.

4Rs in Action:

- **Reduce** the production of waste by minimising waste at source.
- **Recycle** waste materials including solvents, wastewater, glass, plastic liners, fibre drums, metal drum sheets, HDPE sheets and waste oil. Initiatives consist of set-up of effluent treatment plants, recycling through registered recyclers and engaging scrap vendors for materials like paper, plastic and HDPE. Many of our units are Zero Liquid Discharge (ZLD) facilities and the remaining ones are in the process of obtaining the status.
- **Reuse** the recovered solvents as and when possible, enabled by well-equipped solvent recovery systems.
- **Responsible** disposal - We ensure safe and responsible waste disposal at Government approved sites.

Energy Conservation

We are leveraging all available alternatives to conserve as much energy as possible. These options broadly can be classified into two categories – tapping technology to generate green energy and using energy efficiently in manufacturing processes.

Green Investments

We have invested significantly in green energy, principal amongst which is our investment in wind energy. One of our facilities is dedicated towards harnessing the power of wind to generate energy. In FY16, we generated around 1,145,560 kWh of clean energy.

Greener Operations

We also undertake a host of initiatives to usher in energy efficiency via process efficiency. Some of such interventions implemented across various units to further optimise our systems in the financial year include:

- Installation of boiler economisers and air pre-heaters
- Using condensate recovery pumps
- Use of fuel-efficient packaged boilers that use heat from waste gases of engine exhaust
- Steam generation from exhaust gas and hot water generation from jacket heat
- Installation of Variable Frequency Drives (VFDs) to save energy at all AHUs
- Use of energy efficient screw chillers and rotary air compressor with VFD
- Recovery of gas super heater to make hot water
- Generating steam from waste heat of the captive power plant
- Installation of motion sensors to reduce electricity wastage
- Replacement of CFL and metal halide lamps with LED Lights
- Energy efficient planetary gear box installation in manufacturing plant for reactors

Carbon Emission

We have implemented a Clean Development Mechanism (CDM) project at our facilities by switching from 'conventional' furnace oil / light diesel oil boilers to 'eco-efficient' biomass briquette-based boilers. Along with restricting the emissions of our operations, it will achieve two more purposes:

- Social well-being: It will generate additional income opportunities for the local population
- Environmental well-being: It will replace fossil fuels by a carbon-neutral fuel

As of now, we have six functional facilities equipped with the biomass-fuelled boilers, with a total steam generation capacity of 54 tph.

As of 31st March, 2016, there were no pending notices from pollution control boards.

PRINCIPLE 7 : POLICY ADVOCACY

In order to usher in a positive change in the society, it is imperative to have a consistent dialogue with those who play a large role in shaping public policies. Our agenda of participation in public policy advocacy is centred on making healthcare affordable for all.

Leveraging our leadership position, we share insights and provide detailed inputs to key decision makers in planning better policies for the patients. We also learn from the best practices of others. Along with collaborations with various trade and industry associations, we are also members of:

- » Indian Drug Manufacturing Association
- » Indian Pharmaceutical Alliance
- » Bombay Chamber of Commerce
- » Confederation of Indian Industry
- » Pharmaceuticals Export Promotion Council of India

PRINCIPLE 8 : EQUITABLE DEVELOPMENT

It is equitable development that is the true measure of human progress. At Sun Pharma, we strive to ensure a better quality of life for the people while contributing towards a strong economy. All our CSR efforts stem from our well-articulated Corporate Social Responsibility (CSR) Policy and focus on some of the key priorities of the communities - health, education, water, livelihood and disaster relief.

The programmes range from large-scale, long-term projects to one-off need-specific initiatives, aimed towards touching lives of those who are socio-economically marginalised and opportunity-challenged. Illustrated below are some of the key initiatives undertaken during the financial year FY16:

Distributing Medicines

We directly support the socio-economically challenged sections of the society by providing medicines at no or subsidised costs to the patients in need.

- » Financially challenged patients continue to gain our assistance in the form of free-of-cost medicines. In the reporting period, we continued to dispense free Riluzole which is used in the treatment of Amyotrophic Lateral Sclerosis (a life-threatening disease) to all patients.
- » We have also been regularly distributing medicines to monasteries in Sikkim.

Beyond Medicines

Over and above providing medicines, we implement CSR programmes to benefit the community on a sustained basis and in priority areas. Our endeavours broadly focus on:

Healthcare | Quality Education | Infrastructure & Rural Development | Access to Safe Water & Sanitation | Disaster Relief

Healthcare Projects

Cancer Hospital

With the objective of offering comprehensive cancer treatment to patients of a wider cross section, we started the National Cancer Institute at Nagpur, Maharashtra in conjunction with Dr. Abaji Thatte Seva Aur Anusandhan Sansthan.

A 450-bed hospital, supported with a cost of ₹ 80 million this year, it will benefit approx. 0.6 million patients every year with cancer treatment and related benefits.

Mobile Medical Units

A joint initiative between HelpAge India and Sun Pharma Community Healthcare Society, we've pressed into action mobile medical units providing free healthcare services to the community at their doorstep.

The mobile medical unit is a full-fledged clinic-on-wheels with an experienced doctor on board. The focus is on providing consultation, medicines as well as preventive healthcare.

The investment in this initiative was ₹ 31.5 million in FY16. The mobile medical vans under this program are serving the populace of towns including Halol, Nagar, Mohali, Dewas, Toansa and Paonta Sahib, and has already benefited 465,000 patients with preventive & curative consultation and treatment.

Sanitation Programme

Our CSR Department along with GVT Dahod launched several sanitation programmes in line with the Swachh Bharat Mission. These included construction of 692 toilets for the community, and conducting intensive Behavioural Change Communication (BCC) and Information, Education and Communication (IEC) campaigns with the involvement of local stakeholders.

The programmes saw an investment of ₹ 2.9 million in FY16, and are in operation at Halol Taluka - Panchmahal District, Panoli - Bharuch District, Nagar Taluka - Ahmednagar District and Madurantakam Taluka - Kanchipuram District, impacting 283 households. Our efforts have yielded positive changes in the villagers' mind-set towards adoption of hygiene and sanitation, which will go a long way in enhancing their health quotient.

Significant outcomes:

- 100% toilet coverage in Panoli village
- Increased toilet usage at Halol - from 28% to 78.8% in the 1st year of implementation

Drinking Water Programme

The provision of drinking water supply to 4 hamlets of Malaipalayam village in Madurantakam Taluka of Kanchipuram District was completed in the financial year, providing 960 households with potable water.

Educational Programmes

Our education endeavours include upgrading infrastructure of the surrounding schools and enhancing their standard of education.

In FY16, we invested ₹1.2 million to advance the quality of education at Halol - Panchmahal District, Panoli - Bharuch District, Nagar - Ahmednagar District and Madurantakam - Kanchipuram District, impacting 3,859 students.

Livelihood Initiatives

A significant part of our community initiatives involves enabling people with livelihood skills.

Beneficiary Count

Type of Training	No. of people who received training	No. of locals employed	No. of non-locals employed
Pre-employment	209	139	44

To enhance productivity and impact, we periodically gather feedback regarding our programmes from beneficiaries, partners and implementers. Development of a formal impact assessment tool is in the pipeline.

Other Projects

Disaster Relief Programme

Following the floods in Madurantakam Taluka - Kanchipuram District, our CSR team swung into action to provide immediate relief to neighbouring villagers in terms of commodities (rice bag of 3-5 kg) and medicines in the medical camps etc.

Contributing ₹ 0.2 million, we reached out to 1,600 families with access to rice and facilitated medical treatment for 679 villagers.

Green Belt Development

Our employees rolled up their sleeves to sow 200 saplings as part of the avenue plantation drive at Panoli - Bharuch District that saw an investment of ₹ 0.14 million in FY16.

To ensure that the saplings bloom into fully-grown trees transforming the avenue into a green belt, the team also shielded each sapling with a tree guard. This effort will also enliven the surrounding of the community, over and above offering ecological benefits.

Rural Development

We organised a festival to promote local art and culture, with a broader aim to promote tourism for the economic enhancement of the area surrounding the world heritage site of Champaner-Pavagadh at Halol Taluka - Panchmahal District.

Strengthening PDS System

We set up a Public Distribution System (PDS) at Madurantakam Taluka - Kanchipuram district benefiting 250 households. Implemented with an outlay of ₹ 0.4 million, the facility will serve a two-pronged purpose:

- To provide good infrastructure facility to keep the essential commodities safe and secure
- To facilitate the local governing body in distributing the material on time by providing required infrastructure facilities

PRINCIPLE 9 : CUSTOMER VALUE

Our customer is our key stakeholder and their well-being is our first priority. Our customer-centricity approach encompasses a gamut of propositions:

- Delivering affordable medicines and increasing their accessibility
- Practising stringent quality standards to ensure safe, effective and easy-to-use products
- Soliciting customers' feedback and insights, and timely addressing their issues

Active Engagement

Spread globally, our customers span 150 countries and 6 continents. Our customer engagement therefore involves multiple channels.

Our two-way interaction model:

Give

Disclose detailed information for all our products, which also complies with all applicable labelling codes and specifications

Deal with customers in a transparent and ethical manner, eliminating any form of miscommunication or misunderstanding. Our Code of Conduct also guides our employees while engaging with customers

Take

Gain consistent feedback from customers and immediately address the issues, if any. In the reporting year, no formal survey was carried out, but our medical representatives continued to seek suggestions in person, from doctors and pharmacists. Our 'Customer Centricity Policy' also directs our employees to be receptive towards customer's needs and concerns.

Our integrity towards transparency can be comprehended from the fact that in the last seven years, no material case has been filed against Sun Pharma by any stakeholder, regarding dishonest trade practices or irresponsible advertising.

Product Safety

The nature of our business makes it imperative for us to view quality not only as a differentiator, but also as an elementary feature of our products. We have thus, incorporated pharmaco-vigilance SOPs to methodically examine, detect and gauge any adverse effects which may arise in or due to our products. This system results in the elimination of misfortunes at the initial phase itself. Being a customer-centric company as well as a global pharmaceutical leader, we keep pushing the envelope further in terms of product safety throughout our value-chain, with unrelenting vigilance of our R&D experts playing their part.

A comprehensive quality management system is in place to keep an all-inclusive and updated database of unfortunate events. Both healthcare and non-healthcare stakeholders can access the 'adverse impact reporting form' from our website. The reporting person's identity is kept confidential and is diligently protected to encourage free and fair feedback. After filtering the feedback received, the information is used for the systematic benefit-risk ratio assessment of the medicine.

Specialty Healthcare

With spiralling cost of quality healthcare, it has become increasingly difficult for people to take the advantage of the advent of new cures and medicines. Although the need for specialty medicines has increased with improving mortality rates, its affordability has reduced. That is the area we are focusing our energies on.



Sun Pharmaceutical Industries Ltd.

Registered Office: SPARC, Tandalja, Vadodara – 390 020, India.

Tel Nos: 0265-6615500 / 600/700 Fax No: 0265-2354897

Corporate Office: Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon-East, Mumbai - 400 063, India. Tel: 022-43244324 Fax: 022-43244343

CIN : L24230GJ1993PLC019050

Website: www.sunpharma.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty-Fourth Annual General Meeting** of the Members of **SUN PHARMACEUTICAL INDUSTRIES LIMITED** will be held on **Saturday, 17th September, 2016, at 11.15 a.m. at Sir Sayajirao Nagargruh, Akota, Vadodara - 390 020, Gujarat** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To consider declaration of dividend on Equity Shares.*
3. To appoint a Director in place of Mr. Dilip S. Shanghvi (DIN:00005588), who retires by rotation and being eligible, offers himself for reappointment.
4. To ratify the appointment of Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai having Firm's registration no. 117366W/W-100018, as the Auditors of the Company from the conclusion of this 24th Annual General Meeting, till the conclusion of the 25th Annual General Meeting, and to authorize the Board of Directors to fix their remuneration and in this regard to consider and if thought fit to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the resolution passed by the members at the 22nd Annual General Meeting of the Company held on 27th September, 2014 and as ratified by the members at the last 23rd Annual General Meeting of the Company held on 31st October, 2015 pursuant to Section 139 of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014 and other provisions as may be applicable, if any, the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells LLP, having Firm's Registration No. 117366W/W-100018, as the Statutory Auditors of the Company from the conclusion of this 24th Annual General Meeting till conclusion of the 25th Annual General Meeting, at such remuneration as may be fixed by the Board of Directors of the Company in consultation with them."

SPECIAL BUSINESS:

5. **To consider and, if thought fit, to pass, the following resolution as an ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, including statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby ratifies the remuneration as set out in the Explanatory Statement annexed to the Notice of this Meeting payable to M/s. Kailash Sankhlecha & Associates, Cost Accountants, appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2016-17.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

6. **To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 149, 152 of the Companies Act, 2013 ("the Act") and such other applicable provisions, if any, of the Act and the Rules made thereunder, read with Schedule IV of the Act, Mr. S. Mohanchand Dadha (DIN: 00087414), whose term of office expires at this 24th Annual General Meeting, be and is hereby re-appointed as an Independent Director, for a further term of 2 (Two) years, to hold office upto the conclusion of the 26th Annual General Meeting."

7. **To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 149, 152 of the Companies Act, 2013 ("the Act") and such other applicable provisions, if any, of the Act and the Rules made thereunder, read with Schedule IV of the Act, Mr. Keki Mistry (DIN: 00008886), whose term of office expires at this 24th Annual General Meeting, be and is hereby re-appointed as an Independent Director, for a further term of 2 (Two) years, to hold office upto the conclusion of the 26th Annual General Meeting."

8. **To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 149, 152 of the Companies Act, 2013 ("the Act") and such other applicable provisions, if any, of the Act and the Rules made thereunder, read with Schedule IV of the Act, Mr. Ashwin Dani (DIN: 00009126), whose term of office expires at this 24th Annual General Meeting, be and is hereby re-appointed as an Independent Director, for a further term of 2 (Two) years, to hold office upto the conclusion of the 26th Annual General Meeting."

9. **To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 149, 152 of the Companies Act, 2013 ("the Act") and such other applicable provisions, if any, of the Act and the Rules made thereunder, read with Schedule IV of the Act, Mr. Hasmukh Shah (DIN: 00152195), whose term of office expires at this 24th Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for a further term of 2 (Two) years, to hold office upto the conclusion of the 26th Annual General Meeting."

10. To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 149, 152 of the Companies Act, 2013 ("the Act") and such other applicable provisions, if any, of the Act and the Rules made thereunder, read with Schedule IV of the Act, Ms. Rekha Sethi (DIN: 06809515), whose term of office expires at this 24th Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for a further term of 5 (Five) years, to hold office upto the conclusion of the 29th Annual General Meeting."

11. To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT further to the resolutions passed at the 20th Annual General Meeting held on 8th November, 2012 and 22nd Annual General Meeting of the Company held on 27th September, 2014 for remuneration payable to Mr. Dilip S. Shanghvi, Managing Director (DIN:00005588), and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act, including any statutory modification(s) or re-enactment thereof and subject to the approval of the Central Government, as may be required, and such other permissions, sanction(s) as may be required, the consent of the Members of the Company, be and is hereby accorded for revision in the maximum remuneration payable to Mr. Dilip S. Shanghvi, Managing Director of the Company with effect from 1st April, 2016 for the remaining period of his present term of appointment upto 31st March, 2018, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period, as set out in the draft agreement and stated below, is hereby specifically sanctioned with the other terms and conditions of his appointment remaining the same, and with the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Dilip Shanghvi within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary, as may be prescribed by the Central Government and agreed to between the Board of Directors and as may be acceptable to Mr. Dilip Shanghvi,

- Salary (including bonus) upto ₹ 42,00,000/- (Rupees Forty Two Lakhs only) per month.
- Perquisites:
He will be entitled to furnished/non-furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹ 60,00,000/- (Rupees Sixty Lakhs only) per annum.
- 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 shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Dilip Shanghvi shall be entitled to receive remuneration including perquisites, etc. upto the limit as approved by the members herein above, as minimum remuneration.

RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Board and Mr. Dilip Shanghvi be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law."

12. To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT further to the resolutions passed at the 21st Annual General Meeting of the Company held on 30th September, 2013 and 22nd Annual General Meeting of the Company held on 27th September, 2014 for remuneration payable to Mr. Sudhir V. Valia, Whole-time Director (DIN: 00005561) and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act, including any statutory modification(s) or re-enactment thereof and subject to the approval of the Central Government, as may be required, and such other permissions, sanction(s) as may be required, the consent of the Members of the Company, be and is hereby accorded for revision in the maximum remuneration payable to Mr. Sudhir Valia, Whole-time Director of the Company with effect from 1st April, 2016 for the remaining period of his present term of appointment upto 31st March, 2019, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period, as set out in the draft agreement and stated below, is hereby specifically sanctioned with the other terms and conditions of his appointment remaining the same, and with the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Sudhir Valia within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary, as may be prescribed by the Central Government and agreed to between the Board of Directors and as may be acceptable to Mr. Sudhir Valia,

- Salary (including bonus) upto ₹ 42,00,000/- (Rupees Forty Two Lakhs only) per month.

- b. Perquisites:
He will be entitled to furnished/non-furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹ 60,00,000/- (Rupees Sixty Lakhs only) per annum.
- c. 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 shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Sudhir Valia shall be entitled to receive remuneration including perquisites, etc. upto the limit as approved by the members herein above, as minimum remuneration.

RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Board and Mr. Sudhir V. Valia be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law."

13. To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT further to the resolution passed at the 21st Annual General Meeting of the Company held on 30th September, 2013 and 22nd Annual General Meeting of the Company held on 27th September, 2014 for remuneration payable to Mr. Sailesh T. Desai, Whole-time Director (DIN: 00005443) and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act including any statutory modification(s) or re-enactment thereof and subject to the approval of the Central Government, as may be required, and such other permissions, sanction(s) as may be required, the consent of the Members of the Company, be and is hereby accorded for revision in the maximum remuneration payable to Mr. Sailesh T. Desai, Whole-time Director of the Company with effect from 1st April, 2016 for the remaining period of his present term of appointment upto 31st March, 2019, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period, as set out in the draft agreement and stated below, is hereby specifically sanctioned with the other terms and conditions of his appointment remaining the same, and with

the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Sailesh T. Desai within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary, as may be prescribed by the Central Government and agreed to between the Board of Directors and as may be acceptable to Mr. Sailesh T. Desai,

- a. Salary (including bonus) upto ₹ 11,50,000/- (Rupees Eleven Lakhs Fifty Thousand only) per month.
- b. Perquisites:
He will be entitled to furnished/non-furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹ 16,00,000/- (Rupees Sixteen Lakhs only) per annum.
- c. 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 shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Sailesh Desai shall be entitled to receive remuneration including perquisites, etc. upto the limit as approved by the members herein above, as minimum remuneration.

RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Board and Mr. Sailesh T. Desai be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law."

14. To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the necessary approvals, from the Registrar of Companies, and such other approvals by appropriate statutory authorities, as may be necessary, the existing Articles of Association of the

Company be and is hereby replaced with a new set of Articles of Association, and the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in place of and in substitution of the existing Articles of Association of the Company with effect from the date of this 24th Annual General Meeting.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary or the Compliance Officer or such other person as authorized by the Board, be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

15. To consider and, if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in accordance with Regulation 31A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board, Stock Exchanges and other appropriate statutory authorities, as may be necessary, the consent of the Members of the Company be and is hereby accorded to re-classify the following persons/entities (hereinafter individually & jointly referred to as the 'applicants') forming part of the Promoter Group from 'Promoter & Promoter Group category' to 'Public category':

- i. Mr. Jayant Shantilal Sanghvi
- ii. Pratham Investments
- iii. Mr. Ajay Vrundavandas Valia
- iv. Mr. Kirit Valia
- v. Kirit V Valia H.U.F
- vi. Mr. Jitendra Vrundavandas Valia
- vii. Jitendra V Valia H.U.F
- viii. Ms. Dipti Modi
- ix. Ms. Varsha Doshi

RESOLVED FURTHER THAT the approval of the Company be and is hereby also given for re-classification of the following entities, if any, to the 'Public Category' :

- i. All bodies corporate in which ten percent or more of the equity share capital is held by the applicants, either individually or jointly, but not by the remaining promoter group entities or a firm or Hindu Undivided Family in which none of the existing promoters except the applicant(s) is/are member(s);
- ii. Any body corporate in which a body corporate as provided in (i) above holds ten percent or more, of the equity share capital;
- iii. Any Hindu Undivided Family or firm in which the aggregate shareholding of the applicants, either individually or jointly (but not by the remaining promoter group entities), is equal to or more than ten percent of the total;

RESOLVED FURTHER THAT on approval of the SEBI Board/ Stock Exchange upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligation & Disclosure Requirements) Regulations,

2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary or the Compliance Officer or such other person as authorized by the Board, be and is hereby authorized to submit application for reclassification to the SEBI Board, Stock Exchanges, wherein the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution."

By order of the Board of Directors
For Sun Pharmaceutical Industries Ltd.

Place: Mumbai
 Date : 30th May, 2016

Sunil R. Ajmera
 Company Secretary

Registered Office:

SPARC, Tandalja
 Vadodara - 390 020.
 CIN: L24230GJ1993PLC019050
 Website: www.sunpharma.com

* The actual equity dividend to be declared by the shareholders at the 24th Annual General Meeting will be for only equity shares other than the equity shares in respect of which the equity shareholder(s) has/have waived/forgone his/their right to receive the dividend for the financial year ended 31st March, 2016 in accordance with the Rules framed by the Board as per Note No. 14 hereinafter appearing.

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 relating to the Special Business to be transacted at the Meeting under Item Nos. 5 to 15 of this Notice, is annexed hereto. The relevant details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of SS-2 Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India, in respect of the person seeking appointment/ re-appointment as Director and/or relating to increase in remuneration of Directors is also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.
3. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for holding the Meeting.
4. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not

- act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
5. The Register of Members and Share Transfer Books of the Company will be closed from **Saturday, 10th September, 2016, to Saturday, 17th September, 2016** (both days inclusive) for the purpose of the Twenty- Fourth Annual General Meeting of the Company and for the payment of Dividend.
 6. The Notice of the 24th Annual General Meeting (AGM) along with the Annual Report 2015-2016 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. A copy of the notice of the AGM along with the Annual Report is also available for download on the website of the Company www.sunpharma.com. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with our Registrar & Share Transfer Agent, M/s. Link Intime (India) Private Limited / Depositories.
 7. Relevant documents / agreements referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company and copies thereof at the Corporate Office of the Company on all working days, except Saturdays, between 11.00.a.m. to 1.00.p.m. upto the date of the Meeting and at the Meeting.
 8. Incase of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.
 9. Corporate members intending to send their authorized representatives to attend and vote on their behalf at the Meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative(s) to attend along with specimen signature of authorized representative(s).
 10. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.
 11. The Proxies should carry their identity proof i.e. a Pan Card / Aadhaar card / Passport / Driving License.
 12. The Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms, subject to availability of such facility at the respective location of such shareholders. The Company is also providing the facility of National Electronic Clearing Service (NECS) introduced by Reserve Bank of India, to all shareholders holding shares in electronic and physical forms with the data available/provided by shareholders with 15 digit bank account number for ECS, which offers all India coverage and enable the sponsor bankers to upload the data files more efficiently and effectively.
 13. The Board of Directors at their Meeting held on 30th May, 2016, recommended a Dividend @ ₹ 1/- (Rupee One) per Equity Share of ₹ 1/- each of the Company for the year ended 31st March, 2016 and the same if declared at the Meeting will be paid on or before **Wednesday, 21st September, 2016**
- to the Company's Equity Shareholders whose name stand on the Register of Members as beneficial owners at the close of business as on **Friday, 9th September, 2016** as per the list provided by NSDL & CDSL in respect of shares held in electronic form and as Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before **Friday, 9th September, 2016**.
14. At the Extra Ordinary General Meeting of the members of the Company held on Monday, 1st September, 2003, the Members had approved, by way of Special Resolution, certain amendments to the Articles of Association of the Company relating to enabling the Company to implement any instruction from Member(s) of the Company to waive/forgo his/their right to receive the dividend (interim or final) from the Company for any financial year. Thus the Members of the Company can now waive/forgo, if he/they so desire(s), his/their right to receive the dividend (interim or final) for any financial year effective from the dividend recommended by the Board of Directors of the Company for the year ended 31st March, 2004 on a year to year basis, as per the rules framed by the Board of Directors of the Company from time to time for this purpose. The Shareholder, if so wishes to waive/forgo the right to receive Dividend for the year ended 31st March, 2016 shall fill up the form and send it to the Company's Registrars on or before **Friday, 9th September, 2016**. The form prescribed by the Board of Directors of the Company for waiving/forgoing the right to receive Dividend for any year shall be available by downloading from the Company's website www.sunpharma.com under section "Investors - Shareholder's Information- Statutory Communication" or can also be obtained from the Company's Registrars and Transfer Agents, M/s. Link Intime (India) Pvt. Limited.
- THE BOARD OF DIRECTORS OF THE COMPANY AT ITS MEETING HELD ON 1st SEPTEMBER, 2003 HAVE FRAMED THE FOLLOWING RULES UNDER ARTICLE 190 A OF THE ARTICLES OF ASSOCIATION OF THE COMPANY FOR EQUITY SHAREHOLDERS WHO WANT TO WAIVE/ FORGO THE RIGHT TO RECEIVE DIVIDEND IN RESPECT OF FINANCIAL YEAR 2002-2003 OR FOR ANY YEAR THEREAFTER.**
- I. A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the Equity Shares held by him in the Company as on the Record Date/ Book-closure Date fixed for determining the names of Members entitled for such dividend. However, the shareholders cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on share(s).
 - II. The Equity Shareholder(s) who wish to waive/forgo the right to receive the dividend for any year shall inform the Company in the form prescribed by the Board of Directors of the Company only.
 - III. In case of joint holders holding the Equity Shares of the Company, all the joint holders are required to intimate to the Company in the prescribed form their decision of waiving/forgoing their right to receive the dividend from the Company.
 - IV. The Shareholder, who wishes to waive/forgo the right to receive the dividend for any year shall send his / her irrevocable instruction waiving/ forgoing dividend so as

to reach the Company before the Record Date /Book Closure Date fixed for the payment of such dividend. Under no circumstances, any instruction received for waiver/ forgoing of the right to receive the dividend for any year after the Record Date /Book Closure Date fixed for the payment of such dividend for that year shall be given effect to.

- V. The instruction once given by a Shareholder intimating his waiver/forgoing of the right to receive the dividend for any year for interim, final or both shall be irrevocable and cannot be withdrawn for that particular year for such waived/ forgone the right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Record Date/Book Closure Date fixed for the payment of such dividend, the instruction once exercised by such earlier Shareholder intimating his waiver/forgoing the right to receive dividend will be invalid for the next succeeding Shareholder(s) unless such next succeeding Shareholder(s) intimates separately in the prescribed form, about his waiving/ forgoing of the right to receive the dividend for the particular year.
- VI. The Equity Shareholder who wish to waive/forgo their right to receive the dividend for any year can inform the Company in the prescribed form only after the beginning of the relevant financial year for which the right to receive the dividend is being waived/forgone by him.

Pertaining to Sun Pharmaceutical Industries Limited

Dividend for Financial Year Ended	Date of Declaration of Dividend entitled	Rate of Dividend	Last date for claiming unpaid Dividend	Due Date for transfer to IEP Fund
2008-2009	11.09.2009	275% Equity	10.09.2016	09.10.2016
2009-2010	24.09.2010	275% Equity	23.09.2017	22.10.2017
2010-2011	16.09.2011	350% Equity	15.09.2018	14.10.2018
2011-2012	10.08.2012	425% Equity	09.08.2019	07.09.2019
2012-2013	30.09.2013	250% Equity	26.09.2020	25.10.2020
2013-2014	27.09.2014	150% Equity	27.09.2021	26.10.2021
2014-2015	31.10.2015	300% Equity	30.10.2022	29.11.2022

Pertaining to erstwhile Ranbaxy Laboratories Limited

Dividend for Calendar Year Ended	Date of Declaration of Dividend entitled	Rate of Dividend	Last date for claiming unpaid Dividend	Due Date for transfer to IEP Fund
2010	09.05.2011	40% Equity	08.05.2018	06.06.2018

Members who have not encashed their dividend warrants, for the financial year ended 31st March, 2009 and onwards may approach the Company's Registrar & Transfer Agents, M/s Link Intime (India) Pvt. Ltd., C-13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078 for revalidating the warrants or for obtaining duplicate warrants. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim can be made by the respective shareholders for the same. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts (as referred to in Section 205C(2)) lying with the Company as on 31st October, 2015 (date of the last Annual General Meeting

- VII. The instruction by a Shareholder to the Company for waiving/ forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholder. There is no interference with a Shareholder's Right to receive the dividend, if he does not wish to waive/forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.
- VIII. The decision of the Board of Directors of the Company or such person(s) as may be authorized by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and/or implementation of these Rules.
- IX. These Rules can be amended by the Board of Directors of the Company from time to time as may be required.
- 15. Pursuant to Section 205A and Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEP Fund). The Company will be transferring the unclaimed dividends during the financial years ending 31st March, 2017 to 31st March, 2023 as given below:

of the Company) on the website of the Company viz., www.sunpharma.com under head "Investors" sub-head "Shareholder's Information" as well as on the website of the Ministry of Corporate Affairs viz., www.iepf.gov.in.

- 16. The Members of erstwhile Tamilnadu Dadha Pharmaceuticals Limited, erstwhile Gujarat Lyka Organics Limited, erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited, who have not yet sent their share certificates of erstwhile Tamilnadu Dadha Pharmaceuticals Limited, Chennai, Gujarat Lyka Organics Limited, erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited, respectively for exchange with the share certificates of Sun Pharmaceutical Industries Limited are requested to do so at the earliest, since share certificates of the erstwhile Tamilnadu Dadha Pharmaceuticals Limited,

- erstwhile Gujarat Lyka Organics Limited, erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited are no longer tradable/ valid.
17. The Members may be aware that the Equity Shares of the Company had been sub-divided from 1 (One) equity share of ₹ 5/- each to 5 (Five) equity shares of ₹ 1/- each on 29th November, 2010 based on the Record Date of 26th November, 2010 in terms of the Resolutions passed by the Shareholders of the Company by way of postal ballot conducted during November, 2010, the results of which were announced on 12th November, 2010. The Members who have yet not sent their share certificates of ₹ 5/- each of the Company for exchange with new equity shares of ₹ 1/- each shall send the same to the Company's Registrar & Transfer Agents, M/s. Link Intime (India) Pvt. Ltd since the old share certificates of ₹ 5/- each are no longer tradable.
18. Please note that as per the Notification of SEBI, Sun Pharmaceutical Industries Limited's shares are under compulsory Demat trading with effect from 29th November, 1999 for all the investors. You may, therefore, demat your equity share holdings if not already dematted, to avoid any inconvenience.
19. Voting through electronic mean (E-voting).
- 1) In accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (the Rules) including the amendments thereto, the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 24th Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide e-voting facility to its members.
 - 2) The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut-off date **Saturday, 10th September, 2016**.
 - 3) The remote e-voting period begins on **Wednesday, 14th September, 2016 at 09.00 a.m.** and ends on **Friday, 16th September, 2016 at 05.00 p.m.** During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Saturday, 10th September, 2016**, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
 - 4) The facility for voting by ballot or polling paper shall also be made available at the meeting and Members of the Company as of cut-off date, attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 - 5) **Mr. Jatin N. Thakkar, Partner, M/s. Bathiya & Associates LLP, Chartered Accountants, Mumbai** has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 6) The Procedure and instructions for e-voting are as under:
- The instructions for shareholders voting electronically are as under:**
- (i) The voting period begins on **Wednesday, 14th September, 2016 at 09.00.a.m.** and ends on **Friday, 16th September, 2016 at 05.00.p.m.** During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Saturday, 10th September, 2016**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user, follow the steps given below:
- | | |
|------------------------|--|
| | For Members holding shares in Demat Form and Physical Form |
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. |
- * Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the Default PAN field. Any person who becomes a member of the Company after dispatch of the Notice and holds shares of the Company as on the cut-off date ie. 10th September, 2016 and whose PAN is not registered with the Company may obtain the sequence number detail by writing to the Company at sunpharma@linkintime.co.in or secretarial@sunpharma.com or contact the Compliance Officer.
- #Please enter any one of the details relating to DOB or Dividend Bank Details in order to login. In case both the details are not recorded with the depository or Company, please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
 - (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for **Sun Pharmaceutical Industries Limited** to vote.
 - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
 - (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same and send the scan copy of the Board resolution/ POA to scrutinizer@sunpharma.com.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- Any person having any grievances in connection with remote e-voting may write to :
- | |
|---|
| Name : Mr. Rakesh Dalvi |
| Designation : Deputy Manager |
| Address : Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Fort, Mumbai – 400001. |
| Email id : helpdesk.evoting@cdslindia.com |
| Phone number : 18002005533 |
- 7) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- 8) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sunpharma.com and on the website of CDSL, www.evotingindia.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

PROFILE OF DIRECTORS

(Details of Directors proposed to be appointed/ reappointed and/or whose remuneration is proposed to be increased)

As required by Regulation 36 of the SEB (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standard - 2, the particulars of Directors who are proposed to be appointed/ reappointed and/or whose remuneration is proposed to be increased at the 24th Annual General Meeting, are given below:

The details of Board and Committee Meetings attended by these Directors during the year 2015-2016 are stated in the Corporate Governance Report.

The details of remuneration are provided in the respective resolutions and in the Explanatory Statement.

Particulars	Mr. Dilip S. Shanghvi	Mr. Sudhir V. Valia	Mr. Sailesh T. Desai	Mr. S. Mohanchand Dadha
Age	60 Years	59 Years	61 Years	79 Years
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Dilip S. Shanghvi is a graduate in commerce from the Kolkata University. He is the Managing Director of the Company and Chairman & Managing Director of Sun Pharma Advanced Research Company Ltd. He is the founding partner of Sun Pharmaceutical Industries, a firm which was later converted into Sun Pharmaceutical Industries Limited (SPIL) in 1993. Under his leadership, SPIL has recorded an all-round growth in business. He has extensive experience in the pharmaceutical industry. As the promoter of SPIL, he has been actively involved in international pharmaceutical markets, business strategy, business development and research and development functions in the Company. Mr. Shanghvi was conferred with the prestigious 'Padma Shri' award by the Hon'ble President of India in the year 2016. He is recipient of several awards as listed under 'Recognition or awards' in point 3 of Clause I of Statement of Information provided under Schedule V in the Explanatory Statement.	Mr. Sudhir V. Valia holds a Bachelor's degree in Commerce from University of Mumbai and is also a qualified Chartered Accountant with more than three decades of taxation and finance experience. He has been the Director of Sun Pharmaceutical Industries Limited since 1994 and is also on the Board of Taro Pharmaceutical Industries Ltd. Mr. Valia has won several awards including CNBC TV18's CFO of the Year in the Pharmaceutical and Healthcare Sectors for two consecutive years (2011 and 2012). He is actively involved in the field of social activities and he was awarded the Adyasi Sevak Puraskar (2008-2009) by the Government of Maharashtra for his contribution towards the welfare of tribals, particularly in the field of education in his capacity as visionary and Director of Shantilal Shantilalji Foundation. He is also a Director of Krishna Vrudhan Pratishthan.	Mr. Sailesh T. Desai is a science graduate from Kolkata University and is a successful entrepreneur with more than five decades of wide experience in Pharma Industry and has competent knowledge and experience in financial and accounting areas. Mr. Dadha was Managing Director and Promoter of erstwhile Famindu Dadha Pharmaceuticals Ltd. He is also trustee of many Charitable Trusts. He was a Member of Tamilnadu Government constituted Drug Committees, namely The Drug Advisory Committee and the Committee for the development of Drug Industries in Tamil Nadu.	Mr. S. Mohanchand Dadha is a successful entrepreneur with more than five decades of wide experience in Pharma Industry and has competent knowledge and experience in financial and accounting areas. Mr. Dadha was Managing Director and Promoter of erstwhile Famindu Dadha Pharmaceuticals Ltd. He is also trustee of many Charitable Trusts. He was a Member of Tamilnadu Government constituted Drug Committees, namely The Drug Advisory Committee and the Committee for the development of Drug Industries in Tamil Nadu.
Date of First appointment on the Board Directorship held in other companies (excluding foreign companies & section 8 companies)	1st March, 1993 Sun Pharma Advanced Research Company Limited Sun Petrochemicals Private Limited Alfa Infraprop Private Limited Aditya Clean Power Ventures Private Limited	31st January, 1994 Sun Pharma Advanced Research Company Limited Sun Pharma Laboratories Limited Aditya Clean Power Ventures Private Limited Sun Petrochemicals Private Limited Karad Chemicals and Allied Products Private Limited Suraksha Asset Reconstruction Private Limited Aditya Thermal Energy Private Limited Fastistrack Housing Finance Private Limited Alfa Infraprop Private Limited Universal Enterprises Private Limited Kopta Estate Private Limited	25th March, 1999 Sun Pharma Laboratories Limited Universal Enterprises Private Limited	29th May, 1997 Sun Pharma Advanced Research Company Limited Dadha Pharma Private Limited Wardex Pharmaceuticals Private Limited Netmeds Marketplace Limited Sun Pharma Laboratories Limited Tresara Health Private Limited Vitalic Health Private Limited Vitalic Nutrition Private Limited Dadha Pharma Distribution Private Limited Trisa Jewellery Private Limited
Membership/ Chairmanships of Committees of other public Companies (Includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Member of Stakeholders Relationship Committee – Sun Pharma Advanced Research Company Limited Member of Audit Committee – Sun Pharma Laboratories Limited	Chairman of Audit Committee – Sun Pharma Laboratories Limited Member of Audit Committee – Sun Pharma Advanced Research Company Limited	Chairman of Audit Committee – Sun Pharma Laboratories Limited Member of Audit Committee – Sun Pharma Advanced Research Company Limited
Inter-se Relationship between Directors	Mr. Dilip Shanghvi is Brother-in-Law of Mr. Sudhir V. Valia	23,11,40,480 Equity Shares	14,384,000 Equity Shares	3,751,020 Equity Shares
No. of Shares held in the Company (singly or jointly as first holder) as on 31st March 2016	-	-	-	16 Equity Shares

Particulars	Mr. Keki M. Mistri	Mr. Ashwin S. Dani	Mr. Hasmukh S. Shah	Ms. Rekha Sethi
Age	61 Years	73 Years	81 Years	52 Years
Brief resume of the Director including nature of expertise in specific functional areas	<p>Mr. Keki M. Mistri is the Vice Chairman & Chief Executive Officer of Housing Development Finance Corporation Limited (HDFC). He joined HDFC in October 1981 and prior to joining HDFC, he worked with the Indian Hotels Co. Ltd. Mr. Mistri is a fellow member of the Institute of Chartered Accountants of India and a Member of the Michigan Association of Certified Public Accountants, USA. He has rich experience in Finance and worked as a consultant to the Commonwealth Development Corporation in Bangkok, Thailand, Mauritius, Caribbean Islands & Jamaica, Asian Development Bank and Mauritius Housing Company. Presently, he is the Chairman of Gruh Finance Limited, Vice Chairman & CEO of Housing Development Finance Corporation Limited.</p>	<p>Mr. Ashwin Dani is a B.Sc. (Hons) from the Institute of Science, University of Mumbai and B.Sc. (Tech.) (Pigments & Varnishes) from J.D.C.T. University of Mumbai. He also holds a Master Degree in Polymer Science (USA) and Diploma in Colour Science (USA). He was the founder promoter for LociTe India Private Limited. Mr. Ashwin Dani is the past President of the Indian Paint Association (IPA) and has received numerous awards for his contribution to the Paint Industry. He was the Vice President of Federation of Indian Chambers of Commerce and Industry (FICCI). He was also a member of the Central Board of Trustees - Employees Provident Fund of the Government of India and the President of the Board of Governors of the UDCT (presently IIT) Alumni Association, Mumbai.</p> <p>He joined Asian Paints in 1968 as a Senior Executive and moved through successive senior positions like Director - R&D Works Director, Whole-time Director and served as Vice Chairman and Managing Director from December, 1997 to March, 2009. He is the Promoter of Asian Paints Limited and holds the position of Non-Executive Vice Chairman and is also the Promoter and Non-Executive Chairman of Hitech Plast Limited. He is a technocrat and has developed strong focus in the Research and Development initiatives in the Paint Industry. He has good knowledge of the business environment and vast experience in general management.</p>	<p>Mr. Hasmukh Shah is a B.A. Economics (Hons) and M.A. with Sociology with first rank in the University. He has had over four decades of experience in senior management, most notably as former Chairman and Managing Director of Indian Petrochemical Corporation Limited. He has had wide experience in various government departments, including as Joint Secretary in the Prime Minister's Office, Secretary, Department of Post and Telegraph, and Chairman of the National Institute of Design, the Institute of Rural Management, Anand and the Gujarat Council of Science & Technology. He has been Chairman of the Gujarat Ecology Commission, the Gujarat Institute of Desert Ecology, the Centre for Fuel Studies and Research, the Expert Committee on Disinvestment (Government of Gujarat), the Advisory Committee on Natural Gas, Government of Maharashtra and the Vikram A. Sarabhai Community Science Centre. He has been a member of the Board of Governors of the Indian Institute of Technology, Powai, and is a member of the BAIFF Board of Trustees. He is a former Chairman of Indian Petrochemicals Corporation Ltd. and Gujarat Industrial Investment Corporation.</p>	<p>Ms. Rekha Sethi is the Director General of the All India Management Association (AIMA), the apex body for management in India. She took charge of AIMA in June 2008. She is on the Board of Accreditation and is a member of the Advisory Board of the Switzerland based St. Gallen Foundation think tank, Leaders of Tomorrow - Knowledge Pool.</p> <p>Prior to joining AIMA, Ms. Sethi has worked with the Confederation of Indian Industry (CII) for over 17 years. Ms. Sethi graduated in English Literature from St. Stephens College, Delhi and has a post-graduate diploma in Advertising and Management.</p>
Date of First appointment on the Board	28th August, 2002	28th January, 2004	23rd March, 2001	13th February, 2014
Directorship held in other companies (excluding foreign companies & section 8 companies)	Housing Development Finance Corporation Limited Gruh Finance Limited HDFC Standard Life Insurance Company Limited HDFC Ergo General Insurance Company Limited HDFC Bank Limited Greatship (India) Limited HDFC Asset Management Company Limited HCL Technologies Limited Torrent Power Limited	Resins and Plastics Limited Gujarat Organics Limited Hitech Plast Limited Asian Paints Limited Geetanjali Trading and Investments Private Limited Hitech Insurance Broking Services Limited ACC Limited Smiti Holding and Trading Company Private Limited Raynith Holding and Trading Company Private Limited Isis Holding and Trading Company Private Limited CANES Venatici Trading Private Limited Hydra Trading Private Limited Rituu Holding and Trading Company Private Limited Avinash Holding and Trading Company Private Limited	Atul Limited	CESC Ltd Sun Pharma Laboratories Ltd
Membership/ Chairmanships of public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	<p>Chairman of Audit Committee - Torrent Power Limited Greatship (India) Limited</p> <p>Member of Audit Committee - HCL Technologies Limited HDFC Standard Life Insurance Company Limited HDFC Ergo General Insurance Company Limited HDFC Asset Management Company Limited</p>	<p>Chairman of Stakeholders Relationship Committee - Hitech Plast Limited</p> <p>Member of Stakeholders Relationship Committee - Resins and Plastics Limited</p>	<p>Chairman of Stakeholders Relationship Committee - Atul Limited</p>	<p>Member of Audit Committee - Sun Pharma Laboratories Limited</p>
Inter-se Relationship between Directors	No. of Shares held in the Company (singly or jointly as first holder) as on 31st March 2016	43,270 Equity Shares	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under Item Nos. 5 to 15 of the accompanying Notice dated 30th May, 2016.

Item No. 5:

M/s. Kailash Sankhlecha & Associates, Cost Accountants, have been appointed by the Board of Directors of the Company on recommendation of the Audit Committee for audit of cost accounting records pertaining to the formulations and bulk drugs activities of the Company for the financial year ended 31st March, 2017 at a remuneration of ₹ 17,38,000/- (Rupees Seventeen Lakhs and Thirty Eight Thousand Only) excluding reimbursement of out of pocket expenses and applicable service tax.

In terms of provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, members ratification is required for remuneration payable to the Cost Auditor.

Therefore, consent of the members of the Company is sought for passing of an Ordinary Resolution as set out in Item No. 5 for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

The Board recommends the Resolution as set out in item no. 5 of the Notice for approval of the Members

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution.

Item Nos. 6 to 10

As per the provisions of Section 149, Section 152 and Schedule IV of the Companies Act, 2013 read with rules thereunder, the Company had appointed Mr. S. Mohanchand Dadha, Mr. Keki Mistry, Mr. Ashwin Dani, Mr. Hasmukh Shah and Ms. Rekha Sethi as Independent Directors as per the requirement of the Companies Act, 2013 at the 22nd Annual General Meeting of the Company held on 27th September, 2014 for a term of 2 years upto the conclusion of this 24th Annual General Meeting.

Since, all the Independent Directors of the Company have completed one term, they are further eligible for re-appointment for one more term.

The Performance evaluation of the Independent Directors were conducted by the entire Board (excluding the Director being evaluated) on the basis of criterias such as Transparency, Analytical Capabilities, Performance, Leadership, Ethics and ability to take balanced decisions regarding stakeholders, etc.

Accordingly, based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and Board of Directors of the Company at their meeting held on 30th May, 2016, have approved and recommended the reappointment of the aforesaid Independent Directors, for a second term as provided in the resolutions, and they shall not be liable to retire by rotation at the Annual General Meeting as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, they fulfill the conditions specified in the said Act for re-

appointment as Independent Directors.

The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the candidature for appointment of aforesaid Independent Directors.

The brief profile of all the Directors is mentioned under "PROFILE OF DIRECTORS" forming part of this Notice and details of remuneration paid/payable are as provided in the Corporate Governance report forming part of the Annual Report for 2015-16.

The Board recommends the Resolutions as set out in item nos. 6, 7, 8, 9 & 10 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are in any way concerned or interested in the Resolutions, as set out in item nos. 6, 7, 8, 9 & 10 of the Notice.

Item No. 11, 12 & 13

Mr. Dilip S. Shanghvi was re-appointed as Managing Director by way of a special resolution passed by the members at the 20th Annual General Meeting of the Company held on 8th November, 2012 with effect from 1st April, 2013 for period of five years upto 31st March, 2018.

Mr. Sudhir V. Valia and Mr. Sailesh T. Desai were re-appointed as Whole-time Directors of the Company by way of a special resolution passed by the members of the Company at the 21st Annual General Meeting of the Company held on 30th September, 2013 with effect from 1st April, 2014 for a further period of five years upto 31st March, 2019.

Further the Members at the 22nd Annual General Meeting of the Company held on 27th September, 2014, by way of a special resolution, approved remuneration to Mr. Dilip Shanghvi, Managing Director, Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, Whole-time Directors upto the limit as approved by Members at the 22nd AGM as maximum remuneration (refer table as provided in point 2 of Clause II of 'Statement of Information provided under Schedule V') including the minimum remuneration to be paid in case Company has no profits or the profits of the Company are inadequate for a period of 3 years from 1st April, 2014 upto 31st March, 2017, as approved and recommended by the Audit Committee, Nomination and Remuneration Committee and the Board.

The approval by members for payment of minimum remuneration to Mr. Dilip Shanghvi, Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, in case of inadequacy of profits is valid upto 31st March, 2017.

The Managing Director and Whole-time Director(s) have provided dedicated and meritorious services and significant contribution to the overall growth of the Company. Therefore the Board is of the view that the existing upper limit remuneration in respect of Mr. Dilip Shanghvi, Managing Director of the Company may not be sufficient enough to pay the increased remuneration over a period of balance 2 (Two) years of his term, therefore the approval of the members of the Company is sought for revision in the maximum limit of remuneration as provided in the resolution no. 11 as minimum remuneration with effect from 1st April, 2016 for the remaining period of his appointment upto 31st March, 2018, in case of inadequacy or absence of profits, subject to the approval of the Central Government, if required.

Similarly, the existing upper limit remuneration in respect of Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, Whole-time Directors of the Company which may not be sufficient enough to pay

the increased remuneration over a period of balance 3 (Three) years of their term, therefore the approval of the members of the Company is sought for revision in the maximum limit of remuneration as provided in resolution no.12 and 13, respectively as minimum remuneration with effect from 1st April, 2016 for the remaining period of appointment upto 31st March, 2019, in case of inadequacy or absence of profits, subject to the approval of the Central Government, if required.

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013.

I. General Information

1. Nature of industry:

The Company is engaged into development, manufacture, sale, trading, marketing and export of various pharmaceutical products.

2. Date of commencement of commercial production:

The Company carries on pharmaceutical business since its incorporation.

3. Financial performance based on given indicators:

Standalone Financial Results:

Particulars	(₹ in Crores except EPS)	
	2015-16	2014-15
Profit (Loss) after Tax	(1,073.36)	(1,474.13)
Net Worth (including balance in Profit & Loss Account)	17,807.8	18,984.28
Earnings Per Share	₹ (4.5)	₹ (6.1)
Turnover	7,262.46	7,882.47

Consolidated Financial Results:

Particulars	(₹ in Crores except EPS)	
	2015-16	2014-15
Profit (Loss) after Tax	4,715.91	4,539.38
Net Worth (including balance in Profit & Loss Account)	26,931.60	22,483.42
Earnings Per Share	₹ 19.6	₹ 18.9
Turnover	27,992.15	27,518.2

4. Foreign investments or collaboration, if any:

For details of investment made by the Company, please refer the schedule no. 11 of the Standalone Balance sheet forming part of the Annual Report for 2015-16 being sent along with this Notice.

As on 31st March, 2016, the Shareholding of Foreign Institutional Investors, Foreign Nationals and Foreign Companies, in the Company is detailed as under:

Particulars	No. of Shares	%
Foreign Portfolio Investors	635560783	26.41
Foreign Nationals	31042	0.00
Non Resident Indians (Repat)	3531944	0.15
Non Resident Indians (Non Repat)	2005185	0.08
Foreign Companies	813962	0.03
Overseas Bodies Corporate	59440	0.00
Foreign Bank	25422	0.00
Total	642027778	26.68

The Company has not entered into any material foreign collaboration.

II. Information about the Appointee

1. Background details:

The background details and profile of Mr. Dilip S. Shanghi, Mr. Sudhir V. Valia and Mr. Sailesh T. Desai are stated in "PROFILE OF DIRECTORS" to this Notice.

2. Past remuneration:

The remuneration paid/payable to Managing Director and Whole-time Director(s) for the last financial year 2014-2015 subject to approval of the Central Government is as follows:

Name of the Directors	(₹ in Millions)
Mr. Dilip Shanghi*	31.53
Mr. Sudhir Valia*	31.34
Mr. Sailesh Desai	10.99

* Remuneration to the Managing Director and Whole-time Director is in excess of the limits specified under Schedule V of the Companies Act, 2013 by ₹ 20.7 Million for which the Company has made necessary applications to the Central Government as detailed below, the response in respect of which is awaited.

Pursuant to the approval of the Shareholders for the maximum remuneration to Managing Director and Whole-time Director(s) for 3 (Three) years from 1st April, 2014 to 31st March, 2017, the Company filed an application on 17th December, 2014 under Section 197(3) read with Schedule V of the Companies Act, 2013 for approval of the Central Government. However the Company received letter from the Central Government on 3rd November, 2015, approving only ₹ 60,00,000 (Rupees Sixty Lakhs only) per annum for a period of three years with effect from 1st April, 2014 to 31st March, 2017.

Based on the computation of Effective capital, the permissible limit of remuneration as per Schedule V of the Act, for the Managing Director and Whole-time Director(s) is ₹ 1.84 crores p.a. each, in the event of inadequacy of profit. Therefore the Company is permitted to pay upto ₹ 1.84 crores p.a. each to Managing Director and Whole-time Director(s), without the approval of the Central Government in view of inadequacy of profits for the year 2015-2016.

The Company has made further representation to the Central Government vide letter dated 24th December, 2015 in response to their letter for approval of the remuneration upto the limit as approved by the members, the response in respect of which is awaited. In case the requisite approval is not received from the Central Government, the excess remuneration would be refunded by the Managing Director and the Whole-time Director.

During the year, payment of remuneration as per their entitlement for 2015-2016 has been made to them only for part of the year upto the permissible limits. On

receipt of the approval from the Central Government, the balance amount of remuneration for the year 2015-2016 as per their entitlement, shall be paid to the Managing Director and Whole-time Director, as applicable, and the same will be given effect to in the year in which the approval is received.

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

Name of the Directors	Amount of remuneration (including contribution to PF) entitled for the year 2015-2016, as approved by the Board within the limit as approved by the members	Actual Amount Paid/Provided out of the amount entitled for the year 2015-2016 (including contribution to PF)	Amount of Remuneration paid for 2015-2016, 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. as approved by Board and by Members at the 22nd AGM, subject to approval of the Central Government, for the current tenure of appointment*
Mr. Dilip Shanghvi**	3.42	2.04	1.83	4.62
Mr. Sudhir Valia	3.42	2.04	1.83	4.62
Mr. Sailesh Desai	1.21	1.21	1.11	1.18

* 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 as earlier approved by the members.

3. Recognition or awards:

1. Mr. Dilip S. Shanghvi, Managing Director has been awarded the following awards:

Year	Awards
2016	<ol style="list-style-type: none"> 1. PADMA SHRI – 2016 (Fourth Highest Civilian Award – Government of India) 2. NDTV BUSINESS LEADERSHIP AWARD – PHARMACEUTICAL - 2016
2014	<ol style="list-style-type: none"> 1. JRD TATA CORPORATE LEADERSHIP AWARD AIMA (All India Management Association) 2. ECONOMIC TIMES BUSINESS LEADER OF THE YEAR AWARD 3. CNBC-TV18, OUTSTANDINGS BUSINESS LEADER OF THE YEAR 4. FORBES ENTREPRENEUR FOR THE YEAR
2011	<ol style="list-style-type: none"> 1. WORLD ENTREPRENEUR OF THE YEAR ERNST AND YOUNG 2. INDIAN OF THE YEAR (BUSINESS) CNN IBN 3. BUSINESSMAN OF THE YEAR BUSINESS INDIA
2010	<ol style="list-style-type: none"> 1. ENTREPRENEUR OF THE YEAR ERNST AND YOUNG
2008	<ol style="list-style-type: none"> 1. ENTREPRENEUR OF THE YEAR ECONOMIC TIMES 2. CEO OF THE YEAR BUSINESS STANDARD
2007	<ol style="list-style-type: none"> 1. FIRST GENERATION ENTREPRENEUR OF THE YEAR CNBC TV 18 2. PHARMACEUTICAL COMPANY IMC JURAN QUALITY MEDAL
2005	<ol style="list-style-type: none"> 1. ENTREPRENEUR OF THE YEAR (HEALTHCARE AND LIFE SCIENCES) ERNST AND YOUNG

2. Mr. Sudhir V. Valia, Whole-time Director has been awarded the following awards:

Year	Awards
2011 & 2012	<ol style="list-style-type: none"> 1. BEST CFO IN PHARMA AND HEALTHCARE CNBC TV 18 CFO Awards
2009	<ol style="list-style-type: none"> 1. BEST CFO IN PHARMA AND HEALTHCARE CNBC TV 18 CFO Awards 2. The Adivasi Sevak Puraskar (2008-09) by the Government of Maharashtra for his contribution towards the welfare of tribals in the field of education

4. Job Profile and suitability:

- i. Mr. Dilip S. Shangvi, Managing Director of the Company, is highly experienced and controls the affairs of the Company as a whole under the direction of the Board of Directors of the Company. He has successfully and in a sustained way contributed significantly towards growth in performance of the Company. He has extensive experience in the pharmaceutical industry. He is actively involved in international pharmaceutical markets, business strategy, business development functions of the Company.
- ii. Mr. Sudhir V. Valia, Whole-time Director of the Company having rich experience in taxation and finance has successfully contributed towards the growth of the Company.
- iii. Mr. Sailesh T. Desai, Whole-time Director of the Company is highly experienced and provided significant contribution in some of the marketing areas for the products of the Company.

5. Remuneration Proposed:

Details of remuneration proposed for approval of the Shareholders at this 24th Annual General Meeting of the Company are as provided in the respective resolutions.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The current remuneration being paid to the Managing Director and Whole-time Directors (looking at the profile of the position and person) is lower than the remuneration being paid by the Companies of comparable size in the industry in which the Company operates.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Apart from the remuneration and perquisites paid to them as Managing Director/ Whole-time Directors as stated above and their respective shareholding held directly or indirectly in the Company and Mr. Sudhir V. Valia being the brother in law of Mr. Dilip S. Shangvi, the Directors do not have any pecuniary relationship directly or indirectly with the Company and its managerial personnel.

III. Other Information

1. Reasons of loss or inadequate profits and steps taken or proposed to be taken for improvement:

The Company has reported a net loss on standalone basis primarily on account of charges taken by the Company towards various optimization and integration measures being carried out by the company post

amalgamation of erstwhile Ranbaxy Laboratories Limited with the Company, which has been effected on 24th March, 2015, with appointed date of 1st April, 2014. The Company's integration and optimization exercise is progressing well and is as per schedule. In addition to these optimization and integration measures, supply constraints and increased compliance/remediation costs also adversely impacted the profitability of the Company for the year.

However, the Company continues to earn profit on consolidated basis and hence there are no specific steps required to take and proposed to be taken for improvement other than working towards resolving some of the aforementioned constraints. Some of the Company's subsidiaries in India & overseas are engaged in substantial business activities. In view of this, the Company's standalone revenues and profits are lower without affecting adversely the revenues and profits on consolidated basis.

2. Expected increase in productivity and profits in measurable terms:

The Company has earned the profit of ₹ 61.71 Crores during the quarter ended 31st March, 2016 and the Company is expected to do well in future.

IV. Disclosures:

The disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been made in the Boards' Report under the heading "Corporate Governance Report" forming part of the Annual Report for 2015-16.

The Board recommends the Resolutions as set out at Item no. 11, 12 & 13 of the Notice as Special Resolutions, for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Directors for their respective appointments, are in any way concerned or interested in the Resolutions as set out at Item nos. 11, 12 and 13 of the Notice except to the extent of their shareholding, if any, in the Company.

Item No. 14

The Articles of Association of the Company as currently in force was adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were adopted from time to time, over the past several years.

Considering that substantive sections of the Companies Act, 2013 which deal with the general working of the Companies stand notified, it is proposed to adopt new set of Articles of Association

in line with the provisions of the Companies Act, 2013 including the Rules framed thereunder and to make certain other changes thereto. The Articles of Association as on date along with the proposed amendments are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting and at the Meeting and on the website of the Company.

Your Directors recommend the passing of the Resolution in Item No. 14 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution except to the extent of the rights or powers provided if any under the revised Articles of Association to them or their relatives.

Item No. 15

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations, 2015'), effective from December, 2015, has provided a regulatory mechanism for re-classification of promoters as Public Shareholders subject to fulfillment of conditions as provided therein.

Name of the Applicants	Number of Equity Shares held as on 21st May, 2016	% of shareholding as on 21st May, 2016
Mr. Jayant Shantilal Sanghvi	7416840	0.31
Pratham Investments	4600480	0.19
Mr. Ajay Vrundavandas Valia	16010	0.00
Mr. Kirit Valia	1281386	0.05
Kirit V Valia H.U.F	86	0.00
Mr. Jitendra Vrundavandas Valia	501150	0.02
Jitendra V Valia H.U.F	127300	0.01
Ms. Dipti Modi	227880	0.01
Ms. Varsha Doshi	322000	0.01
Total	14493132	0.60

In view of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015, the Board of Directors of the Company at their meeting held on 30th May, 2016, have approved all the applications for reclassification received by the Company as above from Promoter group category to Public category subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges based on declaration received from the aforesaid persons/entities.

None of the concerned persons/entities, acting individually and in concert, directly or indirectly exercise control over the management and affairs of the Company. Their shareholding alongwith persons acting in concert does not exceed 1% of the total share capital of the Company.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfills the minimum public shareholding requirement of atleast 25% and the proposed reclassification does not intend to increase the Public Shareholding to achieve compliance with the minimum public shareholding requirement.

In this regard, the Company received application from the following promoter group persons/entities pursuant to Regulation 31A of the Listing Regulations, 2015 for re-classifying them under the Public Category since their names have been included as a part of the Promoter group merely because they are deemed to be 'Immediate relatives' / controlled by the Immediate Relatives of the Promoter and Managing Director of the Company, Mr. Dilip S. Sanghvi as per the definition of promoter group as provided in Regulations 2(1)(zb)(ii) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 even though they are financially independent person/entities, who take independent investment decisions, without consulting Mr. Dilip S. Sanghvi and is in no way related to any of the business carried out by the Company. Further they do not hold any key managerial position or representations of the Board of Directors in the Company and have not engaged in any management or day to day affairs of the Company. None of their act influences the decision taken by the Company and they do not have any special right through formal or informal arrangements with the Company or with Mr. Dilip Sanghvi, Promoter and Managing Director of the Company. Similarly Mr. Dilip S. Sanghvi has no interest in the profession/business being carried on by the Applicants.

Place: Mumbai	Date : 30th May, 2016
Sunil R. Ajmera Company Secretary	

Your Directors recommend the passing of the Resolution in Item No. 15 of the Notice as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution except that Mr. Dilip Sanghvi and Mr. Sudhir Valia may be deemed to be concerned or interested in the resolution since the proposed outgoing Promoter Group members are related to them.

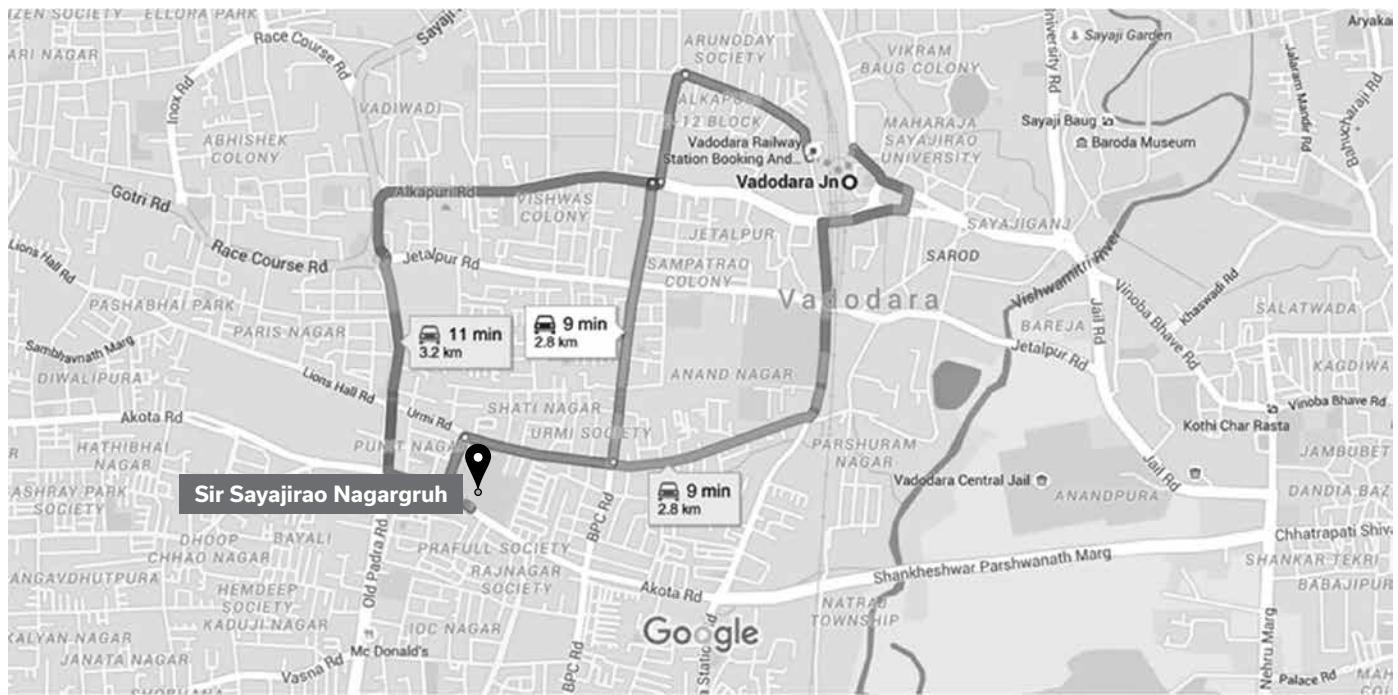
For Sun Pharmaceutical Industries Ltd.

Place: Mumbai
Date : 30th May, 2016

Registered Office:

SPARC, Tandalja, Vadodara - 390 020.
Tel Nos: 0265-6615500/600/700, Fax No.: 0265-2354897
CIN: L24230GJ1993PLC019050
Website: www.sunpharma.com

ROUTE MAP TO SIR SAYAJIRAO NAGARGRUH, THE AGM VENUE:





SUN PHARMACEUTICAL INDUSTRIES LTD.

Registered Office: SPARC Tandalja, Vadodara - 390 020 **Tel Nos:** 0265-6615500 / 600/700 **Fax No:** 0265-2354897
Corporate Office: Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon -East, Mumbai - 400 063, India.
CIN: L24230GJ1993PLC019050, **Website:** www.sunpharma.com

ATTENDANCE SLIP

TWENTY FOURTH ANNUAL GENERAL MEETING ON SATURDAY, 17TH SEPTEMBER, 2016 AT 11.15 A.M.

I /We hereby record my /our presence at the **Twenty Fourth Annual General Meeting** of the Company at **Sir Sayajirao Nagrgruh, Akota, Vadodara - 390 020, Gujarat, on Saturday, 17th September, 2016, at 11.15 a.m.**

Signature of the Attending Member: _____ Signature of Proxy: _____

Sr. No. : Registered Folio/DP ID & Client ID : Name and address of the Shareholder(s) :	
Joint Holder 1 : Joint Holder 2 :	

NOTES:

- (1) Shareholder/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder/ Proxy holder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.
- (3) **PLEASE NOTE THAT NO COUPONS WOULD BE DISTRIBUTED AT THE MEETING .**

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	User ID	*Default PAN	Number of Shares
160810013			

*Only Members who have not updated their PAN with the Company/ Depository Participant shall use default PAN in the PAN field.

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SUN PHARMACEUTICAL INDUSTRIES LTD.

Registered Office SPARC Tandalja, Vadodara - 390 020 **Tel Nos:** 0265-6615500 / 600/700 **Fax No:** 0265-2354897
Corporate Office: Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon-East , Mumbai - 400 063, India..
CIN: L24230GJ1993PLC019050, **Website:** www.sunpharma.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014 – Form MGT-11]

Name of the member(s) :	
Registered address :	
No. of Shares held :	
Folio No/ DP Id & Client Id :	
Joint Holder (s) :	
E-mail Id :	

I/We, being the member (s) of _____ shares of Sun Pharmaceutical Industries Limited, hereby appoint:

1. Name: Address:
E-mail Id: Signature: or failing him / her;
2. Name: Address:
E-mail Id: Signature: or failing him / her;
3. Name: Address:
E-mail Id: Signature: or failing him / her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Twenty Fourth Annual General Meeting** of the company, to be held on **Saturday, 17th September, 2016, at 11.15 a.m. at Sir Sayajirao Nagrgruh, Akota, Vadodara - 390020**, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolution
ORDINARY BUSINESS:	
1.	Adoption of audited financial statements of the Company and the reports of the Board of Directors and Auditors thereon for the financial year ended 31 st March, 2016
2.	Declaration of dividend on Equity Shares
3.	Re-appointment of Mr. Dilip Shanghvi (DIN: 00005588), who retires by rotation and being eligible offers himself for re-appointment.
4.	Ratification of appointment of Statutory Auditors
SPECIAL BUSINESS:	
5.	Ratification of Remuneration of Cost Auditor for the Financial Year 2016-17
6.	Special Resolution for Re-appointment of Mr. S. Mohanchand Dadha (DIN: 00087414) as Independent Director
7.	Special Resolution for Re-appointment of Mr. Keki Mistry (DIN: 00008886) as Independent Director
8.	Special Resolution for Re-appointment of Mr. Ashwin Dani (DIN: 00009126) as Independent Director
9.	Special Resolution for Re-appointment of Mr. Hasmukh Shah (DIN: 00152195) as Independent Director
10.	Special Resolution for Re-appointment of Ms. Rekha Sethi (DIN: 06809515) as Independent Director
11.	Special Resolution for approval for increase in maximum limit of Remuneration to Mr. Dilip S. Shanghvi (DIN: 00005588), Managing Director
12.	Special Resolution for approval for increase in maximum limit of Remuneration to Mr. Sudhir V. Valia (DIN: 00005561), Whole-time Director
13.	Special Resolution for approval for increase in maximum limit of Remuneration to Mr. Sailesh T. Desai (DIN: 00005443), Whole-time Director
14.	Special Resolution for approval for Adoption of new set of Articles of Association of the Company
15.	Special Resolution for approval for re-classification of certain promoter group persons / entities from 'Promoter & Promoter Group Category' to 'Public Category'

Signature of Shareholder: Signed this..... day of 2016

Signature of Proxy holder(s):

Affix
Revenue
Stamp of
Re.1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at SPARC, Tandalja, Vadodara - 390 020, not less than FORTY EIGHT HOURS before commencement of the Meeting.