

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUN PHARMA LABORATORIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SUN PHARMA LABORATORIES 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 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 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 42 to the financial statements, which describes the accounting treatment followed by the Company, with respect to intangible assets of the Domestic Formulation undertaking transferred to the Company pursuant to the scheme of arrangement in the nature of spin off and transfer of the said undertaking without consideration by Sun Pharmaceutical Industries Limited, the holding Company.

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 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 financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
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)

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 Pharma Laboratories 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 Pharma Laboratories Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the 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 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 Pharma Laboratories 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, in respect of a building where the Company is entitled to the right of occupancy and use and has disclosed as fixed assets in the 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. We further report that the following freehold land are not in the name of the Company:

Particulars of the freehold land	Gross Block (as at 31st March, 2016) Rs. In Million	Net Block (as at 31st March, 2016) Rs. In Million	Remarks
Freehold land located at Guwahati, Assam admeasuring around 7.95 acres	11.7	11.7	The registered sale deeds are in the name of Sun Pharma Sikkim (Partnership Firm) which was then converted into Sun Pharma Drugs Private Limited, erstwhile Company that was merged with the Company pursuant to the scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of Bombay.
Freehold land located at Chennai, Tamil Nadu admeasuring around 6.35 acres	0.3	0.3	The registered sale deeds are in the name of Sun Pharmaceutical Industries (Partnership Firm) which was then converted into Sun Pharma Medication Private Limited, erstwhile Company that was merged with the Company pursuant to the scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 in terms of the

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

Particulars of the land	Gross Block (as at 31st March, 2016) Rs. In Million	Net Block (as at 31st March, 2016) Rs. In million	Remarks
Leasehold land located at Gangtok, Sikkim, admeasuring around 6.58 acres	77.6	73.9	The lease agreements are in the name of Sun Pharma Sikkim (Partnership Firm) which was then converted into Sun Pharma Drugs Private Limited, erstwhile Company that was merged with the Company pursuant to the scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of Bombay.
Leasehold land located at Gangtok, Sikkim, admeasuring around 3.66 acres	36.2	35.5	The lease agreement is in the name of Sun Pharma Drugs Private Limited, erstwhile Company that was merged with the Company pursuant to the scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of Bombay.

- (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 granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), in respect of which:
- The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - There is no overdue amount remaining outstanding as at the year-end.

- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and 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 to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. 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 and Excise Duty 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 involved (Rs in Million)	Amount paid under protest (Rs. In Million)
Income Tax Act, 1961	Income Tax, Interest and Penalty	Commissioner	2011-14	13,131.0	5,505.8
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Commissioner (Appeals)	2005-06 and 2012-16	86.9	4.6
		Tribunal	2000-01, 2004-05, 2006-15	939.4	74.5
		Supreme Court	2005-08	32.6	-

There are no dues of Sales Tax, Service Tax, Customs Duty and Value added Tax which have not been deposited as on 31st March, 2016 on account of disputes.

- (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 banks. The Company has not taken any loans or borrowings from financial institutions and government. There are no repayment which were due to debenture holders during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.
- (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 accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (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 Section 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 financial statements etc. 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 holding, subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 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

SUN PHARMA LABORATORIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	As at 31st March, 2016		As at 31st March, 2015	
		₹ in Million	₹ in Million	₹ in Million	₹ in Million
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	400.5		400.5	
Reserves and Surplus	2	189,956.2	190,356.7	185,706.6	186,107.1
Non-current Liabilities					
Long-term Borrowings	3	10,000.0		-	
Deferred Tax Liabilities (Net)	4	260.7		240.3	
Other Long-term Liabilities	5	81.9		79.4	
Long-term Provisions	6	1,072.8	11,415.4	893.3	1,213.0
Current Liabilities					
Short-term Borrowings	7	67.0		87.4	
Trade Payables					
Total outstanding dues of micro enterprises and small enterprises	35	24.0		15.6	
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,775.5		3,444.4	
Other Current Liabilities	8	1,465.7		617.3	
Short-term Provisions	9	3,420.9	8,753.1	1,426.1	5,590.8
TOTAL			210,525.2		192,910.9
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets	10A	6,868.4		5,885.2	
Intangible Assets	10B	122,398.9		137,236.7	
Capital Work-in-Progress		2,248.9		2,276.9	
		131,516.2		145,398.8	
Non-current Investments	11	38,758.9		1,787.1	
Long-term Loans and Advances	12	5,155.4		5,001.9	
Other Non-current Assets	13	-	175,430.5	48.9	152,236.7
Current Assets					
Current Investments	14	6,068.8		19,988.0	
Inventories	15	5,441.5		6,285.5	
Trade Receivables	16	3,835.6		5,375.5	
Cash and Cash Equivalents	17	70.9		94.1	
Short-term Loans and Advances	18	19,663.1		8,907.5	
Other Current Assets	19	14.8	35,094.7	23.6	40,674.2
TOTAL			210,525.2		192,910.9

See accompanying notes 1 to 50 forming part of the Financial Statements
In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board

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

SUDHIR V. VALIA
Director

UDAY V. BALDOTA
Chief Financial Officer

SAILESH T. DESAI
Director

RACHANA N. KOKAL
Company Secretary

ABHAY A. GANDHI
Whole time Director & CEO

Mumbai, 30th May, 2016

SUN PHARMA LABORATORIES LIMITED
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	₹ In Million	₹ in Million	₹ in Million
Revenue from Operations	20	47,833.1		43,198.9	
Less: Excise Duty		<u>1,175.7</u>		<u>1,328.4</u>	
		46,657.4		41,870.5	
Other Income	21	<u>3,523.6</u>		<u>2,072.6</u>	
Total Revenue			50,181.0		43,943.1
Expenses					
Cost of Materials Consumed	22	8,240.0		8,880.6	
Purchases of Stock-in-Trade	31	5,757.6		4,770.7	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	158.0		(1,037.3)	
Finance Costs	24	221.9		7.8	
Employee Benefits Expense	25	4,565.6		3,918.8	
Depreciation and Amortisation Expense	10	15,870.0		15,824.0	
Other Expenses	26	<u>7,082.6</u>		<u>9,771.3</u>	
Total Expenses			41,895.7		42,135.9
Profit before tax			8,285.3		1,807.2
Tax Expense:					
Current Tax	39	1,560.0		2,070.0	
Deferred Tax		<u>20.4</u>	<u>1,580.4</u>	<u>(35.8)</u>	<u>2,034.2</u>
Profit / (Loss) for the year			6,704.9		(227.0)
Earnings per Share					
Basic and Diluted (in ₹) Face Value per Equity share - ₹ 10	37		133,136		(4,540)

See accompanying notes 1 to 50 forming part of the Financial Statements
In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board

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

SUDHIR V. VALIA
Director

UDAY V. BALDOTA
Chief Financial Officer

SAILESH T. DESAI
Director

RACHANA N. KOKAL
Company Secretary

ABHAY A. GANDHI
Whole time Director & CEO

Mumbai, 30th May, 2016

SUN PHARMA LABORATORIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31st March, 2016 ₹ in Million	Year ended 31st March, 2015 ₹ in Million
A. Cash Flow from Operating Activities		
Profit Before Tax	8,285.3	1,807.2
Adjustments for:		
Depreciation and Amortisation Expense	15,870.0	15,824.0
Loss on Sale of Fixed Assets (net)	1.6	150.4
Finance Costs	221.9	7.8
Interest Income	(2,164.2)	(980.0)
Net Gain on Sale of Current Investments	(1,187.3)	(1,081.8)
Provision for other than temporary diminution in value of non-current investment	-	2,420.3
Loss on Sale of Long Term Investment in Limited Liability Partnership	216.7	-
Provision for Doubtful Trade Receivable / Sundry Balances written off (Net)	126.7	4.2
Net Unrealised Foreign Exchange (Gain) / Loss	(18.1)	3.9
Operating Profit Before Working Capital Changes	21,352.6	18,156.0
Changes in working capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	844.0	(1,119.1)
Trade Receivables	1,420.7	(1,549.6)
Loans and Advances	42.0	1,134.9
Other Assets	(6.1)	23.2
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	350.1	519.0
Other Liabilities	69.5	155.3
Provisions	(281.0)	831.3
Cash Generated from Operations	23,791.8	18,151.0
Income Tax Paid	(1,273.3)	(4,652.4)
Net Cash Generated from Operating Activities (A)	22,518.5	13,498.6
B. Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets, including Capital Advances	(1,870.4)	(3,460.9)
Proceeds from Sale of Fixed Assets	4.4	205.2
Purchase of Fixed Assets given under Finance Lease	-	(79.1)
Receipt of rental on Fixed Assets given under Finance Lease	10.0	8.1
Purchase of Investments		
Related Party	(38,211.3)	-
Others	(267,996.0)	(183,850.6)
Proceeds from Sale of Current Investments	284,125.3	175,435.5
Inter Corporate Deposit Given	(4,972.1)	(5,052.4)
Inter Corporate Deposit Received back	2,165.7	2,018.0
Inter Corporate Deposit Given - Related Party	(35,480.0)	-
Inter Corporate Deposit Received back - Related Party	27,480.0	-
Interest Received	2,228.0	889.2
Bank Balances not considered as Cash and Cash Equivalents		
Fixed Deposits Placed	-	(27.0)
Fixed Deposits Matured	25.9	382.4
Net Cash Flow used in Investing Activities (B)	(32,490.5)	(13,531.6)
C. Cash Flow from Financing Activities		
Proceeds from Long-term Borrowings	10,000.0	-
Net Decrease in working capital Borrowings	(20.4)	(2.2)
Finance Costs	(4.9)	(2.8)
Net Cash Flow from / (used in) Financing Activities (C)	9,974.7	(5.0)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	2.7	(38.0)
Cash and Cash Equivalents at the Beginning of the Year	7.6	41.9
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents (₹ 16,590)	0.0	3.7
Cash and Cash Equivalents at the end of the Year (Refer Note 17)	10.3	7.6
See accompanying notes 1 to 50 forming part of the Financial Statements		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board

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

SUDHIR V. VALIA
Director

UDAY V. BALDOTA
Chief Financial Officer

SAILESH T. DESAI
Director

RACHANA N. KOKAL
Company Secretary

ABHAY A. GANDHI
Whole time Director & CEO

Mumbai, 30th May, 2016

1 Share Capital	As at 31st March, 2016		As at 31st March, 2015	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Authorised				
Equity Shares of ₹ 10 each	50,000,000	500.0	50,000,000	500.0
Redeemable Preference Shares of ₹ 100 each	4,000,000	400.0	4,000,000	400.0
	<u>54,000,000</u>	<u>900.0</u>	<u>54,000,000</u>	<u>900.0</u>
Issued, Subscribed and Fully Paid Up (Refer Note 29)				
Equity Shares of ₹ 10 each	50,000	0.5	50,000	0.5
10% Non-Convertible, Non-Cumulative Redeemable Preference Shares of ₹ 100 each	4,000,000	400.0	4,000,000	400.0
	<u>4,050,000</u>	<u>400.5</u>	<u>4,050,000</u>	<u>400.5</u>
2 Reserves and Surplus	As at 31st March, 2016		As at 31st March, 2015	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Capital Reserve				
As per last year Balance sheet		185,654.3		185,654.3
Capital Redemption Reserve				
Opening Balance ₹ 10,000 (Previous Year ₹ 10,000)		0.0		0.0
Debenture Redemption Reserve				
Opening Balance		-		-
Add: Transferred from Surplus in Statement of Profit and Loss	1,041.7			
Closing Balance		1,041.7		-
Surplus in Statement of Profit and Loss				
Opening Balance	52.3		279.3	
Add: Profit / (Loss) for the Year	6,704.9		(227.0)	
Less: Transferred to Debenture Redemption Reserve	1,041.7		-	
Dividend proposed to be distributed to Equity Shareholders [₹ 40,000 (Previous Year ₹ Nil) per share]	2,000.0		-	
Dividend proposed to be distributed to Preference Shareholders [₹ 10 (Previous Year ₹ Nil) per share]	40.0		-	
Corporate Dividend Tax	415.3		-	
Closing Balance		3,260.2		52.3
		<u>189,956.2</u>		<u>185,706.6</u>
3 Long-term Borrowings				
Unsecured				
Redeemable non-convertible debentures (Refer Note 47)		10,000.0		-
		<u>10,000.0</u>		<u>-</u>
4 Deferred Tax Liabilities (Net)				
Deferred Tax Liability				
Depreciation on Fixed Assets		431.7		303.6
Less :				
Deferred Tax Assets				
Unpaid Liabilities Allowable on payment basis U/s 43B of the Income Tax Act, 1961	126.6		62.4	
Others	44.4		0.9	
		171.0		63.3
		<u>260.7</u>		<u>240.3</u>
5 Other Long-term Liabilities				
Trade / Security Deposits Received		81.9		79.4
		<u>81.9</u>		<u>79.4</u>
6 Long-term Provisions				
Employee Benefits		247.7		143.0
Product Returns (Refer Note 43)		825.1		750.3
		<u>1,072.8</u>		<u>893.3</u>
7 Short-term Borrowings				
Loans Repayable on Demand (Unsecured):				
Cash Credit Facility from Banks		67.0		87.4
		<u>67.0</u>		<u>87.4</u>

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016 ₹ in Million	As at 31st March, 2015 ₹ in Million
8 Other Current Liabilities		
Interest accrued but not due on borrowings	217.0	-
Statutory Remittances	329.3	348.4
Payables on Purchase of Fixed Assets	825.4	260.9
Advances from Customers	7.0	3.7
Temporary Overdrawn Bank Balance as per books	87.0	4.3
	<u>1,465.7</u>	<u>617.3</u>
9 Short-term Provisions		
Employee Benefits	185.8	108.8
Product Returns (Refer Note 43)	750.3	640.8
Proposed Dividend	2,040.0	-
Corporate Dividend Tax	415.3	-
Others (Refer Note 43)	29.5	676.5
	<u>3,420.9</u>	<u>1,426.1</u>

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

10 Fixed Assets

₹ in Million

Description of Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01.04.2015	Additions during the year	Deletions / Adjustments during the year	As at 31.03.2016	As at 01.04.2015	For the year	On Deletions for the year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
A. Tangible Assets										
Freehold Land	12.0	-	-	12.0	-	-	-	-	12.0	12.0
	(12.0)	(-)	(-)	(12.0)	(-)	(-)	(-)	(-)	(12.0)	(12.0)
Leasehold Land	139.4	-	-	139.4	5.0	1.3	-	6.3	133.1	134.4
	(143.2)	(6.9)	(10.7)	(139.4)	(4.3)	(1.3)	(0.6)	(5.0)	(134.4)	(138.9)
Buildings	3,658.2	691.0	-	4,349.2	177.0	104.5	-	281.5	4,067.7	3,481.2
	(657.6)	(3,000.6)	(-)	(3,658.2)	(97.4)	(79.6)	(-)	(177.0)	(3,481.2)	(560.2)
Plant and Equipment	2,881.8	754.3	6.2	3,629.9	892.5	410.3	2.8	1,300.0	2,329.9	1,989.3
	(2,241.5)	(1,262.2)	(621.9)	(2,881.8)	(736.0)	(450.8)	(294.3)	(892.5)	(1,989.3)	(1,505.5)
Vehicles	64.4	12.7	4.7	72.4	22.5	9.4	3.0	28.9	43.5	41.9
	(63.1)	(12.3)	(11.0)	(64.4)	(18.5)	(9.2)	(5.2)	(22.5)	(41.9)	(44.6)
Office Equipment	168.5	115.5	1.1	282.9	32.9	61.2	0.2	93.9	189.0	135.6
	(37.9)	(130.6)	(-)	(168.5)	(12.3)	(20.6)	(-)	(32.9)	(135.6)	(25.6)
Furniture and Fixtures	123.0	15.5	-	138.5	32.2	13.1	-	45.3	93.2	90.8
	(87.4)	(61.7)	(26.1)	(123.0)	(28.7)	(17.5)	(14.0)	(32.2)	(90.8)	(58.7)
Total Tangible Assets (A)	7,047.3	1,589.0	12.0	8,624.3	1,162.1	599.8	6.0	1,755.9	6,868.4	5,885.2
Previous Year	(3,242.7)	(4,474.3)	(669.7)	(7,047.3)	(897.2)	(579.0)	(314.1)	(1,162.1)	(5,885.2)	
B. Intangible Assets (Refer Note 42)										
Trademarks, Brands (including right to use), Know-how and other related intangibles	182,961.2	432.5	-	183,393.7	45,724.6	15,270.2	-	60,994.8	122,398.9	137,236.7
	(182,877.0)	(84.3)	(-)	(182,961.3)	(30,479.6)	(15,245.0)	(-)	(45,724.6)	(137,236.7)	(152,397.4)
Total Intangible Assets (B)	182,961.2	432.5	-	183,393.7	45,724.6	15,270.2	-	60,994.8	122,398.9	137,236.7
Previous Year	(182,877.0)	(84.3)	(-)	(182,961.3)	(30,479.6)	(15,245.0)	(-)	(45,724.6)	(137,236.7)	
Total Fixed Assets (A+B)	190,008.5	2,021.5	12.0	192,018.0	46,886.7	15,870.0	6.0	62,750.7	129,267.3	143,121.9
Previous Year	(186,119.7)	(4,558.6)	(669.7)	(190,008.6)	(31,376.8)	(15,824.0)	(314.1)	(46,886.7)	(143,121.9)	

Footnotes:

(i) Previous Year figures are in brackets

(ii) Building includes ₹ 1.8 Million (Previous Year ₹ 1.8 Million) and ₹ 1,772.0 Million (Previous Year ₹ 1,772.0 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.

As at 31st March, 2016
₹ in Million ₹ in Million

As at 31st March, 2015
₹ in Million ₹ in Million

11 Non-current Investments

Long-term Investments (*)

A) Trade Investments (Unquoted)

In Equity Shares - Subsidiary Company

Universal Enterprises Private Limited

450,000 (Previous Year 450,000) Shares of ₹ 10 each fully paid

12.5

12.5

In Equity Shares - Other

Sun Pharma Holdings

50,000 (Previous Year Nil) Ordinary Shares of USD 1 each fully paid

3.4

-

In Debentures

Sun Speciality Chemicals Pvt Ltd

1,156,500 (Previous Year 1,156,500) 0% Optionally Fully Convertible Debentures of ₹ 100 each fully paid

115.7

115.7

In Others (Limited Liability Partnership)

Silverstreet Developers LLP - Subsidiary

Less: Provision for other-than-temporary diminution in value of non-current investment

-

2,420.2

-

2,420.2

Generic Solar Power LLP

[₹ 28,760 (Previous Year ₹ Nil)]

0.0

-

In Preference Shares

Sun Pharma Holdings

550,000,000 (Previous Year Nil) 5% Optionally Convertible Preference Shares of USD 1 each fully paid.

37,991.2

-

B) Other Investments

In Debentures / Bonds (quoted)

Housing Development Finance Corporation Ltd - 9.9 NCD 23DC18

250 (Previous Year 250) Debentures of ₹ 1,000,000 each fully paid

253.1

253.1

Canara Bank-9.55% Canara Bank Perpetual Bonds 05-03-2025

Nil (Previous Year 500) Debentures of ₹ 1,000,000 each fully paid

-

501.1

IDBI Bank Ltd-10.75% IDBI Bank Ltd OMNI (2014-15-Series II) Tier I Perpetual Bonds 17-10-2024

Nil (Previous Year 500) Debentures of ₹ 1,000,000 each fully paid

-

521.7

National Highways Authority of India-8.2 BD 25JN22

61,809 (Previous Year 61,809) Bonds of ₹ 1,000 each fully paid

64.9

64.9

Power Finance Corporation Ltd -SR-I 8.2 BD 01FB22

142,393 (Previous Year 142,393) Bonds of ₹ 1,000 each fully paid

149.1

149.1

Indian Railway Finance Corporation Ltd -8/8.15 BD 23FB22

163,131 (Previous Year 163,131) Bonds of ₹ 1,000 each fully paid

169.0

169.0

636.1

1,658.9

38,758.9

1,787.1

AGGREGATE VALUE OF INVESTMENTS

Quoted

Book Value

Market Value

Book Value

Market Value

636.1

665.2

1,658.9

1,696.9

Unquoted

38,122.8

2,548.4

Provision for other than temporary diminution in value

-

(2,420.2)

(*) At Cost less provision for other than temporary diminution in value, if any.

12 Long-term Loans and Advances

(Unsecured – Considered Good)

Capital Advances

531.6

90.2

Security Deposits

127.9

117.3

Loans and Advances to Employees

9.7

11.3

Advance Income Tax [Net of provision of ₹ 8,551.8 Million (Previous Year ₹ 6,992.1 Million)]

4,099.6

4,386.3

Balances with Government Authorities

7.9

7.5

Receivable on Account of Assets given under Finance Lease (Refer Notes 41(c) and 44)

378.7

389.3

5,155.4

5,001.9

13 Other Non-current Assets

(Unsecured – Considered Good)

Interest Accrued on Investment

-

48.9

-

48.9

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

As at 31st March, 2016
₹ in Million ₹ in Million

As at 31st March, 2015
₹ in Million ₹ in Million

14 Current Investments

Non-trade

A) Current Portion of Long-term Investments (at cost)

In Mutual Funds (Unquoted)

Units of Face Value of ₹ 10 each fully paid

DSP Merrill Lynch Mutual Fund - DSP Blackrock FMP -Series 161 - 12M-Dir-Growth Nil (Previous Year 20,000,000) Units	-	200.0
Deutsche Mutual Fund-DWS Fixed Maturity Plan Series 63-Regular Plan-Growth Nil (Previous Year 15,000,000) Units	-	150.0
Deutsche Mutual Fund- DWS Interval Fund - Annual Plan Series 1 Direct - Growth Nil (Previous Year 18,416,715) Units	-	200.0
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 73-391 Days Plan G Direct Plan Cumulative Nil (Previous Year 25,000,000) Units	-	250.0
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 73 - 369 Days Plan T Direct Plan Cumulative Nil (Previous Year 20,000,000) Units	-	200.0
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 - 367 Days Plan D Direct Plan Cumulative Nil (Previous Year 40,000,000) Units	-	400.0
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 74 - 368 Days Plan J Direct Plan Cumulative Nil (Previous Year 20,000,000) Units	-	200.0
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 74 - 369 Days Plan K Direct Plan Cumulative Nil (Previous Year 15,000,000) Units	-	150.0
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74-370 Days Plan S Direct Plan Cumulative Nil (Previous Year 20,000,000) Units	-	200.0
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 - 369 Days Plan B Direct Plan Cumulative Nil (Previous Year 30,000,000) Units	-	311.6
Kotak Mutual Fund-Kotak FMP Series 145 Direct-Growth Nil (Previous Year 35,000,000) Units	-	350.0
Kotak Mutual Fund - Kotak FMP Series 155 Direct-Growth Nil (Previous Year 25,000,000) Units	-	250.0
Kotak Mutual Fund - Kotak FMP Series 156 Direct - Growth Nil (Previous Year 25,000,000) Units	-	260.1
Kotak Mutual Fund - Kotak FMP Series 157 Direct - Growth Nil (Previous Year 20,000,000) Units	-	207.8
Kotak Mutual Fund - Kotak FMP Series 158 Direct - Growth Nil (Previous Year 20,000,000) Units	-	207.6
L&T Mutual Fund-L&T FMP Series 10- Plan T - Growth Nil (Previous Year 25,000,000) Units	-	250.0
Reliance Mutual Fund-Reliance Yearly Interval Fund -Series 1-Direct Plan-Growth Plan 22,980,898 (Previous Year 22,980,898) Units	250.0	250.0
Reliance Mutual Fund - Reliance Fixed Horizon Fund - XXVI - Series 9 - Direct Plan Growth Plan Nil (Previous Year 50,000,000) Units	-	500.0
Reliance Mutual Fund - Reliance Yearly Interval Fund - Series 6 - Direct Growth Plan Nil (Previous Year 45,929,287) Units	-	500.0
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XXVI-Series-20-Direct Plan-Growth Plan Nil (Previous Year 25,000,000) Units	-	250.0
Reliance Mutual Fund - Reliance Yearly Interval Fund-Series 8-Direct Plan Growth Plan Nil (Previous Year 18,423,501) Units	-	200.0
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XXVI-Series-31-Direct Plan-Growth Plan Nil (Previous Year 30,000,000) Units	-	300.0

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016		As at 31st March, 2015	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Reliance Mutual Fund - Reliance Yearly Interval Fund - Series 9 - Direct Plan Growth Plan Nil (Previous Year 18,395,541) Units	-	-	200.0	-
Reliance Mutual Fund - Reliance Fixed Horizon Fund -XXVI-Series 12-Direct Plan Growth Plan Nil (Previous Year 25,000,000) Units	-	-	260.5	-
Religare Invesco Mutual Fund - Religare Invesco FMP-Series.23-Plan O (370 Days) - Direct Plan Growth Nil (Previous Year 20,000,000) Units	-	-	200.0	-
Religare Invesco Mutual Fund.- Religare Invesco FMP-Series 23-Plan H (370 Days)-Direct Plan Growth Nil (Previous Year 10,000,000) Units	-	-	100.0	-
Religare Invesco Mutual Fund - Religare Invesco FMP-Series 23-Plan L (370 Days)-Direct Plan Growth Nil (Previous Year 21,000,000) Units	-	-	210.0	-
Religare Invesco Mutual Fund - Religare Invesco FMP-Series 23-Plan N (367 Days)-Direct Plan Growth Nil (Previous Year 20,000,000) Units	-	-	200.0	-
B) Other Current Investments (at lower of cost and fair value)				
a) 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 Nil (Previous Year 5,015,403) Units	-	-	970.0	-
Units of Face Value of ₹ 1,000 each				
Axis Mutual Fund - Axis Liquid Fund- Direct Plan Growth-CFDG Nil (Previous Year 483,934) Units	-	-	750.0	-
BNP Paribas Mutual Fund- BNP Paribas Overnight Fund-Direct Plan Growth Option 214,785 (Previous Year 348,489) Units	500.0	-	750.0	-
Baroda Pioneer Mutual Fund -Baroda Pioneer Liquid Fund Plan B- Growth 863,209 (Previous Year 467,631) Units	1,500.0	-	750.0	-
DSP BlackRock Mutual Fund-DSP BlackRock Liquidity Fund-Direct Plan-Growth Nil (Previous Year 249,960) Units	-	-	500.0	-
Indiabulls Mutual Fund-Indiabulls Liquid Fund-Direct Plan Growth 508,251 (Previous Year 367,372) Units	750.0	-	500.0	-
Kotak Mutual Fund-Kotak Liquid Scheme Plan A-Direct Plan-Growth Nil (Previous Year 88,128) Units	-	-	250.0	-
Kotak Mutual Fund-Kotak Floater Short Term - Direct Plan - Growth 334,131 (Previous Year Nil) Units	830.0	-	-	-
Principal Mutual Fund-Principal Cash Management Fund-Direct Plan Growth Nil (Previous Year 735,345) Units	-	-	1,000.0	-
Reliance Mutual Fund-Reliance Liquid Fund - Cash Plan - Direct Growth Plan 716,594 (Previous Year 2,239,411) Units	1,750.0	-	5,042.5	-
SBI Mutual Fund-SBI Magnum Insta Cash Fund - Direct Plan - Growth Nil (Previous Year 323,324) Units	-	-	1,000.0	-
		5,580.0		18,470.1
b) In Commercial Paper (Unquoted)				
Barclays Investment & Loans (India) Ltd- 193D CP 04SP15 Nil (Previous Year 600) Units of ₹ 500,000 each fully paid	-	-	285.7	-
Barclays Investment & Loans (India) Ltd- 90D CP 05MAY16 1000 (Previous Year Nil) Units of ₹ 500,000 each fully paid	488.8	-	-	-
JM Financial Products Ltd- 180D CP 17AG15 Nil (Previous Year 500) Units of ₹ 500,000 each fully paid	-	488.8	238.6	524.3
c) In Debentures (Quoted)				
Housing Development Finance Corporation Ltd - 9.7% Secured Redeemable NCD 23DC18 Nil (Previous Year 250) Debentures of ₹ 1,000,000 each fully paid	-	-	251.4	-

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016		As at 31st March, 2015	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
IDFC PP 18/2014 -0% IDFC BS 09-04-2015	-	-	742.2	-
Nil (Previous Year 750) Debentures of ₹ 1,000,000 each fully paid	-	-	-	993.6
		<u>6,068.8</u>		<u>19,988.0</u>
AGGREGATE VALUE OF INVESTMENTS	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	993.6	1,039.5
Unquoted	6,068.8	-	18,994.4	-
15 Inventories				
Raw Materials and Packing Materials	2,023.0	-	2,872.2	-
Goods-in-Transit	<u>169.7</u>	<u>2,192.7</u>	<u>6.5</u>	<u>2,878.7</u>
Work-in-Progress - Formulations	-	630.6	-	754.3
Finished Goods - Formulations	-	1,909.9	-	2,555.9
Stock-in-Trade - Formulations	-	<u>708.3</u>	-	<u>96.6</u>
		<u>5,441.5</u>		<u>6,285.5</u>
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	29.8	-	49.9	-
Considered Doubtful	<u>128.4</u>	-	<u>1.7</u>	-
	158.2	-	51.6	-
Less: Provision for Doubtful Trade Receivables	<u>128.4</u>	29.8	<u>1.7</u>	49.9
Other Trade Receivables	-	<u>3,805.8</u>	-	<u>5,325.6</u>
		<u>3,835.6</u>		<u>5,375.5</u>
17 Cash and Cash Equivalents				
Balances that meet the definition of Cash and Cash Equivalents as per AS3, Cash Flow Statements				
Cash on Hand	-	1.3	-	0.7
Balances with Banks				
In Current Accounts	8.7	-	2.8	-
In EEFC Accounts	<u>0.3</u>	-	<u>4.1</u>	-
		<u>9.0</u>		<u>6.9</u>
Other Bank Balances				
In Deposit Accounts (Refer Footnote)	-	60.6	-	86.5
Footnote		<u>70.9</u>		<u>94.1</u>
Other Bank Balances include Deposits amounting to ₹ 5.0 Million (Previous Year Nil) which have an Original Maturity of more than 12 Months.				
18 Short-term Loans and Advances				
(Unsecured – Considered good unless stated otherwise)				
Loans and Advances to Employees / Other parties (*)				
Secured	400.0	-	1,150.0	-
Unsecured	<u>9,926.5</u>	-	<u>6,360.3</u>	-
Loans to Related Party	8,020.0	-	-	-
Prepaid Expenses	8.4	-	13.4	-
Balances with Government Authorities	1,033.8	-	1,117.1	-
Advances for Supply of Goods and Services	263.8	-	256.7	-
Receivable on Account of Assets given under Finance Lease [(Refer Notes 41(c) and 44)]	-	<u>10.6</u>	-	<u>10.0</u>
		<u>19,663.1</u>		<u>8,907.5</u>
(*) includes loans granted to various entities for the purpose of their business				
19 Other Current Assets				
(Unsecured – Considered Good)				
Interest Accrued on Investment	-	-	14.9	-
Export Incentives receivable	1.2	-	-	-
Insurance Claim	<u>13.6</u>	-	<u>8.7</u>	-
	<u>14.8</u>	-	<u>23.6</u>	-

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
20 Revenue from Operations				
Salé of Products		47,676.4		43,044.5
Other Operating Revenues		-		(0.1)
Share of Income / (Loss) from Limited Liability Partnership		156.7		154.5
Others				
		<u>47,833.1</u>		<u>43,198.9</u>
21 Other Income				
Interest Income on:				
Deposits with Banks	3.5		14.0	
Loans and Advances	1,907.1		545.3	
Current Investments	53.3		5.4	
Long-term Investments	54.8		67.7	
Fixed Assets Given Under Finance Lease	37.2		31.6	
Others	108.3	2,164.2	316.0	980.0
Net Gain on Sale of :				
Current Investments	677.4		344.9	
Long-term Investments	509.9	1,187.3	736.9	1,081.8
Insurance Claims		165.0		8.1
Lease Rental and Hire Charges		5.0		2.0
Others		2.1		0.7
		<u>3,523.6</u>		<u>2,072.6</u>
22 Cost of Materials Consumed				
Raw and Packing Materials				
Inventories at the beginning of the year		2,878.7		2,651.1
Purchases during the year		7,554.0		9,865.9
Inventory transfer on slump sale		-		(757.7)
Inventories at the end of the year		(2,192.7)		(2,878.7)
		<u>8,240.0</u>		<u>8,880.6</u>
23 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade				
Inventories at the beginning of the year		3,406.8		2,515.3
Inventory transfer on slump sale		-		(145.8)
Inventories at the end of the year		(3,248.8)		(3,406.8)
		<u>158.0</u>		<u>(1,037.3)</u>
24 Finance Costs				
Interest Expense on				
Borrowings	217.7		1.0	
Others	4.2		6.8	
		<u>221.9</u>		<u>7.8</u>
25 Employee Benefits Expense				
Salaries and Wages		3,883.1		3,338.1
Contribution to Provident and Other Funds		315.4		284.2
Staff Welfare Expenses		367.1		296.5
		<u>4,565.6</u>		<u>3,918.8</u>

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
26 Other Expenses				
Consumption of Materials, Stores and Spare Parts		193.0		201.1
Conversion and Other Manufacturing Charges		653.6		681.5
Power and Fuel		217.4		230.7
Rent [(Refer note 41(b))]		42.2		44.2
Rates and Taxes		22.5		3.7
Insurance		40.3		44.2
Selling and Distribution		3,908.4		3,665.4
Commission and Discount		40.7		46.2
Overseas Travel, Freight and Clearing Expenses		42.9		29.7
Repairs				
Buildings	25.1		21.3	
Machinery	60.0		75.9	
Others	62.2	147.3	39.4	136.6
Printing and Stationery		19.6		19.0
Travelling and Conveyance		303.1		251.0
Communication		38.9		35.3
Net Loss on Foreign Currency Transaction and Translations		31.0		1.4
Provision for Doubtful Trade Receivables				
Provision for Doubtful Trade Receivables	126.7		1.6	
Sundry Balances / Trade Receivables written off (Net)	-		3.1	
Less: Adjusted out of Provision of earlier year	-	126.7	0.5	4.2
Professional and Consultancy		370.6		1,316.8
Provision for other-than-temporary diminution in value of non-current investment		-		2,420.2
Loss on Sale of Long Term Investment in a Limited Liability Partnership				
Loss on Sale of Investment in Subsidiary	2,636.9		-	
Less : Provision for diminution in value of Long Term investment	2,420.2	216.7	-	-
Donation		13.8		48.5
Loss on Sale of Fixed Assets (Net)		1.6		150.4
Increase / (Decrease) of Excise Duty on Inventory		(23.0)		25.4
Payments to Auditors (Net of Service Tax)				
For Auditor	2.8		1.5	
For Other Services	1.4		-	
Reimbursement of Expenses	0.2	4.4	0.2	1.7
Miscellaneous Expenses (Refer Note 48)		670.9		414.1
		<u>7,082.6</u>		<u>9,771.3</u>

27 SIGNIFICANT ACCOUNTING POLICIES

I Basis of Accounting

These financial statements are prepared 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 amounts 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 those taken over from holding company under the scheme of arrangement at fair value) are amortised on straight line method from the date they are available for use, over the useful lives of the assets (5/12 years), as estimated by the Management. Leasehold land is amortised over the period of lease.

IV Leases

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

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 includes 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.

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.

VII Inventories

Inventories consisting of raw and packing materials, other materials and consumables, work-in-progress, stock-in-trade and finished goods are stated at lower of cost (raw and packing materials and stock-in-trade - specific identification method; other materials and consumables - FIFO basis; work-in-progress and finished goods - weighted average method) and net realisable value.

VIII 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. In respect of forward exchange contracts, which relate 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. Non monetary items are carried at historical cost.

IX Taxes on Income

Provision for tax comprises Current Tax and Deferred Tax. Current Tax provision has been made considering the reliefs and deductions available under the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted in accordance with Accounting Standard 22 (AS-22) "Accounting for taxes on income", 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 difference 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 under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance sheet date.

X Employee Benefits

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

XI 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.

XII 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.

XIII Impairment of Assets

The Company 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 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.

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

XIV 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.

XV 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 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.

	As at 31st March, 2016 ₹ in Million	As at 31st March, 2015 ₹ in Million
28 A Contingent Liabilities and commitments (to the extent not provided for)		
I Contingent Liabilities		
Appeals filed with respect to Income Tax matters	11,888.9	15,619.0
Excise Duty	1,009.2	459.8
Environment Cess	23.3	23.3
Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums/authorities.		
II Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	913.5	1,035.5
B Guarantees Given by the bankers on behalf of the Company (Refer Note 45)	92.1	95.6
C Letters of Credit for imports	1,065.9	382.6

29 Disclosures relating to Share Capital

i Rights, Preferences and Restrictions attached to Shares and repayment terms of capital

The Company has two classes of shares referred to as equity shares having a par value of ₹ 10 per share and 10% Non-Convertible, Non-Cumulative Redeemable Preference Shares of having par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. Holder of Preference shares are not entitled to any voting rights but enjoy preferential rights in respect of payments of dividend, if any, and repayment of capital, if any. The Preference Shares shall be redeemed at par, at the end of five years from the date of allotment.

ii Shares held by each shareholder holding more than 5 percent shares 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
Equity Shareholders				
Sun Pharmaceutical Industries Limited (Holding Company)	50,000	100.0	50,000	100.0
10% Non-Convertible, Non-Cumulative Redeemable Preference Shares				
Sun Pharmaceutical Industries Limited (Holding Company)	4,000,000	100.0	4,000,000	100.0

iii Reconciliation of the Number of shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2016		As at 31st March, 2015	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Equity Shares of ₹ 10 each				
Opening Balance carried over as closing balance	50,000	0.5	50,000	0.5
10% Non-Convertible, Non-Cumulative Redeemable Preference Shares of ₹ 100 each				
Opening Balance carried over as closing balance	4,000,000	400.0	4,000,000	400.0

30 Information relating to Consumption of Materials

	Year ended 31st March, 2016 ₹ in Million		Year ended 31st March, 2015 ₹ in Million	
Raw and Packing Materials				
Raw Materials	7,407.7		8,106.3	
Packing Materials	832.3		774.3	
Total	<u>8,240.0</u>		<u>8,880.6</u>	
None of the items individually account for more than 10% of total consumption.				

Imported and Indigenous

	%		%	
Raw and Packing Materials				
Imported	7.58	624.9	9.21	818.3
Indigenous	92.42	7,615.1	90.79	8,062.3
Total	<u>100.00</u>	<u>8,240.0</u>	<u>100.00</u>	<u>8,880.6</u>

Stores and Spare Parts and Other Materials

	%		%	
Imported	6.01	11.6	3.73	7.5
Indigenous	93.99	181.4	96.27	193.6
Total	<u>100.00</u>	<u>193.0</u>	<u>100.00</u>	<u>201.1</u>

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31st March, 2016 ₹ in Million	Year ended 31st March, 2015 ₹ in Million
31 Information relating to Purchases of Stock-in-Trade		
Formulations	5,757.6	4,770.7
	<u>5,757.6</u>	<u>4,770.7</u>
32 Information relating to Sale of Products		
Formulations	47,643.1	43,008.9
Others	33.3	35.6
	<u>47,676.4</u>	<u>43,044.5</u>
33 Income / Expenditure in Foreign Currency		
Income		
Exports (FOB basis)	-	126.6
Others	0.2	38.2
Expenditure		
Raw Materials (CIF basis)	611.3	697.5
Packing Materials (CIF basis)	61.2	35.2
Capital Goods (CIF basis)	336.4	376.6
Spares and Components (CIF basis)	3.7	7.3
Professional Charges	816.9	41.4
Overseas Travel	99.5	119.6
Others	63.1	71.0
34	The net Exchange Loss of ₹ 70.4 Million (Previous Year Gain (net) ₹ 12.5 Million) is included under Revenue from Operations, Other Expenses and Cost of Materials consumed in the Statement of Profit and Loss, as applicable.	
35 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:		
a	An amount of ₹ 24.0 Million (Previous Year ₹ 15.6 Million) and ₹ Nil (Previous Year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting period on account of Principal and interest respectively.	
b	No interest was paid during the period.	
c	No interest is payable at the end of the period under Micro, Small and Medium Enterprises Development Act, 2006.	
d	No amount of interest was accrued and unpaid at the end of the accounting period.	
	The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.	
36 Related Party Disclosure (AS-18) - as per Annexure 'A'		
37 Accounting Standard (AS-20) on Earnings Per Share	Year ended 31st March, 2016 ₹ in Million	Year ended 31st March, 2015 ₹ in Million
Numerator used for calculating Profit / (Loss) for the year	6,704.9	(227.0)
Less: Preference Dividend and Dividend tax	48.1	-
Profit / (Loss) for the year attributable to Equity Shareholders	<u>6,656.8</u>	<u>(227.0)</u>
Weighted Average number of Shares used in computing basic and diluted earnings per share	50,000	50,000
Nominal Value Per Share (in ₹)	10.0	10.0
Basic and Diluted Earnings Per Share (in ₹)	133,136	(4,540)
38 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	47,676.4	42,915.5
Outside India	-	129.0
Sale of Products	<u>47,676.4</u>	<u>43,044.5</u>
	In view of the interwoven/intermix nature of the business and manufacturing facility, other segmental information is not ascertainable.	
39 Taxation:		
	Current Tax has been provided taking into account the deduction / exemption available and proposed to be claimed by the Company based on the management's view.	

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

40 Accounting Standard (AS-15) on Employee benefits

Contributions are made to Regional Provident Fund, Family Pension Fund, ESIC and other Statutory 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 are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 142.1 Million (Previous Year ₹ 121.5 Million).

	Year ended 31st March, 2016 ₹ in Million	Year ended 31st March, 2015 ₹ in Million
Contribution to Provident Fund	138.6	117.8
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	3.5	3.7
Contribution to Labour Welfare Fund ₹ 22,356 (Previous Year ₹ 45,198)	0.0	0.0

In respect of Gratuity, Contributions are made to LIC's Recognised Group Gratuity Fund Scheme. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Actuarial Valuation for Compensated Absences is done as at the year end and provision is made as per the Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 151.4 Million (Previous Year ₹ 108.6 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.

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

In respect of gratuity (funded):	Year ended 31st March, 2016 ₹ in Million	Year ended 31st March, 2015 ₹ in Million
Reconciliation of liability / (asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	539.4	363.1
Fair value of plan assets	(403.2)	(298.3)
Net liability / (asset) in the Balance sheet	136.2	64.8
Movement in net liability / (asset) recognised in the Balance sheet		
Net liability / (asset) as at the beginning of the year	64.8	(56.9)
Net liability transferred	-	(16.0)
Net expense recognised in the Statement of Profit and Loss	172.3	160.8
Contribution during the year	(100.9)	(23.1)
Net liability / (asset) in the Balance sheet	136.2	64.8
Expense recognised in the Statement of Profit and Loss		
Current service cost	45.4	24.7
Interest cost	28.8	19.5
Expected return on plan assets	(23.7)	(24.8)
Actuarial (gain) / loss	121.8	141.4
Expense recognised in the Statement of Profit and Loss	172.3	160.8
Return on plan assets		
Expected return on plan assets	23.7	24.8
Actuarial gain / (loss)	1.8	(0.3)
Actual return on plan assets	25.5	24.5
Reconciliation of defined-benefit commitments		
Commitments as at the beginning of the year	363.1	209.6
Commitments transferred	-	(16.0)
Current service cost	45.4	24.7
Interest cost	28.8	19.5
Paid benefits	(21.5)	(15.8)
Actuarial (gain) / loss	123.6	141.1
Commitments as at the year end	539.4	363.1
Reconciliation of plan assets		
Plan assets as at the beginning of the year	298.3	266.5
Expected return on plan assets	23.7	24.8
Contributions during the year	100.9	23.1
Paid benefits	(21.5)	(15.8)
Actuarial gain / (loss)	1.8	(0.3)
Plan assets as at the year end	403.2	298.3

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

Discount rate	7.56%	7.94%
Expected return on plan assets	7.56%	7.94%
Expected rate of salary increase	10.00%	8.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

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

	₹ in Million Year ended 31st March, 2016	₹ in Million Year ended 31st March, 2015	₹ in Million Year ended 31st March, 2014
Experience adjustment gain / (loss)			
On plan liabilities	34.0	37.2	10.5
On plan assets	1.8	(0.3)	4.3
Present value of benefit obligation	539.4	363.1	209.6
Fair value of plan assets	(403.2)	(298.3)	(266.5)
Excess of obligation over plan assets	136.2	64.8	(56.9)

The contribution expected to be made by the Company during financial year ending on 31st March, 2017 is ₹ 98.9 Million (Previous Year ₹ 82.8 Million).

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

41 Accounting Standard (AS-19) on Leases

- a 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 range between 11 months to 5 years under leave and license, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.
- b Lease payments are recognised in the Statement of Profit and Loss under "Rent" in Note 26.
- c Finance Lease details

The Company has entered into finance lease arrangements for giving certain equipments on lease.

Future minimum lease payments and reconciliation of gross investment in the lease and present value of minimum lease payments:

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	₹ in Million		₹ in Million	
Future minimum lease payments				
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		716.3		757.7
		<u>928.9</u>		<u>976.1</u>
Less: Unearned finance income		539.6		576.8
Present value of minimum lease payments receivable		<u>389.3</u>		<u>399.3</u>
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

- 42 Intangible assets of the Domestic Formulation undertaking transferred to the Company on and with effect from the close of business hours on 31st March, 2012, pursuant to the scheme of arrangement approved by the Hon'ble High Courts, in the nature of spin off and transfer of the said undertaking without consideration by Sun Pharmaceutical Industries Limited, the Holding Company, were accounted at Fair Value on the basis of an Independent Professional Valuer's report (Refer Note 10B). The carrying value and remaining amortisation period of such assets is ₹ 121,918.0 Million (Previous Year ₹ 137,157.8 Million) and 8 years (Previous Year 9 years) respectively. These intangibles are available to the Company in perpetuity. The amortisation of intangible assets over 12 years 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.

- 43 As per the best estimate of the management, provision has been made towards product returns for breakages and expiry, consultancy charges and others as per Accounting Standard (AS) 29 on Provisions, Contingent Liabilities and Contingent Assets.

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	₹ in Million		₹ in Million	
Opening balance		2,067.6		1,368.4
Add: Provision for the year		854.6		1,426.8
Less: Utilisation / Settlement		1,317.3		727.6
Closing balance		<u>1,604.9</u>		<u>2,067.6</u>

- 44 Receivable on Account of Assets given Under Finance Lease are receivable from a Private Company in which Directors of the Company are Directors.

- 45 Deposits with banks are pledged with banks against Bank Guarantees.

- 46 With regard to tangible assets, the Company had 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 29th August, 2014 issued by Ministry of Corporate Affairs. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated 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, and had adjusted an amount of ₹ Nil (Previous Year ₹ 86.7 Million) in the Statement of Profit and Loss.

- 47 ₹ 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 the Company 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

- 48 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 54.5 Million (Previous Year ₹ 27.6 Million).

- 49 Company has not entered into any derivative instrument.

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

a	Currency	As at 31st March, 2016		As at 31st March, 2015	
		Amount in Million		Amount in Million	
Amounts Receivable in foreign currency on account of :					
Export of Goods	USD	-	-	\$0.7	₹ 41.7
b					
Amounts payable in foreign currency on account of the following :					
Imports of Goods and Services	USD	\$2.3	₹ 151.5	\$5.8	₹ 364.4
	Euro	€ 0.4	₹ 30.8	€ 0.1	₹ 3.5
	Great Britain				
(₹ 43,081)	Pound	£0.0	₹ 4.1	-	-

- 50 Previous years' figures are regrouped / reclassified wherever necessary to correspond to current years' figures.

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURES "

ANNEXURE 'A'

Names of related parties and description of relationship

Key Management Personnel

Mr. Abhay A Gandhi

Wholly Owned Subsidiary

Universal Enterprises Private Limited

Holding Company

Sun Pharmaceutical Industries Limited

Fellow Subsidiaries with whom there are transactions

Sun Pharmaceutical Industries Inc.

Sun Pharma Global (FZE)

Aditya Acquisition Company Limited

Neetnav Real Estate Private Limited

Taro Pharmaceutical Industries Limited

Controlled Entity

Silverstreet Developers LLP (Refer Footnote)

Enterprise under Significant Influence of Key Management Personnel of Holding Company

Sun Pharma Advanced Research Company Limited

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE "

ANNEXURE 'A'

₹ in Million

Particulars	Key Management Personnel		Wholly Owned Subsidiary		Holding Company		Fellow Subsidiaries		Enterprise under significant Influence of Key Management Personnel of Holding Company		Controlled Entity		TOTAL	
	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15	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	-	-	-	-	2,632.2	3,891.9	-	-	-	0.0	-	-	2,632.2	3,891.9
Sun Pharmaceutical Industries Limited	-	-	-	-	2,632.2	3,891.9	-	-	-	-	-	-	2,632.2	3,891.9
Others (Previous Year ₹ 3,196)	-	-	-	-	-	-	-	0.0	-	0.0	-	-	-	0.0
Purchase of Fixed Assets	-	-	-	-	65.8	13.7	-	1,773.8	-	-	-	-	65.8	1,787.5
Sun Pharmaceutical Industries Limited	-	-	-	-	65.8	13.7	-	-	-	-	-	-	65.8	13.7
Neetnav Real Estate Private Limited (Refer Footnote no.(ii) in Note 10)	-	-	-	-	-	-	-	1,773.8	-	-	-	-	-	1,773.8
Receiving of Services	-	-	-	-	424.0	399.6	27.5	40.5	235.7	183.3	-	-	687.2	623.4
Services	-	-	-	-	424.0	399.6	-	-	-	-	-	-	424.0	399.6
Sun Pharmaceutical Industries Limited	-	-	-	-	424.0	399.6	-	-	-	-	-	-	424.0	399.6
Sun Pharma Advanced Research Company Limited	-	-	-	-	-	-	-	-	235.7	183.3	-	-	235.7	183.3
Others	-	-	-	-	-	-	27.5	40.5	-	-	-	-	27.5	40.5
Reimbursement of Expenses	-	-	-	-	3.6	475.8	57.6	15.3	-	-	-	-	61.2	491.1
Neetnav Real Estate Private Limited	-	-	-	-	-	-	55.0	11.3	-	-	-	-	55.0	11.3
Sun Pharmaceutical Industries Limited	-	-	-	-	3.6	475.8	-	-	-	-	-	-	3.6	475.8
Others	-	-	-	-	-	-	2.6	4.0	-	-	-	-	2.6	4.0

SUN PHARMA LABORATORIES LIMITED
 NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
 ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE "

ANNEXURE 'A'

₹ in Million

Particulars	Key Management Personnel		Wholly Owned Subsidiary		Holding Company		Fellow Subsidiaries		Enterprise under significant Influence of Key Management Personnel of Holding Company		Controlled Entity		TOTAL	
	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15
Sale of Goods	-	-	-	-	689.5	468.4	-	126.8	0.0	0.0	-	-	689.5	595.2
Sun Pharmaceutical Industries Limited	-	-	-	-	689.5	468.4	-	-	-	-	-	-	689.5	468.4
Sun Pharmaceutical Industries Inc	-	-	-	-	-	-	-	126.8	-	-	-	-	-	126.8
Others (₹ 15,238 [Previous Year ₹ 24,320])	-	-	-	-	-	-	-	-	0.0	0.0	-	-	0.0	0.0
Share of Loss from Partnership Firms	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1
Silverstreet Developers LLP	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1
Sale of Fixed Assets	-	-	-	-	0.5	-	-	-	-	-	-	-	0.5	-
Sun Pharmaceutical Industries Limited	-	-	-	-	0.5	-	-	-	-	-	-	-	0.5	-
Sale of Undertaking	-	-	-	-	-	980.0	-	-	-	-	-	-	-	980.0
Sun Pharmaceutical Industries Limited	-	-	-	-	-	980.0	-	-	-	-	-	-	-	980.0
Provision for diminution in value of Long Term investment	-	-	-	-	-	-	-	-	-	-	-	2,420.4	-	2,420.4
Silverstreet Developers LLP	-	-	-	-	-	-	-	-	-	-	-	2,420.4	-	2,420.4
Purchase of Investment in Sun Pharma Holding	-	-	-	-	37,994.6	-	-	-	-	-	-	-	37,994.6	-
Sun Pharmaceutical Industries Limited	-	-	-	-	37,994.6	-	-	-	-	-	-	-	37,994.6	-
Finance (including loans, investment and equity contributions) Capital Contribution	-	-	-	-	-	-	-	-	-	-	217.2	-	217.2	-
Silverstreet Developers LLP	-	-	-	-	-	-	-	-	-	-	217.2	-	217.2	-
Loans given	-	-	-	-	35,480.0	-	-	-	-	-	-	-	35,480.0	-
Sun Pharmaceutical Industries Limited	-	-	-	-	35,480.0	-	-	-	-	-	-	-	35,480.0	-
Loans received back	-	-	-	-	27,480.0	-	-	-	-	-	-	-	27,480.0	-
Sun Pharmaceutical Industries Limited	-	-	-	-	27,480.0	-	-	-	-	-	-	-	27,480.0	-
Interest Income	-	-	-	-	1,187.9	-	-	-	-	-	-	-	1,187.9	-
Sun Pharmaceutical Industries Limited	-	-	-	-	1,187.9	-	-	-	-	-	-	-	1,187.9	-
Rendering of Services	-	-	-	-	104.8	99.2	-	38.2	-	-	-	-	104.8	137.4
Sun Pharmaceutical Industries Limited	-	-	-	-	104.8	99.2	-	-	-	-	-	-	104.8	99.2
Sun Pharma Global (FZE)	-	-	-	-	-	-	-	38.2	-	-	-	-	-	38.2

SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
ACCOUNTING STANDARD (AS-18) " RELATED PARTY DISCLOSURE "

ANNEXURE 'A'

₹ in Million

Particulars	Key Management Personnel		Wholly Owned Subsidiary		Holding Company		Fellow Subsidiaries		Enterprise under significant Influence of Key Management Personnel of Holding Company		Controlled Entity		TOTAL	
	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15	31/03/16	31/03/15
Rent Paid	-	-	0.3	0.3	23.8	18.9	0.6	0.4	-	-	-	-	24.7	19.6
Sun Pharmaceutical Industries Limited	-	-	-	-	23.8	18.9	-	-	-	-	-	-	23.8	18.9
Others	-	-	0.3	0.3	-	-	0.6	0.4	-	-	-	-	0.9	0.7
Interest Expense	-	-	-	-	-	-	1.0	5.0	-	-	-	-	1.0	5.0
Neetnav Real Estate Private Limited	-	-	-	-	-	-	1.0	5.0	-	-	-	-	1.0	5.0
Deposit Given	-	-	-	-	-	-	-	87.5	-	-	-	-	-	87.5
Neetnav Real Estate Private Limited	-	-	-	-	-	-	-	87.5	-	-	-	-	-	87.5
Director's Remuneration	43.4	33.6	-	-	-	-	-	-	-	-	-	-	43.4	33.6
Mr. Abhay A Gandhi	43.4	33.6	-	-	-	-	-	-	-	-	-	-	43.4	33.6
Outstanding Balance Receivable / (Payable)	(6.1)	(6.3)	(4.9)	(4.9)	7,766.7	(390.6)	97.2	(6.1)	-	(31.5)	-	-	7,852.9	(439.4)
Sun Pharmaceutical Industries Limited	-	-	-	-	7,766.7	(390.6)	-	-	-	-	-	-	7,766.7	(390.6)
Others	(6.1)	(6.3)	(4.9)	(4.9)	-	-	97.2	(6.1)	-	(31.5)	-	-	86.2	(48.8)

Footnote

During the year, the Company has sold its investment in Silverstreet Developers LLP with effect from 1st April, 2015.