

at work

Annual Report 2009-10

Contents

Management Discussion and Analysis	01
Directors' Report	26
Historical Performance	29
Key Performance Indicators	30
Corporate Information	32
Auditors' Report	36
Balance Sheet	40
Profit and Loss Account	41
Cash Flow Statement	42
Statement Relating to Subsidiary Companies	71
Corporate Governance	72
Auditors' Report - Consolidated	83
Consolidated Balance Sheet	84
Consolidated Profit and Loss Account	85
Consolidated Cash Flow Statement	86

At work

The cover depicts an artist's representation of a gyroscope.

Encyclopedia Britannica says the 19th C French physicist Foucault gave the name gyroscope to a wheel or rotor mounted in gimbal rings. Such a spinning wheel maintained its original orientation in space regardless of the Earth's rotation, which made it ideal as a direction indicator.

Gyroscopes are used in compasses and automatic pilots on ships and aircraft, in the steering mechanisms of torpedoes, and in the inertial guidance systems installed in space launch vehicles, ballistic missiles, and orbiting satellites.

The steadfastness of the gyroscope is quite like the philosophy we work by at Sun Pharma.

Staying the course, steady and consistent, despite external challenges.

Staying steadfast to our values, that of service to the customer, focus on quality and innovation, of delivering value to the shareholder.

We've stayed the course, true to the tasks at hand, affecting corrections and putting into place plans for the longer term even as we balance priorities for the short, medium and long term.

Staying loyal to our own true north.

Disclaimer

Statements in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events may be "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, and competitors' pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour 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.



MANAGEMENT DISCUSSION AND ANALYSIS

Operational review

Annual consolidated sales were Rs. 39,040 million.

International branded generic sales across 40 markets grew 29% to Rs. 4,883 million, one of our fastest growing business areas.

2009-10 was an unusual year in that for the time in our listed history there was a decline in sales - 9%. Profit before interest and tax reduced 29% and profit after tax stood at Rs. 13,511 million compared with Rs. 18,177 million in 2008-09.

As we had previously indicated, the primary reason for this shortfall was that Caraco, our 75% US-based subsidiary, stopped manufacturing operations from June 2009, resulting in a sales decline to US\$ 22 million compared to US\$ 112 million from manufactured products in the previous full year of operations.

Our ex-US business segments continued to perform well, delivering strong sales and profit growth, while increasing their market share across geographies. Excluding Caraco, our 2009-10 sales were Rs. 27,978 million with a growth of 3% over the previous year.

Key performance indicators for 2009-10

- > Annual consolidated sales for 2009-10 of Rs. 39,040 million, a decline of 9% over the previous year
- > Sales in India were Rs. 19,334 million, down 6%.
- > International branded generic sales across 40 markets grew 29% to Rs. 4,883 million. This remains one of the fastest growing parts of our business.
- > Sales at Caraco were down 31% to US\$ 234 million.
- > We continue to hold reserves in excess of Rs. 77,200 million, earmarked for suitable acquisition opportunities.
- > Our R&D expense was Rs. 2,242 million, taking our cumulative R&D expense to Rs. 18,073 million.
- > Between Sun Pharma and Caraco, 84 ANDAs are approved and 123 await approval by the USFDA. Fifteen more ANDAs received approval this year.
- > Branded generic registrations received crossed 1,500.
- > 246 patents were filed so far, of which 81 were received based on the work by our research team



Halol plant

Business overview

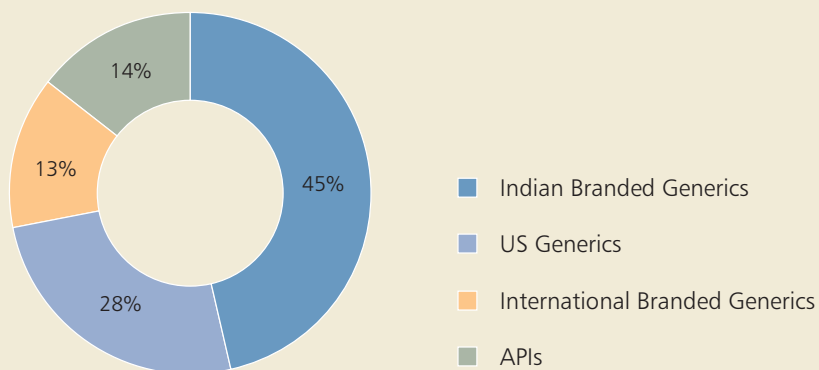
Our business can be divided into four segments: Indian branded generics, US generics, international branded generics (ROW) and Active Pharmaceutical Ingredients (API).

Indian Branded Generics continued to be the largest contributor to our revenue, at 45%, followed by US Generics (28%) and International Branded Generics (13%). API sales contributed 14%, a larger number than in the previous years, largely on account of APIs that would usually

be consumed by Caraco but are now available for sale.

Our international business contributed 52% of our total turnover. By the year-end, the total ANDA approvals stood at 84 with 123 more filings pending approval with the US FDA. During the year,

we invested Rs. 2,242 million in R&D. Our investments in capital expenditure were at Rs. 2,956 million, including our Sikkim formulations plant, which was commissioned during the year under review.





According to the WHO, cardiovascular diseases will be the largest cause of deaths and disabilities in India by 2020. The number of people with hypertension is expected to increase to 213.5 million in 2025, from 118.2 million in 2000.

(Source: Mint, July 8, 2010)

Industry outlook

IMS Health estimates the global pharmaceutical market in 2010 at over US\$ 825 billion, expected to grow 4-6%. Emerging markets, which accounted for US\$ 84 billion in 2008, are estimated to reach US\$ 155-185 billion in 2013, with a CAGR of 13-15% (IMS Health and Morgan Stanley estimates). In 2009, the US generics market was valued by IMS at US\$ 31 billion. BCC Research estimates the US generics market in 2009 at US\$ 34 billion. All the business areas that we are present in offer attractive opportunities, and we are well positioned to maximise sales and profit growth that these opportunities offer.

India

The Indian pharmaceutical market continued to register a healthy growth of 18% during 2009-10 to Rs. 417 billion (IMS MAT March 2010). While acute care still dominates the market with over 60% share, chronic care continues to outgrow the acute care segment and gain market share. Prescriptions written by General Practitioners (GPs) account for 40% of the overall Rx and are growing at 2%. In contrast, specialist Rx are growing at more than 5-6% per annum (Source: Morgan Stanley).

It is anticipated that India's specialty and super specialty therapies are likely to account for 45% of the market by 2015 (36% in 2006) (Source: India Pharma 2015, McKinsey). Socio-economic factors such as rising incomes, increasing affordability of quality health care, steady increase in health insurance penetration and a continued rise in chronic diseases will drive the growth of the pharmaceutical market in India. IMS forecasts suggest that the Indian pharmaceutical market will continue to register double-digit growth and has high potential to double its size in five years.

In addition, the government's emphasis on providing healthcare for the under privileged with initiatives like the health insurance policy for the poor, the Rashtriya Swasthya Bima Yojana and emphasis on improving the delivery mechanism is expected to result in better volumes across the industry.

The Indian pharmaceutical industry continues to witness a consolidation, with MNCs continuing to acquire some Indian companies to benefit from the attractive growth that this market offers. On the other end of the scale, some of the regional companies are also gaining share, albeit from a low base. Together with attractive market opportunities, competitive intensity will increase.

A report published by the International Diabetes Federation projects the number of diabetics in the age group 20-79 in 2010 to be around 50.7 million - the highest among all countries.

(Source: Mint, July 8, 2010)



In the analytical lab, Caraco

Companies with capabilities to launch innovative medicines at affordable prices, build strong brands, offer high quality medical information to doctors and assist patients to manage their conditions better, will continue to perform well.

While product patent protection offers newer opportunities to innovator pharmaceutical companies, the Indian pharmaceutical market will continue to be substantially dominated by branded generics across the foreseeable future.

The US

Total market: At an estimated US\$ 300 billion dollars in size (January 2010 MAT), the US pharmaceutical market remains the world's largest, though it registered

only 6% growth. U.S. market growth in 2010 is expected to be 3-5%. With US\$ 74 billion worth products (sales) forecast to go off-patent between 2009 and 2012, the US pharmaceutical market is likely to remain sluggish across the foreseeable future.

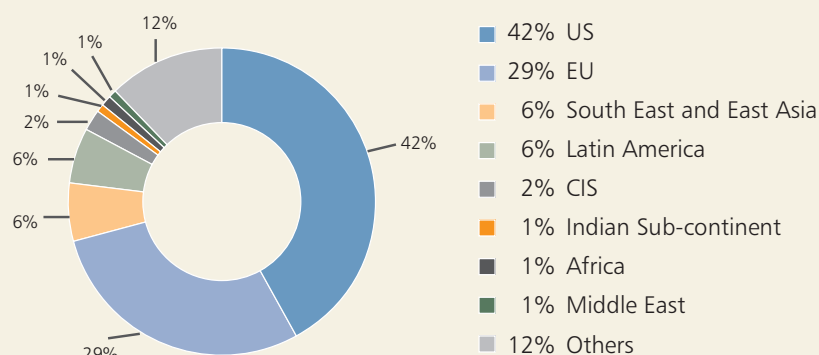
Generics market: With an estimated size of US\$ 34 billion, the US generics market is one of the largest in the world. In terms of prescription share, generics continued to increase their share and accounted for 72% at the end of 2009 (from 55% in 2004). The growing preference for generics is also reflected in the increase in generic drug penetration in the US from 47% in 1999 to 72% in 2009. However, generics still only account for 17% of total sales by value.

In 2009, the US government implemented policy changes that extended cost-effective healthcare coverage and are expected to be pro-generic. More affordable insurance will reduce premium costs and enable more than 31 million previously uninsured Americans to afford healthcare. In addition, the new competitive health insurance market will provide Americans a wider insurance choice. Greater healthcare accountability is expected to keep the premia down.

Emerging markets

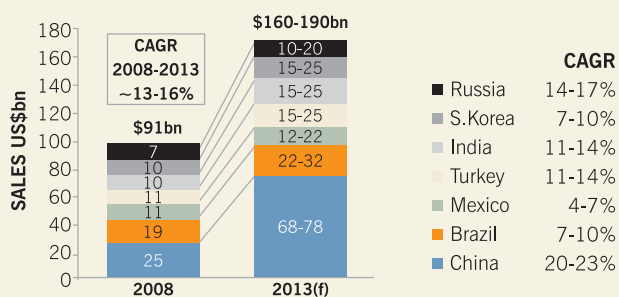
The estimated size of the pharmaceutical market in emerging markets (excluding USA, Canada, EU, Japan and Australasia) is over US\$ 90 billion, registering double-digit growth and accounting for a majority of the global pharmaceutical market growth in 2009. China stands out with a size of US\$ 32 billion and forecasted growth of 20-23%. All these markets are expected to sustain a double digit-growth across the foreseeable future on the back of a strong economic growth, rising population and an increasing affordability for quality healthcare in these countries. IMS forecasts suggest that the pharmaceutical market in emerging market countries will be US\$ 155-185 billion in 2013 (CSFB, Morgan Stanley and IMS data).

Regional share of global generics market



(Source: IMS Health, Industry, brokerage reports)

Expected growth of various markets



(Source: IMS Health, Industry, brokerage reports)

Japan: Japan's stringent quality standards tend to deter global entrants. On the other hand, it is a fast-emerging generic market at US\$ 3.5 billion, with generic penetration at 15% by volume and likely to rise to 30% by volume by 2012 (CSFB Pharma far marts, March 2010).

Europe: The European market for generics in 2009 was US\$ 33 billion (IMS data). Although generic medicines now fulfill over 50% of the demand for medicines in Europe, they still only represent 18% of the total medicine bill.



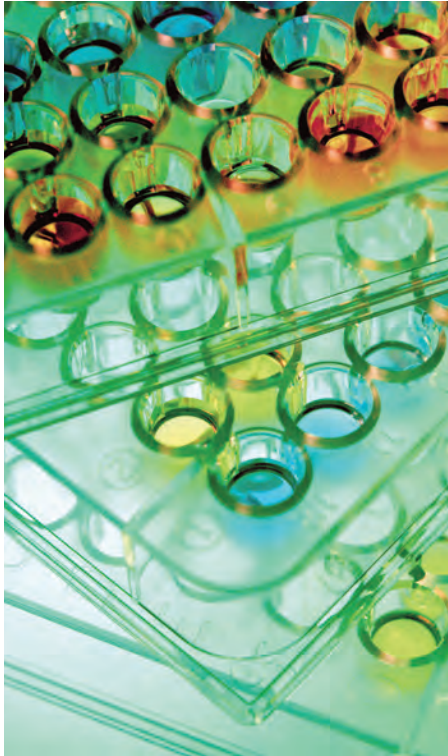
In the API plant, Ahmednagar

APIs

India is a significant player in the global active pharmaceutical ingredient (API) market, being one of the world's largest API manufacturers. It ranks fourth by volume and thirteenth by value. It is

expected to generate sales worth US\$ 6 billion in 2010, growing around 19%. A bulk of the API production is exported to Europe (Source: *Pharmabiz*). India is also recognised as one of the world's lowest-cost producers of small molecule APIs.

With an increasing pressure on global economies, especially advanced nations, to reduce healthcare costs, India is set to play a significant role in this space.



WHO estimates that India will lose US\$ 237 billion during 2006-2015, due to coronary heart disease, stroke and diabetes

(Source: Mint, July 8, 2010).

Business performance

1 Indian branded generics

Snapshot

Domestic revenue: Rs. 18,301 million

Growth: 22% (5 year CAGR leading to 2009-10)

Manufacturing locations: Six

Overview

Sun Pharma is India's sixth largest branded generics player, with a product basket comprising 537 formulations and covering chronic therapy segments. Several of our products are technically complex products with relatively lower competition. We commanded a market share of 3.7% in 2009-10.

In 1995, we pioneered a therapy-focused marketing strategy where products from different therapeutic segments were marketed by separate divisions. Currently we market products through 18 divisions, facilitated by a strong field force of more than 2,500 members covering

more than 130,000 specialist doctors.

Almost 50% of our brands feature among the top three brands in their specific spaces in India. Our top 10 brands contributed 20% to domestic revenues while the top 50 brands contributed 53% in 2009-10, de-risking our growth from an excessive dependence on a handful of blockbuster products. Besides, our growth was balanced between established products launched before 2006 accounting for 67% of our growth, and a continued launch of differentiated products in the therapy areas of our focus.



In the QC lab, Ahmednagar

Sun – preferred choice of the doctor fraternity

Therapeutic wise ranking

Therapeutic segment	March-June 05	Nov 09-Feb 10
Psychiatry	1	1
Neurology	1	1
Cardiology	1	1
Orthopedic	6	1
Ophthalmology	4	1
Diabetology	2	2
Gastroenterology	2	2
Chest physician	5	4
Nephrology	NA	3
Consultant physician	5	4
Oncologist	6	5
Urology	NA	8
ENT specialist	NA	17
Gynecology	8	4

Top 10 products/product groups

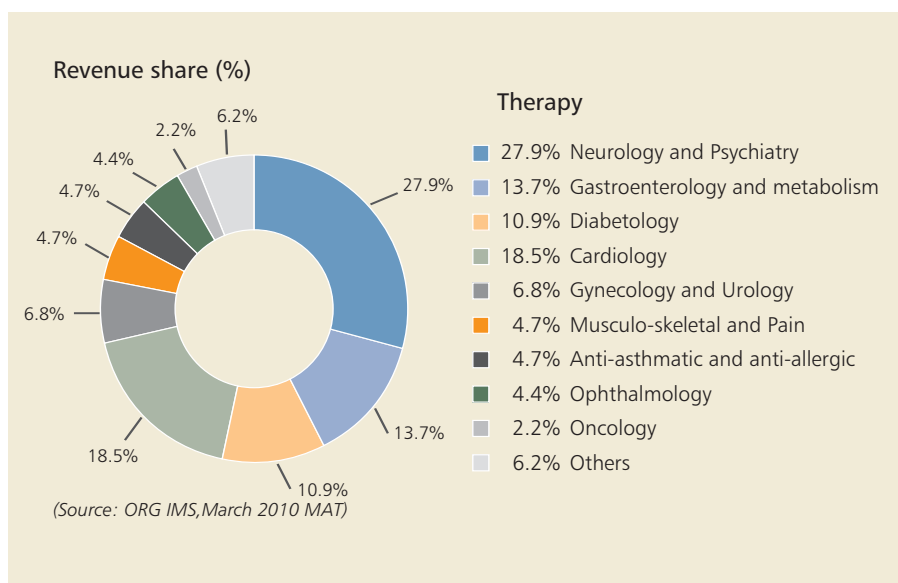
Brand name	Therapeutic segment
Pantocid group	Proton pump inhibitor/antiulcerant
Repace group	CVS, hypertension
Glucored group	Oral antidiabetic
Susten	Women's healthcare
Aztor	CVS, cholesterol reducing agent
Strocit	CNS, stroke
Gemer	Oral antidiabetic
Encorate Chrono	CNS, epilepsy
Clopilet	CVS, anticlotting agent
Oxetol	CNS, epilepsy

Business realities in 2009-10

- > Our domestic business revenues decreased 7% from Rs. 19,597 million in 2008-09 to Rs. 18,301 million.
- > According to IMS, we were ranked sixth with a 3.7% market share and 18% GR.
- > According to AWACS, a market audit firm at the wholesaler level, we ranked fifth with a 4.3% market share and 15% GR.
- > A total of 48 new products were introduced across various divisions. Technically complex products like Exapride (exenatide injection) and Cardivas CR (carvedilol phosphate extended release) that differentiated our product offering were launched during the year, as also Lambin (liposomal amphotericin).
- > Major brands like Pantocid, Glucored, Susten, Aztor, Strocit and

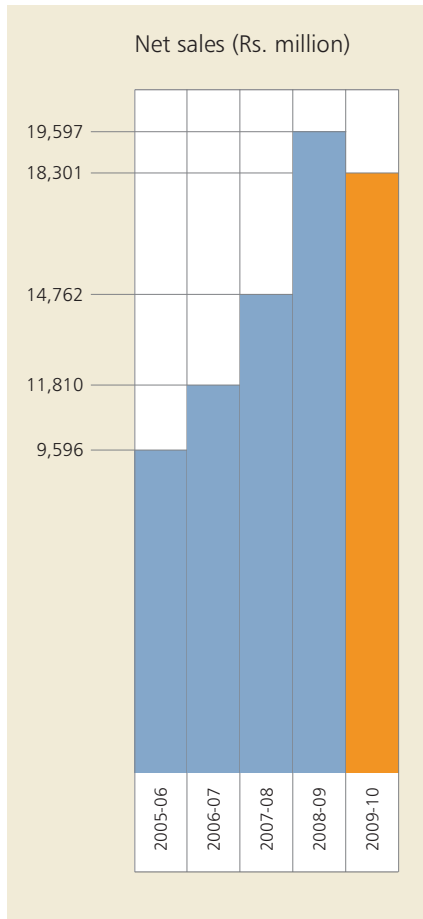
Gemer registered double-digit growth in a competitive market, strengthening our topline.

- > Pantocid, an antiulcerant along with combinations, emerged as the largest selling product group in India from our portfolio.
- > We continued efforts in prescription generation for existing products, and introduced new products.
- > We intensified our focus on building brands based on complex technologies.
- > In therapeutic segments, where we are a significant player, we strengthened our leadership with strong execution and strategies. Similarly, in other segments where we are late entrants, we continued to build our prescription share.
- > We enriched doctor relationships and built trust through the scientific



promotions like PG CME meets and symposia where world-class speakers were invited to share experiences with Indian doctors, etc.

- We launched the antidiabetic injectable Exapride (Exenatide), a 39 amino acid-based peptide in a patient-friendly delivery system device. Our product can handle multiple doses and be reused, reducing the patient's spend on the repeated purchase of the device.
- Octride, the peptide-based treatment for variceal bleeding, became one of our largest GI products.
- Technically complex drugs like Gliotem (Temozolamide) and Gemtaz (Gemcitabine) helped us differentiate and earn the trust of oncologists.
- We launched Lambin (Liposomal amphotericin), a targeted treatment for systemic fungal infections in immunocompromised patients.



In the Formulation Development Dept., SPARC

Our flagship brand Aztor won the prestigious 2009 global award for campaign creativity for our “Every heart counts for us!” campaign at an award function in New York.



2 US operations

Snapshot

Revenue: US\$ 234 million

Growth: 33% (CAGR over five years ending 2009-10)

Manufacturing locations supplying to the US market: 6

ANDAs: 84 approved against 207 filed

Overview

Our presence in the US generic market accounts for around 28% of our total sales, with formulation manufacturing facilities spread across six locations, including several sites in India. This combination of manufacturing sites with facilities – on mainland US and offshore – gives us the flexibility to manufacture where it is most economical.

Our product basket comprises a prudent mix of generics and complex

or limited competition products. We have the flexibility to manufacture all dosage forms ranging from tablets to injectables, eye drops and sprays. A large number of products that we make are integrated into APIs and offer us an effective control on costs.

We introduced products such as Amifostine, Lupreolide, Octreotide and Vecuronium, which are technically complex, face a lower competitive intensity and offer reasonable profitability.

Historical performance

Brand name	2007-08	2008-09	2009-10
Net sales (US\$ million)	350	337	234
Net sales (Rs. million)	14,139	15,460	11,062
ANDAs filed	47	35	30
ANDAs approved	24	16	15
Complex products	Octreotide injection	Amifostine injection Irinotecan injection Lupreolide injection Pamidronate injection	Azelastine Rivastigmine Nicardipine injection Vecuronium injection

Business realities, 2009-10

Despite the halting of production at Caraco, we reported a good growth of distributed products.

- Began to build sales of the first few controlled substance ANDAs from our Cranbury facility.
- Entered the oncology therapeutic segment; launched 10 products; built a strong CNS product range (29 products) and CVS range (13 products).
- Received exclusivity for generic Eloxatin; continued to sell generic

Protonix at risk (we discontinued sales of both products in the first quarter of 2010-11).

- Received a settlement fee from Forest Labs and Lundbeck for the Lexapro patent dispute, with likely milestones should our process be used by them.
- Built credibility with customers by continually communicating developments on the FDA issue with Caraco. Our team convinced customers that the issue was ring-fenced only around Caraco, even as

our other operations for the US remained dependable and compliant.

The US generic market continues to be demanding, with extensive competition from equivalently placed companies now extending to products even in the exclusivity period. The FDA has been raising the bar on regulations, and at times there have been significant delays for generic approvals at the FDA. The FTC has also been keeping a close watch on generic-innovator deals as a part of its mandate.

ANDAs approvals in 2009-10 and 2008-09

	2009-10	2008-09	Cumulative
CNS	3	5	26
Pain	1	3	11
CVS	2	2	13
Oncology	2	3	11
Metabolism	1	-	7
Cough and cold	2	3	6
Antibiotic	-	1	2
Allergy	3	-	5
Urology	1	-	1
Gastro	-	-	1
Endocrine	-	-	1

At Caraco, as required by the USFDA, the team is working closely with cGMP consultants to identify and implement corrections to comply with FDA requirements. Caraco has taken FDA approval on its work plan, and is now working to put these corrections in place. Caraco has created a partial reserve of US\$ 15.9 million to account for losses due to inventory seizure worth US\$ 24 million by US FDA. It has drawn up a roadmap for transferring some products to alternative manufacturing sites and has also begun to market several products from Forest's Inwood business, as part of an agreement.

Acquisition of Taro

One of the challenges in 2009-10

was the continuing dispute regarding the acquisition of Taro, which is now pending ruling by Israel's Supreme Court. However, there were three clearly positive developments that we are glad about:

- In December 2009, Templeton, which holds a 10% equity stake in Taro, (the third-largest and largest-minority shareholder) withdrew its appeal/opposition and came out strongly in favour of the takeover. Templeton had opposed Sun Pharma's acquisition for about 30 months.
- At Taro's annual general meeting, the minority shareholders (78% of minority votes polled) voted against the continued service of the Levitt Board of Directors and the election of

Taro's External Director nominees.

- In July 2010, the United States District Court for the Southern District of New York dismissed the complaint filed by Taro seeking to block the Tender Offer by Sun's subsidiary Alkaloida. The Court rejected Taro's claims based on allegations that Sun and Alkaloida had failed to make adequate disclosures concerning the offer. The Court also rejected Taro's request for discovery, remarking that Taro had not explained any purpose that discovery would serve. The Court also dismissed Taro's other claims, including breach of contract and misappropriation of trade secrets, for lack of subject matter jurisdiction.



Injectables area, Halol plant



3 Rest of the world

Snapshot

Revenue: Rs. 4,883 million

Contribution to business: 13%

Growth: 43% (5-year CAGR leading to 2009-10)

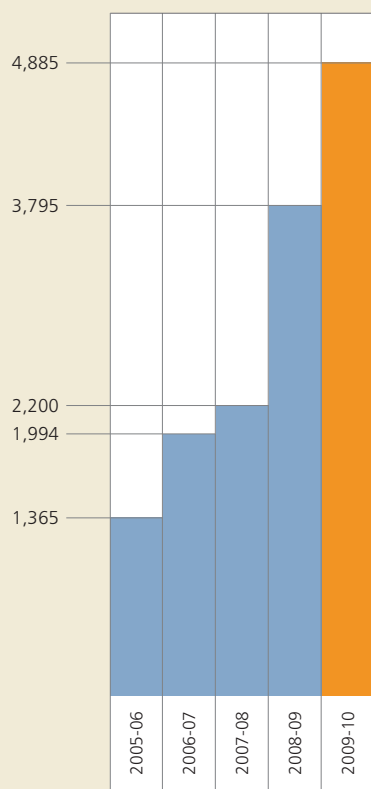
Products: 1,578 products

Overview

Our global footprint now spans 40 pharmaceutical markets across four continents, some 1,578 products already registered and nearly 900 products in the regulatory pipeline in these countries. The emerging markets part of our business grew by over 40% over the last seven years and we expect the momentum to continue. Our key high-potential markets are Russia, China, Brazil, Mexico, ex-CIS nations and South Africa. Considering the size, the potential opportunities and to strengthen our competitive capabilities, we established manufacturing operations in Mexico and Brazil. The regulatory filing of products from these facilities has commenced.

Regulatory demands are becoming progressively stringent, increasing the cost and timelines to register the products in a number of emerging markets. In the last few years, some emerging markets amended their regulatory requirements to match those of regulated markets with the need to have detailed plant inspections and local bio-studies. These developments have a potential to stagger our new product registrations in these countries. However, we will aim to increase our footprint and augment our product offerings across emerging market regions in a phased manner.

Net sales (Rs. million)



	2005-06	2006-07	2007-08	2008-09	2009-10
Contribution to turnover (%)	8.0	9.0	7.0	9.0	13

Europe: Initiated exports to Europe for the first time in our history; received 11 product approvals in Europe up to March 2010. At US\$ 33 billion, key generic markets in Europe present an attractive opportunity. We expect to create a meaningful EU presence with generics, building a line of select hospital products that offer decent returns over the medium-term.



In the API plant, Panoli



4 API business overview

Snapshot

Revenue: Rs. 5,491 million

Contribution to business: 14%

Growth: 19% (5-year CAGR leading to 2009-10)

Our backward integration into speciality APIs for key products strengthens our position against competing global pressures. Several of our eight world-class facilities are ISO 14001 and ISO 9002-approved. Many of our plants hold approvals from the US FDA as well as regulatory authorities of various developed countries

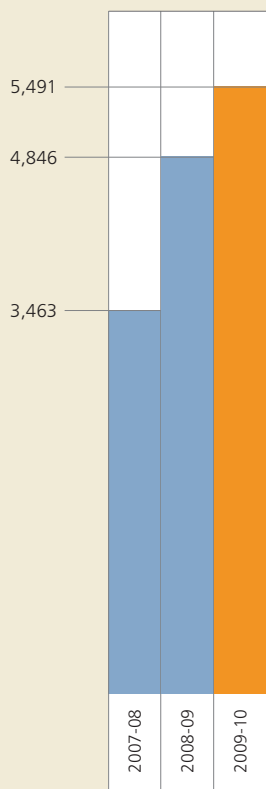
Our API basket currently comprises 170 products, of which a vast majority are complex APIs. A large proportion of APIs manufactured are consumed in-house.

We have standalone facilities in Panoli and Ahmednagar for peptides, anti-cancers, steroids and sex hormones. Our Hungary unit manufactures controlled substances from the basic stages, while the

other manufacturing facilities can handle multiple products. Our Tennessee plant holds quotas for controlled substance API manufacture in the US. We add more than 25 API processes annually, enriching our product basket.

In 2009-10, our API business grew 13% from Rs. 4,846 million in 2008-09 to Rs. 5,491 million in 2009-10 and registered a 19% CAGR (last five years leading to 2009-10). Our API revenues accrue from a global footprint covering 56 countries. In the regulated markets, our business is largely conducted with end-users. For a large number of products like Pentoxifylline, Clomipramine and Mesalazine, we are a dominant, if not the leading, international producer.

API sales
(Rs. million)



> Received approvals for eight APIs from various regulatory authorities; this took the total regulated market-approved APIs to 89 out of 155 filings made for DMF and CEP

> Enhanced our equipment productivity by reducing process steps, improving chemistry and optimising manufacturing costs through value engineering

	2007-08	2008-09	2009-10
Contribution to turnover (%)	10	11	14

We intend to strengthen our presence in Japan and China, as also in the API hubs of Germany and Italy.



View of the API plant, Ahmednagar



Research and development

Research and development lies at the heart of our success. Research is undertaken at various R&D centres including two state-of-the-art centres, accommodating 600 qualified scientists. Over the years, we developed sound capabilities ranging from complex APIs to formulating complex, technology-intensive products. Our research initiatives offer complex products to our customers and patients.

Our Baroda research centre develops complex APIs and dosage forms for India, US and Europe. Our Mumbai research centre focuses on the development of differentiated dosage

forms and generics for developed markets like the US and Europe. The work at these research centres ensures that we have a robust pipeline to feed all the markets that we operate in.

Our state-of-the-art research laboratories are equipped with extensive facilities for pharmacokinetics, formulation development, organic synthesis, clinical research and analytical development.

R&D commitment

	2005-06	2006-07	2007-08	2008-09	2009-10
Investment in R&D (Rs. million)	2,015	2,787	2,859	3,320	2,242
R&D investment as percentage of net revenue	12	13	9	8	6

Our R&D focus

Our R&D team focuses on creating difficult-to-replicate molecules/products involving complex technologies at competitive costs. This focus helped grow the basket from five products in 1983 to 537 products in India (as on March 31, 2010).

Generic process research: We focus on developing complex APIs entailing multiple-step chemistry in a cost-effective and environment friendly

manner. Our expertise covers complex products like steroids, anti-cancers, peptides and hormones. This expertise reinforces our backward integrated business model. In 2009-10, our team added 28 APIs.

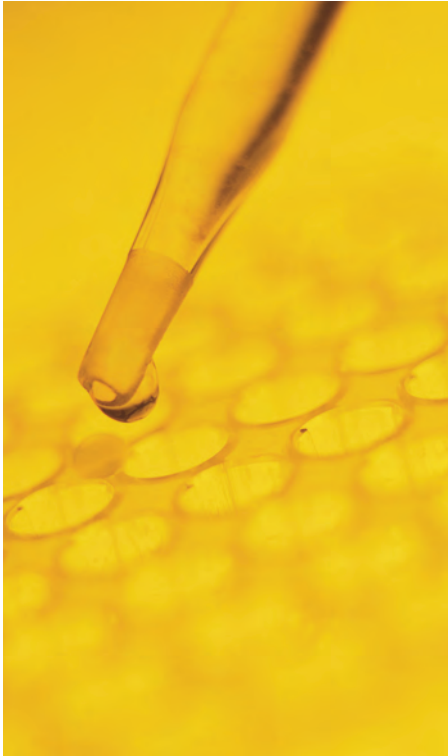
Generic formulation research: Our formulations research team focused on developing niche and complex finished products, creating a differentiated product pipeline and capitalising on first-to-file opportunities. In 2009-10, our team

launched 48 new products in India and filed 30 ANDAs in the US taking the total to 207 ANDAs. In all, close to 900 dossiers are pending approvals in other regulated and semi-regulated geographies.

Complex delivery systems: Our team developed delivery systems such as metered dose inhalers, osmotic release formulations and nasal sprays, among others. In 2009-10, we introduced 26 products based on novel delivery platforms.



In the R&D labs, SPARC, Baroda



Intellectual property

We possess a rich patent library. The cumulative filings stood at 246 filings, of which 81 were approved. We filed 13 new patent applications in 2009-10.

Regulatory Affairs

Every step in the pharmaceutical value chain – product development, manufacture and marketing – is marked by an adherence to regulatory compliance. The regulatory norms vary widely across countries and are periodically upgraded to meet increasing quality expectations.

The result is that with competition increasing, it is not merely enough to

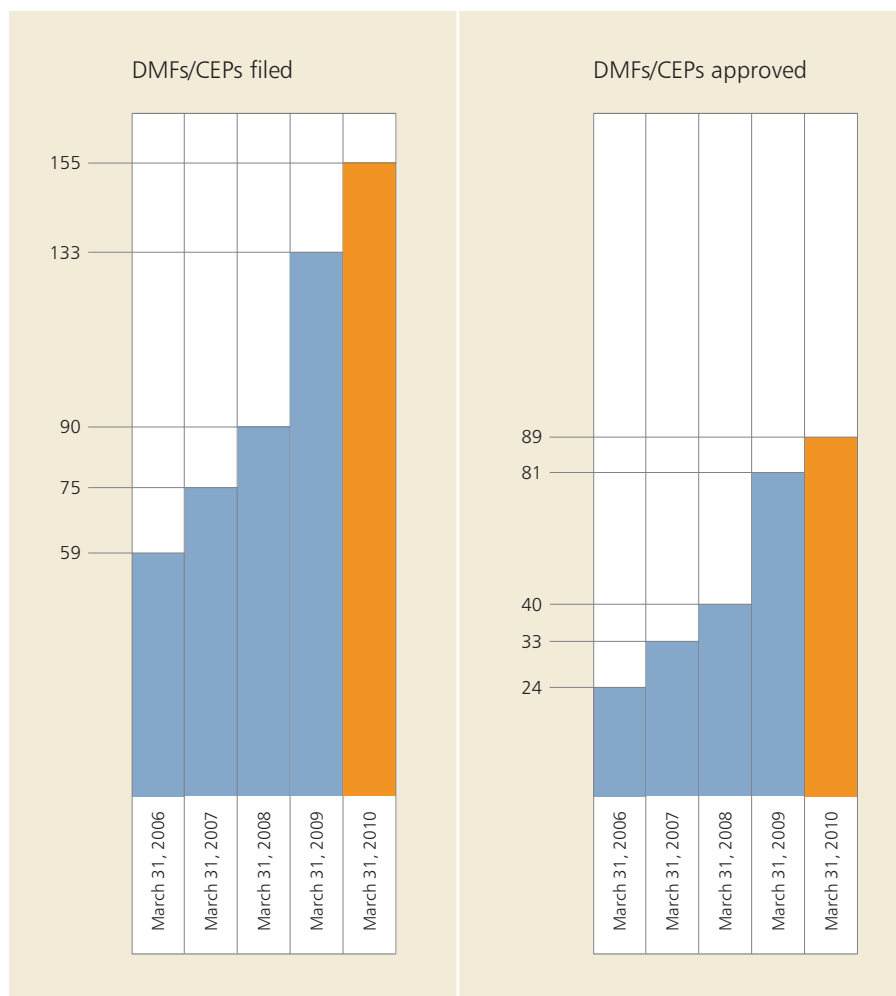
meet regulatory compliance; it is now imperative to do so with speed and emerge as a first-mover in a particular product or geography.

Our regulatory compliance is a competitive advantage that has enabled us to establish a global footprint across 40 countries. Our regulatory team helps strengthen (through increased product filings) and expand (by meeting regulatory requirements of new geographies) this global presence.

Over the years, our team reduced the time for filing regulatory documents despite growing regulatory complexities.

Highlights, 2009-10

- Filed 14 DMFs in the US; received six DMF approvals during the year. We emerged among the few Indian pharmaceutical companies with the maximum DMF filings in the US – 99 (with 43 approvals) as on March 31, 2010.
- Filed seven Certificate of Suitability with the European Pharmacopoeia (CEP) for strengthening our European presence; this took the total CEP filings to 28, with 21 approvals in all.
- Filed 30 ANDAs for approval with US regulatory authorities; received approval for 15 ANDAs; the total tally of ANDAs stood at 207 filed and 84 approved as on March 31, 2010.
- Filed dossiers in 40 countries, including Taiwan, Japan, Canada, Australia and China.
- Received approval for Sumatriptan prefilled injections from UK MHRA, the Company's first device approval.



Approvals in 2009-10

DMF/CEPs approved	ANDAs approved	Products approved in rest of the world
8	15	394

In 2009-10, we filed eight DCPs in Europe for complex products and received approvals for five. We received our fastest DCP approval (as yet) in only 12 months for Olanzapine. As filing procedures and approvals get increasingly complex, we are working to strengthen our regulatory team.



Quality

Consistent quality is critical in the pharmaceutical sector, especially for companies like ours that are present in quality-conscious regulated markets.

We focus on high product quality standards, ensured by a 14-member quality management team. The vindication of our quality focus is evident in our manufacturing facilities holding certifications from some of the world's most demanding regulatory bodies.

Halol on the global map

Our Halol unit received GMP approvals in 2009-10 from Canada, Australia, Ukraine, Nigeria, Colombia and Taiwan. This is in addition to its USFDA & UKMHRA approvals.



Intellectual capital

The contribution of our team is critical to our performance. Intellectual capital is the strongest driver of our growth. Our success is largely derived from our ability to attract the best talent, create opportunities to identify potential and groom our team for leadership positions by providing a congenial

environment to perform, lead and grow the organisation.

We practice a policy of creating tomorrow's leaders from within the organisation, providing a clear growth path to team members. This process is facilitated through an institutionalised promotional system

called Career Progression Program (CPP).

A key challenge is protecting and retaining junior level employees operating in the plants and factories. Our team is also replicating its CPP programme across all manufacturing facilities.



In the Analytical lab, Halol

Internal control

Sun Pharma's defined organizational structure, documented policy guidelines and adequate internal controls ensure efficiency of operations, compliance with internal policies, applicable laws and regulations, protection of resources and assets, and accurate reporting of financial transactions.

Moreover, the Company continuously upgrades these systems in line with the best available practices.

The internal control system is supplemented by extensive internal audits, conducted by independent firms of Chartered Accountants to cover various operations on a continuous basis.

The Company continuously upgrades its systems in line with the best available practices.



DIRECTORS' REPORT

Your Directors take pleasure in presenting the Eighteenth Annual Report and Audited Accounts for the year ended March 31, 2010.

Financial Results

(Rs. in million except dividend per share and book value)

	Year ended March 31, 2010	Year ended March 31, 2009
Total Income	26467	40437
Profit after tax	8987	12653
Dividend on Equity Shares	2848	2848
Corporate Dividend tax	473	484
Transfer to various Reserves	3000	4500
Amount of dividend per equity share of Rs. 5/- each	13.75	13.75
Book value per equity share of Rs. 5/- each	276	249

Dividend

Your Directors are pleased to recommend an equity dividend of Rs. 13.75 per equity share of face value Rs. 5/- each (previous year Rs. 13.75 per equity share of face value Rs. 5/- each) for the year ended March 31, 2010.

Management Discussion and Analysis

The management discussion and analysis on the operations of the Company is provided in a separate section and forms part of this report.

Human Resources

A dedicated team of over 8000 multi-cultural employees have been pushing boundaries of your organisation to maximize opportunities across our corporate office, Company's various R&D Centres & 19 plants (including associate companies) spread across

three continents. The potential and ability to deliver consistently is established by our remarkable team, evident from our consistent growth. The Company recognises the importance and contribution of our people. Performance orientation and ethics are high priority areas. The supportive work environment and opportunities for career advancement within the Company itself, helps retain talent. Your Directors recognise the team's valuable contribution and places on record their appreciation for Team Sun Pharma.

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, is available at the registered office of your Company. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Report and Accounts are being sent to all shareholders of the Company and others entitled thereto excluding the aforesaid information. Any shareholder interested in obtaining a copy of this statement may write to the Company Secretary/Compliance Officer at the

Corporate Office or Registered Office address of the Company.

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo.

The additional information relating to energy conservation, technology absorption, foreign exchange earning and outgo, pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure and forms part of this Report.

Corporate Governance

Report on Corporate Governance and Certificate of the auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges, are enclosed.

Consolidated Accounts

In accordance with the requirements of Accounting Standard AS-21 prescribed by the Institute of

Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiaries is annexed to this Report.

Subsidiaries

The Ministry of Corporate Affairs, Government of India, has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said order, is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company and its subsidiaries who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor at the Registered Office & Corporate / Head Office of

the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

Finance

CRISIL continued to reaffirm its highest rating of "AAA/ Stable" and "P1 +", for your Company's Banking Facilities throughout the year enabling your Company to avail facilities from banks at attractive rates. The Company does not offer any Fixed Deposit scheme.

Corporate Social Responsibility

Your organization continued to support activities in two areas-- health and education. Other areas of support were disaster relief and civic utilities around the plants and research centers, where assistance was provided on a need basis.

Directors

Shri Sudhir V. Valia, Shri Hasmukh S. Shah and Shri Ashwin S. Dani retire by rotation and being eligible offer themselves for re-appointment.

Shri Subramanian Kalyanasundaram was appointed as an Additional Director, and Chief Executive Officer & Whole-time Director of the Company for a period of five years from April 1, 2010 to March 31, 2015, by the Board of Directors by way of circular resolution passed on March 31, 2010,

and holds the office as a director up to the ensuing Annual General Meeting. The Company has received requisite notice under Section 257 of the Companies Act, 1956, from a member to propose his name for being appointed as a Director of the Company.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

(i) that in the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) that the Directors have selected appropriate accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and on the profit of the Company for the year under review;

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of

the Company and for preventing and detecting fraud and other irregularities; and,

(iv) that the Directors have prepared the annual accounts for the financial year ended March 31, 2010 on a 'going concern' basis.

Auditors

Your Company's auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, retire at the conclusion of the forthcoming Annual General Meeting. Your Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the provisions of Section 224(1-B) of the Companies Act, 1956.

Acknowledgements

Your Directors wish to thank all stakeholders and business partners, your Company's bankers, financial institutions, 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

Dilip S. Shanghvi
Chairman & Managing Director

June 14, 2010
Mumbai

HISTORICAL PERFORMANCE

(Rs. in million)

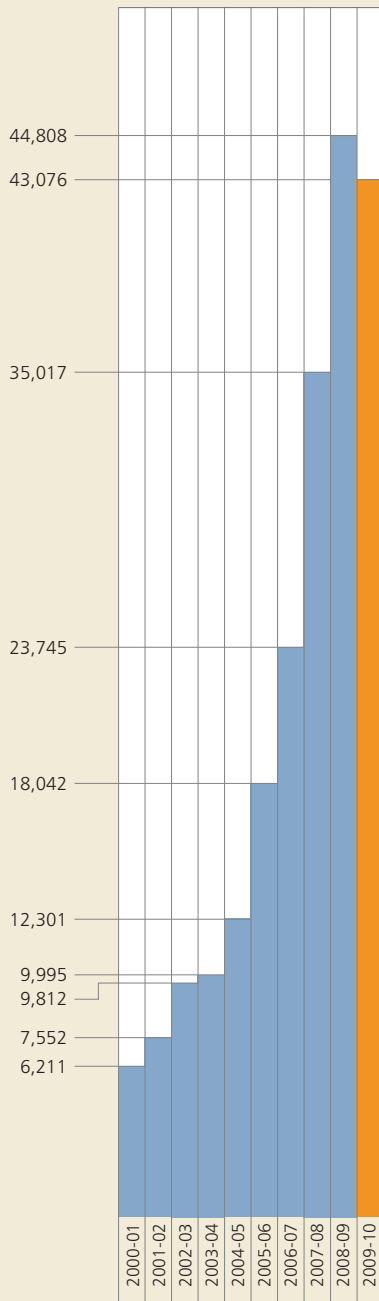
Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Operating Performance										
Income from operations	6,148	7,505	9,725	9,847	11,983	17,372	22,373	34,606	43,751	39,815
Total income	6,211	7,552	9,812	9,995	12,301	18,042	23,745	35,017	44,808	43,076
Profit after tax	1,352	1,707	2,444	3,446	4,002	5,730	8,402	15,509	18,780	13,470
R&D Expenditure	250	336	966	1,268	1,427	2,015	2,787	2,859	3,320	2,242
a) Capital	71	197	363	598	418	481	347	134	222	159
b) Revenue	179	139	603	670	1,009	1,534	2,440	2,725	3,098	2,083
c) % of Turnover	4%	5%	12%	13%	12%	12%	13%	9%	8%	6%
Financial Position										
Equity Share capital	468	468	465	464	928	929	967	1,036	1,036	1,036
Reserve and surplus	3,859	4,956	5,141	7,540	10,366	14,959	26,747	48,879	69,414	77,254
Gross block	2,675	3,007	4,033	6,232	7,806	12,342	14,252	15,960	21,476	23,340
Net block	1,891	2,092	2,682	4,518	5,719	8,563	9,514	10,354	14,625	15,328
Investments	397	818	38	1,765	6,485	3,541	2,543	6,565	18,595	30,664
Net current assets	2,632	2,410	3,725	4,808	16,360	23,006	26,843	33,995	35,485	29,542
Stock Information										
Number of Shares	46,756,018	46,774,537	93,048,478	92,755,678	185,511,356	185,731,637	193,402,120	207,116,391	207,116,391	207,116,391
Earnings Per Share										
- Basic (In Rs.)	27.8	35.6	26.4	35.4	21.3	30.9	41.7	74.7	87.8	65.2
Earnings Per Share										
- Diluted (In Rs.)	27.8	35.6	13.2	17.7	20.7	27.7	38.9	71.8	87.8	65.2

Note :

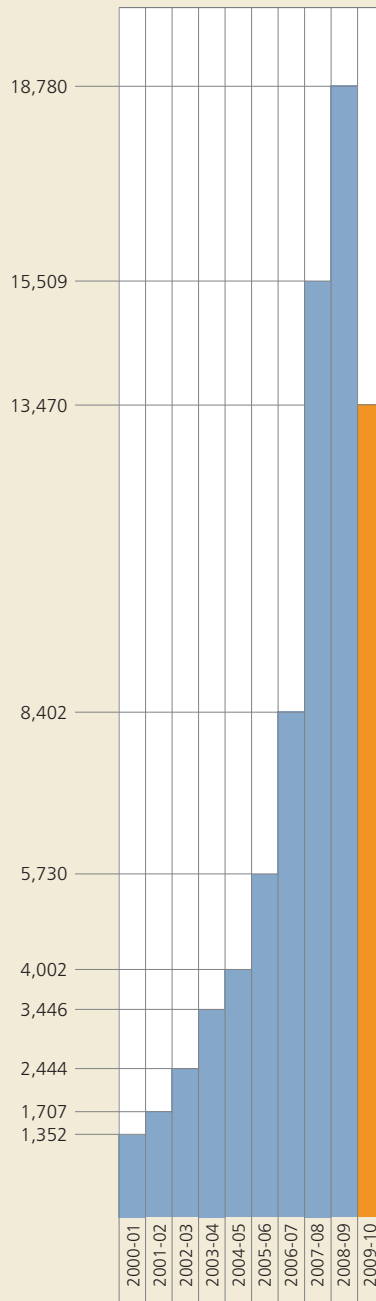
1. The Company started preparing Consolidated Financial Statements from Financial Year 2001-02 onwards.
2. During the financial year 2002-03, each Equity Shares of Rs. 10/- each was split into two Equity Shares of Rs. 5/- each.

KEY PERFORMANCE INDICATORS

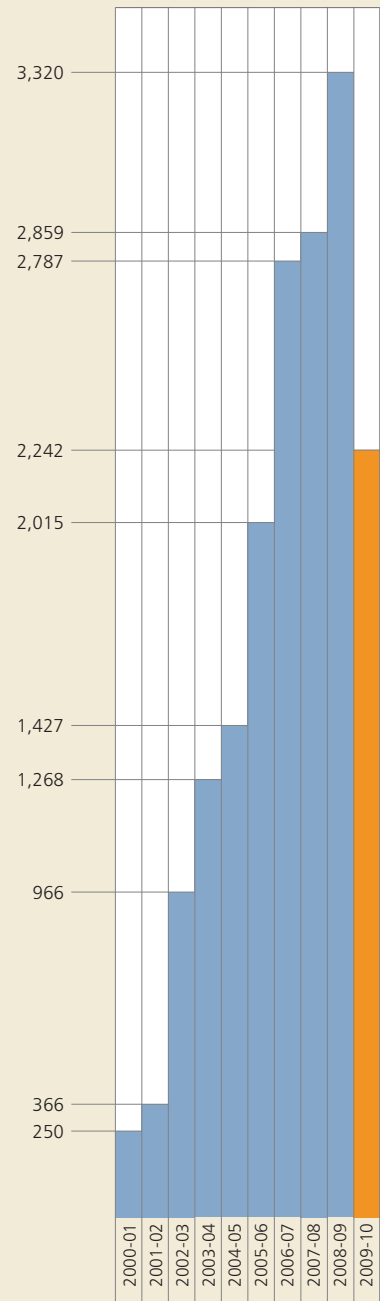
Total income
(Rs. in million)



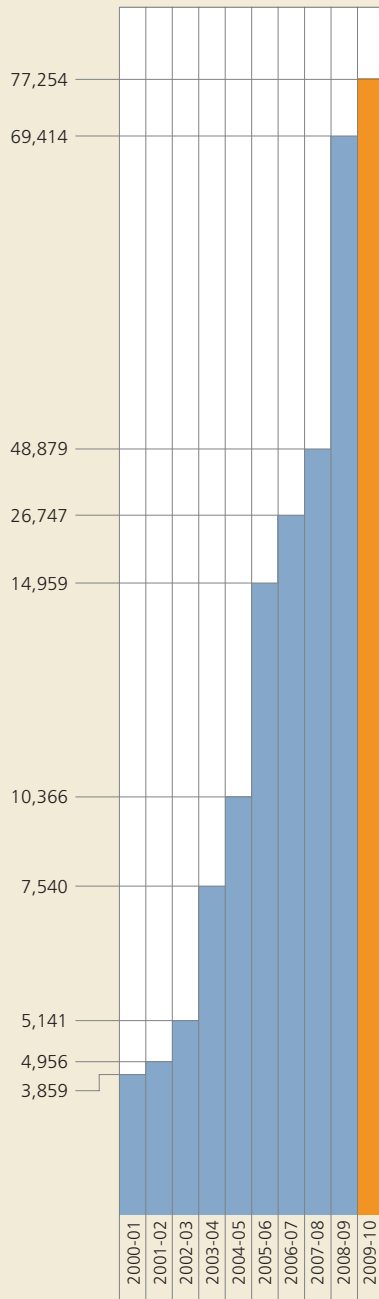
Profit after tax
(Rs. in million)



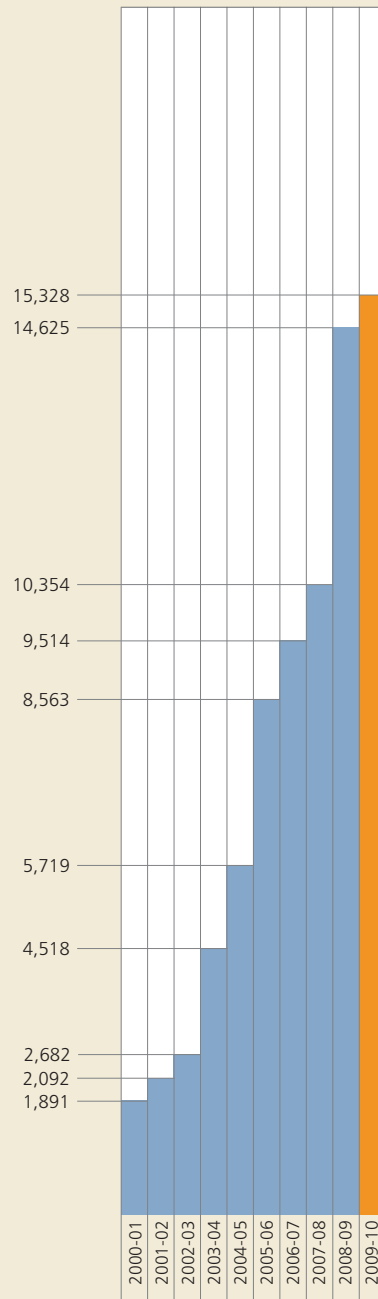
R&D Expenditure
(Rs. in million)



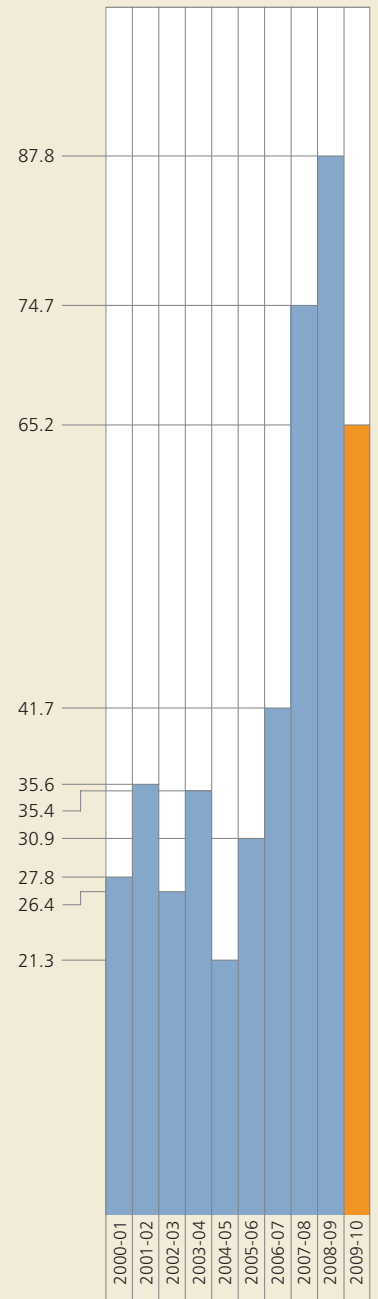
Reserve and surplus
(Rs. in million)



Net block
(Rs. in million)



Earnings Per Share - Basic
(In Rs.)



CORPORATE INFORMATION

Board of Directors

Mr. Dilip S. Shanghi
Chairman & Managing Director

Mr. Sudhir V. Valia
Whole-time Director

Mr. S. Kalyanasundaram
CEO and Whole-time Director
(w.e.f. 1st April, 2010)

Mr. Sailesh T. Desai
Whole-time Director

Mr. S. Mohanchand Dadha
Director

Mr. Hasmukh S. Shah
Director

Mr. Keki M. Mistry
Director

Mr. Ashwin Dani
Director

Company Secretary

Mr. Karnlesh H. Shah
Email:secretarial@sunpharma.com

Auditors

Deloitte Haskins & Sells
Chartered Accountants. Mumbai

Bankers

Bank of Baroda
Bank of Nova Scotia
Citibank N.A.
ICICI Bank Ltd
Kotak Mahindra Bank Ltd
Standard Chartered Bank
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)-25946970-78
Fax: (022)-25946969
E-mail: sunpharma@linkintime.co.in
rnt.helpdesk@linkintime.co.in

Additional Collection Center

201, Daver House, 197/99,
Dr. D. N Road, Mumbai - 400 001.
Tel- (022) 22694127

Plants

Plot No. 214 & 20, Govt. Industrial Area,
Phase II, Piparia.
Silvassa - 396 230, Gujarat.

Halol-Baroda Highway
Near Anand Kendra, Halol,
Dist. Panchmahal - 388 380, Gujarat.

Plot No. 25 & 24 / 2, GIDC, Phase-IV,
Panoli - 395 116. Dist. Bharuch, Gujarat.

A-7 & A-8, MIDC Ind. Area,
Ahmednagar - 414 111, Maharashtra.

Plot No. 4708, GIDC.
Ankleshwar - 393 002, Gujarat.

Sathammai Village, Karunkuzi Post,
Maduranthakam TK, Kanchipuram
District, Tamil Nadu - 603 303.

Plot No. 223, Span Industrial Complex,
Dadra - 396 191 (U.T of D. & NH).

Plot No. 817/A, Karkhadi, Taluka Padra,
Dist. Vadodara - 391 450, Gujarat.

Sun Pharma Sikkim *
Plot No. 754, Nandok Block
Setipool, Gangtok, Sikkim – 737135.

Sun Pharmaceutical Industries *
Survey No. 259/15,
Dadra - 396 191 (U.T. of D. & NH).

Sun Pharmaceutical Industries *
6-9 Export Promotion
Industrial Park (EPIP), Kartholi,
Ban Brahmana, Jammu - 181 133.

Sun Pharmaceutical Industries Inc.
705, E. Mulberry Street, Bryan,
Ohio – 43506, USA.

Sun Pharmaceutical Industries Inc.
270 Prospect Plains Road, Cranbury,
New Jersey – 08512, USA.

Caraco Pharmaceutical Laboratories Ltd.
1150 Elijah McCoy Drive,
Detroit – 48202, Michigan, USA.

Sun Pharmaceutical (Bangladesh) Ltd.
Chandana, Joydevpur, Gazipur,
Bangladesh.

Alkaloida Chemical Company
Exclusive Group Ltd.
H-4440 Tiszavasvan, Kabay,
Janos 4.29, Hungary.

TKS Farmaceutica
Rodovia GO-080, Km 02, Jardim
Pompeia, Goiania/GO,
Brazil CEP: 74690-170.

Sun Pharma de Mexico S.A. de C.V
Av. Rio Churubusco No. 658,
Col. El Sifon, Del. Iztapalapa,
C.P 09400 Mexico, Distrito Federal

Chattem Chemicals, Inc. 3708,
St. Elmo Avenue,
Chattanooga, TN 37409, USA

Offices

Registered

Sun Pharma Advanced Research Centre
(SPARC), Tandalja, Vadodara – 390 020,
Gujarat, India.

Corporate

Acme Plaza, Andheri Kurla Road,
Andheri (East), Mumbai – 400 059,
Maharashtra, India.

Research centres

Sun Pharma Advanced Research Centre
(SPARC), Akota Road, Akota,
Vadodara – 390 020, Gujarat, India.

F.P.27, Part Survey No. 27,
C.S. No. 1050, TPS No. 24, Village
Tandalja, District Vadodara - 390 020,
Gujarat, India.

17-B, Mahal Industrial Estate,
Mahakali Caves Road, Andheri (East)
Mumbai - 400 093, Maharashtra, India.

* With partnership firm Sun Pharmaceutical
Industries/Sun Pharma Sikkim.

Annexure (1) to Directors' Report

	2009-10	2008-09
CONSERVATION OF ENERGY		
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit (in '000 KWH)	43,396	48,104
Total Amount (Rs. in Millions)	245.8	260.0
Rate (Rs./Unit)	5.7	5.4
(b) Own Generation through Diesel Generator		
Units (in '000 KWH)	2,783	2,421
Units per Litre of Diesel Oil	3.0	3.2
Cost (Rs./Unit)	11.1	11.6
(c) Own Generation through Gas		
Units (in '000 KWH)	24,852	13,059
Units per M3 of Gas	10.6	3.8
Cost (Rs./Unit)	4.2	5.1
2. Furnace Oil		
Quantity (in '000 Litres)	2,591	5,223
Total Amount (Rs. in Millions)	62.7	130.6
Average Rate	24.2	25.0
3. Gas (for Steam)		
Gas Units (in '000 M3)	7,334	3,661
Total Amount (Rs. in Millions)	68.2	38.6
Average Rate (Rs./Unit)	9.3	10.5
4. Wood / Briquette		
Quantity (in '000 Kgs)	8,852	—
Total amount (Rs. in Millions)	19.9	—
Average rate (Rs./Unit)	2.2	—

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

- 1 Internal and External Energy Audits for improvisation and continuous monitoring of Power Factor.
- 2 Alternative energy sources like Gas & Steam have been used in place of electricity for heating of De-mineralized water, fluid bed dryers for producing hot air systems for coating department and for maximisation of condensate recovery of biomass to improve efficiency.
- 3 Installation of Cogeneration Power Plants including biomass based at various locations to generate electricity and use waste heat from power plant to achieve overall best efficiency of electricity generation.
- 4 Using refrigerated type air dryer instead of desiccant type to reduce air losses and installation of evaporative cooling units for AC outdoor units to improve efficiency.
- 5 Replaced LRP insulation to Puff insulation in all chilled water and brine pipe lines for waste heat recovery to improved chilling efficiency.
- 6 Maximization of Condensate recovery of Boilers to improve efficiency.

TECHNOLOGY ABSORPTION

A. Research and Development

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

We continue to be one of the most aggressive investors and developers of generic-related pharmaceutical research and technology in the country, with research programs to support our generic business pursued at our modern R&D centres. Our expert scientist team is engaged in complex developmental research projects in process chemistry and dosage forms, including complex generics based on drug delivery systems at these research centres. This research activity supports the short, medium and long term business needs of the company, in India and all the other markets that your company invests in.

Projects in formulation development and process chemistry help us introduce a large number of new and novel products to the Indian market including products with complexity or a technology edge. Process chemistry enables us to be integrated right up to the API stage for important products. This helps us maintain our leadership position in the Indian market with specialty formulations and derive market and cost advantage from API's developed and scaled up In-house. Further, it helps us to compete in the international regulated markets across US / Europe.

The team also works on projects involving complex drug delivery systems for India Complex API like steroids, sex hormones, peptides, carbohydrates and taxanes which require special skills and technology, are developed and scaled up for both API and dosage forms. This complete integration for some products works to the company's advantage. These projects may offer higher value addition and sustained revenue streams.

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

In 2009-10, about 39 formulations were introduced across marketing divisions, (not including line extensions, but including complex products). All of these were based on technology developed in house. Technology for 16 API was commercialised. For some of the important API that we already manufacture, processes were streamlined so as to have more energy efficient or cost effective or environment friendly processes. A large part of our API sales is to the regulated market of US / Europe, and this earns valuable foreign exchange and also a reputation for quality and dependability. The company's formulation brands are exported to 40 international markets where a local field force promotes the same.

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

A state of the art bioequivalence facility with a functional capacity of 220 beds with a well equipped, Phase 1 Clinical unit and ECG Core Laboratory for clinical studies and safety studies and the same is being expanded to more than 300 beds. Eighteen high capacity LCMS, fully computerised blood chemistry labs capable of comprehensive analysis are being used extensively for biostudies. This facility has been inspected for India and for the US.

4. Expenditure on R&D	Year ended 31st March, 2010 Rs in Million	Year ended 31st March, 2009 Rs in Million
a) Capital	159.0	221.7
b) Revenue	1440.8	1313.3
c) Total	1599.8	1535.0
d) Total R&D expenditure as % of Total Turnover	8.5%	5.4%

B. Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation

Year after year, your company continues to invest on R&D revenue as well as capex. A large part of the spend is for complex products, ANDA filings for the US, and API technologies that are complex and may require dedicated manufacturing sites. Investments have been made in creating research sites, employing scientifically skilled and experienced manpower, adding equipment and upgrading continuously the exposure and research understanding of the scientific team in the therapy areas of our interest.

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 speciality therapeutic classes. Strong pipeline of products for future introduction in India, emerging markets, as well as US and European generic market.
- (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 products which are convenient and safe for administration to patients, products with a technology advantage.
- (d) We are among the few selected companies that have set up completely integrated manufacturing capability for the production of anticancer, hormones, peptide, cephalosporins and steroidal drugs.
- (e) The Company has benefited from reduction in cost due to import substitution and increased revenue through higher exports.

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, 2010 Rs in Million	Year ended 31st March, 2009 Rs in Million
1. Earnings	8508.3	8281.1
2. Outgo	4629.0	4258.9

Auditors' Report to the Members of Sun Pharmaceutical Industries Limited

1. We have audited the attached Balance Sheet of Sun Pharmaceutical Industries Limited ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 ("CARO") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Para 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors as on March 31, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

Place: Mumbai
Date: May 24, 2010

K. A. Katki
Partner
(Membership No. 038568)

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

Sun Pharmaceutical Industries Limited

- (i) Having regards to the nature of the Company's business/activities/result Clauses xiii, xiv, xviii, xix and xx of paragraph 4 of the CARO, are not applicable.
- (ii) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable interval. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - a) As explained to us, the inventories (excluding inventories lying with third parties) were physically verified during the year by the management at reasonable intervals. In respect of inventories lying with third parties, these have substantially been confirmed by them.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to or from Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of audit, we have not observed any major weaknesses in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered into the Register, maintained under the said Section have been so entered.
 - b) Where each such transaction (excluding loans reported under paragraph iv above) is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to prevailing market prices at the relevant time, except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to deposits accepted from the public.
- (viii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

- (ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 in respect of manufacture of formulation and bulk drug products and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (x) According to the information and explanations given to us in respect of statutory dues:
- The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2010 for a period of more than six months from the date they became payable.
 - Details of dues of Income Tax, Sales Tax, Wealth Tax, Custom Duty and Excise Duty, which have not been deposited as at March 31, 2010 on account of any disputes, are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. In Million)
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Assistant / Deputy / Joint Commissioner	2002-03, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09	22.1
		Tribunal	1997-98, 1998-99, 1999-00, 2000-01, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09	264.6
		High Court	1998-99, 2001-02, 2006-07	1.6
Customs Act, 1962	Custom Duty, Penalty and Interest	Settlement Commission	2000-01	11.1
Sales Tax Act (Various States)	Sales Tax, Interest and Penalty	Assistant / Deputy / Joint Commissioner	1994-95, 1998-99, 1999-00, 2000-01, 2002-03, 2003-04	6.0
		Tribunal	1998-99, 2001-02, 2002-03, 2003-04, 2004-05	4.2
		High Court	1981-82 to 1985-86	0.7
Income Tax Act, 1961	Income tax and Interest	Tribunal	1995-96, 2002-03	0.9
		Commissioner	2002-03, 2003-04, 2006-07	225.2
Wealth Tax Act, 1957	Wealth tax	Commissioner	2003-04, 2004-05, 2007-08	0.4
Employee State Insurance Act, 1948	Contribution and Interest	Appellate authority	1987 to 1992	0.2
Drugs (Price Control) Order, 1979	Drug Price Equilisation Account liability and interest	Drug Prices Liability Review Committee	1981-1987	14.0

There were no unpaid disputed dues in respect of service tax and cess during the year.

- (xi) The Company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has not obtained any borrowings by way of debentures.
- (xiii) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares. The Company has not granted any loans and advances on the basis of security by way of pledge of debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loan taken by others from banks and financial institutions, are not prima facie prejudicial to the interest of the Company.
- (xv) The Company has not obtained any term loans during the year.
- (xvi) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- (xvii) 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 has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

Place: Mumbai
Date: May 24, 2010

K. A. Katki
Partner
(Membership No. 038568)

Balance Sheet As at 31st March, 2010

Schedule	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	1,035.6	1,035.6	
Reserves and Surplus	2	56,144.2	50,478.6	51,514.2
Loan Funds				
Secured Loans	3			236.0
Deferred Tax Liability (Net)	4			1,174.2
TOTAL		58,628.0		52,924.4
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	5	11,597.6	10,619.0	
Less: Depreciation / Amortisation / Impairment		4,192.4	3,626.4	
Net Block		7,405.2	6,992.6	
Capital Work-in-Progress (including advances on capital account)		921.5	759.5	7,752.1
Investments	6			26,945.9
Current Assets, Loans and Advances				
Inventories	7	5,701.4	4,867.4	
Sundry Debtors	8	5,532.9	6,800.3	
Cash and Bank Balances	9	1,872.7	12,654.7	
Other Current Assets	10	73.9	381.3	
Loans and Advances	11	3,661.3	2,674.6	
		16,842.2	27,378.3	
Less: Current Liabilities and Provisions	12			
Current Liabilities		2,633.0	5,730.9	
Provisions		3,424.8	3,421.0	
		6,057.8	9,151.9	
Net Current Assets		10,784.4		18,226.4
TOTAL		58,628.0		52,924.4
SIGNIFICANT ACCOUNTING POLICIES AND NOTE TO THE FINANCIAL STATEMENTS	20			
Schedules referred to herein form an integral part of the Financial Statements.				

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. KATKI
Partner

Mumbai, 24th May, 2010

KAMLESH H. SHAH
Company Secretary

For and on behalf of the Board

DILIP S. SHANGHVI
Chairman & Managing Director

SUDHIR V. VALIA
Wholtime Director

SAILESH T. DESAI
Wholtime Director

Mumbai, 24th May, 2010

Profit and Loss Account For the year ended 31st March, 2010

	Schedule	Year ended 31st March, 2010		Year ended 31st March, 2009	
		Rs in Million	Rs in Million	Rs in Million	Rs in Million
INCOME					
Income from Operations					
Gross Sales		18,911.6		28,336.5	
Less: Excise Duty		450.3		639.0	
Net Sales		18,461.3		27,697.5	
Other Operating Income	13	6,776.6		10,918.0	
		25,237.9		38,615.5	
Other Income	14	1,229.3	26,467.2	1,821.2	40,436.7
EXPENDITURE					
Cost of Materials / Goods	15	8,152.9		19,098.8	
Indirect Taxes	16	382.8		817.2	
Personnel Cost	17	1,747.1		1,483.1	
Operating and Other Expenses	18	4,720.4		4,205.6	
Research and Development Expenditure	19	1,277.7		1,289.3	
Depreciation / Amortisation / Impairment		694.7	16,975.6	588.6	27,482.6
PROFIT BEFORE TAXATION			9,491.6		12,954.1
Provision for Taxation - Current Tax			526.0		241.0
- Deferred Tax			(20.9)		44.8
- Fringe Benefit Tax			—		15.4
PROFIT AFTER TAX			8,986.5		12,652.9
BALANCE OF PROFIT BROUGHT FORWARD			16,225.9		11,287.9
AMOUNT AVAILABLE FOR APPROPRIATION			25,212.4		23,940.8
APPROPRIATIONS					
Proposed Dividend on Equity Shares		2,847.9		2,847.9	
Corporate Dividend Tax		473.0		484.0	
Proposed Dividend and Dividend distribution tax written back		—	3,320.9	(117.0)	3,214.9
Transfer to General Reserve			3,000.0		4,500.0
BALANCE OF PROFIT CARRIED TO BALANCE SHEET			18,891.5		16,225.9
EARNINGS PER SHARE (refer note B.12 (ii) of Schedule 20)					
Basic & Diluted (Rs.)			43.4		61.1
Face Value per Equity share - Rs.5					
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS 20					
Schedules referred to herein form an integral part of the Financial Statements.					

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. KATKI
Partner

Mumbai, 24th May, 2010

KAMLESH H. SHAH
Company Secretary

For and on behalf of the Board

DILIP S. SHANGHVI
Chairman & Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director

Mumbai, 24th May, 2010

Cash Flow Statement For the year ended 31st March, 2010

	Year ended 31st March, 2010 Rs in Million	Year ended 31st March, 2009 Rs in Million
A. Cash Flow From Operating Activities:		
Net Profit Before Tax	9,491.6	12,954.1
Adjustments for:		
Depreciation / Amortisation / Impairment	694.7	588.6
Interest Expense	4.4	27.7
Interest Income	(1,052.9)	(1,187.3)
Dividend Income (Previous Year Rs. 13,300)	(0.1)	(0.0)
(Profit) / Loss On Fixed Assets Sold (net)	(6.3)	5.6
(Profit) / Loss on sale of Investments	334.8	(263.7)
Bad Debt Written off / back (net)	19.3	9.5
Sundry Balance Written off / back (net)	(19.8)	22.1
Provision for employee benefits	14.8	5.9
Unrealised Foreign Exchange (Gain) / Loss	276.9	(621.8)
Operating Profit Before Working Capital Changes	9,757.4	11,540.7
Adjustments for Changes In Working Capital:		
Decrease in Sundry Debtors	1,147.3	3,074.8
(Increase) / Decrease in Other Receivables	(39.1)	534.6
Increase in Inventories	(834.0)	(971.1)
Decrease in Trade and Other Payables	(3,083.7)	(1,563.0)
Cash Generated From Operations	6,947.9	12,616.0
Taxes Paid (Net of TDS and Refund)	(366.7)	8.9
Net Cash Generated From Operating Activities	6,581.2	12,624.9
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets / Capital Work in Progress / Capital Advances	(1,268.6)	(1,739.9)
Proceeds From Sale of Fixed Assets	47.0	47.6
Proceeds From Sale of Investments	156,923.2	56,828.3
Purchase of Investments	(168,335.4)	(62,945.1)
Margin Money and Fixed Deposit with Banks	10,800.4	(2,907.0)
Loans/Inter Corporate Deposits Received back / (given) (net)	(1,114.6)	360.5
Interest Received	1,239.1	844.9
Dividend Received (Previous Year Rs. 13,300)	0.1	0.0
Net Cash Used in Investing Activities	(1,708.8)	(9,510.7)
C. Cash Flow From Financing Activities:		
Repayment of ECB Loan	—	(796.4)
(Repayment to) / Borrowing from Bank (Net)	58.9	7.2
Interest Paid	(4.4)	(45.3)
Dividend Paid	(2,843.9)	(2,069.6)
Corporate Dividend Tax Paid	(484.0)	(352.6)
Net Cash used in Financing Activities	(3,273.4)	(3,256.7)
Net (Decrease) / Increase In Cash and Cash Equivalents	1,599.0	(142.5)
Cash and Cash Equivalents as at the beginning of the year	480.1	622.6
Cash and Cash Equivalents as at the year end	2,079.1	480.1

Cash Flow Statement For the year ended 31st March, 2010

	Year ended 31st March, 2010 Rs in Million	Year ended 31st March, 2009 Rs in Million
Cash and Cash Equivalents Comprise:		
Cash and Cheques on hand and balances with Scheduled / Other banks (Refer Schedule 9 to the Financial Statements)	1,872.7	12,654.7
Add : Investment in Certificate of Deposit having maturity less than 3 Months	1,493.6	—
Less : Margin Money Deposit / Fixed deposit having maturity more than 3 Months	1,257.1	12,057.5
Unrealised exchange (Gain)	(30.1)	(117.1)
Cash and Cash Equivalents as restated as at the year end	2,079.1	480.1

Notes:

- 1 Cash and cash equivalents includes Rs. 22.2 Million (Previous Year Rs.18.6 Million) on account of Unclaimed dividend, which are not available for use by the Company.
- 2 During the year, Investment of Rs Nil (Previous Year Rs.858.4 Million), has been assigned in favour of the company in satisfaction of receivables and being a non cash transaction has been excluded from the cash flow statement.
- 3 Previous year's figures are regrouped / reclassified wherever necessary in order to conform to current year's groupings and classifications.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. KATKI
Partner

Mumbai, 24th May, 2010

KAMLESH H. SHAH
Company Secretary

For and on behalf of the Board

DILIP S. SHANGHVI
Chairman & Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director

Mumbai, 24th May, 2010

Schedules to the Financial Statements

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
SCHEDULE 1 : SHARE CAPITAL				
Authorised				
300,000,000 (Previous Year 300,000,000) Equity Shares of Rs. 5 each		1,500.0		1,500.0
		1,500.0		1,500.0
Issued, Subscribed and Paid Up				
207,116,391 (Previous Year 207,116,391) Equity Shares of Rs. 5 each		1,035.6		1,035.6
		1,035.6		1,035.6
Notes:				
Of the above :				
1) 161,630,010 Equity shares were allotted as fully paid Bonus Shares by capitalisation of Securities Premium Account, Profit and Loss Account, Amalgamation Reserve and Capital Redemption Reserve Account, without payment being received in cash.				
2) 413,633; 208,000; 477,581; 11,438; 18,519 and 19,771 Equity Shares of Rs.10 and 4274 Equity Shares of Rs. 5 each fully paid, were allotted to the shareholders of erstwhile Tamilnadu Dadha Pharmaceuticals Ltd, Milmet Laboratories Pvt. Ltd, Gujarat Lyka Organics Ltd, Sun Pharmaceutical Exports Ltd, Pradeep Drug Company Ltd, M.J.Pharmaceuticals Ltd and Phlox Pharmaceuticals Ltd. respectively, pursuant to Schemes of Amalgamations, without payment being received in cash.				
3) 21,600,761 Equity Shares of Rs. 5 each were allotted to the holders of Zero Coupon Foreign Currency Convertible Bond on exercise of conversion option.				
SCHEDULE 2 : RESERVES AND SURPLUS				
Capital Reserve				
As per last Balance Sheet		259.1		259.1
Securities Premium Account				
As per last Balance Sheet		15,099.1		15,099.1
Capital Redemption Reserve				
As per last Balance Sheet		154.5		154.5
General Reserve				
As per last Balance Sheet	18,740.0		14,240.0	
Add : Transferred from Profit and Loss Account	3,000.0	21,740.0	4,500.0	18,740.0
Surplus As Per Profit And Loss Account		18,891.5		16,225.9
		56,144.2		50,478.6
SCHEDULE 3 : SECURED LOANS				
Cash Credit Facility from Banks (Secured by hypothecation of inventories and book debts.)		294.9		236.0
		294.9		236.0

Schedules to the Financial Statements

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
SCHEDULE 4 : DEFERRED TAX LIABILITY (NET)				
Deferred Tax Assets				
Unpaid Liabilities Allowable on payment basis U/s 43B of Income Tax Act,1961	69.2		33.4	
Others	29.0	98.2	24.9	58.3
Deferred Tax Liability				
Depreciation on Fixed Assets	1,246.3		1,232.5	
Others	5.2	1,251.5	—	1,232.5
		1,153.3		1,174.2

SCHEDULE 5 : FIXED ASSETS

Rs in Million

Particulars	Gross Block (At Cost)				Depreciation / Amortisation / Impairment			Net Block		
	As At 01.04.09	Additions 09-10	Deletions 09-10	As at 31.03.10	As at 01.04.09	For year 09-10	Written back/ Deleted 09-10	As at 31.03.10	As at 31.03.10	As at 31.03.09
I. TANGIBLE ASSETS										
Freehold Land	38.7	0.2	0.2	38.7	—	—	—	—	38.7	38.7
Leasehold Land	39.2	—	—	39.2	3.6	0.4	—	4.0	35.2	35.6
Buildings	2,140.5	230.8	4.2	2,367.1 (a)	379.6	58.0	0.2	437.4	1,929.7	1,760.9
Plant and Machinery	7,563.3	879.0	149.6	8,292.7	2,807.7	583.7(b)	118.1	3,273.3 (b)	5,019.4	4,755.6
Vehicles	137.4	18.3	15.4	140.3	40.7	13.5	10.4	43.8	96.5	96.7
Furniture and Fixtures	255.3	19.7	—	275.0	96.2	21.0(b)	—	117.2 (b)	157.8	159.1
Sub-Total	10,174.4	1,148.0	169.4	11,153.0	3,327.8	676.6	128.7	3,875.7	7,277.3	6,846.6
II. INTANGIBLE ASSETS										
Trademarks, Designs and Other Intangible Assets	444.6	—	—	444.6	298.6	18.1 (b)	—	316.7 (b)	127.9	146.0
Sub-Total	444.6	—	—	444.6	298.6	18.1	—	316.7	127.9	146.0
TOTAL- I + II	10,619.0	1,148.0	169.4	11,597.6	3,626.4	694.7	128.7	4,192.4	7,405.2	6,992.6
Previous Year	9,350.3	1,334.0	65.3	10,619.0	3,049.9	588.6	12.1	3,626.4	6,992.6	
									921.5	759.5
									8,326.7	7,752.1

NOTES :

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

(b) Includes Impairment of Rs. 30.8 Million (Previous Year Rs. 16.0 Million) including Rs. 30.8 Million (Previous year Nil) on account of Impairment for the year.

Schedules to the Financial Statements

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
SCHEDULE 6 : INVESTMENTS				
(I) LONG TERM INVESTMENTS (At Cost)				
A) Government Securities				
National Savings Certificates Rs. 15,000 (Previous Year Rs. 15,000) (Deposited with Government Authorities)		0.0		0.0
B) Trade Investments				
Unquoted				
In Equity Shares				
Enviro Infrastructure Co. Ltd. 100,000 (Previous Year 100,000) Shares of Rs.10 each fully paid up.		1.0		1.0
C) Other Investments				
a) In Bonds				
Unquoted				
National Housing Bank Bonds Nil (Previous Year 2,180) Units of Rs. 10,000 each fully paid		—		21.8
Rural Electrification Corporation Ltd Bonds 500 (Previous Year 500) Units of Rs.10,000 each fully paid		5.0		5.0
Deutsche Bank Ag , London Nil (Previous Year 2,500,000) notes of USD 100 each		—		1,271.3
b) In Debentures				
Quoted				
Barclays Investments & Loans (India)-12.25 NCD 06OT10 250 (Previous Year 250) Units of Rs.1,000,000 each fully paid Market Value Rs.275.2 Million (Previous Year Rs.250.0 Million)		250.0		250.0
ETHL Communications Holdings Limited-NCD 22JL11 500 (Previous Year Nil) Units of Rs.1,000,000 each fully paid Market Value Rs.446.4 Million (Previous Year Nil)		437.2		—
HCL Technology-7.55 NCD 25AG11 100 (Previous Year Nil) Units of Rs.1,000,000 each fully paid Market Value Rs.101.0 Million (Previous Year Nil)		100.0		—
HDFC Bank Ltd-9.9 NCD 23DC18 250 (Previous Year 250) Units of Rs.1,000,000 each fully paid Market Value Rs.269.7 Million (Previous Year Rs.250.0 Million)		250.0		250.0
L&T Finance-8.4 NCD 08MR13 122,464 (Previous Year Nil) Units of Rs.1,000 each fully paid Market Value Rs.123.1 Million (Previous Year Nil)		122.5		—
Tata Chemicals Ltd-7.4 NCD 23NV11 250 (Previous Year Nil) Units of Rs.1,000,000 each fully paid Market Value Rs.250.4 Million (Previous Year Nil)		250.0		—

Schedules to the Financial Statements

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
c) In Subsidiary Companies				
In shares				
Quoted				
Caraco Pharmaceutical Laboratories Ltd. USA 8,382,666 (Previous Year 8,382,666) fully paid Common Shares of No Par Value Market Value Rs.2249.5 Million (Previous Year Rs. 1,500.4 Million)		303.9		303.9
Unquoted				
Zao Sun Pharma Industries Ltd. Russia 1,000 (Previous Year 1,000) Shares of Rubles 20 each fully paid		0.2		0.2
Sun Pharma Global Inc. BVI 2,362,820 (Previous Year 1,224,560) Shares of US \$ 1 each fully paid		9,405.0		5,065.4
Sun Farmaceutica Ltda, Brazil 829,288 (Previous Year 829,288) quota of Capital Stock of Real (R\$) 1 each fully paid.		18.3		18.3
Sun Pharma De Mexico, S.A. DE C.V. 750 (Previous Year 750) Common Shares of no Face Value		3.3		3.3
Sun Pharmaceutical Industries Inc. 5,000 (Previous Year 5,000) fully paid Common Stock of \$ 1 Par Value		0.2		0.2
Sun Pharmaceutical (Bangladesh) Ltd. 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. (Rs. 21,734 (Previous Year Rs.21,734)) 149 (Previous Year 149) Ordinary Shares of Soles 10 each fully paid		0.0		0.0
SPIL DE Mexico SA DE CV 100 (Previous Year 100) Nominative and free Shares of \$500 Mexican Pesos each fully paid		0.2		0.2
OOO "Sun Pharmaceutical Industries" Ltd. Par value stock of 49,500 Rubles (Previous Year 49,500 Rubles)		0.1		0.1
		9,495.4		5,155.8
In Debenture				
Unquoted				
Sun Pharma Global Inc. BVI 50,000 (Previous Year 500,000) 0% Optionally Fully Convertible Debentures of US\$100 each fully paid		224.0		2,249.3
d) In Capital of Partnership Firm				
Sun Pharma Exports *		15.9		4.4
Sun Pharmaceutical Industries **		4,236.8		9,358.8
Sun Pharma - Sikkim ***		2,992.2		86.1
		7,244.9		9,449.3

Schedules to the Financial Statements

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
e) In Mutual Fund (Units of Face Value of Rs. 10 Each) Unquoted				
DBS Cholamandalam Asset Management-C296 DBS Chola FMP Series 9(13 Months Plan)-Institutional-Cumulative Nil (Previous Year 20,000,000) Units		—		200.0
HDFC Mutual Fund-HDFC FMP 370D June 2008(VIII)(2)-Wholesale Growth Nil (Previous Year 25,000,000) Units		—		250.0
UTI-Fixed Term Income Fund Series V-I (13 Months)-Institutional Growth Plan Nil (Previous Year 50,000,000) Units		—		500.0
Reliance Mutual Fund-Reliance FHF 9 - Series 6 - IP - Growth 20,000,000 (Previous Year 20,000,000) Units		215.4		215.4
Birla Sun Life Mutual Fund - Birla Sun Life fixed Term Plan-Series CC (13Months) 20,000,000 (Previous Year Nil) Units		200.0		—
Canara Robeco Mutual Fund-Canara Robeco Fixed Maturity Plan-Series 5-13 Months(Plan A) 20,000,000 (Previous Year Nil) Units		200.0		—
DSP BlackRock Mutual Fund-DSP BlackRock FMP-13M-Series 3 25,000,000 (Previous Year Nil) Units		250.0		—
Deutsche Mutual Fund-DWS Fixed Term Fund-Series 67 35,266,428 (Previous Year Nil) Units		352.7		—
HDFC Mutual Fund- HDFC FMP 14M March 2010 25,000,000 (Previous Year Nil) Units		250.0		—
HDFC Mutual Fund- HDFC Floating Rate Income Fund-Long Term Plan 63,270,759 (Previous Year Nil) Units		1,000.1		—
IDFC Mutual Fund-IDFC Fixed Maturity Plan-14 Months Series 1 25,000,000 (Previous Year Nil) Units		250.0		—
Kotak Mutual Fund-Kotak FMP 13M Series 6 30,000,000 (Previous Year Nil) Units		300.0		—
Kotak Mutual Fund-Kotak FMP 370 Days Series 2 25,000,000 (Previous Year Nil) Units		250.0		—
Kotak Mutual Fund-Kotak FMP 370 Days Series 3 25,000,000 (Previous Year Nil) Units		250.0		—
L&T Mutual Fund-L&T Fixed Maturity Plan Series 12-Plan-15M-Mar10-I 20,213,915 (Previous Year Nil) Units		202.1		—
f) Others Quoted Pass through Certificates				
Novo VIII Trust-Archie-Itsl-SR-A PTC 15JN10 500 (Previous Year Nil) Units of Rs.1,000,000 each fully paid Market Value Rs.503.3 Million (Previous Year Nil)		500.0		—
Unquoted Housing & Urban Development Corporation Ltd. Deposit Rs.240,000,000 (Previous Year Rs Nil)		240.0		—
Total (I)		23,144.2		20,122.8

Schedules to the Financial Statements

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
(II) CURRENT INVESTMENTS				
(At lower of cost and Net realisable value)				
Quoted				
Certificate of Deposits				
Corporation Bank - CD 22AP10 2,500 (Previous Year Nil) Units Face value Rs.100,000 each Market Value Rs.248.9 Million (Previous Year Nil)		248.9		—
ICICI Bank - CD 20AP10 5,000 (Previous Year Nil) Units Face value Rs.100,000 each Market Value Rs.497.9 Million (Previous Year Nil)		497.9		—
Punjab National Bank - CD 13AP10 2,500 (Previous Year Nil) Units Face value Rs.100,000 each Market Value Rs.249.2 Million (Previous Year Nil)		249.2		—
Punjab & Sind Bank - CD 26AP10 2,500 (Previous Year Nil) Units Face value Rs.100,000 each Market Value Rs.248.8 Million (Previous Year Nil)		248.8		—
Axis Bank - CD 26AP10 2,500 (Previous Year Nil) Units Face value Rs.100,000 each Market Value Rs.248.8 Million (Previous Year Nil)		248.8		—
Unquoted				
In Mutual Fund (Units of Face Value of Rs. 10 Each)				
Baroda Pioneer Mutual Fund - Baroda Pioneer Advantage Fund-Inst Growth 96,436,417 (Previous Year Nil) Units		1,000.2		—
Birla Sun Life Mutual Fund - Birla Sun Life Savings Fund-Inst-Growth Nil (Previous Year 106,657,565) Units		—		1,500.0
Birla Sun Life Mutual Fund-BSL Floating Rate Fund-Long Term-Instl-Growth 39,039,425 (Previous Year Nil) Units		420.8		—
Birla Sun Life Mutual Fund - BSL Interval Income Fund-Instl-Quarterly Series 2-Growth 43,331,340(Previous Year Nil) Units		502.9		—
Birla Sun Life Mutual Fund-Birla Sun Life Cash Manager-Institutional Plan-Growth 129,963,805 (Previous Year Nil) Units		2,000.0		—
DBS Cholamandalam Asset Management-C122 DBS Chola Freedom Income STP-Inst-Cum-Org Nil (Previous Year 35,415,651) Units		—		500.1
Deutsche Mutual Fund-DWS Insta Cash Plus Fund Super Instl-Growth Nil (Previous Year 87,592,520) Units		—		1,000.0
Deutsche Mutual Fund-DWS Treasury Investment-Institutional Plan-Growth 49,052,228 (Previous Year Nil) Units		503.5		—

Schedules to the Financial Statements

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
Deutsche Mutual Fund-DWS Cash Opportunities Fund Instl Plan-Growth 87,423,512(Previous Year Nil) Units		1,031.0		—
Deutsche Mutual Fund - DWS FTF - Series 51 - IP - Growth Nil (Previous Year 20,000,000) Units		—		211.2
DSP BlackRock Mutual Fund-DSP BlackRock Short Term Fund-Growth 22,534,265 (Previous Year Nil) Units		355.0		—
Fidelity International -Fidelity Ultra Short Term Debt Fund Super Instl-Growth 20,982,694(Previous Year 13,220,012) Units		250.0		150.0
Fortis Mutual Fund - Fortis Money Plus Instl-Growth 72,003,792 (Previous Year Nil) Units		1,000.1		—
HDFC Mutual Fund-3017/HDFC Liquid Fund-Premium Plus Plan-Growth Nil (Previous Year 58,322,575) Units		—		1,030.0
IDFC Mutual Fund-IDFC Money Manager Fund-Investment Plan-Inst Plan B-Growth 70,683,867 (Previous Year Nil) Units		1,013.0		—
ICICI Prudential Mutual Fund-311SG ICICI Prudential Institutional Liquid Plan Nil (Previous Year 77,001,263) Units		—		1,000.0
ICICI Prudential Mutual Fund-ICICI Prudential Banking & PSU Debt Fund-Growth 74,845,356 (Previous Year Nil) Units		752.0		—
L&T Mutual Fund-C228 L&T Select Income Fund-Flexi Debt Institutional-Growth 24,407,095 (Previous Year Nil) Units		250.0		—
JM Mutual Fund-JM Money Manager Fund Regular Plan-Growth(168) 59,649,545 (Previous Year Nil) Units		750.1		—
JPMorgan Mutual Fund-JPMorgan India Short Term Income Fund-Growth 30,000,000 (Previous Year Nil) Units		300.0		—
Kotak Mutual Fund-Kotak Quarterly Interval Plan Series 7-Growth 45,620,854 (Previous Year Nil) Units		500.0		—
Principal Mutual Fund-Principal Money Manager Fund-Institutional Growth Plan 47,630,388 (Previous Year Nil) Units		500.0		—
Religare Mutual Fund-Religare Liquid Fund-Super Institutional Growth Nil (Previous Year 41,370,523) Units		—		500.0
Religare Mutual Fund-Religare Credit Opportunities Fund-Institutional Growth 96,891,263 (Previous Year Nil) Units		1,000.2		—
SBI Mutual Fund-L031SBI-Magnum Insta Cash Fund-Cash Option Nil (Previous Year 25,454,490) Units		—		500.0
Sundaram BNP Paribas Mutual Fund-Sundaram BNP Paribas FTP - Plan H (13 Months) - IP - Growth Nil (Previous Year 15,000,000) Units		—		161.7

Schedules to the Financial Statements

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
	Book Value	Market Value	Book Value	Market Value
UTI Mutual Fund-UTI FTIF - Series IV - Plan 10 - IP - Growth Nil (Previous Year 25,000,000) Units		—		270.1
UTI Mutual Fund-UTI FTIF - Series II -Quarterly Interval Plan V-Insti - Growth 24,998,000 (Previous Year Nil) Units		250.0		—
In Mutual Fund (Units of Face Value of Rs. 100 Each)				
ICICI Prudential Mutual Fund-ICICI Prudential Flexible Income Plan Premium-Growth 5,840,702 (Previous Year Nil) Units		1,000.1		—
In Mutual Fund (Units of Face Value of Rs. 1000 Each)				
Bharti Axa Mutual Fund - Bharti AXA Treasury Advantage Fund-Instl Plan-Growth 224,558 (Previous Year Nil) Units		250.0		—
Reliance Mutual Fund-Reliance Money Manager Fund-Inst Option-Growth 597,884 (Previous Year Nil) Units		750.1		—
Shinsei Mutual Fund-Shinsei Treasury Advantage Fund Growth 489,039 (Previous Year Nil) Units		500.1		—
Total (I)		16,372.7		6,823.1
Total (I+II)		39,516.9		26,945.9
AGGREGATE VALUE OF INVESTMENT	Book Value	Market Value	Book Value	Market Value
Quoted	3,707.2	5,712.2	803.9	2,000.4
Unquoted	35,809.7		26,142.0	
	Share	Capital		Capital
*Partners				
Sun Pharmaceutical Industries Limited	80%	15.9		4.4
Solapur Organics Private Limited Rs (1081) (Previous Year Rs (81))	10%	0.0		0.0
Dilip S. Shanghvi Rs (381) (Previous Year Rs. 619)	10%	0.0		0.0
**Partners				
Sun Pharmaceutical Industries Limited	97.5%	4,236.8		9,358.8
Sun Pharmaceutical Industries Key Employees' Benefit Trust	2.5%	121.7		71.1
***Partners				
Sun Pharmaceutical Industries Limited	97.5%	2,992.2		86.1
Sun Pharmaceutical Industries Key	2.0%	94.7		0.0
Employees' Benefit Trust (Previous Year Rs. (913))				
Sun Pharma Advanced Research Company Limited Key Employees' Benefit Trust (Previous Year (228))	0.5%	23.2		0.0

Schedules to the Financial Statements

	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SCHEDULE 7 : INVENTORIES				
Consumables Stores		164.8		133.5
Stock in Trade				
Raw Materials	2,553.3		2,056.7	
Packing Materials	352.2		355.2	
Finished Goods	774.9		964.9	
Work-in-Progress	1,856.2	5,536.6	1,357.1	4,733.9
		5,701.4		4,867.4
SCHEDULE 8 : SUNDRY DEBTORS				
(Unsecured-Considered Good, unless stated otherwise) (refer note B.12 (i) of Schedule 20)				
Over Six Months				
Considered Good		799.8		557.2
Considered Doubtful	77.9		63.6	
Less: Provision for Doubtful Debts	77.9	—	63.6	—
Other Debts		4,733.1		6,243.1
		5,532.9		6,800.3
SCHEDULE 9 : CASH AND BANK BALANCES				
Cash / Cheques on hand		86.9		5.2
Balances with Banks				
Scheduled Banks				
Current Accounts	163.7		187.0	
Deposit Accounts {Pledged Rs.7.1 Million (Previous Year Rs. 30.3 Million)}	1,257.1	1,420.8	12,057.5	12,244.5
Other Banks (refer note B.15 of Schedule 20)				
Current Accounts	10.5		9.5	
Deposit Accounts	354.5	365.0	395.5	405.0
		1,872.7		12,654.7
SCHEDULE 10 : OTHER CURRENT ASSETS				
Interest accrued on - Investments		57.9		6.1
- Deposits		16.0		375.2
		73.9		381.3
SCHEDULE 11 : LOANS AND ADVANCES				
(Unsecured-Considered Good, unless stated otherwise)				
Advances and loans to subsidiaries (refer note B.16 of Schedule 20)		1,404.3		576.9
Loans to Employees / Others {Secured Loans Rs. 294.0 Million (Previous Year Rs.160.0 Million)}				
Considered Good		414.0		233.0
Considered Doubtful	9.5		9.5	
Less: Provision for Doubtful Loans / Advances	9.5	—	9.5	—
Advances Recoverable in Cash or in Kind or for Value to be received		251.1		200.4
Advances to Suppliers		228.0		249.9
Balances with Central Excise and Customs		667.9		685.0
DEPB and Advance Licence		137.2		131.3
Other Deposits		78.7		79.9
Advance Payment of Income Tax {Net of Provision Rs.1182.6 Million (Previous Year Rs. 694.4 Million)}		480.1		518.2
		3,661.3		2,674.6

Schedules to the Financial Statements

	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SCHEDULE 12 : CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors				
Due to Micro and Small Enterprises (refer note B.11 of Schedule 20)	14.8		2.1	
Others	1,467.7		4,775.8	
Advance from Customers	284.8		104.6	
Security Deposits	19.3		18.4	
Investor Education and Protection Fund shall be credited by Unclaimed Dividend (not due)	23.5		19.5	
Other Liabilities	822.9	2,633.0	810.5	5,730.9
Provisions				
Provision for Fringe Benefit Tax Net of Advance Tax Rs.48.8 Million (Previous Year Rs. 48.8 Million)	0.6		0.6	
Proposed Dividend- Equity Shares	2,847.9		2,847.9	
	2,848.5		2,848.5	
Corporate Dividend Tax	473.0		484.0	
Provision for employee benefits	103.3	3,424.8	88.5	3,421.0
		6,057.8		9,151.9

	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SCHEDULE 13 : OTHER OPERATING INCOME				
Share of Income from Partnership Firm		6,776.6		10,918.0
		6,776.6		10,918.0
SCHEDULE 14 : OTHER INCOME				
Lease Rental and Hire Charges-TDS Rs. 0.2 Million (Previous Year Rs.0.4 Million)		11.0		19.7
Interest Income (Net) (refer note B.5 of Schedule 20) TDS Rs.121.2 Million (Previous Year Rs. 220.7 Million)		1,047.7		1,158.9
Profit on Sale of Current Investments (refer note B.14 of Schedule 20)		—		263.7
Profit on Sale of Fixed Assets		6.5		—
Insurance Claims		4.6		4.7
Sundry Balances Written Back (Net)		15.7		—
Dividend Income (Previous Year Rs. 13,300)		0.1		0.0
Miscellaneous Income-TDS Rs. 0.9 Million (Previous Year Rs. 0.5 Million)		143.7		374.2
		1,229.3		1,821.2

Schedules to the Financial Statements

	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SCHEDULE 15 : COST OF MATERIALS / GOODS				
Inventory of Raw & Packing material at the beginning of the year	2,411.9		1,680.5	
Purchases during the year - Raw & Packing Material	7,585.2		7,361.3	
- Finished Goods	1,370.4		12,706.7	
Inventory of Raw & Packing material at the end of the year	(2,905.5)	8,462.0	(2,411.9)	19,336.6
Inventory of Finished Goods and Work-in-Progress at the beginning of the year	2,322.0		2,084.2	
Inventory of Finished Goods and Work-in-Progress at the end of the year	(2,631.1)		(2,322.0)	
(Increase) / Decrease of Finished Goods and Work-in-Progress		(309.1)		(237.8)
		8,152.9		19,098.8
SCHEDULE 16 : INDIRECT TAXES				
Sales Tax		382.8		817.2
		382.8		817.2
SCHEDULE 17 : PERSONNEL COST				
Salaries, Wages, Bonus and Benefits		1,464.5		1,255.2
Contribution to Provident and Other Funds		137.2		101.9
Staff Welfare Expenses		145.4		126.0
		1,747.1		1,483.1
SCHEDULE 18 : OPERATING AND OTHER EXPENSES				
Stores and Spares Consumed		322.6		282.3
Manufacturing Charges		324.8		247.7
Power and Fuel		473.8		504.4
Rent		9.4		6.5
Rates and Taxes		17.2		13.6
Insurance		28.3		28.9
Selling and Distribution		1,222.9		1,280.9
Commission and Discount		363.2		272.6
Repairs				
Building	31.1		38.4	
Plant and Machinery	204.2		191.6	
Others	66.3	301.6	64.2	294.2
Printing and Stationery		26.4		22.2
Travelling and Conveyance		105.6		93.6
Overseas Travel and Export Promotion		656.9		681.6
Communication		35.6		38.7
Provision for Doubtful Debts		19.3		9.5
Sundry Balances/Bad Debts written off (Net)	5.1		59.9	
Less : Adjusted out of Provision of earlier years	5.1	—	37.0	22.9
Professional and Consultancy		177.0		302.1
Donations		0.1		0.1
Loss on Sale of Investment (Net) (refer note B.14 of Schedule 20)		334.8		—
Loss on Sale of Fixed Assets (Net)		—		4.7
Excise duty on stock (.)		10.4		(49.0)
Auditors' Remuneration (excluding service tax)				
As Auditor	6.6		6.0	
Other Services	0.2		0.1	
Out of Pocket Expenses	0.1	6.9	0.1	6.2
Miscellaneous expenses		283.6		141.9
		4,720.4		4,205.6
(*) represents the difference between excise duty on opening and closing stock of finished goods.				

Schedules to the Financial Statements

	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SCHEDULE 19 :				
RESEARCH AND DEVELOPMENT EXPENDITURE				
Salaries, Wages, Bonus and Benefits		329.6		270.1
Contribution to Provident and Other Funds		14.8		13.1
Staff Welfare Expenses		30.0		27.2
Raw Material, Stores and Spares Consumed		544.7		403.9
Power and Fuel		7.3		15.2
Rates and Taxes		4.0		4.3
Insurance		1.3		1.4
Repairs				
Building	5.5		7.6	
Plant and Machinery	43.8		77.2	
Others	22.0	71.3	13.8	98.6
Printing and Stationery		11.8		9.0
Travelling and Conveyance		9.8		11.1
Communication		16.0		15.3
Professional and Consultancy		154.8		230.1
Loss on Sale of Fixed Assets (Net)		0.2		0.9
Miscellaneous Expenses		245.2		213.1
		1,440.8		1,313.3
Less :				
Interest Income	0.8		0.7	
Receipts from Research activities	157.7		19.7	
Misc. Income	0.5		2.8	
Bad debt Recovered / Sundry balances written Back	4.1	163.1	0.8	24.0
		1,277.7		1,289.3

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

SCHEDULE 20 :SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

A 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 and the Accounting Standards (AS) as notified under Companies (Accounting Standards) Rules, 2006.

II Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

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 at the rates specified in Schedule XIV to The Companies Act, 1956. Assets costing Rs.5,000/- or less are depreciated at hundred percent rate on prorata basis in the year of purchase. Intangible assets consisting of trademarks, designs, technical knowhow, non-compete fees and other intangible assets are amortised on Straight Line Method from the date they are available for use, over the useful lives of the assets (10/20 years), as estimated by the Management. Leasehold land is amortised over the period of lease.

IV Leases

Lease rental for assets taken on operating lease are charged to the Profit And Loss Account in accordance with Accounting Standard 19 on Leases.

V Revenue Recognition

Sales of products are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods. Export sales are recognised on the basis of Bill of lading / Airway bill. Sales includes Sales tax / VAT, delayed payment charges and are stated net of returns.

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 their value.

VII Inventories

Inventories consisting of raw and packing materials, stores and spares, work in progress and finished goods are stated at lower of cost (absorption costing) on FIFO basis and net realisable value.

VIII Research and Development

The research and development cost is accounted in accordance with Accounting Standard – 26 'Intangible Asset'. 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 profit and loss account, 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 Capital Work in Progress, 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 Capital Work in Progress is charged off to the profit and loss account.

IX Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items, which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life for the forward contract. The exchange differences arising on settlement / translation are recognised in the Profit and Loss Account.

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

X Derivative Accounting

Forward Contracts in the nature of highly probable forecasted transactions / firm commitments entered into for hedging the risk of foreign currency exposure are accounted for on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies". Pursuant to this losses, if any, on Mark to Market basis, are recognised in the Profit & Loss Account and gains are not recognised on prudent basis.

XI Taxes on Income

Provision for taxation comprises of Current Tax, Deferred Tax and Fringe Benefit Tax. Current Tax provision has been 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 only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carry forward 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. Fringe Benefits tax has been calculated and accounted for in accordance with the provisions of the Income Tax Act, 1961 and the Guidance note on Fringe Benefit Tax by the Institute of Chartered Accountants of India. Pursuant to the enactment of the Finance Act, 2009, Fringe Benefit tax stands abolished w.e.f. April 01, 2009.

XII Employee Benefits

- (a) The Company's contribution in respect of provident fund is charged to Profit and Loss Account 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 Profit and Loss Account.
- (c) Liability for accumulated compensated absences of employees is ascertained for on actuarial valuation basis and provided for as per company rules.

XIII Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

XIV Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when 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 can not be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

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 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.

XVI Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be 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 Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
B NOTES TO FINANCIAL STATEMENTS				
1 CONTINGENT LIABILITIES NOT PROVIDED FOR				
Guarantees Given by the bankers on behalf of the Company		106.4		89.6
Corporate Guarantees		51.5		91.2
Letters of Credit for Imports		505.5		399.6
Liabilities Disputed - Appeals filed with respect to:				
Income Tax on account of Disallowances / Additions		446.6		154.1
Sales Tax on account of Rebate / Classification		11.4		11.6
Excise Duty on account of Valuation / Cenvat Credit		314.0		242.8
Service Tax on account of Import of Services		—		1.9
ESIC Contribution on account of applicability		0.2		0.2
Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, including interest there on, enjoyed by the Company		14.0		14.0
Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme		11.1		10.7
Other Claims against the Company not acknowledged as debts		6.7		6.5
2 Estimated amount of contracts remaining to be executed on capital account [net of advances].		986.9		320.6
3 REMUNERATION TO DIRECTORS				
Managerial Remuneration U/s 198 of The Companies Act, 1956				
Salaries and Allowances		32.3		28.1
Contribution to Provident and Other Funds		3.2		2.8
Perquisites and Benefits		0.3		0.2
Commission		3.7		3.4
Total		39.5		34.5

The above remuneration excludes Gratuity since the same is ascertained on an aggregate basis for the Company as a whole by way of actuarial valuation and separate values attributable to Director is not available.

Computation of net profit U/s 198 read with Section 309(5) of The Companies Act, 1956 and calculation of commission payable to directors

Profit Before Taxation		9,491.6		12,954.1
Add : Depreciation as per Accounts	694.7		588.6	
Loss on Sale of Fixed Assets	0.8		5.8	
Loss on Sale of Investments	334.8		—	
Managerial Remuneration	39.5		34.5	
Directors Sitting Fees	0.2		0.2	
Sundry Balances Written Off /				
Bad Debts Written off	16.9		30.4	
Provision for doubtful debt / Advances	19.3	1,106.2	9.5	669.0
Less: Depreciation as per Section 350 of Companies Act 1956	694.7		588.6	
Profit on Sale of Fixed Assets	7.1		0.2	
Profit on Sale of Investments	—		263.7	
Sundry Balances Written Back	36.7		8.3	
		738.5		860.8
Net Profit		9,859.3		12,762.3

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
Remuneration payable to Wholtime Directors including Managing Director				
Maximum payable @ 10% of Net Profit as per Companies Act,1956		985.9		1,276.2
Maximum payable as approved by the Shareholders		63.0		63.0
Actual paid as approved by the Board		35.8		31.1
Commission payable to Non Executive Directors				
Maximum payable @ 1% of Net Profit as per Companies Act,1956		98.6		127.6
Maximum payable @ 0.25 % (previous year @ 0.25 %) of Net Profit as approved by the Shareholders		24.6		31.9
Actual paid as approved by the Board		3.7		3.4
		2009-10 Rs in Million		2008-09 Rs in Million
4 RESEARCH AND DEVELOPMENT EXPENDITURE				
Revenue		1,277.7		1,289.3
Capital		159.0		221.7
5 Net Interest income Rs.1,048.5 Million (Previous Year Rs. 1,159.6 Million) includes :				
Interest income				
Bank Deposits		886.2		1,136.1
Loan		56.2		44.6
Current Investment		1.4		—
Long term Investment		99.4		4.2
Others		9.7		2.4
		1,052.9		1,187.3
Interest Expense				
Fixed Loans		1.1		23.6
Others		3.3		4.1
		4.4		27.7
6 INFORMATION RELATING TO CONSUMPTION OF MATERIALS	Quantity	Value	Quantity	Value
Raw Materials and Packing Materials				
Raw Materials- (in '000 KGs)	14,016.7	6,452.3	11,464.0	6,267.7
Raw Materials-(In Kilo Litres)	25,826.7	639.3	24,695.7	362.2
Packing/Other Materials	*		*	
Total		7,091.6		6,629.9
*Information can not be furnished as the items involved are numerous.				
None of the items individually account for more than 10% of total consumption.				

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
	%	Value	%	Value
Imported and Indigenous Raw Materials and Packing Materials				
Imported	44.38	3,147.3	41.63	2,760.1
Indigenous	55.62	3,944.3	58.37	3,869.8
Total	100.00	7,091.6	100.00	6,629.9
Stores and Spares				
Imported	1.03	3.3	0.89	2.5
Indigenous	98.97	319.3	99.11	279.8
Total	100.00	322.6	100.00	282.3
7 INFORMATION RELATING TO LICENSED CAPACITY AND PRODUCTION		2009-10		2008-09
Formulation (Tablets/Capsules/Parenterals/Ointments) (Nos in Million)				
Licensed Capacity		Not Applicable		Not Applicable
Installed Capacity*		7,216.3		7,221.4
Actual Production (including loan license)		2,544.4		1,934.2
Bulk Drugs/Chemicals				
Licensed Capacity		Not Applicable		Not Applicable
Installed Capacity* (In Kilo Litres)		1,093.6		1,061.2
Actual Production (including loan license) (In '000 Kgs)		2,227.2		2,239.3
(*as certified by the Management)				
8 INFORMATION RELATING TO TURNOVER, PURCHASE OF GOODS AND STOCKS				Rs in Million
	Turnover	Purchase of Goods	Opening Stock	Closing Stock
	Quantity Value Rs.	Quantity Value Rs.	Quantity Value Rs.	Quantity Value Rs.
Formulations (Qty Million)				
2009-10	2,788.1 14,225.9	268.1 1,329.0	181.6 362.4	206.0 388.7
2008-09	5,651.3 22,920.7	3,744.0 12,689.5	154.7 303.0	181.6 362.4
Bulk Drugs/Chemicals (Qty in '000 Kgs)				
2009-10	2,294.1 4,643.1	10.2 2.7	190.7 602.5	134.0 386.2
2008-09	2,208.6 5,387.9	0.4 1.5	159.6 502.4	190.7 602.5
Others				
2009-10	42.6	38.7	—	—
2008-09	27.9	15.7	—	—
Total				
2009-10	18,911.6	1,370.4	964.9	774.9
2008-09	28,336.5	12,706.7	805.4	964.9

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

	Year ended 31st March, 2010 Rs in Million	Year ended 31st March, 2009 Rs in Million
9 INCOME/EXPENDITURE IN FOREIGN CURRENCY		
Income		
Exports (FOB basis)	8,389.5	8,137.7
Interest	9.8	70.6
Others	109.0	72.8
Expenditure		
Raw Materials (CIF basis)	3,003.9	2,299.6
Packing Materials (CIF basis)	242.6	272.8
Capital Goods (CIF basis)	242.0	367.7
Spares and Components (CIF basis)	26.4	20.2
Professional Charges	226.2	424.5
Interest	—	22.5
Overseas Travel	80.4	79.5
Others	807.5	772.1
10 The net exchange gain of Rs.36.4 Million (Previous Year gain of Rs.759.6 Million) is included under various heads in the Profit & Loss account.		
11 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:		
(a) An amount of Rs.14.8 Million (Previous Year Rs.2.1 Million) and Rs. NIL (Previous Year NIL) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.		
(b) No interest was paid during the year.		
(c) No interest is payable at the end of the year under Micro, Small and Medium Enterprises Development Act, 2006.		
(d) No amount of interest was accrued and unpaid at the end of the accounting year.		
The above information and that given in Schedule 12 - "Current Liabilities and Provisions" regarding Micro, Small and Medium 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.		
12 Disclosure with respect to Accounting Standards notified by Companies (Accounting Standards) Rules, 2006:		
(i) Related Party Disclosure - as per Annexure 'A' annexed.		
(ii) Accounting Standard (AS-20) on Earnings Per Share	2009-10	2008-09
Profit After Tax - used as Numerator for calculating Earnings per share	8,986.5	12,652.9
Weighted Average number of Shares used in computing basic & diluted earnings per share	207,116,391	207,116,391
Nominal Value Per Share (in Rs.)	5	5
Basic & Diluted Earnings Per Share (in Rs.)	43.4	61.1
(iii) 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	9,731.6	20,004.1
Outside India	9,180.0	8,332.4
Total Sales	18,911.6	28,336.5

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

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

(iv) Accounting Standard (AS-15) on Employee benefits

Contributions are made to Recognised Provident Fund/ Government Provident Fund, Family Pension Fund, ESIC and other Statutory Funds which covers all regular employees. While both the employees and the 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 Rs. 90.8 Million (Previous year Rs. 80.8 Million)

	Year ended 31st March 2010 Rs in Million	Year ended 31st March 2009 Rs in Million
Contribution to Provident Fund	87.4	77.2
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	3.3	3.5
Contribution to Labour Welfare Fund	0.1	0.1

In respect of Gratuity, Contributions are made to LIC's Recognised Group Gratuity Fund Scheme based on amount demanded by LIC of India. Provision for Gratuity is based on actuarial valuation done by independent actuary as at the year end. Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules amounting to Rs. 38.8 Million (Previous Year Rs. 31.0 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the Accounting Standard 15 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss account.

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):

	Rupees in Million (Dr/ (Cr)) Year ended	
	31st March, 2010	31st March, 2009
Reconciliation of liability recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	(212.7)	(142.4)
Fair value of plan assets	228.5	187.2
Net (liability) / asset in the Balance sheet	15.8	44.8
Movement in net liability recognised in the Balance sheet		
Net liability as at the beginning of the year	44.8	(2.4)
Net expense recognised in the Profit and Loss account	(60.2)	(32.6)
Contribution during the year	31.2	79.8
Net (liability) / asset in the Balance sheet	15.8	44.8
Expense recognised in the Profit and Loss account		
Current service cost	18.6	14.3
Interest cost	12.1	8.5
Expected return on plan assets	(16.5)	(8.3)
Actuarial (gains)/ losses	46.0	18.1
Expense charged to the Profit and Loss account	60.2	32.6
Return on plan assets		
Expected return on plan assets	16.5	8.3
Actuarial (gains)/ losses	(3.3)	(3.9)
Actual return on plan assets	19.8	12.2

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

	Rupees in Million (Dr/ (Cr))	
	Year ended	
	31st March, 2010	31st March, 2009
Reconciliation of defined-benefit commitments		
Commitments as at the beginning of the year	(142.4)	(106.4)
Current service cost	18.6	14.3
Interest cost	12.1	8.5
Paid benefits	(9.7)	(8.8)
Actuarial (gains)/ losses	49.3	22.0
Commitments as at the year end	(212.7)	(142.4)
Reconciliation of plan assets		
Plan assets as at the beginning of the year	187.2	104.0
Expected return on plan assets	16.5	8.3
Contributions during the year	31.2	79.8
Paid benefits	(9.7)	(8.8)
Actuarial (gains)/ losses	(3.3)	(3.9)
Plan assets as at the year end	228.5	187.2

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

Discount rate	8.00%	7.75%
Expected return on plan assets	8.00%	7.50%
Expected rate of salary increase	6.00%	6.00%
Mortality	LIC (1994-96) 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.

	Rupees in Million (Dr/ (Cr))			
	Year ended			
	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Experience adjustment				
On plan liabilities	56.5	5.2	126.9	3.1
On plan assets	(3.3)	(3.9)	(2.4)	(1.2)
Present value of benefit obligation	(212.7)	(142.4)	(106.4)	(75.0)
Fair value of plan assets	228.5	187.2	104.0	83.5
Excess of (obligation over plan assets) / plan assets over obligation	15.8	44.8	(2.4)	—

As, this is the fourth year in which the AS-15 has been applied, the amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets for the previous three years only have been furnished.

The contribution expected to be made by the Company during financial year ending March 31, 2011 is Rs.29.5 Million.

(v) Accounting Standard (AS-19) on Operating 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 licence, 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 Profit and Loss Account under "Rent" in Schedule 18.

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

13 Investment Purchased and Sold during the Year Mutual Fund Units (Units of Face Value of Rs.10 Each, unless stated otherwise)

	2009-10			2008-09		
	Units In Nos.	Purchase Value Rs in Million	Sales Value Rs in Million	Units In Nos.	Purchase Value Rs in Million	Sales Value Rs in Million
In Liquid Scheme						
Axis Mutual Fund (*)	467,443	470.0	470.6	—	—	—
Baroda Pioneer Mutual Fund	471,961,898	4,880.8	4,893.2	10,000,000	100.0	100.1
Bharti AXA Mutual Fund (*)	1,323,588	1,450.1	1,453.1	392,097	405.0	406.2
Birla Sun Life Mutual Fund	1,313,064,099	19,875.2	19,922.8	1,214,675,051	16,180.0	16,292.0
Canara Robeco Mutual Fund	38,822,296	426.0	426.5	—	—	—
DBS Chola Mutual Fund	74,088,548	870.0	873.0	41,284,101	500.0	500.1
Deutsche Asset Management	1,017,540,933	11,705.9	11,767.2	605,919,745	6,700.0	6,723.0
DSP Mutual Fund	85,372,150	1,330.1	1,339.7	—	—	—
DSP Mutual Fund (*)	2,422,780	3,060.0	3,060.4	—	—	—
Fidelity Mutual Fund	278,879,207	3,320.2	3,333.2	12,445,861	150.0	150.0
Fortis Mutual Fund	912,190,062	10,960.4	11,002.3	—	—	—
HDFC Mutual Fund	661,627,364	12,245.1	12,282.6	306,840,997	5,314.5	5,345.2
ICICI Prudential Mutual Fund	1,183,651,098	15,070.2	15,114.3	1,125,053,541	13,865.0	13,903.7
ICICI Prudential Mutual Fund (**)	53,162,327	7,218.1	7,220.9	—	—	—
IDFC Mutual Fund	373,697,093	4,383.1	4,407.5	—	—	—
JM Mutual Fund	186,522,165	2,574.1	2,580.2	—	—	—
JP Morgan Asset Management	292,533,033	3,415.2	3,428.8	219,930,148	2,447.0	2,460.2
Kotak Mutual Fund	84,497,852	1,470.0	1,472.1	—	—	—
Lotus India Mutual Fund	—	—	—	71,070,517	832.0	836.1
Miirae Asset Mutual Fund (*)	—	—	—	484,384	500.0	502.1
Morgan Stanely Mutual Fund	25,000,000	250.0	250.1	—	—	—
Principal Mutual Fund	519,967,061	7,427.4	7,430.9	96,053,555	1,250.0	1,252.7
Reliance Mutual Fund	544,884,579	7,435.0	7,437.0	305,956,444	4,615.3	4,635.9
Reliance Mutual Fund (*)	4,539,867	5,580.8	5,630.2	—	—	—
Religare Mutual Fund	614,014,034	7,150.3	7,188.4	82,980,302	1,000.0	1,001.4
SBI Mutual Fund	—	—	—	10,870,522	210.0	210.0
Shinsei Mutual Fund	112,570,172	1,135.0	1,136.4	—	—	—
Shinsei Mutual Fund (*)	2,794,682	2,840.7	2,853.7	—	—	—
Sundaram BNP Paribas Mutual Fund	31,608,298	470.0	470.6	6,687,196	123.0	123.1
Tata Mutual fund	17,775,366	250.0	250.6	—	—	—
Templeton Mutual Fund (*)	1,869,343	2,493.0	2,499.9	—	—	—
UTI Mutual Fund (*)	3,415,543	3,463.2	3,465.9	30,596	41.3	41.4

(*) Units of Face Value of Rs.1,000 Each

(**) Units of Face Value of Rs.100 Each

14 Profit / (Loss) on Sale of Investments (Net)

	2009-10 Rs in Million	2008-09 Rs in Million
Profit / (Loss) on Sale of Current Investments	(440.7)	260.0
Profit / (Loss) on Sale of Long Term Investments	109.7	3.9
Others	(3.8)	(0.2)
	(334.8)	263.7

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

	Rs in Million		Rs in Million	
	Balance As at 31st March, 2010	Maximum Balance 2009-10	Balance As at 31st March, 2009	Maximum Balance 2008-09
15 Balances with Other Banks held in:				
Name of the Bank/Institution				
UBS AG Wealth Management-London Rs.8,631 (Previous Year Rs.9,490) Maximum Balance Rs.9,490 (Previous Year Rs.9,490)	0.0	0.0	0.0	0.0
Credit Agricole (Suisse) S.A.Private Bank	354.5	430.5	395.5	1,188.0
Vietnam Export Import Bank, Hochiminch Branch, Vietnam	2.7	18.3	1.7	18.3
Standard Chartered, Shanghai Branch, China	4.4	17.3	2.9	6.1
Moscow Bank, Moscow Branch, Moscow	2.4	10.2	1.0	11.4
Belvnesheconom Bank, Minsk Branch, Belarus	0.1	6.2	1.9	5.9
Tsesna Bank,Almaty Branch, Kazakhstan	0.3	5.8	0.5	6.1
Ukreixm Bank, Kyiv Branch, Ukraine	0.6	3.5	1.5	6.8
Total	365.0		405.0	
16 Loans / Advances due from Subsidiaries				
Loans				
Sun Pharmaceutical UK Limited	—	—	—	0.1
Advances :Share Application Money to				
Sun Farmaceutica LTDA Brazil	—	—	—	17.0
Sun Pharma Global Inc. BVI	1,344.0	2,173.4	508.5	2,502.1
Sun Pharma De Mexico, S.A. DE C.V.	60.3	68.4	68.4	68.4
Total	1,404.3		576.9	

17 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 depreciable 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.

18 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, in 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.

19 Alkaloida Chemical Company Zrt. (formerly known as Alkaloida Chemical Company Exclusive Group Limited) (Alkaloida), a subsidiary of the company has made a strategic investment in Taro Pharmaceutical Industries Limited (Taro) a pharmaceutical company based in Israel and holds 36.4% in the capital of Taro. On May 28, 2008 Alkaloida received a notice from Taro regarding purported termination of the merger agreement between Taro and Aditya Acquisition Company Ltd, an Israeli incorporated subsidiary of Alkaloida. On the same date, Taro and some of its directors had filed for a declaratory judgment in an Israeli court seeking Alkaloida/Sun Pharma to conduct a special tender offer which has been rejected by the Tel-Aviv District Court. The plaintiffs have appealed this decision in the Supreme Court of Israel which has temporarily prohibited closing of the Tender offer until it issues a decision on the appeal. Alkaloida does not foresee any adverse impact on its investment.

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

- 20** As per the best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29 as notified by Companies (Accounting Standards) Rules, 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.
- 21** The company enters into Forward Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.
- A) The following are the outstanding Forward Exchange Contracts (including against firm commitments) entered into by the company as on 31st March, 2010

Currency	Buy/Sell	Cross Currency	Amount in Million As at 31st March, 2010	Amount in Million As at 31st March, 2009
US Dollar	Sell	Rupees	\$175.0	\$105.0

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

- a) Amounts receivable in foreign currency on account of the following :

	Currency	As at 31st March, 2010 Amount in Million		As at 31st March, 2009 Amount in Million	
Exports of Goods & Services	US Dollar	\$14.6	INR 655.2	\$15.4	INR 782.0
	Euro	€ 4.0	INR 240.5	€ 3.1	INR 207.8
	XOF	XOF 5.7	INR 0.5	XOF 5.5	INR 0.6
	British Pound	£0.7	INR 48.9	£0.5	INR 38.3
Loans Receivables	US Dollar	\$1.3	INR 60.3	\$1.3	INR 68.4
	Share Application Money	US Dollar	\$30.0	INR 1,344.0	\$10.0

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

Import of Goods & Services	US Dollar	\$6.3	INR 280.8	\$6.4	INR 327.9	
	Euro	€ 0.3	INR 16.6	€ 0.2	INR 12.8	
	£ 3,821 (Previous Year £ 9,762)	British Pound	£0.0	INR 0.3	£0.0	INR 0.7
	Nil (Previous Year S\$1,401)	Singapore Dollars	—	—	S\$ 0.0	INR 0.0
Commission Payable	Japanese Yen	JPY 9.4	INR 4.4	—	—	
	US Dollar	\$3.1	INR 139.6	\$3.1	INR 155.4	
	Euro	€ 1.0	INR 58.4	€ 0.2	INR 12.1	

- 22** Previous years' figures are restated / regrouped / rearranged wherever necessary in order to conform to current years' groupings and classifications.

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

Annexure 'A' to Notes on Account

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

Names of related parties and description of relationship

1. Subsidiaries

Sun Pharma Global Inc. BVI.
 Sun Pharma Global - FZE
 Sun Pharmaceutical (Bangladesh) Ltd.
 Sun Pharma De Mexico S.A. DE C.V.
 SPIL De Mexico S.A. DE C.V.
 Sun Pharmaceutical Peru S.A.C.
 Sun Farmaceutica Ltda - Brazil
 Sun Pharmaceutical Industries Inc, USA
 Sun Pharmaceuticals UK Ltd.
 ALKALOIDA Chemical Company Zrt
 (formerly known as Alkaloida Chemical Company Exclusive Group Limited)
 Chattem Chemical Inc.
 Zao Sun Pharma Industries Ltd. Russia
 Sun Pharmaceutical Ind (Australia) PTY Ltd.
 Aditya Acquisition Company Ltd. - Israel
 Sun Development Corporation I
 Sun Pharmaceutical Ind. Europe BV
 OOO "Sun Pharmaceutical Industries" Ltd.
 Sun Pharmaceuticals France
 Sun Pharmaceuticals Germany GmbH
 Sun Pharmaceuticals Italia S.R.L.
 Sun Pharmaceutical Spain, SL
 Sun Pharmaceuticals (SA) (Pty) Ltd-South Africa
 Caraco Pharmaceutical Laboratories Ltd - U.S.A
 TKS Farmaceutica Ltda.
 Sun Global Canada Pty. Ltd.
 Caraco Pharma Inc.

2. Controlled Entity

Sun Pharma Exports
 Sun Pharmaceutical Industries
 Sun Pharma Sikkim
 Universal Enterprise Pvt Ltd.

3. Key Management Personnel

Mr. Dilip S. Shanghvi
 Mr. Sudhir V. Valia
 Mr. Sailesh T. Desai

4. Relatives of Key Management Personnel

Mrs Vibha Shanghvi	Wife of Chairman and Managing Director
Mrs Kumud Shanghvi	Mother of Chairman and Managing Director
Mrs Meera Desai	Wife of Wholetime Director
Mr Alok Shanghvi	Son of Chairman and Managing Director
Ms Khyati Valia	Daughter of Wholetime Director

5. Enterprise under significant Influence of Key Management Personnel or their relatives

Sun Petrochemical Pvt. Ltd.
 Sun Speciality Chemicals Pvt. Ltd. (upto 31-03-2009)
 Navjivan Rasayan (Gujarat) Pvt. Ltd.
 Sun Pharma Advanced Research Company Ltd.
 Aditya Thermal Energy Pvt. Ltd.
 Alfa Infracorp Pvt. Ltd.
 Shantilal Shanghvi Foundation

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

Annexure 'A' to Notes on Account

ACCOUNTING STANDARD (AS-18) "RELATED PARTY DISCLOSURE"											Rs in Million	
Particulars	Subsidiaries		Controlled Entity		Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31/03/10	31/03/09	31/03/10	31/03/09	31/03/10	31/03/09	31/03/10	31/03/09	31/03/10	31/03/09	31/03/10	31/03/09
Purchases of goods /DEPB	103.4	115.1	414.3	13,032.4	—	—	—	—	1.1	4.5	518.8	13,152.0
Sun Pharmaceutical Industries	—	—	413.3	13,032.4	—	—	—	—	—	—	413.3	13,032.4
Caraco Pharmaceutical Laboratories Ltd.	78.3	63.2	—	—	—	—	—	—	—	—	78.3	63.2
Others	25.1	51.9	1.0	—	—	—	—	—	1.1	4.5	27.2	56.4
Purchase of Fixed Assets	—	—	6.4	2.6	—	—	—	—	—	—	6.4	2.6
Sun Pharmaceutical Industries	—	—	6.4	2.6	—	—	—	—	—	—	6.4	2.6
Sale of goods / DEPB	3,651.0	3,326.6	943.0	1,164.3	—	—	—	—	17.8	11.6	4,611.8	4,502.5
Caraco Pharmaceutical Laboratories Ltd.	2,134.1	2,734.0	—	—	—	—	—	—	—	—	2,134.1	2,734.0
Sun Pharmaceutical Industries	—	—	312.7	1,150.4	—	—	—	—	—	—	312.7	1,150.4
Sun Pharma Sikkim	—	—	630.3	13.9	—	—	—	—	—	—	630.3	13.9
Others	1,516.9	592.6	—	—	—	—	—	—	17.8	11.6	1,534.7	604.2
Sale of Fixed Assets	—	—	0.3	8.8	—	—	—	—	19.1	—	19.4	8.8
Sun Petrochemical Pvt. Ltd.	—	—	—	—	—	—	—	—	19.1	—	19.1	—
Sun Pharmaceutical Industries	—	—	0.2	8.8	—	—	—	—	—	—	0.2	8.8
Others	—	—	0.1	—	—	—	—	—	—	—	0.1	—
Receiving of Service												
Services	—	—	27.6	4.2	—	—	—	—	12.4	13.1	40.0	17.3
Sun Pharmaceutical Industries	—	—	27.6	4.2	—	—	—	—	—	—	27.6	4.2
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	—	—	—	—	12.4	13.1	12.4	13.1
Reimbursement of Expenses	48.8	111.7	—	—	—	—	—	—	1.1	2.6	49.9	114.3
Caraco Pharmaceutical Laboratories Ltd.	37.1	11.4	—	—	—	—	—	—	—	—	37.1	11.4
Sun Pharma Global Inc - BVI	—	100.3	—	—	—	—	—	—	—	—	—	100.3
Others	11.7	0.0	—	—	—	—	—	—	1.1	2.6	12.8	2.6
Rendering of Service												
Services	81.3	—	2.3	3.1	—	—	—	—	3.8	5.5	87.4	8.6
Caraco Pharmaceutical Laboratories Ltd.	71.9	—	—	—	—	—	—	—	—	—	71.9	—
Sun Petrochemical Pvt. Ltd.	—	—	—	—	—	—	—	—	3.8	5.5	3.8	5.5
Sun Pharmaceutical Industries	—	—	2.3	3.1	—	—	—	—	—	—	2.3	3.1
Sun Pharmaceutical Industries - Inc.	9.4	—	—	—	—	—	—	—	—	—	9.4	—
Reimbursement of Expenses	48.3	70.2	0.2	0.2	—	—	—	—	25.9	26.1	74.4	96.5
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	—	—	—	—	25.9	26.1	25.9	26.1
Sun Pharma Global - FZE	43.7	16.0	—	—	—	—	—	—	—	—	43.7	16.0
Sun Pharmaceutical Industries - Inc.	0.6	38.3	—	—	—	—	—	—	—	—	0.6	38.3
Caraco Pharmaceutical Laboratories Ltd.	4.0	14.2	—	—	—	—	—	—	—	—	4.0	14.2
Others	—	1.7	0.2	0.2	—	—	—	—	—	—	0.2	1.9
Finance (including loans and equity contributions)												
Capital Contribution / (Withdrawal)	2,314.1	2,245.2	(9,482.7)	2,975.8	—	—	—	—	—	—	(7,168.6)	5,221.0
Sun Pharmaceutical Industries	—	—	(7,253.9)	2,902.8	—	—	—	—	—	—	(7,253.9)	2,902.8
Sun Pharma Sikkim	—	—	(2,240.3)	72.3	—	—	—	—	—	—	(2,240.3)	72.3
Sun Pharma Global Inc - BVI	2,314.1	2,232.1	—	—	—	—	—	—	—	—	2,314.1	2,232.1
Others	—	13.1	11.5	0.7	—	—	—	—	—	—	11.5	13.8

Schedules Forming part of Financial Statements For the year ended 31st March, 2010

Annexure 'A' to Notes on Account

ACCOUNTING STANDARD (AS-18) "RELATED PARTY DISCLOSURE"											Rs in Million	
Particulars	Subsidiaries		Controlled Entity		Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31/03/10	31/03/09	31/03/10	31/03/09	31/03/10	31/03/09	31/03/10	31/03/09	31/03/10	31/03/09	31/03/10	31/03/09
Investments Sales in Subsidiary	243.4	—	—	—	—	—	—	—	—	—	243.4	—
Sun Pharma Global Inc - BVI	243.4	—	—	—	—	—	—	—	—	—	243.4	—
Loans given / Share Application Money	1,761.9	6,478.2	6.0	—	—	—	—	—	—	—	1,767.9	6,478.2
Sun Pharma Global Inc - BVI	1,761.9	6,474.3	—	—	—	—	—	—	—	—	1,761.9	6,474.3
Others	—	3.9	6.0	—	—	—	—	—	—	—	6.0	3.9
Loans Received back / Share Application Money Refund	317.4	6,989.3	6.0	—	—	—	—	—	—	10.0	323.4	6,999.3
Sun Pharma Global Inc - BVI	317.4	6,985.5	—	—	—	—	—	—	—	—	317.4	6,985.5
Others	—	3.8	6.0	—	—	—	—	—	—	10.0	6.0	13.8
Corporate Guarantees Given / (Released) on behalf of	15.7	1,872.7	200.0	—	—	—	—	—	(125.0)	—	90.7	1,872.7
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	—	—	—	—	(125.0)	—	(125.0)	—
Sun Pharma Global Inc - BVI	—	1,779.8	—	—	—	—	—	—	—	—	—	1,779.8
Sun Pharma Sikkim	—	—	200.0	—	—	—	—	—	—	—	200.0	—
Sun Pharma De Mexico S.A. DE C.V.	—	152.6	—	—	—	—	—	—	—	—	—	152.6
Sun Pharmaceutical Industries - Inc.	—	(59.7)	—	—	—	—	—	—	—	—	—	(59.7)
Sun Pharmaceuticals Italia S.R.L.	15.7	—	—	—	—	—	—	—	—	—	15.7	—
Interest Income	—	—	2.2	1.1	—	—	—	—	—	—	2.2	1.1
Sun Pharmaceutical Industries	—	—	1.1	1.1	—	—	—	—	—	—	1.1	1.1
Sun Pharma Sikkim	—	—	1.1	—	—	—	—	—	—	—	1.1	—
Rent Income	—	—	1.9	1.6	—	—	—	—	0.7	0.1	2.6	1.7
Sun Pharmaceutical Industries	—	—	1.6	1.6	—	—	—	—	—	—	1.6	1.6
Sun Pharma Sikkim	—	—	0.3	—	—	—	—	—	—	—	0.3	—
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	—	—	—	—	0.6	—	0.6	—
Others	—	—	—	—	—	—	—	—	0.1	0.1	0.1	0.1
Director's Remuneration	—	—	—	—	35.8	31.1	—	—	—	—	35.8	31.1
Apprenticeship Stipend / Remuneration	—	—	—	—	—	—	0.8	0.3	—	—	0.8	0.3
Remuneration (Partner's) Received	—	—	150.7	575.0	—	—	—	—	—	—	150.7	575.0
Sun Pharmaceutical Industries	—	—	150.7	575.0	—	—	—	—	—	—	150.7	575.0
Share of profit from Partnership Firm	—	—	6,625.9	10,343.1	—	—	—	—	—	—	6,625.9	10,343.1
Sun Pharmaceutical Industries	—	—	2,110.4	10,343.1	—	—	—	—	—	—	2,110.4	10,343.1
Sun Pharma Sikkim	—	—	4,515.5	(0.0)	—	—	—	—	—	—	4,515.5	(0.0)
(Previous year Rs.(44,521/-))	—	—	—	—	—	—	—	—	—	—	—	—
Others Rs. (8,000)	—	—	(0.0)	(0.0)	—	—	—	—	—	—	(0.0)	(0.0)
(Previous Year Rs.(800)/-)	—	—	—	—	—	—	—	—	—	—	—	—
Outstanding Corporate Guarantee to Bank	2,793.3	3,152.7	200.0	—	—	—	—	—	—	125.0	2,993.3	3,277.7
Sun Pharma Global Inc - BVI	2,508.8	2,847.6	—	—	—	—	—	—	—	—	2,508.8	2,847.6
{Actual Utilised Rs. Nil (Previous Year Rs. Nil)}	—	—	—	—	—	—	—	—	—	—	—	—
Others {Actual Utilised Rs. 51.5 Million (Previous Year Rs.91.2 Million)}	284.5	305.1	200.0	—	—	—	—	—	—	125.0	484.5	430.1
Outstanding receivables / Payables (Net) as on 31/03/2010	1,355.5	632.4	—	—	—	—	—	—	48.4	76.3	1,403.9	708.7
Caraco Pharmaceutical Laboratories Ltd.	780.2	403.3	—	—	—	—	—	—	—	—	780.2	403.3
OOO "Sun Pharmaceutical Industries" Ltd.	277.5	36.5	—	—	—	—	—	—	—	—	277.5	36.5
Sun Pharma Global Inc - BVI.	122.5	(104.3)	—	—	—	—	—	—	—	—	122.5	(104.3)
Sun Pharma Global - FZE	107.3	205.3	—	—	—	—	—	—	—	—	107.3	205.3
ALKALOIDA Chemical Company Zrt	(16.8)	(0.8)	—	—	—	—	—	—	—	—	(16.8)	(0.8)
Others	84.8	92.4	—	—	—	—	—	—	48.4	76.3	133.2	168.7

Information required as per Part IV of Schedule VI to The Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	Balance Sheet Date	State Code
04/19050	31st March, 2010	04

II Capital Raised during the year (Rs in Million)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III Position of Mobilisation and Deployment of Funds (Rs in Million)

Total Liabilities	Total Assets
58628.0	58628.0
Sources of Funds	Reserves and Surplus
Paid-up Capital	56144.2
1035.6	Unsecured Loans
Secured Loans	NIL
294.9	
Deferred Tax Liability (Net)	
1153.3	
Application of Funds	Investments
Net Fixed Assets	39516.9
8326.7	Miscellaneous Expenditure
Net Current Assets	NIL
10784.4	Accumulated Losses
	NIL

IV Performance of the Company (Rs in Million)

Total Income	Total Expenditure
26467.2	16975.6
Profit Before Tax	Profit After Tax
9491.6	8986.5
Earning per share Rs.	Dividend Rate
43.4	275.00%

V Generic Names of Three Principal Products of the Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
29420090	Pentoxifyline
30049038	Pentoparazole Sodium
30049065	Metformin Hydrochloride

For and on behalf of the Board

DILIP S. SHANGHVI
Chairman & Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director

Mumbai, May 24, 2010

KAMLESH H. SHAH
Company Secretary

Mumbai, May 24, 2010

Statement Pursuant to Exemption Received under Section 212(8) of the Companies Act, 1956 Relating to Subsidiary Companies.

Rs. in Million

Sr. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
1	Alkaloida Chemical Company Zrt. (Formerly known as "Alkaloida Chemical Company Exclusive Group Ltd")	HUF	0.23	1,506.6	(1,747.6)	14,785.8	14,785.8	4,911.8	677.2	(708.8)	—	(708.8)	—
2	Caraco Pharmaceutical Laboratories Ltd.	USD	44.80	6,346.0	615.3	15,146.8	15,146.8	448.0	10,468.6	(590.2)	(202.2)	(388.0)	—
3	Chattem Chemical Inc.	USD	44.80	1,542.6	140.2	1,913.7	1,913.7	—	1,116.4	163.0	25.5	137.5	—
4	Sun Pharmaceutical Industries INC.	USD	44.80	0.2	(1,972.1)	4,673.3	4,673.3	—	707.2	(957.0)	(338.9)	(618.2)	—
5	Sun Development Corporation I	USD	44.80	0.0	—	0.1	0.1	—	—	—	—	—	—
6	Sun Pharma Global Inc.	USD	44.80	105.9	27,344.9	32,663.4	32,663.4	2,606.9	499.7	498.1	—	498.1	—
7	ZAO Sun Pharma Industries Limited	RRU	1.52	0.0	(0.0)	—	—	—	—	—	—	—	—
8	Sun Pharmaceutical (Bangladesh) Limited	Taka	0.65	39.0	75.6	212.4	212.4	—	260.6	73.6	13.8	59.8	—
9	Sun Farmaceutica Ltda.	Brazilian Reais	25.12	57.4	(116.9)	58.8	58.8	—	71.1	(17.4)	—	(17.4)	—
10	Sun Pharma De Mexico S.A. DE C.V.	Mexican Pesos	3.62	3.7	36.5	363.4	363.4	—	378.1	50.4	13.8	36.7	—
11	SPI De Mexico S.A. DE C.V.	Mexican Pesos	3.62	0.2	—	0.2	0.2	—	—	—	—	—	—
12	Sun Pharmaceutical Peru S.A.C.	Soles	15.78	0.0	(15.5)	2.0	2.0	—	—	(5.0)	—	(5.0)	—
13	Sun Pharmaceutical UK Limited	GBP	68.02	0.1	(44.3)	223.9	223.9	—	271.2	(13.9)	—	(13.9)	—
14	Sun Pharmaceutical Industries (Australia) Pty. Ltd.	AUD	41.08	0.0	(0.2)	0.0	0.0	—	—	(0.1)	—	(0.1)	—
15	Aditya Acquisition Company Ltd.	Israeli New Shekel, NIS	3.69	0.0	(0.0)	0.0	0.0	—	—	(0.0)	—	(0.0)	—
16	Sun Pharmaceutical Industries (Europe) B.V.	Euro	60.51	1.1	(67.3)	114.4	114.4	—	47.4	(47.4)	—	(47.4)	—
17	OOO "Sun Pharmaceutical Industries" Ltd.	RRU	1.52	0.1	0.3	468.4	468.4	—	235.6	6.7	1.2	5.5	—
18	Sun Pharmaceuticals Italia S.R.L.	Euro	60.51	0.6	(61.6)	93.2	93.2	—	26.0	(66.9)	(17.2)	(49.7)	—
19	Sun Pharmaceutical Spain, SL.	Euro	60.51	0.2	(50.2)	70.0	70.0	—	27.8	(66.4)	(16.2)	(50.2)	—
20	Sun Pharmaceuticals Germany GmbH	Euro	60.51	1.5	(16.5)	28.6	28.6	—	2.3	(21.9)	(6.0)	(15.9)	—
21	Sun Pharmaceuticals France	Euro	60.51	2.2	(37.0)	4.3	4.3	—	—	(30.7)	—	(30.7)	—
22	Sun Pharma Global - FZE	USD	44.80	184.8	11,823.1	12,509.6	12,509.6	—	8,530.7	6,929.6	—	6,929.6	—
23	Sun Pharmaceuticals (SA) (PTY) Ltd.	ZAR	6.14	0.0	(0.0)	0.0	0.0	—	—	(0.0)	—	(0.0)	—
24	Sun Global Canada Pty. Ltd.	USD	44.80	0.0	(0.1)	0.0	0.0	—	—	(0.1)	—	(0.1)	—
25	TKS Farmaceutica Ltda.	Brazilian Reais	25.12	139.4	(17.8)	327.3	327.3	—	156.8	(25.9)	—	(25.9)	—

Note: '0.0' represents amount less than 0.05 million and rounded off.

Corporate Governance

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause and lists the practices followed by the Company.

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 eight Directors.

Composition and category of Directors is as follows:

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

* Appointed with effect from April 1, 2010.

Number of Board Meetings held during the year ended March 31, 2010 and the dates on which held: 5 Board meetings were held during the year, as against the minimum requirement of 4 meetings.

The dates on which the meetings were held during the year ended March 31, 2010 are as follows: May 30, 2009, July 29, 2009, September 11, 2009, October 28, 2009 and January 29, 2010.

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

Name of the Director	Attendance Particulars for the year ended 31st March, 2010		*No. of other directorships and committee memberships / chairmanships as of 31 st March, 2010		
	Board Meetings	Last AGM held on September 11, 2009	Other Directorships	Committee Memberships**	Committee Chairmanships **
Mr. Dilip S. Shanghvi	5	Yes	1	—	—
Mr. Sudhir V. Valia	5	Yes	5	—	1
Mr. Sailesh T. Desai	5	Yes	1	—	—
Mr. S. Mohanchand Dadha	5	Yes	2	—	1
Mr. Hasmukh S. Shah	5	Yes	9	1	2
Mr. Keki M. Mistry	3	Yes	13	9	1
Mr. Ashwin S. Dani	5	Yes	6	2	3
Mr. S. Kalyanasundaram***	—	—	—	—	—

* The above list of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private, Foreign and Section 25 Companies.

**The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Shareholders'/ Investors' Grievance Committee only.

***Appointed with effect from April 1, 2010.

3. Code of Conduct

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. All the Directors and senior management personnel have affirmed compliance with the code of conduct as approved and adopted by the Board of Directors and a declaration to this effect 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 comprises of three independent non-executive Directors viz. Mr. Keki M. Mistry, Mr. S. Mohanchand Dadha and Mr. Hasmukh S. Shah. Mr. Keki M. Mistry is the Chairman of the committee. The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956. Mr. Kamlesh H. Shah 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 and also statutory compliance issues. 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.

The Committee has discussed with the external auditors 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 Clause 49 of the Listing Agreement of the Stock Exchange and the provisions of Section 292A of the Companies Act, 1956.

Four Audit Committee Meetings were held during the year ended March 31, 2010. The dates on which Meetings were held are as follows: May 30, 2009, July 29, 2009, October 28, 2009 and January 29, 2010. 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	2
Mr. S. Mohanchand Dadha	Member	4
Mr. Hasmukh S. Shah	Member	4

5. Remuneration Committee

The Company has not formed any Remuneration Committee of Directors. The Whole - Time Directors' remuneration is approved by the Board within the overall limit fixed by the shareholders at their meetings. The payment of remuneration by way of commission to the Non- Executive Directors of the Company is within the total overall maximum limit of quarter percent of net profits as worked under the provisions of Sections 349 & 350 of the Companies Act, 1956. This will be in addition to the sitting fees of Rs.5,000/- payable to the Non Executive Directors for attending each meeting of the Board and/or of Committee thereof. The actual commission payable to the Non- Executive Directors of our Company severally and collectively as below mentioned has been decided by the Board of Directors of the Company at their Meeting held on January 29, 2010 which is within the overall limit fixed as above by the Members of the Company.

The details of the remuneration paid/payable to the Directors during the year 2009-2010 are given below:

(Amount in Rs.)

Directors	Salary #	Bonus	Perquisites* / Benefits	Commission	Sitting Fees	Total
Mr. Dilip S. Shanghvi	1,12,85,000	22,57,000	14,90,233	—	—	1,50,32,233
Mr. Sudhir V. Valia	1,12,85,000	22,57,000	14,46,749	—	—	1,49,88,749
Mr. Sailesh T. Desai	43,47,000	8,69,400	5,44,979	—	—	57,61,379
Mr. S. Mohanchand Dadha	—	—	—	9,35,000	70,000	10,05,000
Mr. Hasmukh S. Shah	—	—	—	9,35,000	70,000	10,05,000
Mr. Keki M. Mistry	—	—	—	9,35,000	25,000	9,60,000
Mr. Ashwin S. Dani	—	—	—	9,35,000	25,000	9,60,000
Mr. S. Kalyanasundaram**	—	—	—	—	—	—

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.

** appointed with effect from April 1, 2010

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

Notes: -

- The Agreements with Mr. Dilip Shanghvi, Mr. Sudhir Valia and Mr. Sailesh 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.
- Mr. S. Kalyanasundaram has been appointed as Chief Executive Officer & Whole-time Director of the Company for a period of five years with effect from April 1, 2010 subject to the approval of the shareholders at the ensuing Annual General Meeting. As per the terms of his employment, his appointment is terminable by either party giving to the other party advance notice of twelve months, provided that the Company may waive the notice by giving the remuneration for twelve months which the CEO would have received, had he remained in office for the said twelve months. Further the Company may at its discretion terminate the employment under certain specified circumstances as per the terms of his employment.
- The Company presently does not have a scheme for grant of stock options either to the Executive Directors or employees.
- There is no separate provision for payment of severance fees to Whole-time Director(s).

Details of Equity Shares held by Non-Executive Directors as on March 31, 2010

Director	No. of Shares held (including shares held jointly)
Mr. S. Mohanchand Dadha	28428
Mr. Hasmukh S. Shah	1200
Mr. Keki M. Mistry	5000
Mr. Ashwin S. Dani	Nil

6. Shareholders'/Investors' Grievance Committee

The Board of the Company had constituted a Shareholders'/Investors' Grievance Committee, comprising of Mr. S. Mohanchand Dadha, Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia with Mr. Hasmukh S. Shah as the Chairman. The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities. The Committee looks into shareholders' complaints like transfer of shares, non-receipt of balance

sheet, non-receipt of declared dividends, etc. The Committee oversees the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services. 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 Board has designated severally, Mr. Kamlesh H. Shah, Company Secretary and Mr. Ashok I. Bhuta, D.G.M (Legal & Secretarial) as Compliance Officers.

Five meetings of the Shareholders'/Investors' Grievance Committee were held during the year ended March 31, 2010. The dates on which Meetings were held are as follows: May 30, 2009, July 29, 2009, September 11, 2009, October 28, 2009 and January 29, 2010. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member of the Committee	No. of Shareholders'/Investors' Grievance Committee Meetings attended
Mr. Hasmukh S. Shah	Chairman	5
Mr. Sudhir V. Valia	Member	5
Mr. Dilip S. Shanghvi	Member	5
Mr. S. Mohanchand Dadha	Member	5

Investor Complaints :

The total number of complaints received and resolved to the satisfaction of shareholders during the year under review, were 24.

7. Subsidiary Companies

The Company does not have any Indian subsidiary company.

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

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

8. General Body Meetings

(i) Location and time of the General Meetings held during the last 3 years are as follows:

Year	Meeting	Location	Date	Time
2006-07	EGM	Conference Hall, 6 th Floor, Hotel The Mirador, Next to Samarpan Complex, Opp. Solitaire Corporate Park, Chakala, Andheri (E), Mumbai – 400 099.	28/07/2007	10.30 A.M.
2006-07	Fifteenth AGM	Chandarva Hall, Welcom Hotel, R. C. Dutt Road, Vadodara – 390 007.	05/09/2007	10.30 A.M.
2007-08	Sixteenth AGM	Hotel Taj Residency, Akota Gardens, Akota, Vadodara - 390 020.	06/09/2008	10.15 A.M.
2008-09	Seventeenth AGM	The Gateway Hotel, Akota Gardens, Akota, Vadodara - 390020	11/09/2009	10.15 A.M.

(ii) Special Resolutions passed during the last three years:

a) At Extraordinary General Meeting:

- Approval for issue of FCCBs/GDRs/ADRs or any other securities upto an amount as specified in the resolution.
- Approval for investment in shares and securities of any other body corporates under Section 372A of the Companies Act, 1956 up to the limits specified in the resolution.

- b) At the Fifteenth Annual General Meeting:
1. Alteration of Clause V of the Memorandum of Association and Clause 4 of the Articles of Association of the Company, for re-classification of Authorised Share Capital of the Company.
 2. Re-appointment of Mr. Dilip S. Shanghvi, Chairman & Managing Director, and approval of terms and conditions of appointment including remuneration.
 3. Approval for payment of commission to Non-Executive Directors of the Company.
- c) At the Sixteenth Annual General Meeting:
1. Alteration of Clause V of the Memorandum of Association and Clause 4 of the Articles of Association of the Company, for re-classification of Authorised Share Capital of the Company.
 2. Re-appointment of Mr. Sudhir V. Valia, Whole-Time Director and approval of terms and conditions of appointment including remuneration.
 3. Re-appointment of Mr. Sailesh T. Desai, Whole-Time Director and approval of terms and conditions of appointment including remuneration.
 4. Appointment of Mr. Aalok D. Shanghvi, relative of a Director to hold an office or place of profit under Section 314 of the Companies Act, 1956 and increase in upper limit of remuneration upto a maximum of Rs.20,00,000/- per annum from April 1, 2009 for a period of five years.
- d) At the Seventeenth Annual General Meeting:
1. Appointment of Ms. Khyati S. Valia, relative of a Director to hold an office or place of profit under Section 314 of the Companies Act, 1956 and increase in upper limit of remuneration upto a maximum of Rs.20,00,000/- per annum from April 1, 2010 for a period of five years.

(iii) Postal Ballot

During the year, the Company did not pass any resolution by Postal Ballot and does not have any business that requires Postal Ballot.

9. 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. The Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transaction with the related parties are disclosed in the Annexure A attached to the Annual Accounts.
- * 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 during the last 3 financial years.
- * In the preparation of the financial statements, the Company has followed the Accounting Standards as notified by Companies (Accounting Standards) Rules, 2006.
- * The Company has laid down procedures to inform Board members about the risk assessment and its minimization, which are periodically reviewed to ensure that risk control is exercised by the management effectively.
- * During the year under review, the Company has not raised funds through any public, rights or preferential issue.
- * Adoption/ Non Adoption of the Non- mandatory requirements :
 - (i) The Company has not fixed a period of nine years as the tenure of Independent Directors on the Board of the Company.
 - (ii) The Company has not formed a remuneration committee of its Board of Directors.
 - (iii) The Company does not send half-yearly financial results to the household of each shareholder as the same are published in the newspapers and also posted on the website of the Company and the websites of the BSE and NSE.
 - (iv) The Company's Board comprise of perfect mix of Executive and Non Executive Independent Directors who are Company Executives and Professionals having in depth knowledge of pharmaceutical industry and/ or expertise in their area of specialisation.
 - (v) The Company's Board of Directors endeavor to keep themselves updated with changes in global economy and legislation. They attend various workshops and seminars to keep themselves abreast with the changes in business environment.
 - (vi) At present the Company does not have a mechanism for evaluating its Non-Executive Directors by peer group.

(vii) The Company has not adopted whistle blower policy. However the Company has not denied access to any employee to approach the management on any issue. The Company has adopted a Code of Conduct for its Board of Directors and senior management which contains the requirements of the Whistle Blower Policy.

10. Means of Communication

- * **Website:** The Company's website www.sunpharma.com contains a separate dedicated section 'Financials' where shareholders information is available. 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 Agreement and published in leading newspapers like 'The Economic Times', 'Business Standard' and Gujarati Edition of 'Financial Express'.
- * **Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, International Accountants' Report and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- * **Corporate Filing and Dissemination System (CFDS):** Filing of information through Corporate Filing and Dissemination System is now applicable as per the requirement of the Listing Agreement with the Stock Exchanges, and all disclosures and communications to BSE & NSE are filed electronically through the CFDS portal. Hard copies of the said disclosures and correspondence are also filed with the Exchanges. Announcements, Quarterly Results, Shareholding Pattern etc. of the Company regularly filed by the Company, are also available on the website of The Bombay Stock Exchange Ltd. - www.bseindia.com, National Stock Exchange of India Ltd. - www.nseindia.com, and Corporate Filing & Dissemination System website - www.corpfiling.co.in.

11. General Shareholder Information

11.1 Annual General Meeting:

- **Date and Time** : Friday, September 24, 2010
at 10.30 a.m.
- **Venue** : Prof. Chandravadan Mehta Auditorium, General Education Center,
The Maharaja Sayajirao University of Baroda,
Pratapgunj, Vadodara - 390 002, Gujarat.

- 11.2 Financial Calendar (tentative)**
- : Results for quarter ending June 30, 2010
– Last week of July 2010.
 - : Results for quarter ending September 30, 2010
– Last week of October 2010.
 - : Results for quarter ending December 31, 2010
– Last week of January 2011.
 - : Audited Results for year ended March 31, 2011
– 3rd or 4th week of May 2011.

- 11.3 Details of Book Closure For Equity Shareholders** : From Tuesday, September 14, 2010
to Friday, September 24, 2010 (both days inclusive).

- 11.4 Dividend Payment Date** : On or after September 28, 2010

- 11.5 (i) Listing of Equity Shares on Stock Exchanges** : At The Bombay Stock Exchange Ltd.,
(BSE) and The National Stock Exchange of India Ltd. (NSE).

- (ii) Payment of Listing Fee** : Listing Fees for the year ended 2010-11 have been paid to The Bombay Stock Exchange Ltd., and The National Stock Exchange of India Ltd, where the Company's Equity Shares continue to be listed.

11.6 Stock Code:

Equity Shares

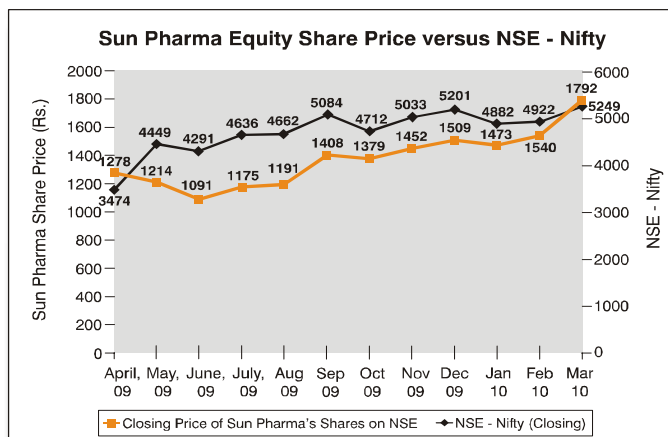
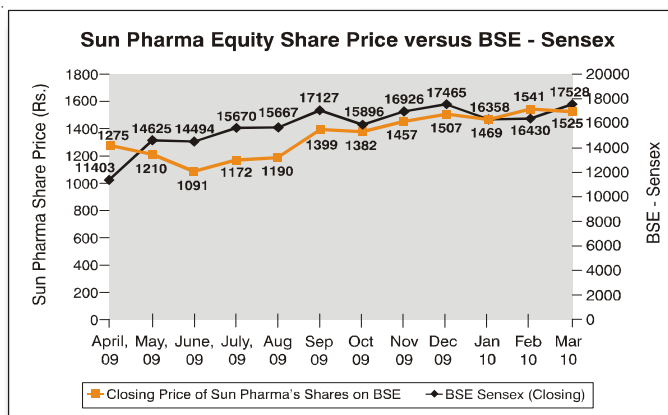
- (a) Trading Symbol The Bombay Stock Exchange Ltd., (Demat Segment): SUN PHARMA 524715
Trading Symbol National Stock Exchange (Demat Segment): SUNPHARMA
- (b) Demat ISIN Numbers in NSDL and CDSL for Equity Shares of Rs.5/- each ISIN No. INE044A01028

11.7 Stock Market Data

Equity Shares:

	Bombay Stock Exchange Ltd. (BSE) (in Rs.)		National Stock Exchange of India Ltd. (NSE) (in Rs.)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2009	1285.00	1053.50	1289.00	1051.65
May 2009	1600.00	1195.20	1599.00	1190.00
June 2009	1394.00	1070.00	1393.00	1050.00
July 2009	1300.00	1081.90	1305.00	1085.30
August 2009	1255.00	1149.25	1260.00	1148.25
September 2009	1430.00	1122.25	1434.00	1150.00
October 2009	1444.70	1300.00	1448.00	1309.00
November 2009	1498.90	1346.00	1568.65	1346.00
December 2009	1592.00	1430.00	1638.00	1430.05
January 2010	1593.55	1400.00	1605.00	1400.00
February 2010	1597.00	1432.20	1579.00	1433.60
March 2010	1806.95	1525.00	1812.00	1530.05

(Source: BSE and NSE website)



11.8 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 March 31, 2010.

PERIOD	% Change in		
	SUN PHARMA SHARE PRICE	BSE SENSEX	SUNPHARMA RELATIVE TO SENSEX
Year-on-Year	60.88%	80.54%	-19.66%
2 Years	45.33%	12.04%	33.29%
3 Years	69.79%	34.09%	35.70%
5 Years	279.64%	169.96%	109.68%

Share price performance relative to Nifty based on share price on March 31, 2010.

PERIOD	% Change in		
	SUN PHARMA SHARE PRICE	NIFTY	SUNPHARMA RELATIVE TO NIFTY
Year-on-Year	61.23%	73.76%	-12.53%
2 Years	45.77%	10.87%	34.90%
3 Years	69.62%	37.36%	32.26%
5 Years	284.14%	157.86%	126.28%

*(Source: Compiled from data available on BSE and NSE website)***11.9 Registrars & Transfer Agent**

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

Mr. N. Mahadevan Iyer,
 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: 022-25946970-78, Fax : 022- 25946969

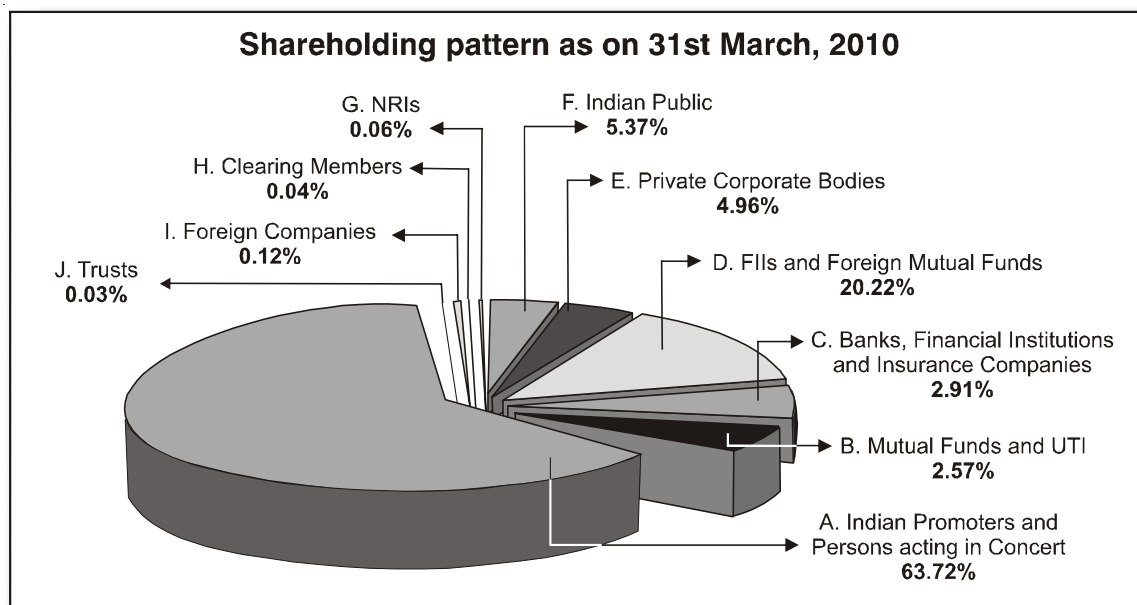
11.10 Share Transfer System

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 to 16 days from the date of receipt, subject to the documents being valid and complete in all respects and confirmation in respect of the request for dematerialisation of shares is sent to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) expeditiously.

11.11 Distribution of Shareholding as on March 31, 2010.

No. of Equity Shares held	No. of Accounts		Shares of face value Rs.5 each	
	Numbers	% to total accounts	Number	% to total shares
Upto 500	36951	92.37	3800868	1.84
501 - 1000	2122	5.30	2640439	1.27
1001 - 2000	306	0.76	868512	0.42
2001 - 3000	111	0.28	555293	0.27
3001 - 4000	62	0.16	442257	0.21
4001 - 5000	40	0.10	372078	0.18
5001 - 10000	87	0.22	1218886	0.59
10001 and above	323	0.81	197218058	95.22
Total	40002	100.00	207116391	100.00

11.12 (a) Shareholding Pattern as on March 31, 2010 of Equity Shares as per Clause 35 of the Listing Agreement.



Particulars	Percentage	No. of Shares
A. Indian Promoters and Persons acting in Concert	63.72%	131,965,940
B. Mutual Funds and UTI	2.57 %	5,336,688
C. Banks Financial Institutions and Insurance Companies	2.91 %	6,026,200
D. FII's and Foreign Mutual Funds	20.22 %	41,874,142
E. Private Corporate Bodies	4.96 %	10,279,282
F. Indian Public	5.37 %	11,125,301
G. NRIs	0.06 %	117,879
H. Clearing Members	0.04 %	81,455
I. Foreign Companies	0.12 %	239,621
J. Trusts	0.03 %	69,883
Total	100.00 %	207,116,391

11.13 Dematerialisation of Shares

About 99.11% of the outstanding Equity shares have been de-materialised up to March 31, 2010. 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 The Bombay Stock Exchange Ltd.(BSE), and National Stock Exchange of India Ltd., (NSE). Relevant data for the **average daily turnover** for the financial year 2009-2010 is given below:

	BSE	NSE	BSE + NSE
In no. of share (in Thousands)	35.301	282.497	317.798
In value terms (Rs. Millions)	45.913	371.421	417.334

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

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

The Company has not issued any GDRs/ ADRs / warrants or any other convertible instruments during the year and there are no FCCBs outstanding as at March 31, 2010.

11.15 Plant locations :

1. Plot No.214 and 20, Govt. Industrial Area, Phase-II, Piparia, Silvassa – 396 230.
2. Plot No.223, Span Industrial Complex, Near R.T.O. Check Post, Dadra – 396 191 (U.T)
3. Plot No.25 and No.24/2, GIDC, Phase- IV, Panoli – 395 116.
4. A-7 & A-8, MIDC Industrial Area, Ahmednagar – 414 111.
5. Plot No. 4708, GIDC, Ankleshwar – 393 002.
6. Sathammai Village, Karunkuzhi Post, Madurnthakam T.K. Kanchipuram Dist. Tamilnadu – 603 303.
7. Halol-Baroda Highway, Halol, Gujarat – 389350.
8. Plot No. 817/A, Karkhadi – 391 450, Taluka: Padra, Distt. Vadodara.

11.16 Investor Correspondence

- (a) For transfer/dematerialisation of Shares, payment of dividend on Shares, and any other query relating to the shares of the Company

For Shares held in Physical Form

Mr. N. Mahadevan Iyer,
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: 022-25946970-78, Fax : 022- 25946969

- (b) E-mail id designated by the Company for Investor Complaints.

For Shares held in Demat Form

To the Depository Participant.

- (c) Any query on Annual Report

secretarial@sunpharma.com

Mr. Kamlesh H. Shah/ Mr. Ashok I. Bhuta/ Ms. Mira Desai,
17-B, Mahal Industrial Estate, Mahakali Caves Road,
Andheri (East), Mumbai – 400 093.
kamlesh.shah@sunpharma.com
ashok.bhuta@sunpharma.com
mira.desai@sunpharma.com
corpcomm@sunpharma.com

For and on behalf of the Board

DILIP S. SHANGHVI

Chairman & Managing Director

SUDHIR V. VALIA

Whole-time Director

SAILESH T. DESAI

Whole-time Director

Place: Mumbai

Date: June 14, 2010

Annexure to Corporate Governance For the year ended March 31, 2010

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Dilip S. Shanghvi, Chairman & 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 Board members and senior management.

For Sun Pharmaceutical Industries Ltd.,

Dilip S. Shanghvi

Chairman & Managing Director

Date: June 14, 2010.

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To The Members of Sun Pharmaceutical Industries Limited,

We have examined the compliance of conditions of Corporate Governance by Sun Pharmaceutical Industries Limited (“the Company”), for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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**

Chartered Accountants

(Registration No.117366W)

Place: Mumbai

Date : June 14, 2010

K.A.Katki

Partner

(Membership No. 038568)

Auditors' Report to the Board of Directors of Sun Pharmaceutical Industries Limited

1. We have audited the attached Consolidated Balance Sheet of Sun Pharmaceutical Industries Limited ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at March 31, 2010, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
 - a. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 39,789.7 Million as at March 31, 2010, total revenues of Rs. 17,425.7 Million and net cash inflows amounting to Rs. 174.9 Million for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of other auditors.
 - b. As stated in Note B1 of Schedule 21, the Consolidated Financial Statements include the financial statements of certain subsidiaries, which we did not audit, whose financial statements reflects the Group's share of assets of Rs. 1,161.1 Million as at March 31, 2010, total revenues of Rs. 825.9 Million and net cash inflows amounting to Rs. 12.2 Million for the year ended on that date as considered in the Consolidated Financial Statements. The unaudited financial statements are prepared by the Company's Management on the basis of audited financial statements for the year ended December 31, 2009 and the unaudited financial statements for the quarter ended March 31, 2009 and March 31, 2010. We have relied upon the unaudited financial statements as furnished by the Company's Management for the purpose of our examination of Consolidated Financial Statements.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiaries, and read together with our remarks in Paragraph 3 above, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - b. in the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
 - c. in the case of the Consolidated Cash Flow statement, of the Cash Flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No.117366W)

K. A. Katki
Partner

(Membership No. 038568)

Place: Mumbai
Date: May 24, 2010

Consolidated Balance Sheet

As at 31st March, 2010

Schedule	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	1,035.6	1,035.6	
Reserves and Surplus	2	77,253.5	69,413.6	70,449.2
Minority Interest				1,970.4
				1,931.9
Loan Funds				
Secured Loans	3	1,003.5	363.8	
Unsecured Loans	4	708.0	1,425.1	1,788.9
Deferred Tax Liability (Net)				1,227.9
5 (a)				1,209.1
Total				83,141.6
				75,436.4
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	6	23,340.4	21,476.1	
Less: Depreciation/Amortisation/Impairment		8,012.5	6,850.7	
Net Block		15,327.9	14,625.4	
Capital Work-in-Progress (including advances on capital account)		1,448.2	1,571.0	16,196.4
16,776.1				3,253.4
Goodwill on Consolidation (Refer Note B.6 of Schedule 21)				
4,060.3				18,594.9
Investments				
7				2,099.5
Deferred Tax Assets (Net)				
5 (b)				
Current Assets, Loans and Advances				
Inventories	8	10,738.5	9,757.0	
Sundry Debtors	9	11,747.7	8,810.9	
Cash and Bank Balances	10	6,072.8	16,690.3	
Other Current Assets	11	74.0	441.3	
Loans and Advances	12	8,488.1	6,983.4	
37,121.1			42,682.9	
Less: Current Liabilities and Provisions				
13				
Current Liabilities		4,095.1	3,767.1	
Provisions		3,484.1	3,431.0	
7,579.2			7,198.1	
Net Current Assets				35,484.8
29,541.9				75,436.4
Total				83,141.6
				75,436.4
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS				
21				
Schedules referred to herein form an integral part of the Financial Statements.				

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

DILIP S. SHANGHVI
Chairman & Managing Director

K. A. KATKI
Partner

KAMLESH H. SHAH
Company Secretary

SUDHIR V. VALIA
Wholetime Director

Mumbai, 24th May, 2010

SAILESH T. DESAI
Wholetime Director

Mumbai, 24th May, 2010

Consolidated Profit and Loss Account For the year ended 31st March, 2010

Schedule	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
INCOME				
Income from Operations				
Gross Sales	39,814.6		43,750.6	
Less : Excise Duty	775.1		1,027.6	
Net Sales	39,039.5		42,723.0	
Other Operating Income	1,988.2		—	
	41,027.7		42,723.0	
Other Income	2,048.2	43,075.9	2,085.1	44,808.1
EXPENDITURE				
Cost of Materials / Goods	16	10,977.3	8,556.2	
Indirect Taxes	17	953.2	889.8	
Personnel Cost	18	4,007.9	3,401.2	
Operating and Other Expenses	19	9,372.9	8,137.7	
Research and Development Expenditure	20	2,083.1	3,098.6	
Depreciation / Amortisation / Impairment		1,533.1	1,232.9	25,316.4
		28,927.5		
PROFIT BEFORE TAXATION				
Provision for Taxation - Current Tax		14,148.4		19,491.7
- Deferred Tax (Credit) (Net)		1,106.4		1,176.6
- Fringe Benefit Tax		(427.8)		(480.7)
		—		15.7
PROFIT AFTER TAX				
Minority Interest		13,469.8		18,780.1
		(41.0)		602.8
PROFIT FOR THE YEAR AFTER TAX AND MINORITY INTEREST				
		13,510.8		18,177.3
BALANCE OF PROFIT BROUGHT FORWARD				
		31,021.8		20,559.4
AMOUNT AVAILABLE FOR APPROPRIATIONS				
		44,532.6		38,736.7
APPROPRIATIONS				
Proposed Dividend on Equity Shares		2,847.9	2,847.9	
Corporate Dividend Tax		473.0	484.0	
Proposed Dividend and Dividend distribution tax written back		—	(117.0)	3,214.9
Transfer to General Reserve		3,000.0		4,500.0
BALANCE OF PROFIT CARRIED TO BALANCE SHEET				
		38,211.7		31,021.8
EARNINGS PER SHARE (Refer Note B.9 of Schedule 21)				
Basic & Diluted (Rs.)		65.2		87.8
Face value per Equity share-Rs.5				
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS				
21				
Schedules referred to herein form an integral part of the Financial Statements.				

In terms of our report attached

For and on behalf of the Board

DILIP S. SHANGHVI
Chairman & Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director

Mumbai, 24th May, 2010

For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. KATKI
Partner

Mumbai, 24th May, 2010

KAMLESH H. SHAH
Company Secretary

Consolidated Cash Flow Statement For the year ended 31st March, 2010

	Year ended 31st March, 2010 Rs in Million	Year ended 31st March, 2009 Rs in Million
A. Cash Flow From Operating Activities:		
Net Profit Before Tax	14,148.4	19,491.7
Adjustments for:		
Depreciation / Amortisation / Impairment	1,533.1	1,232.9
Interest Expense	61.5	58.5
Interest Income	(1,200.4)	(1,275.9)
Dividend Income (Previous Year Rs. 13,300)	(0.1)	(0.0)
(Profit)/Loss On Fixed Assets Sold (net)	60.3	8.1
(Profit)/Loss on sale of Investments	(73.3)	(263.7)
Provision for Doubtful Debts	21.2	9.5
Sundry balance / bad debts written off / back (net)	(18.4)	23.6
Provision for employee benefits	64.1	(7.1)
Effect of Exchange Rates Change	(684.0)	4,031.8
Operating Profit Before Working Capital Changes	13,912.4	23,309.4
(Increase)/Decrease in Sundry Debtors	(3,057.1)	3,506.7
Increase in Other Receivables	(707.9)	(1,388.2)
Increase in Inventories	(981.5)	(2,029.3)
Increase/(Decrease) in Trade and Other Payables	390.2	(59.8)
Cash Generated From Operations	9,556.1	23,338.8
Taxes Paid (Net of TDS and Refund)	(1,623.6)	(1,689.9)
Net Cash Generated From Operating Activities	7,932.5	21,648.9
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets / Capital Work in Progress / Capital Advance	(2,841.3)	(6,101.0)
Proceeds From Sale of Fixed Assets	89.3	201.3
Proceeds From Sale of Investments	153,969.6	54,596.8
Purchase of Investments	(165,553.4)	(64,337.1)
Margin Money and Fixed Deposit with Banks	10,798.6	(2,887.4)
Loans/Inter Corporate Deposits received back / (given) (net)	(168.0)	(138.1)
Interest Received	1,446.5	935.3
Dividend Received (Previous Year Rs. 13,300)	0.1	0.0
Net Cash Used in Investing Activities	(2,258.6)	(17,730.2)
C. Cash Flow From Financing Activities:		
Repayment of ECB Loan	—	(796.4)
Long Term Loan Taken / (Repaid)	256.2	197.7
Short Term Loan Taken / (Repaid)	49.4	(9.7)
Net Asset Financed by Minority Shareholders	2.5	(518.1)
Interest Paid	(61.5)	(78.6)
Borrowing from banks Received / (Repaid)	(383.0)	961.1
Dividend Paid	(2,843.9)	(2,069.6)
Corporate Dividend Tax Paid	(484.0)	(352.6)
Net Cash Used in Financing Activities	(3,464.3)	(2,666.2)
Net Increase in Cash and Cash Equivalents	2,209.6	1,252.5
Cash and Cash Equivalents as at the beginning of the year	4,512.4	3259.9
Cash and Cash Equivalents as at the year end	6,722.0	4,512.4

Consolidated Cash Flow Statement For the year ended 31st March, 2010

	Year ended 31st March, 2010 Rs in Million	Year ended 31st March, 2009 Rs in Million
Cash and Cash Equivalents Comprise:		
Cash and Cheques in hand and balances with Scheduled / Other banks (Refer Schedule 10 to the Financial Statements)	6,072.8	16,690.3
Add : Investment in Certificate of Deposit having maturity less than 3 Months	1,941.6	—
Less : Margin Money Deposit / Fixed deposit having maturity more than 3 Months	1,262.0	12,060.6
Unrealised exchange (Gain) / Loss	(30.4)	(117.3)
Cash and Cash Equivalents as restated as at the year end	6,722.0	4,512.4
Notes:		
1 Cash and cash equivalents includes Rs.22.2 Million (Previous Year Rs.18.6 Million) on account of Unclaimed dividend, which are not available for use by the Company.		
2 During the year, Investment of Rs Nil (Previous Year Rs.2037.2 Million), has been assigned in favour of the company in satisfaction of receivables and being a non cash transaction has been excluded from the cash flow statement.		
3 Previous year's figures are regrouped / reclassified wherever necessary in order to confirm to current year's groupings and classifications.		

As per our report of even date attached

For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. KATKI
Partner

Mumbai, 24th May, 2010

KAMLESH H. SHAH
Company Secretary

For and on behalf of the Board

DILIP S. SHANGHVI
Chairman & Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director

Mumbai, 24th May, 2010

Schedules to the Financial Statements (Consolidated)

	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SCHEDULE 1 : SHARE CAPITAL				
Authorised				
300,000,000 (Previous Year 300,000,000) Equity Shares of Rs.5 each.		1,500.0		1,500.0
		1,500.0		1,500.0
Issued, Subscribed and Paid Up				
207,116,391 (Previous Year 207,116,391) Equity Shares of Rs. 5 each		1,035.6		1,035.6
		1,035.6		1,035.6
Notes:				
Of the above :				
1) 161,630,010 Equity shares were allotted as fully paid Bonus Shares by capitalisation of Securities Premium Account, Profit and Loss Account, Amalgamation Reserve and Capital Redemption Reserve Account, without payment being received in cash.				
2) 413,633; 208,000; 477,581; 11,438; 18,519 and 19,771 Equity Shares of Rs. 10 and 4274 Equity Shares of Rs. 5 each fully paid, were allotted to the shareholders of erstwhile Tamilnadu Dadha Pharmaceuticals Ltd, Milmet Laboratories Pvt. Ltd, Gujarat Lyka Organics Ltd, Sun Pharmaceutical Exports Ltd, Pradeep Drug Company Ltd, M.J.Pharmaceuticals Ltd and Phlox Pharmaceuticals Ltd. respectively, pursuant to Schemes of Amalgamations, without payment being received in cash.				
3) 21,600,761 Equity Shares of Rs. 5 each were allotted to the holders of Zero Coupon Foreign Currency Convertible Bond on exercise of conversion option.				
SCHEDULE 2 : RESERVES AND SURPLUS				
Capital Reserve				
As per last Balance Sheet		259.1		259.1
Securities Premium Account				
As per last Balance Sheet		15,099.1		15,099.1
Capital Redemption Reserve				
As per last Balance Sheet		154.5		154.5
General Reserve				
As per last Balance Sheet	17,444.3		12,944.3	
Add : Transferred from Profit and Loss Account	3,000.0	20,444.3	4,500.0	17,444.3
Currency Fluctuation Reserve on Consolidation				
As per last Balance Sheet	5,434.8		(137.4)	
Additions during the Year	(2,350.0)	3,084.8	5,572.2	5,434.8
Surplus as per Profit and Loss Account		38,211.7		31,021.8
		77,253.5		69,413.6
SCHEDULE 3 : SECURED LOANS				
Short Term Loan from Banks (Refer Note B.7 of Schedule 21)		695.2		117.0
Cash Credit Facility from Banks		294.9		236.0
Others-Bank Overdraft (Refer Note B.7 of Schedule 21)		13.4		10.8
		1,003.5		363.8

Schedules to the Financial Statements (Consolidated)

	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SCHEDULE 4 : UNSECURED LOANS				
Long Term				
Other Loans		459.4		203.2
Short Term				
From Banks	242.6		1,209.0	
Others	6.0	248.6	12.9	1,221.9
		708.0		1,425.1
SCHEDULE 5 : DEFERRED TAX BALANCES				
(a) Deferred Tax Liabilities (Net)				
(i) Depreciation on Fixed Assets		1,302.8		1,287.8
(ii) Unpaid Liabilities		(69.2)		(33.4)
(iii) Others		(24.5)		(26.5)
		1,209.1		1,227.9
(b) Deferred Tax Asset (Net)				
(i) Depreciation on Fixed Assets		(231.6)		894.1
(ii) Unabsorbed Loss		2,100.2		833.9
(iii) Others		230.9		178.9
		2,099.5		1,906.9

SCHEDULE 6 : FIXED ASSETS												Rs in Million	
Particulars	Gross Block (At Cost)					Depreciation / Amortisation / Impairment					Net Block		
	As At 01.04.09	Consolidation Adjustment	Additions 09 -10	Deletions / Adjustment 09 -10	As at 31.03.10	As at 01.04.09	Consolidation Adjustment	For the year 09 -10	Deletions / Adjustment 09 -10	As at 31.03.10	As at 31.03.10	As at 31.03.09	
I. TANGIBLE ASSETS													
Freehold Land	145.4	(6.6)	0.2	0.3	138.7	—	—	—	—	—	138.7	145.4	
Leasehold Land	73.8	—	19.3	16.4	76.7	4.1	—	0.6	—	4.7	72.0	69.7	
Buildings	5,614.9	(160.3)	625.4	105.0	5,975.0(a)	1,021.9	(6.2)	153.1	41.3	1,127.5	4,847.5	4,593.0	
Plant and Machinery	12,654.8	(326.8)	1,907.5	247.5	13,988.0	5,003.3	(94.6)	1,088.6 (b)	184.5	5,812.8 (b)	8,175.2	7,651.5	
Vehicles	198.8	(0.2)	35.0	16.6	217.0	65.2	0.5	24.4	11.5	78.6	138.4	133.6	
Furniture and Fixtures	449.0	(14.4)	51.4	1.2	484.8	183.6	(3.4)	35.6 (b)	0.9	214.9 (b)	269.9	265.4	
Sub-Total A	19,136.7	(508.3)	2,638.8	387.0	20,880.2	6,278.1	(103.7)	1,302.3	238.2	7,238.5	13,641.7	12,858.6	
II. INTANGIBLE ASSETS													
Trademarks, Designs and other Intangible Assets	2,339.4	(195.2)	317.0	1.0	2,460.2	572.6	(29.2)	230.8 (b)	0.2	774.0 (b)	1,686.2	1,766.8	
Sub-Total B	2,339.4	(195.2)	317.0	1.0	2,460.2	572.6	(29.2)	230.8	0.2	774.0	1,686.2	1,766.8	
TOTAL A + B	21,476.1	(703.5)	2,955.8	388.0	23,340.4	6,850.7	(132.9)	1,533.1	238.4	8,012.5	15,327.9	14,625.4	
Previous Year	15,960.4	472.5	5,312.0	268.8	21,476.1	5,606.8	70.4	1,232.9	59.4	6,850.7	14,625.4		
											Capital Work-in-Progress (including advances on capital account) (c)	1,448.2	1,571.0
												16,776.1	16,196.4

NOTES :

- (a) Buildings include Rs.8,620 (Previous Year Rs.8,620) towards cost of shares in a Co-operative Housing Society.
- (b) Includes Impairment of Rs.30.8 Million (Previous Year Rs.16.0 Million) including Rs.30.8 Million (Previous Year Nil) on account of Impairment for the year.
- (c) Capital work-in-progress (including advances on Capital Account) includes Rs. 4.4 Million (Previous Year Rs 22.2 Million) on account of preoperative expenses.

Schedules to the Financial Statements (Consolidated)

	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SCHEDULE 7 : INVESTMENTS				
(I) LONG TERM INVESTMENTS (At Cost)				
A) Government Securities				
National Savings Certificates Rs. 15,000 (Previous Year Rs. 65,000) (Deposited with Government Authorities)		0.0		0.0
B) Trade Investments				
a) In Equity Shares				
Quoted				
Taro Pharmaceutical Industries Ltd. 14,356,427 (Previous year 14,356,427) { Ordinary Shares of NIS 0.0001 each (Market Value \$ 13.3) } Market Value Rs.8,554.1 Million (Previous year Rs.6,532.7 Million) (Refer Note B.13 of Schedule 21)		4,781.6		5,299.1
Impax Laboratories Inc.2,868,623 Shares (Previous year 2,868,623) Nominal Value per Share \$0.01 each (Market Value \$ 17.8) Market Value Rs.2,297.8 Million (Previous year Rs.759.9 Million)		1,100.6		1,242.1
Ista Pharmaceuticals Inc. 61,628 (Previous Year 61,628) Units Market Value \$ 4.0 each Market Value Rs.11.2 Million (Previous Year Rs.5.4 Million)		2.9		3.3
Unquoted				
Enviro Infrastructure Co. Ltd. 100,000 (Previous Year 100,000) Shares of Rs. 10 each fully paid up.		1.0		1.0
b) In Mutual Fund				
Quoted				
Somerset fund class C6 (Nil Units (Previous Year – 1,058,452.03))		—		581.4
Somerset Growth Fund class A36 (10,755.89 Units (Previous Year – 10,755.89)) Market Value Rs.414.1 Million		291.2		328.7
Somerset Growth Fund class A94 (10,144.5 Units (Previous Year – Nil)) Market Value Rs.361.8 Million		454.6		—
c) In Bonds				
Quoted				
Jai prakash associates 0% regd.zero coupon convertible Bonds 1,500 (Previous Year – Nil) Units of Face Value USD 1,000 Each Market value Rs.85.0 Million (Previous Year Nil)		52.5		—
d) In Zero Percent - Notes				
Quoted				
Hindustan Const 0% regd convertible Notes 20 (Previous Year – Nil) Units of Face Value USD 100,000 Each Market value Rs.110.9 Million (Previous Year Nil)		85.5		—
India cements 0% regd. Notes 20 (Previous Year – Nil) Units of Face Value USD 100,000 Each Market value Rs.111.5 Million (Previous Year Nil)		85.5		—
Ranbaxy lab 0% Notes 2,000 (Previous Year – Nil) Units of Face Value USD 1,000 Each Market value Rs.108.4 Million (Previous Year Nil)		93.4		—
Wockhardt 0% euro medium-term Notes 23,020 (Previous Year – Nil) Units of Face Value USD 1,000 Each Market value Rs.871.4 Million (Previous Year Nil)		871.4		—

Schedules to the Financial Statements (Consolidated)

	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
C) Other Investments				
a) In Bonds				
Unquoted				
National Housing Bank Bonds		—		21.8
Nil (Previous Year 2,180) Units of Rs. 10,000 each fully paid				
Rural Electrification Corporation Ltd Bonds		5.0		5.0
500 (Previous Year 500) Units of Rs.10,000 each fully paid				
Deutsche Bank Ag , London		—		1,271.3
Nil (Previous Year 2,500,000) notes of USD 100 each				
b) In Debentures				
Quoted				
Barclays Investments & Loans (India)-12-25 NCD 06OT10		250.0		250.0
250 (Previous Year 250) Units of Rs.1,000,000 each fully paid				
Market Value Rs.275.2 Million (Previous Year Rs.250.0 Million)				
ETHL Communications Holdings Limited-NCD 22JL11		437.2		—
500 (Previous Year Nil) Units of Rs. 1,000,000 each fully paid				
Market Value Rs.446.4 Million (Previous Year Nil)				
HCL Technology-7.55 NCD 25AG11		100.0		—
100 (Previous Year Nil) Units of Rs.1,000,000 each fully paid				
Market Value Rs.101.0 Million (Previous Year Nil)				
HDFC Bank Ltd-9.9 NCD 23DC18		250.0		250.0
250 (Previous Year 250) Units of Rs.1,000,000 each fully paid				
Market Value Rs.269.7 Million (Previous Year Rs.250.0 Million)				
L&T Finance-8.4 NCD 08MR13		122.5		—
122464 (Previous Year Nil) Units of Rs.1,000 each fully paid				
Market Value Rs.123.1 Million (Previous Year Nil)				
Tata Chemicals Ltd-7.4 NCD 23NV11		250.0		—
250 (Previous Year Nil) Units of Rs.1,000,000 each fully paid				
Market Value Rs.250.4 Million (Previous Year Nil)				
Unquoted				
Reanal Rt. (3,441 (Previous Year 3,441)				
Shares of Face Value 10,000 HUF fully paid)		147.9		173.9
c) In Mutual Fund				
Unquoted (Units of Face Value of Rs. 10/- Each)				
DBS Cholamandalam Asset Management-C296 DBS Chola FMP		—		200.0
Series 9(13Months Plan)-Institutional-Cumulative				
Nil (Previous Year 20,000,000) Units				
HDFC Mutual Fund-HDFC FMP 370D				
June 2008(VIII)(2)-Wholesale Growth		—		250.0
Nil (Previous Year 25,000,000) Units				
UTI-Fixed Term Income Fund Series V-I				
(13 Months)-Institutional Growth Plan		—		500.0
Nil (Previous Year 50,000,000) Units				
Reliance Mutual Fund-Reliance FHF 9 - Series 6 - IP - Growth		215.4		215.4
20,000,000 (Previous Year 20,000,000) Units				
Birla Sun Life Mutual Fund -				
Birla Sun Life fixed Term Plan-Series CC (13Months)		200.0		—
20,000,000 (Previous Year Nil) Units				
Canara Robeco Mutual Fund-Canara Robeco Fixed Maturity				
Plan-Series 5-13 Months(Plan A)		200.0		—
20,000,000 (Previous Year Nil) Units				
DSP BlackRock Mutual Fund-DSP BlackRock FMP-13M-Series 3		250.0		—
25,000,000 (Previous Year Nil) Units				
Deutsche Mutual Fund-DWS Fixed Term Fund-Series 67		352.7		—
35,266,428 (Previous Year Nil) Units				
HDFC Mutual Fund- HDFC FMP 14M March 2010		250.0		—
25,000,000 (Previous Year Nil) Units				
HDFC Mutual Fund- HDFC Floating Rate				
Income Fund-Long Term Plan		1,000.1		—
63,270,759 (Previous Year Nil) Units				
IDFC Mutual Fund-IDFC Fixed Maturity Plan-14 Months Series 1		250.0		—
25,000,000 (Previous Year Nil) Units				
Kotak Mutual Fund-Kotak FMP 13M Series 6		300.0		—
30,000,000 (Previous Year Nil) Units				
Kotak Mutual Fund-Kotak FMP 370 Days Series 2		250.0		—
25,000,000 (Previous Year Nil) Units				
Kotak Mutual Fund-Kotak FMP 370 Days Series 3		250.0		—
25,000,000 (Previous Year Nil) Units				
L&T Mutual Fund-L&T Fixed Maturity Plan Series				
12-Plan-15M-Mar10-I		202.1		—
20,213,915 (Previous Year Nil) Units				

Schedules to the Financial Statements (Consolidated)

	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
d) Others				
Quoted				
Pass through Certificates				
Novo VIII Trust-Archie-Itsl-SR-A PTC 15JN10 500 (Previous Year Nil) Units of Rs.1,000,000 each fully paid Market Value Rs.503.3 Million (Previous Year Nil)		500.0		—
Unquoted				
Housing & Urban Development Corporation Ltd. Deposit Rs 240,000,000 (Previous Year Rs Nil)		240.0		—
Total (I)		13,843.1		10,593.0
(II) CURRENT INVESTMENTS (At lower of cost and Net realisable value)				
Quoted				
Certificate of Deposits				
Corporation Bank - CD 22AP10 2,500 (Previous Year Nil) Units Face value Rs.100,000 each Market Value Rs.248.9 Million (Previous Year Nil)		248.9		—
ICICI Bank - CD 20AP10 5,000 (Previous Year Nil) Units Face value Rs.100,000 each Market Value Rs.497.9 Million (Previous Year Nil)		497.9		—
Punjab National Bank - CD 13AP10 2,500 (Previous Year Nil) Units Face value Rs.100,000 each Market Value Rs.249.2 Million (Previous Year Nil)		249.2		—
Punjab & Sind Bank - CD 26AP10 2,500 (Previous Year Nil) Units Face value Rs.100,000 each Market Value Rs.248.8 Million (Previous Year Nil)		248.8		—
Axis Bank - CD 26AP10 2,500 (Previous Year Nil) Units Face value Rs.100,000 each Market Value Rs.248.8 Million (Previous Year Nil)		248.8		—
ICICI Bank Limited - CD 22JUN10 Market Value \$ 10 Million (Previous Year Nil)		448.0		—
Unquoted				
In Mutual Fund (Units of Face Value of Rs. 10/- Each)				
Baroda Pioneer Mutual Fund - Baroda Pioneer Advantage Fund-Inst Growth 96,436,417 (Previous Year Nil) Units		1,000.2		—
Birla Sun Life Mutual Fund - Birla Sun Life Savings Fund-Inst-Growth Nil (Previous Year 106,657,565) Units		—		1,500.0
Birla Sun Life Mutual Fund-BSL Floating Rate Fund-Long Term-Instl-Growth 39,039,425 (Previous Year Nil)Units		420.8		—
Birla Sun Life Mutual Fund - BSL Interval Income Fund-Instl-Quarterly Series 2-Growth 43,331,340(Previous Year Nil)Units		502.9		—
Birla Sun Life Mutual Fund-Birla Sun Life Cash Manager-Institutional Plan-Growth 129,963,805 (Previous Year Nil)Units		2,000.0		—
DBS Cholamandalam Asset Management-C122 DBS Chola Freedom Income STP-Inst-Cum-Org Nil (Previous Year 35,415,651) Units		—		500.1
Deutsche Mutual Fund-DWS Insta Cash Plus Fund Super Instl-Growth Nil (Previous Year 87,592,520) Units		—		1,000.0
Deutsche Mutual Fund-DWS Treasury Investment-Institutional Plan-Growth 49,052,228 (Previous Year Nil)Units		503.5		—
Deutsche Mutual Fund-DWS Cash Opportunities Fund Instl Plan-Growth 87,423,512(Previous Year Nil) Units		1,031.0		—
Deutsche Mutual Fund - DWS FTF - Series 51 - IP - Growth Nil (Previous Year 20,000,000) Units		—		211.2

Schedules to the Financial Statements (Consolidated)

	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
DSP BlackRock Mutual Fund-DSP BlackRock Short Term Fund-Growth 22,534,265 (Previous Year Nil) Units		355.0		—
Fidelity International -Fidelity Ultra Short Term Debt Fund Super Instl-Growth 20,982,694(Previous Year 13,220,012) Units		250.0		150.0
Fortis Mutual Fund - Fortis Money Plus Instl-Growth 72,003,792 (Previous Year Nil) Units		1,000.1		—
HDFC Mutual Fund-3017/HDFC Liquid Fund-Premium Plus Plan-Growth Nil (Previous Year 58,322,575) Units		—		1,030.0
IDFC Mutual Fund-IDFC Money Manager Fund-Investment Plan-Inst Plan B-Growth 70,683,867 (Previous Year Nil) Units		1,013.0		—
ICICI Prudential Mutual Fund-311SG ICICI Prudential Institutional Liquid Plan Nil (Previous Year 77,001,263) Units		—		1,000.0
ICICI Prudential Mutual Fund-ICICI Prudential Banking & PSU Debt Fund-Growth 74,845,356 (Previous Year Nil) Units		752.0		—
L&T Mutual Fund-C228 L&T Select Income Fund-Felxi Debt Institutional-Growth 24,407,095 (Previous Year Nil) Units		250.0		—
JM Mutual Fund-JM Money Manager Fund Regular Plan-Growth(168) 59,649,545 (Previous Year Nil) Units		750.1		—
JPMorgan Mutual Fund-JPMorgan India Short Term Income Fund-Growth 30,000,000 (Previous Year Nil) Units		300.0		—
Kotak Mutual Fund-Kotak Quarterly Interval Plan Series 7-Growth 45,620,854 (Previous Year Nil) Units		500.0		—
Principal Mutual Fund-Principal Money Manager Fund-Insttional Growth Plan 47,630,388 (Previous Year Nil) Units		500.0		—
Religare Mutual Fund-Religare Liquid Fund-Super Institutional Growth Nil (Previous Year 41,370,523) Units		—		500.0
Religare Mutual Fund-Religare Credit Opportunities Fund-Institutional Growth 96,891,263 (Previous Year Nil) Units		1,000.2		—
SBI Mutual Fund-L031SBI-Magnum Insta Cash Fund-Cash Option Nil (Previous Year 25,454,490) Units		—		500.0
Sundaram BNP Paribas Mutual Fund-Sundaram BNP Paribas FTP Plan H (13 Months) - IP - Growth Nil (Previous Year 15,000,000) Units		—		161.7
UTI Mutual Fund-UTI FTIF - Series IV - Plan 10 - IP - Growth Nil (Previous Year 25,000,000) Units		—		270.1
UTI Mutual Fund-UTI FTIF - Series II - Quarterly Interval Plan V-Insti - Growth 24,998,000 (Previous Year Nil) Units		250.0		—
Principal Mutual Fund - Principal PNB FMP - Series VIII - IP - Growth Nil (Previous Year 15,000,000) Units		—		160.5
HDFC Mutual Fund - HDFC FMP - 2 - W/P - Growth Nil (Previous Year 25,000,000) Units		—		267.9
DBS Cholamandalam Mutual Fund - DBS Chola FMP - Series 9 - IP - Growth Nil (Previous Year 20,000,000) Units		—		211.9
HSBC Mutual Fund - HSBC FTS - 59 - IP Growth Nil (Previous Year 50,000,000) Units		—		538.5
In Mutual Fund (Units of Face Value of Rs. 100 Each)				
ICICI Prudential Mutual Fund-ICICI Prudential Flexible Income Plan Premium-Growth 5,840,702 (Previous Year Nil) Units		1,000.1		—
In Mutual Fund (Units of Face Value of Rs. 1,000 Each)				
Bharti Axa Mutual Fund - Bharti AXA Treasury Advantage Fund-Instl Plan-Growth 224,558 (Previous Year Nil) Units		250.0		—
Reliance Mutual Fund-Reliance Money Manager Fund-Inst Option-Growth 597,884 (Previous Year Nil) Units		750.1		—
Shinsei Mutual Fund-Shinsei Treasury Advantage Fund Growth 489,039 (Previous Year Nil) Units		500.1		—
Total (II)		16,820.7		8,001.9
Total (I + II)		30,663.8		18,594.9

Schedules to the Financial Statements (Consolidated)

	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
AGGREGATE VALUE OF INVESTMENT	BOOK VALUE	MARKET VALUE	BOOK VALUE	MARKET VALUE
Quoted	11,670.5	16,836.9	6,544.5	7,798.0
Unquoted	18,993.3		12,050.4	
SCHEDULE 8 : INVENTORIES				
Consumables Stores		170.5		139.6
Stock in Trade				
Raw Materials	5,640.6		5,148.0	
Packing Materials	623.3		489.7	
Finished Goods	1,711.4		1,510.9	
Work-in-Progress	2,592.7	10,568.0	2,468.8	9,617.4
		10,738.5		9,757.0
SCHEDULE 9 : SUNDRY DEBTORS (Unsecured-Considered Good, unless stated otherwise)				
Over Six Months				
Considered Good		1,074.6		964.4
Considered Doubtful	79.6		64.9	
Less: Provision for Doubtful Debts	79.6	—	64.9	—
Other Debts		10,673.1		7,846.5
		11,747.7		8,810.9
SCHEDULE 10 : CASH AND BANK BALANCES				
Cash / Cheques on hand		88.7		6.2
Balances with Banks in :				
Scheduled Banks				
Current Accounts	175.2		210.8	
Deposit Accounts {Pledged Rs. 12.0 Million (Previous Year Rs 30.3 Million)}	1,262.0	1,437.2	12,060.6	12,271.4
Other Banks				
Current Accounts	4,155.4		3,604.6	
Deposit Accounts	391.5	4,546.9	808.1	4,412.7
		6,072.8		16,690.3
SCHEDULE 11 : OTHER CURRENT ASSETS				
Interest accrued on - Investments		57.9		65.8
- Deposits		16.1		375.5
		74.0		441.3
SCHEDULE 12 : LOANS AND ADVANCES (Unsecured – Considered Good, unless stated otherwise)				
Loan to Employees / Others {Secured Loans Rs 294.0 Million (Previous Year Rs. 160.0 Million)}				
Considered Good		3,796.5		2,404.6
Considered Doubtful	9.5		9.5	
Less : Provision for Doubtful Advances	9.5	—	9.5	—
Advances Recoverable in Cash or in Kind or for Value to be received		659.5		755.6
Advances to Suppliers		299.2		561.5
Balances with Central Excise and Customs		871.5		1,050.3
DEPB and Advance Licence		137.2		131.3
Other Deposits		108.6		102.9
Advance Payment of Income Tax (Net of Provision)		2,615.6		1,977.2
		8,488.1		6,983.4

Schedules to the Financial Statements (Consolidated)

	As at 31st March, 2010		As at 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SCHEDULE 13 : CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors				
Due to Micro and Small Enterprise	19.1		2.1	
Others	2,389.2		2,541.3	
Advances from Customers	284.8		105.0	
Security Deposits	19.3		18.4	
Investor Education and Protection Fund shall be credited by				
Unclaimed Dividend (Not Due)	23.5		19.5	
Temporary Overdrawn Bank balance as per Books	5.2		1.8	
Other Liabilities	1,187.8		1,079.0	
Interest accrued but not due on Loans	166.2	4,095.1	—	3,767.1
Provisions				
Provision for Fringe Benefit Tax (Net of Advance Tax on FBT)	0.6		0.6	
Proposed Dividend - Equity Shares	2,847.9		2,847.9	
Corporate Dividend Tax	473.0		484.0	
Provision for employee benefits	162.6	3,484.1	98.5	3,431.0
		7,579.2		7,198.1
SCHEDULE 14 : OTHER OPERATING INCOME				
Non-recurring (income) (Refer Note B.8 of Schedule 21)		1,988.2		—
		1,988.2		—
SCHEDULE 15 : OTHER INCOME				
Lease Rental and Hire Charges		28.3		36.3
Interest Income (Net) (Refer Note B.5 of Schedule 21)		1,138.1		1,216.7
Exchange Fluctuations Gain		333.7		—
Profit on Sale of Fixed Assets		6.5		1.2
Profit on Sale of Current Investments		73.3		263.7
Sundry Balances Written Back (Net)		15.7		—
Insurance Claims		5.2		4.8
Dividend Income (Previous Year Rs.13,300)		0.1		0.0
Miscellaneous Income		447.3		562.4
		2,048.2		2,085.1
SCHEDULE 16 : COST OF MATERIALS / GOODS				
Inventories of Raw & Packing material at the beginning of the year	5,637.7		4,537.0	
Purchases during the year - Raw & Packing Material	10,557.5		10,024.9	
- Finished goods	1,370.4		569.3	
Inventories of Raw & Packing Material at the end of the year	(6,263.9)	11,301.7	(5,637.7)	9,493.5
Inventories of Finished Goods and Work-In-Progress at the beginning of the year	3,979.7		3,042.4	
Inventories of Finished Goods and Work-In-Progress at the end of the year	(4,304.1)		(3,979.7)	
(Increase) / Decrease of Finished Goods and Work-in-Progress		(324.4)		(937.3)
		10,977.3		8,556.2
SCHEDULE 17 : INDIRECT TAXES				
Sales Tax/VAT		953.2		889.8
		953.2		889.8

	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SCHEDULE 18 : PERSONNEL COST				
Salaries, Wages, Bonus and Benefits		3,382.0		2,895.2
Contribution to Provident and Other Funds		411.2		331.1
Staff Welfare Expenses		214.7		174.9
		4,007.9		3,401.2
SCHEDULE 19 : OPERATING AND OTHER EXPENSES				
Stores and Spares Consumed		547.9		525.1
Manufacturing Charges		784.0		512.5
Power and Fuel		919.2		977.7
Rent		137.1		79.1
Rates and Taxes		108.8		66.1
Insurance		271.2		253.6
Selling and Distribution		1,670.8		1,998.5
Commission and Discount		497.1		295.2
Repairs				
Building	78.6		71.8	
Plant and Machinery	332.8		313.8	
Others	158.9	570.3	126.4	512.0
Printing and Stationery		54.0		44.5
Travelling and Conveyance		170.5		135.9
Overseas Travel and Export Promotion		735.4		702.5
Communication		71.9		63.7
Provision for doubtful Debts / Advances		21.2		9.5
Sundry Balances/Bad Debts Written Off (Net)	6.5		61.4	
Less :- Adjusted out of Provision for earlier years	5.1	1.4	37.0	24.4
Professional and Consultancy		1,273.7		740.6
Donations		111.7		101.0
Loss on Sale of Fixed Assets		66.5		5.2
Excise Duty on Stock (*)		7.2		(72.2)
Auditors' Remuneration				
Audit Fees	27.3		26.5	
Other Services	0.5		0.1	
Out of Pocket Expenses	0.2	28.0	0.1	26.7
Miscellaneous Expenses		1,325.0		1,136.1
		9,372.9		8,137.7
(*) represents the difference between excise duty on opening and closing stock of finished goods.				
SCHEDULE 20 : RESEARCH AND DEVELOPMENT EXPENDITURE				
Salaries, Wages, Bonus and Benefits		731.8		891.4
Contribution to Provident and Other Funds		43.9		69.9
Staff Welfare Expenses		38.5		36.1
Raw Material, Stores and Spares Consumed		747.0		771.5
Power and Fuel		18.7		64.2
Rates and Taxes		4.1		51.9
Rent		4.1		22.5
Insurance		21.4		47.8
Repairs				
Building	6.5		21.8	
Plant and Machinery	51.3		103.8	
Others	26.3	84.1	51.8	177.4
Printing and Stationery		11.9		14.6
Travelling and Conveyance		13.2		15.0
Communication		16.1		18.4
Professional and Consultancy		195.4		645.1
Loss on Sale of Fixed Assets		0.3		4.1
Miscellaneous Expenses		315.7		292.7
		2,246.2		3,122.6
Less :				
Interest Income	0.8		0.7	
Receipts from Research activities	157.7		19.7	
Miscellaneous Income	0.5		2.8	
Bad Debts Recovered / Sundry balances written Back	4.1	163.1	0.8	24.0
		2,083.1		3,098.6

Schedules Forming Part of Financial Statements

For the year ended 31st March, 2010 (Consolidated)

SCHEDULE 21: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

A SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Consolidation:

(i) Basis of preparation

The consolidated financial statements are prepared in accordance with Accounting Standard 21 on Consolidated financial statements as notified by Companies (Accounting Standards) Rules, 2006. Reference in these notes to Company, Holding Company, Companies or Group shall mean to include Sun Pharmaceutical Industries Limited or any of its subsidiaries, unless otherwise stated.

(ii) Principles of consolidation

The consolidated financial statements comprise of the financial statements of Sun Pharmaceutical Industries Limited and its subsidiaries. The financial statements of the group Companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of inter Company transactions are eliminated on consolidation.

(iii) Goodwill / Capital Reserve

Goodwill represents the difference between the Company's share in the net worth of subsidiaries, and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Company's share of net worth 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. Capital Reserve on consolidation is adjusted against Goodwill. The Goodwill recorded in these consolidated financial statements has not been amortised, but instead evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may be impaired.

2. Basis of Accounting

The financial statements have been prepared under historical cost convention on an accrual basis and comply with the Accounting Standards as notified by Companies (Accounting Standards) Rules, 2006.

3. Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the year. Difference between the actual result and estimates are recognised in the year in which the results are known / materialised.

4. 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 at the rates specified in Schedule XIV to the Companies Act, 1956 except for Caraco, Alkaloida Chemical Company Zrt. (Formerly known as "Alkaloida Chemical Company Exclusive Group Ltd"), Sun Farmaceutica Ltda, Sun Pharmaceutical Industries (Australia) Pty. Ltd., Sun Pharmaceutical Industries (Europe) B.V., Sun Pharma Global (FZE), Sun Pharmaceutical Spain, SL., Sun Pharmaceuticals Italia S.R.L., Sun Pharmaceuticals Germany GmbH, Sun Pharmaceuticals France, TKS Farmaceutica Ltda. and Sun Pharmaceutical Industries Inc depreciation is computed using the Straight Line Method over the estimated useful lives of the related assets, which ranges from 3 to 100 years. Assets costing Rs. 5,000 or less are depreciated at 100% on pro-rata basis on the year of Purchase except, in case of Sun Pharmaceutical Spain, SL. where assets costing Euro 601 or less and in case of Sun Pharmaceuticals Italia S.R.L. where assets costing Euro 516.46 or less are depreciated at 100% in the year of purchase. Leasehold land is amortised over the period of lease.

Intangible assets consisting of trademarks, designs, technical know-how, non compete fees and other intangible assets are amortized on Straight Line Method from the date they are available for the use, at the rates as estimated by the Management, which ranges from 3 to 20 years.

5. Leases

Assets acquired on finance lease prior to April 1, 2001, are stated at original cost. In consonance with the matching concept, lease terminal adjustment and lease equilisation accounts have been created for the assets given on lease, wherever required.

In case of assets taken on operating lease, the lease rentals are charged to the Profit And Loss Account in accordance with Accounting Standards 19 on leases as notified by Companies (Accounting Standards) Rules, 2006.

Schedules Forming Part of Financial Statements

For the year ended 31st March, 2010 (Consolidated)

At Caraco :

Any lease of property, real or personal, the obligations with respect to which are required to be capitalized on a balance sheet of the lessee.

6. Revenue Recognition

Sales of products are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods. Export sales are recognised on the basis of Bill of lading / Airway bill. Sales includes Sales tax/VAT, delayed payment charges, and are stated net of returns and chargebacks. At Caraco Chargebacks are price adjustments given to wholesale customers selling products further to those parties with whom the Company has established contractual pricing.

7. Investments

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

8. Inventories

Inventories consisting of raw and packing materials, stores and spares, work in progress and finished goods are stated at lower of cost (absorption costing) on FIFO Basis (except for Caraco on specific identification basis) and net realisable value.

9. Research and Development

The research and development cost is accounted in accordance with Accounting Standard – 26 'Intangible Asset'. 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 profit and loss account, 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 Capital Work in Progress, 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 Capital Work in Progress is charged off to the profit and loss account.

10. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life of the forward contract. The exchange differences arising on settlement / translation are recognised in the Profit and Loss account. Exchange differences relating to monetary items that are in substance forming part of the Company's net investment in non integral foreign operation are accumulated in Currency Fluctuation Reserve on Consolidation Account.

For the purpose of Consolidation, the amounts appearing in foreign currencies in the Financial Statements of the foreign subsidiaries are translated at the following rates of exchange:

- a. Average rates for income and expenditure.
- b. Year end rates for assets and liabilities.

11. Taxes on Income

Provision for taxation comprises of Current Tax, Deferred Tax and Fringe Benefit Tax. Current Tax provision has been 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 only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carry forward 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. Fringe Benefits tax has been calculated and accounted for in accordance with the provisions of the prevailing Tax Laws and the Guidance note on Fringe Benefit Tax by the Institute of Chartered Accountants of India. Pursuant to the enactment of the Finance Act, 2009, Fringe Benefit tax stands abolished w.e.f. April 01, 2009.

Schedules Forming Part of Financial Statements

For the year ended 31st March, 2010 (Consolidated)

12. Employee Benefits

- (a) The Company's contribution in respect of provident fund is charged to Profit and Loss Account 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 Profit and Loss Account.
- (c) Liability for accumulated compensated absences of employees is ascertained for on actuarial valuation basis and provided for as per company rules.

At Caraco :The Corporation maintains a deferred compensation plan qualified under Section 401(k) of the Internal Revenue Code. Under this plan, eligible employees are permitted to contribute up to the maximum allowable amount determined by the Internal Revenue Code. The Corporation may make discretionary matching and profit sharing contributions under the provisions of the plan.

13. 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.

14. Derivative Accounting

Forward Contracts in the nature of highly probable forecasted transactions / firm commitments entered into for hedging the risk of foreign currency exposure are accounted for on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies". Pursuant to this losses, if any on Mark to Market basis, are recognised in the Profit & loss Account and Gain are not recognised on prudent basis.

15. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

16. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when 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 can not be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

17. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be 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 Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

18. Common/Convertible Preferred Stock Issued

Common/Convertible Preferred Stock is issued by Caraco from time to time in lieu of cash for directors fees and in exchange for fees towards formula for products developed by Parent & its affiliates and is recorded as compensatory expenses/research and development costs respectively.

Schedules Forming Part of Financial Statements

For the year ended 31st March, 2010 (Consolidated)

B NOTES TO FINANCIAL STATEMENTS:

1 The Consolidated Financial Statements present the consolidated accounts of Sun Pharmaceutical Industries Ltd with its following subsidiaries/affiliates.

Name of Subsidiaries / Affiliates	Country of Incorporation	Proportion of ownership interest	Year ending of subsidiaries/affiliates	Audited By
Indian Affiliate				
Universal Enterprises (P) Ltd.	India	97.50%	31/3/2010	Valia & Timbadia
Foreign Subsidiaries				
Sun Pharma Global Inc.	British Virgin Islands	100.00%	31/3/2010	H C Shah & Co.
ZAO Sun Pharma Industries Limited	Russia	100.00%	31/12/2009	Best Audit
Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	72.50%	31/3/2010	Ahmed Mashuque & Co.
Caraco Pharmaceutical Laboratories Ltd (CARACO) **	United States of America	75.16%	31/3/2010	Rehmann Robson
Sun Farmaceutica Ltda Brazil	Brazil	99.94%	31/3/2010	PeppeAssociados Consultores & auditores independentes
Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	31/12/2009	Ing. Jose Antonio Hernandez Miranda
Sun Pharmaceutical Industries INC.*	United States of America	100.00%	31/3/2010	Martin, Arrington, Desai & Meyers, P.C.
SPIL De Mexico S.A. DE C.V.	Mexico	100.00%	31/12/2009	L.C. Nancy Balderas Jimenez
Alkaloida Chemical Company Zrt. (Formerly known as "Alkaloida Chemical Company Exclusive Group Ltd")	Hungary	100.00%	31/3/2010	Versatile Audit KFT
Sun Pharmaceutical Peru S.A.C.	Peru	99.33%	31/12/2009	Luis Enrique Espinoza Figueroa
Sun Pharmaceutical UK Limited	United Kingdom	100.00%	31/3/2010	Anderson Shaw CCA
Sun Pharmaceutical Industries (Australia) Pty. Ltd.	Australia	100.00%	31/3/2010	W A Nutton & associates Pty,
Aditya Acquisition Company Ltd., Israel	Israel	100.00%	31/3/2010	H.C. Timbadia & Co.
Sun Pharmaceutical Industries (Europe) B.V.	The Netherlands	100.00%	31/3/2010	H.C. Timbadia & Co.
OOO "Sun Pharmaceutical Industries" Ltd.	Russia	99.00%	31/12/2009	Best Audit
Sun Pharmaceuticals Italia S.R.L.	Italy	100.00%	31/3/2010	Valia & Timbadia
Sun Pharmaceutical Spain, SL.	Spain	100.00%	31/3/2010	Valia & Timbadia
Sun Pharmaceuticals Germany GmbH	Germany	100.00%	31/3/2010	Valia & Timbadia
Sun Pharmaceuticals France	France	100.00%	31/3/2010	Valia & Timbadia
Sun Pharma Global (FZE)	U.A.E.	100.00%	31/3/2010	KSI Shah & Associates
Sun Pharmaceuticals (SA) (PTY) LTD	South Africa	100.00%	31/3/2010	Valia & Timbadia
Sun Global Canada Pty. Ltd.	Canada	100.00%	31/3/2010	Valia & Timbadia
TKS Farmaceutica Ltda.	Brazil	90.10%	31/12/2009	PeppeAssociados Consultores & auditores independentes
Name of Partnership Firm				
Sun Pharmaceutical Industries	India	97.50%	31/3/2010	Deloitte Haskins & Sells
Sun Pharma Exports	India	80.00%	31/3/2010	H.C. Timbadia & Co.
Sun Pharma Sikkim	India	97.50%	31/3/2010	Deloitte Haskins & Sells

Sun Pharma De Mexico S.A. DE C.V., SPIL De Mexico S.A. DE C.V., ZAO Sun Pharma Industries Limited, TKS Farmaceutica Ltda., OOO "Sun Pharmaceutical Industries" Ltd. and Sun Pharmaceutical Peru S.A.C. follow calendar year as their accounting year. Accordingly, the audited financial statements of these Companies for the year ended December 31, 2009 are available. For the purpose of this consolidation, the accounts for the financial year April 1, 2009 to March 31, 2010 are considered and are compiled based on the audited financial statements for the year ended December 31, 2009 and the adjustment thereto in respect of the unaudited financial statements for the quarter ended March 31, 2009 and March 31, 2010 which are certified by its Management.

*The figures of Sun Pharmaceutical Industries INC includes the figures of its wholly owned subsidiaries Chatterm Chemicals, Inc and Sun Development Corporation I whose results were consolidated with it.

** During the year 2010, the company formed a wholly-owned subsidiary, Caraco Pharma, Inc. To date, this subsidiary has not entered into any financial transactions.

Schedules Forming Part of Financial Statements

For the year ended 31st March, 2010 (Consolidated)

The following subsidiaries (included above) are the newly incorporated entities, for the period ended March 31, 2010

Name of the Company/firm	Country of Incorporation	Date of Incorporation
Sun Global Canada Pty. Ltd.	Canada	23-Jun-2009

The holding in Caraco as on March 31, 2010 has increased to 75.16% and accordingly the minority interest was considered at 24.84% for the purpose of these financial statements.

During the year, On 22nd May, 2009 the company Alkaloida Chemical Company Zrt. (Formerly known as "Alkaloida Chemical Company Exclusive Group Ltd") has acquired 90.10% holding in TKS Farmaceutica Ltda., (Brazil) in an all cash deals.

The Company is in the process for Liquidation of ZAO Sun Pharma Industries Limited and has appointed Official Liquidator as per the terms of Resolution passed at the General Meeting of the Subsidiary held on October 29, 2002.

Significant Accounting Policies and 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 Companies. Recognising this purpose, the Company 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.

	As at 31st March, 2010 Rs. In Million	As at 31st March, 2009 Rs. In Million
2 a) CONTINGENT LIABILITIES NOT PROVIDED FOR:		
Guarantees Given by the bankers on behalf of the Company	274.1	89.6
Corporate Guarantees	—	17.2
Letters of Credit for Imports	515.0	399.6
Liabilities Disputed - Appeals filed with respect to :		
Income Tax on account of Disallowances / Additions	4,167.6	2,512.2
Sales Tax on account of Rebate / Classification	11.4	12.5
Excise Duty on account of Valuation / Cenvat Credit	316.6	242.8
Service Tax on account of Import of Services	—	1.9
ESIC Contribution on account of applicability	0.2	0.2
Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit , including interest there on, enjoyed by the Company	14.0	14.0
Demand by JDGFT import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme	11.1	10.7
Other Claims against the Company not acknowledged as debts	6.7	6.5
b) Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	1,118.7	335.2

3 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, in 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.

	2009-10 Rs. In Million	2008-09 Rs. In Million
4 RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDE:		
On Revenue account	2,083.1	3,098.7
On Capital account	159.0	221.7

Schedules Forming Part of Financial Statements

For the year ended 31st March, 2010 (Consolidated)

	As at 31st March, 2010 Rs. In Million	As at 31st March, 2009 Rs. In Million
5 Net Interest income Rs.1,138.9 Million (Previous Year Rs. 1,217.4 Million) includes :		
Interest income		
Bank Deposits	963.2	1,172.8
Loan	128.6	96.6
Current Investment	1.4	—
Long Term Investment	99.4	4.2
Others	7.8	2.3
	1,200.4	1,275.9
Interest Expense		
Fixed Loans	57.8	54.4
Others	3.7	4.1
	61.5	58.5
6 Goodwill on consolidation (Net) comprises of:		
Goodwill in respect of		
Caraco Pharmaceutical Laboratories Ltd (Caraco)	4,563.5	4,239.3
Sun Pharmaceutica Ltda Brazil	44.8	44.8
TKS Framaceutica Ltda	327.0	—
Universal Enterprises (P) Ltd.	7.5	7.5
Total (A)	4,942.8	4,291.6
Less:		
Capital Reserve in respect of :		
Alkaloida Chemical Company Zrt.	882.5	1,038.2
Total (B)	882.5	1,038.2
Total (A-B)	4,060.3	3,253.4

7 Short term loan & Overdraft from Bank with respect to Sun Pharmaceutical (Bangladesh) Ltd. and with respect to Sun Pharma Sikkim and also Unsecured loans with respect to Sun Pharmaceuticals Italia S.R.L., is secured against Corporate Guarantee given by Sun Pharmaceutical Industries Ltd.

Short term loan from Bank with respect to Alkaloida Chemical Company Zrt. (Formerly known as "Alkaloida Chemical Company Exclusive Group Ltd") is secured against Bank Guarantee given by Sun Pharma Global Inc.

8 Other Operating Income represents upfront payment received from another Pharma company in terms of settlement / patent license agreement for the grant of exclusive license for patents and know how.

Schedules Forming Part of Financial Statements

For the year ended 31st March, 2010 (Consolidated)

	Year Ended 31st March, 2010 Rs. In Million	Year Ended 31st March, 2009 Rs. In Million
9 Accounting Standard (AS-20) on Earnings Per Share		
Profit After Tax	13,469.8	18,780.1
Less : Minority Interest	(41.0)	602.8
Profit used as Numerator for calculating Earnings per share	13,510.8	18,177.3
Weighted Average number of Shares used in computing basic & diluted earnings per share	207,116,391	207,116,391
Nominal value per share (in Rs.)	5.0	5.0
Basic & Diluted Earnings Per Share (in Rs.)	65.2	87.8
10 Related Party Disclosure - as per Annexure 'A' annexed.		
11 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	19,334.5	20,649.9
Outside India	20,480.1	23,100.7
Total Sales	39,814.6	43,750.6
In view of the interwoven / intermix nature of business and manufacturing facility, other segmental information is not ascertainable.		

- 12** 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 depreciable amount of intangible assets is arrived at, based on the managements 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.
- 13** Alkaloida Chemical Company Zrt. (formerly known as "Alkaloida Chemical Company Exclusive Group Ltd") (Alkaloida), subsidiary of the company has made a strategic investment in Taro Pharmaceutical Industries Limited (Taro) a pharmaceutical company based in Israel and holds 36.4% in the capital of Taro. However, as Alkaloida does not have any 'Significant Influence' since its acquisition in Taro, as is required under AS 23- "Accounting for Investments in Associates in Consolidated Financial Statements", the said investment in Taro is not considered as an investment in as "Associate Entity". Accordingly, the investment in Taro is accounted in accordance with Accounting Standard 13- "Accounting for Investments". On May 28, 2008 Alkaloida received a notice from Taro regarding purported termination of the merger agreement between Taro and Aditya Acquisition Company Ltd, an Israeli incorporated subsidiary of Alkaloida.
- On the same date, Taro and some of its directors had filed for a declaratory judgment in an Israeli court seeking Alkaloida/Sun Pharma to conduct a special tender offer which has been rejected by the Tel-Aviv District Court. The plaintiffs have appealed this decision in the Supreme Court of Israel which has temporarily prohibited closing of the Tender offer until it issues a decision on the appeal. Alkaloida does not foresee any adverse impact on its investment.
- 14** (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 licences, 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 receipts/payments are recognised in the Profit and Loss Account under "Rent" in Schedule 14, Schedule 19 and Schedule 20.

Schedules Forming Part of Financial Statements

For the year ended 31st March, 2010 (Consolidated)

(c) Operating lease

Company as lessee

The future minimum lease payments under non-cancellable operating lease

- not later than one year Rs. 98.3 Million (Previous year Rs.95.2 Million)
- later than one year and not later than five years Rs.365.1 Million (Previous year Rs.383.4 Million)
- later than five years Rs.115.7 Million (Previous year Rs.177.5 Million)

Company as lessor

The future minimum lease payments under non-cancellable operating lease

- not later than one year Rs.17.0 Million (Previous year Rs.16.5 Million)
- later than one year and not later than five years Rs.Nil (Previous year Rs.Nil)
- later than five years Rs Nil (Previous year Rs.Nil)

(d) Finance lease

Company as lessee

The future minimum lease payments under non-cancellable Finance lease

- not later than one year Rs.6.1 Million (Previous year Rs.8.9 Million)
- later than one year and not later than five years Rs.4.9 Million (Previous year Rs.21.6 Million)
- later than five years Rs.Nil (Previous year Rs.Nil)

15 The following are the outstanding Forward Exchange Contracts entered by the Company as on 31st March, 2010

Currency	Buy / Sell	Cross Currency	As at 31st March, 2010 (Amount in Million)	As at 31st March, 2009 (Amount in Million)
US Dollar	Buy	BRL	—	\$ 20.0
US Dollar	Sell	RUPEES	\$ 175.0	\$ 105.0

16 As per the best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29, as notified by Companies (Accounting Standards) Rules, 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

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

18 Previous year's figures are restated / regrouped / rearranged wherever necessary in order to confirm to current year's groupings and classifications.

Annexure 'A' to Notes to Financial Statements (Consolidated)

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	
2. Relatives of Key Management Personnel	Mrs Vibha Shanghvi Mrs Kumud Shanghvi Mrs Meera Desai Mr Alok Shanghvi Ms Khyati Valia	Wife of Chairman and Managing Director Mother of Chairman and Managing Director Wife of Wholetime Director Son of Chairman and Managing Director Daughter of Wholetime Director
3. Enterprise under significant Influence of Key Management Personnel or their relatives	Sun Petrochemical Pvt. Ltd. Sun Speciality Chemicals Pvt Ltd (Upto 31st March, 2009) Navjivan Rasayan (Gujarat) Pvt. Ltd. Sun Pharma Advanced Research Company Ltd. Shantilal Shanghvi Foundation Aditya Thermal Energy Pvt. Ltd. Alfa Infraprop Pvt. Ltd. Sugandh Management Consultancy	

Particulars	Rs in Million							
	Key Management Personnel		Relatives of Key Management Personnel		Enterprise under significant Influence of Key Management Personnel or their relatives		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
Purchases of goods / DEPB	—	—	—	—	1.1	4.5	1.1	4.5
Sun Petrochemical Pvt. Ltd.	—	—	—	—	1.1	4.5	1.1	4.5
Sale of goods / DEPB	—	—	—	—	17.8	11.6	17.8	11.6
Sun Petrochemical Pvt. Ltd.	—	—	—	—	4.2	0.3	4.2	0.3
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	13.6	11.3	13.6	11.3
Sale of Fixed Asset	—	—	—	—	19.1	—	19.1	—
Sun Petrochemical Pvt Ltd.	—	—	—	—	19.1	—	19.1	—
Receiving of Service	—	—	—	—	12.4	13.1	12.4	13.1
Services	—	—	—	—	12.4	13.1	12.4	13.1
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	12.4	13.1	12.4	13.1
Reimbursement of Expenses	—	—	—	—	1.1	2.6	1.1	2.6
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	1.1	2.6	1.1	2.6
Rendering of Service	—	—	—	—	3.8	5.5	3.8	5.5
Services	—	—	—	—	3.8	5.5	3.8	5.5
Sun Petrochemical Pvt. Ltd.	—	—	—	—	3.8	5.5	3.8	5.5
Reimbursement of Expenses	—	—	—	—	25.9	26.1	25.9	26.1
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	25.9	26.1	25.9	26.1
Loans Given	—	—	—	—	413.9	58.5	413.9	58.5
Sugandh Management Consultancy	—	—	—	—	413.9	58.5	413.9	58.5
Loans Received back / Share Application	—	—	—	—	113.9	253.2	113.9	253.2
Money Refund	—	—	—	—	—	10.0	—	10.0
Shantilal Shanghvi Foundation	—	—	—	—	—	10.0	—	10.0
Sugandh Management Consultancy	—	—	—	—	113.9	243.2	113.9	243.2
Corporate Guarantee Given / (Released) on behalf	—	—	—	—	(125.0)	—	(125.0)	—
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	(125.0)	—	(125.0)	—
Rent Income	—	—	—	—	0.7	0.1	0.7	0.1
Navjivan Rasayan (Gujarat) Pvt. Ltd.	—	—	—	—	0.1	0.1	0.1	0.1
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	0.6	—	0.6	—
Director's Remuneration	35.8	31.1	—	—	—	—	35.8	31.1
Apprenticeship Stipend / Remuneration	—	—	0.8	0.3	—	—	0.8	0.3
Outstanding Corporate Guarantee to Bank	—	—	—	—	—	125.0	—	125.0
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	—	125.0	—	125.0
Outstanding Receivables / Payables (Net) as on 31/03/2010	—	—	—	—	48.4	104.4	48.4	104.4
Sun Pharma Advanced Research Company Ltd.	—	—	—	—	47.1	26.7	47.1	26.7
Shantilal Shanghvi Foundation	—	—	—	—	—	48.1	—	48.1
Sugandh Management Consultancy	—	—	—	—	—	28.2	—	28.2
Others	—	—	—	—	1.3	1.4	1.3	1.4



Acme Plaza, Andheri Kurla Road, Andheri (E), Mumbai - 400 059.
Tel: 91-22-66969696 • Fax: 91-22-28212010 • www.sunpharma.com