

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUN PHARMA LABORATORIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SUN PHARMA LABORATORIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, read together with our remarks under the 'Emphasis of Matter' paragraph below, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, 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.

Emphasis of Matter

We draw attention to Note 41 to the financial statements, which describes the accounting treatment followed by the Company, with respect to the intangible assets of the Domestic Formulation undertaking transferred to the Company pursuant to the scheme of arrangement in the nature of spin off and transfer of the said undertaking without consideration by Sun Pharmaceutical Industries Limited, the Holding Company.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - (a) 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.

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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, read together with our remarks under the 'Emphasis of Matter' paragraph above, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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



Rajesh K. Hiranandani
Partner
(Membership No. 36920)



MUMBAI, 29th May, 2014



Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91 (022) 6185 4501/4601

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses vi, xii, xiii, xiv, xv, xvi, xviii, xix and xx of paragraph 4 of the Order are not applicable to the Company.
- (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 intervals. 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 inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (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 / from companies, firms or other parties covered 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 a 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 the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness 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 of such transaction is in excess of ₹ 5 lakhs in respect of any party, having regard to our comments in paragraph (v) above, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment if the transactions have been carried out at prices having regard to the prevailing market prices at the relevant time.
- (vii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 and the Cost Accounting Records (Pharmaceutical Industry) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.



- (c) Details of dues of Income-tax and Excise Duty which have not been deposited as at 31st March, 2014 on account of disputes, are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in million)
Income-Tax Act, 1961	Income tax, Interest and Penalty	Commissioner	2009 – 10 and 2010 - 11	6,659.40
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Tribunal	2004 – 2014	194.10
		Commissioner (Appeals)	1994 – 2014	164.50
		Assistant / Deputy / Joint Commissioner	2009 – 2014	104.52

- (d) Having regard to the nature of the Company's business / activities / results during the year, statutory dues in respect of Investor Education and Protection Fund are not applicable to the Company.
- (x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company does not have any dues to financial institutions and has not issued any debentures.
- (xii) In our opinion and 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.
- (xiii) 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 LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Rajesh K. Hiranandani
Partner
(Membership No. 36920)

MUMBAI, 29th May, 2014



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SUN PHARMA LABORATORIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31st March, 2014		As at 31st March, 2013	
		₹ in Million	₹ in Million	₹ in Million	₹ in Million
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	400.5		0.5	
Share Capital Suspense	1A	-		400.0	
Reserves and Surplus	2	185,933.6	186,334.1	183,467.3	183,867.8
Non-current Liabilities					
Long-term Borrowings	3	-		115.7	
Deferred Tax Liabilities (Net)	4	276.1		191.4	
Other Long-term Liabilities	5	77.6		79.4	
Long-term Provisions	6	719.3	1,073.0	669.2	1,055.7
Current Liabilities					
Short-term Borrowings	7	89.6		149.2	
Trade Payables	8	2,930.1		836.5	
Other Current Liabilities	9	409.4		2,983.6	
Short-term Provisions	10	768.8	4,197.9	499.7	4,469.0
TOTAL			191,605.0		189,392.5
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets	11A	2,345.5		2,301.0	
Intangible Assets	11B	152,397.4		167,637.2	
Capital Work-in-Progress		3,287.5		2,009.9	
		158,030.4		171,948.1	
Non-current Investments	12	3,548.5		128.2	
Long-term Loans and Advances	13	2,331.1	163,910.0	693.8	172,770.1
Current Assets					
Current Investments	14	11,150.0		3,260.0	
Inventories	15	5,166.4		3,624.7	
Trade Receivables	16	3,831.7		6,044.1	
Cash and Cash Equivalents	17	483.8		27.8	
Short-term Loans and Advances	18	7,031.2		3,640.8	
Other Current Assets	19	31.8	27,695.0	25.0	16,622.4
TOTAL			191,605.0		189,392.5

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RK Hiranandani

RAJESH K. HIRANANDANI
Partner
Mumbai, 29th May, 2014

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For and on behalf of the Board

Dilip S. Shangvi
DILIP S. SHANGHVI
Director

ABHAY GANDHI
Chief Executive Officer

Sudhir V. Valia
SUDHIR V. VALIA
Director

Divya Mascarenhas
DIVYA MASCARENHAS
Company Secretary

Sailesh T. Desai
SAILESH T. DESAI
Director
Mumbai, 29th May, 2014

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SUN PHARMA LABORATORIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	Year ended 31st March, 2014 ₹ in Million	Year ended 31st March, 2013 ₹ in Million
Revenue from Operations	20	39,469.2	27,395.6
Less: Excise Duty		<u>956.6</u>	<u>546.2</u>
		38,512.6	26,849.4
Other Income	21	<u>611.2</u>	<u>731.7</u>
Total Revenue		39,123.8	27,581.1
Expenses			
Cost of Materials Consumed	22	8,881.2	5,415.2
Purchases of Stock-in-Trade	30	2,827.6	1,578.4
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(500.3)	181.8
Employee Benefits Expense	24	2,461.8	1,915.9
Depreciation and Amortisation Expense	11	15,436.7	15,344.2
Other Expenses	25	<u>6,565.9</u>	<u>4,501.7</u>
Total Expenses		35,672.9	28,937.2
Profit / (Loss) for the Year		<u>3,450.9</u>	<u>(1,356.1)</u>
Tax Expense:			
Current Tax	38	900.0	740.0
Deferred Tax		<u>84.6</u>	<u>91.9</u>
		984.6	831.9
Profit / (Loss) for the year		<u>2,466.3</u>	<u>(2,188.0)</u>
Earnings / (Loss) per Share			
Basic and Diluted (₹) Face Value per Equity share - ₹ 10	36	49,326.0	(49,297.7)

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RK Hiranandani

RAJESH K. HIRANANDANI
Partner
Mumbai, 29th May, 2014

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For and on behalf of the Board

Abhay Gandhi

ABHAY GANDHI
Chief Executive Officer

Mascarenhas
DIVYA MASCARENHAS
Company Secretary

DILIP S. SHANGHVI
Director

Sudhir V. Valia
SUDHIR V. VALIA
Director

Sailesh T. Desai
SAILESH T. DESAI
Director
Mumbai, 29th May, 2014



SUN PHARMA LABORATORIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Year ended 31st March, 2014 ₹ in Million	Year ended 31st March, 2013 ₹ in Million
A. Cash Flow from Operating Activities		
Profit / (Loss) Before Tax	3,450.9	(1,356.1)
Adjustments for:		
Depreciation and Amortisation Expense	15,436.7	15,344.2
Loss on Sale of Fixed Assets (net)	5.4	0.1
Finance Costs	2.3	1.2
Interest Income	(124.9)	(4.4)
Net Gain on Sale of Investments	(461.5)	(724.1)
Provision for Doubtful Trade Receivable / Sundry Balances written off / (back) (Net)	(12.1)	2.1
Net Unrealised Foreign Exchange (Gain) / Loss	6.5	(3.8)
Operating Profit Before Working Capital Changes	18,303.3	13,259.2
Changes in working capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	(1,541.7)	1,188.0
Trade Receivables	2,204.3	(2,194.2)
Loans and Advances	(1,270.7)	(803.1)
Other Assets	(6.9)	0.1
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	2,111.3	(61.3)
Other Liabilities	150.6	22.9
Provisions	319.2	648.0
Cash Generated from/(used in) Operations	20,269.4	12,059.6
Income Tax Paid	(381.2)	(1,910.7)
Net Cash Generated from Operating Activities (A)	19,888.2	10,148.9
B. Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets, including Capital Advances	(1,376.6)	(969.4)
Proceeds from Sale of Fixed Assets	10.4	26.7
Purchase of Assets given under Finance Lease	-	(331.0)
Receipt of rental on Assets given under Finance Lease	2.7	0.2
Contribution to Capital in Limited Liability Partnership	(2,420.3)	-
Purchase of Investments	(83,692.0)	-
Proceeds from Sale of Investments	75,263.5	8,075.2
Inter Corporate Deposit Given	(4,391.6)	-
Interest Received	124.9	4.4
Bank Balances not considered as Cash and Cash Equivalents	-	-
Fixed Deposits Placed	(444.1)	(8.1)
Fixed Deposits Matured	11.3	8.6
Net Cash Flow from / (used in) Investing Activities (B)	(16,911.8)	6,806.6
C. Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares	-	0.4
Redemption of Preference Shares (Previous Year ₹ 10,000)	-	(0.0)
Repayment of Long-term Borrowings	(115.7)	-
Net Decrease in working capital Borrowings	(59.6)	(32.3)
Finance Costs	(2.3)	(1.2)
Net Decrease in account balance of erstwhile Partners in transferor companies (Refer Note 42)	(2,771.7)	(18,982.7)
Net Cash Flow used in Financing Activities (C)	(2,949.3)	(17,015.8)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	27.1	(60.3)
Cash and Cash Equivalents at the Beginning of the Year (Previous Year ₹ 30,915)	18.7	0.0
Cash and Cash Equivalents transferred from erstwhile partnership firm on conversion	-	79.8
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	(3.9)	(0.9)
Cash and Cash Equivalents at the end of the Year (Refer Note 17)	41.9	18.7

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

Mumbai, 29th May, 2014

For and on behalf of the Board

DILIP S. SHANGHVI
Director

SUDHIR V. VALIA
Director

SAILESH T. DESAI
Director
Mumbai, 29th May, 2014

ABHAY GANDHI
Chief Executive Officer

DIVYA MASCARENHAS
Company Secretary



SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1 Share Capital	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Authorised				
Equity Shares of ₹ 10 each	50,000,000	500.0	50,000,000	500.0
Redeemable Preference Shares of ₹ 100 each	4,000,000	400.0	4,000,000	400.0
	<u>54,000,000.0</u>	<u>900.0</u>	<u>54,000,000.0</u>	<u>900.0</u>
Issued, Subscribed and Fully Paid Up (Refer Note 28)				
Equity Shares of ₹ 10 each	50,000	0.5	50,000	0.5
10% Redeemable Non Cumulative Preference Shares of ₹ 100 each	4,000,000	400.0	-	-
	<u>4,050,000.0</u>	<u>400.5</u>	<u>50,000.0</u>	<u>0.5</u>
1A Share Capital Suspense				
10% Redeemable Non Cumulative Preference Shares of ₹ 100 each to be issued to share holders of Sun Pharma Medication Private Limited and Sun Pharma Drugs Private Limited pursuant to the scheme of amalgamation	-	-	4,000,000.0	400.0
2 Reserves and Surplus				
	As at 31st March, 2014		As at 31st March, 2013	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Capital Reserve				
As per last year Balance sheet		185,654.3		185,654.3
Surplus / (Deficit) In Statement of Profit and Loss				
Opening Balance	(2,187.0)		1.0	
Add: Profit / (Loss) for the Year	2,466.3		(2,188.0)	
Less : Transferred to Capital Redemption Reserve (Previous Year ₹ 10,000)	-		0.0	
Closing Balance		279.3		(2,187.0)
Capital Redemption Reserve				
Opening Balance (₹ 10,000)	0.0		-	
Add: Transferred from Surplus in Statement of Profit and Loss (Previous Year ₹ 10,000)	-		0.0	
Closing Balance (₹ 10,000)		0.0		0.0
		<u>185,933.6</u>		<u>183,467.3</u>
3 Long-term Borrowings				
Loans Repayable on Demand (as at 31st March, 2013 not repayable before 1st April, 2014)		-		115.7
		<u>-</u>		<u>115.7</u>
4 Deferred Tax Liabilities (Net)				
Deferred Tax Liability				
Depreciation on Fixed Assets	274.5		202.9	
Others	19.3		-	
		293.8		202.9
Less :				
Deferred Tax Assets				
Unpaid Liabilities Allowable on payment basis U/s 43B of the Income Tax Act, 1961		17.7		11.5
		<u>276.1</u>		<u>191.4</u>



SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014		As at 31st March, 2013	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
5 Other Long-term Liabilities				
Trade / Security Deposits Received		<u>77.6</u>		<u>79.4</u>
		<u>77.6</u>		<u>79.4</u>
6 Long-term Provisions				
Employee Benefits		<u>78.5</u>		<u>76.7</u>
Product Returns (Refer Note 42)		<u>640.8</u>		<u>592.5</u>
		<u>719.3</u>		<u>669.2</u>
7 Short-term Borrowings				
Loans Repayable on Demand (Unsecured):				
Cash Credit Facility from a Bank		<u>89.6</u>		<u>149.2</u>
		<u>89.6</u>		<u>149.2</u>
8 Trade Payables				
Due to Micro and Small Enterprises (Refer Note 34)		<u>22.7</u>		<u>16.5</u>
Other Payables		<u>2,907.4</u>		<u>820.0</u>
		<u>2,930.1</u>		<u>836.5</u>
9 Other Current Liabilities				
Statutory Remittances		<u>169.6</u>		<u>26.4</u>
Payables on Purchase of Fixed Assets		<u>206.5</u>		<u>161.4</u>
Advances from Customers		<u>4.7</u>		<u>0.1</u>
Temporary Overdrawn Bank Balance as per books		<u>28.6</u>		<u>24.0</u>
Payable to erstwhile Partners		<u>-</u>		<u>2,771.7</u>
		<u>409.4</u>		<u>2,983.6</u>
10 Short-term Provisions				
Employee Benefits		<u>41.2</u>		<u>47.2</u>
Product Returns (Refer Note 42)		<u>727.6</u>		<u>452.5</u>
		<u>768.8</u>		<u>499.7</u>

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SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

11 Fixed Assets

₹ in Million

Description of Assets	Gross Block (At Cost)					Depreciation / Amortisation					Net Block	
	As at 01.04.2013	Acquired under scheme of arrangement	Additions during the year	Deletions / Adjustments during the	As at 31.03.2014	As at 01.04.2013	Acquired under scheme of arrangement	For the year	On Deletions for the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
A. Tangible Assets												
Freehold Land	12.0	-	-	-	12.0	-	-	-	-	-	12.0	12.0
	(-)	(12.0)	(-)	(-)	(12.0)	(-)	(-)	(-)	(-)	(-)	(12.0)	(-)
Leasehold Land	109.0	-	34.2	-	143.2	3.2	-	1.1	-	4.3	138.9	105.8
	(-)	(109.0)	(-)	(-)	(109.0)	(-)	(2.6)	(0.6)	(-)	(3.2)	(105.8)	(-)
Buildings	650.9	-	6.7	-	657.6	77.1	-	20.3	-	97.4	560.2	573.8
	(-)	(557.2)	(93.7)	(-)	(650.9)	(-)	(65.7)	(11.4)	(-)	(77.1)	(573.8)	(-)
Plant and Equipment	2,078.0	-	186.5	23.0	2,241.5	586.3	-	161.9	12.2	736.0	1,505.5	1,491.7
	(-)	(1,887.4)	(219.3)	(28.7)	(2,078.0)	(-)	(505.4)	(83.1)	(2.2)	(586.3)	(1,491.7)	(-)
Vehicles	53.7	-	15.7	6.3	63.1	14.9	-	5.4	1.8	18.5	44.6	38.8
	(28.9)	(18.4)	(6.8)	(0.4)	(53.7)	(7.7)	(3.4)	(4.0)	(0.2)	(14.9)	(38.8)	(21.2)
Office Equipment	34.0	-	4.1	0.2	37.9	9.2	-	3.1	-	12.3	25.6	24.8
	(22.7)	(4.2)	(7.1)	(-)	(34.0)	(6.3)	(0.5)	(2.4)	(-)	(9.2)	(24.8)	(16.4)
Furniture and Fixtures	77.8	-	10.0	0.4	87.4	23.7	-	5.1	0.1	28.7	58.7	54.1
	(0.7)	(62.0)	(15.1)	(-)	(77.8)	(0.2)	(20.6)	(2.9)	(-)	(23.7)	(54.1)	(0.5)
Total Tangible Assets	3,015.4	-	257.2	29.9	3,242.7	714.4	-	196.9	14.1	897.2	2,345.5	2,301.0
Previous Year	(52.3)	(2,650.2)	(342.0)	(29.1)	(3,015.4)	(14.2)	(598.2)	(104.4)	(2.4)	(714.4)	(2,301.0)	
B. Intangible Assets (at fair value, Refer Note 41)												
Trademarks, Brands (including right to use), Know-how and other related intangibles	182,877.0	-	-	-	182,877.0	15,239.8	-	15,239.8	-	30,479.6	152,397.4	167,637.2
	(182,877.0)	(-)	(-)	(-)	(182,877.0)	(-)	(-)	(15,239.8)	(-)	(15,239.8)	(167,637.2)	(182,877.0)
Total Intangible Assets	182,877.0	-	-	-	182,877.0	15,239.8	-	15,239.8	-	30,479.6	152,397.4	167,637.2
Previous Year	(182,877.0)	(-)	(-)	(-)	(182,877.0)	(-)	(-)	(15,239.8)	(-)	(15,239.8)	(167,637.2)	
Total Fixed Assets	185,892.4	-	257.2	29.9	186,119.7	15,954.2	-	15,436.7	14.1	31,376.8	154,742.9	169,938.2
Previous Year	(182,929.3)	(2,650.2)	(342.0)	(29.1)	(185,892.4)	(14.2)	(598.2)	(15,344.2)	(2.4)	(15,954.2)	(169,938.2)	

Footnote:

Previous Year figures are in brackets



SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014		As at 31st March, 2013	
	₹ In Million	₹ In Million	₹ In Million	₹ In Million
12 Non-current Investments				
A) Long-term Investments (At Cost)				
Trade Investments (Unquoted)				
In Equity Shares (Wholly owned Subsidiary)				
Universal Enterprises Private Limited		12.5		12.5
450,000 (Previous Year 450,000) Equity Shares of ₹ 10 each fully paid - up				
In Debentures				
Sun Speciality Chemicals Pvt Ltd		115.7		115.7
11,56,500 (Previous Year 11,56,500) 0% Optionally Fully Convertible Debentures of ₹ 100 each fully paid				
In Others (Limited Liability Partnership)				
Silverstreet Developers LLP (*)		2,420.3		-
B) Other Investments				
In Mutual Funds (Unquoted) (**)				
Units of Face Value of ₹ 10 each				
Deutsche Mutual Fund-DWS Fixed Maturity Plan Series 63-Regular Plan-Growth	150.0		-	
15,000,000 (Previous Year Nil) Units				
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 73-391 Days Plan G Direct Plan Cumulative	250.0		-	
25,000,000 (Previous Year Nil) Units				
Kotak Mutual Fund-Kotak FMP Series 145 Direct-Growth	350.0		-	
35,000,000 (Previous Year Nil) Units				
L&T Mutual Fund-L&T FMP Series 10- Plan T - Growth	250.0		-	
25,000,000 (Previous Year Nil) Units				
		<u>1,000.0</u>		<u>-</u>
		<u>3,548.5</u>		<u>128.2</u>
* Partners				
Sun Pharma Laboratories Limited	Share	Capital	Share	Capital
Skisen Laboratories Limited	95.0%	2,420.3	-	-
	5.0%	356.0	-	-
** Listed				
13 Long-term Loans and Advances				
(Unsecured - Considered Good)				
Capital Advances		123.0		236.1
Security Deposits		29.1		14.0
Loans and Advances to Employees		12.8		20.2
Prepaid Expenses		2.7		-
Advance Income Tax [Net of provision of ₹ 4,921.0 Million (Previous Year ₹ 2,714.0 Million)]		1,803.9		50.0
Advance Payment of Fringe Benefit Tax ₹ 9,773 (Net of Provision ₹ 9,773)		0.0		0.0
Balances with Government Authorities		39.4		46.4
Receivable on Account of Assets Under Finance Lease (Refer Notes 40(c) and 43)		320.2		327.1
		<u>2,331.1</u>		<u>693.8</u>
14 Current Investments				
Non-trade (Unquoted)				
(A) Current Portion of Long-term Investments (At Cost)				
In Mutual Funds (Units of Face Value of ₹ 10/- each fully paid-up) (*)				
Birla Sun Life Mutual Fund-Birla Sun Life Fixed Term Plan - Series FC Growth Plan	-		250.0	
Nil (Previous Year 25,000,000) Units				
Birla Sun Life Mutual Fund-Birla Sun Life Fixed Term Plan Series KS (369 Days)-Gr.Direct	200.0		-	
20,000,000 (Previous Year Nil) Units				
Birla Sun Life Mutual Fund-Birla Sun Life Fixed Term Plan-Series KG (367 Days) -Gr.Direct	200.0		-	
20,000,000 (Previous Year Nil) Units				

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SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014 ₹ in Million	As at 31st March, 2013 ₹ in Million
Birla Sun Life Mutual Fund-Birla Sun Life Fixed Term Plan-Series KK (367 Days)-Gr.Direct 20,000,000 (Previous Year Nil) Units	200.0	-
Birla Sun Life Mutual Fund-Birla Sun Life Fixed Term Plan-Series KC (368 Days)-Gr.Direct 25,000,000 (Previous Year Nil) Units	250.0	-
Birla Sun Life Mutual Fund-Birla Sun Life Fixed Term Plan-Series KD (367 Days)-Gr.Direct 25,000,000 (Previous Year Nil) Units	250.0	-
DSP BlackRock Mutual Fund-DSP BlackRock FMP -Series 144 - 12M- Dir-Growth 30,000,000 (Previous Year Nil) Units	300.0	-
DSP BlackRock Mutual Fund-DSP BlackRock FMP -Series 146 - 12M- Dir-Growth 30,000,000 (Previous Year Nil) Units	300.0	-
DSP BlackRock Mutual Fund-DSP BlackRock FMP -Series 153 - 12M- Reg-Growth 20,000,000 (Previous Year Nil) Units	200.0	-
Deutsche Mutual Fund-DWS FMP Series 7 Growth Plan Nil (Previous Year 25,000,000) Units	-	250.0
Deutsche Mutual Fund-DWS Fixed Maturity Plan Series-50-Direct Plan- Growth 20,000,000 (Previous Year Nil) Units	200.0	-
Deutsche Mutual Fund-DWS Fixed Maturity Plan Series-48-Direct Plan- Growth 25,000,000 (Previous Year Nil) Units	250.0	-
HSBC Mutual Fund-HSBC Fixed Term Series 86 - Growth - Tenure 375 days Nil (Previous Year 10,000,000) Units	-	100.0
HDFC Mutual Fund-HDFC FMP 370D February 2014(1) Series 29- Direct-Growth 25,000,000 (Previous Year Nil) Units	250.0	-
HDFC Mutual Fund-HDFC FMP 368D March 2014 (1) Series 29-Direct- Growth 25,000,000 (Previous Year Nil) Units	250.0	-
HDFC Mutual Fund-HDFC FMP 369D February 2014 (2) Series 29.-Direct-Growth 25,000,000 (Previous Year Nil) Units	250.0	-
HDFC Mutual Fund-HDFC FMP 371D February 2014 (2) Series 29- Direct-Growth 25,000,000 (Previous Year Nil) Units	250.0	-
HDFC Mutual Fund-HDFC FMP 400D February 2012 (1) - Growth Plan- Series XXI Nil (Previous Year 25,000,000) Units	-	250.0
IDBI Mutual Fund-IDBI FMP - 360 Days Series-II (March 2012) -Growth Plan Nil (Previous Year 10,000,000) Units	-	100.0
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 63 - 370 Days Plan D Cumulative Nil (Previous Year 25,000,000) Units	-	250.0
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 72-366 Days Plan T Direct Plan Cumulative 25,000,000 (Previous Year Nil) Units	250.0	-
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 72-367 Days Plan R Direct Plan Cumulative 25,000,000 (Previous Year Nil) Units	250.0	-

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SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014 ₹ in Million	As at 31st March, 2013 ₹ in Million
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 73 - 366 Days Plan B Direct Plan Cumulative 25,000,000 (Previous Year Nil) Units	250.0	-
ICICI Prudential Mutual Fund-ICICI Prudential Interval Fund Series VII Annual Interval Plan C-Direct Plan-Cumulative 25,000,000 (Previous Year Nil) Units	250.0	-
J.P.Morgan Asset Management-JPM Fixed Maturity Plan- Series 6- Growth Plan Nil (Previous Year 50,000,000) Units	-	500.0
J.P.Morgan Asset Management-JPMorgan India Fixed Maturity Plan- Series 31-Direct-Growth 25,000,000 (Previous Year Nil) Units	250.0	-
J.P.Morgan Asset Management-JPMorgan India Fixed Maturity Plan- Series 32-Direct-Growth 20,000,000 (Previous Year Nil) Units	200.0	-
Kotak Mutual Fund-Kotak FMP Series 80 Growth Plan Nil (Previous Year 15,000,000) Units	-	150.0
Kotak Mutual Fund-Kotak FMP Series 84-Growth Plan Nil (Previous Year 15,000,000) Units	-	150.0
Kotak Mutual Fund-Kotak FMP Series 143 Direct-Growth 20,000,000 (Previous Year Nil) Units	200.0	-
Kotak Mutual Fund-Kotak FMP Series 144 Direct-Growth 20,000,000 (Previous Year Nil) Units	200.0	-
Reliance Mutual Fund-Reliance Annual Interval Fund - Series I - Institutional Growth Plan Nil (Previous Year 22,697,972) Units	-	250.0
Reliance Mutual Fund-Reliance Fixed Horizon Fund - XXI - Series 11 - Growth Plan Nil (Previous Year 50,000,000) Units	-	500.0
Reliance Mutual Fund-Reliance Fixed Horizon Fund -XXV- Series 18- Direct Plan-Growth Plan 50,000,000 (Previous Year Nil) Units	500.0	-
Reliance Mutual Fund-Reliance Fixed Horizon Fund-XXV-Series-24- Direct Plan-Growth Plan 25,000,000 (Previous Year Nil) Units	250.0	-
Reliance Mutual Fund-Reliance Yearly Interval Fund -Series 1-Direct Plan-Growth Plan 25,000,000 (Previous Year Nil) Units	250.0	-
Reliance Mutual Fund-Reliance Yearly Interval Fund -Series 2-Direct Plan Growth Plan 50,000,000 (Previous Year Nil) Units	500.0	-
Reliance Mutual Fund-Reliance Yearly Interval Fund Series -4 Direct Plan-Growth Plan 25,000,000 (Previous Year Nil) Units	250.0	-
Religare Invesco Mutual Fund-Religare FMP Series XIV Plan B 378 Days-Growth Plan Nil (Previous Year 16,000,000) Units	-	160.0
Religare Invesco Mutual Fund-Religare FMP Series XIII Plan D - 386 Days - Growth Plan Nil (Previous Year 15,000,000) Units	-	150.0
Religare Invesco Mutual Fund-Religare FMP Series XIII - Plan F - Growth Plan Nil (Previous Year 20,000,000) Units	-	200.0

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SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014		As at 31st March, 2013	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Religare Invesco Mutual Fund-Religare Invesco FMP-Sr.22-Plan K(367 Days)-Direct Plan Growth 10,000,000 (Previous Year Nil) Units	100.0	-	-	-
Religare Invesco Mutual Fund-Religare Invesco FMP-Sr. 23-Plan D (370 Days)-Direct Plan-Growth 15,000,000 (Previous Year Nil) Units	150.0	-	-	-
Religare Invesco Mutual Fund-Religare Invesco FMP-Sr. 23-Plan B(367 Days)-Direct Plan Growth 25,000,000 (Previous Year Nil) Units	250.0	-	-	-
Religare Invesco Mutual Fund-Religare Invesco FMP-Sr. 23-Plan F(367 Days)-Direct Plan Growth 15,000,000 (Previous Year Nil) Units	150.0	-	-	-
UTI Mutual Fund-UTI Fixed Term Income Fund Series XVII-X(367 DAYS)-Direct Growth Plan 20,000,000 (Previous Year Nil) Units	200.0	-	-	-
		7,800.0		3,260.0
(B) Other Current Investments (At Cost)				
In Mutual Funds				
Units of Face Value of ₹ 10/- each				
BNP Paribas Mutual Fund- BNP Paribas Overnight Fund-Direct Plan Growth Option 12,674,978 (Previous Year Nil) Units	250.0	-	-	-
Units of Face Value of ₹ 1,000 each				
Axis Mutual Fund - Axis Liquid Fund- Direct Plan Growth-CFDG 178,001 (Previous Year Nil) Units	250.0	-	-	-
Baroda Pioneer Mutual Fund -Baroda Pioneer Liquid Fund Plan B-Growth 170,162 (Previous Year Nil) Units	250.0	-	-	-
DSP BlackRock Mutual Fund-DSP BlackRock Liquidity Fund-Direct Plan-Growth 136,329 (Previous Year Nil) Units	250.0	-	-	-
Indiabulls Mutual Fund-Indiabulls Liquid Fund-Direct Plan Growth 200,603 (Previous Year Nil) Units	250.0	-	-	-
Pramerica Mutual Fund-Pramerica Liquid Fund-Direct Plan-Growth Option 182,778 (Previous Year Nil) Units	250.0	-	-	-
Principal Mutual Fund-Principal Cash Management Fund-Direct Plan Growth 200,600 (Previous Year Nil) Units	250.0	-	-	-
Reliance Mutual Fund-Reliance Liquid Fund-Treasury Plan-Growth Plan -Growth Option 192,265 (Previous Year Nil) Units	600.0	-	-	-
Religare Invesco Mutual Fund-Religare Invesco Liquid Fund-Direct Plan-Growth 141,832 (Previous Year Nil) Units	250.0	-	-	-
SBI Mutual Fund-SBI Premier Liquid Fund-Regular Plan-Growth 124,170 (Previous Year Nil) Units	250.0	-	-	-
Union KBC Mutual Fund-Union KBC Liquid Fund-Growth Direct Plan 389,236 (Previous Year Nil) Units	500.0	-	-	-
		3,350.0		-
		11,150.0		3,260.0
* Listed				

15 Inventories

Raw Materials and Packing Materials	2,644.6	1,496.3	
Goods-in-Transit	6.5	112.3	1,608.6
Work-in-Progress - Formulations	2,651.1		333.5
Finished Goods - Formulations	644.5		1,584.9
Stock-in-Trade - Formulations	1,349.1		96.6
Consumable	521.7		1.1
	5,166.4		3,624.7

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SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014		As at 31st March, 2013	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
16 Trade Receivables				
(Unsecured – Considered Good unless stated otherwise)				
Outstanding for a period exceeding Six Months from the date they are due for payment				
Considered Good	493.7		348.2	
Doubtful	0.6		1.5	
	<u>494.3</u>		<u>349.7</u>	
Less: Provision for Doubtful Trade Receivables	0.6	493.7	1.5	348.2
Other Trade Receivables		<u>3,338.0</u>		<u>5,895.9</u>
		<u>3,831.7</u>		<u>6,044.1</u>
17 Cash and Cash Equivalents				
Balances that meet the definition of Cash and Cash Equivalents as per AS3, Cash Flow Statements				
Cash on Hand		3.1		0.9
Balances with Banks				
In Current Accounts	15.5		14.9	
In EEFC Accounts	<u>23.3</u>		<u>2.9</u>	
		<u>38.8</u>		<u>17.8</u>
Other Bank Balances		41.9		18.7
In Deposit Accounts (Refer Footnote)		441.9		9.1
Footnote		<u>483.8</u>		<u>27.8</u>
Other Bank Balances include Deposits amounting to ₹ 27.7 Million (Previous Year ₹ 9.1 Million) which have an Original Maturity of more than 12 Months.				
18 Short-term Loans and Advances				
(Unsecured – Considered Good)				
Loans and Advances (for Supply of Goods and Services) to Related Parties (Refer Note 35)	1,514.3		678.0	
Loans and Advances to Employees / Others	4,458.0		49.2	
Prepaid Expenses	65.0		11.8	
Balances with Government Authorities	683.2		437.9	
Advances for Supply of Goods and Services	302.6		187.6	
Advance Income Tax [Net of provision of Nil (Previous Year ₹ 1,307.0 Million)]	-		2,272.7	
Receivable on Account of Assets Under Finance Lease (Refer Notes 40(c) and 43)	8.1		3.6	
	<u>7,031.2</u>		<u>3,640.8</u>	
19 Other Current Assets				
(Unsecured – Considered Good)				
Insurance Claim	25.5		25.0	
Genrat Credit available on payment	6.4		-	
	<u>31.9</u>		<u>25.0</u>	

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SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Year ended 31st March, 2014		Year ended 31st March, 2013	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
20 Revenue from Operations				
Sale of Products		39,267.3		24,013.5
Other Operating Revenues				
Share of Income from Limited Liability Partnership / Partnership Firms		0.1		3,340.2
Others		201.8		41.9
		<u>39,469.2</u>		<u>27,395.6</u>
21 Other Income				
Net Interest Income				
Interest Income on:				
Deposits with Banks	15.5		0.4	
Loans and Advances	91.6		1.5	
Assets Given Under Finance Lease	17.8		2.5	
	<u>124.9</u>		<u>4.4</u>	
Less : Finance Costs				
Interest Expense on:				
Borrowings	0.8		0.3	
Others	1.5		0.9	
	<u>2.3</u>		<u>1.2</u>	
Net Gain on Sale of :		122.6		3.2
Current Investments		112.0		0.1
Long-term Investments		349.5		724.0
Net Gain on Foreign Currency Transactions and Translation		11.7		1.7
Insurance Claims		-		2.2
Sundry Balances written back (Net)		12.1		-
Lease Rental and Hire Charges		1.8		-
Others		1.5		0.5
		<u>611.2</u>		<u>731.7</u>
22 Cost of Materials Consumed				
Raw and Packing Materials				
Inventory at the beginning of the year		1,608.6		857.1
Acquired under the scheme of amalgamation		-		1,757.2
Purchases during the year		9,923.7		4,409.5
Inventory at the end of the year		<u>(2,651.1)</u>		<u>(1,608.6)</u>
		<u>8,881.2</u>		<u>5,415.2</u>
23 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade				
Inventories at the beginning of the year		2,015.0		603.8
Acquired under the scheme of amalgamation		-		1,593.0
Inventories at the end of the year		<u>(2,515.3)</u>		<u>(2,015.0)</u>
		<u>(500.3)</u>		<u>181.8</u>
24 Employee Benefits Expense				
Salaries and Wages		2,187.5		1,706.1
Contribution to Provident and Other Funds		116.0		104.5
Staff Welfare Expenses		158.3		105.3
		<u>2,461.8</u>		<u>1,915.9</u>

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SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Year ended 31st March, 2014		Year ended 31st March, 2013	
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
25 Other Expenses				
Consumption of Materials, Stores and Spare Parts		126.4		72.6
Conversion and Other Manufacturing Charges		965.5		585.5
Power and Fuel		188.5		90.6
Rent		33.3		6.8
Rates and Taxes		6.7		2.7
Insurance		11.8		6.6
Selling and Distribution		3,717.3		2,917.4
Commission and Discount		735.4		511.5
Overseas Travel, Freight and Clearing Expenses		16.8		6.2
Repairs				
Buildings	14.1		5.0	
Machinery	58.8		31.7	
Others	33.8	106.7	14.8	51.5
Printing and Stationery		16.8		8.7
Travelling and Conveyance		236.2		136.9
Communication		7.1		4.3
Provision for Doubtful Trade Receivables				
Provision for Doubtful Trade Receivables	-		1.3	
Sundry Balances / Trade Receivables written off (Net)	0.9		0.8	
Less: Adjusted out of Provision of earlier year	0.9	-	-	2.1
Professional and Consultancy		43.0		17.4
Donation		10.0		13.8
Loss on Sale of Fixed Assets (Net)		5.4		0.1
Increase / (Decrease) of Excise Duty on Inventory		(20.5)		(1.9)
Payments to Auditors (Net of Service Tax)				
As Auditors		1.1		1.3
Reimbursement of Expenses ₹ 11,802 (Previous Year ₹ 6,817)		0.0		0.0
Miscellaneous Expenses		356.4		67.8
		<u>6,565.9</u>		<u>4,501.7</u>

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26 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 section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and on fair valuation basis for assets received from holding company under the scheme of arrangement approved by the Hon'ble High Courts.

II Use of estimates

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

III Fixed Assets and Depreciation / Amortisation

Fixed Assets including Intangible assets are stated at historical cost (net of cenvat credit) less accumulated depreciation/amortisation thereon and impairment losses, if any. Fixed Assets including Intangibles received from the holding company pursuant to scheme of arrangement are recorded at fair value. Depreciation on tangible assets is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956. Assets costing ₹ 5,000/- or less are charged off as expense in the year of purchase. Leasehold land is amortised over the period of lease. Intangible Assets consisting of Trade marks and other related rights are amortized on straight line method from date they are available for use, over 12 years being the estimated useful life. Leasehold land is amortised over the period of lease.

IV Leases

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

V Revenue Recognition

Sale of products is recognised when risks and rewards of ownership of the products are passed on to the customers, which is generally on despatch of products. Export sales are recognised on the basis of Bill of lading / Airway bill. Sales includes delayed payment charges and are stated net of returns including provision made on account of estimated breakages and expiry based on past experience and VAT / Sales Tax, if any.

VI Investments

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

VII Inventories

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

VIII Foreign Currency Transactions

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

IX Taxes on Income

Provision for tax comprises Current Tax and Deferred Tax. Current Tax provision has been made 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 in accordance with Accounting Standard 22 (AS-22) "Accounting for taxes on income", using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward for timing difference of items other than unabsorbed depreciation and accumulated losses only to the extent that there is a reasonable certainty that the assets can be realised in future. However, if there is unabsorbed depreciation or carry forward of losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance sheet date.

X Employee Benefits

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

XI Borrowing Costs

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

XII Provisions, Contingent Liabilities and Contingent Assets

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

XIII Impairment of Assets

The Company assesses, at each Balance Sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss being recognised. Such reversal of impairment loss is recognised in the Statement of Profit and Loss.

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SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

XIV Operating Cycle

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

XV Government Grants / Subsidy

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

	As at 31st March, 2014 ₹ in Million	As at 31st March, 2013 ₹ in Million
27 Contingent Liabilities and commitments (to the extent not provided for)		
I Contingent Liabilities		
A Guarantees Given by the bankers on behalf of the Company (Refer Note 44)	22.3	24.5
B Letters of Credit for imports	59.4	45.3
C Liabilities Disputed -		
Appeals filed with respect to Income Tax matters	7,187.0	4,852.9
Excise Duty	483.1	144.5
Environment Cess	23.3	23.3
II Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,507.1	275.3

28 Disclosures relating to Share Capital

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

The Company has two classes of shares referred to as equity shares having a par value of ₹ 10 per share and 10% (Previous year 12%) Redeemable Non cumulative Preference Shares having par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. Holder of Preference shares are not entitled to any voting rights but enjoy preferential rights in respect of payments of dividend, if any, and repayment of capital, if any. The Preference Shares shall be redeemed at par, at the end of five years from the date of allotment.

ii Shares held by each shareholder holding more than 5 percent Shares in the Company are as follows:

Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shareholders				
Sun Pharmaceutical Industries Ltd (Holding Company)	50,000	100.0	50,000	100.0
10% Redeemable Non cumulative Preference Shareholders				
Sun Pharmaceutical Industries Ltd (Holding Company)	4,000,000	100.0	-	-

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

	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Equity Shares of ₹ 10 each				
Opening Balance	50,000	0.5	9,000	0.1
Add : Issued during the year	-	-	41,000	0.4
Closing Balance	50,000	0.5	50,000	0.5
Redeemable Non Cumulative Preference Shares of ₹ 100 each				
Opening Balance Nil (Previous year ₹ 10,000) - 12.0%	-	-	100	0.0
Add : Issued during the year - 10.0%	4,000,000	400.0	-	-
Less : Redeemed during the year (Previous year ₹ 10,000) - 12.0%	-	-	100	0.0
Closing Balance - 10.0%	4,000,000	400	-	-

	Year ended 31st March, 2014		Year ended 31st March, 2013	
	₹ in Million		₹ in Million	
29 Information relating to Consumption of Materials				
Raw and Packing Materials				
Raw Materials	8,219.1		4,901.6	
Packing Materials	662.1		513.6	
Total	8,881.2		5,415.2	
None of the items individually account for more than 10% of total consumption.				
Imported and Indigenous				
Raw and Packing Materials				
Imported	8.90	790.0	18.71	1,013.0
Indigenous	91.10	8,091.2	81.29	4,402.2
Total	100.00	8,881.2	100.00	5,415.2
Stores and Spare Parts and Other Materials				
Imported	0.32	0.4	4.55	3.3
Indigenous	99.68	126.0	95.45	69.3
Total	100.00	126.4	100.00	72.6

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SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Year ended 31st March, 2014 ₹ in Million	Year ended 31st March, 2013 ₹ in Million
30 Information relating to Purchases of Stock-In-Trade		
Formulations	2,827.6	1,578.4
	<u>2,827.6</u>	<u>1,578.4</u>
31 Information relating to Sale of Products		
Formulations	39,250.0	24,008.4
Others	17.3	7.1
	<u>39,267.3</u>	<u>24,013.5</u>
	Year ended 31st March, 2014 ₹ in Million	Year ended 31st March, 2013 ₹ in Million
32 Income / Expenditure in Foreign Currency		
Income		
Exports (FOB basis)	713.1	314.3
Others	92.8	29.9
Expenditure		
Raw Materials (CIF basis)	899.9	862.6
Packing Materials (CIF basis)	57.4	27.5
Capital Goods (CIF basis)	99.2	54.8
Spares and Components (CIF basis)	14.7	4.1
Professional Charges	18.9	-
Overseas Travel	0.9	-
Others	46.8	31.0
33 The net Exchange Gain / (Loss) of ₹ 26.0 Million (Previous Year ₹ 4.2 Million) is included under Revenue from Operations, Other Income and Cost of Materials consumed in the Statement of Profit and Loss.		
34 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2008:		
a An amount of ₹ 22.7 Million (Previous Year ₹ 16.5 Million) and ₹ NIL (Previous Year ₹ NIL) was due and outstanding to suppliers as at the end of the accounting period on account of Principal and Interest respectively.		
b No interest was paid during the period.		
c No interest is payable at the end of the period under Micro, Small and Medium Enterprises Development Act, 2006.		
d No amount of interest was accrued and unpaid at the end of the accounting period.		
The above information and that given in Note 8 - "Trade Payables" regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.		
35 Related Party Disclosure (AS-18) - as per Annexure 'A'		
36 Accounting Standard (AS-20) on Earnings Per Share	Year ended 31st March, 2014 ₹ in Million	Year ended 31st March, 2013 ₹ in Million
Profit / (Loss) for the year - used as Numerator for calculating Earnings per share	2,466.3	(2,188.0)
Weighted Average number of Shares used in computing basic and diluted earnings per share	50,000	44,384
Nominal Value Per Share (in ₹)	10	10
Basic and Diluted Earnings Per Share (in ₹)	49,326.0	(49,297.7)
37 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	38,546.9	23,714.2
Outside India	720.4	299.4
Sale of Products	<u>39,267.3</u>	<u>24,013.6</u>
In view of the interwoven/intermix nature of business and manufacturing facility, other segmental information is not ascertainable.		
38 Taxation:		
Current Tax has been provided taking into account the deduction / exemption available and proposed to be claimed by the Company based on the management's view.		



SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

39 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 ₹ 96.5 Million (Previous year ₹ 75.0 Million)

	Year ended 31st March, 2014 ₹ in Million	Year ended 31st March, 2013 ₹ in Million
Contribution to Provident Fund	93.9	74.3
Contribution to Employees State Insurance Scheme (ESIC) and Employees Deposit Linked Insurance (EDLI)	2.6	0.7
Contribution to Labour Welfare Fund (₹ 20,784)	0.0	-

In respect of Gratuity, Contributions are made to LIC's Recognised Group Gratuity Fund Scheme based on amount demanded by LIC of India. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Actuarial Valuation for Compensated Absences is done as at the year end and provision is made as per the Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 33.4 Million (Previous Year ₹ 35.2 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

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

In respect of gratuity (funded):

	Year ended ₹ in Million	Year ended ₹ in Million
	31st March, 2014	31st March, 2013
Reconciliation of liability / (asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	209.6	200.9
Fair value of plan assets	(266.5)	(187.3)
Net liability / (asset) in the Balance sheet	(56.9)	13.6
Movement in net liability / (asset) recognised in the Balance sheet		
Net liability / (asset) as at the beginning of the year	13.6	-
Net liability / (asset) acquired under the scheme of arrangement	-	(16.0)
Net liability / (asset) transferred	(39.3)	-
Net expense recognised in the Statement of Profit and Loss	(5.4)	54.5
Contribution during the year	(25.8)	(24.9)
Net liability / (asset) in the Balance sheet	(56.9)	13.6
Charge / (Income) recognised in the Statement of Profit and Loss		
Current service cost	21.0	16.8
Interest cost	15.0	11.1
Expected return on plan assets	(13.9)	(12.3)
Actuarial (gain) / loss	(27.5)	38.9
Charge / (Income) charged to the Statement of Profit and Loss	(5.4)	54.5
Return on plan assets		
Expected return on plan assets	13.9	12.3
Actuarial gain	4.3	4.0
Actual return on plan assets	18.2	16.3
Reconciliation of defined-benefit commitments		
Commitments as at the beginning of the year	200.9	-
Commitments acquired under the scheme of arrangement	-	136.3
Current service cost	21.0	16.8
Interest cost	15.0	11.1
Paid benefits	(4.1)	(6.2)
Actuarial (gain) / loss	(23.3)	42.9
Commitments as at the year end	209.5	200.9
Reconciliation of plan assets		
Plan assets as at the beginning of the year	187.3	-
Plan assets acquired under the scheme of arrangement	-	152.3
Plan assets transferred	39.3	-
Expected return on plan assets	13.9	12.3
Contributions during the year	25.8	24.9
Paid benefits	(4.1)	(6.2)
Actuarial gain	4.3	4.0
Plan assets as at the year end	266.5	187.3

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	9.31%	8.50% / 8.25%
Expected return on plan assets	9.31%	8.50% / 8.25%
Expected rate of salary increase	7.00%	6.00% / 7.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

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

	₹ in Million Year ended 31st March, 2014	₹ in Million Year ended 31st March, 2013
Experience adjustment		
On plan liabilities	10.5	10.6
On plan assets	4.3	4.0
Present value of benefit obligation	209.6	200.9
Fair value of plan assets	(266.5)	(187.3)
Excess of obligation over plan assets	(56.9)	14.6

The contribution expected to be made by the Company during financial year ending 31st March, 2015 is ₹ 34.2 Million (Previous year ₹ 40.4 Million). AS 15 has become applicable to the Company from the previous year.



SUN PHARMA LABORATORIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

40 Accounting Standard (AS-19) on Leases

- a The Company has obtained certain premises for its business operations (including furniture and fittings therein, as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and license, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.
- b Lease payments are recognised in the Statement of Profit and Loss under "Rent" in Note 25.

c Finance Lease details

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

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

Particulars	Year ended 31st March, 2014 ₹ in Million	Year ended 31st March, 2013 ₹ in Million
Future minimum lease payments		
not later than one year	39.7	33.9
later than one year and not later than five years	180.5	169.3
later than five years	606.1	640.7
	<u>826.3</u>	<u>843.9</u>
Less: Unearned finance income	498.0	513.2
Present value of minimum lease payments receivable	<u>328.3</u>	<u>330.7</u>
not later than one year	8.1	3.6
later than one year and not later than five years	35.1	23.9
later than five years	285.1	303.2

- 41 Intangible assets of the Domestic Formulation undertaking transferred to the Company pursuant to the scheme of arrangement in the nature of spin off and transfer of the said undertaking without consideration by Sun Pharmaceutical Industries Limited, the Holding Company, are accounted at Fair Value on the basis of an Independent Professional Valuer's report (Refer Note 11B). These intangibles are available to the Company in perpetuity. The amortisation of intangible assets over 12 years is arrived at based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Company.

- 42 As per the best estimate of the management, provision has been made towards breakages and expiry of product returns, as per Accounting Standard (AS) 29.

	Year ended 31st March, 2014 ₹ in Million	Year ended 31st March, 2013 ₹ in Million
Opening balance	1,045.0	-
Add: Transferred on spin off	-	130.0
Add: Transferred on amalgamation	-	513.1
Add: Provision for the year	840.8	401.9
Less: Utilisation / Settlement	517.4	-
Closing balance	1,368.4	1,045.0

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

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

- 45 Company has not entered into any Forward Exchange Contracts being derivative instruments.
The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	Currency	As at 31st March, 2014 Amount in Million	As at 31st March, 2013 Amount in Million
a Amounts Receivable in foreign currency on account of :			
Export of Goods	USD	\$4.3 ₹258.0	\$4.0 ₹217.1
Processing Charges	USD	\$1.0 ₹60.0	\$0.5 ₹27.1
b Amounts payable in foreign currency on account of the following :			
Imports of Goods and Services	USD	\$2.3 ₹138.0	\$0.4 ₹21.7
Euro 15,250 (Previous Year Euro 6,900)	Euro	€ 0.0 ₹1.3	€ 0.0 ₹0.5
CHF 15,680	Swiss Franc	CHF 0.0 ₹1.1	- -

- 46 Previous years' figures are regrouped wherever necessary. Current year's figures are not comparable with those of previous year mainly on account of amalgamation of Sun Pharma Medication Private Ltd and Sun Pharma Drugs Private Ltd, both fellow subsidiaries, into the Company with effect from September 1, 2012 pursuant to the Court approved scheme.

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Names of related parties and description of relationship

Key Management Personnel
Mr. Dilip S. Shanghvi

Wholly Owned Subsidiary
Universal Enterprises Pvt. Ltd.

Holding Company
Sun Pharmaceutical Industries Limited

Fellow Subsidiaries
Caraco Pharmaceutical Laboratories Ltd.
Sun Pharma Global (FZE)
Alkaloids Chemical Company Zrt.
Faststone Mercantile Company Private Ltd.
Realstone Multitrade Private Ltd.
Softdeal Trading Company Private Ltd.
Aditya Acquisition Company Ltd.
Skisen Labs Private Ltd.
Neetnav Real Estate Private Ltd.

Enterprises under common control of Holding Company
Sun Pharmaceutical Industries *
Sun Pharma Sikkim *

Enterprise under Significant Influence of Key Management Personnel or their relatives
Sun Pharma Advanced Research Company Ltd.

Controlled Entity
Silvestreet Developers LPP

* Enterprises under common control of Holding Company have been converted into private limited companies under Part IX of the Companies Act, 1956 w.e.f. 31st August, 2012. Amalgamated into the Company w.e.f. 1st September, 2012.

Particulars	Key Management Personnel		Wholly Owned Subsidiary		Holding Company		Fellow Subsidiary		Enterprises under common control of Holding Company		Enterprise under significant influence of Key Management Personnel or their relatives		Controlled Entity		TOTAL	
	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13
Purchases of Goods	-	-	-	-	2,688.1	949.1	-	0.6	-	92.2	-	-	-	-	2,688.1	1,041.9
Sun Pharmaceutical Industries Ltd.	-	-	-	-	2,688.1	949.1	-	-	-	-	-	-	-	-	2,688.1	949.1
Alkaloids Chemical Company Zrt.	-	-	-	-	-	-	-	0.6	-	-	-	-	-	-	-	0.6
Sun Pharmaceutical Industries	-	-	-	-	-	-	-	-	-	92.2	-	-	-	-	-	92.2
Purchase of Fixed Assets	-	-	-	-	0.1	-	1.6	-	-	-	-	-	-	-	1.7	-
Sun Pharmaceutical Industries Ltd.	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	0.1	-
Caraco Pharmaceutical Laboratories Ltd.	-	-	-	-	-	-	1.6	-	-	-	-	-	-	-	1.6	-
Receiving of Services	-	-	-	-	536.1	273.6	31.4	-	-	2.7	412.7	63.9	-	-	980.2	340.2
Sun Pharmaceutical Industries Ltd.	-	-	-	-	536.1	273.6	-	-	-	-	-	-	-	-	536.1	273.6
Sun Pharmaceutical Industries	-	-	-	-	-	-	-	-	-	2.7	-	-	-	-	-	2.7
Sun Pharma Advanced Research Co. Ltd.	-	-	-	-	-	-	-	-	-	-	412.7	63.9	-	-	412.7	63.9
Caraco Pharmaceutical Laboratories Ltd.	-	-	-	-	-	-	12.4	-	-	-	-	-	-	-	12.4	-
Taro Pharmaceutical Industries Ltd.	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	0.1	-
Aditya Acquisition Company Ltd.	-	-	-	-	-	-	18.9	-	-	-	-	-	-	-	18.9	-
Reimbursement of Expenses	-	-	-	-	-	1.3	-	1.1	-	-	-	-	-	-	-	2.4
Sun Pharmaceutical Industries Ltd.	-	-	-	-	-	1.3	-	-	-	-	-	-	-	-	-	1.3
Caraco Pharmaceutical Laboratories Ltd.	-	-	-	-	-	-	-	1.1	-	-	-	-	-	-	-	1.1

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Particulars	Key Management Personnel		Wholly Owned Subsidiary		Holding Company		Fellow Subsidiary		Enterprises under common control of Holding Company		Enterprise under significant Influence of Key Management Personnel or their relatives		Controlled Entity		TOTAL	
	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13
Sale of Goods	-	-	-	-	1,725.5	1,049.2	708.7	308.2	-	63.9	0.4	0.3	-	-	2,434.6	1,421.6
Sun Pharmaceutical Industries Ltd.	-	-	-	-	1,725.5	1,049.2	-	-	-	-	-	-	-	-	1,725.5	1,049.2
Caraco Pharmaceutical Laboratories Ltd.	-	-	-	-	-	-	708.7	308.2	-	-	-	-	-	-	708.7	308.2
Sun Pharma Sikkim	-	-	-	-	-	-	-	-	-	50.0	-	-	-	-	-	50.0
Sun Pharmaceutical Industries	-	-	-	-	-	-	-	-	-	13.9	-	-	-	-	-	13.9
Sun Pharma Advanced Research Co. Ltd.	-	-	-	-	-	-	-	-	-	-	0.4	0.3	-	-	0.4	0.3
Interest Income	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	0.0
Sun Pharma Sikkim	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	0.0
Sun Pharmaceutical Industries	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	0.0
Remuneration received from Partnership Firms	-	-	-	-	-	-	-	-	-	248.8	-	-	-	-	-	248.8
Sun Pharma Sikkim	-	-	-	-	-	-	-	-	-	139.2	-	-	-	-	-	139.2
Sun Pharmaceutical Industries	-	-	-	-	-	-	-	-	-	109.6	-	-	-	-	-	109.6
Share of profit from Partnership Firms	-	-	-	-	-	-	-	-	-	3,091.4	-	-	-	-	-	3,091.4
Sun Pharma Sikkim	-	-	-	-	-	-	-	-	-	1,486.0	-	-	-	-	-	1,486.0
Sun Pharmaceutical Industries	-	-	-	-	-	-	-	-	-	1,605.4	-	-	-	-	-	1,605.4
Sale of Fixed Assets	-	-	-	-	3.9	25.4	-	-	-	-	-	-	-	-	3.9	25.4
Sun Pharmaceutical Industries Ltd.	-	-	-	-	3.9	25.4	-	-	-	-	-	-	-	-	3.9	25.4
Issue of Equity share capital	-	-	-	-	-	0.4	-	-	-	-	-	-	-	-	-	0.4
Sun Pharmaceutical Industries Ltd.	-	-	-	-	-	0.4	-	-	-	-	-	-	-	-	-	0.4
Redemption of Preference share capital	-	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	0.0
Sun Pharmaceutical Industries Ltd.	-	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	0.0
Investment - Capital Contribution	-	-	-	-	-	-	-	-	-	502.0	-	-	2,420.4	-	2,420.4	502.0
Sun Pharma Sikkim	-	-	-	-	-	-	-	-	-	251.0	-	-	-	-	-	251.0
Sun Pharmaceutical Industries	-	-	-	-	-	-	-	-	-	251.0	-	-	-	-	-	251.0
Silvestreet Developers LPP	-	-	-	-	-	-	-	-	-	-	-	-	2,420.4	-	2,420.4	-
Loans Received	-	-	-	-	-	508.2	-	-	-	-	-	-	-	-	-	508.2
Sun Pharmaceutical Industries Ltd.	-	-	-	-	-	508.2	-	-	-	-	-	-	-	-	-	508.2
Loans Repaid	-	-	-	-	-	505.4	-	-	-	-	-	-	-	-	-	505.4
Sun Pharmaceutical Industries Ltd.	-	-	-	-	-	505.4	-	-	-	-	-	-	-	-	-	505.4
Rendering of Services	-	-	-	-	57.9	-	125.3	29.9	-	-	-	-	-	-	183.2	29.9
Sun Pharma Global (FZE)	-	-	-	-	-	-	125.3	29.9	-	-	-	-	-	-	125.3	29.9
Sun Pharmaceutical Industries Ltd.	-	-	-	-	57.9	-	-	-	-	-	-	-	-	-	57.9	-
Rent Paid	-	-	0.3	0.2	13.4	1.5	-	-	-	-	-	-	-	-	13.7	1.7
Sun Pharmaceutical Industries Ltd.	-	-	-	-	13.4	1.5	-	-	-	-	-	-	-	-	13.4	1.5
Universal Enterprises Pvt. Ltd.	-	-	0.3	0.2	-	-	-	-	-	-	-	-	-	-	0.3	0.2
Director's Remuneration	20.0	-	-	-	-	-	-	-	-	-	-	-	-	-	20.0	-
Mr. Abhay A Gandhi	20.0	-	-	-	-	-	-	-	-	-	-	-	-	-	20.0	-
Outstanding Counter Guarantee by others	-	-	-	-	-	600.0	-	-	-	-	-	-	-	-	-	600.0
Sun Pharmaceutical Industries Ltd.	-	-	-	-	-	600.0	-	-	-	-	-	-	-	-	-	600.0



Particulars	Key Management Personnel		Wholly Owned Subsidiary		Holding Company		Fellow Subsidiary		Enterprises under common control of Holding Company		Enterprise under significant Influence of Key Management Personnel or their relatives		Controlled Entity		TOTAL	
	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13	31-03-14	31-03-13
Outstanding Balance Receivables / Payable (Net) as on	(6.1)	-	(4.9)	(4.9)	1,514.3	(2,019.4)	259.1	167.0	-	-	(85.5)	(24.4)	-	-	1,676.9	(1,881.7)
Sun Pharmaceutical Industries Ltd.	-	-	-	-	1,514.3	(2,019.4)	-	-	-	-	-	-	-	-	1,514.3	(2,019.4)
Faststone Mercantile Company Private Ltd.	-	-	-	-	-	-	-	(8.4)	-	-	-	-	-	-	-	(8.4)
Realstone Multitrade Private Ltd.	-	-	-	-	-	-	-	(8.4)	-	-	-	-	-	-	-	(8.4)
Softdeal Trading Company Private Ltd.	-	-	-	-	-	-	-	(8.4)	-	-	-	-	-	-	-	(8.4)
Skisen Labs Private Ltd.	-	-	-	-	-	-	-	(8.4)	-	-	-	-	-	-	-	(8.4)
Neetnav Real Estate Private Ltd.	-	-	-	-	-	-	(5.8)	-	-	-	-	-	-	-	(5.8)	-
Aditya Acquisition Company Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.9)	(4.9)
Universal Enterprises Pvt. Ltd.	-	-	(4.9)	(4.9)	-	-	-	-	-	-	-	-	-	-	(6.1)	-
Mr. Abhay A Gandhi	(6.1)	-	-	-	-	-	-	-	-	-	(85.5)	(24.4)	-	-	(85.5)	(24.4)
Sun Pharma Advanced Research Co. Ltd.	-	-	-	-	-	-	(0.1)	-	-	-	-	-	-	-	(0.1)	-
Taro Pharmaceutical Industries Ltd	-	-	-	-	-	-	203.1	181.6	-	-	-	-	-	-	203.1	181.6
Caraco Pharmaceutical Laboratories Ltd.	-	-	-	-	-	-	61.9	27.4	-	-	-	-	-	-	61.9	27.4
Sun Pharma Global FZE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

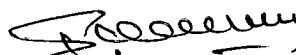


Sun Pharma Laboratories Limited

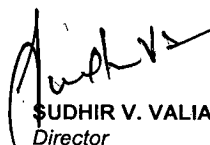
STATEMENT PURSUANT TO SECTION 212 OF COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Sr	Name of the Subsidiary	: Universal Enterprises Private Limited
1	Financial year/period of the Subsidiary Company ended on	: 31st March, 2014
2	Shares in the Subsidiary held by the Holding Company by as at the above date	
(a)	Number of Shares	: 4,50,000 Equity Shares of Rs.10/- each fully paid up
(b)	Extent of Holding	: 100%
3	Net aggregate amount of profit/(loss) of the Subsidiary Company so far as they concern the members of the Holding Company and-	
(a)	Not dealt within the Holding Company's account for the year ended 31st March, 2014	
(i)	For the Subsidiary's financial year ended as aforesaid	: ₹ 26,388
(ii)	For the previous financial years of the Subsidiary since it became the Holding Company's Subsidiary	: ₹ 255,744
(b)	Dealt within the Holding Company's accounts for the year ended 31st March, 2014	
(i)	For the Subsidiary's financial year ended as aforesaid	: Nil
(ii)	For the previous financial years of the Subsidiary since it became the Holding Company's Subsidiary	: Nil
4	(a) Changes in the Interest of the Holding Company between the end of the financial year of the Subsidiary and 31st March, 2014	: Not Applicable
(b)	Material changes occurred between the end of the financial year of the Subsidiary and 31st March, 2014	: Not Applicable

FOR AND ON BEHALF OF THE BOARD



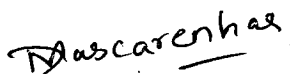
DILIP S. SHANGHVI
Director



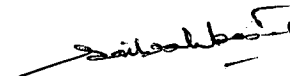
SUDHIR V. VALIA
Director



ABHAY GANDHI
Chief Executive Officer



DIVYA MASCARENHAS
Company Secretary
Mumbai, 29th May, 2014



SAILESH T. DESAI
Director



UNIVERSAL ENTERPRISES PRIVATE LIMITED

DIRECTORS' REPORT

To,
The Members of,
UNIVERSAL ENTERPRISES PRIVATE LIMITED,

Your Directors present the 20th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

Net Profit for the year ended 31st March, 2014 after providing all expenses and taxes amounted to Rs. 26,388 /-

OPERATIONS

During the period under review, the Company has paid lease rent for leasehold premises and has earned income by way of rent income from letting out leasehold premises.

DIVIDEND

To conserve the resources of the Company, your Directors do not recommend any dividend (Previous Year - NIL) for the year.

AUDITORS

The retiring auditors, M/s. Valia & Timbadia, Chartered Accountants, Mumbai have informed the Company that they do not wish to seek re-appointment as Auditors of the Company at the forthcoming Annual General Meeting. There is a proposal to appoint M/s. Messrs. S. H. Bathiya & Associates, Chartered Accountants, Mumbai, having ICAI registration no. 101046W, as Statutory Auditors of the Company in place of the retiring M/s. Valia & Timbadia, Chartered Accountants, Mumbai. The Board of Directors would like to thank M/s. Valia & Timbadia, Chartered Accountants the outgoing Auditors, for their services rendered to the Company during their long association as Statutory Auditors.

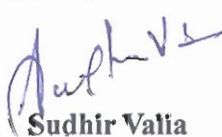
ACKNOWLEDGMENTS:

Your Directors wish to thank all employees, bankers and business associates for their continued support and valuable cooperation.

For and on behalf of the Board of Directors,



Sailesh Desai
Director



Sudhir Valia
Director

Place: Mumbai
Date: 11th April, 2014

**UNIVERSAL ENTERPRISES PVT LTD
P S ROAD
GANGTOK
EAST SIKKIM**

**STATEMENT OF ACCOUNTS
01-04-2013- TO 31-03-2014**

**VALIA & TIMBADIA
CHARTERED ACCOUNTANTS
ROOM NO 32, 3rd FLOOR
TRINITY CHAMBERS
117. BORO BAZAR STREET
FORT, MUMBAI 400001
TEL:22699664.**

VALIA & TIMBADIA
CHARTERED ACCOUNTANTS

ARVIND P. VALIA

B.COM. (Hons.), F.C.A.

HITEN C. TIMBADIA

B.COM. L.L.B. (GEN), F.C.A.

Tel: Off: 2269 2624 / 2269 9664

Resi: 2409 5981 / 2409 6420

Fax: 2264 1937

E-mail: valtim@bom5.vsnl.net.in

Room No. 32, 3rd Floor,

Trinity Chambers,

117, Bora Bazar Street, Fort,

Mumbai - 400 001.

AUDITORS REPORT TO THE MEMBERS OF UNIVERSAL ENTERPRISES PVT. LTD.

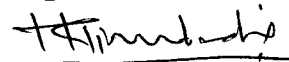
We have audited the annexed Balance Sheet of M/s. UNIVERSAL ENTERPRISES PVT. LTD., P. S. ROAD, GANGTOK, EAST SIKKIM, as at 31st March, 2014 and the Profit & Loss Account for the year ended on that date as annexed thereto and report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of accounts have been kept by the company so far as appears from our examination of these books.
3. The Balance Sheet and the Profit & Loss Account dealt with this report are in agreement with the books of accounts as produced before to us.
4. In our opinion and to the best of our informations and according to the explanations given to us, the accounts read together with Notes thereon, give a true and fair view:
 - i. In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2014.
 - and
 - ii. In the case of the Profit & Loss Account of the Profit for year ended on that date.

PLACE : MUMBAI

DATE : 11th April, 2014

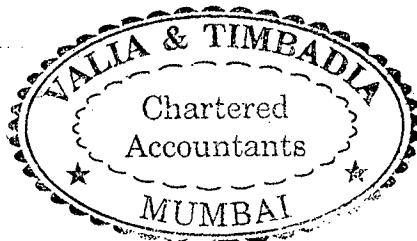
FOR VALIA & TIMBADIA
(CHARTERED ACCOUNTANTS)
(Firm Registration No 112241W)



(HITEN C. TIMBADIA)

PARTNER

MEMBERSHIP NO. 038429



UNIVERSAL ENTERPRISES PRIVATE LIMITED

BALANCE SHEET AS AT 31st March-2014

Particulars	Note No.	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees	As at 31st March, 2013 Rupees
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	1	4,500,000	4,500,000	
Reserves and Surplus	2	810,995	784,607	5,284,607
Current Liabilities				
Trade Payables	3	11,236	11,236	
Short-term Provisions	4	35,745	23,907	35,143
TOTAL		5,357,976	5,319,750	
ASSETS				
Non-current Assets				
FIXED ASSETS				
FURNITURE			3,050	3,588
CURRENT ASSETS				
Trade Receivables	5	4,927,697	4,927,697	
Cash and Bank Balance	6	128,896	120,132	
Short-term Loans and Advances	7	298,333	268,333	5,316,162
TOTAL		5,357,976	5,319,750	

Refer accompanying notes forming part of the Financial Statements

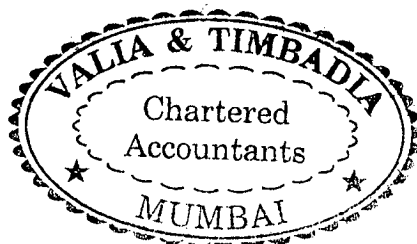
In terms of our report attached

For and on behalf of the Board of Directors

For VALIA & TIMBADIA
Chartered Accountants

Hiten C. Timbadia
(HITEN C. TIMBADIA)

PARTNER
MEMBERSHIP NO 038429
Mumbai, 11th April, 2014



Sudhir V. Valia
SUDHIR V. VALIA
Wholetime Director

Sailesh T. Desai
SAILESH T. DESAI
Wholetime Director
Mumbai, 11th April, 2014

UNIVERSAL ENTERPRISES PRIVATE LIMITED

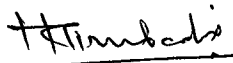
STATEMENT OF PROFIT AND LOSS FOR THE Year ENDED 31st March.2014.

Particulars	Note No.	Year ended 31st March, 2014		Year ended 31st March, 2013	
		Rupees		Rupees	Rupees
REVENUE					
Other Income			<u>300,000</u>		<u>300,000</u>
Total Revenue			<u>300,000</u>		<u>300,000</u>
EXPENSES					
Depreciation, Amortisation and Impairment Expense		538		633	
Other Expenses	8	<u>261,236</u>	<u>261,774</u>	<u>261,442</u>	<u>262,075</u>
Total Expenses			<u>261,774</u>		<u>262,075</u>
Profit Before Tax			38,226		37,925
Tax Expense:					
Current Tax			<u>11,838</u>		<u>11,760</u>
Profit After Tax for the Year			<u>26,388</u>		<u>26,165</u>
Earnings per Share			0.05		0.05
Basic and Diluted (Rs.) Face Value per Equity share - Rs.10/-					

Refer accompanying notes forming part of the Financial Statements

In terms of our report attached


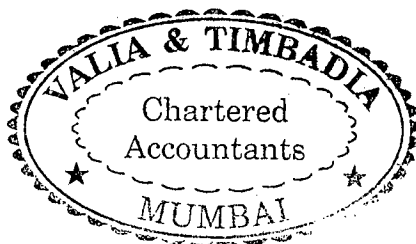
For and on behalf of the Board of Directors

For VALIA & TIMBADIA
Chartered Accountants

(HITEN C TIMBADIA)

PARTNER

MEMBERSHIP NO 038429

Mumbai, 11th April, 2014
SUDHIR V. VALIA
Wholetime Director
SAILESH T. DESAI

Wholetime Director

Mumbai, 11th April, 2014

UNIVERSAL ENTERPRISES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2014		As at 31st March, 2013											
	Rupees	Rupees	Rupees	Rupees										
1 SHARE CAPITAL														
Authorised	Number of Equity Shares	Rupees	Number of Equity Shares	Rupees										
Equity Shares of Rs.10 each	2,000,000	20,000,000	2,000,000	20,000,000										
	<u>2,000,000</u>	<u>20,000,000</u>	<u>2,000,000</u>	<u>20,000,000</u>										
Issued, Subscribed and Fully Paid Up														
Equity Shares of Rs.10 each	450,000	45,00,000	450,000	45,00,000										
	<u>450,000</u>	<u>45,00,000</u>	<u>450,000</u>	<u>45,00,000</u>										
Disclosure :														
1. All the Equity Share carry equal rights and obligations including for Dividend & with respect to voting.														
2. Total 300,000 Equity Shares were issued for consideration other than cash in earlier Year.														
3. Details of shareholders holding more than 5% Shares														
<table border="1"> <thead> <tr> <th>NAME</th><th>No of Shares</th><th>%</th><th>No of Shares</th><th>%</th></tr> </thead> <tbody> <tr> <td>Sun Pharma Laboratories Ltd</td><td>450,000</td><td>100</td><td>450,000</td><td>100</td></tr> </tbody> </table>					NAME	No of Shares	%	No of Shares	%	Sun Pharma Laboratories Ltd	450,000	100	450,000	100
NAME	No of Shares	%	No of Shares	%										
Sun Pharma Laboratories Ltd	450,000	100	450,000	100										
2 Reserves and Surplus														
Surplus / Deficit in statement of profit & Loss														
Opening balance		784,607		728,442										
Add : Excess Provision of Sikkim Income Tax Transferred		-		30,000										
Add : Profit for the Year		<u>26,388</u>		<u>26,165</u>										
Closing Balance		<u>810,995</u>		<u>784,607</u>										
3 Trades Payable														
Others for Services- (VALIA & TIMBADIA)		<u>11,236</u>		<u>11,236</u>										
		<u>11,236</u>		<u>11,236</u>										
4 Short-term Provisions														
Provision for Income Tax		<u>35,745</u>		<u>23,907</u>										
		<u>35,745</u>		<u>23,907</u>										
5 Trade Receivables														
(Unsecured – Considered Good unless stated otherwise)														
Over Six Months														
Considered Good		<u>4,927,697</u>		<u>4,927,697</u>										
		<u>4,927,697</u>		<u>4,927,697</u>										

UNIVERSAL ENTERPRISES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Rupees	Rupees	Rupees	Rupees
6 Cash and Cash Equivalents				
Balance with Banks				
In Current Account		<u>128,896</u>		<u>120,132</u>
		<u>128,896</u>		<u>120,132</u>
7 Short-term Loans and Advances				
(Unsecured – Considered Good unless stated otherwise)				
Prepaid Expenses		208,333		208,333
Advance Income Tax		<u>90,000</u>		<u>60,000</u>
		<u>298,333</u>		<u>268,333</u>
8 Other Expenses				
Lease Rent	250,000		250,000	
Payable to Auditors				
Audit Fees	<u>11,236</u>	<u>261,236</u>	<u>11,442</u>	<u>261,442</u>
		<u>261,236</u>		<u>261,442</u>

UNIVERSAL ENTERPRISES PVT. LTD.
P. S. ROAD , GANGTOK. EAST SIKKIM.

**SIGNIFICANT ACCOUNTING POLICES AND NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

1. 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.

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 as 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 are stated at historical cost (net of cenvat credit) less accumulated depreciation / amortisation thereon and impairment losses, if any.

iv. Depreciation

Depreciation on Fixed Assets is provided on written down value method at the rate Specified in schedule XIV of The Companies Act, 1956.

v. Provision for Current Tax

Provision for taxes is made after taking in to consideration benefits & admissible deduction under the provision of the Income Tax Act 1961.

2) The Audit has been conducted in terms of the Memorandum and Articles of Association of the Company incorporated under the Regn. of Companies Act (SIKKIM) 1961.

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

Sun Pharmaceutical Industries Ltd - Holding Company
Sun Pharma Laboratories Ltd - Fellow Subsidiary
Company.

Year ended	Year ended
31 st March - 2014	31st march-2013

RENT INCOME

SUN PHARMA LABORATORIES LTD

Rs	Rs
300000	300000

Receivable

SUN PHARMA LABORATORIES LTD

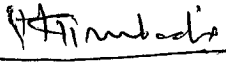
4927697	4927697
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4) ACCOUNTING STANDARD (AS-20) ON EARNING PER SHARE

	Year ended 31st march.2014	Year ended 31st march.2013
Profit After Tax used as numerator for calculating earning per share	26388	26165
Weighted Average number of Share s used in computing basic and diluted earnings per share	450000	450000
Nominal value per share rs	10	10
Basic and diluted earnings per share rs	0.05	0.05

5) Previous year's figures are regrouped and reclassified to confirm to current classifications.

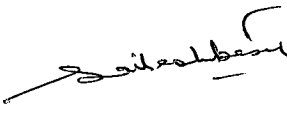
FOR VALIA & TIMBADIA
(CHARTERED ACCOUNTANTS)


(HITEN C. TIMBADIA)
PARTNER
MEMBERSHIP NO. 038429

PLACE : MUMBAI
DATE : 11th APRIL, 2014

FOR AND ON BEHALF OF THE BOARD


(SUDHIR V VALIA)
DIRECTOR


(SAILESH T DESAI)
DIRECTOR

