

Board's Report

Your Directors take pleasure in presenting the Twenty-Seventh Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2019.

Financial Results

	(₹ in Million)			
	Standalone		Consolidated	
	Year ended March 31, 2019	Year ended March 31, 2018*	Year ended March 31, 2019	Year ended March 31, 2018#
Revenue from operations	103,032.1	90,062.5	290,659.1	264,894.6
Profit before exceptional item and tax	19,338.3	12,307.5	50,245.8	44,294.8
Exceptional Item	12,143.8	9,505.0	12,143.8	9,505.0
Profit before tax but after exceptional item	7,194.5	2,802.5	38,102.0	34,789.8
Tax expense:				
- Current Tax	15.5	20.2	8,039.6	6,628.0
- Deferred Tax Charge / (Credit)	(987.0)	(274.1)	(2,030.8)	(62.1)
- Deferred tax charge / (Credit) - exceptional	-	-	-	2,544.5
Profit after tax	8,166.0	3,056.4	32,093.2	25,679.4
Profit after Tax but before Share in profit / (loss) of associates / joint ventures	-	-	32,093.2	25,679.4
Share of (loss) of associates / joint ventures [Net]	-	-	(14.6)	(254.4)
Profit for the year before non-controlling interests	-	-	32,078.6	25,425.0
Non-controlling interests	-	-	5,424.4	4,468.0
Profit for the year attributable to owners of the Company	-	-	26,654.2	20,957.0
Total other Comprehensive Income	1,837.4	566.9	16,799.9	5,232.5
Total Comprehensive Income for the year attributable to:	10,003.4	3,623.3	48,878.5	30,657.5
- Owners of the Company	10,003.4	3,623.3	42,054.1	25,711.8
- Non-Controlling Interest	-	-	6,824.4	4,945.7
Opening balance in Retained Earnings	120,370.0	124,860.0	319,777.0	309,250.9
Additions:				
Amount available for appropriation	8,273.3	3,490.8	26,804.4	21,464.7
Less: Appropriations				
Dividend on Equity Shares	4,791.6	7,977.4	4,791.6	7,977.4
Dividend Distribution Tax	5.6	3.4	984.9	1,624.0
Transfer to various Reserves:				
- Capital redemption Reserve	-	-	-	-
- Debenture redemption Reserve	-	-	(1,250.0)	(833.4)
- Capital reserve	-	-	-	-
- Buy-back of equity shares by overseas subsidiaries	-	-	2,013.1	2,168.1
- Adjustment on account of Ind AS 115	-	-	6,493.0	-
- Legal reserve	-	-	203.9	2.5
- General reserve	-	-	43.0	-
Closing balance in Retained Earnings	123,846.1	120,370.0	333,301.9	319,777.0

*Refer Note 56(11) of Standalone Financial Statements

#Refer Note 66 of Consolidated Financial Statements

Dividend

Your Directors have recommended a dividend of ₹2.75 (Rupees two and paise seventy five only) per equity share of ₹1/- each [previous year ₹2.00/- per equity share of ₹1/- each] for the year ended March 31, 2019, subject to the approval of the equity shareholders at the ensuing 27th Annual General Meeting of the Company.

The dividend payout is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is provided as 'Annexure - A' to this Report. The policy is also available on the website of the Company and can be accessed through the web link: <http://www.sunpharma.com/policies>.

Changes in Capital Structure

During the year under review, the Company has allotted 11790 equity shares of ₹1/- each under Sun Employee Stock Option Scheme - 2015 thereby the paid up share capital of the Company increased to ₹2,399,334,970/- (Rupees Two Billion Three Hundred Ninety Nine Million Three Hundred Thirty Four Thousand Nine Hundred Seventy only) as on March 31, 2019.

Scheme of Arrangements

1. During the year, the Hon'ble National Company Law Tribunal of Gujarat at Ahmedabad had vide its Order dated October 31, 2018 sanctioned the Scheme of Arrangement among the Company and Sun Pharma Global FZE ("Transferor Company"), a wholly owned subsidiary of the Company and their respective members and creditors ("Scheme") whereby the Specified Undertaking (as defined in the Scheme) of Transferor Company stands demerged into the Company w.e.f. December 01, 2018 with appointed date being April 01, 2017. No consideration was paid pursuant to the Scheme.
2. During the year, the Board of Directors at its meeting held on May 25, 2018 had approved a Composite Scheme of Arrangement among the Company and Sun Pharma (Netherlands) B.V. (Transferee Company-1) and Sun Pharmaceutical Holdings USA Inc. (Transferee Company-2), wholly owned subsidiaries of the Company and their respective members and creditors ("Composite Scheme"), for demerger of Specified Investment Undertaking -1 (as defined in the Composite Scheme) of the Company into Sun Pharma (Netherlands) B.V. and Specified Investment Undertaking -2 (as defined in the Composite Scheme) of the Company into Sun Pharmaceutical Holdings USA Inc. The Hon'ble National Company Law Tribunal of Gujarat, at Ahmedabad ("NCLT") has vide its Order dated April 11, 2019 dispensed with convening of meeting of secured creditors of the Company and ordered to convene the meeting of equity shareholders and unsecured creditors of the Company on June 04, 2019 to approve the Composite Scheme with appointed date as April 01, 2017 or such other date as may be agreed between the Transferee Company-1, Transferee Company-2 and the Company and approved by the NCLT. Pursuant to said Composite Scheme, no consideration shall be paid. This demerger shall enable the Company to address the risks and policies, ability to strategise the remaining business for long term growth, consolidation and creation of shareholder value, etc.

Extract of Annual Return

The extract of Annual Return as required under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in form MGT-9 is provided as 'Annexure - B' to this Report and is also made available on the website of the Company at <https://www.sunpharma.com/investors/annualreports>.

Subsidiaries/ Joint Ventures/ Associate Companies

The statement containing the salient features of the Financial Statements of the Company's subsidiaries/ joint ventures/ associate companies is given in Form AOC - 1, provided in Notes to the Consolidated Financial Statements, forming part of the Annual Report.

The highlights of performance of subsidiaries, joint ventures and associate companies and their contribution to the overall performance of the Company during the financial year is given under 'Annexure A' to the Consolidated Financial Statements forming part of the Annual Report.

Details pertaining to companies that became subsidiaries/ joint ventures/associates and those that ceased to be the subsidiaries / joint ventures/associates of the Company during the year are provided in Note no. 39 of the Notes to the Consolidated Financial Statements, forming part of the Annual Report.

Directors and Key Managerial Personnel

Mr. Sailesh T. Desai and Mr. Kalyanasundaram Subramanian, Whole-time Directors of the Company retire by rotation at the ensuing 27th Annual General Meeting of the Company and being eligible offer themselves for reappointment.

During the year, Mr. Gautam Doshi was appointed as an Additional Independent Director of the Company with effect from May 25, 2018. Mr. Vivek Chaand Sehgal and Mr. Gautam Doshi have been appointed as Independent Directors of the Company for a term of 5 (five) years each effective from November 14, 2017 and May 25, 2018 upto November 13, 2022 and May 24, 2023 respectively by the members at the 26th Annual General Meeting of the Company held on September 26, 2018.

Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the consent of the members by way of Special Resolution, was obtained at the 26th Annual General Meeting of the Company for continuation as Director beyond the age of seventy five years, of Mr. Israel Makov, Non-Executive Director and the Chairman of the Company, as he had attained an age of 79 years.

Mr. S. Mohanchand Dadha, Mr. Keki Mistry and Mr. Ashwin Dani, Independent Directors having completed second term of 2 (two) years of their respective appointments on the conclusion of the 26th Annual General Meeting of the Company, all the three aforementioned Independent Directors retired and ceased to be Directors of the Company w.e.f. the conclusion of the 26th Annual General Meeting of the Company held on September 26, 2018. The Board of Directors places on record their appreciation for contribution made by Mr. S. Mohanchand Dadha, Mr. Keki Mistry and Mr. Ashwin Dani during their tenure as Independent Directors of the Company.

Mr. Sudhir V. Valia has stepped down from the position of Whole-time Director of the Company w.e.f. May 29, 2019. However, he shall continue as a Non-Executive and Non-Independent Director of the Company.

Appropriate resolutions for the re-appointment of the Directors are being placed for your approval at the ensuing 27th Annual General Meeting. Your Directors recommend the same for approval by the members at the ensuing 27th Annual General Meeting of the Company.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Act and under Listing Regulations.

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the Act and Listing Regulations and are independent of the management.

Remuneration Policy for Directors, Key Managerial Personnel and Other Employees and Criteria for Appointment of Directors

For the purpose of selection of any Director, the Nomination and Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfils such criteria with regard to qualifications, positive attributes, independence, age and other criteria as laid down under the Act, Listing Regulations or other applicable laws. The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors, Key Managerial Personnel and other Employees.

The salient features of the Remuneration Policy of the Company are as under:

- (A) Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge & skill required including complexity of his job, work duration and risks associated with the work, and attitude of the employee like positive outlook, team work, loyalty etc.
- (B) Components of Remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.
 - a) Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
 - b) Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.

- c) Share based payments: The Board may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
 - d) Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance / credit facility, rent free accommodation, Company cars with or without chauffer, share and share price related incentive, reimbursement of electricity and telephone bills etc.
 - e) Gratuity/group insurance: Personnel may also be awarded to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel.
 - f) Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.
- C) Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows

Designation / Class	To be determined by
Director	Board of Directors on the recommendation of the Nomination and Remuneration Committee within the limits approved by the shareholders
Key Managerial Personnel and Senior Management	Board of Directors on recommendation of the Nomination and Remuneration Committee
Other employees	Human Resources Head

Note: For the purpose of this Policy, the term 'Senior Management' shall have the same meaning as defined under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

The complete Policy as approved by the Board is available on the website of the Company and can be accessed through the web link: <http://www.sunpharma.com/policies>.

Familiarisation programme for the Independent Directors

In compliance with the requirements of Regulation 25(7) of the Listing Regulations, the Company has put in place a Familiarisation Programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarisation Programme conducted are available on the website of the Company www.sunpharma.com and can be accessed through the web link: <http://www.sunpharma.com/policies>.

Number of meetings of the Board

The Board of Directors of the Company met 5 (Five) times during the year under review on May 25, 2018; August 14, 2018; September 26, 2018; November 13, 2018 and February 12, 2019. The particulars of attendance of the Directors at the said meetings are provided in detail in the Corporate Governance Report, which forms a part of this Report. The intervening gap between the meetings was within the period prescribed under the Act and Listing Regulations.

Evaluation of performance of the Board, its Committees and Individual Directors

During the year, the evaluation of the annual performance of individual Directors including the Chairman of the Company and Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act, relevant Rules, and the Corporate Governance requirements as prescribed under Regulation 17 of Listing Regulations and based on the circular issued by SEBI dated January 5, 2017 with respect to Guidance Note on Board Evaluation. The Nomination and Remuneration Committee had approved the criteria for the performance evaluation of the Board, its Committees and individual Directors as per the SEBI Guidance Note on Board Evaluation.

The Chairman of the Company interacted with each Director individually, for evaluation of performance of the individual Directors. The evaluation for the performance of the Board as a whole and of the Committees were conducted by way of questionnaires.

In a separate meeting of Independent Directors, performance of Non Independent Directors and performance of the Board as a whole was evaluated. Further, they also evaluated the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as structure and diversity of the Board, competency of Directors, experience of Director, strategy and performance evaluation, secretarial support, evaluation of risk, evaluation of performance of the management and feedback, independence of the management from the Board etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as mandate and composition, effectiveness of the committee, structure of the committee and meetings, independence of the committee from the Board and contribution to decisions of the Board. The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as qualification, experience, knowledge and competency, fulfilment of functions, availability and attendance, initiative, integrity, contribution and commitment etc., and the Independent Directors were additionally evaluated on the basis of independence, independent views and judgement etc. Further the evaluation of Chairman of the Board, in addition to the above criteria for individual

Directors, also included evaluation based on effectiveness of leadership and ability to steer the meetings, impartiality, etc.

The Chairman and other members of the Board discussed upon the performance evaluation of every Director of the Company and concluded that they were satisfied with the overall performance of the Directors individually and that the Directors generally met their expectations of performance.

The summary of the feedback from the members were thereafter discussed in detail by the members. The respective Director, who was being evaluated, did not participate in the discussion on his/her performance evaluation and had exited the meeting for the said discussion. During the discussion in respect of performance of Mr. Dilip Shanghvi and Mr. Sudhir Valia, both Mr. Dilip Shanghvi and Mr. Sudhir Valia had exited the meeting.

The Chairman additionally interacted with each Director individually, for evaluation of performance of all Individual Directors and Mr. Dilip Shanghvi, along with other Directors had evaluated the performance of Mr. Israel Makov as the Chairman and as an Individual Director. They were satisfied with the overall performance of the Directors individually and that the Directors generally met their expectations of performance.

Human Resources

We have more than 32,000 talented employee base spread across multiple geographies in various sales offices, R&D centers, 40 + manufacturing locations, Regional offices and Corporate office. We believe our employees are pivotal to all the initiatives that drive us to realise our future plans. Human Resource agenda encourages high performance culture with focus on Employee safety & welfare, Employee development & Productivity. Your Directors would also like to take this opportunity to express their appreciation for the dedication and commitment of the employees of the Company and look forward to their continued contribution.

Information as per Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in 'Annexure - C' to this Report. Further, the information pertaining to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, pertaining to the names and other particulars of employees is available for inspection at the Registered office of the Company during business hours and pursuant to the second proviso to Section 136(1) of the Act, the Report and the accounts are being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary/Compliance Officer at Corporate office or Registered office address of the Company.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company strongly believes in providing a safe and harassment free workplace for each and every individual

working for the Company through various interventions and practices. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has arranged various interactive awareness workshops in this regard for the employees at the manufacturing sites, R & D set ups & corporate office during the year under review. The Company has submitted the Annual Returns to the local authorities, as required under the above mentioned Act.

During the financial year ended March 31, 2019, three complaints pertaining to sexual harassment were received and the same were resolved by the Company. There are no complaints pending as at the end of the financial year.

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Auditors

Statutory Auditors

S R B C & Co LLP, Chartered Accountants, (Firm's Regn. No. 324982E/ E300003), were appointed as the Statutory Auditors of the Company for a period of 5 (five) years at the 25th Annual General Meeting of the Company to hold office till the conclusion of the 30th Annual General Meeting of the Company.

The Auditor's Report for the financial year ended March 31, 2019, has been issued with an unmodified opinion, by the Statutory Auditors.

Secretarial Auditor

The Board had appointed KJB & Co. LLP, Practicing Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2019. The Secretarial Audit Report in the Form No. MR - 3 for the year is provided as 'Annexure - D' to this Report. The Secretarial Audit Report for the year does not contain any qualification, reservation or adverse remark.

Cost Auditor

The Board has appointed Messrs B M Sharma & Associates, Cost Accountants, Pune (Firm's Registration No. 100537) as Cost Auditor of the Company for conducting Cost Audit in respect of Bulk Drugs & Formulations of your Company for the financial year 2019-20.

The Company is required to maintain Cost Records as specified by the Central Government under Section 148(1) of the Act and accordingly, such accounts and records are made and maintained by the Company.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards as amended from time to time.

Loans, Guarantees & Investments

The particulars of loans, guarantees and investments have been disclosed in the Financial Statements.

Related Party Transactions

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

As required under Section 134(3)(h) of the Act, details of transactions entered with related parties under the Act exceeding ten percent of the annual consolidated turnover as per the last audited financial statements are given in Form AOC-2 provided as 'Annexure - E' to this Report.

Audit Committee Composition

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

Risk Management

The Board of Directors has constituted a Risk Management Committee which is entrusted with the responsibility of overseeing various strategic, operational and financial risks that the organisation faces, along with the adequacy of mitigation plans to address such risks. The Corporate Governance Report, which forms part of this report, contains the details of Risk Management Committee of the Company. There is an overarching Risk Management Policy in place has been reviewed and approved by the Board.

The Company has developed & implemented an integrated Enterprise Risk Management Framework through which it identifies monitors, mitigates & reports key risks that impacts its ability to meet the strategic objectives. The Company's ERM framework is based on the recommendations by the Committee of Sponsoring Organisations (COSO) to further the organisation's endeavor to strengthen ERM framework and processes using best practices. The ERM team engages with all Function heads to identify internal and external events that may have an adverse impact on the achievement of Company's objectives and periodically monitors changes in both internal and external environment leading to emergence of a new threat/risk. These risks are captured in the form of a risk register with all the relevant information such as risk description, root cause and any existing mitigation plans. The risk register is refreshed annually. Risks are categorised into Strategic, Financial, Operational, Compliance & Reputational. ERM risk assessments covering Company's various businesses and functions are a key input

for the annual internal audit program. During FY 2018-19, the ERM team focused on reviewing effectiveness of actions taken to mitigate certain business, cyber security and other operational risks.

Internal Financial Controls

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

Global Internal Audit

An independent and empowered Global Internal Audit Function (GIA) at the corporate level carries out risk-focused audits across all businesses (both in India and overseas), to ensure that business process controls are adequate and are functioning effectively. These audits include reviewing finance, operations, safeguarding of assets and compliance related controls. Areas requiring specialised knowledge are reviewed in partnership with external subject matter experts.

GIA's functioning is governed by the Audit Charter, duly approved by the Audit Committee of the Board, which stipulates matters contributing to the proper and effective conduct of audit. The audit processes are fully automated on a 'SunScience' tool which integrates audit, Internal Financial Controls (IFC) and Enterprise Risk Management (ERM) modules.

The Company's operating management closely monitors the internal control environment and ensures that the recommendations of GIA are effectively implemented. The Audit Committee of the Board monitors performance of GIA, periodically reviews key findings and provides strategic guidance.

Corporate Social Responsibility

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee and the meetings held are detailed in the Corporate Governance Report, forming part of this Report. The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee are available on the website of the Company and can be accessed through the web link: <http://www.sunpharma.com/policies>. The average net profit of the Company in the three immediately preceding financial years is negative, therefore the Company was not

required to spend on CSR activities during the year, however, the Company has voluntarily spent on CSR activities. The annual report on CSR activities containing details of voluntary expenditure incurred by the Company and brief details on the CSR activities are provided in 'Annexure - F' to this Report.

Public Deposits

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

Management Discussion and Analysis

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

Corporate Governance Report

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided as 'Annexure - G' to this Report.

Employees' Stock Option Schemes

The Company presently has only one Employees' Stock Option Scheme, which is inherited from erstwhile Ranbaxy Laboratories Limited ("Ranbaxy"). The scheme is through Direct Route and has been named as Sun Pharma Employee Stock Option Scheme - 2015. The scheme was adopted by the Company with certain amendments consequent upon merger of erstwhile Ranbaxy into the Company. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Disclosure with respect to the Employees' Stock Option Scheme in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is available on the Company's website and can be accessed at: <http://www.sunpharma.com/pdflist/all-documents>.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals

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

Whistle Blower Policy / Vigil Mechanism

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

Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Consolidated Accounts

The consolidated financial statements for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Credit Rating

ICRA Ltd. has reaffirmed the highest credit rating of '[ICRA] A1+'/'[ICRA] AAA(Stable)' for the bank facilities, long term/ short term borrowings and commercial paper programs of the Company.

Further, CRISIL Ltd. has also reaffirmed the highest credit rating of 'CRISIL A1+ and CRISIL AAA/Stable' for short term & long term bank facilities and commercial paper programs of the Company.

Business Responsibility Reporting

The Business Responsibility Report of the Company for the year ended March 31, 2019, forms part of the Annual Report and is also made available on the website of the Company at <http://www.sunpharma.com/pdflist/all-documents>.

Acknowledgements

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

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

Place: Mumbai
Date: May 28, 2019

Israel Makov
Chairman

DIVIDEND DISTRIBUTION POLICY

1. Objectives and Scope:

The Board of Directors (the "Board") of the Sun Pharmaceutical Industries Limited (the "Company") recognises the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend (including any interim dividend) to its equity shareholders and/ or retaining or plough back of its profits.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the equity shareholders. The Policy is not an 'alternative' but a 'Guide' to the decision of the Board for recommending dividend, which may be made after taking into consideration all the relevant circumstances enumerated hereunder and such other factors as may be decided as relevant by the Board.

While recommendation of Dividend shall be guided by this Policy, in extraordinary circumstances, the Board shall have complete liberty to recommend dividend in deviation to this policy, if so deemed necessary in the best interests of the Company and its stakeholders.

The Policy reflects the intent of the Company to reward its equity shareholders by sharing a portion of its profits after adjusting for accumulated losses, if any, and also retaining sufficient funds for future growth of the Company. The Company intends to pay, subject to the circumstances and factors enlisted hereon, dividend, which shall be consistent with the performance of the Company over the years.

Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management including the CFO, and other relevant factors.

The Policy shall not apply to:

- Determination and declaring dividend on preference shares, if any.

2. Relevant Regulations

The Securities and Exchange Board of India ("SEBI") vide its Notification dated July 08, 2016 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalisation calculated as on the 31st day of March of every year.

The Company, being one of the top five hundred listed Companies in India on the basis of market capitalisation, requires to comply with the requirements of Regulation 43A.

3. Effective Date

The Policy shall become effective from the date of its adoption by the Board i.e. November 10, 2016.

4. Category of Dividends

The Board of Directors shall have the power to recommend final dividend to the equity shareholders for their approval in the Annual General Meeting of the Company. Subject to compliance with the provisions of Companies Act, 2013 including the Rules made thereunder and other relevant regulations, if any, the Board of Directors shall also have the absolute power to declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared, as and when they consider it fit in compliance with Companies Act, 2013 and other relevant regulations. Interim Dividend may be paid in order to supplement the annual dividend or in exceptional circumstances.

5. Payment of Dividend from Reserves

Dividend shall normally be declared from the profit earned by the Company during the relevant financial year after adjusting for accumulated losses & unabsorbed depreciation, if any and out of the carried forward profits not transferred to any reserves. However, under special circumstances, Dividend may be declared out of the accumulated profits earned by it in previous years and transferred by it to the free reserves, subject to compliance with the requirements of the relevant provisions of the Companies Act, 2013 including the Rules made thereunder.

6. Circumstances to be Considered While Determining Dividend Pay-Out

The Board shall consider the circumstances provided below before determination of any dividend payout after analysing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the stakeholders and the business requirements of the Company.

- **Accumulated Losses, if any**

The profits earned by the Company during any financial year shall be first utilised to set off the accumulated losses/ unabsorbed depreciation, if any of the Company from the previous financial years.

- **Operating cash flow of the Company**
The Board will consider the impact of proposed dividend on the operating cash flow of the Company and shall satisfy itself of its adequacy before taking a decision on whether to declare dividend or retain its profits.
- **Transfer to Reserves and other Statutory Requirements**
The Board shall examine the implication of relevant statutory requirements including payment of Dividend Distribution Tax, transfer of a certain portion of profits to Reserves etc., if applicable, on the financials of the Company at the time of taking decision with regard to dividend declaration or retention of profit.
- **Covenants with lenders/ Debenture Trustees, if any**
The decision of dividend pay-out shall also be subject to compliance with covenants contained in any agreement entered into by the Company with the Lenders/ Debenture Trustee's, from time to time, if any.
- **Prudential & Strategic requirements**
The Board shall analyse the ongoing and prospective projects and strategic decisions including need for replacement of capital assets, expansion and modernisation etc., before recommending Dividend Pay-out for any financial year with an object to build a healthy reserve of retained earnings to augment long term strength and to build a pool of internally generated funds to provide long-term resources as well as resource-raising potential for the Company.
- **Expectations of major stakeholders, including small shareholders**
The Board, while considering the decision of dividend pay-out or retention of a certain amount or entire profits and/or out of the accumulated profits of the Company, shall, as far as possible, consider the expectations of the major stakeholders including the small shareholders of the Company who generally expect a regular dividend payout.

7. The Financial Parameters that shall be considered while declaring/ recommending Dividend

In addition to the circumstances covered under point 6 above, the Board shall, inter alia, consider the following financial parameters, while taking decisions of a dividend payout during a particular year-

- **Return on invested capital**
The efficiency with which the Company uses its capital will impact the decision of dividend declaration.
- **Magnitude of earnings of the Company**
Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.
- **Cost of borrowings**
The Board will analyse the requirement of necessary funds considering the long term or short term projects proposed to be undertaken by the Company and

the viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or plough back its own funds.

- **Obligations to creditors**
The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. The decision of dividend declaration shall be taken after considering the volume of such obligations and time period of repayment.
- **Adequacy of profits**
If during any financial year, the Board determines that the profits of the Company are inadequate on standalone basis and/or consolidated basis, the Board may decide not to declare dividends for that financial year.
- **Post dividend Earning Per Share (EPS)**
The post dividend EPS can have strong impact on the funds of the Company, thus, impacting the overall operations on day-today basis and therefore, affects the profits and can impact the decision for dividend declaration during a particular year.

8. Factors that may affect Dividend Payout

● Internal Factors

Product/ Project expansion plan

The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall have to be considered by the Board before taking dividend decision.

General Working capital requirement

In addition to the above, the general working capital requirements within the Company will also impact the decision of dividend declaration.

Past performance/ reputation of the Company

The trend of the performance/ reputation of the Company that has been during the past years determine the expectation of the shareholders.

● External Factors

Macroeconomic conditions

Considering the state of economy in the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, during uncertain or recessionary economic and business conditions, the Board may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

Capital Market

When the markets are favourable, dividend pay-out can be liberal. However, in case of unfavorable Capital market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory Restrictions

The Board will keep in mind any restrictions on payment of dividends by virtue of any regulation or loan covenant, as may be applicable to the Company at the time of declaration of dividend.

Tax implications

Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend shall have bearing on the quantum of Dividend declared by the Company.

9. Range of Dividend Pay-Out

The Company is committed to deliver sustainable value to all its stakeholders. The Company strives to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the equity shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board shall have absolute discretion to determine & recommend appropriate Dividend pay-out for the relevant financial year.

10. Manner of Utilisation of Retained Earnings

The Board may retain its earnings in order to make better utilisation of the available funds and increase the

value of the stakeholders in the long run. The retained earnings of the Company may, inter alia, be utilised for the following purposes:

- To meet the working capital/ business needs of the Company
- To fund the project expansion plans of the Company
- To fund the research expenditures of ongoing research projects specifically those in the advanced development stages
- Towards replacement/ up-gradation /modernisation of equipment's & plants
- Towards investment in long term/ short term strategic joint ventures &/or partnerships and/or subsidiary companies
- To fund new acquisitions & investments
- Towards diversification of business
- Such other manner as the Board may deem fit from time to time

11. Review and Amendment

The Board may review and amend or modify this policy in whole or in part, at any time.

Annexure - B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN	L24230GJ1993PLC019050
ii)	Registration Date	March 01, 1993
iii)	Name of the Company	Sun Pharmaceutical Industries Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered Office and Contact details	SPARC, Tandalja, Vadodara 390012, Gujarat Tel No: +91 0265 6615500
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186270

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to Total turnover of the company
1	Pharmaceuticals	210	100

III. Particulars of Holding, Subsidiary and Associate Companies as on March 31, 2019

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	2 Independence Way LLC	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
2.	3 Skyline LLC	USA	Not Applicable	Subsidiary	76.54	2(87)(ii)
3.	Aditya Acquisition Company Ltd.	Israel	Not Applicable	Subsidiary	100.00	2(87)(ii)
4.	Alkaloida Chemical Company Zrt.	Hungary	Not Applicable	Subsidiary	99.99	2(87)(ii)
5.	AO Ranbaxy	Russia	Not Applicable	Subsidiary	100.00	2(87)(ii)
6.	Basics GmbH	Germany	Not Applicable	Subsidiary	100.00	2(87)(ii)
7.	Caraco Pharmaceuticals Private Limited	India	U24100MH2012FTC225970	Subsidiary	100.00	2(87)(ii)
8.	Chattem Chemicals Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
9.	Dungan Mutual Associates, LLC	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
10.	Dusa Pharmaceuticals, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
11.	Faststone Mercantile Company Private Limited	India	U51900MH2006PTC159266	Subsidiary	100.00	2(87)(ii)
12.	Foundation for Disease Elimination and Control of India	India	U85190MH2016NPL286097	Subsidiary	100.00	2(87)(ii)
13.	Green Eco Development Centre Limited	India	U90009GJ2010PLC062892	Subsidiary	100.00	2(87)(ii)
14.	Insite Vision Incorporated	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
15.	JSC Biosintez	Russia	Not Applicable	Subsidiary	96.96	2(87)(ii)
16.	Kakayu Co., Ltd.	Japan	Not Applicable	Subsidiary	100.00	2(87)(ii)
17.	Laboratorios Ranbaxy S.L.U.	Spain	Not Applicable	Subsidiary	100.00	2(87)(ii)
18.	Morley & Company, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
19.	Mutual Pharmaceutical Company Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
20.	Neetnav Real Estate Private Limited	India	U45200MH2010PTC201611	Subsidiary	100.00	2(87)(ii)
21.	Office Pharmaceutique Industriel Et Hospitalier	France	Not Applicable	Subsidiary	100.00	2(87)(ii)
22.	Ohm Laboratories Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
23.	One Commerce Drive LLC	USA	Not Applicable	Subsidiary	76.54	2(87)(ii)
24.	OOO "Sun Pharmaceutical Industries" Limited	Russia	Not Applicable	Subsidiary	100.00	2(87)(ii)
25.	Pharmalucence, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
26.	PI Real Estate Ventures, LLC	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
27.	Pola Pharma Inc.	Japan	Not Applicable	Subsidiary	100.00	2(87)(ii)
28.	Ranbaxy South Africa (Pty) Ltd.	South Africa	Not Applicable	Subsidiary	100.00	2(87)(ii)
29.	Ranbaxy (Malaysia) SDN. BHD.	Malaysia	Not Applicable	Subsidiary	95.67	2(87)(ii)
30.	Ranbaxy (Poland) SP. Z.O.O.	Poland	Not Applicable	Subsidiary	100.00	2(87)(ii)
31.	Ranbaxy (Thailand) Co., Ltd.	Thailand	Not Applicable	Subsidiary	100.00	2(87)(ii)
32.	Ranbaxy (U.K.) Limited	UK	Not Applicable	Subsidiary	100.00	2(87)(ii)
33.	Ranbaxy Farmaceutica Ltda.	Brazil	Not Applicable	Subsidiary	100.00	2(87)(ii)
34.	Ranbaxy Holdings (U.K.) Limited	UK	Not Applicable	Subsidiary	100.00	2(87)(ii)
35.	Ranbaxy Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
36.	Ranbaxy Ireland Limited	Ireland	Not Applicable	Subsidiary	100.00	2(87)(ii)
37.	Ranbaxy Italia S.P.A.	Italy	Not Applicable	Subsidiary	100.00	2(87)(ii)
38.	Ranbaxy Nigeria Limited	Nigeria	Not Applicable	Subsidiary	86.16	2(87)(ii)
39.	Ranbaxy Pharmaceuticals (Pty) Ltd.	South Africa	Not Applicable	Subsidiary	100.00	2(87)(ii)
40.	"Ranbaxy Pharmaceuticals Ukraine" LLC	Ukraine	Not Applicable	Subsidiary	100.00	2(87)(ii)
41.	Ranbaxy Pharmacie Generiques	France	Not Applicable	Subsidiary	100.00	2(87)(ii)
42.	Ranbaxy Signature LLC	USA	Not Applicable	Subsidiary	67.50	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
43.	Realstone Multitrade Private Limited	India	U51900MH2006PTC158889	Subsidiary	100.00	2(87)(ii)
44.	Rexcel Egypt LLC	Egypt	Not Applicable	Subsidiary	100.00	2(87)(ii)
45.	Terapia SA	Romania	Not Applicable	Subsidiary	96.81	2(87)(ii)
46.	Skisen Labs Private Limited	India	U73100MH2005PTC150606	Subsidiary	100.00	2(87)(ii)
47.	Softdeal Trading Company Private Limited	India	U51900MH2006PTC159237	Subsidiary	100.00	2(87)(ii)
48.	Sonke Pharmaceuticals Proprietary Limited	South Africa	Not Applicable	Subsidiary	70.00	2(87)(ii)
49.	SPIL De Mexico S.A. DE C.V.	Mexico	Not Applicable	Subsidiary	100.00	2(87)(ii)
50.	Sun Farmaceutica do Brasil Ltda.	Brazil	Not Applicable	Subsidiary	100.00	2(87)(ii)
51.	Sun Global Canada Pty. Ltd.	Canada	Not Applicable	Subsidiary	100.00	2(87)(ii)
52.	Sun Global Development FZE	UAE	Not Applicable	Subsidiary	100.00	2(87)(ii)
53.	Sun Laboratories FZE	UAE	Not Applicable	Subsidiary	100.00	2(87)(ii)
54.	Sun Pharma Laboratories Limited	India	U25200MH1997PLC240268	Subsidiary	100.00	2(87)(ii)
55.	Sun Pharma (Netherlands) B.V. [Formerly known as Ranbaxy (Netherlands) B.V.]	Netherlands	Not Applicable	Subsidiary	100.00	2(87)(ii)
56.	Sun Pharma ANZ Pty Ltd	Australia	Not Applicable	Subsidiary	100.00	2(87)(ii)
57.	Sun Pharma Canada Inc. (Formerly known as Ranbaxy Pharmaceuticals Canada Inc.)	Canada	Not Applicable	Subsidiary	100.00	2(87)(ii)
58.	Sun Pharma DE Mexico S.A. DE C.V.	Mexico	Not Applicable	Subsidiary	75.00	2(87)(ii)
59.	Sun Pharma DE Venezuela, C.A.	Venezuela	Not Applicable	Subsidiary	100.00	2(87)(ii)
60.	Sun Pharma Distributors Limited	India	U51909MH2019PLC322778	Subsidiary	100.00	2(87)(ii)
61.	Sun Pharma East Africa Limited	Kenya	Not Applicable	Subsidiary	100.00	2(87)(ii)
62.	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	Egypt	Not Applicable	Subsidiary	100.00	2(87)(ii)
63.	Sun Pharma Global FZE	UAE	Not Applicable	Subsidiary	100.00	2(87)(ii)
64.	Sun Pharma Healthcare FZE	UAE	Not Applicable	Subsidiary	100.00	2(87)(ii)
65.	Sun Pharma Holdings	Mauritius	Not Applicable	Subsidiary	100.00	2(87)(ii)
66.	Sun Pharma Japan Ltd.	Japan	Not Applicable	Subsidiary	100.00	2(87)(ii)
67.	Sun Pharma Philippines, Inc.	Philippines	Not Applicable	Subsidiary	100.00	2(87)(ii)
68.	Sun Pharma Switzerland Ltd.	Switzerland	Not Applicable	Subsidiary	100.00	2(87)(ii)
69.	Sun Pharmaceutical Industries, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
70.	Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	Not Applicable	Subsidiary	72.50	2(87)(ii)
71.	Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	Not Applicable	Subsidiary	100.00	2(87)(ii)
72.	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	Not Applicable	Subsidiary	100.00	2(87)(ii)
73.	Sun Pharmaceutical Industries S.A.C.	Peru	Not Applicable	Subsidiary	100.00	2(87)(ii)
74.	Sun Pharmaceutical Medicare Limited	India	U36900GJ2017PLC095132	Subsidiary	100.00	2(87)(ii)
75.	Sun Pharmaceutical Peru S.A.C.	Peru	Not Applicable	Subsidiary	99.33	2(87)(ii)
76.	Sun Pharmaceuticals Holdings USA, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
77.	Sun Pharmaceuticals SA (Pty) Ltd.	South Africa	Not Applicable	Subsidiary	100.00	2(87)(ii)
78.	Sun Pharmaceuticals France	France	Not Applicable	Subsidiary	100.00	2(87)(ii)
79.	Sun Pharmaceuticals Germany GmbH	Germany	Not Applicable	Subsidiary	100.00	2(87)(ii)
80.	Sun Pharmaceuticals Korea Ltd.	South Korea	Not Applicable	Subsidiary	100.00	2(87)(ii)
81.	Sun Pharmaceuticals Morocco LLC	Morocco	Not Applicable	Subsidiary	100.00	2(87)(ii)
82.	Taro International Ltd.	Israel	Not Applicable	Subsidiary	76.54	2(87)(ii)
83.	Taro Pharmaceutical Industries Ltd.	Israel	Not Applicable	Subsidiary	76.54	2(87)(ii)
84.	Taro Pharmaceutical Laboratories Inc.	USA	Not Applicable	Subsidiary	76.54	2(87)(ii)
85.	Taro Pharmaceuticals Europe B.V.	Netherlands	Not Applicable	Subsidiary	76.54	2(87)(ii)
86.	Taro Pharmaceuticals Inc.	Canada	Not Applicable	Subsidiary	76.54	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
87.	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	Not Applicable	Subsidiary	76.54	2(87)(ii)
88.	Taro Pharmaceuticals U.S.A., Inc.	USA	Not Applicable	Subsidiary	76.54	2(87)(ii)
89.	The Taro Development Corporation	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
90.	Universal Enterprises Private Limited	India	Not Applicable	Subsidiary	100.00	2(87)(ii)
91.	URL PharmPro, LLC	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
92.	Zenotech Farmaceutica Do Brasil Ltda	Brazil	Not Applicable	Subsidiary	38.21	2(87)(ii)
93.	Zenotech Inc	USA	Not Applicable	Subsidiary	57.56	2(87)(ii)
94.	Zenotech Laboratories Limited	India	L27100AP1989PLC010122	Subsidiary	57.56	2(87)(ii)
95.	Zenotech Laboratories Nigeria Limited	Nigeria	Not Applicable	Subsidiary	57.50	2(87)(ii)
96.	ALPS LLC	USA	Not Applicable	Associate	19.99	2(6)
97.	Artes Biotechnology GmbH	Germany	Not Applicable	Associate	45.00	2(6)
98.	Composite Power Generation LLP	India	Not Applicable	Associate	36.90	2(6)
99.	Dr. Py Institute LLC	USA	Not Applicable	Associate	19.99	2(6)
100.	Generic Solar Power LLP	India	Not Applicable	Associate	28.76	2(6)
101.	HRE II LLC	USA	Not Applicable	Associate	19.99	2(6)
102.	HRE III LLC	USA	Not Applicable	Associate	19.99	2(6)
103.	HRE LLC	USA	Not Applicable	Associate	19.99	2(6)
104.	Intact Pharmaceuticals LLC	USA	Not Applicable	Associate	19.99	2(6)
105.	Intact Media LLC (Formerly Intact Skin Care LLC)	USA	Not Applicable	Associate	19.99	2(6)
106.	Medinstill Development LLC	USA	Not Applicable	Associate	19.99	2(6)
107.	Medinstill LLC	USA	Not Applicable	Associate	19.99	2(6)
108.	Trumpcard Advisors and Finvest LLP	India	Not Applicable	Associate	40.61	2(6)
109.	Vento Power Generation LLP	India	Not Applicable	Associate	40.55	2(6)
110.	Vintage Power Generation LLP	India	Not Applicable	Associate	39.41	2(6)
111.	Tarsius Pharma Ltd.	Israel	Not Applicable	Associate	18.33	2(6)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity as on March 31, 2019)

(i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS*									
1) Indian									
a) Individual / HUF	293200513	0	293200513	12.22	293200513	0	293200513	12.22	0.00
b) Central Government / State Government	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	1010366094	12000	1010378094	42.11	1010366094	12000	1010378094	42.11	0.00
d) Financial Institutions / Bank	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (Trusts)	1276774	0	1276774	0.05	1276774	0	1276774	0.05	0.00
Sub-total (A)(1):-	1304843381	12000	1304855381	54.38	1304843381	12000	1304855381	54.38	0.00
2) Foreign									
a) Individuals (NRIs)	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Financial Institutions / Bank	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter* (A)=(A)(1)+(A)(2)	1304843381	12000	1304855381	54.38	1304843381	12000	1304855381	54.38	0.00

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	192509489	2500782	195010271	8.13	223325669	9342	223335011	9.31	1.18
b) Financial Institutions /Bank	22412015	3798	22415813	0.93	21068879	2293	21071172	0.88	-0.06
c) Central Government / State Government	0	0	0	0.00	2820	0	2820	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	168094940	0	168094940	7.01	166138398	0	166138398	6.92	-0.08
f) FIs	3788557	17943	3806500	0.16	677802	15248	693050	0.03	-0.13
g) Foreign Venture Capital	0	0	0	0.00	0	0	0	0.00	0.00
h) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (specify) Foreign Portfolio Investor (Corporate)	387782873	0	387782873	16.16	372261678	0.00	372261678	15.52	-0.65
Foreign Bank	1504	23918	25422	0.00	8928	23789	32717	0.00	0.00
UTI	2235590	1380	2236970	0.09	3626731	1380	3628111	0.15	0.06
Alternate Investment Funds	1546565	0	1546565	0.06	1212911	0	1212911	0.05	-0.01
Sub-total (B)(1):-	778371533	2547821	780919354	32.55	788323816	52052	788375868	32.86	0.31
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	102919063	153917	103072980	4.30	89415662	151840	89567502	3.73	-0.57
ii) Overseas	46000	0	46000	0.00	46000	0	46000	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹1 Lakh	138287020	9952424	148239444	6.18	139147990	8528636	147676626	6.15	-0.02
ii) Individual Shareholders holding nominal share capital in excess of ₹1 Lakh	27181865	125000	27306865	1.14	28686116	288000	28974116	1.21	0.07
c) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
d) Others (specify)									
i) Non Resident Indians(Repat)	4545204	331885	4877089	0.20	5427442	279740	5707182	0.24	0.03
ii) Non Resident Indians(Non Repat)	2565549	0	2565549	0.11	3161429	0	3161429	0.13	0.02
iii) Foreign Companies	671865	0	671865	0.03	276965	0	276965	0.01	-0.02
iv) Clearing Member	2695586	0	2695586	0.11	2938110	0	2938110	0.12	0.01
v) Other Directors	3783394	0	3783394	0.16	3746747	0	3746747	0.16	0.00
vi) Trusts	15374984	0	15374984	0.64	17502708	0	17502708	0.73	0.09
vii) Foreign Nationals	21040	0	21040	0.00	24636	0	24636	0.00	0.00
viii) Hindu Undivided Family	4424397	0	4424397	0.18	5263150	0	5263150	0.22	0.03
ix) IEPF	469252	0	469252	0.02	1218550	0	1218550	0.05	0.03
Sub-total (B)(2):-	302985219	10563226	313548445	13.07	296855505	9248216	306103721	12.76	-0.31
Total Public Shareholding (B)=(B)(1)+(B)(2)	1081356752	13111047	1094467799	45.62	1085179321	9300268	1094479589	45.62	0.00
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs									
Employee Benefit Trust under SEBI (Share based employee benefit) Regulations, 2014	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C)	2386200133	13123047	2399323180	100.00	2390022702	9312268	2399334970	100.00	0.00

*includes Promoter Group

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of shares	% of total Shares of the company	% of shares Pledged/ encumbered to total Shares	No. of shares	% of total Shares of the company	% of shares Pledged/ encumbered to total Shares	
1	Dilip S. Shanghvi	230285690	9.60	0	230285690	9.60	0	0.00

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

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year		
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company	
1.	Dilip S. Shanghvi	At the beginning of the year	230285690	9.60	230285690	9.60
	Increase / Decrease in Shareholding during the year	No Change during the year			230285690	9.60
	At the end of the year	230285690	9.60	230285690	9.60	

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the top 10 shareholders		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1.	Shanghvi Finance Private Limited	At the beginning of the year	282603	0.01	282603	0.01
	Increase / Decrease in Share holding [#]	October 23, 2018 [#] (Pursuant to merger)	959489975	39.99	959772578	40.00
		At the end of the year	959772578	40.00	959772578	40.00
2.	Life Insurance Corporation of India	At the beginning of the year	145302877	6.06	145302877	6.06
	Increase / Decrease in Share holding	Various dates during the year*	(4085319)	(0.17)	141217558	5.89
		At the end of the year	141217558	5.89	141217558	5.89
3.	ICICI Prudential Value Discovery Fund and various Fund Accounts	At the beginning of the year	72006776	3.00	72006776	3.00
	Increase / Decrease in Share holding	Various dates during the year*	10086458	0.42	82093234	3.42
		At the end of the year	82093234	3.42	82093234	3.42
4.	Aditya Medisales Limited	At the beginning of the year	40153960	1.67	40153960	1.67
		At the end of the year	40153960	1.67	40153960	1.67
5.	Raksha S. Valia	At the beginning of the year	33830352	1.41	33830352	1.41
		At the end of the year	33830352	1.41	33830352	1.41
6.	Government of Singapore	At the beginning of the year	31322421	1.31	31322421	1.31
	Increase / Decrease in Share holding	Various dates during the year*	1702560	0.07	33024981	1.38
		At the end of the year	33024981	1.38	33024981	1.38
7.	Lakshdeep Investments & Finance (P) Ltd.	At the beginning of the year	35124907	1.46	35124907	1.46
	Increase / Decrease in Share holding	Various dates during the year*	(3740000)	(0.15)	31384907	1.31
		At the end of the year	31384907	1.31	31384907	1.31
8.	Reliance Capital Trustee Co Ltd. A/C Reliance Large Cap Fund and various Fund Accounts	At the beginning of the year	16376928	0.68	16376928	0.68
	Increase / Decrease in Share holding	Various dates during the year*	14448920	0.60	30825848	1.28
		At the end of the year	30825848	1.28	30825848	1.28

Sr. No.	For Each of the top 10 shareholders		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
9.	Matthews Pacific Tiger Fund	At the beginning of the year	19254758	0.80	19254758	0.80
		Increase / Decrease in Share holding	5032051	0.21	24286809	1.01
		At the end of the year	24286809	1.01	24286809	1.01
10.	UTI - Nifty Exchange Traded Fund	At the beginning of the year	16627671	0.69	16627671	0.69
		Increase / Decrease in Share holding	3720108	0.16	20347779	0.85
		At the end of the year	20347779	0.85	20347779	0.85

Note: Shareholding has been consolidated on PAN basis.

Pursuant to Scheme of Amalgamation, Shanghvi Finance Private Limited ("SFPL"), which is a part of the Promoter Group of the Company, has w.e.f. 23.10.2018 acquired 95,94,89,975 Equity Shares of the Company representing 39.99% of the total paid-up equity share capital of the Company from 11 Transferor Companies namely 1) erstwhile Viditi Investment Private Limited; 2) erstwhile Tejaskiran Pharmachem Industries Private Limited; 3) erstwhile Quality Investment Private Limited; 4) erstwhile Family Investment Private Limited; 5) erstwhile Virtuous Share Investments Private Limited; 6) erstwhile Virtuous Finance Private Limited; 7) erstwhile Sholapur Organics Private Limited; 8) erstwhile Jeevanrekha Investrade Private Limited; 9) erstwhile Package Investrade Private Limited; 10) erstwhile Asawari Investment and Finance Private Limited; and 11) erstwhile Nirmat Exports Private Limited, which were forming part of the promoter group of the Company and were collectively holding the aforementioned equity shares of the Company.

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

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

Sr. No.	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative shareholding during the year		
			No. of shares	% of total shares of the company	No. of shares	% of total Shares of the company	
1.	Israel Makov	At the beginning of the year	0	0	0	0	
		At the end of the year	0	0	0	0	
2.	Dilip S. Shanghvi	At the beginning of the year	230285690	9.60	230285690	9.60	
		At the end of the year	230285690	9.60	230285690	9.60	
3.	Sudhir V. Valia	At the beginning of the year	14345019	0.60	14345019	0.60	
		At the end of the year	14345019	0.60	14345019	0.60	
4.	Sailesh T. Desai	At the beginning of the year [@]	3740747	0.16	3740747	0.16	
		Increase / Decrease in Share holding	October 05, 2018	(2000)	(0.00)	3738747	0.16
		At the end of the year [@]	3738747	0.16	3738747	0.16	
5.	Kalyanasundaram Subramanian	At the beginning of the year	0	0	0	0	
		Increase / Decrease in Share holding	Various dates during the year [§]	201	0.00	201	0.00
6.	S. Mohanchand Dadha*	At the end of the year	201	0.00	201	0.00	
		At the beginning of the year	0	0	0	0	
7.	Keki M. Mistry*	As on September 26, 2018	0	0	0	0	
		At the beginning of the year	43270	0.00	43270	0.00	
8.	Ashwin S. Dani*	As on September 26, 2018	43270	0.00	43270	0.00	
		At the beginning of the year	0	0	0	0	
9.	Rekha Sethi	As on September 26, 2018	0	0	0	0	
		At the beginning of the year	0	0	0	0	
10.	Vivek Chaand Sehgal	At the beginning of the year	0	0	0	0	
		At the end of the year	0	0	0	0	
11.	Gautam Doshi [#]	As on May 25, 2018	8000	0.00	8000	0.00	
		At the end of the year	8000	0.00	8000	0.00	

Sr. No.	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total Shares of the company
12.	CS Muralidharan	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
13.	Sunil Ajmera	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0

*Was Director upto September 26, 2018,

appointed as Director w.e.f. May 25, 2018,

© includes shares transferred as margin, if any

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits ⁽¹⁾	Total Indebtedness
(₹ in Million)				
Indebtedness at the beginning of the financial year				
i) Principal Amount	108.2	68,731.9	118.3	68,958.4
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due ⁽²⁾	9.1	40.0	-	49.1
Total (i+ii+iii)	117.3	68,771.9	118.3	69,007.5
Change in Indebtedness during the financial year				
Addition: Principal Amount ⁽³⁾	-	173,501.5	-	173,501.5
Reduction: Principal Amount ^{(3)/(4)}	-	177,975.2	20.9	177,996.1
Change: Addition / (Reduction) in Interest accrued but not Due	1.1	44.2	-	45.3
Net Change	1.1	(4,429.5)	(20.9)	(4,449.3)
Indebtedness at the end of the financial year				
i) Principal Amount	108.2	64,258.2	97.4	64,463.8
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due ⁽²⁾	10.2	84.2	-	94.4
Total (i+ii+iii)	118.4	64,342.4	97.40	64,558.2

Notes:

⁽¹⁾ Deposits are Security Deposits Received. The change during the year has been shown on net basis.

⁽²⁾ Interest accrued but not due on borrowings.

⁽³⁾ Change in the OD & WCDL limit under Working Capital Facility forming part of Unsecured loans, have been shown on net basis.

⁽⁴⁾ Ind AS adjustment in the outstanding as on March 31, 2019 of External Commercial Paper & Commercial papers are shown as reduction in principal amount.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration				(Amount in ₹)
		Mr. Dilip S. Shanghvi	Mr. Sudhir V. Valia	Mr. Sailesh T. Desai	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	1*	1*	11855400	11855402
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	262800	79200	371181	713181
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	262801	79201	12226581	12568583

Ceiling as per the Act: ₹499.9 Million (10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

*Remuneration of Mr. Dilip Shanghvi and Mr. Sudhir V. Valia is ₹1/- each for the financial year 2018-19 and the remaining amount of ₹262800 and ₹79200 respectively pertain to notional value of perquisite as per Income Tax Act.

B. Remuneration to other directors for the year ended March 31, 2019:

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount (1) to (7)	
		Mr. S Mohanchand Dadha*	Mr. Keki Mistry*	Mr. Ashwin Dani*	Ms. Rekha Sethi	Mr. Vivek Chaand Sehgal	Mr. Gautam Doshi		Mr. Israel Makov
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1. Independent									
	Fee for attending board / committee meetings	1000000	600000	200000	1500000	600000	1300000	-	5200000
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	1000000	600000	200000	1500000	600000	1300000	0	5200000
2. Other Non-Executive Directors									
	Fee for attending board / committee meetings	-	-	-	-	-	-	900000	900000
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	0	0	0	0	0	0	900000	900000
	Total (B) = (1+2)	1000000	600000	200000	1500000	600000	1300000	900000	6100000
	Ceiling as per the Act:	Not applicable since no commission was paid during the year. Sitting Fee is ₹1,00,000 for each meeting of the Board /Committee attended by the Director.							
Total Managerial Remuneration (A+B):									18668583

*For part of the year upto September 26, 2018

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(As per Form 16, on actual payment basis)

(₹ in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Sunil Ajmera (Company Secretary)	Mr. CS Muralidharan (Chief Financial Officer)	
1. Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	13.39	32.02	45.41
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	0.79	1.11
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2. Stock Option		-	-	-
3. Sweat Equity		-	-	-
4. Commission - as % of profit		-	-	-
5. Others, please specify		-	-	-
	Total	13.71	32.81	46.52

VII. Penalties / Punishment / Compounding of Offences Against Company, Directors and Other Officers in Default: NIL

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 28, 2019

Israel Makov
Chairman

Information required under Section 197 of the Act Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19:

Name of Director and Key Managerial Personnel	Designation	Ratio of remuneration ⁽¹⁾ of each Director to median remuneration of employees	Increase/ (decrease) in Remuneration ⁽¹⁾ in the Financial Year 2018-19
Directors:			
Mr. Israel Makov	Non-executive Chairman	1.87	0.0%
Mr. Dilip S. Shanghvi ⁽²⁾	Managing Director	0.55	-99.13%
Mr. Sudhir V. Valia ⁽²⁾	Whole-time Director	0.16	-99.74%
Mr. Sailesh T. Desai	Whole-time Director	25.44	-0.46%
Mr. Kalyanasundaram Subramanian ⁽³⁾	Whole-time Director	N.A	N.A
Mr. S. Mohanchand Dadha*	Non-executive Independent Director	2.08	-37.50%
Mr. Keki M. Mistry*	Non-executive Independent Director	1.25	-25.00%
Mr. Ashwin S. Dani*	Non-executive Independent Director	0.42	-71.43%
Ms. Rekha Sethi	Non-executive Independent Director	3.12	15.38%
Mr. Vivek Chaand Sehgal	Non-executive Independent Director	1.25	100.00%
Mr. Gautam Doshi**	Non-executive Independent Director	2.70	N.A
Key Managerial Personnel:			
Mr. C.S.Muralidharan	Chief Financial Officer	Not Applicable	Refer Note 1
Mr. Sunil Ajmera	Company Secretary	Not Applicable	2.25%

*Retired and ceased to be Directors w.e.f. September 26, 2018

**Appointed w.e.f. May 25, 2018

⁽¹⁾ Remuneration to Non-Executive Directors consists only of sitting fees and is based on the number of meetings attended during the year. No commission was paid to Non-Executive Directors for the year 2018-19.

⁽²⁾ Remuneration of Mr. Dilip Shanghvi and Mr. Sudhir V. Valia is ₹1/- each for the financial year 2018-19 and the remaining amount of ₹262800 and ₹79200 respectively pertain to notional value of perquisite as per Income Tax Act.

⁽³⁾ Mr. Kalyanasundaram Subramanian, Whole-time Director of the Company, does not receive any remuneration from the Company, however he is receiving remuneration from Sun Pharma Laboratories Limited (SPLL), the wholly owned subsidiary of the Company, where he is also Whole-time Director and Chief Executive Officer.

Note 1 - There was no increase in the overall remuneration as approved by the Board of Directors for the FY 2018-19. However, based on calculation of amounts as per Form 16 for the year 2017-18 (annualised, as he was for the part of the year in 2017-18) and for the year 2018-19, the increase amounts to 12.64%

- (ii) The percentage increase in the median remuneration of employees in the financial year 2018-19 (Median -2019/ Median 2018): 5.12%
- (iii) The number of permanent employees on the rolls of the Company as on March 31, 2019: 17501
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 9.77% and the average increase/(decrease) in the managerial personnel remuneration was (66.44)%.
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (All the details of remuneration given above are as per Form 16 as per Income Tax Act, and the ratios are calculated on that basis)

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 28, 2019

Israel Makov
Chairman

Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year ending March 31, 2019 was approximately

FORM NO. MR-3**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India ("SEBI") Act, 1992:
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **Not applicable to the Company for the year under review**;
 - f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not applicable to the Company for the year under review**;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable to the Company for the year under review**;
 - h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company**;
 - i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company for the year under review**;

We have also examined compliance with the applicable clauses of Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. On verification of minutes, we have not found any dissent/disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the respective plant heads of R&D centers, the Company has identified and complied with the following laws applicable to the Company:

- Drugs and Cosmetics Act, 1940 and rules made thereunder;
- Factories Act, 1948.

We further report that during the year under review:

- The Company had allotted 11,790 Equity Shares of ₹1/- each to eligible employees who have exercised their options under Sun Employees Stock Options Scheme – 2015;
- Undertaking of Sun Pharma Global FZE was demerged under Sections 230 to 232 and Section 234 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013 on 1st December 2018 (Effective date), the appointed date for the said demerger being 1st April 2017.

For KJB & CO LLP,

Practicing Company Secretaries

Alpeshkumar J. Panchal

Partner

Mem No. - 49008

C. P. No. - 20120

Date: May 28, 2019

Place: Mumbai.

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

ANNEXURE 1 TO SECRETARIAL AUDIT REPORT

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

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

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

For KJB & CO LLP,

Practicing Company Secretaries

Alpeshkumar J. Panchal

Partner

Mem No. - 49008

C. P. No. - 20120

Date: May 28, 2019

Place: Mumbai.

Annexure - E

AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 ("the Act") and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL**2. Details of material contracts or arrangement or transactions (i.e. exceeding ten percent of the annual consolidated turnover as per the last audited financial statements) at arm's length basis**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, as on March 31, 2019 if any:
1.	Sun Pharma Laboratories Limited (Wholly owned subsidiary)	Purchase of goods, property, plant & equipment, Revenue from contracts with customers, Sale of property, plant & equipment and investments, Dividend Income, Receiving and Rendering of Service, Reimbursement of expenses paid and expenses received, Loan taken and repaid, Interest on Loans repaid, Interest expense and Rent income	On-going	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the financial year 2018-19 was ₹46,141.8 Million	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable.	Nil
2.	Aditya Medisales Limited (Direct Subsidiary of Shanghvi Finance Private Limited w.e.f. October 23, 2018 where Mr. Dilip S. Shanghvi, Promoter and Managing Director of the Company alongwith his spouse holds 100% shares)	Revenue from contracts with customers, Rent Income and Interest Income	On-going	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the financial year 2018-19 was ₹31,418.1 Million	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, the shareholders' approval has been obtained at the 25th Annual General Meeting of the Company held on September 26, 2017.	Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 28, 2019

Israel Makov
Chairman

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2018-19

Details	Particulars
1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken	<p>The CSR policy of the Company encompasses its philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.</p> <p>The Company has identified health, education & livelihood, environment protection, water management and disaster relief as the areas where assistance is provided on a need-based and case-to-case basis. Your Company persisted with participation in such activities at the local, grass root level during the year.</p>
2. Reference to the web-link to the CSR policy and projects or programmes	The contents of CSR policy can be accessed through the web link http://www.sunpharma.com/policies and details on projects and programmes are forming part of this Annual Report
3. Composition of the CSR Committee	Mr. Dilip S. Shanghvi, Chairman, Mr. Sudhir V. Valia, Member and Ms. Rekha Sethi, Member
4. Average net profit of the Company for last three financial years	The average net profits of the Company for the last three financial years was negative.
5. Prescribed CSR Expenditure (two percent of the amount as in item 4 above)	Since, the average net profit of the Company for the last three financial years was negative, the Company was not required to spend on CSR activities during the previous year. However, the Company has voluntarily spent on CSR activities.
6. Details of CSR spend for the financial year:	
a) Total amount spent for the financial year	₹39.36 Million
b) Amount unspent, if any	Nil
c) Manner in which the amount spent during the Financial year	Details given below

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the State and District where projects or programs were undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the projects or programs (Direct Expenditure)	Overhead Expenditure	Cumulative expenditure upto to the reporting period	(₹ in Million)
								Amount spent Directly or through implementing agency
1	Mobile Medical Unit Programme	Healthcare under Item No.(i)	Ahmednagar (Ahmednagar, Maharashtra), Halol (Panchmahal, Gujarat), Mohali (SAS Nagar, Punjab), Toansa(SBS Nagar, Punjab), Paonta Sahib (Sirmour, Himachal Pradesh), Dewas (Dewas, Madhya Pradesh), Panoli(Bharuch, Gujarat), Ankleshwar(Bharuch, Gujarat), Karkhadi(Vadodara, Gujarat), Malanpur (Bhind, Madhya Pradesh) and Madurantakam (Kanchipuram, Tamilnadu)	31.60	20.84	0.77	91.02	Implementing Agency: 1. Help Age India 2. Sun Pharma Community Healthcare Society

(₹ in Million)

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the State and District where projects or programs were undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the projects or programs (Direct Expenditure)	Overhead Expenditure	Cumulative expenditure upto to the reporting period	Amount spent Directly or through implementing agency
2.	Education Programme	Education under Item No.(ii)	Karkhadi (Vadodara, Gujarat), Malanpur (Bhind, Madhya Pradesh), Ahmednagar (Ahmednagar, Maharashtra), Panoli (Bharuch, Gujarat), Madurantakam (Kanchipuram, Tamilnadu), Dewas (Dewas, Madhya Pradesh), Halol (Panchmahal, Gujarat), Silvassa (UT of Dadra & Nagar Haveli) and Toansa (SBS Nagar, Punjab)	6.76	5.41	0.04	10.76	Directly and Implementing Agency: SVADES
3.	Sanitation Programme	Healthcare under Item No.(i)	Ahmednagar (Ahmednagar, Maharashtra), Silvassa, (UT of Dadra & Nagar Haveli), Halol (Panchmahal, Gujarat), Panoli (Bharuch, Gujarat), Toansa (SBS Nagar, Punjab) and Madurantakam (Kanchipuram, Tamilnadu)	5.29	5.17	0.25	13.82	Directly and Implementing Agency: GVT-Dahod
4.	Environment Conservation Programme	Environment under Item No.(iv)	Panoli (Bharuch, Gujarat), Ahmednagar (Ahmednagar, Maharashtra), Paonta (Sirmour, Himachal Pradesh), Madurantakam (Kanchipuram, Tamilnadu) and Toansa (SBS Nagar, Punjab)	2.18	1.86	0.00	2.95	Directly
5.	Water Conservation - Pond Deepening Project	Rural Development Project under Item No. (x)	Halol (Panchmahal, Gujarat), Panoli (Bharuch, Gujarat), Ankleshwar (Bharuch, Gujarat) and Karkhadi (Vadodara, Gujarat)	2.10	1.62	0.00	1.62	Directly
6.	Rural Development Project	Rural Development under Item No. (x)	Dahej (Bharuch, Gujarat), Halol (Panchmahal, Gujarat), Panoli (Bharuch, Gujarat), Ahmednagar (Ahmednagar, Maharashtra), and Madurantakam (Kanchipuram, Tamilnadu)	1.70	1.53	0.00	4.51	Directly and implementing Agency: GVT-Dahod
7.	Disaster Relief Programme	Disaster Relief under Item No. (i)	Paonta (Sirmour, Himachal Pradesh) and Madurantakam (Kanchipuram, Tamilnadu)	1.01	1.01	0.00	1.22	Directly
8.	Drinking Water Project	Drinking Water under Item No. (i)	Toansa (SBS Nagar, Punjab) and Panoli (Bharuch, Gujarat)	0.45	0.45	0.02	0.62	Directly
9.	Healthcare Programme	Healthcare under Item No.(i)	Halol (Panchmahal, Gujarat) and Toansa (SBS Nagar, Punjab)	0.47	0.37	0.00	1.05	Directly
Grand Total					38.27	1.10	127.57	

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 28, 2019

Dilip S. Shanghvi
Chairman - CSR Committee and
Managing Director

Sudhir V. Valia
Member - CSR Committee and
Whole-Time Director

CSR ACTIVITIES

Sun Pharmaceutical Industries Limited ("Sun Pharma") has taken-up diversified need-based CSR Projects in rural areas lying in the vicinity of its plant locations and also in remote, unprivileged areas for sustainable development of people as a part of its Social Responsibilities.

Our main objective is to emphasise on social process, quality and ensuring the sustainability, hence our implementation approach is strategic in nature, is more inclined towards the sustainability of the projects, addressing community needs, focussing poorest of the poor, disadvantaged, BPL and weaker sections of society.

All our CSR endeavours originate from our all-around enunciated Corporate Social Responsibility (CSR) Policy and our CSR program aims to address the immediate and long term needs of the community and focus on where we can have the biggest impact. We regularly listen to subject matter experts and gather feedback from all stakeholders.

At Sun Pharma, our CSR programmes mainly focussed upon Health, Education, Sanitation, Drinking water, Environment Conservation, Rural Development and Disaster Relief, which are designed to improve the quality of life of the people.

Mobile Medical Unit Programme

Mobile Medical Unit (MMU) Programme has been designed to meet the primary health needs of the communities residing in rural areas. The main objective of this programme is to provide a range of health care services focused upon maternal and child healthcare for populations living in remote, inaccessible, un-served and underserved areas at the doorsteps of these communities. This programme also emphasises on reduction in Maternal and Infant Mortality rate, improving health of adolescent girls, Prevention and Control of Communicable and Non-communicable diseases, Awareness regarding HIV/AIDS within the community.

The Company has invested ₹21.61 Million in this programme during the FY 2018-19. There were 11 locations covered under this project and has served around 147,611 patients with Clinical Treatment, whereas 78,255 beneficiaries were also benefitted under Preventive and Promotive healthcare services.

Education Programme

Education programme includes various different activities such as Infrastructure Upgradation in Schools, Computer literacy programme for students, Model School development Project, Provision of potable drinking water for the students, distribution of stationary/books, etc. These projects were implemented by Sun Pharma in various different locations with an objective to provide quality education to the underserved and under-privileged children of the rural remote areas. The project has covered different schools from Gujarat, Maharashtra, M.P., Punjab, UT of Dadra & Nagar

Haveli and Tamilnadu and the same has benefitted more than 11,821 students with an investment of ₹5.45 Million during FY 2018-19.

Sanitation Programme

Household toilets are one of the most important aspects of sanitation. Company has constructed 216 individual household toilets for unprivileged communities based at Halol, Silvassa, Ahmednagar and Madurantakam locations with an objective to encourage better health for communities and improved quality of life amongst people living in rural areas. Apart from construction of Individual Household Toilets, Sun Pharma has also emphasised upon IEC (Information, Education and Communication) activities in various locations considering that construction of toilets is not sufficient if there is no proper awareness within the community regarding the use of toilets. Therefore, Company has carried out a Sanitation and Cleanliness drive across all project locations, which has benefitted the communities at large. The project was undertaken with an investment of ₹5.42 Million during the FY 2018-19 for the construction of individual household's toilets and its Sanitation and Cleanliness drive programme.

Environment Conservation Programme

The Company has continued this programme implemented towards environment protection and to create awareness within the community regarding the importance of environment conservation.

Some of the activities that were undertaken by the company are:

1. Roadside tree plantation
2. Distribution of saplings
3. Awareness generation programme within the community for the importance of tree plantation
4. Celebration of Environment Day in Schools

The Company has made an investment of ₹1.86 Million during the FY 2018-19 in various locations like Ahmednagar, Panoli, Toansa, Maduranthakam and Paonta which has benefitted communities at large.

Water Conservation – Pond Deepening Project

Water Conservation – Pond Deepening Project is an initiative undertaken by Sun Pharma as an alignment with flagship Scheme of Gujarat Government, titled as "Sujalam Sufalam Yojana" which focuses on water conservation during rainy season to increase the availability of water in rural areas where local villagers & communities are directly dependent upon local water bodies like ponds and ground water for their survival. This project was implemented in Ankleshwar, Halol, Karkhadi and Panoli with an investment of ₹1.62 Million during the FY 2018-19.

Rural Development Project

Rural Development projects were implemented to improve the lives of rural population in terms of access to facilities such as healthcare and education. The Company has undertaken various activities such as Installation of Solar lights in Abhetwa Village, Halol Taluka, Gujarat, Installation of Traffic Signal lights in Ahmednagar Taluka, Maharashtra, Construction of Community Kitchen Area in Dahej, Gujarat, Provision of LPG connection and Utensils in Anganbari Centers of rural areas of Madurantakam Taluka, Tamilnadu and Playground development at Panoli, Gujarat.

The company has fulfilled its social responsibility after addressing the needs of rural neighbouring communities in the vicinity of its operational manufacturing sites with an investment of ₹1.53 Million during the FY 2018-19 and has benefitted 4,132 villagers and other communities through this project.

Disaster Relief Programme

Sun Pharma supported the cause of immediate disaster relief for communities during the flood affected disaster that took place in Himachal Pradesh and Tamilnadu. The programme was taken-up with an investment of ₹1.01 Million during the FY 2018-19.

Drinking Water Project

Drinking Water Project was implemented in Toansa and Panoli with an aim to provide safe drinking water for neighbouring communities residing in vicinity of our plant areas.

This project was implemented with an investment of ₹0.47 Million for Community water Project at Bhadi Village, District Bharuch, Gujarat and for running deep bore well at village Toansa in Punjab. 125 Households were provided with clean and potable drinking water in upper and lower Toansa village, whereas in Panoli, this project aimed at benefitting around 2,831 villagers of Bhadi village with the help of WASMO.

Healthcare Programme

Under Healthcare programme, basic health services such as distribution of medicines, mega medical camp and maintenance of Subsidiary health center were undertaken at Toansa, Punjab, whereas the Company has installed medical equipment for Blood Bank development which is benefitting the community of Halol area at large. The project has benefitted more than 2,240 patients in Toansa and under this programme the company has invested ₹0.37 Million during the FY 2018-19.

Annexure - G**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014****A. Conservation of Energy****1. Steps taken or impact on Conservation of Energy**

- Hot water generation system for process is changed to plate heat exchangers from direct live steam heating.
- Conventional light fittings are replaced with LED lighting.
- Old natural cooling towers are replaced with forced draft cooling tower to improve the performance of utilities.
- Cooling tower centrifugal pumps are replaced with inline energy efficient pumps thereby the motor energy reduced by more than 50%.
- Usage of steam with long distribution piping for HVAC hot water demand is replaced by Heat pump.
- Steam condensate recovery is improved.
- Replaced reciprocating air compressor by energy efficient screw compressor.

- New motor procurement higher than 30 kW is done with energy efficient motor.
- Power factor is improved at various sites.
- Designed pump head is reviewed to meet the actual demand there by substantial saving on Power.
- Water Ring Vacuum pumps are replaced with Dry Vacuum Pumps.

2. Steps taken by the Company for utilising alternate sources of energy

In following factories biomass briquettes are used instead of conventional fuel (FO/HSD) - Ahmednagar, Panoli, Mohali, Silvassa, Dadra, Karkhadi, Dewas, MKM Chennai, Paonta Sahib. In MKM Chennai - Partially power is used from the wind mills. In Gurgaon Location - Partially power is used from rooftop solar.

3. Capital investment on energy conservation equipments

Capital investment of ₹91.1 Million is done on energy conservation equipments.

B. Technology Absorption

(A) Research and Development

Expenditure on R&D

	(₹ in Million)	
	Year ended March 31, 2019	Year ended March 31, 2018
Capital	590.9	1,591.0
Revenue	9,029.9	8,011.5
Total	9,620.8	9,602.5
Total R&D expenditure as % of Total Turnover	9.8%	10.9%

(B) Technology Absorption, Adaptation and Innovation

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

The Company continues to invest on R&D, both as revenue expenses as well as capital investments. Part of this spending is for developing complex products, specialty products, generic products, and API technologies that are complex and may require dedicated manufacturing blocks. Investments have been made in creating research sites, employing scientifically skilled and experienced manpower, adding equipment, sponsored research and in accessing world class consultants to continuously upgrade the research understanding of the scientific team in the technologies and therapy areas of our interest.

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

Process robustness has been implemented for wide range of products with the objective to reduce cost and increase in-process capability.

Novel compact dosage forms having differentiation with regards to improved stability and/or reduced pharmacokinetic variability have been developed for the Indian market. Stable liquid oral formulations of labile products are also being developed.

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

(a) Offers complete basket of products under chronic therapeutic classes. Many products are in the pipeline for future introduction in India, emerging markets, as well as US and European generic market. The company has developed an ability to challenge patents in the US market, and earn exclusivity.

(b) Not dependent on imported technology, can make high-end products available at competitive prices by using indigenously developed manufacturing processes and formulation technologies.

(c) Offers technologically advanced differentiated products which are convenient and safe for administration to patients.

(d) We are among the few selected companies that have set up completely integrated manufacturing capability for the production of anticancer, hormones, peptide, immunosuppressant and steroidal drugs.

(e) The Company has benefited from reduction in cost due to import substitution and increased revenue through higher exports.

(f) Clinical studies of some products (complex and difficult to formulate) have been carried out at our in-house clinical pharmacology units. This has helped to maintain R&D quality and regulatory compliance with significantly reduced cost.

3. Your company has not imported technology during the last 5 years reckoned from the beginning of the financial year.

C) Foreign Exchange Earnings and Outgo -

	(₹ in Million)	
	Year ended March 31, 2019	Year ended March 31, 2018
Earnings	66,025.4	51,402.9
Outgo	38,610.2	32,233.0

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 28, 2019

Israel Makov
Chairman

Corporate Governance

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time the Company submits the Corporate Governance Report for the year ended March 31, 2019.

1. Company's Philosophy on Code of Corporate Governance

Sun Pharmaceutical Industries Limited's philosophy envisages reaching people touching lives globally by following the core values of the Company viz Quality, Reliability, Consistency, Trust, Humility, Integrity, Passion and Innovation which are also a way of life

at the Company. These values form a base of the Corporate Governance practices of the Company. The Company ensures to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, consumers, 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 of Directors	Name of the Directors	Inter-se Relationship between Directors
Non-Promoter Non-Executive and Non-Independent Director	Mr. Israel Makov (Chairman)	-
Promoter Executive Director	Mr. Dilip S. Shanghvi (Managing Director)	Brother-in-law of Mr. Sudhir V. Valia
Non-Promoter Executive Directors	Mr. Sudhir V. Valia* (Whole-time Director)	Brother-in-law of Mr. Dilip S. Shanghvi
	Mr. Sailesh T. Desai (Whole-time Director)	-
	Mr. Kalyanasundaram Subramanian (Whole-time Director)	-
Non-Executive Independent Directors	Ms. Rekha Sethi	-
	Mr. Vivek Chaand Sehgal	-
	Mr. Gautam Doshi	-

*Mr. Sudhir Valia will step down from the position of Whole-time Director of the Company to Non-Executive Director of the Company, with effect from May 29, 2019. He shall continue as a Non-Promoter, Non-Executive and Non-Independent Director of the Company.

Number of Board meetings held during the year ended March 31, 2019 and the dates on which held:

Five Board meetings were held during the year. The dates on which the meetings were held during the year ended March 31, 2019 are as follows:

May 25, 2018; August 14, 2018; September 26, 2018; November 13, 2018 and February 12, 2019.

Number of Board meetings the Directors were entitled to attend, attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM), and number of other Directorships and Chairmanships/Memberships of Committee of each Director for the year under review, is given below:

Name of the Director	Attendance particulars for the year ended March 31, 2019			No. of other Directorships and Committee Memberships / Chairmanships as of March 31, 2019 ¹		
	Number of Board Meetings Entitled to attend	Number of Board Meetings attended	Last AGM held on September 26, 2018	Other Directorships	Committee Memberships ²	Committee Chairmanships ²
Mr. Israel Makov	5	5	Yes	-	-	-
Mr. Dilip S. Shanghvi	5	5	Yes	1	-	-
Mr. Sudhir V. Valia	5	4	No	4	3	1
Mr. Saitesh T. Desai	5	5	Yes	3	-	-
Mr. Kalyanasundaram Subramanian	5	5	Yes	2	-	-
Ms. Rekha Sethi	5	4	No	5	1	1
Mr. Vivek Chaand Sehgal ³	5	5	Yes	5	-	-
Mr. Gautam Doshi ³	5	5	Yes	4	4	1
Mr. S M Dadha ⁴	3	3	Yes	Not Applicable	Not Applicable	Not Applicable
Mr. Keki Mistry ⁴	3	2	No ⁵	Not Applicable	Not Applicable	Not Applicable
Mr. Ashwin Dani ⁴	3	1	No	Not Applicable	Not Applicable	Not Applicable

¹ The above number of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private Limited, Foreign and Section 8 Companies.

² The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Stakeholders' Relationship Committee only.

³ Mr. Gautam Doshi was appointed as an Additional Independent Director of the Company with effect from May 25, 2018. Mr. Vivek Chaand Sehgal and Mr. Gautam Doshi have been appointed as Independent Directors of the Company for a term of 5 (five) years each effective from November 14, 2017 and May 25, 2018 upto November 13, 2022 and May 24, 2023 respectively by the members at 26th AGM of the Company held on September 26, 2018.

⁴ Mr. S. Mohanchand Dadha, Mr. Keki Mistry and Mr. Ashwin Dani, who were Independent Directors of the Company, completed second term of 2 (two) years of their respective appointments on conclusion of the 26th AGM of the Company, consequently, all the three aforementioned Independent Directors retired and ceased to be Directors of the Company w.e.f. the conclusion of the 26th AGM of the Company held on September 26, 2018. Therefore, they were not Directors as on March 31, 2019.

⁵ Mr. Keki M. Mistry, Chairman of the Audit Committee and Nomination and Remuneration Committee could not attend the last 26th Annual General Meeting of the Company due to his prior commitments. However, he appointed Mr. S Mohanchand Dadha, member of the Audit Committee and Nomination & Remuneration Committee to answer to the shareholders' queries on his behalf at the 26th Annual General Meeting.

Names of the Indian listed entities where the Directors of the Company hold Directorship and the category of directorship as on March 31, 2019:

Name of the Director	Other Indian Listed entities in which they hold Directorship	Category of Directorship
Mr. Dilip S. Shanghvi	Sun Pharma Advanced Research Company Ltd	Chairman and Managing Director
Mr. Sudhir V. Valia	Sun Pharma Advanced Research Company Ltd	Non Executive & Non Independent Director
Ms. Rekha Sethi	CESC Ltd	Independent Director
	Spencer's Retail Limited	Independent Director
Mr. Vivek Chaand Sehgal	Motherson Sumi Systems Ltd	Non-Executive & Non-Independent Director
	Samvardhana Motherson International Ltd (Debt Listed)	Non-Executive & Non-Independent Director
Mr. Gautam Doshi	Piramal Phytocare Ltd	Independent Director
	Reliance Home Finance Ltd	Non-Executive & Non-Independent Director

In terms of requirement of Listing Regulations, the Board has identified the core skills/expertise/competencies of the Directors, as given below:

Knowledge	Skills	Behavioural traits
Specialisation / Expertise	Strategic Thinking/ Planning Skills	Integrity
Finance & Accounts	Problem Solving Skills	Genuine interest
Legal	Analytical Skills	Inter-personal skills/ communication
Governance	Decision Making Skills	Active Participation
Industry Knowledge	Leadership Skills	
Risk Management		
General Management		

The Directors of the Company possess the aforementioned core skills/expertise/competencies.

The Independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

3. Code of Conduct

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

4. Audit Committee

The Audit Committee of the Company presently comprises of three Directors which include two independent non-executive Directors viz. Ms. Rekha Sethi, Mr. Gautam Doshi and one Whole-time Director viz. Mr. Sailesh T. Desai. At the beginning of the year under review, Mr. Keki M. Mistry, Mr. S. Mohanchand Dadha, Mr. Ashwin S. Dani and Ms. Rekha Sethi were members of the Committee. Mr. Sailesh T. Desai and Mr. Gautam Doshi have been appointed as members of the Audit Committee with effect from May 25, 2018. Mr. Gautam Doshi was appointed as the Chairman of Audit Committee w.e.f. September 27, 2018. During the year, Mr. Keki M. Mistry who was the Chairman and Member of the Audit Committee, Mr. S. Mohanchand Dadha and Mr. Ashwin S. Dani, non-executive independent Directors, who were members of the Audit Committee, ceased to be members of the committee with effect from September 26, 2018 due to they ceasing to be the Directors of the Company with effect from September 26, 2018. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Companies Act, 2013 and also of Regulation 18 of the Listing Regulations. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Audit Committee.

The terms of reference of the Audit Committee inter alia include: overseeing the Company's financial reporting process, reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, recommendation for appointment, remuneration and terms of appointment of auditors of the company, reviewing the adequacy of internal audit function, discussion with internal auditors of any significant findings and follow up there on, evaluation of internal financial controls and risk management systems, review functioning of Whistle Blower/ Vigil Mechanism, approval of appointment of Chief Financial Officer, review and monitor the auditor's independence and performance and effectiveness of audit process, approval of transactions with related parties etc. Further, pursuant to the amendments in Listing Regulations the terms of reference of the Committee were amended w.e.f. April 1, 2019 to include reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

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

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

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

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

Four Audit Committee Meetings were held during the year ended March 31, 2019.

The dates on which the Meetings were held are as follows:

May 25, 2018; August 14, 2018; November 13, 2018; and February 12, 2019.

The attendance of each Member of the Committee is given below:

Name of the Director	Number of Audit Committee Meetings entitled to attend	Number of Audit Committee Meetings attended
Mr. Gautam Doshi ¹	3	3
Ms. Rekha Sethi	4	4
Mr. Sailesh T. Desai ²	3	3
Mr. Keki M. Mistry ³	2	2
Mr. S. M. Dadha ³	2	2
Mr. Ashwin S. Dani ³	2	1

¹ Appointed as member of the Committee with effect from May 25, 2018 and appointed as Chairman with effect from September 27, 2018

² Appointed as member of the Committee with effect from May 25, 2018.

³ Retired and ceased to be Directors and members of the Committee with effect from September 26, 2018.

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee presently comprises of three Non-executive Directors viz. Ms. Rekha Sethi, Mr. Israel Makov and Mr. Gautam Doshi. At the beginning of the year under review, Mr. Israel Makov, Ms. Rekha Sethi and Mr. Keki Mistry were members of the Committee. Mr. Gautam Doshi has been appointed as the member of the Committee with effect from August 14, 2018. During the year Mr. S. Mohanchand Dadha was appointed as the member of the Committee with effect from May 25, 2018, however he ceased to be the member of the Committee with effect from September 26, 2018 due to he ceasing to be the Director of the Company with effect from September 26, 2018. Mr. Keki Mistry, Chairman and Member of the Committee, ceased to be the member of the Committee with effect from September 26, 2018 due to he ceasing to be the Director of the Company with effect from September 26, 2018. Ms. Rekha Sethi has been appointed as the Chairperson of the Committee with effect from September 27, 2018. The constitution of the Nomination and Remuneration Committee meets with the requirements of Section 178 of the Companies Act, 2013 as also the requirements laid down in Regulation 19 of the Listing Regulations. Mr. Sunil R. Ajmera, the

Company Secretary of the Company is the Secretary of the Committee.

The terms of reference of the Nomination and Remuneration Committee inter alia include; to determine the Company's policy on specific remuneration packages for executive directors, to review, recommend and/or approve remuneration to Whole-time Directors, to review and approve the Remuneration Policy of the Company, to formulate criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and carry out evaluation of every directors' performance, etc. Further, pursuant to the amendments in Listing Regulations the terms of reference of the Committee were amended w.e.f. April 1, 2019, to inter alia include recommending to the board, all remuneration, in whatever form, payable to senior management, etc.

The Nomination and Remuneration Committee has adopted the criteria as provided in the Guidance Note on Board Evaluation by Securities and Exchange Board of India vide its notification no. SEBI/HO/CFD/CMD/CIR/P2017/004 dated January 5, 2017 for evaluation of the Individual Directors including Independent Directors. The said criteria provides certain parameters like knowledge, competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution, independence and independent views and judgment.

Four meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2019. The dates on which the meetings were held are as follows:

May 25, 2018; August 14, 2018; November 13, 2018 and February 12, 2019.

The attendance of each Member of the Committee is given below:

Name of the Director	Number of Nomination and Remuneration Committee Meetings entitled to attend	Number of Nomination and Remuneration Committee Meetings attended
Ms. Rekha Sethi ¹	4	4
Mr. Israel Makov	4	4
Mr. Gautam Doshi ²	2	2
Mr. Keki M. Mistry ³	2	2
Mr. S. M. Dadha ³	1	1

¹ Appointed as Chairperson of the Committee with effect from September 27, 2018

² Appointed as member of the Committee with effect from August 14, 2018

³ Retired and ceased to be Directors and members of the Committee with effect from September 26, 2018.

6. Remuneration of Directors

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

The Non-Executive Directors of the Company are entitled to commission, if and to the extent approved by the Board, of upto 1% as approved by the members, in addition to the sitting fees of ₹100,000/- payable to the Non-Executive Directors for attending each meeting of the Board and/or of Committee thereof. No commission was paid to Non-Executive Directors for the year 2018-19.

The details of Remuneration paid/payable to the Directors of the Company for the year ended March 31, 2019 are given below:-

Directors	(Amount in ₹)				
	For the year ended March 31, 2019				
	Salary ¹	Bonus	Perquisites / Benefits ²	Sitting Fees	Total
Mr. Dilip S. Shanghvi	1	-	2,62,800	-	2,62,801
Mr. Sudhir V. Valia	1	-	79,200	-	79,201
Mr. Sailesh T. Desai	98,67,000	19,73,400	23,92,142	-	1,42,32,542
Mr. Kalsundaram Subramanian ³	-	-	-	-	-
Mr. Israel Makov	-	-	-	9,00,000	9,00,000
Ms. Rekha Sethi	-	-	-	15,00,000	15,00,000
Mr. Vivek Chaand Sehgal	-	-	-	6,00,000	6,00,000
Mr. Gautam Doshi (appointed with effect from May 25, 2018)	-	-	-	13,00,000	13,00,000
Mr. S. Mohanchand Dadha (upto September 26, 2018)	-	-	-	10,00,000	10,00,000
Mr. Keki M. Mistry (upto September 26, 2018)	-	-	-	6,00,000	6,00,000
Mr. Ashwin S. Dani (upto September 26, 2018)	-	-	-	2,00,000	2,00,000

¹ Salary includes Special Allowance.

² Perquisites include House Rent Allowance, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Directors, as per Company Policy.

³ Mr. Kalyanasundaram Subramanian does not receive any remuneration as a Whole-time Director of the Company. However, Mr. Kalyanasundaram Subramanian is also the Whole-Time Director & Chief Executive Officer of Sun Pharma Laboratories Limited, Wholly-Owned Subsidiary of the Company, and he receives remuneration from Sun Pharma Laboratories Limited. During the Financial year 2018-19, he received total remuneration of ₹5,54,31,072 (constituting of Salary - ₹4,93,35,192/-, Bonus - ₹37,00,800/- and Perquisites - ₹23,95,080/-) from Sun Pharma Laboratories Limited.

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

Notes:-

- a) The Agreement with Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, the Executive Directors for their present term are for a period of 5 years as follows; i) from April 1, 2018 to March 31, 2023 and remuneration for period from April 1, 2018 to March 31, 2021 for Mr. Dilip S. Shanghvi and ii) from April 1, 2019 to March 31, 2024 for Mr. Sudhir V. Valia and Mr. Sailesh T. Desai and remuneration for period of 3 years from

April 1, 2019 to March 31, 2022. The agreement with Mr. Kalyansundaram Subramanian, Whole-time Director, is for a period of 2 years with effect from February 14, 2019 to February 13, 2021 without any remuneration. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days' notice in writing. Mr. Sudhir Valia will step down from the position of Whole-time Director of the Company to Non-Executive Director of the Company, with effect from May 29, 2019. He shall continue as a Non-Promoter, Non-Executive and Non-Independent Director of the Company. Consequently the agreement with Sudhir V. Valia for remuneration and appointment as Whole-Time Director shall be terminated w.e.f. May 29, 2019.

- b) The Company had formulated two Schemes for grant of stock options to the eligible employees of erstwhile Ranbaxy Laboratories Ltd., pursuant to the Scheme of Arrangement for merger of Ranbaxy Laboratories Ltd., into the Company out of which one scheme was completed in August 2017. None of the Directors are entitled to stock options.
- c) There is no separate provision for payment of severance fees to Whole-time Director(s).
- d) The remuneration of Whole-time Directors consists only of fixed components.

The details of Equity Shares held by Non-Executive Directors as on March 31, 2019 are as follows:

Director	No. of Equity Shares held (held singly or jointly as first holder)
Mr. Israel Makov	Nil
Ms. Rekha Sethi	Nil
Mr. Vivek Chaand Sehgal	Nil
Mr. Gautam Doshi	8000

7. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee presently comprises of three Directors viz. Mr. Gautam Doshi, Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia. At the beginning of the year under review, Mr. Sudhir Valia, Mr. Dilip Shanghvi and Mr. S. Mohanchand Dadha were members of the Committee. During the year, Mr. Gautam Doshi was appointed as member of the Committee with effect from August 14, 2018 and as Chairman of the Committee with effect from September 27, 2018. Mr. S. Mohanchand Dadha ceased to be member and Chairman of the Committee with effect from September 26, 2018 due to he ceasing to be a Director of the Company with effect from September 26, 2018. The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Companies Act, 2013 and also of Regulation 20 of the Listing Regulations. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. The Board of Directors has delegated the power of approving transfer of securities to M/s. Link Intime India Pvt. Ltd, and/or the Company Secretary of the Company.

The terms of reference of the Committee inter alia include the following: To look into redressal of grievances of shareholders, debenture holders and other security holders of the Company, to consider and resolve grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc, to approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities, to oversee the performance of the Registrar

and Transfer Agents and recommend measures for overall improvement in the quality of investor services, etc. However, pursuant to amendments in the Listing Regulations, the terms of reference of the Committee have been revised and replaced w.e.f. April 1, 2019 to inter alia include the following: Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings; Review of measures taken for effective exercise of voting rights by shareholders; Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company, to investigate any activity within its terms of reference, to seek information from share transfer agents, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary and have full access to the information contained in the records of the Company.

The Board has designated severally, Mr. Sunil R. Ajmera, Company Secretary and Mr. Ashok I. Bhuta, Sr. G.M - Secretarial as Compliance Officers for the purposes of/under rules, regulations etc. issued by the Securities Exchange Board of India, Stock Exchanges, and Companies Act, 2013.

Four meetings of the Stakeholders' Relationship Committee were held during the year ended March 31, 2019. The dates on which Meetings were held are as follows:

May 24, 2018; August 13, 2018; November 13, 2018 and February 12, 2019.

The attendance of each Member of the Committee is given below:

Name of the Director	Number of Stakeholders' Relationship Committee Meetings entitled to attend	Number of Stakeholders' Relationship Committee Meetings attended
Mr. Gautam Doshi ¹	2	2
Mr. Sudhir V. Valia	4	3
Mr. Dilip S. Shanghvi	4	4
Mr. S. M. Dadha ²	2	2

¹ Appointed as member with effect from August 14, 2018 and appointed as Chairman with effect from September 27, 2018

² Retired and ceased to be Director and member of the Committee with effect from September 26, 2018.

Investor Complaints:

The total numbers of complaints received and resolved to the satisfaction of shareholders, during the year under review were 1. There were no complaints pending at the beginning or at the end of the year.

8. Committee of Directors (Allotment)

The Committee of Directors (Allotment) presently comprises of three Directors viz. Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia and Mr. Sailesh T. Desai. Mr. Sudhir V. Valia is the Chairman of the Committee and Mr. Sunil R. Ajmera, Company Secretary is the Secretary of the Committee. Mr. S. M. Dadha who was also a member of the Committee at the beginning of the year ceased to be member of the Committee with effect from September 26, 2018 due to he ceasing to be a Director of the Company with effect from September 26, 2018.

Four meetings of the Committee of Directors (Allotment) were held during the year ended March 31, 2019. The dates on which Meetings were held are as follows:

May 24, 2018; August 13, 2018; November 12, 2018 and February 11, 2019.

The attendance of each Member of the Committee is given below.

Name of the Director	Number of Committee of Directors (Allotment) Meetings entitled to attend	Number of Committee of Directors (Allotment) Meetings attended
Mr. Sudhir V. Valia	4	3
Mr. Sailesh T. Desai	4	4
Mr. Dilip S. Shanghvi	4	3
Mr. S. M. Dadha ¹	2	2

¹ Retired and ceased to be Director and member of the Committee with effect from September 26, 2018.

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

9. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee presently comprises of three Directors viz. Mr. Sudhir V. Valia, Ms. Rekha Sethi and Mr. Dilip S. Shanghvi with Mr. Dilip S. Shanghvi as the Chairman. The constitution of the Corporate Social Responsibility Committee meets the requirements of section 135 of the Companies Act, 2013. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee. The terms of reference of the Corporate Social Responsibility Committee include to formulate and recommend to the Board, a Corporate Social Responsibility Policy, to monitor the Corporate Social Responsibility Policy of

the Company from time to time, to recommend the amount of expenditure to be incurred on the activities, to monitor amount spent on the CSR initiatives of the Company as per the CSR policy, to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time etc. The contents of the CSR Policy of the Company can be accessed through the web link: <http://www.sunpharma.com/policies>.

During the year ended March 31, 2019, two meetings of Corporate Social Responsibility Committee were held on May 24, 2018 and November 12, 2018.

The attendance of each member of Committee is as follows:

Name of the Member	Number of Corporate Social Responsibility Committee Meetings entitled to attend	Number of Corporate Social Responsibility Committee Meetings attended
Mr. Dilip S. Shanghvi	2	1
Mr. Sudhir V. Valia	2	2
Ms. Rekha Sethi	2	2

10. Risk Management Committee

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

During the year ended March 31, 2019, two meetings of Risk Management Committee were held on May 24, 2018 and November 12, 2018.

The attendance of each member of committee is as follows:

Name of the Director	Number of Risk Management Committee Meetings entitled to attend	Number of Risk Management Committee Meetings attended
Mr. Dilip S. Shanghvi	2	2
Mr. Sudhir V. Valia	2	2
Mr. CS Muralidharan	2	2

11. Corporate Governance and Ethics Committee

The Board has constituted a Corporate Governance and Ethics Committee with effect from May 28, 2019. Mr. Gautam Doshi, Director, Ms. Rekha Sethi, Director, Mr. C. S. Muralidharan, CFO and Mr. Ashok Bhuta Senior GM - Secretarial & Compliance Officer are the members of the Committee. Mr. Gautam Doshi is the Chairman of the Committee. The terms of reference of committee inter alia include (a) to review the ethical standards and best practices in respect of Corporate Governance by the Company in spirit, substance and intent perspective apart from benchmarking wherever possible with the best practices that are comparable across the industry, (b) to monitor Company's compliance with the Corporate Governance Guidelines and applicable laws and regulations and make recommendations to the Board on all such matters and on any corrective action to be undertaken, as the Committee may deem appropriate, (c) to set forth policies in respect of furtherance of its objectives and recommend changes and monitor and review compliance of such policies by the Company's directors, officers and employees, (d) to review, recommend changes and monitor the implementation of the Related Party Transactions Policy of the Company and ensure that the Company is in compliance with the applicable regulations in respect of Related Party transactions from time to time etc. The Corporate Governance and Ethics Committee shall report to the Audit Committee.

12. Subsidiary Companies

In accordance with Regulation 16 of the Listing Regulations during the year ended March 31, 2019,

13. General Body Meetings

(i) Location and time of the last three Annual General Meetings:

Year	Meeting	Location	Date	Time
2015 -2016	Twenty- Fourth AGM	Sir Sayajirao Nagargruh, Akota, Vadodara- 390 020, Gujarat	September 17, 2016	11.15 a.m.
2016 -2017	Twenty- Fifth AGM	Sir Sayajirao Nagargruh, Akota, Vadodara- 390 020, Gujarat	September 26, 2017	10.45 a.m.
2017 -2018	Twenty- Sixth AGM	Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390 020	September 26, 2018	2.45 p.m.

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

a) At the Twenty-Fourth Annual General Meeting.

- Approval for re-appointment of Mr. Ashwin Dani (DIN 00009126), as Independent Director of the Company for a further term of 2 years, who would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.
- Approval for re-appointment of Mr. Keki M. Mistry (DIN 00008886), as Independent Director of the Company for a further term of 2 years, who

Sun Pharma Laboratories Limited was a material Indian subsidiary company whose turnover or net worth (i.e., paid-up capital and free reserves) exceeded 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year. Sun Pharma laboratories Limited (SPLL") had its debentures listed on Whole-Sale Debt Segment of BSE Ltd. until March 28, 2019. Consequent to redemption of all the outstanding Debentures on March 22, 2019 along with interest thereon, SPLL was delisted with effect from March 29, 2019.

Ms. Rekha Sethi, Independent Director of the Company is also Director on the Board of Sun Pharma Laboratories Limited.

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

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

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

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

- would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.
- Approval for re-appointment of Mr. Hasmukh S. Shah (DIN 00152195), as Independent Director of the Company for a further term of 2 years, who would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.
- Approval for re-appointment of Ms. Rekha Sethi (DIN 06809515), as Independent Director of the

Company for a further term of 5 years, who would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.

5. Approval for re-appointment of Mr. S Mohanchand Dadha (DIN 00087414), as Independent Director of the Company for a further term of 2 years, who would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.
 6. Approval for increase in maximum limit of remuneration payable to Mr. Dilip Shanghvi, Managing Director, with effect from April 1, 2016 for the remaining period of his present term of appointment upto March 31, 2018, and to consider approval for payment of the aforesaid remuneration as minimum remuneration. in case inadequacy or absence of profits
 7. Approval for increase in maximum limit of remuneration to Mr. Sudhir V. Valia, Whole-time Director, and to consider approval for payment of the aforesaid remuneration as minimum remuneration with effect from April 1, 2016 for the remaining period of his present term of appointment upto March 31, 2019, in case inadequacy or absence.
 8. Approval for increase in maximum limit of remuneration to Mr. Sailesh T. Desai, Whole-time Director, and to consider approval for payment of the aforesaid remuneration as minimum remuneration with effect from April 1, 2016 for the remaining period of his present term of appointment upto March 31, 2019, in case inadequacy or absence of profits.
 9. Approval for adoption of new set of Articles of Association of the Company containing regulations/ provisions in line with the Companies Act, 2013.
- b) At the Twenty-Fifth Annual General Meeting.**
1. Approval for re-appointment of Mr. Dilip S. Shanghvi (DIN: 00005588) as Managing Director of the Company for a period of 5 (Five) years from the expiry of his present term of office i.e. with effect from April 01, 2018 to March 31, 2023 and approval of maximum limit of remuneration for the period from April 01, 2018 to March 31, 2021
- c) At the Twenty-Sixth Annual General Meeting.**
1. Approval for re-appointment of Mr. Sudhir V. Valia (DIN: 00005561) as Whole-time Director of the Company upon the expiry of his present term of office on March 31, 2019, for a further period of 5 (Five) years commencing from April 01, 2019 to March 31, 2024 and remuneration for a period

of 3(three) years commencing from April 01, 2019 to March 31, 2022.

2. Approval for re-appointment of Mr. Sailesh T. Desai (DIN: 00005443) as Whole-time Director of the Company upon the expiry of his present term of office on March 31, 2019, for a further period of 5 (Five) years commencing from April 01, 2019 to March 31, 2024 and remuneration for a period of 3(three) years commencing from April 01, 2019 to March 31, 2022.
3. Approval for continuation of Directorship of Mr. Israel Makov (DIN:05299764), Non-executive Director and Chairman of the Company, having attained the age beyond the age of 75 years as required under Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is to be effective from April 01, 2019.

Resolution Passed Through Postal Ballot:

No resolution was passed through postal ballot during the year under review.

14. Disclosures

- No transaction of a material nature has been entered into by the Company with its related parties that may have a potential conflict with the interests of the Company. Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transactions with the related parties as per Ind AS-24, are disclosed in Note 51 of the Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019.
- There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- The Company has laid down procedures to inform Board members about the risk assessment and its minimisation, which is periodically reviewed to ensure that risk control is exercised by the management effectively.
- The Board of Directors of the Company has approved a Whistle Blower Policy/Vigil Mechanism to monitor the actions taken on complaints received under the said policy. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company. Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that employees can raise concerns regarding

any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. An Ombudsperson/s has been appointed to receive the complaints through a portal or email or letters who would investigate the complaints with an investigating committee. The final decision would be taken by the Ombudsperson in consultation with the Management and the Audit Committee. The Policy is expected to help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions. The details of establishment of vigil mechanism are available on the website of the Company. No personnel have been denied access to the Audit Committee. The Board of Directors at their meeting held on May 28, 2019 have amended the Whistle Blower Policy to enable external parties to report any matter.

- Details of the familiarisation programme of the independent directors are available on the website of the Company at: <http://www.sunpharma.com/policies>
- During the year, a separate meeting of the independent directors was held on February 12, 2019 inter-alia to evaluate the performance of non-independent directors and the board as a whole.
- The policy on dealing with the related party transactions is available on the website of the Company and can be accessed at: <http://www.sunpharma.com/policies>.
- During the year, there were pecuniary transactions with the Companies in which non-executive Directors are interested as follows: a) Transaction of receiving of services from Makov Associates Limited of ₹148.31 Million in which Mr. Israel Makov, Non-Executive and Non-Independent Chairman is interested; b) Transactions for sale of goods to Dadha Pharma Distribution Private Limited of ₹0.03 Million in which Mr. S. Mohanchand Dadha, Non-Executive and Independent Director was interested; c) Transactions with MotherSumi Infotech & Designs Limited for purchase of intangible assets - ₹56.80 Million, purchase of plant and equipment - ₹0.26 Million and receiving of services - ₹22.53 Million and with Anest Iwata MotherSum Private Limited for purchase of goods - ₹0.06 Million and receiving of services - ₹0.11 Million, in which entities Mr. Vivek Chaand Sehgal, Non-Executive and Independent Director is interested. All the transactions with entities in which the Independent Directors are/were interested constitute negligible percent of the revenue of the Company.

Apart from the above and sitting fees paid to Non-Executive Directors, there are no pecuniary transactions with Non Executive directors of the Company or the companies in which they are interested which had potential conflict of interest with the Company.

- Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority has been annexed as Annexure 'B' to the Corporate Governance Report.
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part was ₹7,23,29,699/- (Rupees Seven Crore Twenty Three Lakhs Twenty Nine Thousand Six Hundred and Ninety Nine only), for the year under review.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. number of complaints filed during the financial year: 3
 - b. number of complaints disposed of during the financial year: 3
 - c. number of complaints pending as on end of the financial year: 0
- Details of compliance and Adoption/Non Adoption of the non-mandatory requirements for the year ended March 31, 2019:
 - (i) The Company complies with all the mandatory requirements specified under Listing Regulations.
 - (ii) The Chairman of the Company is a Non-Executive Director. The Company has provided a separate office for the Chairman at the corporate office of the Company and the Chairman is also allowed reimbursement of expenses incurred in performance of his duties.
 - (iii) The Company sends quarterly results alongwith summary of significant events to the shareholders whose e-mail IDs are available with the Company/Registrar.
 - (iv) The auditors have issued an unmodified opinion of the financial statements of the Company.
 - (v) The Internal Auditor reports their findings to the Audit Committee of the Company.

15. Means of Communication

- **Website:** The Company's website www.sunpharma.com contains a separate dedicated section 'INVESTORS' where shareholders' information is available. The Annual Report for 2018-19 and Annual Report/ Abridged Annual Report for the past years are 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 and are also sent to the shareholders whose e-mail IDs are registered with the Company. These are also submitted to the Stock Exchanges on which the securities of the Company are listed in accordance with the requirements of the Listing Regulations and published in all English Editions of 'Financial Express' and Gujarati Edition of 'Financial Express' which is published in Ahmedabad.
- Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Board's Report, Auditor's Report, and other important information is sent to the shareholders whose e-mail IDs are registered with the Company and physical copy to the rest of the shareholders and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual Report.
- Chairman's Communique:** The Chairman's Speech is sent to the stock exchanges and placed on the website of the Company.
- Reminder to Investors:** Reminders for unpaid dividend are sent to shareholders, regularly every year.
- Corporate Filing:** Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with the Stock Exchanges and are available on the website of BSE Ltd. - www.bseindia.com and National Stock Exchange of India Ltd. - www.nseindia.com.

16. General Shareholder Information

16.1 Annual General Meeting:

Day, Date and Time	Wednesday, August 28, 2019 at 03:15 p.m.
Venue	Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390005, Gujarat.

16.2 Financial Calendar (tentative):

Results for quarter ending June 30, 2019	Second week of August 2019.
Results for quarter ending September 30, 2019	Second week of November 2019.
Results for quarter ending December 31, 2019	Second week of February 2020.
Audited Results for year ended March 31, 2020	Third or Fourth week of May 2020.

16.3 Details of Book-closure for Equity Shareholders:

From Thursday, August 22, 2019 to Wednesday, August 28, 2019 at 03:15 p.m. (both days inclusive)

16.4 Dividend Payment Date:

On or before, Friday, August 30, 2019

16.5 Listing Details

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

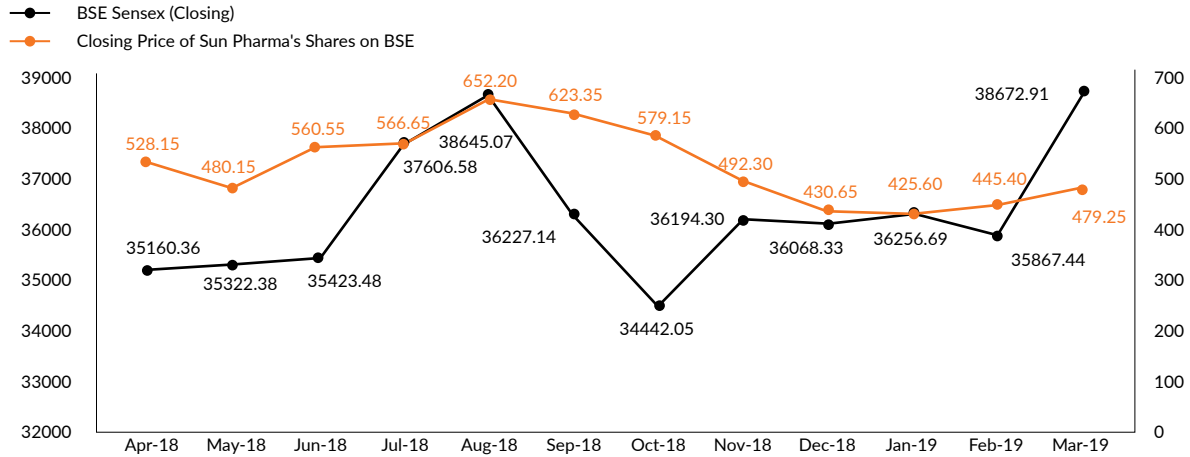
16.6 Stock Market Data - Equity Shares of ₹1/- paid-up value:

	BSE Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2018	531.25	496.40	530.95	496.05
May, 2018	537.50	434.80	539.30	435.00
June, 2018	591.30	470.50	592.00	470.15
July, 2018	588.25	529.95	588.85	530.70
August, 2018	658.90	549.20	659.40	548.85
September, 2018	678.80	607.65	679.30	614.50
October, 2018	640.45	550.30	640.75	550.00
November, 2018	603.75	474.65	604.80	474.50
December, 2018	467.00	391.10	464.70	390.60
January, 2019	457.15	375.40	457.40	370.20
February, 2019	454.40	403.30	455.00	403.30
March, 2019	482.90	445.10	482.95	445.05

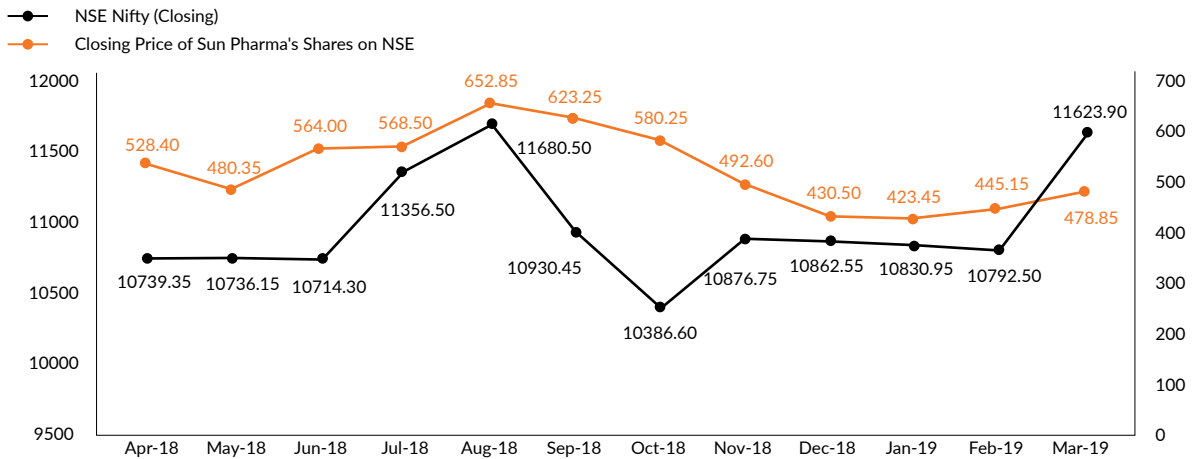
(Source: BSE and NSE website)

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

SPIL & BSE Sensex closing price



SPIL & NSE Nifty closing price



(Source: BSE and NSE website)

16.8 Share price performance relative to NIFTY and BSE Sensex based on share price on March 31, 2019.

% Change in				% Change in			
Period	Sun Pharma Share Price	Nifty	Sun Pharma Relative to Nifty	Period	Sun Pharma Share Price	BSE Sensex	Sun Pharma Relative to Sensex
Year-on-Year	-3.28%	14.93%	-18.21%	Year-on-Year	-3.26%	17.30%	-20.56%
2 Years	-30.41%	26.71%	-57.12%	2 Years	-30.31%	30.56%	-60.87%
3 Years	-41.60%	50.21%	-91.81%	3 Years	-41.52%	52.60%	-94.12%
5 Years	66.63%	73.38%	-6.75%	5 Years	67.18%	72.75%	-5.58%
10 Years	330.83%	284.78%	46.06%	10 Years	330.84%	298.34%	32.50%

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

16.9 Registrars & Transfer Agent

Registrars & Transfer Agent
(Share transfer and communication regarding share certificates, dividends and change of address)

Link Intime India Pvt. Ltd.
C 101, 247 Park , L B S Marg, Vikhroli West, Mumbai 400 083
E-Mail: rnt.helpdesk@linkintime.co.in
Tel: 022- 49186000
Fax : 022- 49186060

16.10 Share Transfer System

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

16.11 Distribution of Shareholding as on March 31, 2019

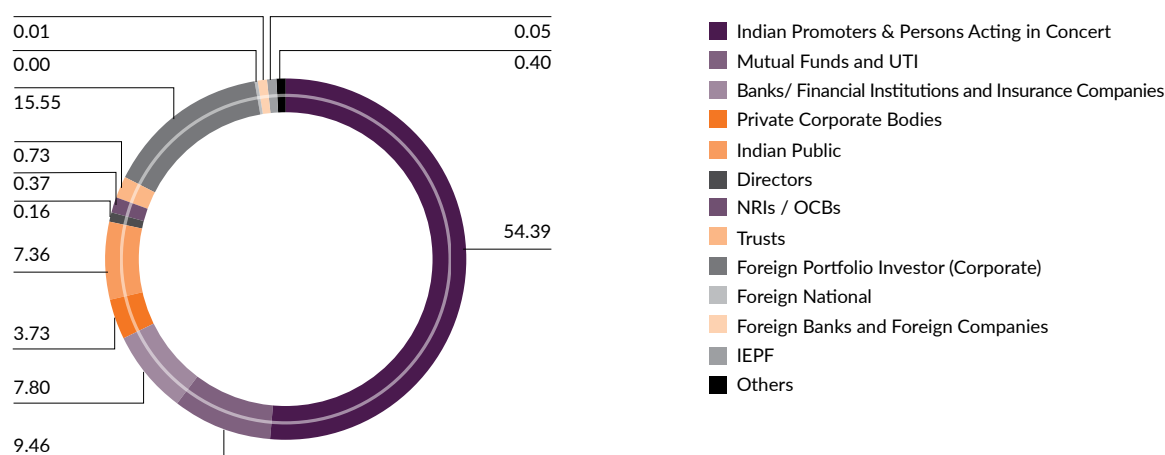
No. of Equity Shares held	No. of Folios		Shares of face value ₹1 each/-	
	Numbers	% to total folios	Numbers	% to total folios
Upto 5000	636154	99.00	106004683	4.42
5001 – 10000	2866	0.45	20362908	0.85
10001 – 20000	1961	0.31	25319656	1.06
20001 – 30000	359	0.05	8921296	0.37
30001 – 40000	167	0.03	5900034	0.24
40001 – 50000	106	0.02	4870180	0.20
50001 – 100000	253	0.04	18148474	0.76
100001 and above	680	0.10	2209807739	92.10
Total	642546	100.00	2399334970	100.00

16.12 Category-wise Shareholding as on March 31, 2019 of Equity Shares

Particulars	No. of Shares	Percentage
A. Indian Promoters and Persons acting in Concert	1304855381	54.39
B. Mutual Funds and UTI	226963122	9.46
C. Banks/ Financial Institutions and Insurance Companies	187209570	7.80
D. Private Corporate Bodies	89429151	3.73
E. Indian Public	176650742	7.36
F. Directors	3746747	0.16
G. NRIs /OCBs	8914611	0.37
H. Trusts	17502708	0.73
I. Foreign Portfolio Investor (Corporate)	372954728	15.55
J. Foreign National	24636	0.00
K. Foreign Bank and Foreign Companies	309682	0.01
L. IEPF	1218550	0.05
M. Others	9555342	0.40
Total	2399334970	100.00

Shareholding Pattern as on March 31, 2019

(%)



16.13 Dematerialisation of Shares

About 99.61% of the outstanding Equity shares have been dematerialised up to March 31, 2019. Trading in Shares of the Company is permitted only in dematerialised form.

Liquidity:

Your Company's equity shares are fairly liquid and are actively traded on National Stock Exchange of India Ltd., (NSE) and The BSE Ltd. (BSE). Relevant data for the average daily turnover for the financial year 2018-19 is given below:

	BSE	NSE	BSE + NSE
In no. of shares (in Thousands)	653.42	8487.19	9140.61
In value terms (₹ Million)	322.35	4221.16	4543.51

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

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2019.

Outstanding Stock Options

The details of Number of Stock Options outstanding as on March 31, 2019, are provided in the Annexure to the Board's Report and is available on the website of the Company.

Outstanding Unclaimed Shares

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

Particulars	No. of Shareholders	No. of equity shares of ₹1/- each of Sun Pharma
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2018	1101	383997
Number of shareholders who approached the Company for transfer of shares from the said Unclaimed Share Suspense Account during the period from April 1, 2018 to March 31, 2019	6	4783
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period.	6	4783
795 shareholders' shares (245334) have been transferred to IEPF on July 5, 2018 from Unclaimed Share Suspense account	795	245,334
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Share Suspense Account as on March 31, 2019	300	133880*

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

16.15 Disclosure of commodity price risk or foreign exchange risk and commodity hedging activities

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

16.16 Plant locations as on March 31, 2019:

1. Survey No.214 and 20, Govt. Industrial Area, Phase-II, Piparia, Silvassa – 396 230, U.T. of D & NH.
2. Survey no. 259/15, Dadra – 396191, U.T. of D. & NH.
3. Plot No.24/2 and No.25, GIDC, Phase- IV, Panoli – 395 116, Dist. Bharuch, Gujarat.
4. Plot No. 4708, GIDC, Ankleshwar – 393 002, Gujarat.
5. Halol-Baroda Highway, Near Anand Kendra, Halol, Dist. Panchmahal- 389350 Gujarat.
6. Plot No. 817/A, Karkhadi – 391 450, Taluka: Padra, Distt. Vadodara, Gujarat.
7. Plot No. Z/15, Sez-1, Po. Dahej, Taluko vagra, Dist. Bharuch, Gujarat.
8. A-7 & A-8, MIDC Industrial Area, Ahmednagar – 414 111, Maharashtra.
9. Plot No. B-2 Madkaim Industrial Estate, Ponda, Goa
10. Plot No. 1341 & 1342 EPIP-1, Hill Top Industrial Area, Village Bhatolikalan (Barotiwala), Baddi – 174103, Himachal Pradesh
11. Village & PO Ganguwala, Tehsil Paonta Sahib-173025, Distt. Sirmour, Himachal Pradesh
12. Village Batamandi, Tehsil Paonta Sahib-173025, Distt. Sirmour, Himachal Pradesh.
13. Village Toansa, P.O. Railmajra Distt. Nawansahar-144533 (Punjab)
14. A-41, Industrial Area, Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160071 (Punjab)
15. Plot No. K - 5,6,7, Ghirongi Industrial Area, Malanpur, Dist. Bhind, Madhya Pradesh
16. Pharma Manufacturing Industrial Area 3 A.B. Road, Dewas-455001, Madhya Pradesh
17. Sathammai Village, Karunkuzhi Post, Maduranthakam T.K. Kanchipuram Dist. Tamil Nadu – 603 303.
18. Sy. No. 16, Ekarajapura, Hoskote, Bengaluru (Karnataka)

16.17 Investor Correspondence

Particulars	Contact Details
a) Registrars & Transfer Agent:	Link Intime India Private Limited, Unit: Sun Pharmaceutical Industries Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai (INDIA) - 400083 Tel. No.: +91 22 49186270 / +91 22 49186000 Fax No.: +91 22 49186060 E-Mail: rnt.helpdesk@linkintime.co.in / sunpharma@linkintime.co.in
b) Individual Investors & Queries Related to Shares/Dividend, etc. Secretarial Department	Sun Pharmaceutical Industries Limited Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Telephone: (+91 22) 4324 4324, Direct no. (+91 22) 4324 2230 Email : secretarial@sunpharma.com
c) Institutional Investors: Mr. Nimish Desai	Sun Pharmaceutical Industries Limited Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Telephone: (+91 22) 4324 4324, Direct no. (+91 22) 4324 2778 Email : nimish.desai@sunpharma.com
d) Nodal Officer (for the purpose of IEPF) Mr. Ashok I. Bhuta, Compliance Officer	Sun Pharmaceutical Industries Limited Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Telephone: (+91 22) 4324 4324, Direct no. (+91 22) 4324 2231 Email: secretarial@sunpharma.com

16.18 List of all credit ratings

Rating Agency	Instrument Type	Rating	Remarks
ICRA Limited	Bank Facility (Short-Term Scale)	[ICRA] A1+	No revisions in credit rating during the financial year 2018-19
	Long-Term/Short-Term Borrowing	[ICRA] AAA (Stable)/ [ICRA] A1+	
	Commercial Paper	[ICRA] A1+	
CRISIL Limited	Bank Facility (Short-Term)	CRISIL A1+	No revisions in credit rating during the financial year 2018-19
	Bank Facility (Long-Term)	CRISIL AAA/ Stable	
	Commercial Paper	CRISIL A1+	

For and on behalf of the Board

Place: Mumbai
Date: May 28, 2019

Dilip S. Shanghvi
Managing Director

Sudhir V. Valia
Whole-time Director

Sailesh T. Desai
Whole-time Director

ANNEXURE 'A' TO CORPORATE GOVERNANCE REPORT

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT FOR THE YEAR ENDED MARCH 31, 2019

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

For Sun Pharmaceutical Industries Ltd.,

Date: May 28, 2019

Dilip S. Shanghvi
Managing Director

ANNEXURE 'B' TO CORPORATE GOVERNANCE REPORT**CERTIFICATE**

(pursuant to Regulation 34(3) and schedule V para C clause (10) (i) of the SEBI
(Listing Obligation Disclosure requirement) Regulation, 2015)

To,
The Members of
Sun Pharmaceutical Industries Limited
Sun House, Plot No. 201 B/1,
Western Express Highway,
Goregoan (E), Mumbai 400063
Maharashtra.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Sun Pharmaceutical Industries Limited having CIN L24230GJ1993PLC019050 and having registered office at SPARC, Tandalja, Vadodara Gujarat - 390012 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V para - C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number [DIN] status at the MCA portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of Directors of the Company as sated below for the financial year ending on 31st March 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange and Board of India, Ministry of Corporate affairs or any such other Statutory Authority.

Sr. No	Name of the Directors	Director Identification Number (DIN)	Date of Appointment in the Company
1.	Israel Makov	05299764	29/05/2012
2.	Dilip Shantilal Shanghvi	00005588	01/03/1993
3.	Sudhir Vrundavandas Valia	00005561	31/01/1994
4.	Sailesh Trambaklal Desai	00005443	25/03/1999
5.	Kalyanasundaram Subramanian	00179072	14/02/2017
6.	Rekha Sethi	06809515	13/02/2014
7.	Vivek Chaand Sehgal	00291126	14/11/2017
8.	Gautam Bhailal Doshi	00004612	25/05/2018

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KJB & CO LLP,
Practicing Company Secretaries

Alpeshkumar J. Panchal
Partner
Mem No. - 49008
C. P. No. - 20120
Date: May 28, 2019
Place: Mumbai.

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of

Sun Pharmaceutical Industries Limited

Sun House, Plot No. 201 B/1,
Western Express Highway,
Goregoan (E), Mumbai 400063
Maharashtra.

1. The Corporate Governance Report prepared by Sun Pharmaceutical Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2019 and verified that atleast one woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following meetings held from April 1, 2018 to March 31, 2019:
 - (a) Board of Directors meetings;
 - (b) Audit Committee meetings;
 - (c) Annual General Meeting (AGM) ;
 - (d) Nomination and Remuneration Committee meetings;
 - (e) Stakeholders Relationship Committee meetings;
 - (f) Risk Management Committee meetings;
 - (g) Committee of Directors (Allotment) meetings;
 - (h) Corporate Social Responsibility Committee meetings; and
 - (i) Independent Directors' meeting.
 - v. Obtained necessary declarations from directors of the Company;
 - vi. Obtained and read the policy adopted by the Company for related party transactions;
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee;

- viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Paul Alvares**

Partner

Membership Number: 105754

UDIN: 19105754AAAABB3481

Date: May 28, 2019

Place: Mumbai.