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Website : www.sunpharma.com
CIN : L24230GJ1993PLC019050

October 01, 2018

National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.
NSE Code: SUNPHARMA

BSE Limited.,
Market Operations Dept.
P. J. Towers,
Dalal Street,
Mumbai – 400 001.
Stock Code: 524715

Dear Sirs,

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

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report (including Notice of the 26th Annual General Meeting and Attendance Slip & Proxy Form) and Business Responsibility Report of the Company for the financial year 2017-18 approved and adopted by the members of the Company as per the provisions of Companies Act, 2013 at the 26th Annual General Meeting of the Company held on Wednesday, September 26, 2018 at 02:45 pm at Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390 020, Gujarat, India.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Sun Pharmaceutical Industries Limited**

Ashok I. Bhuta
Compliance Officer

Sun Pharmaceutical Industries Limited

Encl: 1. Annual Report for the financial year 2017-18 (including Notice of the 26th Annual General Meeting and Attendance Slip & Proxy Form).
2. Business Responsibility Report (BRR).

SUN PHARMACEUTICAL INDUSTRIES LTD.





NURTURING SPECIALTY GROWTH

ANNUAL REPORT 2017-18

Reaching People. Touching Lives.

SUN PHARMA



Nurturing Specialty Growth

Given the shifting dynamics of the global pharmaceutical market, progressive investments in innovative specialty products show the way forward for us.

At Sun Pharma, we have identified specialty as an additional growth engine; and a means to move up the pharmaceutical value chain through development and global commercialisation of branded patented products. We have invested significant resources in this initiative in the past; and will continue to invest in building the business further in the coming years.

We are meticulously nurturing the specialty business; and have built a portfolio of about 10 specialty products, of which five are already in the market, two more likely to be commercialised in the next few quarters; and two more awaiting USFDA approval.

The current financial year is likely to be a very important year in this journey with the potential launch of key specialty products in the US market. We are reinforcing our global specialty business with focused investments and strategies; and in the long-term, we expect the contribution of specialty products to increase substantially in our overall business.

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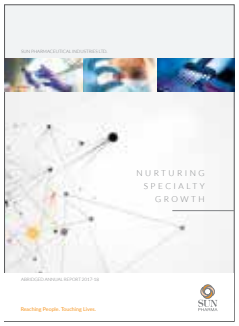
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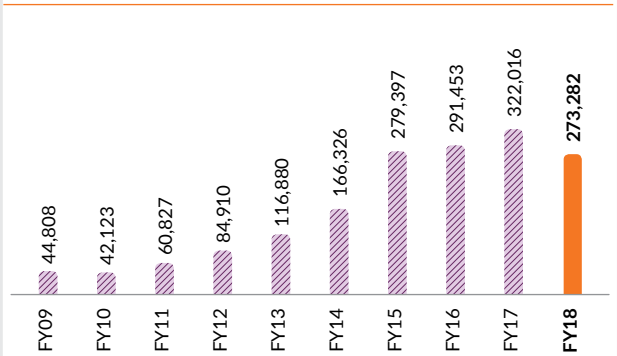
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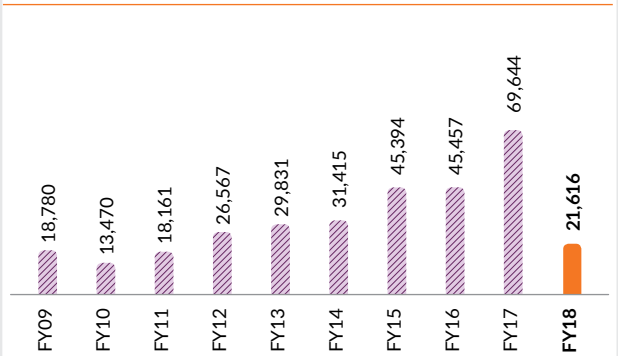
The cover design of this year's annual report focuses on the theme of 'Nurturing Specialty Growth'. The visual treatment to help convey this sentiment has been developed around the idea of connectivity, direction, the sum of parts, particles, and science being the cornerstone of any development and future growth.

Key Performance Indicators (Consolidated)

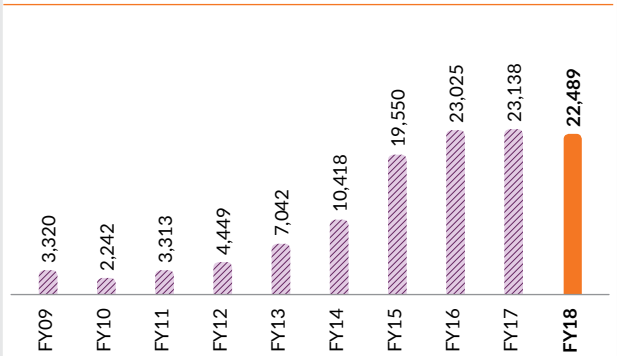
Total Income (₹ in Million)



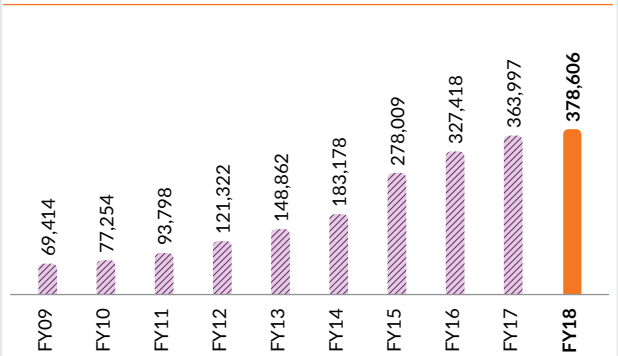
Net Profit after Minority Interest (₹ in Million)



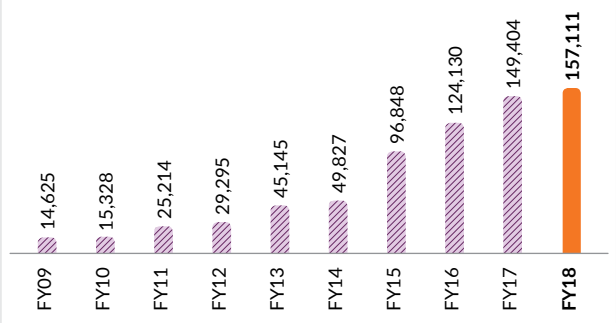
R&D Investment (₹ in Million)



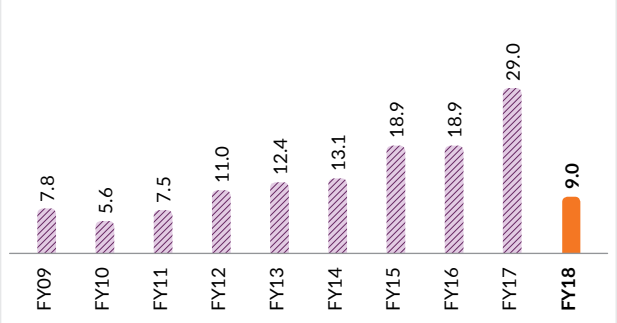
Reserve & Surplus (₹ in Million)



Carrying value of Property, Plant & Equipment and other Intangible assets (₹ in Million)



Adjusted Earning Per Share (post exceptional items)* (₹ per Share)



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

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

* During FY16, the Company's equity shares have increased to 2,407 Million due to the merger of erstwhile Ranbaxy Laboratories Ltd. (RLL) with the Company, wherein 0.80 equity share of ₹1 each of the Company have been allotted to the shareholders of RLL for every 1 share of ₹5 each held by them.

The Company has adopted Ind-AS accounting standards with effect from 01 April, 2015. Hence, FY16 onwards, the financials are reported as per Ind-AS and are not strictly comparable with previous years. For FY15, the balance sheet items are as per Ind-AS.

Ten-Year Financial Highlights (Consolidated)

(₹ in Million)

Particular	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Operating Performance										
Revenue from Operations	43,751	38,086	57,279	80,195	112,999	160,804	273,920	284,870	315,784	**264,895**
Total Income	44,808	42,123	60,827	84,910	116,880	166,326	279,397	291,453	322,016	**273,282**
Net Profit for the year (after minority interest)	18,780	13,470	18,161	26,567	29,831	31,415	45,394	45,457	69,644	**21,616**
R&D Expenditure	3,320	2,242	3,313	4,449	7,042	10,418	19,550	23,025	23,138	**22,489**
a) Capital	222	159	236	362	427	556	1,178	783	1,679	**1,819**
b) Revenue (Excluding Depreciation)	3,098	2,083	3,077	4,088	6,616	9,862	18,373	22,242	21,459	**20,669**
c) % of Turnover	8.0%	6.0%	6.0%	5.6%	6.3%	6.5%	7.2%	8.3%	7.6%	**8.6%**
Financial Position										
Equity Share Capital	1,036	1,036	1,036	1,036	1,036	2,071	2,071	2,407	2,399	**2,399**
Reserve and Surplus	69,414	77,254	93,798	121,322	148,862	183,178	278,009	327,418	363,997	**378,606**
Property, Plant & Equipment and other Intangible assets (at cost/ deemed cost)	21,476	23,340	45,473	54,269	75,763	86,505	143,616	187,212	217,315	**238,073**
Carrying value of Property, Plant & Equipment and other Intangible assets	14,625	15,328	25,214	29,295	45,145	49,827	96,848	124,130	149,404	**157,111**
Investments	18,595	31,664	26,557	22,129	24,116	27,860	35,028	18,299	11,919	**71,429**
Net Current Assets	35,485	28,542	58,622	76,749	86,618	126,969	135,488	167,973	150,666	**117,716**
Stock Information										
Number of Shares (Million)	207	207	1,036	1,036	1,036	2,071	2,071	2,407	2,399	**2,399**
Adjusted Earing per Share (post exceptional items) (In ₹)*	7.8	5.6	7.5	11.0	12.4	13.1	18.9	18.9	29.0	**9.0**
Earnings per Share-Basic (In ₹)*	87.8	65.2	17.5	25.7	28.8	15.2	18.9	18.9	29.0	**9.0**
Earning per Share-Diluted (In ₹)*	87.8	65.2	17.5	25.7	28.8	15.2	18.9	18.9	29.0	**9.0**

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

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

* During the FY16, the Company's equity shares have increased to 2,407 Million due to the merger of erstwhile Ranbaxy Laboratories Ltd. (RLL) with the Company, wherein 0.80 equity share of ₹1 each of the Company have been allotted to the shareholders of RLL for every 1 share of ₹5 each held by them.

The Company has adopted Ind-AS accounting standards with effect from 01 April, 2015. Hence, FY16 onwards, the financials are reported as per Ind-AS and are not strictly comparable with previous years. For FY15, balance sheet items are as per Ind-AS.

Managing Director's Letter



Dear Shareholders,

The global pharmaceutical industry offers significant opportunities to service the healthcare needs of a growing and ageing global population. The industry has witnessed major investments in developing innovative medicines like monoclonal anti-bodies, immunotherapy drugs and gene therapies. Many of these medicines have seen significant success as they are serving the unmet medical needs of patients, resulting in improved medical outcomes and thus changing the lives of patients. However, pricing in key markets like the US has come under severe pressure in the last two years. The industry will have to adapt to this changed scenario, although it also offers significant learning opportunities.

These changing dynamics are also likely to have an impact on competition since return ratios on investments in the US generics business are coming down and not every generics company will be able to remain economically viable at the current rate of price erosion. As a result, companies will have to optimise their future R&D investments.

The US generics market has been an important driver of growth and profitability for Indian pharmaceutical companies between 2005-15. However, now with the changed dynamics, the importance of other markets has increased. It has also become imperative for companies to identify new engines of growth and invest more in innovation. It is in this context, that Sun Pharma has been investing in building its global specialty business since the last few years. Through this initiative we are trying to gradually move up in the pharmaceutical value chain.

The other key focus area for us will be cost control and product rationalisation, with these efforts spread across R&D projects, manufacturing footprint and other areas. These steps will ensure that we continue to earn reasonable returns on our investments.

Highlights of FY18

As guided at the start of the fiscal, FY18 was a tough year. While we witnessed a decline in our financial performance for the year, the challenges also offer us an opportunity to improve our processes and hence emerge as a much stronger company. Our FY18 revenues de-grew by 14% to ₹261 Billion mainly due to decline in our US sales. We have recorded steady growth in all other markets except the US.

Operational Performance

Revenues in the US declined 34% to US$ 1.36 Billion due to higher base of FY17 wherein we had the benefit of 180-day exclusivity on generic Imatinib. Our subsidiary Taro recorded 25% decline in overall revenues for the year. This decline was mainly driven by more intense competition among manufacturers, new entrants to the market, buying consortium pressures, and a higher ANDA approval rate from the USFDA.

We recorded a 4% growth in our India formulations business. Overall growth for the domestic market was impacted by the temporary disruption in the trade channel due to the implementation of the Goods & Services Tax (GST) during the year. Adjusted for this impact, our India revenues have grown by about 9%.

We grew by 11% in emerging markets for the year. This growth was broad-based across various markets. Our sales in the Rest of World (RoW) markets grew by 20% for the year.

R&D

R&D is the backbone of our business and a key determinant of our future growth and profitability. Our efforts to move up the pharmaceutical value chain mandate that we keep investing in R&D. Our R&D investments for the year were ₹22 Billion, targeted mainly at developing complex generics and specialty products. We continue to be disciplined in identifying future R&D projects for the generics market while simultaneously investing in developing a global specialty portfolio. We are also investing in enhancing our product pipeline for emerging markets and other non-US developed markets.

Nurturing specialty growth

Our journey of building a global specialty business commenced a few years ago, and over the years, we have nurtured this evolving business through increased focus and investments. We have allocated significant resources in building the specialty business.

Our specialty initiatives are directed at achieving two main objectives – to build an additional engine of future growth and secondly to move up the pharmaceutical value chain through development and commercialisation of branded patented products. While we intend to target the global market with our specialty products, developed markets are likely to be key contributors to this strategy.

Our specialty portfolio targets Dermatology, Ophthalmic, Oncology and CNS segments. We are developing our specialty products pipeline with a focus on improving patient outcomes either by addressing unmet medical needs or by enhancing patient convenience through differentiated dosage forms.

Over the past two years, we have also focused on establishing the requisite front-end capabilities for our specialty business. This involves setting up a relevant sales force (for promoting these products to doctors), establishing the required regulatory and market access teams, along with support staff.

Commercialisation of key specialty products

FY18 was a busy year for our specialty business and we crossed many important milestones. We filed two of our important products – Ilumya (Tildrakizumab) and OTX-101 with the USFDA and also received final

approval for Ilumya in the US. We also focused on building the relevant front-end presence in the US for marketing and promoting our specialty products. Some of the key highlights for the year were:

- The USFDA approved our Biologics Licence Application (BLA) for Ilumya in March 2018. Ilumya is an IL-23p19 inhibitor approved for the treatment of moderate-to-severe plaque psoriasis in the US. Launch preparations for Ilumya are ongoing for a potential commercialisation in the US in FY19. Ilumya was also filed with the European Medicines Agency (EMA) in March 2017. EMA's approval for Ilumya is awaited.
- Our New Drug Application (NDA) for OTX-101 was accepted by USFDA in December 2017. This is an important product for Sun Pharma's specialty ophthalmology portfolio. We are awaiting final approval for this product from the USFDA.
- Post the close of the year, we announced USFDA approval for Yonsa® (abiraterone acetate), a novel formulation in combination with methylprednisolone, for the treatment of patients with metastatic castration-resistant prostate cancer (mCRPC). Sun Pharma had acquired Yonsa® from Churchill Pharmaceuticals LLC. Churchill is eligible to receive upfront and sales-linked milestone payments, and royalties on sales from Sun Pharma. Yonsa® in combination with methylprednisolone was filed as a New Drug Application (NDA) under the 505(b)(2) regulatory pathway and will be promoted as a branded specialty product in the US. Sun Pharma has already commercialised Yonsa® in the US market.
- We also received approval from the USFDA for a new label for Odomzo® (sonidegib), an oral hedgehog inhibitor to treat patients with locally advanced basal cell carcinoma (laBCC) that has recurred following surgery or radiation therapy, or those who are not candidates for surgery or radiation therapy. The new label incorporates long-term data from the 30-month analysis of BOLT trial, in which Odomzo® continued to show sustained durable tumour response of 26 months with no new safety concerns.
- We have recently initiated investments in the development of two new indications for Ilumya, viz., psoriatic arthritis and ankylosing spondylitis. Although the clinical trials for these new indications will require large front-ended investments, a successful outcome of the trials will significantly expand the addressable market for Ilumya globally.
- The clearance of the Halol facility by the USFDA paves the way for potential approvals for Elepsia XR (Levetiracetam Extended Release tablets) and Xelpros (Latanoprost BAK-free eye drops). These specialty products were in-licenced from Sun Pharma Advanced Research Company Ltd. (SPARC).

Ranbaxy synergies

FY18 was the most important year in terms of accrual of the synergy benefits from the Ranbaxy acquisition. The targeted synergy benefits for FY18 was US$ 300 Million and we are happy to have achieved this important milestone. As indicated before, we have utilised these synergy benefits to fund our evolving global specialty business.

Global cGMP compliance

Worldwide, pharmaceutical regulatory agencies are focusing on improving the quality of products approved by them. This has mandated adherence to very stringent cGMP standards by pharmaceutical manufacturers with a need to focus on 24x7 compliance status. Ability to successfully adhere to these cGMP standards has become a key determinant of future for the pharmaceutical industry.

During the year, Sun Pharma made significant progress towards 24x7 cGMP compliance. Many of our facilities underwent successful audits by multiple regulatory agencies, including the USFDA. At the same time, remediation work continued at some of the facilities, which had been impacted by cGMP deviations.

Our Halol facility, which was impacted by cGMP deviations in FY15, underwent a re-inspection by the USFDA in February 2018. On completion of the re-inspection, the USFDA issued three observations for the facility. Subsequently in June 2018, the USFDA issued the establishment inspection report (EIR) for the facility, thus clearing the facility. With this clearance, new approvals from this facility for the US market are likely to start coming through gradually.

Restructuring and rationalisation

Given the tough pricing conditions in the US generics market, we continue to make efforts towards optimising our costs. It mandates an unwavering focus on cost control across the organisation. We are trying to achieve better results with lower resources as we try to make the organisation more efficient.

Our efforts in this direction will cover multiple operational aspects. The focus will be on optimising our manufacturing footprint as well as generics R&D investments, to ensure a reasonable return on investment as well as overall cost management.

Overall outlook

We are gradually ramping up our global specialty business. We plan to increase its contribution to our consolidated revenues in the long term. This will entail significant front-ended investments, with commensurate revenue streams accruing only over a period of time.

Some of our key specialty products are likely to be commercialised in the US in FY19 and hence we expect to incur significant pre-launch and branding costs along with increasing sales force costs.

The short-term outlook for the US generics market continues to be challenging given the pricing pressures. We expect normalisation of the India business in FY19 post the disruption in FY18 due to GST implementation. Favourable demographics will ensure reasonable volume growth in India. However, government-mandated price reductions/policy changes continue to be potential risks for this business. We are also expecting reasonable growth in our emerging markets business, however, as always, currency fluctuations continue to be a risk.

Given these factors, we expect a low double-digit topline growth in our consolidated revenues for FY19 over FY18. Our consolidated R&D investments for FY19 will be about 8-9% of revenues.

Our talented team of employees will be the key driver of all the above initiatives. We are also grateful to our Board of Directors for their guidance and support.

We are thankful for your support as a shareholder. You have continuously supported our endeavors over the past many years and we hope that you will continue to repose your confidence in us.

Warm regards,

Dilip Shanghvi
Managing Director
Sun Pharmaceutical Industries Ltd.

Management Discussion and Analysis

The global spending on medicines is expected to reach over US$ 1.4 Trillion by 2022, growing at an average CAGR of 3-6% from US$ 1.13 Trillion in 2017.

Global pharmaceutical industry[1]

The global spending on medicines is expected to reach over US$ 1.4 Trillion by 2022, growing at an average compound annual growth rate (CAGR) of 3-6% from US$ 1.13 Trillion in 2017. Demographic changes in population and advances in medical treatments are expected to translate into a rise in spending. Innovation in medicines, along with economic progress, will result in a rise in volume for the pharmaceutical industry. Market growth is likely to occur concurrently with greater pharmaceutical cost controls, improving access and affordability.

In developed markets, ageing population and development of new specialty medicines will continue to drive pharmaceutical growth. In developing nations, growing population and rising disposable incomes among the middle-class, increasing aspirations for better healthcare and gradually increasing penetration of insurance coverage will drive the growth momentum.

Chart 1 Global medicine spending and growth 2007-2022[2]

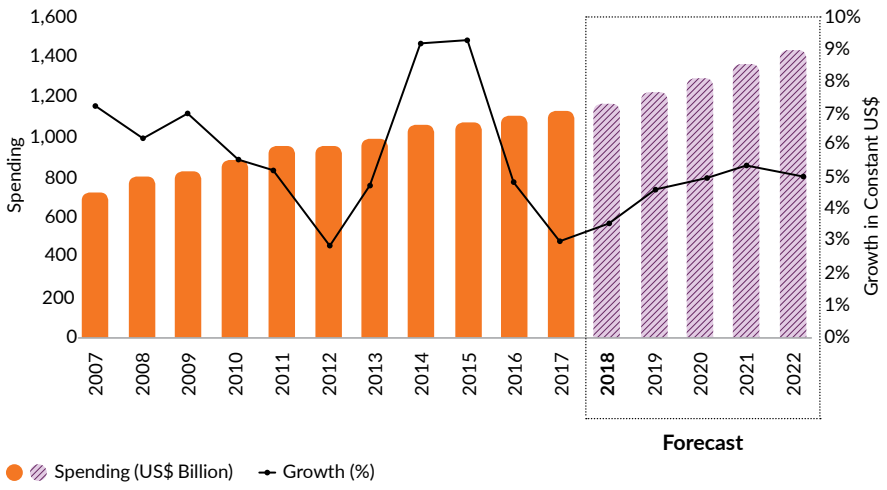


Table 1 Global pharmaceutical spending and growth[2] (US$ Billion)

Regions	2017	2013-17 CAGR	2022	2018-22 CAGR
Developed Markets	753.2	5.8%	915-945	2-5%
Pharmerging Markets	269.6	9.7%	345-375	6-9%
Other Markets	112.3	2.0%	125-155	2-5%
Global Pharmaceutical Market	**1,135.1**	**6.2%**	**1,415-1,445**	**3-6%**

Chart 2 Global spending by region[2]

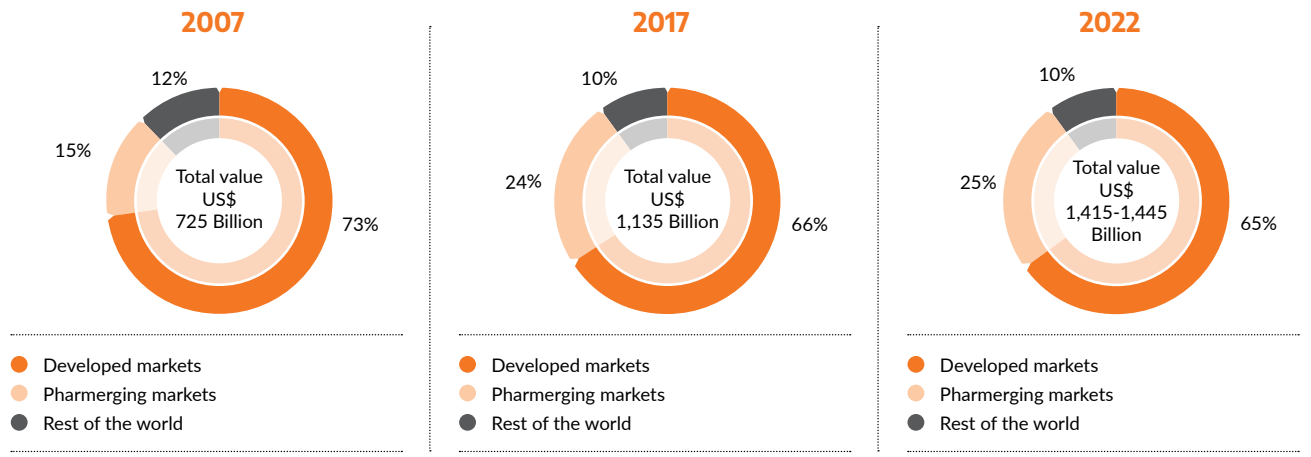


Table 2 Leading therapy-wise spending and growth in selected developed and pharmerging markets[2] (US$ Billion)

Therapy areas	2017	2012-17 CAGR	2022	2017-22 CAGR
Oncology	81.1	11.8%	115-130	7-10%
Diabetes	72.2	16.9%	105-115	8-11%
Pain	76.1	5.7%	80-95	2-5%
Autoimmune	47.5	16.8%	65-75	7-10%
Respiratory	38.5	4.8%	40-50	2-5%
Antibiotics & vaccines	38.3	3.2%	40-48	1-4%
Cardiovascular	40.6	-1.8%	36-44	(-2)-1%
HIV	26.7	11.5%	32-40	5-8%
Mental health	36.1	-2.6%	32-38	(-2)-1%
Antivirals	23.8	25%	16-20	(-7)-(-4)%
All other therapies	368.3	5.1%	445-460	3-6%

Selected Developed and Pharmerging Markets: Includes 8 Developed and 6 Pharmerging countries of the US, France, Germany, Italy, Spain, UK, Japan, Canada, China, Brazil Russia, India, Turkey and Mexico

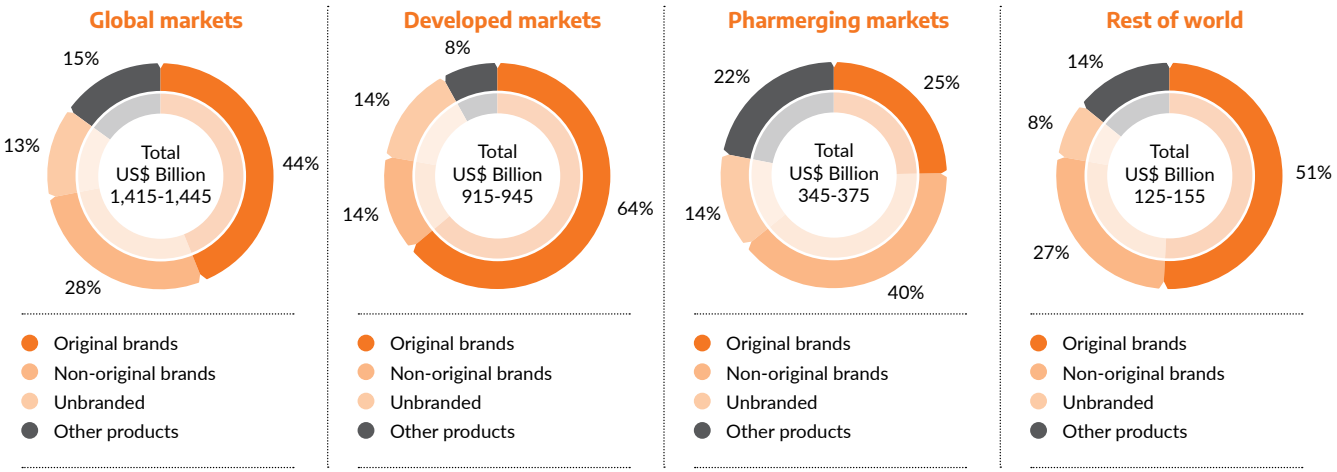
Emerging trends for 2018-22[1]

Pharmaceutical spending in developed markets is likely to grow at 2-5% CAGR between 2018-22 compared to 5.8% in the 2013-17 period. While launch of innovative products is likely to drive growth, is expected to be balanced by patent expiries of existing products.

- Specialty medicines will drive medicine spending in developed markets, partly offsetting the decline in spending on traditional medicines.
- The requirement to replenish product portfolios impacted by patent expiries will continue to drive acquisitions and in-licensing for the specialty segment.
- For pharmerging markets, policies designed to achieve universal healthcare will be an intricate formula that induces investment, while protecting affordability. However, sluggish economic conditions in these markets and relatively higher out-of-pocket costs for patients will offset some of the gains in access. Medicine spending in these markets is likely to grow at 6-9% CAGR for 2018-22 compared to nearly 10% for the 2013-17 period.
- Innovation in new drug development, immunotherapy, next generation biotherapeutics, including cell-based gene therapies and digital health tools will gain importance in the future of the global healthcare industry.
- Generic medicines will continue to be an important part of the efforts to reduce overall global healthcare costs.

Innovation in new drug development, immunotherapy, next generation biotherapeutics, including cell-based gene therapies and digital health tools will gain importance in the future of the global healthcare industry.

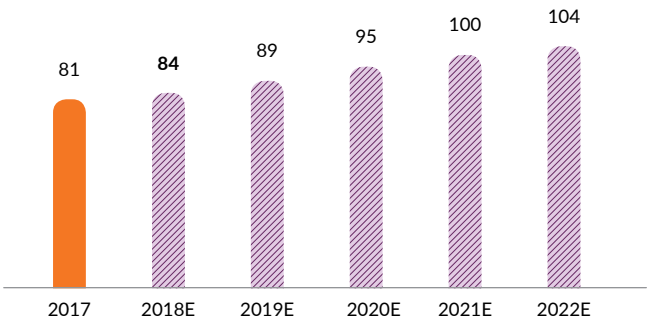
Chart 3 Global medicine spending by product type in 2022[2]



Global generics market[3]

The global generics market is estimated to grow at 5% CAGR for the 2017-22 period to reach US$ 104 Billion by 2022. Governments worldwide are facing pressures of rising healthcare costs, thus emphasising on the importance of generics and their role in making pharmaceutical products affordable to those in need. Patent expiry for branded drugs in developed markets has a bearing on the potential of generics in those markets. In the emerging world, the branded generics markets will be driven primarily by rising per capita incomes, increasing healthcare awareness and enhanced incidence of chronic ailments.

Chart 4 Global generics market growth[3] (US$ Billion)



Growth enablers of global pharmaceutical industry[4]

Ageing population

Global population is likely to cross 9.3 Billion by 2050 and the proportion of individuals aged 60 and above will account for 21% of it. The growing average life expectancy has been accompanied by a rise in different diseases, leading to the deployment of more resources for research and innovation to improve the quality of life for an ageing population.

Rising pollution

Rising air and water pollution is resulting in increased incidence of various diseases, leading to higher pharmaceutical consumption.

Changing lifestyles

Individual lifestyle choices are increasingly affected by stress, resulting in higher risk for obesity, hypertension, depression, diabetes and cardiovascular problems. Moreover, with rise in disposable incomes for global middle-class families, the demand for better healthcare is gradually increasing.

Cost controls

Governments, particularly in emerging economies, are shifting towards affordable, universal healthcare with reduced out-of-pocket spending for patients. Although they deepen market access, the cost-containment policies of governments will neutralise some of these gains for the pharmaceutical industry.

Technology

Empowered by technological advances such as mobile apps, wearable healthcare devices and greater awareness, patients are increasingly taking better and more well-informed healthcare choices.

Outlook

Changing lifestyles will increasingly make chronic diseases a global health issue. Developed markets growth will be driven by ageing population and adoption of emerging medical technologies.

In developing markets, besides growing populations, the pharmaceutical industry will benefit from higher incomes of consumers. The entry of wearables in the global market will facilitate access to accurate, real-world data. Subsequently, the quality of diagnostic services will improve thus leading to increased pharmaceutical consumption.

Specialty medicines[1]

In the previous decade, new medications have witnessed a gradual and continuous shift towards specialty medicines (defined as those that treat chronic, complex or rare conditions). The share of specialty medicines in global spend in 2017 stood at 32%, up from 19% in 2007.

In the US and EU5 markets, the contribution of specialty medicines to overall pharmaceutical spending has almost doubled over the preceding 10 years. This trend is likely to continue. While specialty medicines are more expensive than traditional therapies, the availability of insurance funding is helping in making them affordable to the population of these countries.

The share of specialty medicines in pharmerging markets has not grown much over the preceding 10 years. This is primarily due to the higher proportion of out-of-pocket funding by patients in these countries, which limits affordability of higher priced specialty medicines.

Developed markets[1]

Pharmaceutical spending in developed markets is estimated to grow at 2-5% CAGR from US$ 753.2 Billion in 2017 to US$ 915-945 Billion in 2022. The US will continue to be the key contributor of the growth in developed markets. In other such markets, where access and costs are mostly managed by single payers growth will be sluggish.

Table 3 Pharmaceutical spending and growth in developed markets[2] (US$ Billion)

Region/Country	2017	2013-17 CAGR	2022	2018-22 CAGR
US	466.6	7.3%	585-615	4-7%
EU5	154.4	4.4%	170-200	1-4%
Germany	45.1	4.9%	51-61	2-5%
France	33.1	1.3%	36-40	0-3%
Italy	29.0	5.5%	34-38	2-5%
UK	25.7	6.9%	29-33	2-5%
Spain	21.5	4.6%	24-28	1-4%
Japan	84.8	2.0%	85-89	0-4%
Canada	20.7	3.9%	23-27	1-4%
South Korea	13.7	4.5%	15-19	3-6%
Australia	13.1	4.7%	12-16	1-4%
Total	**753.2**	**5.8%**	**915-945**	**2-5%**

US

The US pharmaceutical market is estimated to grow by 4-7% CAGR from US$ 466.6 Billion in 2017 to US$ 585-615 Billion in 2022. The gains from a free-market pricing will continue to be partly offset by price rebates negotiated by payers. Patent expiry and subsequent loss of brand exclusivity will continue to aggravate the situation, whereas price increases and introduction of new specialty medicines will drive the spending growth.

Europe (EU5)

The CAGR for the next five years for EU5 markets is estimated at 1-4%, with overall spending in these markets likely to escalate from US$ 154.4 Billion in 2017 to US$ 170-200 Billion in 2022. Spending will be primarily driven by the ageing population of countries and increased incidence of chronic ailments coupled with increasing adoption of specialty medicines.

Chart 5 US pharmaceutical spending and growth (US$ Billion)

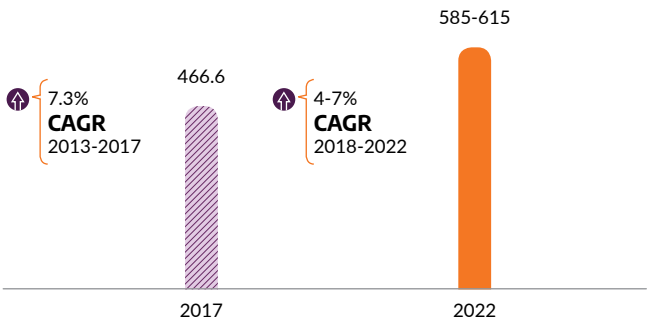
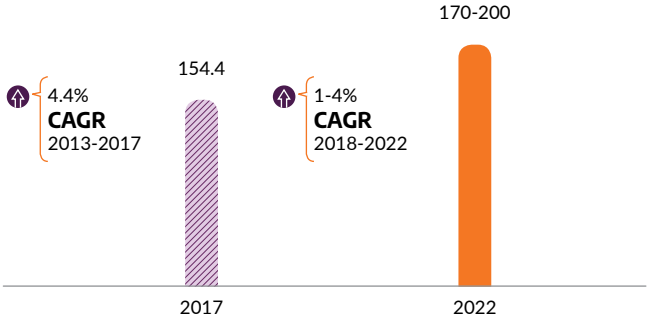


Chart 6 EU5 pharmaceutical spending and growth (US$ Billion)



Japan

Spending on pharmaceuticals in Japan is likely to continue to grow at a sluggish pace, from US$ 84.8 Billion in 2017 to US$ 85-89 Billion in 2022. High life expectancy with low birth and migration rates have contributed to a declining Japanese population.

Challenges in the form of complex regulatory framework and periodic price cuts have hampered the sector's growth. However, the volume share of generic drugs in Japan has nearly doubled in recent years, with government policies promoting the use of generics. This trend is expected to continue.

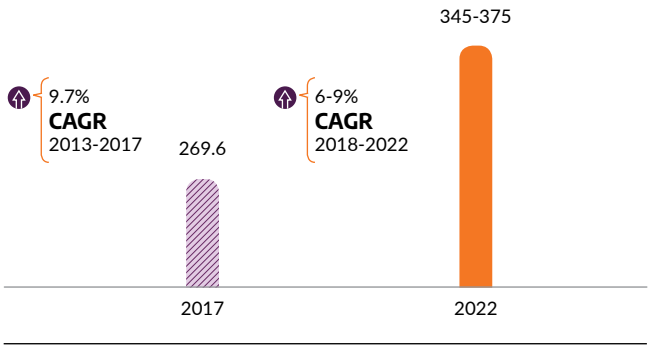
Pharmerging markets[1]

The pharmaceutical spending in pharmerging markets stood at around US$ 269.6 Billion in 2017. It is estimated to grow at 6-9% CAGR during 2018-22 to reach US$ 345-375 Billion in 2022.

It is likely to be driven by the efforts of individual governments to expand public access to healthcare, higher incidence of chronic ailments and rising per capita incomes, leading to enhanced healthcare awareness.

Branded generic medicines comprise the largest proportion of medicine spending in these economies. Payments, primarily out-of-pocket for consumers, reflect a correlation between economic growth and pharmaceutical spending growth.

Chart 7 Pharmaceutical spending and growth in pharmerging markets (US$ Billion)



Spending in pharmerging markets, driven mainly by volume increases and the use of generics, is likely to grow by 7-8% in 2018, making it the third consecutive year that the growth will be less than 10%. China, the largest pharmerging market, will grow at a modest 5-8% in the next half decade, reaching US$ 145-175 Billion in 2022.

India and Russia are expected to grow faster, in comparison, averaging at 10% in the same time span, while the other pharmerging markets will average 6-9%. India's spending on medicines will propel its entry into the top 10 countries in 2018, and to the ninth position overall between 2019 and 2022.

Table 4 Pharmaceutical spending and growth in pharmerging markets (US$ Billion)

Region/Country	2017	2013-17 CAGR	2022	2018-22 CAGR
China	122.6	9.4%	145-175	5-8%
Tier 2 markets	67.3	11.2%	89-93	7-10%
Brazil	33.1	11.5%	38-42	5-8%
India	19.3	11.0%	26-30	9-12%
Russia	14.9	10.8%	20-24	7-10%
Tier 3 markets	79.7	8.9%	95-125	6-9%
Total	**269.6**	**9.7%**	**345-375**	**6-9%**

Global consumer healthcare industry[5]

The global consumer healthcare (GCH) market grew by 4.1% in 2017 to reach US$ 127 Billion. The US and China continue to be the largest GCH markets and together account for 46% of the global share. For 2017, North America and European markets recorded 2.5-3% growth, Asia-Pacific was up 4.3%, while Latin America (+11.8%) and the Middle East & Africa (+6.7%) grew fastest. Among emerging markets, Brazil, Russia and India account for almost 9% of the global market.

Vitamins, minerals & supplements, cough, cold and allergy segments account for over 50% of market spend. Growing healthcare awareness and internet penetration have empowered people to seek various available treatments. This is leading to self-medication and driving market momentum.

Active Pharmaceutical Ingredients (API)[6]

Geriatric healthcare solutions, biopharmaceutical sector growth and advancements in API manufacturing will be the key drivers for the API industry. The prevalence of chronic diseases such as cancer, diabetes and cardiovascular ailments contribute to the market growth. Growing demand for quick action, efficient drugs and innovations in drug manufacturing also fuel its growth.

Led by increasing expenditure on medical research, North America will continue to dominate the global API market. Asia-Pacific regions are increasingly favoured for setting up API manufacturing facilities due to the availability of affordable labour and low manufacturing costs.

Indian pharmaceutical market[7,8]

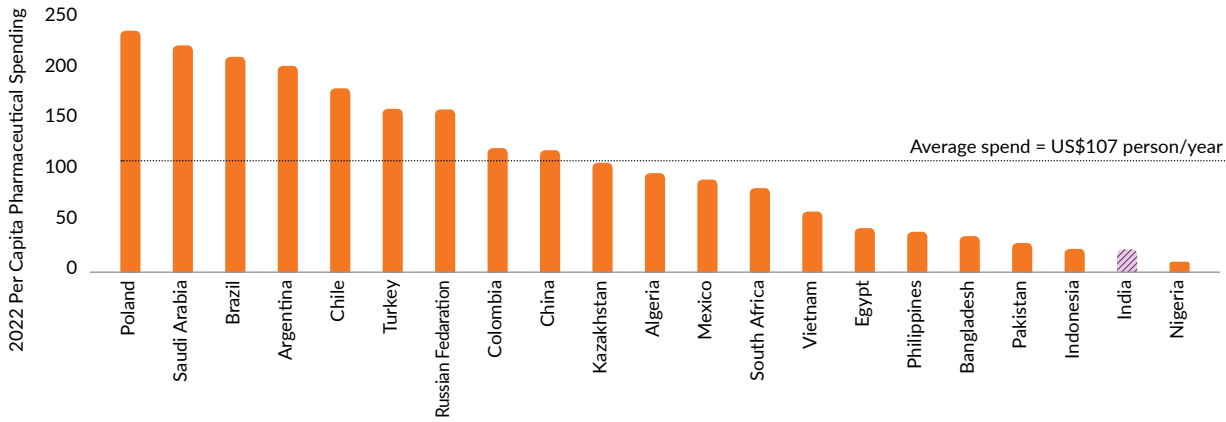
India's pharmaceutical industry is the world's largest supplier of generic drugs, accounting for 20% of global export volume. The domestic market accounts for over 3% of the global pharmaceutical industry in value terms and 10% in volume. It is predicted to grow at a CAGR of 9-12% in the 2018-22 period to reach a size of US$ 26-30 Billion.

Branded generic drugs account for nearly 80% of the Indian pharmaceutical market by sales. The market is highly fragmented and competitive. Cost-efficiency coupled with a skilled workforce continues to make it an attractive destination for investment and research.

Out-of-pocket expenses for patients in India continue to constitute the biggest share of total medical spending for the average household. As a proportion of GDP, the average healthcare expenditure for India is one of the lowest among BRICS nations.

The Government of India has made efforts to make pharmaceutical products more affordable and step up the promotion of generics. Moreover, government-sponsored programmes provide healthcare benefits for the low-income section of the population.

Chart 8 **India – Estimated per capita pharmaceutical spending versus other emerging markets[1]** (US$ per person/year)



Notes: Spending per capita, per capita growth and overall spending growth in Constant US$.

Growth drivers of Indian pharmaceutical market



Sun Pharmaceutical Industries Ltd. (Sun Pharma)

Sun Pharma is the world's fifth largest specialty generics pharmaceutical company. It is also India's largest and most valuable pharmaceutical enterprise by size and market capitalisation. A vertically integrated business, economies of scale and a skilled team enable it to deliver well-timed quality products at affordable prices.

The Company is deepening its global footprint as a highly trusted pharmaceutical company among consumers and healthcare professionals in over 100 countries. It has multiple manufacturing facilities and R&D centres across the world. The Company has 32,000+ global employee base that comprises over 50 nationalities. As an innovation driven enterprise, it has robust R&D capabilities with investments of over 8.6% of annual revenues.

Sun Pharma's Global Consumer Healthcare (GCH) business is ranked among the top 10 across four emerging markets. Its API business footprint is strengthened through 14 world-class API manufacturing facilities around the world.

The Company has operations spanning segments like specialty products, branded generics, complex and pure generics, over-the-counter (OTC) products, anti-retrovirals (ARVs), and active pharmaceutical ingredients (APIs). It also manufactures intermediates for specialty APIs, offering a full range of dosage forms, including tablets, capsules, injectables, ointments, creams and liquids.

In India, Sun Pharma enjoys leadership across 13 classes of doctors with 32 brands featuring among the top 300 pharmaceutical brands. Internationally, the Company has a strong presence in the US, emerging markets, Western Europe, Japan, Canada, Israel, Australia and New Zealand (A&NZ). It has multiple production units approved by various regulatory authorities, including the USFDA.

Value creation framework

Growing and sustaining our prominence across markets, therapeutic segments and products.

Growth pillars

US$ 4 Bn
Global revenue as on 31st March, 2018

> 100
Markets served

> 2,000
Products marketed

68%
Contribution to sales from international markets

42
Manufacturing facilities across six continents

> 32,000
Employees worldwide

Sun Pharma is deepening its global footprint as a highly trusted pharmaceutical company among consumers and healthcare professionals in over 100 countries. It has multiple manufacturing facilities and R&D centres across the world. The Company has 32,000+ global employee base that comprises over 50 nationalities. As an innovation driven enterprise, it has robust R&D capabilities with R&D investments of over 8.6% of annual revenues.

Global Presence

US Formulations	India Branded Generics	Emerging Markets	Western Europe, Canada, Japan, A&NZ and others
• Fifth-largest generics Company in the US with one of the largest ANDAs pipeline (139 ANDAs and 3 NDAs awaiting approval). • Largest Indian pharmaceutical enterprise in the US. • Presence in generics and branded specialty segments with a portfolio of over 400 products.	• No. 1 pharmaceutical Company in India. • No. 1 ranked with 13 classes of doctor categories. • Leading position in high-growth chronic therapies. • Specialises in technically complex products.	• Among one of the largest Indian pharmaceutical companies in Emerging Markets. • Presence in over 100 countries across Africa, Latin America, Asia and Eastern & Central Europe. • Key focus markets – Russia, Brazil, Romania, Mexico, Africa, and complementary and affiliated markets.	• Presence across majority of markets in Western Europe, Canada, Japan and A&NZ. • Product portfolio includes differentiated offerings for hospitals, injectables and generics for retail market.

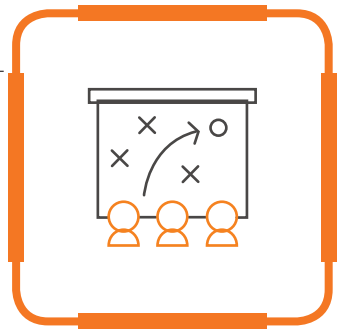
Growth Strategies

Create sustainable revenue streams

- Enhance share of specialty business globally
- Achieve differentiation by focussing on technically complex products
- Focus on key markets to achieve critical mass
- Speed to market
- Ensure sustained compliance with global regulatory standards

Business development

- Use acquisitions to bridge critical capability and portfolio gaps
- Focus on access to products, technology and market presence
- Ensure acquisitions yield high return on investment
- Concentrate on payback timelines



Balance profitability and investments for future

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

Cost leadership

- Vertically integrated operations
- Optimise operational costs

Building a robust specialty portfolio

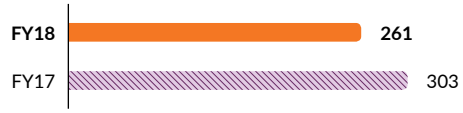
- In-licenced ILUMYA™ (a monoclonal antibody targeting IL-23) from MSD for treating chronic plaque psoriasis in 2014. Biologics Licence Application (BLA) for ILUMYA™ filed with the USFDA and EMA for the European market and subsequently received final approval from USFDA in March 2018. Launch preparations for commercialising the product in the US are ongoing.
- Acquired Ocular Technologies for access to global rights for OTX-101 for treating Dry Eye Disease; announced positive outcomes from confirmatory Phase-3 trials in January 2017; filed NDA with USFDA in December 2017; evaluating other markets for filing OTX-101.
- Acquired branded oncology product – Odomzo – in December 2016; the product is approved in 30 countries, including the US, Europe and Australia; currently marketed in the US and Germany.
- Launched BromSite – first specialty ophthalmology product in the US – in November 2016.
- Currently marketing Levulan Kerastick (a drug-device combination for treating actinic keratosis) and Absorica (for treating acne) in the US dermatology market.
- Two ophthalmic molecules undergoing clinical trials as a part of the InSite Vision pipeline.
- In-licenced Xelpros (ophthalmology) and Elepsia (CNS) products from Sun Pharma Advanced Research Company (SPARC). Both these products are awaiting USFDA approval.

Table 5 Key acquisitions and joint ventures (JV)

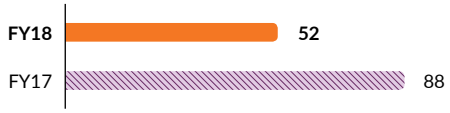
Year	Deals	Country	Acquisition Rationale
2016	Acquired global rights for OTX-101 and Odomzo	Global Markets	Enhances specialty pipeline
2016	Acquired Biosintez	Russia	Access to local manufacturing capability to enhance presence in the Russian market
2016	Licensing agreement with Almirall for ILUMYA™ for Psoriasis	Europe	Strengthening the distribution of ILUMYA™ in Europe
2016	Acquired 14 brands from Novartis	Japan	Entry into Japan
2016	Distribution agreement with AstraZeneca	India	Distribution services agreement in India for brand 'Oxra' and 'Oxramet'® (brands of dipagliflozin, used for diabetes treatment)
2015	Acquisition of InSite Vision	US	Strengthens branded ophthalmic portfolio in the US
2015	Acquisition of GSK's Opiates Business	Global Markets	Vertical integration for controlled substances business
2015	Distribution agreement with AstraZeneca	India	Distribution services agreement in India for brand 'Axcer'® (brand of ticagrelor, used for the treatment of acute coronary syndrome)
2015	Sun Pharma – Ranbaxy Merger	Global Markets	Fifth-largest Global Specialty Generics Pharma Company and No.1 Pharma Company in India with strong positioning in emerging markets
2014	In-licensing agreement with Merck for ILUMYA™ a biologic for psoriasis	Global Markets	Strengthened the specialty product pipeline
2014	Acquired Pharmalucence	US	Sterile injectable capacity in the US, supported by strong R&D capabilities
2013	Acquired URL's generics business	US	Addition to the US generics portfolio
2012	Acquired DUSA Pharma, Inc.	US	Access to branded derma product
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel	Enhanced presence in the US generics market, especially the dermatology segment
2008	Acquired Chattem Chemicals, Inc.	Tennessee, US	Access to controlled substance facility with DEA registration
2005	Assets of Able Labs Formulation plant in Bryan	New Jersey, US Ohio, US	Access to formulations plant (NJ, US)
1997	Acquired Caraco	Detroit, US	Entry into the US generics market

Key performance indicators

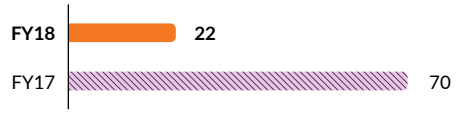
GROSS SALES
(₹ Billion)



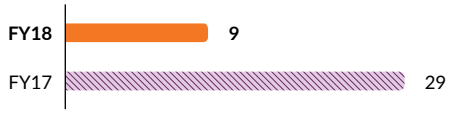
EBITDA*
(₹ Billion)



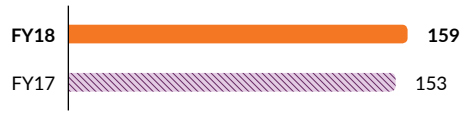
NET PROFIT AFTER MINORITY INTEREST
(₹ Billion)



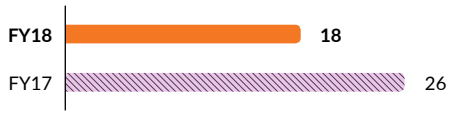
ADJUSTED EARNING PER SHARE (post exceptional items)
(₹ per share)



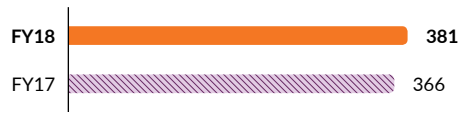
BOOK VALUE PER SHARE
(₹ per share)



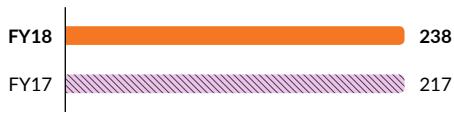
MARKET CAPITALISATION (as on 31st March)
(US$ Billion)



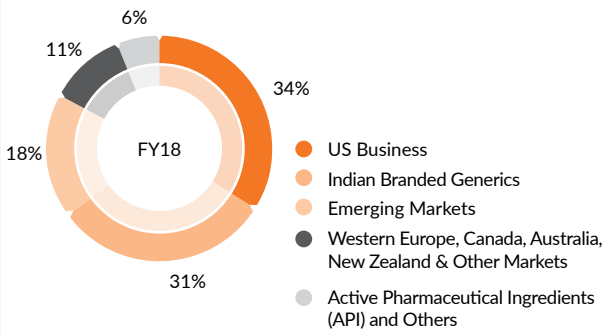
NET WORTH
(₹ Billion)



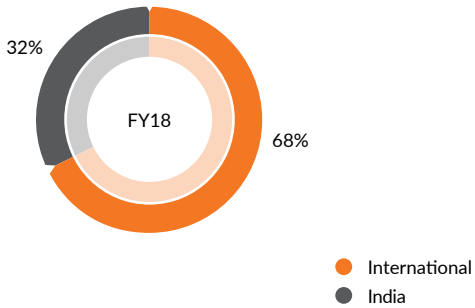
PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS (at cost/deemed cost)
(₹ Billion)



BUSINESS-WISE REVENUE SHARE



BUSINESS MIX



*EBITDA = Gross Sales - (Cost of Material Consumed + Purchase of stock-in-trade + Change in inventories of Finished Goods, Work-in Progress and Stock-in-Trade + Employee Benefits Expense + Other Expenses)

FY18 operational highlights

- In May 2017, the Company received the U.S. Food and Drug Administration (USFDA) acceptance of the Biologics Licence Application (BLA) for ILUMYA™. The USFDA filing acceptance followed the acceptance of the regulatory filing of ILUMYA™ by the European Medicines Agency (EMA) in March 2017. ILUMYA™ is an IL-23p19 inhibitor approved for the treatment of moderate-to-severe plaque psoriasis in the US. The BLA filing for ILUMYA™ with the USFDA was based on two pivotal Phase III trials (reSURFACE 1 and 2), which included over 1,800 patients across more than 200 clinical trial sites, including some patients who have been treated with ILUMYA™ for up to three-and-a-half years. Data from these trials were presented at the 2017 American Academy of Dermatology (AAD) Annual Meeting and previously presented at the 25th European Academy of Dermatology and Venereology Congress. Subsequently, in March 2018, Sun Pharma announced USFDA approval for ILUMYA™ (tildrakizumab-asmn) to treat adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy.

- In June 2017, the Company received final approval from USFDA for its Abbreviated New Drug Application (ANDA) for generic version of Zetia® (ezetimibe) Tablets 10mg. These generic ezetimibe tablets are therapeutic equivalents of Merck's Zetia® tablets. According to IQVIA, ezetimibe tablets had annual sales of approximately US$ 2.7 Billion in the US for the 12 months ended April 2017.

- In June 2017, Sun Pharma in partnership with The National Institute of Virology (NIV), Pune, an institution of the Indian Council of Medical Research, Department of Health Research, Ministry of Health and Family Welfare, New Delhi, announced that they have signed an agreement for testing phyto-pharmaceutical, biologic and chemical entities developed by Sun Pharma against zika, chikungunya and dengue viruses. Sun Pharma will provide drug molecules to NIV for testing against zika, chikungunya and dengue in model systems. Candidate molecules with encouraging data will then be taken forward for commercial development. Sun Pharma and NIV aim to promote discovery sciences, translational health research and development of medical products, which is in sync with the direction provided by the Government of India's 'Make In India' initiative. Sun Pharma's agreement with NIV follows its MoU with the Indian Council of Medical Research (ICMR) for conducting joint scientific research and innovation for testing of drugs, biosimilars and vaccines for disease control and elimination programmes.

- In July, 2017, Sun Pharma and Samsung BioLogics announced a strategic long-term manufacturing agreement for ILUMYA™. The agreement was entered into by Sun Pharma's wholly-owned subsidiary and Samsung BioLogics. According to the agreement, Sun Pharma has appointed Samsung BioLogics to manufacture future supplies of ILUMYA.

- In September 2017, Sun Pharma announced that one of its wholly-owned subsidiaries has received approval from the USFDA for a new label for Odomzo® (sonidegib), an oral hedgehog inhibitor to treat patients with locally advanced basal cell carcinoma (laBCC) that has recurred following surgery or radiation therapy, or those who are not candidates for surgery or radiation therapy. Odomzo® was approved by the USFDA in July 2015, based on 12-month follow-up results from the pivotal Phase II Basal Cell Carcinoma Outcomes with LDE225 Treatment (BOLT) clinical trial, a multicentre, double-blind study involving 194 patients with laBCC and 36 patients with metastatic basal cell carcinoma (mBCC). The new label incorporates long-term data from the 30-month analysis of BOLT trial, in which Odomzo® continued to show sustained durable tumour response of 26 months with no new safety concerns.

- In October 2017, Sun Pharma announced that one of its wholly-owned subsidiaries has received final approval from the USFDA for its ANDA for generic version of Coreg CR®, (carvedilol phosphate) extended release capsules, 10mg, 20mg, 40mg and 80mg, which are therapeutic equivalents of GSK's Coreg CR® extended release capsules. As per IQVIA, Coreg CR® had annual sales of approximately US$ 208 Million in the US for the 12 months ended August 2017.

- In December 27, 2017, the Company announced that the USFDA has accepted a New Drug Application (NDA), filed by its wholly-owned subsidiary, for OTX-101 (cyclosporine A, ophthalmic solution) 0.09%, a novel nanomicellar formulation of cyclosporine A 0.09% in a clear, preservative-free aqueous solution. OTX-101 is currently under review for approval by the USFDA.

- In January 2018, Sun Pharma announced that its wholly-owned subsidiaries have reached an agreement with Ironwood Pharmaceuticals, Inc. and Allergan plc. to resolve the patent litigation regarding submission of an ANDA for a generic version of Linzess® (Linaclotide capsules) in the US. Pursuant to the terms of the settlement. Sun Pharma's wholly owned subsidiaries will be eligible to market a generic version of Linzess® in the United States beginning 01 February, 2031, (subject to USFDA approval) or earlier under certain circumstances.

- In February 2018, Sun Pharma's Halol facility underwent an inspection by the USFDA. Post the closure of the inspection, the USFDA issued the Form-483 to the facility citing three deviations. Sun Pharma filed its response to the USFDA in March 2018, citing proposed measures to address the deviations. Subsequently in June 2018, the USFDA issued the establishment inspection report (EIR) for Halol, thus clearing the facility.

- In February 2018, Sun Pharma Science Foundation, a non-profit organisation announced the Sun Pharma Science Awards to Indian scientists for their outstanding work and exemplary contribution to medical research. The awards were presented in two categories:

  - The Sun Pharma Research Awards for outstanding scientists.
  - Sun Pharma Science Scholar Awards for young researchers.

  The winners for both these awards are identified in two sub-categories:

  - Medical Sciences
  - Pharmaceutical Sciences

An eminent jury panel comprising well-known scientists from India selected the winners. These awards are presented annually to Indian scientists and young researchers working in India and abroad.

FY19 outlook and guidance

The US generics industry continues to face pricing pressure driven by increasing competitive intensity and customer consolidation. Despite these adverse dynamics, the Company expects low double-digit growth in consolidated revenues for FY19.

Sun Pharma continues to invest in enhancing its global specialty and complex generics pipeline. Investments will also continue for setting up the requisite front-end capabilities for the specialty business in the US as well as on clinical trials for some of the specialty products. These investments may not have commensurate revenues in FY19 but are likely to drive growth in the longer-term. The consolidated R&D investments for FY19 will be about 8-9% of consolidated revenues. The Company expects a gradually increasing tax rate over the next few years.

Business segment review

US business

34%
Revenue contribution

₹87,466 Mn
Revenues for FY18

7%
FY13-18 revenue CAGR

561
Cumulative ANDAs filed

422
Cumulative ANDAs approved

39
Cumulative NDA/BLA approved

As on 31st March, 2018

Sun Pharma is the fifth largest specialty generics pharmaceutical company in the US market with presence across generics, specialty, branded and OTC segments. Its primary focus areas include CNS, dermatology, cardiology, oncology and ophthalmics, among others. It has integrated manufacturing facilities with the capability of manufacturing products, both onshore and offshore, across a variety of dosage forms including liquids, creams, gels, sprays, injectables, tablets, capsules and drug-device combinations. The Company's comprehensive portfolio includes 561 ANDAs and 42 NDAs filed and 422 ANDAs and 39 NDAs approved across multiple therapies.

ANDA pipeline

Sun Pharma had 139 ANDAs and 3 NDAs pending USFDA approval as of 31 March 2018. This pipeline includes a combination of complex generics, First-to-File (FTF) opportunities and normal generics.

US business milestones

FY18	• Launched Odomzo in the US • Launched Generic Coreg CR® in the US • Acceptance and approval for ILUMYA™ (tildrakizumab) in the US • Filed NDA for OTX-101 with USFDA
FY17	• Acquired Ocular Technologies - giving access to OTX-101, a product for treating dry eyes • Launched BromSite - Sun Pharma's first specialty ophthalmic product - in the US • Acquired Odomzo - branded oncology product from Novartis
FY16	• Acquired InSite vision to strengthen the specialty ophthalmic portfolio
FY15	• Expanded presence in the US with the addition of Ranbaxy's US business
FY14	• Acquired Pharmalucence to get access to sterile injectables capability
FY13	• Acquired DUSA, marking entry into the specialty dermatology market
FY10	• Acquired URL's generics business • Acquired Taro Pharma and forayed into the generics dermatology market
FY98-FY10	• Enhanced and strengthened the US business
FY98	• Entered into the US market by acquiring Caraco

Progress in FY18

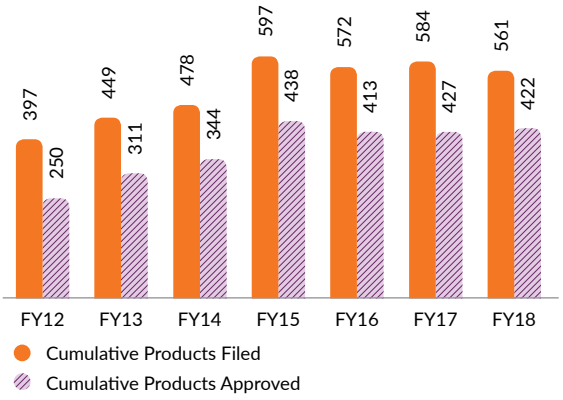
The Company's consolidated US revenues de-grew by 36% in FY18 to ₹87,466 Million. The US generics market continues to face a challenging environment driven by customer consolidation and faster pace of generics approvals by the USFDA. Revenues were also impacted by delay in approvals from the Halol facility for the US market.

Key products which drove revenues down were:

1. **Imatinib Mesylate –** Revenues declined as expected post the expiry of the 180-day exclusivity
2. **Absorica –** Revenues declined due to changes in co-pay programme
3. **Liposomal Doxorubicin –** Faced increased competition from other generics
4. **Authorised generic versions of Olmesartan –** These were launched in FY17 and hence faced competitive intensity in FY18

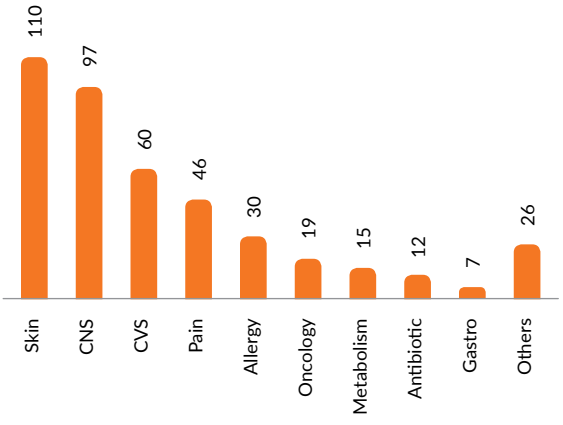
The US revenues for Taro (a 75% subsidiary) declined by 25% for FY18, driven primarily by a difficult generics pricing environment. This resulted from a more intense competition among manufacturers, new market entrants, buying consortium pressures, and a higher ANDA approval rate from the USFDA.

Chart 9 ANDAs Filed and Approved



(Cumulative numbers for FY16 are lower than FY15 due to Bryan facility divestment. URL ANDA numbers added since March 2013 and Ranbaxy ANDA numbers added for March'15)

Chart 10 ANDA Approvals by Therapeutic Area



(As of March 2018)

Future growth drivers

- Launch of specialty products
- Patent expiries and the US government's focus on reducing healthcare costs will continue to favour growth of low-cost generics

Focus areas

- Enhancing the share of specialty business.
- Focussing on complex generics and high-entry barrier segments.
- Ensuring a broad offering to customers across multiple dosage forms.
- Improving service levels for customers through round-the-clock cGMP compliance, product robustness and supply chain

Indian branded generic business

31%
Revenue contribution

₹80,293 Mn
Revenues for FY18

22%
FY13-18 revenue CAGR

No. 1
Ranked in Indian pharmaceutical market, with 8.5% market share

No. 1
Ranked by prescriptions with 13 different doctor categories

As on 31 March, 2018

Sun Pharma is India's largest pharmaceutical company with 8.5% market share in the domestic market. It is one of the leaders in the chronic segment and enjoys strong positioning in the acute segment. The Company has a well-diversified product portfolio with low brand concentration. It has one of the widest reach in India's medical fraternity with a 9,200+ strong sales force reaching around 600,000 doctors. The sales force has one of the highest productivity metrics among India's key players.

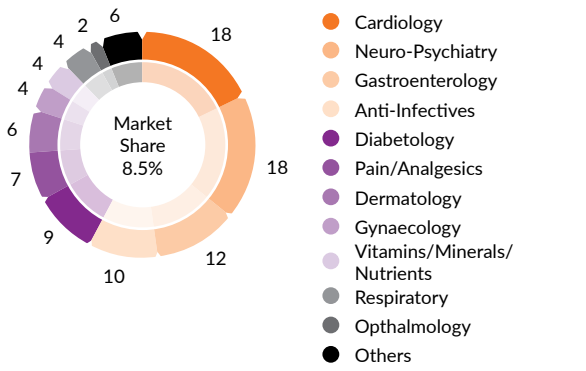
Brand prominence

Sun Pharma specialises in technically complex products, offering a comprehensive therapy basket, and owns 32 of the top 300 pharmaceutical brands in India

Progress in FY18

- Revenue from Indian business increased by 4% to ₹80,293 Million in FY18.
- This growth was achieved despite the implementation of the Goods & Services Tax (GST) in India, which resulted in a temporary disruption in the Indian pharmaceutical market distribution chain.

Chart 11 Therapeutic revenue break-up[9] (%)



(As of March 2018)

Table 5 Leadership in prescription rankings[10]

Specialists	February 2017	Specialists	February 2018
Psychiatrists	1	Psychiatrists	1
Neurologists	1	Neurologists	1
Cardiologists	1	Cardiologists	1
Orthopaedic	1	Orthopaedic	1
Gastroenterologists	1	Gastroenterologists	1
Nephrologists	1	Nephrologists	1
Diabetologists	1	Diabetologists	1
Consulting Physicians	1	Consulting Physicians	1
Dermatologists	1	Dermatologists	1
Urologists	1	Urologists	1
Oncologists	1	Oncologists	1
Ophthalmologists	2	Ophthalmologists	1
Chest Physicians	2	Chest Physicians	1

Outlook & future growth drivers

- India's pharmaceutical market offers good long-term potential, driven by increasing per capita income, rising healthcare awareness, higher incidence of chronic ailments and gradually increasing insurance coverage.
- Government-mandated price controls and other regulatory changes coupled with competitive intensity will continue to be the key industry challenges.

Future focus

- Enhancing the productivity of domestic business and strengthening leadership in a hyper-competitive landscape.
- Innovating consistently to ensure high brand equity with doctors.
- Widening the product basket through in-house drug development and in-licensing.

Emerging markets

18%
Revenue contribution

47%
FY14-18 revenue CAGR

₹48,392 Mn
Revenues for FY18

100+ countries
Presence across emerging markets

As on 31March, 2018

Sun Pharma ranks among the bellwether Indian companies in emerging markets with an extensive portfolio of branded products. It has presence across 100+ countries spanning emerging and advanced markets. The Company is focusing on key markets of Brazil, Mexico, Russia, Romania, South Africa and complementary and affiliated markets. The large front-end infrastructure, a part of the Ranbaxy acquisition, is being gradually leveraged to expand presence in individual markets. Sun Pharma also has local manufacturing assets in some of these countries to enable a more meaningful participation in the respective markets.

Emerging Markets Sales Force

Sun Pharma has a 2,300-member sales force, which capitalises on opportunities available in these markets.

Progress in FY18

- Revenue from emerging markets grew by 7% to ₹48,392 Million in FY18.
- The growth is broad-based among emerging markets.

Future growth drivers

- Given the favourable macroeconomic parameters, emerging markets offer encouraging long-term potential.
- This will be counterbalanced by efforts from various governments to make pharmaceutical products more affordable to their population.

Future focus

- Focus on developing and commercialising more products across therapeutic segments to exploit this growth opportunity.
- Explore opportunities to enhance presence in key markets.
- Improve business profitability in emerging markets by launching complex products and reducing presence in low profitable non-core product segments.

Rest of the World (RoW) - Western Europe, Canada, Japan, ANZ and other markets

11%
Revenue contribution

₹29,740 Mn
Revenues for FY18

36%
FY14-18 revenue CAGR

As on 31 March, 2018

Sun Pharma's presence in the Rest of the World (RoW) spans across Western Europe, Japan, Canada, Israel, Australia, New Zealand and other markets. Its product portfolio comprises injectables, hospital products as well as products for the retail market.

Progress in FY18

- Revenues for RoW markets increased by 15% to ₹29,740 Million in FY18.
- Growth was primarily driven by the full-year inclusion of sales of acquired brands in Japan.

Future growth drivers

- Enhanced drug demand in geriatric care and lifestyle diseases such as obesity, hypertension, depression and diabetes will drive pharmaceutical consumption in these markets.
- Adoption of newer medical technologies as well as government policies of promoting low-cost generics will propel growth in these markets.

Outlook and future focus

- Ramping up presence in Japan post transfer of Novartis brands to Sun Pharma.
- Improving profitability for overall portfolio.

Active Pharmaceutical Ingredients (API) business

6%
Revenue contribution

₹13,993 Mn
Revenues for FY18

13%
FY13-18 revenue CAGR

14
API manufacturing units

291
DMF/CEP approvals

396
DMF/CEP filings

As on 31 March, 2018

Sun Pharma's API capability is of strategic importance as it provides cost competitiveness and supply reliability through backward integration. A significant portion of API production acts as inputs for the Company's formulations business. Besides captive consumption, Sun Pharma also supplies APIs to external customers comprising large generics and innovator companies.

API portfolio

Sun Pharma manufactures over 300 APIs across 14 locations, adding approximately 20 APIs to its portfolio, annually.

Progress in FY18

- Revenue from APIs and other sources declined by 12% to ₹13,993 Million in FY18.

Future growth drivers

- Increasing adoption of generics worldwide and rising cancer prevalence are some of the factors that propel the growth of the pharmaceutical ingredients market.

Focus areas

- Expanding API portfolio to enhance the scale and scope of API operations.
- Ensuring long-term supply relationships with global customers.

Global consumer healthcare business

20
Key brands

350+
Sales and distribution representatives in India

20+
Country presence

390,000+
Market reach - outlets in India

As on 31st March, 2018

Sun Pharma is among the top 10 consumer healthcare companies in India, Romania, Nigeria and Myanmar. It is also ranked No. 1 in the Romania OTC market. The Company's major markets are India, Russia, Romania, Nigeria, South Africa and Myanmar. It also has significant presence in Ukraine, Poland, Belarus, Kazakhstan, Thailand, Morocco and UAE, where it is scaling up at a steady pace. The Company has presence across OTC sub-categories like Vitamins and Minerals, Cold and Flu, Analgesics, Digestive and Dermatology.

Progress in FY18

As per Euromonitor 2017 report, Sun Pharma's consumer healthcare business in India recorded over 10% growth during the year and has grown at 12.6% CAGR over the preceding six years. Sun Pharma commands a 2.8% market share in India's consumer healthcare market.

Future growth drivers

- Indian consumer healthcare market will be driven by emerging middle-class and rising healthcare consumption.
- Globally, emerging markets like Russia, Romania, Nigeria, South Africa and Myanmar are projected to see sustained growth, driven by enhanced healthcare awareness.

Focus areas

- Continuing to invest in the accelerating OTC business across key markets through brand building and brand extensions.
- Expanding presence across OTC sub-categories in various markets.
- Maintaining leadership in existing markets by offering innovative solutions to consumers.

Research & development - delivering through innovation

Sun Pharma services both regulated and emerging pharmaceutical markets with its diverse product range of branded and generics products. Its robust research and development (R&D) capabilities has helped the Company develop technology-intensive products and deliver them at affordable prices to international markets. It has a wide-ranging portfolio of 2,000+ products across the world.

The Company's capable team of research scientists underpins its research and development capacities. It has many state-of-the-art research centres located across the world that provide facilities for developing generic drugs, Active Pharmaceutical Ingredients (APIs) and Novel Drug Delivery Systems (NDDS). Moreover, it is focussing on development of New Chemical Entities (NCEs) for global markets and has made significant investments in this field. Sun Pharma's R&D centres have been successfully audited and approved by international regulatory authorities, including the USFDA and European authorities.

The Company has commercialised a formidable product pipeline with successful offerings in liposomal products, lyophilised injections, nasal sprays, ointments, liquids and oral products among others.

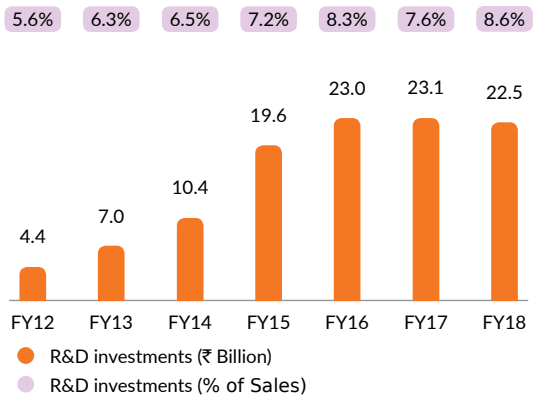
R&D is critical for Sun Pharma and remains a key determinant of its future growth. Thus, Sun Pharma spent 8.6% of its sales on R&D during FY18. The Company is focussing more on developing specialty products and technically complex offerings to differentiate itself from competition. It also has a robust Intellectual Property Rights team, enabling it to patent its innovations globally and develop non-infringing products.

₹130 Bn

Sun Pharma's cumulative R&D investment

As on 31 March, 2018

Chart 12 R&D investment



561
Cumulative ANDAs filed

422
Cumulative ANDAs Approved

42
Cumulative NDA/BLA filed

39
Cumulative NDA/BLA approved

396
DMF/CEP cumulative applications filed

291
DMF/CEP cumulative applications approved

1,106
Total patent applications Submitted

1,065
Total patents granted

32
ANDAs filed in FY18

21
ANDAs approved in FY18

19
DMFs filed in FY18

19
DMFs approved in FY18

Global manufacturing footprint

Sun Pharma owns 42 manufacturing units, spanning six continents. The production units are located in India the US, Russia, Canada, Hungary, Israel, Bangladesh, Romania, Nigeria, South Africa, Malaysia and Australia.

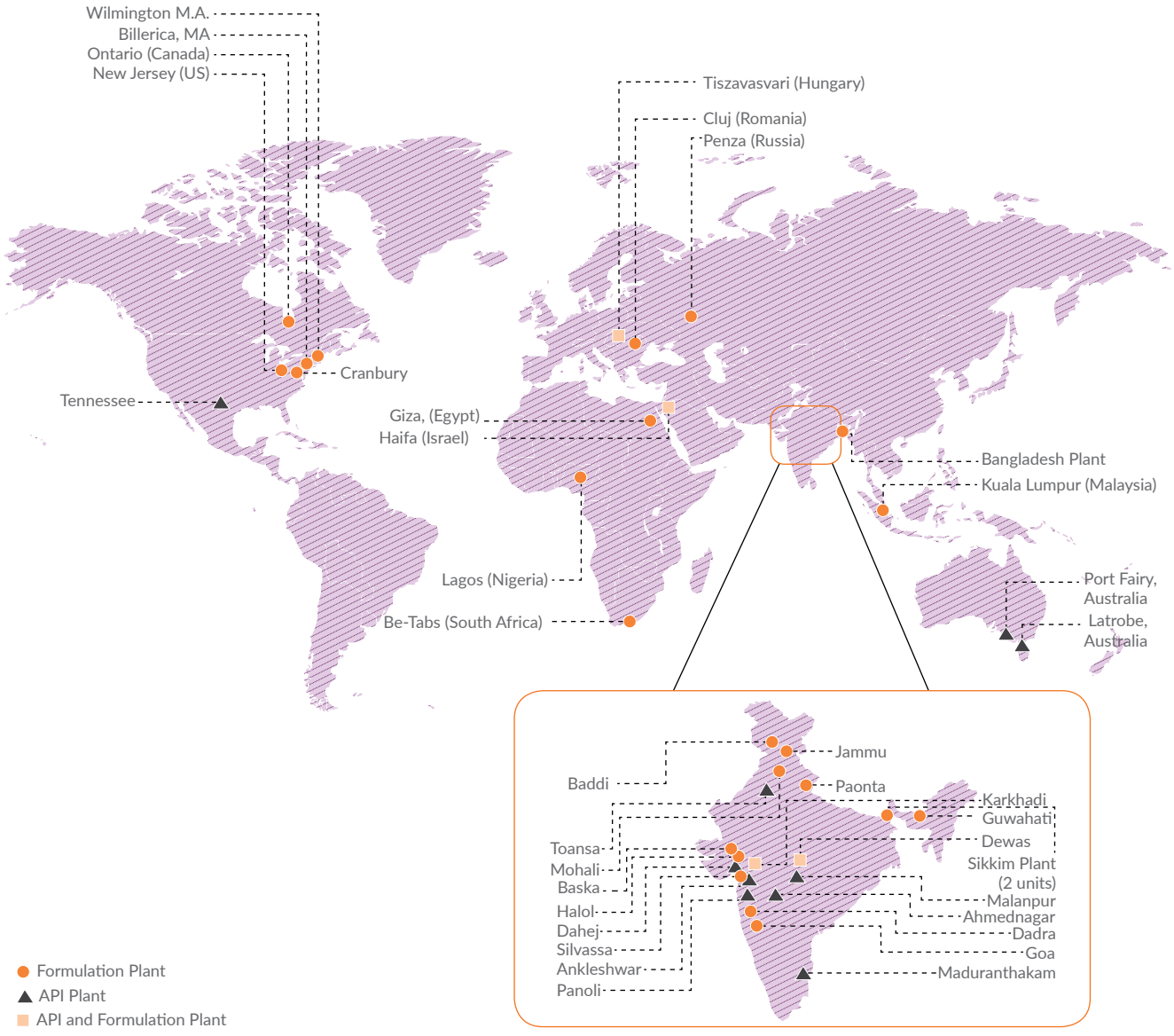
The Company ensures that these units are world-class with latest equipment and technologies to provide best-in-class products to patients worldwide. It has vertically integrated operations that equip the Company to maintain a high-quality and low-cost value chain for quick market entry across geographies.

The Company focuses on producing generics, branded generics, specialty products, over-the-counter (OTC) products, anti-retrovirals (ARVs) and Active Pharmaceutical Ingredients (APIs). It has capabilities to manufacture the full range of dosage forms, including tablets, capsules, injectables, ointments, creams and liquids. Moreover, its operations are involved in the production of specialty APIs, including controlled substances, steroids, peptides and anti-cancers. Sun Pharma is among the few enterprises that has comprehensively integrated

manufacturing operations to produce oncology, hormones, peptides, controlled substances and steroidal drugs.

The Company complies with globally relevant regulatory policies and procedures. Its manufacturing facilities have been certified by regulatory authorities of the US (USFDA), Europe (EMA), the UK (MHRA), Australia (TGA), South Africa (MCC) and Germany (BfArM), ANVISA (Brazil), WHO (Geneva), KFDA (Korea) and PMDA (Japan). The Company emphasises on round-the-clock compliance to cGMP standards which are imperative for a global pharmaceutical business.

Global manufacturing footprint



28 finished dosage manufacturing sites	14 API manufacturing sites
• India: 14	• India: 9
• US: 4	• Australia: 2
• One each at Canada, South Africa, Malaysia, Russia, Hungary, Israel, Bangladesh, Romania, Egypt and Nigeria	• One each at Israel, US and Hungary
Delivery formats	**Key API Plants**
• **Orals**: Tablets/Capsules, Semisolids, Liquids and Suppository	• The Panoli and Ahmednagar (both India) has USFDA and European approvals. They have standalone units for peptides, anti-cancer, steroids and sex hormones, among others
• **Injectables/Sterile**: Vials, Ampoules, Pre-filled Syringes, Gels, Lyophilized Units, Dry powder, Eye drops, MDI and Aerosols	• The plants in Australia, Hungary and the US (Tennessee) manufacture controlled substances
• **Topicals**: Creams and Ointments	

Managing talent

Sun Pharma has a global and diverse talent pool comprising over 50 nationalities. The Company considers its human assets to be its pivotal driving force and harbours a congenial work culture that encourages people (irrespective of race, gender and nationality) to contribute their best and accomplish the organisation's common objectives.

The Company offers several skill development opportunities to its 32,000+ workforce which includes various management programmes for employees to enhance their skills. Moreover, it has a wide range of knowledge sharing platforms that empower employees to grow professionally and be future-ready.

The Company promotes equal opportunities for all and values a healthy work-life balance. It has several employee engagement initiatives that minimise attrition.

Quality adherence

Quality is considered critical at all Sun Pharma's R&D centres, manufacturing units and testing and distribution facilities. It is committed to implementing a robust global quality management system. This dedication stems from Sun Pharma's determination to sustain a culture of operational excellence and meeting and exceeding stakeholders' — regulators, patients and customers — expectations. The Company firmly believes in the motto of 'putting patients first'.

Sun Pharma's global Quality Management Team ensures every product it manufactures and distributes complies with internationally accepted good practices and standards of quality, purity, efficacy and safety. The Company has distinct procedures and systems in every facility to maintain global quality standards, and to ensure compliance with the requirements of the Current Good Manufacturing Practices (cGMP), WHO, PICs and EU GMP. Sun Pharma ensures that its operating procedures meet the exacting standards of all global regulators like the USFDA, EMA, WHO and TGA, among others.

Sun Pharma has well-trained personnel for quality control at each site, who along with a regulatory affairs department, ensure strict adherence to quality systems and procedures. The teams are guided by a Corporate Quality Unit (CQU). CQU supervises the translation of the latest GMP updates to guidelines, standard operating procedures (SOPs) and protocols. The teams oversee the implementation of these guidelines to deliver quality products every time. Additionally, Sun Pharma's manufacturing plants are audited by an autonomous Corporate Compliance Department to establish 24x7 compliance and conformance.

During FY18, many of the Company's facilities underwent successful audits by various global regulatory authorities, including the USFDA. The Halol facility underwent a re-inspection by the USFDA in February 2018. On completion of the re-inspection, the USFDA issued three observations for the facility. Subsequently in June 2018, the USFDA issued the establishment inspection report (EIR) for Halol, thus clearing it.

Internal control

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

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

Disclaimer

Statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, competitors' pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic conditions within India and the countries within which the Company conducts businesses and other factors, such as litigation and labour unrest or other difficulties. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, based on any subsequent development, new information or future events or otherwise except as required by applicable law. Unless the context otherwise requires, all references in this document to 'we', 'us' or 'our' refers to Sun Pharmaceutical Industries Limited and consolidated subsidiaries.

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Board's Report

Your Directors take pleasure in presenting the Twenty-Sixth Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2018.

FINANCIAL RESULTS

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2018	Year ended March 31, 2017*	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	**79,476.0**	77,932.0	**264,894.6**	315,784.4
Profit / (Loss) before tax but after exceptional item	**(5199.8)**	(168.0)	**34,789.8**	90,478.7
Tax Expense:				
-Current Tax	**20.2**	57.7	**6,628.0**	4,046.4
-Deferred Tax Charge / (Credit)	**(274.1)**	2.7	**(720.6)**	8,069.3
-Deferred tax charge / (Credit) - exceptional	**-**	-	**2,544.5**	-
Profit / (Loss) after tax	**(4,945.9)**	(228.4)	**26,337.9**	78,363.0
Profit / (Loss) after Tax but before Share in profit / (loss) of associates / joint ventures	**-**	-	**26,337.9**	78,363.0
Share of Profit/ (loss) of associates / joint ventures (Net)	**-**	-	**(254.4)**	99.3
Profit for the year before non-controlling interests	**-**	-	**26,083.5**	78,462.3
Non-controlling interests	**-**	-	**4,468.0**	8,818.6
Profit for the year attributable to owners of the Company	**-**	-	**21,615.5**	69,643.7
Total other Comprehensive Income	**494.9**	(634.5)	**5,232.5**	(14,871.9)
Total Comprehensive Income / (Loss) for the year attributable to:	**(4,451.0)**	(862.9)	**31,316.0**	63,590.4
-Owners of the Company	**(4,451.0)**	(862.9)	**26,370.3**	56,306.1
-Non-Controlling Interest	**-**	-	**4,945.7**	7,284.3
Opening balance in Retained Earnings	**124,860.0**	126,353.4	**306,456.9**	2,51,630.4
Additions:				
Transfer on Merger*	**-**	1,824.8	**-**	-
Amount available for appropriation	**(4,511.5)**	(829.2)	**22,123.2**	68,933.4
Less: Appropriations				
Dividend on Equity Shares	**7,977.4**	2,406.8	**7,977.4**	2,406.8
Dividend Distribution Tax	**3.4**	74.7	**1,624.0**	490.0
Transfer to various Reserves:				
-Capital redemption Reserve	**-**	7.5	**-**	7.5
-Debenture redemption Reserve	**-**	-	**(833.4)**	1,041.7
-Capital reserve	**-**	-	**-**	50.6
-Buy-back of equity shares by overseas subsidiary company	**-**	-	**2,168.1**	10,110.3
-Legal reserve	**-**	-	**2.5**	-
-General reserve	**-**	-	**-**	-
Closing balance in Retained Earnings	**112,367.7**	124,860.0	**317,641.5**	306,456.9

*Refer Note 56(13) of Standalone Financial Statements (Note 18 of Abridged Standalone Financial Statements)

DIVIDEND

Your Directors have recommended a dividend of ₹ 2.00 (Rupees Two only) per equity share of ₹ 1/- each [previous year ₹ 3.50/- per equity share of ₹ 1/- each] for the year ended March 31, 2018, subject to the approval of the equity shareholders at the ensuing 26th 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 18893 equity shares of ₹ 1/- each under Sun Employee Stock Option Scheme - 2015 and 13106 equity shares of ₹ 1/- each under Sun Employee Stock Option Plan – 2015 thereby the paid up share capital of the Company increased to ₹ 2,399,323,180/- (Rupees Two Billion Three Hundred Ninety-Nine Million Three Hundred Twenty-Three Thousand One Hundred Eighty only) as on March 31, 2018.

Further, on May 24, 2018, the Company has allotted 1314 equity shares of ₹ 1/- each under Sun Employee Stock Option Scheme – 2015.

SCHEME OF ARRANGEMENTS

1. During the year, the Hon'ble National Company Law Tribunal of Gujarat at Ahmedabad had vide its order dated August 11, 2017 sanctioned the Scheme of Arrangement among Sun Pharma Medisales Private Limited, Ranbaxy Drugs Limited, Gufic Pharma Limited, Vidyut Investments Limited (collectively "Transferor Companies") wholly owned subsidiaries of the Company and the Company ("Transferee Company") and their respective members and creditors ("Scheme") whereby the Transferor Companies stand amalgamated with the Company w.e.f. September 08, 2017 with appointed date being April 01, 2017. Pursuant to the Scheme no consideration was paid.

2. During the year, the Board of Directors at its meeting held on November 14, 2017 has approved another Scheme of Arrangement among Sun Pharma Global FZE ("Transferor Company"), a wholly owned subsidiary of the Company and the Company and their respective members and creditors ("Scheme") for demerger of the Specified Undertaking (as defined in the Scheme) of Transferor Company into the Company. The Hon'ble National Company Law Tribunal of Gujarat, at Ahmedabad ("NCLT") had 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 01, 2018 to approve the Scheme with appointed date as April 01, 2017 or such other date as may be agreed between the Transferor Company and the Company and approved by the NCLT. Pursuant to said Scheme, no consideration shall be paid and no shares of the Company shall be issued and allotted to the Transferor Company. The Scheme will result in strengthening of the business, synergestic benefits, economies of scale, faster decision making, integration of supply chain, reduction in operating costs, strengthening the focus, increased ability to face the competitive regulatory environment, increasing profitability, higher market share etc.

3. Further the Board of Directors at its meeting held on May 25, 2018 has also approved a Composite Scheme of Arrangement among the Company and Sun Pharma (Netherlands) B.V. and Sun Pharmaceutical Holdings USA Inc, wholly owned subsidiaries of the Company and their respective members and creditors ("Scheme"), for demerger of Specified Investment Undertaking -1 (as defined in the Scheme) of the Company into Sun Pharma (Netherlands) B.V. and Specified Investment Undertaking -2 (as defined in the Scheme) of the Company into Sun Pharmaceutical Holdings USA Inc. This demerger shall enable the Company to address the risks and policies, ability to strategize the remaining business for long term growth, strengthening of the investment portfolio, consolidation and creation of shareholder value. The Company shall be making the necessary application to the Hon'ble National Company Law Tribunal of Gujarat, at Ahmedabad and such other authorities as may be required for obtaining necessary approvals for the aforesaid Scheme.

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.

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 of 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. Dilip S. Shanghvi, Managing Director and Mr. Sudhir V. Valia, Whole-time Director of the Company retire by rotation and being eligible offer themselves for reappointment at the ensuing 26th Annual General Meeting of the Company.

The present term of appointment of Mr. Sudhir V. Valia and Mr. Sailesh T. Desai as Whole-time Directors will expire on March 31, 2019. They have made significant contributions to the overall growth of the Company's business. Your Directors recommend the re-appointment of Mr. Sudhir V. Valia and Mr. Sailesh T. Desai for a further period of 5 (Five) years from April 01, 2019 to March 31, 2024, and remuneration for a period of 3 (Three) years from April 01, 2019 to March 31, 2022 due to inadequacy of profits, for approval of the members at the ensuing 26th Annual General Meeting of the Company.

Further the present term of appointment of Mr. Kalyanasundaram Subramanian as Whole-time Director will expire on February 13, 2019. He has made significant contribution to the overall growth of the Company's business. Your Directors recommend the re-appointment of Mr. Kalyanasundaram Subramanian for a further period of 2 (Two) years from February 14, 2019 to February 13, 2021, without any remuneration, for approval of the members at the ensuing 26th Annual General Meeting of the Company.

Mr. Vivek Chaand Sehgal and Mr. Gautam Doshi were appointed as Additional Independent Directors of the Company w.e.f. November 14, 2017 and May 25, 2018 respectively in accordance with the provisions of Section 149 and 161(1) of the Act and they both hold office upto the date of ensuing 26th Annual General Meeting. The Board recommends appointment of Mr. Vivek Chaand Sehgal and Mr. Gautam Doshi as Independent Directors of the Company for a term of 5(Five) years effective from November 14, 2017 and May 25, 2018 respectively for approval of the members at the ensuing 26th Annual General Meeting of the Company.

Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") to be effective from April 01, 2019, the consent of the members by way of Special Resolution is required for continuation of a Non-Executive Director of a company beyond the age of seventy five years. Mr. Israel Makov, Non-Executive Director and the Chairman of the Company, having attained an age of 79 years, the Board has recommended his continuation as a Director of the Company for approval of the members at the ensuing 26th Annual General Meeting of the Company.

Mr. Hasmukh Shah had resigned as an Independent Director of the Company effective from November 15, 2017. The Board of Directors places on record their appreciation for contributions made by Mr. Hasmukh Shah during his tenure as an Independent Director of the Company.

Appropriate resolutions for the appointment / re-appointment of the Directors are being placed for your approval at the ensuing 26th Annual General Meeting. Your Directors recommend the appointment/reappointment of the aforesaid Directors by the members at the ensuing 26th Annual General Meeting of the Company.

As informed in the previous year's Board's Report, Mr. C.S. Muralidharan has been appointed as Chief Financial Officer of the Company w.e.f June 19, 2017 and Mr. Uday Baldota had resigned as Chief Financial Officer w.e.f. June 19, 2017 to assume office as the Director and Chief Executive Officer of Taro Pharmaceutical Industries Limited, a subsidiary 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 sub-section (6) of Section 149 of the Act and under Listing Regulations.

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 fulfills 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 Remuneration Policy of the Company is enclosed as 'Annexure B to Corporate Governance Report', which forms part of this Report

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 may be accessed through the web link: http://www.sunpharma.com/policies.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met 5 (Five) times during the year under review on May 26, 2017; August 11, 2017; September 26, 2017; November 14, 2017; and February 14, 2018. The particulars of attendance of the Directors at the said meetings are detailed 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, fulfillment 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.

HUMAN RESOURCES

We continue to believe that our organizational plans are fuelled by our employees and in an ever-changing business environment, it is critical to have credible and transparent people management practices and policies. The Human Resources agenda focuses on employee welfare, productivity and performance as a priority. We believe nurturing a high performance culture is imperative. Your company is proud to have talent which is varied and deep in its experiences and expertise across manufacturing, R & D, sales and other functions. Globally, the Company (including subsidiary and associate companies) has a dedicated human capital of over 30,000 employees at various locations across our various offices, R & D Centers & more than 40+ active manufacturing locations and dedicated sales professionals across various geographies. Your Directors would also like to take this opportunity to express their appreciation for the hard work and commitment of the employees of the Company and look forward to their continued contribution.

Information as per Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in 'Annexure – 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 endeavor of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules 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 under the above mentioned Act. During the financial year ended March 31, 2018, 1 complaint pertaining to sexual harassment was received and the same was resolved by the Company. There are no complaints pending as at the end of the financial year.

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 30th Annual General Meeting of the Company.

The Auditor's Report for the financial year ended March 31, 2018, has been issued with an unmodified opinion, by the Statutory Auditors.

Secretarial Auditor

The Company had appointed Messrs C. J. Goswami & Associates, Practicing Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2018. 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 Company has appointed Messrs Kailash Sankhlecha & Associates, Cost Accountants, Vadodara as Cost Auditor of the Company for conducting Cost Audit in respect of Bulk Drugs & Formulations of your Company for the financial year 2018-19.

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

Board. The Corporate Governance Report, which forms part of this Report, contains the details of Risk Management Committee of the Company.

INTERNAL FINANCIAL CONTROLS

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

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 of the Company. The details of membership of the Committee and the meetings held are detailed in the Corporate Governance Report, forming part of this Report. During the year under review, the Board of Directors have approved certain amendments in CSR policy pertaining to the projects and CSR activities to be undertaken by the Company. 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 for last three 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 has two Employees' Stock Option Schemes, one through Trust Route and the other by Direct Route, both inherited from erstwhile Ranbaxy Laboratories Limited ("Ranbaxy"). The scheme through Direct Route has been named as Sun Pharma Employee Stock Option Scheme – 2015, and the one through Trust Route as Sun Pharma Employee Stock Option Plan – 2015. Both the schemes were adopted by the Company with certain amendments consequent upon merger of erstwhile Ranbaxy into the Company. Both the Schemes are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Scheme through Trust Route i.e. Sun Pharma Employee Stock Option Plan – 2015 has been completed in August 2017.

Disclosures with respect to the Employees' Stock Option Schemes in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are 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, 2018, 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, 2018 and of the loss of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of 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, 2018 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, 2018, is made available on the website of the Company at http://www.sunpharma.com/pdflist/all-documents and forms part of the Annual Report, and is also available at the Registered office / Corporate office of the Company for inspection. A copy of the aforesaid report shall be made available to such of those shareholders who are desirous and interested, upon receipt of a written request from them.

ABRIDGED ANNUAL REPORT

In terms of the provision of Section 136(1) of the Act, Rule 10 of Companies (Accounts) Rules, 2014 and Regulation 36 of the Listing Regulations and to support Green Initiative, the Board of Directors has decided to circulate the physical copy of Abridged Annual Report containing salient features of Financial Statements and other documents for financial year 2017-18 to the members, who have not registered their e-mail ids. All the annexures to the Board's Report referred herein viz., Annexure - A to Annexure - G and the Corporate Governance Report (including its annexures) have been excluded from the Abridged Annual Report which is being circulated to the members who have not registered their e-mail id.

The members who are desirous of receiving the full version of the Annual Report may write to the Company's Registrar and Share Transfer Agent for a copy of the same. Full version of the Annual Report can also be accessed from the Company's website: www.sunpharma.com

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 25, 2018

Israel Makov
Chairman

ANNEXURE - A

DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVES AND SCOPE:

The Board of Directors (the "Board") of the Sun Pharmaceutical Industries Limited (the "Company") recognizes 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. 10th November, 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 analyzing 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 utilized 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 modernization 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 analyze 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-to-day 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 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 favorable, 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 utilized 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 /modernization 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

MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2018
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	:	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 ACTIVITY OF THE COMPANY

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2018

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	74.82	2(87)(ii)
3	Aditya Acquisition Company Limited	Israel	Not Applicable	Subsidiary	100.00	2(87)(ii)
4	Alkaloida Chemical Company Zrt.	Hungary	Not Applicable	Subsidiary	99.99	2(87)(ii)
5	Alkaloida Sweden AB	Sweden	Not Applicable	Subsidiary	100.00	2(87)(ii)
6	AO Ranbaxy (Formerly known as ZAO Ranbaxy)	Russia	Not Applicable	Subsidiary	100.00	2(87)(ii)
7	Basics GmbH	Germany	Not Applicable	Subsidiary	100.00	2(87)(ii)
8	Be-Tabs Investments Proprietary Limited	South Africa	Not Applicable	Subsidiary	100.00	2(87)(ii)
9	Caraco Pharmaceuticals Private Limited	India	U24100MH2012FTC225970	Subsidiary	100.00	2(87)(ii)
10	Chattem Chemicals, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
11	Dungan Mutual Associates, LLC	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
12	DUSA Pharmaceuticals, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
13	Faststone Mercantile Company Private Limited	India	U51900MH2006PTC159266	Subsidiary	100.00	2(87)(ii)
14	Foundation for Disease Elimination and Control of India	India	U85190MH2016NPL286097	Subsidiary	100.00	2(87)(ii)
15	Green Eco Development Centre Limited	India	U90009GJ2010PLC062892	Subsidiary	100.00	2(87)(ii)
16	Insite Vision Incorporated	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
17	JSC Biosintez	Russia	Not Applicable	Subsidiary	85.10	2(87)(ii)
18	Laboratorios Ranbaxy S.L.U.	Spain	Not Applicable	Subsidiary	100.00	2(87)(ii)
19	Morley & Company, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
20	Mutual Pharmaceutical Company, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
21	Neetnav Real Estate Private Limited	India	U45200MH2010PTC201611	Subsidiary	100.00	2(87)(ii)
22	Office Pharmaceutique Industriel Et Hospitalier	France	Not Applicable	Subsidiary	100.00	2(87)(ii)
23	Ohm Laboratories Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
24	One Commerce Drive LLC	USA	Not Applicable	Subsidiary	74.82	2(87)(ii)
25	OOO "Sun Pharmaceutical Industries" Limited	Russia	Not Applicable	Subsidiary	100.00	2(87)(ii)
26	Pharmalucence, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
27	PI Real Estate Ventures, LLC	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
28	Ranbaxy South Africa Proprietary Limited	South Africa	Not Applicable	Subsidiary	100.00	2(87)(ii)
29	Ranbaxy (Malasiya) Sdn. Bhd.	Malasiya	Not Applicable	Subsidiary	90.74	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 Europe Limited	UK	Not Applicable	Subsidiary	100.00	2(87)(ii)
34	Ranbaxy Farmaceutica Ltda.	Brazil	Not Applicable	Subsidiary	100.00	2(87)(ii)
35	Ranbaxy GmbH	Germany	Not Applicable	Subsidiary	100.00	2(87)(ii)
36	Ranbaxy Holdings (UK) Limited	UK	Not Applicable	Subsidiary	100.00	2(87)(ii)
37	Ranbaxy Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
38	Ranbaxy Ireland Limited	Ireland	Not Applicable	Subsidiary	100.00	2(87)(ii)
39	Ranbaxy Italia S.P.A.	Italy	Not Applicable	Subsidiary	100.00	2(87)(ii)
40	Ranbaxy Nigeria Limited	Nigeria	Not Applicable	Subsidiary	85.31	2(87)(ii)
41	Ranbaxy Pharmaceuticals (Pty) Ltd.	South Africa	Not Applicable	Subsidiary	100.00	2(87)(ii)
42	Ranbaxy Pharmaceuticals Canada Inc.	Canada	Not Applicable	Subsidiary	100.00	2(87)(ii)
43	Ranbaxy Pharmaceuticals Ukraine LLC	Ukrain	Not Applicable	Subsidiary	100.00	2(87)(ii)
44	Ranbaxy Pharmacie Generiques	France	Not Applicable	Subsidiary	100.00	2(87)(ii)
45	Ranbaxy Signature LLC	USA	Not Applicable	Subsidiary	67.50	2(87)(ii)
46	Realstone Multitrade Private Limited	India	U51900MH2006PTC158889	Subsidiary	100.00	2(87)(ii)
47	Rexcel Egypt LLC	Egypt	Not Applicable	Subsidiary	100.00	2(87)(ii)
48	S. C Terapia S.A.	Romania	Not Applicable	Subsidiary	96.81	2(87)(ii)
49	Skisen Labs Private Limited	India	U73100MH2005PTC150606	Subsidiary	100.00	2(87)(ii)
50	Softdeal Trading Company Private Limited	India	U51900MH2006PTC159237	Subsidiary	100.00	2(87)(ii)
51	Sonke Pharmaceuticals Pty Limited	South Africa	Not Applicable	Subsidiary	70.00	2(87)(ii)
52	SPIL De Mexico S.A. DE C.V.	Mexico	Not Applicable	Subsidiary	100.00	2(87)(ii)
53	Sun Farmaceutica do Brasil Ltda.	Brazil	Not Applicable	Subsidiary	100.00	2(87)(ii)
54	Sun Global Canada Pty. Ltd.	Canada	Not Applicable	Subsidiary	100.00	2(87)(ii)
55	Sun Global Development (FZE)	UAE	Not Applicable	Subsidiary	100.00	2(87)(ii)
56	Sun Laboratories (FZE)	UAE	Not Applicable	Subsidiary	100.00	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
57	Sun Pharma Laboratories Limited	India	U25200MH1997PLC240268	Subsidiary	100.00	2(87)(ii)
58	Sun Pharma (Netherlands) B.V. [Formerly known as Ranbaxy (Netherlands) B.V.]	Netherlands	Not Applicable	Subsidiary	100.00	2(87)(ii)
59	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Limited)	Australia	Not Applicable	Subsidiary	100.00	2(87)(ii)
60	Sun Pharma DE Mexico S.A. DE C.V.	Mexico	Not Applicable	Subsidiary	75.00	2(87)(ii)
61	Sun Pharma DE Venezuela, C.A.	Venezuela	Not Applicable	Subsidiary	100.00	2(87)(ii)
62	Sun Pharma East Africa Limited	Kenya	Not Applicable	Subsidiary	100.00	2(87)(ii)
63	Sun Pharma Egypt Limited (Formerly known as Ranbaxy Egypt Limited)	Egypt	Not Applicable	Subsidiary	100.00	2(87)(ii)
64	Sun Pharma Global (FZE)	UAE	Not Applicable	Subsidiary	100.00	2(87)(ii)
65	Sun Pharma Healthcare (FZE)	UAE	Not Applicable	Subsidiary	100.00	2(87)(ii)
66	Sun Pharma Holdings	Mauritius	Not Applicable	Subsidiary	100.00	2(87)(ii)
67	Sun Pharma Japan Ltd.	Japan	Not Applicable	Subsidiary	100.00	2(87)(ii)
68	Sun Pharma Philippines, Inc.	Philippines	Not Applicable	Subsidiary	100.00	2(87)(ii)
69	Sun Pharma Switzerland Ltd.	Switzerland	Not Applicable	Subsidiary	100.00	2(87)(ii)
70	Sun Pharmaceutical Industries, Inc.	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
71	Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	Not Applicable	Subsidiary	72.50	2(87)(ii)
72	Sun Pharmaceutical Industries (Australia) Pty Ltd.	Australia	Not Applicable	Subsidiary	100.00	2(87)(ii)
73	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	Not Applicable	Subsidiary	100.00	2(87)(ii)
74	Sun Pharmaceutical Industries S.A.C. [Formerly known as Ranbaxy-PRP (Peru) S.A.C.]	Peru	Not Applicable	Subsidiary	100.00	2(87)(ii)
75	Sun Pharmaceutical Medicare Limited	India	U36900GJ2017PLC095132	Subsidiary	100.00	2(87)(ii)
76	Sun Pharmaceutical Peru S.A.C.	Peru	Not Applicable	Subsidiary	99.33	2(87)(ii)
77	Sun Pharmaceuticals Holdings USA, Inc	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
78	Sun Pharmaceuticals (SA) (Pty) Ltd.	South Africa	Not Applicable	Subsidiary	100.00	2(87)(ii)
79	Sun Pharmaceuticals France	France	Not Applicable	Subsidiary	100.00	2(87)(ii)
80	Sun Pharmaceuticals Germany GmbH	Germany	Not Applicable	Subsidiary	100.00	2(87)(ii)
81	Sun Pharmaceuticals Italia S.R.L.	Italy	Not Applicable	Subsidiary	100.00	2(87)(ii)
82	Sun Pharmaceuticals Korea Ltd.	South Korea	Not Applicable	Subsidiary	100.00	2(87)(ii)
83	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morrocco LLC)	Morocco	Not Applicable	Subsidiary	100.00	2(87)(ii)
84	Sun Pharmaceuticals UK Limited	UK	Not Applicable	Subsidiary	100.00	2(87)(ii)
85	Taro International Limited	Israel	Not Applicable	Subsidiary	74.82	2(87)(ii)
86	Taro Pharmaceutical Industries Ltd.	Israel	Not Applicable	Subsidiary	74.82	2(87)(ii)
87	Taro Pharmaceutical Laboratories Inc.	USA	Not Applicable	Subsidiary	74.82	2(87)(ii)
88	Taro Pharmaceuticals (UK) Limited	UK	Not Applicable	Subsidiary	74.82	2(87)(ii)
89	Taro Pharmaceuticals Canada Ltd.	Canada	Not Applicable	Subsidiary	74.82	2(87)(ii)
90	Taro Pharmaceuticals Europe B.V.	Netherlands	Not Applicable	Subsidiary	74.82	2(87)(ii)
91	Taro Pharmaceuticals Inc.	Canada	Not Applicable	Subsidiary	74.82	2(87)(ii)
92	Taro Pharmaceuticals Ireland Limited	Ireland	Not Applicable	Subsidiary	74.82	2(87)(ii)
93	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	Not Applicable	Subsidiary	74.82	2(87)(ii)
94	Taro Pharmaceuticals U.S.A., Inc.	USA	Not Applicable	Subsidiary	74.82	2(87)(ii)
95	The Taro Development Corporation	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
96	Universal Enterprises Private Limited	India	Not Applicable	Subsidiary	100.00	2(87)(ii)
97	URL PharmPro, LLC	USA	Not Applicable	Subsidiary	100.00	2(87)(ii)
98	Zenotech Farmaceutica Do Brasil Ltda	Brazil	Not Applicable	Subsidiary	38.21	2(87)(ii)
99	Zenotech Inc	USA	Not Applicable	Subsidiary	57.56	2(87)(ii)
100	Zenotech Laboratories Limited	India	L27100AP1989PLC010122	Subsidiary	57.56	2(87)(ii)
101	Zenotech Laboratories Nigeria Limited	Nigeria	Not Applicable	Subsidiary	57.50	2(87)(ii)
102	ALPS LLC	USA	Not Applicable	Associate	19.99	2(6)
103	Artes Biotechnology GmbH	Germany	Not Applicable	Associate	45.00	2(6)
104	Composite Power Generation LLP	India	Not Applicable	Associate	36.90	2(6)
105	Dr. PY Institute LLC	USA	Not Applicable	Associate	19.99	2(6)
106	Generic Solar Power LLP	India	Not Applicable	Associate	28.76	2(6)
107	HRE II LLC	USA	Not Applicable	Associate	19.99	2(6)
108	HRE III LLC	USA	Not Applicable	Associate	19.99	2(6)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
109	HRE LLC	USA	Not Applicable	Associate	19.99	2(6)
110	Intact Pharmaceuticals LLC	USA	Not Applicable	Associate	19.99	2(6)
111	Intact Skin Care LLC	USA	Not Applicable	Associate	19.99	2(6)
112	Medinstill Development LLC	USA	Not Applicable	Associate	19.99	2(6)
113	Medinstill LLC	USA	Not Applicable	Associate	19.99	2(6)
114	scPharmaceuticals Inc.	USA	Not Applicable	Associate	11.69	2(6)
115	Trumpcard Advisors and Finvest LLP	India	Not Applicable	Associate	40.61	2(6)
116	Vento Power Generation LLP	India	Not Applicable	Associate	40.55	2(6)
117	Vintage Power Generation LLP	India	Not Applicable	Associate	39.41	2(6)

IV SHARE HOLDING PATTERN (EQUITY SHARE BREAKUP AS PERCENTAGE OF TOTAL EQUITY AS ON MARCH 31, 2018)

i) Category-wise shareholding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoter*									
1)	Indian									
a)	Individual/HUF	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**
B	Public Shareholding									
1)	Institutions									
a)	Mutual Funds	126058474	2500782	128559256	5.36	192509489	2500782	195010271	8.13	2.77
b)	Financial Institutions/ Bank	124323024	4218	124327242	5.18	22412015	3798	22415813	0.93	-4.25
c)	Central Government/ State Government	380	0	380	0.00	0	0	0	0.00	0.00
d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e)	Insurance Companies	37905019	0	37905019	1.58	168094940	0	168094940	7.01	5.43
f)	FIIs	59779090	17943	59797033	2.49	3788557	17943	3806500	0.16	-2.33
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)	450853540	0	450853540	18.79	387782873	0	387782873	16.16	-2.63
	Foreign Bank	1504	23918	25422	0.00	1504	23918	25422	0.00	0.00
	UTI	1994922	1880	1996802	0.08	2235590	1380	2236970	0.09	0.01
	Alternate Investment Funds	0	0	0	0.00	1546565	0	1546565	0.06	0.06
Sub total (B)(1)		**800915953**	**2548741**	**803464694**	**33.49**	**778371533**	**2547821**	**780919354**	**32.55**	**-0.94**
2)	Non- Institutions									
a)	Bodies Corporate									
i)	Indian	90895027	184797	91079824	3.80	102919063	153917	103072980	4.30	0.50
ii)	Overseas	59440	0	59440	0.00	46000	0	46000	0.00	0.00
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	128188202	11018588	139206790	5.80	138287020	9952424	148239444	6.18	0.38
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	29741926	125000	29866926	1.24	27181865	125000	27306865	1.14	-0.11
c)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
d)	Others (specify)									

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	
i)	Non Resident Indians(Repat)	4019379	375280	4394659	0.18	4545204	331885	4877089	0.20	0.02
ii)	Non Resident Indians (Non-Repat)	2281621	0	2281621	0.10	2565549	0	2565549	0.11	0.01
iii)	Foreign Companies	813562	0	813562	0.03	671865	0	671865	0.03	-0.01
iv)	Clearing Member	1770770	0	1770770	0.07	2695586	0	2695586	0.11	0.04
v)	Other Directors	3784017	0	3784017	0.16	3783394	0	3783394	0.16	0.00
vi)	Trusts	13847725	0	13847725	0.58	15374984	0	15374984	0.64	0.06
vii)	Foreign Nationals	23000	0	23000	0.00	21040	0	21040	0.00	0.00
viii)	Hindu Undivided Family	3812406	0	3812406	0.16	4424397	0	4424397	0.18	0.03
ix)	IEPF	0	0	0	0	469252	0	469252	0.02	0.02
Sub total (B)(2)		**279237075**	**11703665**	**290940740**	**12.13**	**302985219**	**10563226**	**313548445**	**13.07**	**0.94**
Total Public shareholding Public Group (B)=(B)(1)+(B)(2)		**1080153028**	**14252406**	**1094405434**	**45.62**	**1081356752**	**13111047**	**1094467799**	**45.62**	**0.00**
C	Shares held by Custodian for GDRs & ADRs									
	Employee Benefit Trust under SEBI (Share based employee benefit) Regulations, 2014	30366	0	30366	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)		**2385026775**	**14264406**	**2399291181**	**100.00**	**2386200133**	**13123047**	**2399323180**	**100.00**	**0.00**

* includes Promoter Group

ii) Shareholding of Promoter as on March 31, 2018

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Dilip S. Shanghvi	230285690	9.60	0	230285690	9.60	0	0.0

iii) Change in Promoter's 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 Share holding 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		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Viditi Investment Private Limited	At the beginning of the year	200846362	8.37	200846362	8.37
		At the end of the year	200846362	8.37	200846362	8.37
2.	Tejaskiran Pharmachem Industries Private Limited	At the beginning of the year	194820971	8.12	194820971	8.12
		At the end of the year	194820971	8.12	194820971	8.12
3.	Family Investment Private Limited	At the beginning of the year	182437880	7.60	182437880	7.60
		At the end of the year	182437880	7.60	182437880	7.60
4.	Quality Investments Pvt. Ltd.	At the beginning of the year	182379237	7.60	182379237	7.60
		At the end of the year	182379237	7.60	182379237	7.60
5.	Life Insurance Corporation of India Increase / Decrease in Share holding	At the beginning of the year	106329652	4.43	106329652	4.43
		Various dates during the year*	38973225	1.63	145302877	6.06
		At the end of the year	145302877	6.06	145302877	6.06
6.	Virtuous Finance Private Limited	At the beginning of the year	96851821	4.04	96851821	4.04
		At the end of the year	96851821	4.04	96851821	4.04

Sr. No.	For Each of the top 10 shareholders		Shareholding		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
7.	Virtuous Share Investments Private Limited	At the beginning of the year	83751259	3.49	83751259	3.49
		At the end of the year	83751259	3.49	83751259	3.49
8.	ICICI Prudential Value Discovery Fund and various Fund Accounts	At the beginning of the year	35254424	1.47	35254424	1.47
	Increase / Decrease in Share holding	Various dates during the year*	36752352	1.53	72006776	3.00
		At the end of the year	72006776	3.00	72006776	3.00
9.	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
10.	Lakshdeep Investments & Finance (P) Ltd.	At the beginning of the year	34754907	1.45	34754907	1.45
	Increase / Decrease in Share holding	Various dates during the year*	370000	0.01	35124907	1.46
		At the end of the year	35124907	1.46	35124907	1.46

*The trading has taken place on various dates, therefore the change has been shown on consolidated basis.
Note: Shareholding has been consolidated on PAN 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
		At the end of the year@	3740747	0.16	3740747	0.16
5.	Kalyanasundaram Subramanian	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
6.	S. Mohanchand Dadha	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
7.	Hasmukh S. Shah*	At the beginning of the year	0	0	0	0
		As on November 15, 2017	0	0	0	0
8.	Keki M. Mistry	At the beginning of the year	43270	0.00	43270	0.00
		At the end of the year	43270	0.00	43270	0.00
9.	Ashwin S. Dani	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
10.	Rekha Sethi	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
11.	Vivek Chaand Sehgal**	As on November 14, 2017	0	0	0	0
		At the end of the year	0	0	0	0
12.	Uday Baldota#	At the beginning of the year	22700	0.00	22700	0.00
		As on June 19, 2017	22700	0.00	22700	0.00
13.	CS Muralidharan##	As on June 19, 2017	0	0	0	0
		At the end of the year	0	0	0	0
14.	Sunil Ajmera	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0

Mr. Gautam Doshi has been appointed as Additional Independent Director w.e.f. May 25, 2018, and he holds 8000 shares as on the date of this Report.
* Was Director upto November 15, 2017
** Appointed as Additional Independent Director w.e.f. November 14, 2017
# Was Chief Financial Officer upto June 19, 2017
Appointed as Chief Financial Officer w.e.f. June 19, 2017
@ includes shares transferred as margin, if any

V) INDEBTEDNESS

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

(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits[1]	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	306.3	60,159.8	135.3	60,601.4
ii) Interest due but not paid	0.0	0.0	0.0	0.0
iii) Interest accrued but not due[2]	6.8	63.1	0.0	69.9
Total (i+ii+iii)	**313.2**	**60,222.9**	**135.3**	**60,671.4**
Change in Indebtedness during the financial year				
Addition: Principal Amount[3]	0.0	146,551.3	0.0	146,551.3
Reduction: Principal Amount[3]/[4]	198.1	137,979.2	17.0	138,194.3
Change: Addition / (Reduction) in Interest accrued but not Due[2]	2.3	(23.1)	0.0	(20.8)
Net Change	**(195.9)**	**8,549.0**	**(17.0)**	**8,336.1**
Indebtedness at the end of the financial year				
i) Principal Amount	108.2	68,731.9	118.3	68,958.4
ii) Interest due but not paid	0.0	0.0	0.0	0.0
iii) Interest accrued but not due[2]	9.1	40.0	0.0	49.1
Total (i+ii+iii)	**117.3**	**68,771.9**	**118.3**	**69,007.5**

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 CC & OD limit under Working Capital Facility forming part of Secured & Unsecured loans, have been shown on net basis.
(4) Ind AS adjustment in the outstanding as on 31st March, 2018 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 for the year ended March 31, 2018 (As per Form 16, on actual payment basis)

(Amount in ₹)

Sr. No.	Particulars of Remuneration	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	29753675	29753675	11855400	71362750
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	333630	189990	427654	951274
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as a % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)[1]	**30087305**	**29943665**	**12283054[1]**	**72314024**

Ceiling as per the Act: ₹ 3.04 Crores, computed as per Part-A of Section II of Schedule V of the Act, in view of absence of profits for the FY 2017-18.

Mr. Dilip S. Shanghvi, Managing Director and Mr. Sudhir V. Valia, Whole-time Director are entitled to a remuneration of ₹ 3.93 crores (excluding Perquisites such as reimbursement of electricity charges, motor vehicle charges, etc. which shall be taken at actuals) each for the FY 2017-18 as approved by the Board of Directors. However in view of absence of profits for the year under review, the Company has paid remuneration to the aforesaid Directors for the FY 2017-18 upto the ceiling limits as computed under Schedule V of the Act. Further, the Company has made an application to the Central Government for approval of payment of remuneration to Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia for the FY 2017-18 as per their entitlement as aforesaid, the approval of which is awaited.

(1) Remuneration includes Bonus of 2016-17 paid in 2017-18

B) Remuneration to other directors for the year ended March 31, 2018:

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

(Amount in ₹)

Sr. no.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. S Mohanchand Dadha	Mr. Hasmukh Shah*	Mr. Keki Mistry	Mr. Ashwin Dani	Ms. Rekha Sethi	Mr. Vivek Chaand Sehgal#	Mr. Israel Makov	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(1) to (7)
1	**Independent Directors**								
	• Fee for attending Board/ Committee meetings	1600000	1700000	800000	700000	1300000	300000	-	6400000
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	**1600000**	**1700000**	**800000**	**700000**	**1300000**	**300000**	**0**	**6400000**
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)	**1600000**	**1700000**	**800000**	**700000**	**1300000**	**300000**	**900000**	**7300000**
	Overall 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)								**79614024**

* For part of the year i.e. from April 01, 2017 to November 15, 2017
\# For part of the year i.e. from November 14, 2017 to March 31, 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. Uday Baldota (CFO upto June 19, 2017)	Mr. CS Muralidharan (CFO w.e.f. June 19, 2017)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.38	14.62	22.21	50.20
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.03	0.34	0.62	1.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission as % of profit	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	**13.41**	**14.96**	**22.83**	**51.20**

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 25, 2018

Israel Makov
Chairman

ANNEXURE - C

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 2017-18 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18:

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 2017-18
Directors:			
Mr. Israel Makov	Non-executive Chairman	1.97	-10.0%
Mr. Dilip S. Shanghvi	Managing Director	Refer Note	Refer Note
Mr. Sudhir V. Valia	Whole-time Director	Refer Note	Refer Note
Mr. Sailesh T. Desai	Whole-time Director	28.86	5.6%[2]
Mr. Kalyanasundaram Subramanian[3]	Whole-time Director	Not Applicable	Not Applicable
Mr. S. Mohanchand Dadha	Non-executive Independent Director	3.50	-5.9%
Mr. Hasmukh S. Shah*	Non-executive Independent Director	3.72	0.0%
Mr. Keki M. Mistry	Non-executive Independent Director	1.75	-50.0%
Mr. Ashwin S. Dani	Non-executive Independent Director	1.53	-30.0%
Ms. Rekha Sethi	Non-executive Independent Director	2.84	0.0%
Mr. Vivek Chaand Sehgal**	Non-executive Independent Director	0.66	Not Applicable
Key Managerial Personnel:			
Mr. Uday Baldota#	Chief Financial Officer#	Not Applicable	Not Applicable
Mr. C.S. Muralidharan##	Chief Financial Officer##	Not Applicable	Not Applicable
Mr. Sunil Ajmera	Company Secretary	Not Applicable	14.1

* Resigned w.e.f. November 15, 2017
**Appointed w.e.f. November 14, 2017
#Resigned w.e.f. June 19, 2017
##Appointed w.e.f. June 19, 2017

[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 2017-18.

[2]The increase in percentage of remuneration as per Form 16 is due to Bonus of previous year paid in the current year and due to increase in the notional value of perquisite as per Income Tax Act, however there was no increase in his total remuneration payable for the year 2017-18.

[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: There was no increase in the total remuneration entitled to the Managing Director and Whole-time Directors, for the financial year 2017-18 as compared to previous financial year 2016-17. However during the year, the Company received an Order from Ministry of Corporate Affairs (MCA) for approval of remuneration of ₹ 2,02,29,000 each to Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia for the Financial Year 2016-17 and balance remuneration amounts of ₹ 91,47,601 and ₹ 89,27,010 were refunded by Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia respectively, to the Company. The remuneration, net of refund, for the financial year 2016-17 and the remuneration actually paid (in accordance with Schedule V to the Companies Act, 2013) in the financial year 2017-18 to Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia have been compared to arrive at the percentage increase and ratio of remuneration to median remuneration of employees for the financial year 2017-18.

Thus, the percentage increase in the remuneration paid for financial year 2017-18 is due to refund order of the Ministry of Corporate Affairs (MCA) for the remuneration pertaining to financial year 2016-17, as detailed below:

(₹ In Million)

Name of Director	Remuneration as per Form 16 for 2016-17 after refund as per MCA Order	Remuneration paid as per Form 16 for 2017-18 (including perquisites)	Ratio of remuneration of each Director to median remuneration of employees	% increase / (decrease) in Remuneration in the Financial Year 2017-18
Dilip S. Shanghvi	20.23	30.09	65.80*	48.7%*
Sudhir V. Valia	20.23	29.94	65.48*	48.0%*

*The Company has made an application to the Central Government for approval of remuneration of Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia as per their entitlement of ₹ 39.3 million each for the financial year 2017-18 as approved by the Board of Directors within the limits approved by the Members of the Company. However, in view of the aforesaid approval for application of remuneration being awaited, the Company has paid remuneration within the ceiling limit prescribed under Schedule V to the Companies Act, 2013 i.e. upto ₹ 30.4 million each, to Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia. On receipt of the approval from the Central Government of India, the balance amount of remuneration for the year 2017-18, if any, as per their entitlement, shall be paid to them, as applicable, and the same shall be given effect to in the year in which the approval is received. Excess remuneration, if any, after final approval in respect of the application for revision is received, shall be refunded by them. The percentage and ratios may further increase or decrease depending on the Order being passed by the MCA / Central Government. In case the approval from MCA is received for the amount of remuneration entitled of ₹ 39.3 million each to Mr. Dilip S Shanghvi and Mr. Sudhir V. Valia for the year 2017-18, then the ratio and the percentage increase in remuneration will be 85.93 and 94.2% respectively. In case the approval is received for lesser amount, then the ratio and the percentage will change accordingly.

ii) The percentage increase in the median remuneration of employees in the financial year 2017-18 (Median -2018/Median 2017) : 5.20%

(iii) The number of permanent employees on the rolls of the Company as on March 31, 2018: 17789

(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:

Average percentage increase made in the salaries of employees other than the Key Managerial Personnel in the financial year ending March 31, 2018 was approximately 11.5% and the average increase in the Key Managerial Personnel remuneration was 33.18%. As explained above the increase in percentage of KMP's is due to refund of remuneration of Managing Director and Whole-time Director in during the year, as per the MCA order. The remuneration of Key Managerial Personnel has been decided in line with our overall reward philosophy of paying for performance (individual as well as Company performance) and ensuring market competitiveness.

(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 25, 2018

Israel Makov
Chairman

ANNEXURE - D

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018.
[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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2018**, 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 2018, 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 (Buyback of Securities) Regulations, 1998 – **Not applicable to the Company for the year under review;**

e. 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;**

f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable to the Company for the year under review;**

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company**;

h. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company for the year under review;**

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

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

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

We report that, the Company has received the order from Central Government in respect of the re-representation / application for revision of remuneration made to the Central Government, as approved by the members of the Company for the years ended 31st March 2015, 31st March 2016 and 31st March 2017; to refund the excess remuneration paid to the Managing Director and Whole-time Directors which had been paid earlier subject to the approval of the Central Government. We have been informed by the management that, in compliance with the said order, the Managing Director and Whole-time Directors have refunded total excess remuneration of ₹ 104.52 Million to the Company for the aforesaid financial years.

We further report that the Company has made application to the Central Government for approval of remuneration of Managing Director and a Whole-time Director as approved by the Board of Directors of the Company for FY 2017-18. The response from Central Government in respect of the aforesaid application is awaited. Further, the Company has paid the remuneration for FY 2017-18 to Managing Director and Whole-time Directors of the Company within the limits of Schedule V of the Companies Act, 2013 with a provision of balance payment/refund of remuneration, if any to/from Managing Director and a Whole-time Director as may be approved by Central Government with regard to aforesaid application.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.

2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees. 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 18,893 Equity Shares of ₹ 1/- each to eligible employees who have exercised their options under Sun Employees Stock Options Scheme – 2015;
- The Company had allotted 13,106 Equity Shares of ₹ 1/- each to Sun Pharma ESOP Trust under Sun Employees Stock Option Plan – 2015;
- Sun Pharma Medisales Private Limited, Ranbaxy Drugs Limited, Gufic Pharma Limited and Vidyut Investments Limited, subsidiary companies of the Company were amalgamated into Company under Section 391 to 394 of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013 on 8th September 2017 (Effective date), the appointed date for the said Scheme of Arrangement being 1st April 2017.

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

Chintan J. Goswami
Proprietor
Mem No. - 33697
C. P. No. - 12721
Date: 25th May 2018.
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 **C. J. Goswami & Associates,**
Practicing Company Secretaries

Chintan J. Goswami
Proprietor
Mem No. - 33697
C. P. No. - 12721
Date: 25th May 2018.
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, 2018 if any:
1.	Sun Pharma Laboratories Limited (Wholly owned subsidiary)	Purchase of goods, property and plant & equipment, Sale of goods, property, plant & equipment and investments, Dividend Income, Receiving and Rendering of Service, Reimbursement of expenses paid and expenses received, Loan taken and 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 2017-18 was ₹ 74,666.4 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

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 25, 2018

Israel Makov
Chairman

ANNEXURE - F

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

Details		Particulars
1.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken	The CSR policy of the Company encompasses its philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. 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.
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, due to loss incurred in last preceding three years
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	₹ 26.97 Million
	b) Amount unspent, if any	Nil
	c) Manner in which the amount spent during the Financial year	Details given below

(₹ 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 was 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
1	Mobile Medical Unit Programme	Healthcare under Item No.(i)	Ahmednagar (Ahmednagar, Maharashtra), Halol (Panchmahal, Gujarat), Ankleshwar and Panoli (Bharuch, Gujarat), Karkhadi (Vadodara, Gujarat), Madurantakam (Kanchipuram, Tamilnadu), Mohali (SAS Nagar, Punjab), Dewas (Dewas, M.P.) Malanpur (Bhind, M.P.) Toansa (SBS Nagar, Punjab) and Paonta Sahib (Sirmour district, H.P.)	26.60	21.10	0.40	69.41	Implementing Agency: 1. HelpAge India 2. Sun Pharma Community Healthcare Society
2	Sanitation Programme	Healthcare under Item No.(i)	Ahmednagar (Ahmednagar, Maharashtra), Madurantakam (Kanchipuram, Tamilnadu), Halol (Panchmahal, Gujarat) and Silvassa (UT of Dadra & Nagar Haveli)	9.15	2.93	0.28	8.40	Directly and Implementing Agency: GVT-Dahod
3	Education Programme	Education under Item No.(ii)	Halol (Panchmahal, Gujarat), Ahmednagar (Ahmednagar, Maharashtra), Silvassa (UT of Dadra & Nagar Haveli), Madurantakam (Kanchipuram, Tamilnadu), Toansa (SBS Nagar, Punjab), Panoli (Bharuch, Gujarat) and Malanpur (Bhind, M.P.)	1.60	1.54	0.06	5.31	Directly and Implementing Agency: GVT-Dahod

(₹ 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 was 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
4	Kidney Dialysis Project	Healthcare under Item No.(i)	Silvassa (UT of Dadra & Nagar Haveli)	0.40	0.40	-	0.40	Implementing Agency: Rogi Kalyan Samiti, Silvassa
5	Drinking Water Project	Drinking Water under Item No. (i)	Toansa (SBS Nagar, Punjab)	0.15	0.15	-	0.15	Directly
6	Healthcare Programme	Healthcare under Item No.(i)	Toansa (SBS Nagar, Punjab)	0.07	0.07	-	0.67	Directly
7	Environment Conservation Programme	Environment under Item No.(iv)	Panoli (Bharuch, Gujarat)	0.03	0.03	-	1.09	Directly
			Grand Total		**26.22**	**0.75**	**85.43**	

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

Place: Mumbai
Date: May 25, 2018

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 engaged various stakeholders through CSR Projects and Programmes and the main purpose of company's CSR activities is to give back to the society by extending helping hand to the needy and the underprivileged communities. Health, education, water, livelihood, environment and disaster relief are some of our key priorities in the area of CSR as a part of CSR Policy of the Company and identified community needs.

The main objective of Sun Pharma's CSR is to emphasize on social transformation and ensuring the sustainability, hence our implementation approach is strategic in nature, and is more inclined towards the sustainability of the projects, addressing community needs, focusing poorest of the poor and weaker sections of society.

Vision:

Sun Pharma's CSR policy emphasizes on striving to bring about the holistic development of underserved communities in a sustainable and impactful manner.

Following CSR Projects and programmes have been implemented during financial year 2017-18:

(1) Mobile Medical Unit:

In order to provide primary healthcare facilities in peripheral villages falling in the vicinity of manufacturing plant locations, Sun Pharma has undertaken Mobile Medical Facilities through van and other preventive and promotive healthcare awareness programmes in villages.

Mobile Medical Unit, a flagship project related to primary health care programme, is being known for catering basic healthcare benefits to the targeted beneficiaries at their doorstep. It is an outreach service of medical check-up and medicine distribution by professionals while on travelling to remote villages. A full-time committed health van, visits the selected nodal locations at a regular frequency. It is manned by a dedicated team of qualified experienced doctor and ANMs, who provide medical check-ups, medicines, expert counselling and referral services for free of cost.

The Programme is being implemented with the help of partner organization namely "Sun Pharma Community Healthcare Society" and "HelpAge India" and it aims to address the following health related issues:-

- To deliver primary healthcare services to the underserved rural areas.
- To reduce Infant and Maternal Mortality and improve the health status of adolescent girls.
- Prevention & control of communicable and non-communicable / other prevalent diseases.

- Promote awareness on all health related issues /HIV/AIDS and female foeticide.
- To address problems of unaffordability, inaccessibility and non-availability of basic essential healthcare to poor elderly.

In FY 2017-18, ₹ 21.51 million was invested towards this program covering 137 villages across various locations – Halol, Panoli, Ankleswar and Karkhadi in Gujarat, Nagar in Maharashtra, Mohali, Toansa in Punjab, Paonta Sahib in Himachal Pradesh, Madurantakam in Tamilnadu and Dewas and Malanpur in Madhya Pradesh. The total numbers of patients treated were 1,18,180 and in addition to this clinical treatments 68,788 people also benefitted through various Promotive and Preventive healthcare awareness programme organized in different villages.

(2) Sanitation Project:

Sun Pharma is working towards achieving aim of promoting "Swachh Bharat" which is a national agenda of sanitation and cleanliness by 2019. This is to change the socio economic situation of communities; the Company has decided to make villages free from open defecation practices. Sun Pharma has undertaken CSR Project on Construction of Individual Households Toilets and Behavioral Change Communication to promote sanitation across different plant locations in India located at Ahmednagar, Halol, Silvassa and Madurantakam.

This programme is implemented by the CSR Department in PPP model and also with the help of implementing agency GVT-Dahod :

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

To achieve the objective of zero open defecation, 201 Individual Household Toilets were constructed during FY 2017-18 with an investment of ₹ 3.21 million.

(3) Education Programme

Sun Pharma believes that "Education is a key to development" and hence we have been working on concept of MHRD's on 'model school development', in which various programmes were executed like up-gradation of classroom, renovation and up keeping of schools, providing proper drinking water facilities at rural schools and other required up-gradation in school infrastructure so that it converts into model schools over a period of years. Educational Programme was implemented at Ahmednagar, Halol, Madurantakam, Panoli, Silvassa, Toansa and Malanpur. The programme has benefitted 5770 students with an investment of ₹ 1.60 million during the FY 2017-18.

(4) Kidney Dialysis Project:

Kidney dialysis project was focused upon providing free kidney dialysis services to poor and unprivileged sections of society and is being implemented with the help of implementing agency Rogi Kalyan Samiti at Silvassa. There are many poor patients who require dialysis treatment several times a week and are in immense need of financial assistance in order to undergo dialysis treatment. The project has proven as a boon for them and benefitted 127 such patients with an investment of ₹ 0.40 million during the FY 2017-18.

(5) Drinking water Projects

Sun Pharma has installed a tubewell and pump house was also constructed for provision of drinking water in village Toansa through underground pipeline. The same was operated and maintained by Sun Pharma for providing drinking water on regular basis. It has benefitted 210 households with the cost involvement of ₹ 0.15 million.

(6) Healthcare Programme

As a part of continuous efforts to provide health facilities for local peripheral areas of plants, Sun Pharma renovated one abandoned dispensary of Zila Parishad providing all infrastructural needs and required equipment's and medicines in addition to the Government supply. Company is maintaining this dispensary since 2009 as continuous project which covers population of nearby villages i.e. Bholewal, Toansa and Railmajra with the following given objectives:

- To deliver primary health care services to the underserved rural areas staying close to the dispensary to ensure medical health services to all.
- To reduce Infant and Maternal Mortality and improve the health status of adolescent girls.
- Prevention & control of communicable diseases and non-communicable/other prevalent diseases.
- Promote awareness on HIV/AIDS.

About 7200 beneficiaries of three villages benefited out of these medical services that are being provided at the Dispensary. Sun Pharma has invested ₹ 0.07 million in this project during the FY 2017-18.

(7) Green Belt Development

Tree plantation is one of the effective measures to control problems of air pollution and further to its economic benefits; it effectively addresses several important environmental and sustainable development objectives. This effort will also brighten the surrounding of the community, over and above offering ecological benefits. Company has undertaken roadside plantation at Panoli with an investment of ₹ 0.03 million during the FY 2017-18.

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

- Install & use of energy efficient screw air compressor instead of reciprocating compressor.
- Electricity usages are reduced by confined control on lightings by applying motion sensors.
- Improve boiler system efficiency by improving condensate recovery, recovering flash steam and repairing non operative steam traps
- Lightings load reduction by installation of LED lightings.
- Opt TOD base electricity bill option to get benefit in electricity bill.
- Maintain Power Factor near to unity & reduced contract demand.
- Install VFD on AHUs blowers to reduce power requirement
- Install energy efficiency pumps and blowers.
- Energy saving in chillers by maintaining proper water treatment & cleaning frequency.

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.

3. Capital investment on energy conservation equipments

- Capital investment of ₹ 54.8 million is done on energy conservation equipments.

B TECHNOLOGY ABSORPTION

(A) Research and Development

1. Expenditure on R&D –

(₹ in Million)

		Year ended March 31, 2018	Year ended March 31, 2017
a)	Capital	**1,591.0**	1,392.3
b)	Revenue	**8,261.0**	9,038.0
c)	Total	**9,852.0**	10,430.3
d)	Total R&D expenditure as % of Total Turnover	**12.4%**	13.4%

(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 complex products, specialty products, generic filings for the US, and API technologies that are complex and may require dedicated manufacturing blocks. Investments have been made in creating research sites, employing scientifically skilled and experienced manpower, adding equipment, sponsored research and in accessing world class consultants to continuously upgrade the research understanding of the scientific team in the technologies and therapy areas of our interest.

There has been thrust on the development of novel technologies like use of green reagents for chemical transformations in API synthesis and ultrasonic crystallisation for achieving required particle size, capillary flow reactors for continuous process 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 baskets 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, 2018	Year ended March 31, 2017
1.	Earnings	**40,816.4**	44,118.1
2.	Outgo	**30,143.4**	24,484.1

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 25, 2018

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"), the Company submits the Corporate Governance Report for the year ended 31st March, 2018.

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, 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 eleven 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	Mr. S. Mohanchand Dadha	-
	Mr. Keki M. Mistry	-
	Mr. Ashwin S. Dani	-
	Ms. Rekha Sethi	-
	Mr. Vivek Chaand Sehgal*	-
	Mr. Gautam Doshi**	-

*Mr. Vivek Chaand Sehgal was appointed as an Additional Independent Director of the Company with effect from November 14, 2017.
** Mr. Gautam Doshi was appointed as an Additional Independent Director of the Company with effect from May 25, 2018.

Mr. Hasmukh S. Shah who was a Non-Executive and Independent Director of the Company resigned as Director with effect from November 15, 2017

Number of Board Meetings held during the year ended March 31, 2018 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, 2018 are as follows:

May 26, 2017; August 11, 2017; September 26, 2017; November 14, 2017 and February 14, 2018.

Number of Board meetings the Director was 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, 2018			*No. of other Directorships and Committee Memberships / Chairmanships as of March 31, 2018		
	Number of Board Meetings Entitled to attend	Number of Board Meetings attended	Last AGM held on September 26, 2017	Other Directorships	Committee Memberships**	Committee Chairmanships**
Mr. Israel Makov	5	5	Yes	-	-	-
Mr. Dilip S. Shanghvi	5	5	Yes	1	-	-
Mr. Sudhir V. Valia	5	5	Yes	4	3	-
Mr. Sailesh T. Desai	5	5	Yes	2	-	-
Mr. Kalyanasundaram Subramanian	5	4	Yes	1	-	-
Mr. S. Mohanchand Dadha	5	4	Yes	2	-	1
Mr. Keki M. Mistry	5	2	No#	9	4	4
Mr. Ashwin S. Dani	5	3	No	5	2	1
Ms. Rekha Sethi	5	5	Yes	4	1	1
Mr. Vivek Chaand Sehgal	2	2	Not Applicable	5	-	-
Mr. Hasmukh S. Shah	4	4	Yes	Not Applicable***		

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

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

*** He was not a Director on 31st March, 2018

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

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 code of conduct has been posted on the website of the Company www.sunpharma.com.

4. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of six Directors which include five independent non-executive Directors viz. Mr. Keki M. Mistry, Mr. S. Mohanchand Dadha, Mr. Ashwin S. Dani, Ms. Rekha Sethi, Mr. Gautam Doshi and one Whole-time Director viz. Mr. Sailesh T. Desai. Mr. Keki M. Mistry is the Chairman of the Committee. Ms. Rekha Sethi was appointed as the member of the Audit Committee with effect from November 14, 2017. Mr. Sailesh T. Desai and Mr. Gautam Doshi have been appointed as members of the Audit Committee with effect from May 25, 2018. During the year, Mr. Hasmukh S. Shah, Independent Director, who was a member of the Audit Committee, ceased to be member of the committee with effect from November 15, 2017 due to he ceasing to be the Director of the Company with effect from November 15, 2017. 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 the quarterly/half-yearly/annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, recommending the appointment/re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/related party transactions, reviewing the Management Discussion and Analysis of financial condition, and result of operations, scrutiny of inter-corporate loans and investments, review of internal financial control and risk management, review functioning of Whistle Blower/ Vigil Mechanism, approval of appointment of Chief Financial Officer, and also statutory compliance relating to financial statements, review and monitor the auditor's independence and performance and effectiveness of audit process etc.

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

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

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

In addition, the Committee has discharged such other role/ function as envisaged under Regulation 18 of the Listing

Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013.

Five Audit Committee Meetings were held during the year ended March 31, 2018. The dates on which the Meetings were held are as follows:

May 26, 2017; August 4, 2017; August 11, 2017; November 14, 2017; and February 14, 2018. 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. Keki M. Mistry	5	3
Mr. S. Mohanchand Dadha	5	4
Mr. Hasmukh S. Shah	4	4
Mr. Ashwin S. Dani	5	3
Ms. Rekha Sethi	1	1

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises of four Non-executive Directors viz. Mr. Keki M. Mistry, Mr. Israel Makov, Ms. Rekha Sethi and Mr. S. Mohanchand Dadha. Mr. Keki M. Mistry is the Chairman of the Committee. Mr. S. Mohanchand Dadha has been appointed as the member of the Committee with effect from May 25, 2018. During the year Mr. Hasmukh S. Shah was appointed as the member of the Committee with effect from June 13, 2017, however he ceased to be the member of the Committee with effect from November 15, 2017 due to he ceasing to be the Director of the Company with effect from November 15, 2017. 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 to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time.

The 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, 2018. The dates on which the meetings were held are as follows:

May 26, 2017; August 11, 2017; November 14, 2017 and February 14, 2018. 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
Mr. Keki M. Mistry	4	2
Mr. Israel Makov	4	4
Ms. Rekha Sethi	4	4
Mr. Hasmukh S. Shah	2	2

The Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company has been annexed as Annexure 'B' to the Corporate Governance Report.

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 2017-18.

The details of Remuneration paid/payable to the Directors of the Company for the year ended March 31, 2018 are given below:-

(Amount in ₹)

Directors	Actual Remuneration/Sitting Fees Paid for 2017-18				
	Salary *	Bonus**	Perquisites*** / Benefits	Sitting Fees	Total Paid
Mr. Dilip S. Shanghvi	2,79,90,000	-	56,18,800	-	**3,36,08,800**
Mr. Sudhir V. Valia	2,79,90,000	-	56,18,800	-	**3,36,08,800**
Mr. Sailesh T. Desai	98,67,000	19,73,400	24,48,615	-	**1,42,89,015**
Mr. Kalsundaram Subramanian#	-	-	-	-	-
Mr. Israel Makov	-	-	-	9,00,000	**9,00,000**
Mr. S. Mohanchand Dadha	-	-	-	16,00,000	**16,00,000**
Mr. Hasmukh S. Shah (upto November 15, 2017)	-	-	-	17,00,000	**17,00,000**
Mr. Keki M. Mistry	-	-	-	8,00,000	**8,00,000**
Mr. Ashwin S. Dani	-	-	-	7,00,000	**7,00,000**
Ms. Rekha Sethi	-	-	-	13,00,000	**13,00,000**
Mr. Vivek Chaand Sehgal (appointed with effect from November 14, 2017)	-	-	-	3,00,000	**3,00,000**

* Salary includes Special Allowance.

** Bonus has not been paid to Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia due to loss incurred by the Company on standalone basis.

*** 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.

Mr. Kalyansundaram Subramanian does not receive any remuneration as a Whole-time Director of the Company. However, Mr. Kalayanasundaram 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.

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.

Due to inadequacy of profits, the Company paid remuneration for the financial year 2017-18 to Mr. Dilip S. Shanghvi, Managing Director and Mr. Sudhir V. Valia, Whole-time Director upto the ceiling limit calculated as per Schedule V of the Companies Act, 2013, which is less than the remuneration approved by the Board of Directors. During the year, the Company has applied to Ministry of Corporate Affairs (MCA) during the year for approval of remuneration for the year 2017-18 for Mr. Dilip S. Shanghvi, Managing Director and Mr. Sudhir V. Valia, Whole-time Director, as approved by the Board of Directors within the limit approved by the members, the approval for which is awaited. In view of the approval for application of remuneration being awaited, for the year 2017-2018, the Company has paid remuneration within the ceiling limit of ₹ 3.04 crores, as calculated as per Schedule V of the Companies Act, 2013 as mentioned below, to Mr. Dilip S. Shanghvi, Managing Director and Mr. Sudhir V. Valia, Whole-time Director. On receipt of the approval from the Central Government of India, the balance amount of remuneration of Mr. Dilip S. Shanghvi, Managing Director and Mr. Sudhir V. Valia, Whole-time Director for the year 2017-18, if any, as per their entitlement, shall be paid to them and the same shall be given effect to in the year in which the approval is received.

The details of remuneration that Mr. Dilip S. Shanghvi, Managing Director and Mr. Sudhir V. Valia, Whole-time Director are entitled and the remuneration actually paid to them are explained below:

Directors	Amount of remuneration entitled (including contribution to PF) for the year 2017-2018, as approved by the Board within the limit as approved by the members, subject to approval of the Central Govt. (excluding Perquisites such as reimbursement of electricity charges, motor vehicle charges, etc. which shall be taken at actuals)	Actual Amount Paid out of the amount entitled for the year 2017-2018 (including contribution to P.F. and Perquisites such as reimbursement of electricity charges, motor vehicle charges, etc. at actuals)	Amount of Remuneration paid for 2017-2018, after excluding Contribution to PF which is excluded for calculation of limit as per Schedule V of the Companies Act 2013
Mr. Dilip S. Shanghvi*	3,92,93,367	3,36,08,800	3,02,50,000
Mr. Sudhir V. Valia	3,92,93,367	3,36,08,800	3,02,50,000

* Commission to Managing Director: Managing Director is also entitled to commission subject to availability of profit and at the rate of not more than 1% of the net profit for the year, the Board of Directors will determine the commission payable within the overall ceiling laid as per the Act, as may be applicable from time to time. However no commission has been paid to the Managing Director for the year 2017-18.

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 for Mr. Dilip S. Shanghvi and ii) from April 1, 2014 to March 31, 2019 for Mr. Sudhir V. Valia and Mr. Sailesh T. Desai. The agreement with Mr. Kalyansundaram Subramanian, Whole-time Director, is for a period of 2 years with effect from February 14, 2017 to February 13, 2019. Either party to the agreement is entitled to terminate the Agreement by giving to the other party 30 days' notice in writing.

b) The Company 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. 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.

e) The details of Equity Shares held by Non-Executive Directors as on March 31, 2018:

Director	No. of Equity Shares held (held singly or jointly as first holder)
Mr. Israel Makov	Nil
Mr. S. Mohanchand Dadha	Nil
Mr. Keki M. Mistry	43,270
Mr. Ashwin S. Dani	Nil
Ms. Rekha Sethi	Nil
Mr. Vivek Chaand Sehgal	Nil

Mr. Gautam Doshi who has been appointed as Additional Independent Director of the Company on May 25, 2018 holds 8000 shares of the Company as on the date of his appointment.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee presently comprises of three Directors viz. Mr. S. Mohanchand Dadha, Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia with Mr. S. Mohanchand Dadha as the Chairman. During the year Mr. S. Mohanchand Dadha, member of committee was appointed as the Chairman with effect from November 15, 2017. Mr. Hasmukh S. Shah ceased to be member and Chairman of the Committee with effect from November 15, 2017 due to he ceasing to be a Director of the Company with effect from November 15, 2017. 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 includes the following: To look into redressal of grievances of shareholders, debenture holders and other security holders of the Company, to consider and resolve grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc, to approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities, to oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services, to investigate any activity within its terms of reference, to seek information from share transfer agents, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary and have full access to the information contained in the records of the Company.

The Board has designated severally, Mr. Sunil R. Ajmera, Company Secretary and Mr. Ashok I. Bhuta, 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, 2018. The dates on which Meetings were held are as follows:

May 26, 2017; August 11, 2017; November 14, 2017 and February 14, 2018. 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. Hasmukh S. Shah	3	3
Mr. S. Mohanchand Dadha	4	3
Mr. Sudhir V. Valia	4	4
Mr. Dilip S. Shanghvi	4	4

Investor Complaints:

The total numbers of complaints received and resolved to the satisfaction of shareholders, during the year under review were 3. 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 four Directors viz. Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia, Mr. Sailesh T. Desai and Mr. S. Mohanchand Dadha. Mr. Sudhir V. Valia is the Chairman of the Committee and Mr. Sunil R. Ajmera, Company Secretary is the Secretary of the Committee. Mr. Hasmukh S. Shah ceased to be member of the Committee with effect from November 15, 2017 due to he ceasing to be a Director of the Company with effect from November 15, 2017.

Five meetings of the Committee of Directors (Allotment) were held during the year ended March 31, 2018. The dates on which Meetings were held are as follows:

May 26, 2017; August 11, 2017; September 26, 2017; November 14, 2017 and February 14, 2018. 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	5	5
Mr. Hasmukh S. Shah	4	4
Mr. Sailesh T. Desai	5	5
Mr. S. Mohanchand Dadha	5	4
Mr. Dilip S. Shanghvi	5	5

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. 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, 2018, two meetings of Corporate Social Responsibility Committee were held on May 25, 2017 and August 10, 2017. The attendance of each member of Committee is as follows:

Name of the Director	Number of Corporate Social Responsibility Committee Meetings entitled to attend	Number of Corporate Social Responsibility Committee Meetings attended
Mr. Dilip S. Shanghvi	2	2
Mr. Sudhir V. Valia	2	1
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. Mr. Uday Baldota, the earlier Chief Financial Officer of the Company, who was also a member of the Committee ceased to be a member of the Committee with effect from June 19, 2017 due to he ceasing to be the Chief Financial Officer of the Company with effect from June 19, 2017. Mr. C. S. Muralidharan, who was appointed as the Chief Financial Officer of the Company with effect from June 19, 2017, was appointed as a member of the Committee with effect from that date. 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 minimization, to monitor the Risk Management Policy of the Company from time to time, to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time. Mr. Sunil R. Ajmera, the Company Secretary of the Company is the Secretary of the Committee.

During the year ended March 31, 2018, two meetings of Risk Management Committee were held on May 25, 2017 and November 13, 2017. 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. Uday Baldota	1	1
Mr. CS Muralidharan	1	1

11. SUBSIDIARY COMPANIES

In accordance with Regulation 16 of the Listing Regulations, Sun Pharma Laboratories Limited is a material Indian subsidiary company (whose Debt Securities are listed on BSE) whose turnover or net worth (i.e., paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Mr. S. Mohanchand Dadha, and Ms. Rekha Sethi, Independent Directors of the Company are also Directors on the Board of Sun Pharma Laboratories Limited.

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.

12. GENERAL BODY MEETINGS

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

Year	Meeting	Location	Date	Time
2014-2015	Twenty- Third AGM	Prof. Chandravadan C. Mehta Auditorium – General Education Center, Maharaja Sayajirao University of Baroda, Near D. N. Hall, Pratap Gunj, Vadodara-390002, Gujarat	October 31, 2015	9.45 a.m.
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.

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

a) At the Twenty-Third Annual General Meeting.

1. Approval for deletion of Clause 135 (bb) of the Articles of Association of the Company pursuant to Section 14 of the Companies Act, 2013.
2. Approval for further issue of securities for an aggregate amount (inclusive of such premium as may be fixed on the securities) not exceeding ₹ 120 Billion (Rupees One Hundred Twenty Billion only).

b) At the Twenty-Fourth Annual General Meeting.

1. 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.
2. 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 would not be liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013.
3. 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.
4. 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 ratification of the remuneration payable to M/s. Kailash Sankhlecha & Associates, Cost Accountants, as the Cost Auditors of the Company for audit of cost records maintained by the Company for the financial year 2016-17.
7. 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
8. 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.
9. 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.
10. Approval for adoption of new set of Articles of Association of the Company containing regulations/ provisions in line with the Companies Act, 2013.

c) 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

Resolution Passed Through Postal Ballot:

During the year, as directed by the National Company Law Tribunal (NCLT), the Company provided the facility for voting by way of Postal Ballot for the approval of the Scheme of Arrangement among Sun Pharma Medisales Pvt Ltd., Ranbaxy Drugs Ltd., Gufic Pharma Ltd., and Sun Pharmaceutical Industries Ltd., and their respective shareholders and creditors vide Notice dated April 26, 2017 for convening the meeting of the Equity Shareholders.

The Notice of NCLT meeting dated April 26, 2017 along with the Postal Ballot Form was sent in electronic form to the members whose e-mail addresses were registered with the Company / respective Depository Participants. In case of physical shareholding, copies of the aforementioned Notice along with Postal Ballot Form were sent in physical, by permitted mode along with self-addressed postage pre-paid Business Reply Envelope. The Company had published a notice in the newspaper on May 18, 2017 in Financial Express and Vadodara Samachar in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard - 2. The voting period commenced from Sunday, May 21, 2017 at 9:00 a.m. (IST) and ended on Monday, June 19, 2017 at 5:00 p.m. (IST). The voting rights of members were reckoned on the paid-up value of shares registered in the name of member / beneficial owner (in case of electronic shareholding) as on Friday, March 31, 2017. The Board had appointed M/s C. J. Goswami & Associates, a Practising Company Secretaries, Mumbai as Scrutiniser to conduct the voting process in a fair and transparent manner and had engaged the services of Central Depository Services (India) Limited as the agency for the purpose of providing remote e-voting facility. Mr. Chintan Goswami, Scrutiniser, had submitted his report on voting to the Chairman on June 21, 2017. The resolution was passed on Tuesday, June 20, 2017 with requisite majority which was the date of NCLT convened meeting Combined voting results of Postal Ballot/E-voting/Poll for Equity Shareholders meeting are given below:

Voting Results of Postal Ballot:

No of Shares held	No of Votes Polled	% of Votes polled on Outstanding shares	No of Votes in Favour	No of Votes Against	% of Votes in favour on Votes polled	% of Votes Against on Votes polled
2,399,291,181	2,002,217,960	83.4504	2,002,167,628	50,332	99.9975	0.0025

No other resolution was passed by way of postal ballot during the year, other than that stated above.

13. 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 the Annexure "A" attached to the Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018.

- There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

- The Company has laid down procedures to inform Board members about the risk assessment and its minimization, which is periodically reviewed to ensure that risk control is exercised by the management effectively.

- The Board of Directors of the Company has approved a Whistle Blower Policy/Vigil Mechanism to monitor the actions taken on complaints received under the said policy. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company. Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. An Ombudsperson/s has been appointed to receive the complaints through a portal or email or letters who would investigate the complaints with an investigating committee. The final decision would be taken by the Ombudsperson in consultation with the Management and the Audit Committee. The Policy is expected to help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions. The details of establishment of vigil mechanism are available on the website of the Company. No personnel have been denied access to the Audit Committee.

- Details of the familiarization programme of the independent directors are available on the website of the Company at: http://www.sunpharma.com/policies

- During the year, a separate meeting of the independent directors was held on February 14, 2018 inter-alia to review the performance of non-independent directors and the board as a whole.

- The policy on dealing with the related party transactions is available on the website of the Company and can be accessed at: http://www.sunpharma.com/policies.

- During the year, there were transactions of receiving of services from Makov Associates Limited amounting to ₹ 136.96 Million in which Mr. Israel Makov, Non-Executive and Non-Independent Chairman is interested. Also there were transactions for sale of goods to Dadha Pharma Distribution Pvt Ltd, amounting to ₹ 2.61 Million in which Mr. S. Mohanchand Dadha, Non-Executive and Independent Director is interested and for purchase of intangible assets from MothersonSumi INfotech & Designs Limited amounting to ₹ 17.43 Million in which Mr. Vivek Chaand Sehgal, Non-Executive and Independent Director is interested. All the transactions with entities in which the Independent

Directors are interested constitute less that one percent of the revenues of these entities and negligible percent of the revenue of the Company.

Apart from the above and sitting fees, there are no pecuniary transactions with Non Executive directors of the Company which had potential conflict of interest with the Company.

- Details of compliance and Adoption/Non Adoption of the non-mandatory requirements for the year ended March 31, 2018:

(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.

(iv) The auditors have issued an unmodified opinion of the financial statements of the Company.

(v) The Company has separate position for Chairman and Managing Director

(vi) The Internal Auditor reports their findings to the Audit Committee of the Company.

14. MEANS OF COMMUNICATION

- **Website:** The Company's website www.sunpharma.com contains a separate dedicated section 'INVESTORS' where shareholders' information is available. The full and Abridged Annual Report for the financial year 2017-18 and full 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 circulated to Members and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual Report.

- **Chairman's Communique:** The Chairman's Speech is placed on the website of the Company.

- **Reminder to Investors:** Reminders for unpaid dividend are sent to shareholders, 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.

15. GENERAL SHAREHOLDER INFORMATION

15.1 Annual General Meeting:

Date and Time	September 26, 2018 at 2:45 p.m.
Venue	Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390 005, Gujarat.

15.2 Financial Calendar (tentative):

Results for quarter ending 30th June, 2018	Second week of August 2018
Results for quarter ending 30th September, 2018	Second week of November 2018
Results for quarter ending 31st December, 2018	Second week of February 2019
Audited Results for year ended 31st March, 2019	Third or Fourth week of May 2019

15.3 Details of Book-closure for Equity Shareholders:

From Wednesday, September 19, 2018 to Wednesday, September 26, 2018. (both days inclusive)

15.4 Dividend Payment Date:

On or before October 1, 2018

15.5 Listing Details

(i)	Listing of Equity Shares on Stock Exchanges	At BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
(ii)	Payment of Listing Fee	Listing Fees for the financial year 2018 -19 have been paid to BSE Limited and National Stock Exchange of India Limited, where the Company's Equity Shares continue to be listed.

15.6 Stock Code: Equity Shares

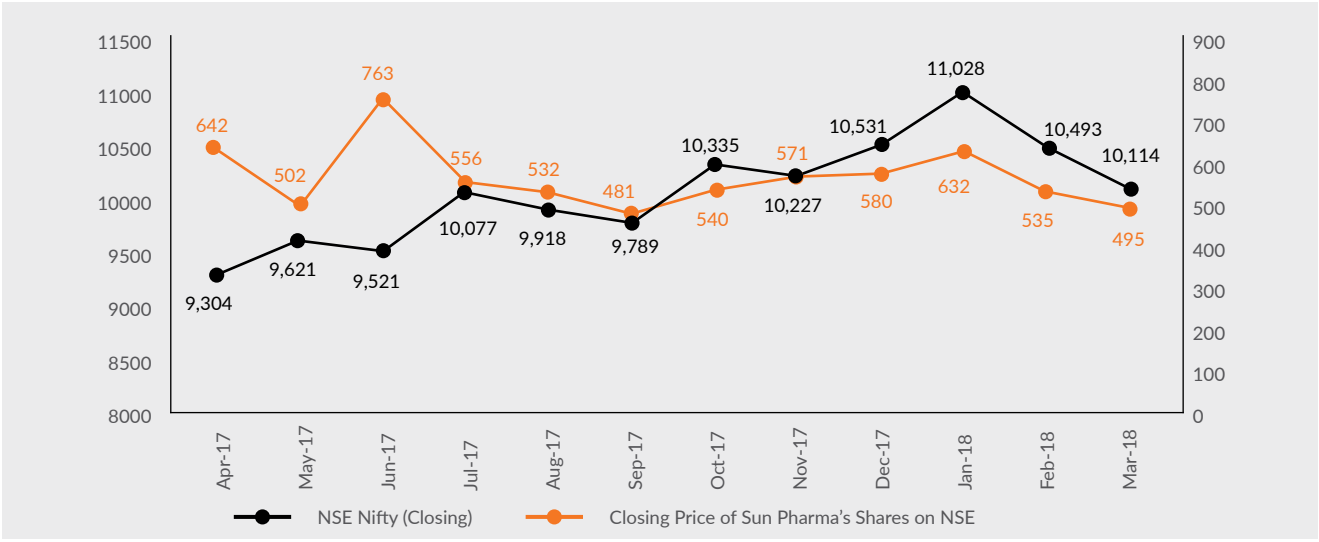
(a)	Trading Symbol at BSE Ltd.	SUNPHARMA 524715
	Trading Symbol at National Stock Exchange of India Limited	SUNPHARMA
(b)	Demat ISIN Numbers in NSDL and CDSL for Equity Shares of ₹ 1/- each	ISIN No.INE044A01036

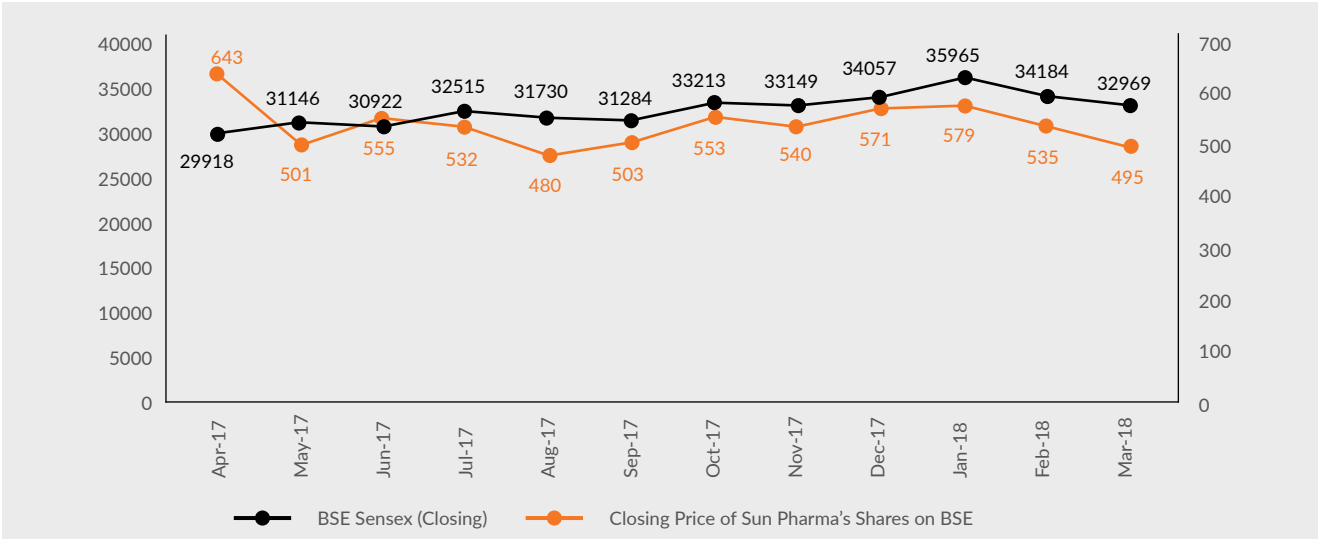
15.7 Stock Market Data - Equity Shares of ₹ 1/- paid-up value:

	BSE Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2017	700.50	632.15	699.85	632.05
May, 2017	657.95	493.00	656.95	492.65
June, 2017	559.90	503.00	560.95	502.10
July, 2017	590.75	530.00	591.50	528.90
August, 2017	542.00	433.15	541.90	432.70
September, 2017	529.70	466.85	529.40	466.20
October, 2017	558.75	500.20	558.70	500.15
November, 2017	572.40	498.60	572.30	498.20
December, 2017	590.00	500.35	585.60	499.50
January, 2018	604.50	560.80	604.60	560.10
February, 2018	608.55	511.45	608.95	511.30
March, 2018	562.00	493.00	563.00	492.00

(Source: BSE and NSE website)

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





Share price performance relative to NIFTY and BSE Sensex based on share price on 31st March, 2018.

Period	NIFTY			BSE Sensex		
	% Change in			% Change in		
	Sun Pharma Share Price on NSE	NIFTY	Sun Pharma Relative to Nifty	Sun Pharma Share Price on BSE	BSE Sensex	Sun Pharma relative to BSE Sensex
Year-on-year	-28.05%	10.25%	-38.30%	-27.96%	11.30%	-39.27%
2 years	-39.62%	30.69%	-70.32%	-39.54%	30.10%	-69.64%
3 years	-51.65%	19.11%	-70.76%	-51.54%	17.92%	-69.46%
5 years	20.91%	77.98%	-57.07%	21.07%	75.03%	-53.96%
10 years	302.73%	113.62%	189.12%	302.31%	110.74%	191.57%

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

15.9 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

15.10 Share Transfer System

Presently, the share transfers which are received in physical form are processed and transferred by Registrar and Transfer Agents and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

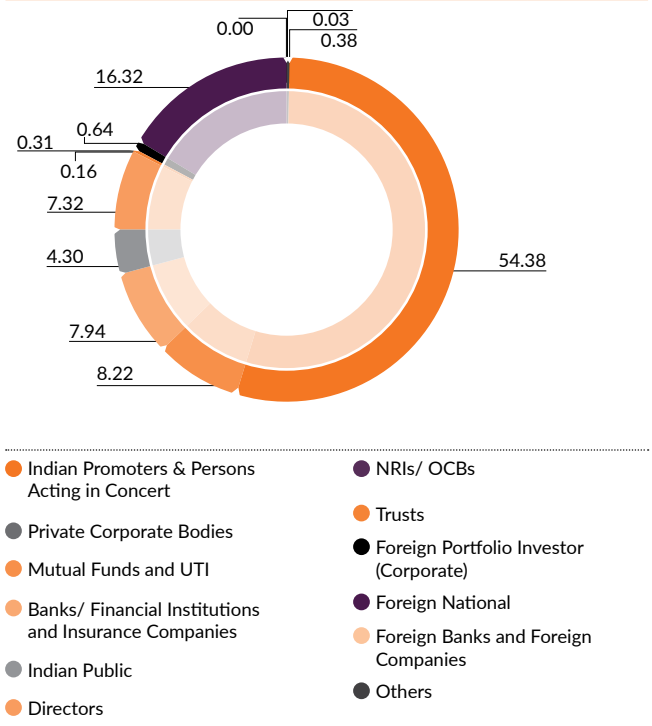
15.11 Distribution of Shareholding as on March 31, 2018

No. of Equity Shares held	No. of Folios		Shares of face value ₹ 1 each/-	
	Numbers	% to total folios	Number	% to total shares
Upto 5000	609874	98.94	104680871	4.36
5001 - 10000	2951	0.48	21006995	0.88
10001 – 20000	2064	0.33	26542479	1.11
20001 – 30000	335	0.05	8304164	0.35
30001 – 40000	169	0.03	5993915	0.25
40001 – 50000	106	0.02	4892933	0.20
50001 – 100000	257	0.04	18104677	0.75
100001 and above	665	0.11	2209797146	92.10
Total	**616421**	**100.00**	**2399323180**	**100.00**

15.12 Category-wise Share Holding as on March 31, 2018 of Equity Shares

Particulars		No. of Shares	Percentage
A.	Indian Promoters and Persons acting in Concert	1304855381	54.38
B.	Mutual Funds and UTI	197247241	8.22
C.	Banks/ Financial Institutions and Insurance Companies	190510753	7.94
D.	Private Corporate Bodies	103072980	4.30
E.	Indian Public	175546309	7.32
F.	Directors	3783394	0.16
G.	NRIs /OCBs	7488638	0.31
H.	Trusts	15374984	0.64
I.	Foreign Portfolio Investor (Corporate)	391589373	16.32
J.	Foreign National	21040	0.00
K.	Foreign Bank and Foreign Companies	697287	0.03
L.	Others	9135800	0.38
Total		**2399323180**	**100.00**

Shareholding Pattern as on 31st March 2018



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, 2017	1,107	389,739
Number of shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from April 1, 2017 to March 31, 2018	6	5742
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period.	6	5742
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2018	1101	383997*

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

15.13 Dematerialisation of Shares

About 99.45% of the outstanding Equity shares have been de-materialised up to March 31, 2018. Trading in Shares of the Company is permitted only in de-materialised 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 2017-18 is given below:

	BSE	NSE	BSE + NSE
In no. of share (in Thousands)	540.59	5265.55	5806.14
In value terms (₹ Millions)	294.75	2848.17	3142.92

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

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

The Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on March 31, 2018.

Outstanding Stock Options

The details of Number of Stock Options outstanding as on March 31, 2018 are provided as an Annexure to the Board's Report and is available on the website of the Company.

15.15 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.

15.16 Plant locations as on March 31, 2018:

1. Survey No.214 and 20, Govt. Industrial Area, Phase-II, Piparia, Silvassa – 396 230, U.T. of D & NH.
2. Plot No.24/2 and No.25, GIDC, Phase- IV, Panoli – 395 116, Dist. Bharuch, Gujarat.
3. A-7 & A-8, MIDC Industrial Area, Ahmednagar – 414 111, Maharashtra.
4. Plot No. 4708, GIDC, Ankleshwar – 393 002, Gujarat.
5. Sathammai Village, Karunkuzhi Post, Maduranthakam T.K. Kanchipuram Dist. Tamil Nadu – 603 303.
6. Halol-Baroda Highway, Near Anand Kendra, Halol, Dist. Panchmahal- 389350 Gujarat.
7. Plot No. 817/A, Karkhadi – 391 450, Taluka: Padra, Distt. Vadodara, Gujarat.
8. Survey no. 259/15, Dadra – 396191, U.T. of D. & NH.
9. Plot No. Z/15, Sez-1, Po. Dahej, Taluko vagra, Dist. Bharuch, Gujarat.

10. Village Toansa, P.O. Railmajra Distt. Nawansahar-144533 (Punjab)
11. A-41, Industrial Area, Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160071 (Punjab)
12. Plot No. K - 5,6,7, Ghirongi Industrial Area, Malanpur, Dist. Bhind, M P.
13. Pharma Manufacturing Industrial Area 3 A.B. Road, Dewas-455001 Madhya Pradesh
14. Sy. No. 16, Ekarajapura, Hoskote, Bengaluru (Karnataka)
15. Plot No. B-2 Madkaim Industrial Estate, Ponda, Goa
16. Plot No. 1341 & 1342 EPIP-1, Hill Top Industrial Area, Village Bhatolikalan (Barotiwala), Baddi – 174103 (H.P.)
17. Village & PO Ganguwala, Tehsil Paonta Sahib-173025, Distt. Sirmour (H.P.)
18. Village Batamandi, Tehsil Paonta Sahib-173025, Distt. Sirmour (H.P.).

15.17 Investor Correspondence

(a)	For transfer/dematerialisation of shares, payment of dividend on Shares, and any other query relating to the shares of the Company	**For Shares held in Physical Form** 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 **For Shares held in Demat Form** To the Depository Participant.
(b)	E-mail id designated by the Company for Investor Complaints	secretarial@sunpharma.com
(c)	Any query on Annual Report	**Mr. Sunil R. Ajmera/ Mr. Ashok I. Bhuta/ Mr. Nimish Desai,** Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon-East, Mumbai - 400 063, sunil.ajmera@sunpharma.com ashok.bhuta@sunpharma.com nimish.desai@sunpharma.com secretarial@sunpharma.com

For and on behalf of the Board

Place : Mumbai
Date : May 25, 2018

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 31ST MARCH, 2018

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

For Sun Pharmaceutical Industries Ltd.,

Dilip S. Shanghvi
Managing Director

Date: May 25, 2018

ANNEXURE 'B' TO CORPORATE GOVERNANCE REPORT

REMUNERATION POLICY

I. Need for the Policy

A. **Business Need:** Retaining, attracting and managing quality talent is of critical importance to the Company's intellectual property in the knowledge driven global business. This requires a communication by the Company that the organisation cares for its team and values the growth of its team members. This Policy intends to provide clarity & guidance on the remuneration payable to the employees of the Company including Directors & Key managerial Personnel members of senior management and manner or the mechanism in which the Company rewards its team.

B. **Legal requirements:** Section 178 of the Companies Act, 2013 and the Listing Agreement entered into by the Company with the Stock Exchanges require the Board of Directors ("Board") of the Company, on recommendation of the Nomination and Remuneration Committee ("NRC"), to formulate a policy, relating to the remuneration for the directors, key management personnel and other employees.

II. Objectives of the Policy

A. Retaining, attracting and managing quality talent.

B. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the all the employees of the Company at different levels of the organisation to put in their best efforts run and grow the Company successfully.

C. Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

D. Ensuring the remuneration to directors, key managerial personnel and senior management is proportionate to the job role & responsibilities and comparable to the industrial standards. Variable Incentive pay, if paid to any employee, should be linked to the performance of such employee and also the Company during such period.

E. Improving the overall performance and value of the Company by optimum use of its human resources.

III. Applicability

This Policy lays down the guiding principle for employment agreements entered into/ to be entered into after the approval of the Policy and for changes made to existing employment agreements hereafter.

IV. Policy Statement

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 worker like, positive outlook, team work, loyalty etc.

B. **Components of Remuneration:** The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

a. **Fixed compensation:** The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.

b. **Variable compensation:** The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.

c. **Share based payments:** The Board may, on the recommendation of the NRC, 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's, share and share price related incentive, reimbursement of electrify and telephone bills etc.

e. **Gratuity/group insurance:** Personnel may also be awarded to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel.

f. **Commission:** The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.

C. **Entitlement:** The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation/Class	To be determined by
Director	Members on recommendation of NRC and the Board.
Key Managerial Personnel	Board on recommendation of the NRC
Other employees	Human Resources Head

V. Policy Deviation

The Board/ NRC/ HR Head may deviate from this Policy if there are specific reasons to do so in an individual case.

VI. Change Management

The Board may in consultation with the Nomination and Remuneration Committee amend or modify this Policy in whole or in part, at any time.

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

The Members of
Sun Pharmaceutical Industries Limited

1. The Corporate Governance Report prepared by Sun Pharmaceutical Industries Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

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 express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

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 w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2018 and verified that atleast one woman director was on the Board during the year;

   iv. Obtained and read the minutes of the following meetings held April 1, 2017 to March 31, 2018:

      (a) Board of Directors meeting;
      (b) Audit Committee meeting;
      (c) Annual General Meeting;
      (d) Nomination and Remuneration Committee meeting;
      (e) Stakeholders Relationship Committee;
      (f) Committee of Directors (Allotment) meeting;
      (g) Corporate Social Responsibility Committee meeting;
      (h) Independent Directors meeting; and
      (i) Risk Management Committee meeting;

   v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

   vi. 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 stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, 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

Place of Signature: Mumbai
Date: May 25, 2018

Independent Auditor's Report

To the Members of Sun Pharmaceutical Industries Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Sun Pharmaceutical Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 26, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditor's Report

To the Members of Sun Pharmaceutical Industries Limited

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 25 and 30 to the standalone Ind AS financial statements

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, except a sum of ₹ 16.9 Million, which is held in abeyance due to pending legal cases.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per PAUL ALVARES
Partner
Membership No.: 105754

Place: Mumbai
Date: May 25, 2018

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT OF EVEN DATE

Re: Sun Pharmaceutical Industries Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company, except for the following immovable properties for which registration of title deeds is in process:

Particulars of Freehold Land and building	Gross Block (₹ in millions)	Net Block (₹ in millions)	Remarks
Freehold Land located in Himachal Pradesh	76.3	76.3	The title deeds are in the name of Ranbaxy Laboratories Limited, erstwhile company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Courts of Gujarat and of Punjab and Haryana.
Freehold Land located in Punjab	27.2	27.2	
Freehold Land located in Haryana	109.0	109.0	
Freehold Land located in Madhya Pradesh	5.8	5.8	
Freehold Land located in Karnataka	28.3	28.3	
Freehold Land located in Punjab	2.5	2.5	The title of this land is under dispute in respect of which we have been informed by the Management of the Company that they have filed a Special Leave Petition with the Honourable Supreme Court against the order passed by the Honourable High Court of Punjab and Haryana and the matter is under adjudication.
Freehold Land located in Chennai	11.3	7.7	The titles are in the name of Tamilnadu Dadha Pharmaceuticals Limited / Pradeep Drug Company Limited, erstwhile companies that were merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Courts of Gujarat and of Tamilnadu / order of the New Delhi Bench of Board of Industrial and Financial Reconstruction respectively.
Land and Building situated at Village Bhatauli Kalan, PO Barotiwala, Nalagarh, District Solan (HP)	122.7	86.2	The title deeds are in the name of Solrex Pharmaceuticals, erstwhile Partnership firm that was merged with the Company under Sections 230 to 232 of the Companies Act, 2013.
Land and Building situated at Vill. Bhatauli Kalan, PO Barotiwala , Nalagarh, District Solan (HP)			

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

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT OF EVEN DATE

Re: Sun Pharmaceutical Industries Limited ('the Company')

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

Particulars of Leasehold Land	Cost or deemed cost as at 31st March 2018 (₹ in millions)	Carrying amount as at 31st March 2018 (₹ in millions)	Remarks
Located In Maharashtra	17.4	17.1	The lease agreements are in the name of Crosslands Research Laboratories Limited which was merged with Ranbaxy Laboratories Limited, erstwhile company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Courts of Gujarat and of Punjab and Haryana.
Located in Goa	2.7	2.6	
Located in Punjab.	213.2	205.9	The lease agreements are in the name of Ranbaxy Laboratories Limited, erstwhile company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Courts of Gujarat and of Punjab and Haryana.
Located in Madhya Pradesh.	222.4	215.5	
Located in Gujarat	0.7	0.3	The lease agreements are in the name of Gujarat Lyca Limited, erstwhile company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Courts of Gujarat.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted loans to one Company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The Company has granted loans that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities as applicable. During the year, the Company has not granted any loans covered under Section 185 of the Act.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of pharmaceutical products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT OF EVEN DATE

Re: Sun Pharmaceutical Industries Limited ('the Company')

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount* (₹ in Million)
Income Tax Act, 1961	Income Tax, Interest and penalty	Income Tax Appellate Tribunal (ITAT)	1995-96, 2007-08, 2009-10 to 2011-12	20,308.4
		Commissioner (Appeals)	2003-04, 2013-14, 2014-15	10,517.1
Sales Tax Act/VAT (Various States)	Sales Tax, Interest and Penalty	Assistant / Additional /Senior Joint Commissioner	1999-00, 2000-01, 2003-04, 2004-05 & 2013-14 to 2015-16	31.8
		Appellate Authority	1998-99, 2008-09, 2014-15 & 2015-16	14.9
		Tribunal	1998-99 to 2003-04, 2008-09 & 2009-10	5.7
		High Court	1999-00 to 2010-11	53.2
The Central Excise Act, 1944	Service Tax	Assistant / Additional /Senior Joint Commissioner	2006-07 to 2015-16	46.6
		Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Delhi	2012-13 to 2014-15	3.1
Customs Act, 1962	Customs Duty, Penalty and Interest	Commissioner (Appeals)	2008-09 to 2012-13 & 2014-15	21.6
		CESTAT	2010-11, 2011-12 & 2012-13	116.0
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	CESTAT	2003-04 to 2015-16	1,162.4
		Commissioner (Appeals)	2003-04 to 2016-17	80.8
		High Court	2003-04 to 2005-06 & 2008-09 to 2013-14	63.2

* Net of amount paid / adjusted under protest. Amount included herein includes interest till the date of the order.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company did not have any outstanding dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way term loans for the purposes for which they were raised. The Company has not raised any money way of initial public offer / further public offer / debt instruments.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No.: 105754

Place: Mumbai
Date: May 25, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sun Pharmaceutical Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting with Reference to these Financial Statements

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

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No.: 105754

Place: Mumbai
Date: May 25, 2018

Standalone Balance Sheet

as at March 31, 2018

₹ in Million

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	**43,756.5**	38,693.5
(b) Capital work-in-progress		**8,303.9**	10,551.1
(c) Goodwill	4	**1,208.0**	1,208.0
(d) Other intangible assets	4	**620.8**	484.8
(e) Intangible assets under development		**437.4**	453.9
(f) Investments in the nature of equity in subsidiaries	5	**182,225.7**	191,865.1
(g) Investments in the nature of equity in associates	6	**-**	-
(h) Financial assets			
(i) Investments	7	**879.3**	1,067.8
(ii) Loans	8	**34.2**	48.7
(iii) Other financial assets	9	**489.7**	990.6
(i) Deferred tax assets (Net)	10	**7,517.0**	7,490.6
(j) Income tax assets (Net)	11	**20,742.4**	17,848.7
(k) Other non-current assets	12	**3,953.6**	4,108.0
Total non-current assets		**270,168.5**	**274,810.8**
(2) Current assets			
(a) Inventories	13	**21,356.4**	23,082.8
(b) Financial assets			
(i) Investments	14	**447.6**	400.1
(ii) Trade receivables	15	**28,469.6**	27,147.0
(iii) Cash and cash equivalents	16	**1,094.3**	1,533.3
(iv) Bank balances other than (iii) above	17	**458.4**	169.5
(v) Loans	18	**520.5**	138.5
(vi) Other financial assets	19	**882.9**	672.5
(c) Other current assets	20	**15,845.5**	10,738.2
Total current assets		**69,075.2**	**63,881.9**
TOTAL ASSETS		**339,243.7**	**338,692.7**

Standalone Balance Sheet

as at March 31, 2018

₹ in Million

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	21	**2,399.3**	2,399.3
(b) Other equity	22	**195,301.7**	207,725.4
Total equity		**197,701.0**	**210,124.7**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**15,646.9**	7,606.4
(ii) Other financial liabilities	24	**9.1**	6.8
(b) Provisions	25	**3,451.8**	11,328.3
Total non-current liabilities		**19,107.8**	**18,941.5**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	**52,138.1**	40,540.4
(ii) Trade payables	27	**24,899.4**	20,726.0
(iii) Other financial liabilities	28	**18,567.4**	28,145.1
(b) Other current liabilities	29	**2,575.1**	1,740.7
(c) Provisions	30	**24,254.9**	18,474.3
Total current liabilities		**122,434.9**	**109,626.5**
Total liabilities		**141,542.7**	**128,568.0**
TOTAL EQUITY AND LIABILITIES		**339,243.7**	**338,692.7**

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

C. S. MURALIDHARAN
Chief Financial Officer

SUNIL R. AJMERA
Company Secretary

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

₹ in Million

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
(I) Revenue from operations	31	**79,476.0**	77,932.0
(II) Other income	32	**11,280.4**	5,150.8
(III) Total income (I + II)		**90,756.4**	**83,082.8**
(IV) Expenses			
Cost of materials consumed	33	**21,675.2**	22,284.5
Purchases of stock-in-trade		**11,659.9**	12,365.0
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	**1,592.6**	(1,678.6)
Employee benefits expense	35	**16,176.9**	14,998.8
Finance costs	36	**3,883.1**	2,235.7
Depreciation and amortisation expense	3 & 4	**4,322.3**	4,222.8
Other expenses	37	**27,141.2**	28,822.6
Total expenses (IV)		**86,451.2**	**83,250.8**
(V) Profit / (loss) before exceptional item and tax (III - IV)		**4,305.2**	**(168.0)**
(VI) Exceptional item	56 (3)	**9,505.0**	-
(VII) Loss before tax (V - VI)		**(5,199.8)**	**(168.0)**
(VIII) Tax expense	39		
Current tax		**20.2**	57.7
Deferred tax		**(274.1)**	2.7
Total tax expense (VIII)		**(253.9)**	**60.4**
(IX) Loss for the year (VII - VIII)		**(4,945.9)**	**(228.4)**
(X) Other comprehensive income			
A) Items that will not be reclassified to the statement of profit or loss			
a. Remeasurements of the defined benefit plans		**664.3**	(600.8)
Income tax on above		**(229.9)**	-
b. Equity instruments through other comprehensive income		**67.2**	(7.1)
Income tax on above		**(23.2)**	-
Total - (A)		**478.4**	**(607.9)**
B) Items that may be reclassified to the statement of profit or loss			
a. Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		**26.6**	(26.6)
b. Debt instruments through other comprehensive income		**(15.5)**	-
Income tax on above		**5.4**	-
Total - (B)		**16.5**	**(26.6)**
Total other comprehensive income (A+B) (X)		**494.9**	**(634.5)**
(XI) Total comprehensive loss for the year (IX+X)		**(4,451.0)**	**(862.9)**
Earnings per equity share (face value per equity share - ₹ 1)	47		
Basic (in ₹)		**(2.1)**	(0.1)
Diluted (in ₹)		**(2.1)**	(0.1)

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As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

C. S. MURALIDHARAN
Chief Financial Officer

SUNIL R. AJMERA
Company Secretary

Standalone Statement of Changes in Equity

for the year ended March 31, 2018

₹ in Million

Particulars	Equity share capital	Other equity											Total
		Reserve and surplus								Other comprehensive income (OCI)			
		Share application money pending allotment	Capital reserve	Securities premium reserve	Share options outstanding account	Amalgamation reserve	Capital redemption reserve	General reserve	Retained earnings	Equity instrument through OCI	Debt instrument through OCI	Effective portion of cash flow hedges	
Balance as at March 31, 2016	2,406.6	6.7	36,660.0	18,585.2	48.9	43.8	-	34,779.3	126,353.4	23.1	-	-	218,907.0
Add - Transfer on merger [Refer Note 56 (13)]	-	-	(535.6)	-	-	-	-	-	1,824.8	-	-	-	1,289.2
Adjusted balance as at March 31, 2016	2,406.6	6.7	36,124.4	18,585.2	48.9	43.8	-	34,779.3	128,178.2	23.1	-	-	220,196.2
Loss for the year	-	-	-	-	-	-	-	-	(228.4)	-	-	-	(228.4)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	^ (600.8)	(7.1)	-	(26.6)	(634.5)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	**(829.2)**	**(7.1)**		**(26.6)**	**(862.9)**
Payment of dividend	-	-	-	-	-	-	-	-	(2,406.8)	-	-	-	(2,406.8)
Dividend distribution tax	-	-	-	-	-	-	-	-	(74.7)	-	-	-	(74.7)
Recognition of share-based payments to employees	-	-	-	-	32.3	-	-	-	-	-	-	-	32.3
Issue of equity shares	0.2	(6.7)	-	31.3	-	-	-	-	-	-	-	-	24.8
Buy-back of equity shares [Refer Note 56 (12)]	(7.5)	-	-	(6,742.5)	-	-	-	-	-	-	-	-	(6,750.0)
Expenditure on buy-back of equity shares	-	-	-	(34.2)	-	-	-	-	-	-	-	-	(34.2)
Transfer to capital redemption reserve on buy-back of equity shares	-	-	-	-	-	-	7.5	-	(7.5)	-	-	-	-
Transfer on exercise of share options	-	-	-	54.8	(54.8)	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	**2,399.3**	*** 0.0**	**36,124.4**	**11,894.6**	**26.4**	**43.8**	**7.5**	**34,779.3**	**124,860.0**	**16.0**	**-**	**(26.6)**	**210,124.7**
Loss for the year	-	-	-	-	-	-	-	-	(4,945.9)	-	-	-	(4,945.9)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	^ 434.4	44.0	(10.1)	26.6	494.9
Total comprehensive income for the year	-	-	-	-	-	-	-	-	**(4,511.5)**	**44.0**	**(10.1)**	**26.6**	**(4,451.0)**
Payment of dividend	-	-	-	-	-	-	-	-	(7,977.4)	-	-	-	(7,977.4)
Dividend distribution tax	-	-	-	-	-	-	-	-	(3.4)	-	-	-	(3.4)
Recognition of share-based payments to employees	-	-	-	-	(1.0)	-	-	-	-	-	-	-	(1.0)
Issue of equity shares	@ 0.0	* (0.0)	-	9.1	-	-	-	-	-	-	-	-	9.1
Transfer on exercise of share options	-	-	-	25.4	(25.4)	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	**2,399.3**	**-**	**36,124.4**	**11,929.1**	**-**	**43.8**	**7.5**	**34,779.3**	**112,367.7**	**60.0**	**(10.1)**	**-**	**197,701.0**

^Represents remeasurements of the defined benefit plans
* : ₹ 7,177
@ : ₹ 62,365

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As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

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For and on behalf of the Board of Directors of
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Managing Director

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Wholetime Director

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Standalone Cash Flow Statement

for the year ended March 31, 2018

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	**(5,199.8)**	(168.0)
Adjustments for:		
Depreciation and amortisation expense	**4,322.3**	4,222.8
Loss on sale/write off of property, plant and equipment and intangible assets, net	**63.7**	112.2
Finance costs	**3,883.1**	2,235.7
Interest income	**(1,287.6)**	(232.1)
Dividend income on investments	**(8,154.8)**	(2,040.7)
Net gain arising on financial assets measured at fair value through profit or loss	**(0.7)**	(16.1)
Net gain on sale of financial assets measured at fair value through profit or loss	**(95.8)**	(186.0)
Net loss/ (gain) on sale of financial assets measured at fair value through other comprehensive income	**15.1**	-
Gain on sale of investment in subsidiary	**(1,328.0)**	(2,307.8)
Gain on sale of investment in associate	**-**	(120.3)
Provision / write off / (reversal) for doubtful trade receivables / advances	**(135.7)**	38.5
Sundry balances written back, net	**(142.0)**	(27.6)
Expense/ (income) recognised in respect of share based payments to employees	**(1.0)**	30.8
Impairment in value of investment, net	**(562.2)**	-
Provision in respect of losses of a subsidiary	**254.3**	165.4
Net unrealised foreign exchange loss / (gain)	**(402.8)**	(2,387.3)
Operating loss before working capital changes	**(8,771.9)**	**(680.5)**
Movements in working capital:		
(Increase)/ decrease in inventories	**1,726.4**	(1,667.3)
Increase in trade receivables	**(925.2)**	(6,681.1)
Increase in other assets	**(5,272.3)**	(1,814.2)
Increase in trade payables	**4,100.9**	3,265.8
Increase in other liabilities	**2,463.3**	7.5
Decrease in provisions	**(2,247.6)**	(804.2)
Cash used in operations	**(8,926.4)**	**(8,374.0)**
Income tax paid (net of refund)	**(2,914.2)**	(7,836.0)
Net cash used in operating activities (A)	**(11,840.6)**	**(16,210.0)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	**(7,333.3)**	(10,940.1)
Proceeds from disposal of property, plant and equipment and intangible assets	**62.7**	97.3
Loans / Inter corporate deposits		
Given to		
Subsidiary company	**-**	(0.4)
Others	**(320.0)**	-
Received back / matured from		
Subsidiary companies	**512.0**	4.8
Others	**-**	-
Purchase of investments		
Subsidiary companies	**(855.0)**	(6.1)
Others	**(168,061.1)**	(176,388.7)
Proceeds from sale / redemption of investments		
Subsidiary companies	**12,384.5**	32,318.4
Associate	**-**	141.5
Others	**168,335.1**	176,366.3
Bank balances not considered as cash and cash equivalents		
Fixed deposits placed	**(107.0)**	(37.2)
Fixed deposits matured	**144.2**	48.3
Margin money placed	**(941.9)**	-
Margin money matured	**629.5**	-
Interest received	**1,440.0**	169.0
Dividend received from		
Subsidiary companies	**8,154.8**	2,040.7
Others [₹ 24,000 (March 31, 2017: ₹ 20,000)]	**0.0**	0.0
Net cash from investing activities (B)	**14,044.5**	**23,813.8**

Standalone Cash Flow Statement

for the year ended March 31, 2018

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares on exercise of stock options/ share application money received	**9.1**	24.8
Proceeds from borrowings		
Subsidiary company	**28,122.1**	9,200.0
Others	**117,554.1**	53,590.4
Repayment of borrowings		
Subsidiary company	**(22,655.1)**	(17,219.9)
Others	**(114,929.5)**	(42,431.5)
Payment for buy-back of equity shares	**-**	(6,750.0)
Payment for share buy-back expenses	**-**	(34.2)
Finance costs	**(2,836.9)**	(1,435.6)
Dividend paid	**(7,981.4)**	(2,399.2)
Dividend distribution tax	**(3.4)**	(74.7)
Net cash used in financing activities (C)	**(2,721.0)**	**(7,529.9)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(517.1)**	**73.9**
Cash and cash equivalents at the beginning of the year	**1,475.2**	1,409.9
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	**19.9**	(8.6)
Cash and cash equivalents at the end of the year	**978.0**	**1,475.2**

Notes:

1 Cash and cash equivalents comprises of

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
In current accounts	**1,091.3**	1,522.3
In deposit accounts with original maturity less than 3 months	**0.6**	-
Cheques on hand	**-**	4.5
Cash on hand	**2.4**	6.5
Cash and cash equivalents (Refer Note 16)	**1,094.3**	**1,533.3**
Less:- cash credit facilities included under loans repayable on demand in Note 26	**116.3**	58.1
Cash and cash equivalents in cash flow statement	**978.0**	**1,475.2**

2 Change in financial liability / asset arising from financing activities

₹ in Million

Particulars	Balance as on April 01, 2017	Changes from financing cash flows	Non cash changes			Balance as on March 31, 2018
			The effect of changes in foreign exchange rates	Changes in fair value	Other Changes	
Borrowings	60,466.1	8,091.6	176.1	-	106.3	**68,840.1**
Derivatives (Asset, net)	1,210.0	(518.0)	(32.1)	94.2	-	**754.1**

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

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Wholetime Director
Mumbai, May 25, 2018

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

1. GENERAL INFORMATION

Sun Pharmaceutical Industries Limited ("the Company") is a public limited company incorporated and domiciled in India, having it's registered office at Vadodara, Gujarat, India and has its listing on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is in the business of manufacturing, developing and marketing a wide range of branded and generic formulations and Active Pharmaceutical Ingredients (APIs). The Company has various manufacturing locations spread across the country with trading and other incidental and related activities extending to the global markets.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared financial statements for the year ended March 31, 2018 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2017.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; (iii) derivative financial instrument and (iv) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The standalone financial statements are presented in ₹ and all values are rounded to the nearest Million (₹ 000,000) upto one decimal, except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

a. Current vs. Non-current

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currency

On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings (see note 2.2.r).

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 2.2.i below for hedging accounting policies).

Non-monetary items that are measured in terms of historical cost in foreign currency are measured using the exchange rates at the date of initial transaction.

c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

d. Property, plant and equipment

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the acquired asset is measured at the carrying amount of the asset given up.

Depreciation is recognised on the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter. Depreciation methods,

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as follows:

Asset Category	No. of years
Leasehold land	60-99
Factory Buildings	30
Buildings other than Factory Buildings	60
Buildings given under operating lease	30
Plant and equipment	3-20
Plant and equipment given under operating lease	15
Vehicles	5-10
Office equipment	2-5
Furniture and fixtures	10

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortised over the lower of the estimated useful life of the software and the remaining useful life of the tangible fixed asset.

e. Goodwill and Intangible assets

Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Company's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Intangible assets

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to and has sufficient resources/ ability to complete development and to use or sell the asset.

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

Acquired research and development intangible assets which are under development, are recognised as In-Process Research and Development assets ("IPR&D"). IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such IPR&D assets is recognised in profit or loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

The consideration for acquisition of intangible asset which is based on reaching specific milestone that are dependent on the Company's future activity is recognised only when the activity requiring the payment is performed.

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognised in the statement of profit and loss as incurred.

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives for Product related intangibles and Other intangibles ranges from 5 to 20 years.

The estimated useful life and the amortisation method for intangible assets with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

f. Investments in the nature of equity in subsidiaries and associates

The Company has elected to recognise its investments in equity instruments in subsidiaries and associates at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Impairment policy applicable on such investments is explained in Note 2.2.g.

g. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

In respect of other asset, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation

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or convention in the market place (regular way trades) are recognised on the date the Company commits to purchase or sale the financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all the changes in the profit or loss.

Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities and equity instruments Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon

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initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Treasury shares

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

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Dividend distribution to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

j. Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Company as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased assets or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

Company as a lessor

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

k. Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade, stores and spares and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method.

Cost of raw materials and packing materials, stock-in-trade, stores and spares includes cost of purchases and other costs incurred in bringing the inventories to its present location and condition.

Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis

l. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

m. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring

A provision for restructuring is recognised when the Company has a detailed formal restructuring plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements.

n. Revenue

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is stated exclusive of sales tax, value added tax, goods and service tax and net of returns, chargebacks, rebates and other similar allowances. Revenue is inclusive of excise duty till the period, provision of excise duty was levied on sale of goods.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, it is probable that the economic benefit will flow to the Company, the associated costs and possible return of goods can be estimated reliably, there is neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably. The Company is principal in all of its revenue arrangements, since it is the primary obligor in all of the revenue arrangements, as it has pricing latitude and is exposed to inventory and credit risks.

Provisions for chargeback, rebates, discounts and medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue.

Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established

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products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Rendering of services

Revenue from services rendered is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

o. Dividend and interest income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

p. Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

q. Employee benefits

Defined benefit plans

The Company operates a defined benefit gratuity plan which requires contribution to be made to a separately administered fund.

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

Termination benefits

Termination benefits are recognised as an expense at the earlier of the date when the Company can no longer withdraw the offer of those benefits and when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

Short-term and other long-term employee benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

Defined contribution plans

The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Company does not have any obligation other than the contribution made.

Share-based payment arrangements

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, on a straight line basis, over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

r. Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

s. Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

t. Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

u. Recent Accounting pronouncements

Standards issued but not yet effective and not early adopted by the Company

Ind AS 115, Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contracts with Customers, which is effective for accounting periods beginning on or after April 1, 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Ind AS 115 is effective for annual reporting periods beginning on or after April 1, 2018.

The Company intends to adopt Ind AS 115 effective April 1, 2018, using the modified retrospective method. The Company is evaluating the requirements of the standard and its impact on its financials.

Amendments to Ind AS 7 Statement of Cash Flows:

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for the current period in Cash Flow Statement. Since amendment is effect from April 1, 2017, no comparative period information is required.

Other Amendments:

On March 28, 2018, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 40, Investment Property
- Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Ind AS 12, Income Taxes
- Ind AS 28, Investments in Associates and Joint Ventures
- Ind AS 112, Disclosure of Interests in Other Entities

The amendments are effective April 1, 2018. The Company believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 3 PROPERTY, PLANT AND EQUIPMENT

₹ in Million

	Freehold land	Leasehold land	Buildings	Buildings - leased	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost									
As at April 01, 2016	541.1	562.4	11,071.7	16.9	26,339.3	805.3	430.0	465.0	40,231.7
Add - Transfer on merger [Refer Note 56 (13)]	22.4	-	156.1	-	408.2	58.2	1.8	16.7	663.4
Additions	370.3	-	1,068.6	-	5,652.3	54.1	108.1	135.2	7,388.6
Disposals	-	-	(14.5)	-	(350.1)	(23.6)	(84.9)	(15.3)	(488.4)
As at March 31, 2017	**933.8**	**562.4**	**12,281.9**	**16.9**	**32,049.7**	**894.0**	**455.0**	**601.6**	**47,795.3**
Additions	107.4	-	1,878.2	-	7,033.1	65.4	82.5	158.2	9,324.8
Disposals	-	-	-	-	(176.9)	(1.2)	(56.4)	(1.7)	(236.2)
As at March 31, 2018	**1,041.2**	**562.4**	**14,160.1**	**16.9**	**38,905.9**	**958.2**	**481.1**	**758.1**	**56,883.9**
Accumulated depreciation and impairment									
As at April 01, 2016	-	6.9	661.1	0.5	4,039.3	144.2	89.8	126.5	5,068.3
Add - Transfer on merger [Refer Note 56 (13)]	-	-	48.6	-	180.6	32.3	0.7	11.9	274.1
Depreciation expense	-	6.9	373.2	0.5	3,304.8	136.3	96.2	125.5	4,043.4
Disposals	-	-	(13.7)	-	(215.8)	(12.7)	(35.2)	(6.6)	(284.0)
As at March 31, 2017	**-**	**13.8**	**1,069.2**	**1.0**	**7,308.9**	**300.1**	**151.5**	**257.3**	**9,101.8**
Depreciation expense	-	6.8	399.5	0.5	3,383.1	115.8	98.4	131.4	4,135.5
Disposals	-	-	-	-	(77.5)	(0.7)	(30.7)	(1.0)	(109.9)
As at March 31, 2018	**-**	**20.6**	**1,468.7**	**1.5**	**10,614.5**	**415.2**	**219.2**	**387.7**	**13,127.4**
Net book value									
As at March 31, 2017	**933.8**	**548.6**	**11,212.7**	**15.9**	**24,740.8**	**593.9**	**303.5**	**344.3**	**38,693.5**
As at March 31, 2018	**1,041.2**	**541.8**	**12,691.4**	**15.4**	**28,291.4**	**543.0**	**261.9**	**370.4**	**43,756.5**

Footnotes

(i) Buildings include ₹ 8,620 (As at March 31, 2017 : ₹ 8,620) towards cost of shares in a co-operative housing society and also includes ₹ 1.1 Million (As at March 31, 2017 : ₹ 1.1 Million) and ₹ 1,133.0 Million (As at March 31, 2017 : ₹ 1,133.0 Million) towards cost of non-convertible preference shares of face value of ₹ 10/- each and compulsorily convertible debentures of face value of ₹ 10,000/- each in a Company respectively entitling the right of occupancy and use of premises and also includes ₹ 4.5 Million (March 31, 2017 : ₹ 4.5 Million) towards cost of flats not registered in the name of the Company but is entitled to right of use and occupancy.

(ii) For details of assets pledged as security refer Note 51

(iii) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 4 GOODWILL / OTHER INTANGIBLE ASSETS

Other than internally generated

₹ in Million

	Computer Software	Product related intangibles	Goodwill	Total
At cost or deemed cost				
As at April 01, 2016	656.1	149.2	-	805.3
Add - Transfer on merger [Refer Note 56 (13)]	12.8	-	1,208.0	1,220.8
Additions	73.4	8.6	-	82.0
Disposals	(22.6)	-	-	(22.6)
As at March 31, 2017	**719.7**	**157.8**	**1,208.0**	**2,085.5**
Additions	322.9	-	-	322.9
Disposals	(0.2)	-	-	(0.2)
As at March 31, 2018	**1,042.4**	**157.8**	**1,208.0**	**2,408.2**
Accumulated amortisation and impairment				
As at April 01, 2016	193.6	28.9	-	222.5
Add - Transfer on merger [Refer Note 56 (13)]	8.3		-	8.3
Amortisation expense	158.0	21.4	-	179.4
Disposals	(17.5)	-	-	(17.5)
As at March 31, 2017	**342.4**	**50.3**	**-**	**392.7**
Amortisation expense	165.1	21.7	-	186.8
Disposals	(0.1)	-	-	(0.1)
As at March 31, 2018	**507.4**	**72.0**	**-**	**579.4**
Net book value				
As at March 31, 2017	**377.3**	**107.5**	**1,208.0**	**1,692.8**
As at March 31, 2018	**535.0**	**85.8**	**1,208.0**	**1,828.8**

Footnote
(i) The aggregate amortisation has been included under depreciation and amortisation expense in the statement of profit and loss.
(ii) Refer Note 56 (2)

NOTE : 5 INVESTMENTS IN THE NATURE OF EQUITY IN SUBSIDIARIES (NON-CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments				
Unquoted (At cost less impairment in value of investments, if any)				
Sun Pharmaceutical Industries, Inc.				
Common shares of no par value	**8,387,666**	**304.2**	8,387,666	304.2
Sun Farmaceutica do Brasil Ltda				
Quota of Capital Stock of Real 1 each fully paid	**4,019**	**18.3**	4,019	18.3
Sun Pharma De Mexico, S.A. DE C.V.				
Common Shares of no Face Value	**750**	**3.3**	750	3.3
Sun Pharmaceutical (Bangladesh) Limited				
Ordinary Shares of 100 Takas each fully paid	**434,469**	**36.5**	434,469	36.5
Share application money		**31.6**		31.6
Sun Pharmaceutical Peru S.A.C.				
Ordinary Shares of Soles 10 each fully paid	**149**	**0.0**	149	0.0
[₹ 21,734 (March 31, 2017: ₹ 21,734)]				
SPIL DE Mexico S.A. DE CV				
Nominative and free Shares of 500 Mexican Pesos each fully paid	**100**	**0.2**	100	0.2
OOO "Sun Pharmaceutical Industries" Limited				
Par value rouble stock fully paid	**1**	**8.8**	1	8.8
5,250,000 Rouble (March 31, 2017: 5,250,000 Rouble)				

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Green Eco Development Centre Limited				
Shares of ₹ 10 each fully paid	**700,000**	**7.0**	700,000	7.0
Sun Pharma De Venezuela, C.A.				
Shares of Bolivars (Bs.F.) 100 each, Bolivars (Bs.F.) 50 per share paid	**1,000**	**0.5**	1,000	0.5
Sun Pharma Laboratories Limited				
Shares of ₹ 10 each fully paid	**50,000**	**1.5**	50,000	1.5
Faststone Mercantile Company Private Limited				
Shares of ₹ 10 each fully paid	**10,000**	**0.1**	10,000	0.1
Foundation for Disease Elimination and Control of India				
Shares of ₹ 10 each fully paid	**10,000**	**0.1**	10,000	0.1
Neetnav Real Estate Private Limited				
Shares of ₹ 10 each fully paid	**10,000**	**0.1**	10,000	0.1
Realstone Multitrade Private Limited				
Shares of ₹ 10 each fully paid	**10,000**	**0.1**	10,000	0.1
Skisen Labs Private Limited				
Shares of ₹ 10 each fully paid	**16,360,000**	**163.6**	16,360,000	163.6
Less: Impairment in value of investment		**(163.6)**		-
		-		**163.6**
Softdeal Trading Company Private Limited				
Shares of ₹ 10 each fully paid	**10,000**	**0.1**	10,000	0.1
Sun Pharma Holdings				
Shares of USD 1 each fully paid	**855,199,716**	**54,031.5**	855,199,716	54,031.5
Sun Pharma (Netherlands) B.V. [formerly known as Ranbaxy (Netherlands) B.V.]				
Ordinary Shares of Euro 100 each fully paid	**5,473,340**	**39,877.3**	5,473,340	39,877.3
Ranbaxy Pharmacie Generiques SAS				
Ordinary Shares of Euro 1 each fully paid	**24,117,250**	**4,709.1**	24,117,250	4,709.1
Less: Impairment in value of investment		**(4,709.1)**		(4,709.1)
		-		**-**
Ranbaxy Malaysia Sdn. Bhd.				
Ordinary Shares of RM 1 each fully paid	**3,189,248**	**37.0**	3,189,248	37.0
Ranbaxy Nigeria Limited				
Ordinary Shares of Naira 1 each fully paid	**13,070,648**	**8.6**	13,070,648	8.6
Quoted (At cost less impairment in value of investments, if any)				
Zenotech Laboratories Limited [Refer Note 56(1)]				
Shares of ₹ 10 each fully paid	**35,128,078**	**3,318.5**	-	-
Less: Impairment in value of investment		**(1,737.8)**		-
		1,580.7		**-**
		95,947.5		**94,530.4**
Preference shares - unquoted (At cost)				
Sun Pharma Holdings				
5% Optionally Convertible Preference Shares USD 1 each fully paid	**1,365,593,148**	**86,278.2**	1,540,593,148	97,334.7
		182,225.7		**191,865.1**
Aggregate amount of unquoted investments before impairment		**185,517.7**		196,574.2
Aggregate book value (carrying value) of quoted investments before impairment		**3,318.5**		-
Aggregate amount of impairment in value of investments		**6,610.5**		4,709.1
Aggregate amount of quoted investments at market value		**1,429.7**		-

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 6 INVESTMENTS IN THE NATURE OF EQUITY IN ASSOCIATES (NON-CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments - (At cost less impairment in value of investments, if any)				
Quoted				
Zenotech Laboratories Limited [Refer Note 56(1)]				
Shares of ₹ 10 each fully paid	-	-	16,128,078	2,463.5
Less: Impairment in value of investment		-		(2,463.5)
		-		-
Market value of quoted investment		-		570.1

NOTE : 7 INVESTMENTS (NON-CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Investments in subsidiaries				
Preference shares - unquoted				
Sun Pharma Laboratories Limited				
10% Non-Convertible, Non-Cumulative Redeemable Preference Shares of ₹ 100 each fully paid	**4,000,000**	**400.0**	4,000,000	400.0
		400.0		**400.0**
Other investments				
Investments in equity instruments				
Quoted				
Krebs Biochemicals and Industries Limited				
Shares of ₹ 10 each fully paid	**1,050,000**	**172.3**	1,050,000	105.1
Unquoted				
Enviro Infrastructure Co. Limited				
Shares of ₹ 10 each fully paid	**100,000**	**1.0**	100,000	1.0
Shimal Research Laboratories Limited				
Shares of ₹ 10 each fully paid	**9,340,000**	**934.0**	9,340,000	934.0
Less: Impairment in value of investment		**(934.0)**		(934.0)
		-		-
Shivalik Solid Waste Management Limited				
Shares of ₹ 10 each fully paid	**20,000**	**0.2**	20,000	0.2
Biotech Consortium India Limited				
Shares of ₹ 10 each fully paid	**50,000**	**0.5**	50,000	0.5
Less: Impairment in value of investment		**(0.5)**		(0.5)
		-		-
Nimbua Greenfield (Punjab) Limited				
Shares of ₹ 10 each fully paid	**140,625**	**1.4**	140,625	1.4
Citron Ecopower Pvt. Ltd.				
Shares of ₹ 10 each fully paid	**500,500**	**5.0**	-	-
		179.9		**107.7**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Investments in government securities				
Quoted				
Government of Rajasthan UDAY non -SLR bond				
7.75% Bond of ₹ 1 each fully paid maturing June 23, 2018	-	-	27,400,000	27.1
Government of Rajasthan UDAY non -SLR bond				
7.86% Bond of ₹ 1 each fully paid maturing June 23, 2019	**27,400,000**	**27.1**	27,400,000	27.3
Government of Rajasthan UDAY non -SLR bond				
8.01% Bond of ₹ 1 each fully paid maturing June 23, 2020	**27,400,000**	**27.2**	27,400,000	27.5
Government of Rajasthan UDAY non -SLR bond				
8.21% Bond of ₹ 1 each fully paid maturing June 23, 2025	-	-	100,000,000	103.7
Government of Rajasthan UDAY non -SLR bond				
8.39% Bond of ₹ 1 each fully paid maturing June 23, 2026	-	-	200,000,000	214.8
Government of Uttar Pradesh UDAY non -SLR bond				
8.21% Bond of ₹ 1 each fully paid maturing June 23, 2026	-	-	150,000,000	159.7
Government of Telangana UDAY non -SLR bond				
7.62% Bond of ₹ 1 each fully paid maturing March 7, 2026	**100,000,000**	**96.5**	-	-
Government of Telangana UDAY non -SLR bond				
7.98% Bond of ₹ 1 each fully paid maturing March 7, 2030	**100,000,000**	**97.6**	-	-
Government of Tamil Nadu UDAY non -SLR bond				
8.24% Bond of ₹ 1 each fully paid maturing March 22, 2028	**50,000,000**	**51.0**	-	-
Unquoted				
National savings certificates		**0.0**		0.0
[₹ 10,000 (March 31, 2017: ₹ 10,000)]				
		299.4		**560.1**
Investments (non-current)		**879.3**		**1,067.8**
Aggregate book value (carrying value) of quoted investments		**471.7**		665.2
Aggregate amount of quoted investments at market value		**471.7**		665.2
Aggregate amount of unquoted investments before impairment		**1,342.1**		1,337.1
Aggregate amount of impairment in value of investments		**934.5**		934.5

NOTE : 8 LOANS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Loans to employees / others		
Secured, considered good	**10.2**	16.2
Unsecured, considered good	**24.0**	32.5
	34.2	**48.7**

NOTE : 9 OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Deposits - pledged with government authorities	**1.0**	1.6
Security deposits (unsecured, considered good)	**405.9**	377.5
Derivatives not designated as hedges	**82.8**	611.5
	489.7	**990.6**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 10 DEFERRED TAX ASSETS (NET)

₹ in Million

	Opening balance April 01, 2017	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance March 31, 2018
Deferred tax (liabilities) / assets in relation to:				
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax	(4,353.0)	(774.3)	-	**(5,127.3)**
Other liabilities	(9.2)	(7.7)	(17.8)	**(34.7)**
Allowance for doubtful debts and advances	743.2	(76.2)	-	**667.0**
Expenses claimed for tax purpose on payment basis	803.0	(179.7)	(229.9)	**393.4**
Unabsorbed depreciation / carried forward losses	2,497.3	1,456.9	-	**3,954.2**
Other assets	292.3	(144.9)	-	**147.4**
	(26.4)	**274.1**	**(247.7)**	**-**
MAT credit entitlement [Refer Note 56(4)]	7,517.0	-	-	**7,517.0**
	7,490.6	**274.1**	**(247.7)**	**7,517.0**

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :		
Tax losses	**97,366.8**	78,498.1
Tax losses (Capital in nature)	**743.5**	757.1
Unabsorbed depreciation	**30,539.3**	24,900.1
Unused tax credits (MAT credit entitlement)	**2,874.3**	2,874.3
Deductible temporary differences	**22,382.2**	25,892.5
	153,906.1	**132,922.1**

The unused tax credits will expire from financial year 2022-23 to financial year 2027-28 and unused tax losses will expire from financial year 2019-20 to financial year 2026-27.

NOTE : 11 INCOME TAX ASSETS (NET) (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Advance Income Tax *	**20,742.4**	17,848.7
Net of provisions ₹ 10,896.0 Million (March 31, 2017 : ₹ 10,894.5 Million)		
	20,742.4	**17,848.7**

* includes amount paid under protest

NOTE : 12 OTHER ASSETS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Capital advances	**2,870.5**	2,924.0
Prepaid expenses	**18.0**	16.4
Balances with government authorities *	**1,057.3**	1,155.6
Other assets	**7.8**	12.0
	3,953.6	**4,108.0**

* includes amount paid under protest

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 13 INVENTORIES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Lower of cost and net realisable value		
Raw materials and packing materials	**7,583.3**	7,158.7
Goods in transit	**128.9**	298.0
	7,712.2	**7,456.7**
Work-in-progress	**7,727.8**	8,442.8
Finished goods	**4,687.2**	6,082.2
Stock-in-trade	**979.5**	462.1
Stores and spares	**249.7**	639.0
	21,356.4	**23,082.8**

(i) Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 8,767.9 Million (March 31, 2017: ₹ 7,876.9 Million). The changes in write downs are recognised as an expense in the statement of profit and loss.
(ii) For details of inventories pledged as security refer Note 51.
(iii) The cost of inventories recognised as an expense is disclosed in Notes 33, 34 and 37 and as purchases of stock-in-trade in the statement of profit and loss.

NOTE : 14 INVESTMENTS (CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Investments in government securities				
Quoted				
Government of Rajasthan UDAY non -SLR bond				
7.75% Bond of ₹ 1 each fully paid maturing June 23, 2018	**27,400,000**	**26.9**	-	-
Investments in mutual funds				
Unquoted *				
ICICI Prudential Mutual Fund-ICICI Prudential Liquid - Direct Plan - Growth				
Units of ₹ 100 each fully paid	**-**	**-**	1,662,199	400.1
BOI Axa Mutual Fund-BOI Axa Liquid Fund-Direct Plan-Growth				
Units of ₹ 100 each fully paid	**209,995**	**420.7**	**-**	**-**
		447.6		**400.1**

* Investments in mutual funds have been fair valued at closing net asset value (NAV).

NOTE : 15 TRADE RECEIVABLES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Unsecured		
Considered good	**28,469.6**	27,147.0
Considered doubtful	**1,575.5**	1,209.7
	30,045.1	**28,356.7**
Less : Allowance for doubtful debts (expected credit loss allowance)	**(1,575.5)**	(1,209.7)
	28,469.6	**27,147.0**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 16 CASH AND CASH EQUIVALENTS

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
In current accounts	**1,091.3**	1,522.3
In deposit accounts with original maturity less than 3 months	**0.6**	-
Cheques on hand	**-**	4.5
Cash on hand	**2.4**	6.5
	1,094.3	**1,533.3**

NOTE : 17 BANK BALANCES OTHER THAN DISCLOSED IN NOTE 16 ABOVE

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Deposit accounts	**60.6**	38.0
Earmarked balances with banks		
Unpaid dividend accounts	**73.0**	59.3
Balances held as margin money or security against guarantees and other commitments (*)	**324.8**	72.2
	458.4	**169.5**

* having original maturity of more than 12 months.

NOTE : 18 LOANS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Loans to employees / others		
Secured, considered good	**18.2**	4.0
Unsecured, considered good	**448.9**	134.5
Considered doubtful	**4.5**	4.5
Less : Allowance for doubtful loans	**(4.5)**	(4.5)
	467.1	**138.5**
Loans to related parties (Refer Note 52 and 53)		
Unsecured, considered good	**53.4**	-
Considered doubtful	**-**	512.0
Less : Allowance for doubtful loans	**-**	(512.0)
	53.4	**-**
	520.5	**138.5**

NOTE : 19 OTHER FINANCIAL ASSETS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Interest accrued		
Considered good	**9.9**	0.8
Considered doubtful	**-**	214.9
Less : Allowance for doubtful	**-**	(214.9)
	9.9	**0.8**
Insurance claim receivables	**-**	1.6
Security deposits (unsecured, considered good)	**14.7**	35.3
Other receivables	**184.3**	40.5
Derivatives not designated as hedges	**674.0**	594.3
	882.9	**672.5**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 20 OTHER ASSETS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Export incentives receivable	**2,701.0**	2,159.1
Prepaid expenses	**302.3**	329.2
Advances for supply of goods and services		
Considered good	**3,383.2**	1,939.1
Considered doubtful	**328.8**	206.3
Less : Allowance for doubtful	**(328.8)**	(206.3)
	3,383.2	**1,939.1**
Balances with government authorities *	**9,454.0**	6,278.6
Other assets	**5.0**	32.2
	15,845.5	**10,738.2**

* includes balances of goods and service tax

NOTE : 21 SHARE CAPITAL

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Authorised				
Equity shares of ₹ 1 each	**5,990,000,000**	**5,990.0**	5,990,000,000	5,990.0
Cumulative preference shares of ₹ 100 each	**100,000**	**10.0**	100,000	10.0
	5,990,100,000	**6,000.0**	**5,990,100,000**	**6,000.0**
Issued, subscribed and fully paid up				
Equity Shares of ₹ 1 each	**2,399,323,180**	**2,399.3**	2,399,260,815	2,399.3
	2,399,323,180	**2,399.3**	**2,399,260,815**	**2,399.3**

	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of reporting period				
Opening balance	**2,399,260,815**	**2,399.3**	2,406,605,118	2,406.6
Add : shares allotted to employees on exercise of employee stock option (excluding shares held by ESOP trust) (* : ₹ 62,365)	**62,365**	*** 0.0**	155,697	0.2
Less : buy back of shares [Refer Note 56 (12)]	**-**	**-**	(7,500,000)	(7.5)
Closing balance	**2,399,323,180**	**2,399.3**	**2,399,260,815**	**2,399.3**
The movement of equity shares issued to ESOP Trust at face value is as follows:				
Opening balance (* : ₹ 30,366)	**30,366**	*** 0.0**	123,381	0.1
Add : shares allotted to the ESOP Trust	**-**	**-**	-	-
Less : shares allotted by ESOP Trust on exercise of employee stock option (* : ₹ 30,366)	**(30,366)**	*** (0.0)**	(93,015)	(0.1)
Closing balance (* : ₹ 30,366)	**-**	**-**	**30,366**	*** 0.0**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares held by each shareholder holding more than 5 percent equity shares in the Company are as follows:				
Dilip Shantilal Shanghvi	**230,285,690**	**9.6**	230,285,690	9.6
Viditi Investment Pvt. Ltd.	**200,846,362**	**8.4**	200,846,362	8.4
Tejaskiran Pharmachem Industries Pvt. Ltd.	**194,820,971**	**8.1**	194,820,971	8.1
Family Investment Pvt. Ltd.	**182,437,880**	**7.6**	182,437,880	7.6
Quality Investments Pvt. Ltd.	**182,379,237**	**7.6**	182,379,237	7.6
Life Insurance Corporation of India*	**145,302,877**	**6.1**	106,329,652	4.4

*Shareholding has been consolidated on the basis of PAN as per SEBI circular dated December 19, 2017.

(i) 1,035,581,955 (upto March 31, 2017: 1,035,581,955) equity shares of ₹ 1 each have been allotted as fully paid up bonus shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

(ii) 334,956,764 (upto March 31, 2017: 334,956,764) equity shares of ₹ 1 each have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

(iii) 7,500,000 (upto March 31, 2017: 7,500,000), equity shares of ₹ 1 each have been bought back during the period of five years immediately preceding the date at which the Balance Sheet is prepared. The shares bought back in the previous year were cancelled immediately. [Refer Note 56(12)]

(iv) Rights, preference and restrictions attached to equity shares: The equity shares of the Company, having par value of ₹ 1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

(v) Refer Note 50 for number of employee stock options against which equity shares are to be issued by the Company / ESOP Trust upon vesting and exercise of those stock options.

NOTE : 22 OTHER EQUITY

₹ in Million

		As at March 31, 2018	As at March 31, 2017
A)	Share application money pending allotment (March 31, 2017 : ₹ 7,177)	**-**	0.0
B)	Reserve and surplus		
	Capital reserve	**36,124.4**	36,124.4
	Securities premium reserve	**11,929.1**	11,894.6
	Share options outstanding account	**-**	26.4
	Amalgamation reserve	**43.8**	43.8
	Capital redemption reserve	**7.5**	7.5
	General reserve	**34,779.3**	34,779.3
	Retained earnings	**112,367.7**	124,860.0
		195,251.8	**207,736.0**
C)	Items of other comprehensive income (OCI)		
	Equity instrument through OCI	**60.0**	16.0
	Debt instrument through OCI	**(10.1)**	-
	Effective portion of cash flow hedges	**-**	(26.6)
		49.9	**(10.6)**
		195,301.7	**207,725.4**

Refer statement of changes in equity for detailed movement in other equity balance

Nature and purpose of each reserve

Capital reserve - During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Securities premium reserve - The amount received in excess of face value of the equity shares is recognised in securities premium reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

Share options outstanding account - The fair value of the equity settled share based payment transactions is recognised to share options outstanding account.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

Amalgamation reserve - The reserve was created pursuant to scheme of amalgamation in earlier years.

Capital redemption reserve - The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

General reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Equity instrument through OCI - The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

Debt instrument through OCI - This represents the cumulative gain and loss arising on fair valuation of debt instruments measured through other comprehensive income. This amount will be reclassified to profit or loss account on derecognition of debt instrument.

Effective portion of cash flow hedges - The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

NOTE : 23 BORROWINGS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Term loan from department of biotechnology (Refer Note 51)		
Secured	**108.2**	108.2
Term loans from banks (Refer Note 51)		
Unsecured	**15,538.7**	7,498.2
	15,646.9	**7,606.4**

NOTE : 24 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Interest accrued	**9.1**	6.8
	9.1	**6.8**

NOTE : 25 PROVISIONS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Employee benefits (Refer Note 48)	**1,643.3**	2,443.8
Others (Refer Note 54)	**1,808.5**	8,884.5
	3,451.8	**11,328.3**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 26 BORROWINGS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Loans repayable on demand		
From Banks		
Secured (Refer Note 51)	-	198.1
Unsecured	**20,802.2**	25,021.5
Loans from related party (Refer Note 52)		
Loans repayable on demand (Unsecured)	**6,049.7**	-
Other loans		
Commercial paper (Unsecured)	**25,286.2**	15,320.8
	52,138.1	**40,540.4**

NOTE : 27 TRADE PAYABLES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Dues to micro and small enterprises (Refer Note 46)	**105.5**	123.2
Others	**24,793.9**	20,602.8
	24,899.4	**20,726.0**

NOTE : 28 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term debt (Refer Note 51)	**1,055.1**	12,319.3
Interest accrued	**40.0**	63.1
Unpaid dividends	**86.4**	76.7
Security deposits	**118.3**	135.4
Payables on purchase of property, plant and equipment	**1,150.1**	1,152.9
Product settlement, claims, recall charges and trade commitments	**16,027.2**	14,298.5
Derivatives not designated as hedge	**90.3**	72.6
Derivatives designated as hedge	-	26.6
	18,567.4	**28,145.1**

NOTE : 29 OTHER CURRENT LIABILITIES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Statutory remittances	**2,282.8**	1,387.8
Advance from customers	**288.3**	348.8
Others	**4.0**	4.1
	2,575.1	**1,740.7**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 30 PROVISIONS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Employee benefits (Refer Note 48)	**394.8**	759.2
Provision in respect of losses of a subsidiary	**2,125.9**	1,602.6
Others (Refer Note 54)	**21,734.2**	16,112.5
	24,254.9	**18,474.3**

NOTE : 31 REVENUE FROM OPERATIONS

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products [Refer Note 56 (11)]	**76,963.3**	75,096.7
Other operating revenues	**2,512.7**	2,835.3
	79,476.0	**77,932.0**

NOTE : 32 OTHER INCOME

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on :		
Bank deposits at amortised cost	**11.8**	3.5
Loans at amortised cost	**34.9**	89.4
Investments in debt instruments at amortised cost	**-**	2.9
Investments in debt instruments at fair value through other comprehensive income	**46.8**	6.6
Other financial assets carried at amortised cost	**246.8**	107.7
Others (includes interest on income tax refund)	**947.3**	22.0
	1,287.6	**232.1**
Dividend income on investments		
Subsidiary	**8,154.8**	2,040.7
Others (March 31, 2018: ₹ 24,000 ; March 31, 2017: ₹ 20,000)	**0.0**	0.0
	8,154.8	**2,040.7**
Net gain arising on financial assets measured at fair value through profit or loss	**0.7**	16.1
Net gain on sale of financial assets measured at fair value through profit or loss	**95.8**	186.0
Net gain/(loss) on sale of financial assets measured at fair value through other comprehensive income	**(15.1)**	-
Gain on sale of investment in subsidiary [Refer Note 56 (14)]	**1,328.0**	2,307.8
Gain on sale of investment in associate	**-**	120.3
Sundry balances written back, net	**142.0**	27.6
Insurance claims	**96.1**	24.8
Lease rental and hire charges	**183.0**	190.4
Miscellaneous income	**7.5**	5.0
	11,280.4	**5,150.8**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 33 COST OF MATERIALS CONSUMED

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Raw materials and packing materials		
Inventories at the beginning of the year	**7,456.7**	7,720.2
Purchases during the year	**21,930.7**	22,021.0
Inventories at the end of the year	**(7,712.2)**	(7,456.7)
	21,675.2	**22,284.5**

NOTE : 34 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the beginning of the year	**14,987.1**	13,308.5
Inventories at the end of the year	**(13,394.5)**	(14,987.1)
	1,592.6	**(1,678.6)**

NOTE : 35 EMPLOYEE BENEFITS EXPENSE

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**14,765.7**	13,779.0
Contribution to provident and other funds *	**1,042.0**	825.8
Share based payments to employees	**(1.0)**	30.8
Staff welfare expenses	**370.2**	363.2
	16,176.9	**14,998.8**

* includes gratuity expense of ₹ 331.8 Million (March 31, 2017 : ₹ 205.4 Million)

NOTE : 36 FINANCE COSTS

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense for financial liabilities carried at amortised cost	**2,956.7**	1,013.7
Interest expense others	**-**	4.4
Exchange differences regarded as an adjustment to borrowing costs	**660.6**	779.8
Unwinding of discounts on provisions	**265.8**	437.8
	3,883.1	**2,235.7**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 37 OTHER EXPENSES

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of materials, stores and spare parts	**4,704.5**	4,293.3
Conversion and other manufacturing charges	**1,999.1**	2,317.9
Power and fuel	**3,761.7**	3,492.3
Rent	**224.4**	232.6
Rates and taxes	**1,469.6**	1,079.8
Insurance	**513.2**	420.3
Selling and distribution	**3,261.7**	4,576.2
Commission on sales	**466.9**	472.4
Repairs and maintenance	**2,214.1**	2,120.8
Printing and stationery	**225.4**	327.3
Travelling and conveyance	**1,678.5**	1,759.9
Freight outward and handling charges	**1,781.0**	1,602.2
Communication	**278.2**	263.9
Provision / write off / (reversal) for doubtful trade receivables / advances	**(135.7)**	38.5
Professional, legal and consultancy	**3,983.0**	3,813.1
Impairment in value of investment, net	**(562.2)**	-
Excise duty on sales	**237.6**	1,092.4
Donations	**30.8**	15.8
Loss on sale/write off of property, plant and equipment and intangible assets, net	**63.7**	112.2
(Decrease) / increase of excise duty on inventories	**(235.9)**	(49.4)
Net (gain) / loss on foreign currency transactions [includes exchange loss of ₹ 269.0 Million (Previous year exchange gain of ₹ 132.6 Million) in respect of provision for losses of a subsidiary]	**(518.1)**	(1,746.2)
Payments to auditors (net of input credit, wherever applicable)		
For audit	**17.1**	24.8
For other services	**10.2**	11.0
Reimbursement of expenses	**1.6**	0.4
Provision in respect of losses of a subsidiary	**254.3**	165.4
Miscellaneous expenses	**1,416.5**	2,385.7
	27,141.2	**28,822.6**

NOTE : 38 RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE STATEMENT OF PROFIT AND LOSS

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**3,167.3**	2,848.1
Contribution to provident and other funds	**32.8**	135.1
Staff welfare expenses	**28.8**	46.7
Consumption of materials, stores and spare parts	**3,000.4**	2,815.9
Power and fuel	**288.4**	342.8
Rent	**62.2**	54.9
Rates and taxes	**155.7**	241.7
Insurance	**11.5**	37.3
Repairs and maintenance	**311.7**	468.0
Printing and stationery	**26.0**	31.1
Travelling and conveyance	**106.4**	132.8
Communication	**26.8**	40.6
Professional, legal and consultancy	**757.7**	1,196.1
Loss on sale/write off of property, plant and equipment and intangible assets, net	**4.8**	(0.4)
Miscellaneous expenses	**280.5**	647.3
	8,261.0	**9,038.0**
Less :		
Receipts from research activities	**517.5**	747.0
Miscellaneous income	**2.8**	9.3
	7,740.7	**8,281.7**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 39 TAX RECONCILIATION

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Reconciliation of current tax expense		
Loss before tax	**(5,199.8)**	(168.0)
Income tax rate (%) applicable to the Company #	**34.608%**	34.608%
Income tax credit calculated at income tax rate	**(1,799.5)**	(58.1)
Effect of income that is exempt from tax	**(3,281.8)**	(1,505.8)
Effect of expenses that are not deductible	**102.7**	80.3
Effect of incremental deduction on account of research and development and other allowances	**(1,576.6)**	(2,959.5)
Investment allowance u/s 32AC of Income Tax Act, 1961	**-**	(234.5)
Withholding tax in respect of income earned outside India	**20.2**	25.1
Effect of current/deferred tax relating to merged entities	**(26.4)**	32.6
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**6,307.5**	4,680.4
Income tax expense recognised in statement of profit and loss	**(253.9)**	**60.4**

The tax rate used for reconciliation above is the corporate tax rate of 34.608% (March 31, 2017 : 34.608%) at which the Company is liable to pay tax on taxable income under the Indian Tax Law.

NOTE : 40 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

		As at March 31, 2018	As at March 31, 2017
i	**Contingent liabilities**		
a	Claims against the Company not acknowledged as debts	**592.7**	355.0
b	Liabilities disputed - appeals filed with respect to :		
	Income tax on account of disallowances / additions	**47,107.7**	45,998.3
	Sales tax on account of rebate / classification	**122.5**	45.7
	Excise duty on account of valuation / cenvat credit	**1,055.0**	1,102.2
	ESIC contribution on account of applicability	**130.5**	132.8
	Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, enjoyed by the Company	**3,488.2**	3,488.2
	Demand by JDGFT for import duty with respect to import alleged to be in excess of entitlement as per the advanced license scheme	**17.4**	16.7
	Fine imposed for anti-competitive settlement agreement by European Commission	**830.7**	715.4
	Octroi demand on account of rate difference	**171.0**	171.0
	Other matters - state electricity board, Punjab Land Preservation Act related matters etc.	**77.4**	67.5
	Note : includes, interest till the date of demand, wherever applicable		

Legal proceedings :

The Company and/or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims, anti-trust and other regulatory matters relating to conduct of its business. Most of these legal proceedings involve various complex issues on account of which, making a reliable estimate of the expected financial effect is not always attainable and involves significant uncertainties. To the extent that the Company concludes that a liability is probable and estimable based on the status of these cases, advice of the counsel, management assessment of the likely damages etc. the Company records a provision in the financial statements. The Company carries product liability insurance / is contractually indemnified by the manufacturer, for an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters are not expected to have material adverse effect on its Financial Statements.

Footnote:

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

₹ in Million

			As at March 31, 2018	As at March 31, 2017
ii	**Commitments**			
	a	Estimated amount of contracts remaining to be executed on capital account [net of advances]	**3,062.4**	4,235.4
	b	Uncalled liability on partly paid investments	**0.5**	0.5
	c	For derivatives related commitments refer Note 45		
	d	For non-cancellable lease related commitments refer Note 49		
	e	Letters of credit for imports	**1,060.5**	2,312.0
iii	**Guarantees given by the bankers on behalf of the Company**		**2,434.4**	1,962.7

NOTE : 41 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue, net (excluding depreciation) (Refer Note 38)	**7,740.7**	8,281.7
Capital	**1,591.0**	1,392.3
Total	**9,331.7**	**9,674.0**

NOTE : 42 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Million

	As at March 31, 2018		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments / bonds - quoted	-	**498.6**	-
Equity instruments / preference shares / mutual fund - unquoted	**828.3**	-	-
Government securities - unquoted (₹ 10,000)	-	-	**0.0**
Loans to related parties	-	-	**53.4**
Loans to employees / others	-	-	**501.3**
Deposits - pledged with government authorities	-	-	**1.0**
Security deposits	-	-	**420.6**
Trade receivables	-	-	**28,469.6**
Cash and cash equivalents	-	-	**1,094.3**
Bank balances other than cash and cash equivalents	-	-	**458.4**
Interest accrued	-	-	**9.9**
Other receivables	-	-	**184.3**
Mandatorily measured :			
Derivatives not designated as hedges	**756.8**	-	-
	1,585.1	**498.6**	**31,192.8**
Financial liabilities			
Borrowings	-	-	**68,840.1**
Interest accrued	-	-	**49.1**
Trade payables	-	-	**24,899.4**
Unpaid dividends	-	-	**86.4**
Security deposits	-	-	**118.3**
Payables on purchase of property, plant and equipment	-	-	**1,150.1**
Product settlement, claims, recall charges and trade commitments	-	-	**16,027.2**
Mandatorily measured :			
Derivatives not designated as hedges	**90.3**	-	-
	90.3	-	**111,170.6**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2017		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments / bonds - quoted	-	665.2	-
Equity instruments / preference shares / mutual fund - unquoted	802.7	-	-
Government securities - unquoted (₹ 10,000)	-	-	0.0
Loans to related parties	-	-	-
Loans to employees / others	-	-	187.2
Deposits - pledged with government authorities	-	-	1.6
Security deposits	-	-	412.8
Trade receivables	-	-	27,147.0
Cash and cash equivalents	-	-	1,533.3
Bank balances other than cash and cash equivalents	-	-	169.5
Interest accrued	-	-	0.8
Insurance claim receivables	-	-	1.6
Other receivables	-	-	40.5
Mandatorily measured :			
Derivatives not designated as hedges	1,205.8	-	-
	2,008.5	**665.2**	**29,494.3**
Financial liabilities			
Borrowings	-	-	60,466.1
Interest accrued	-	-	69.9
Trade payables	-	-	20,726.0
Unpaid dividends	-	-	76.7
Security deposits	-	-	135.4
Payables on purchase of property, plant and equipment	-	-	1,152.9
Product settlement, claims, recall charges and trade commitments	-	-	14,298.5
Derivatives designated as hedges	-	26.6	-
Mandatorily measured :			
Derivatives not designated as hedges	72.6	-	-
	72.6	**26.6**	**96,925.5**

NOTE : 43 FAIR VALUE HIERARCHY

₹ in Million

	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity - quoted #	**172.3**	**-**	**-**
Investments in equity - unquoted	**-**	**-**	**7.6**
Investments in government securities	**326.3**	**-**	**-**
Investments in preference shares	**-**	**-**	**400.0**
Mutual funds	**420.7**	**-**	**-**
Derivatives not designated as hedges	**-**	**756.8**	**-**
	919.3	**756.8**	**407.6**
Financial liabilities			
Derivatives not designated as hedges	**-**	**90.3**	**-**
	-	**90.3**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity - quoted #	105.1	-	-
Investments in equity - unquoted	-	-	2.6
Investments in government securities	560.1	-	-
Investments in preference shares	-	-	400.0
Mutual funds	400.1	-	-
Derivatives not designated as hedges	-	1,205.8	-
	1,065.3	**1,205.8**	**402.6**
Financial liabilities			
Derivatives not designated as hedges	-	72.6	-
Derivatives designated as hedges	-	26.6	-
	-	**99.2**	**-**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximates the fair value because there is wide range of possible fair value measurements and the costs represents estimate of fair value within that range.

These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at fair value through other comprehensive income as the management believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

There were no transfers between Level 1 and 2 in the periods.

The management considers that the carrying amount of financial assets and financial liabilities carried at amortised cost approximates their fair value.

Reconciliation of Level 3 fair value measurements

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Unlisted shares valued at fair value		
Balance at the beginning of the year	**402.6**	402.6
Purchases	**5.0**	-
Issues	**-**	-
Disposal / settlements	**-**	-
Balance at the end of the year	**407.6**	**402.6**

NOTE : 44 CAPITAL MANAGEMENT

The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents, term deposits and current investments as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(i) Debt equity ratio

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Debt (includes non-current, current borrowings and current maturities of long-term debt)	**68,840.1**	60,466.1
Less : cash and cash equivalents, term deposits and current investments	**1,602.5**	1,971.4
Net debt	**67,237.6**	**58,494.7**
Total equity, including reserves	**197,701.0**	**210,124.7**
Net debt to total equity ratio	**34.0%**	**27.8%**

(ii) Dividend on equity shares paid during the year

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Dividend on equity shares		
Final dividend for the year ended March 31, 2017 of ₹ 3.5 (year ended March 31, 2016 : ₹ 1.0) per fully paid share	**7,977.4**	2,406.8
Dividend distribution tax on above	**3.4**	74.7
Dividends not recognised at the end of the reporting period		
The Board of Directors at it's meeting held on May 25, 2018 have recommended payment of final dividend of ₹ 2 per share of face value of ₹ 1 each for the year ended March 31, 2018. The same amounts to ₹ 4,798.7 Million.		
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.		

NOTE : 45 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any significant losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

Trade receivables

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	**22,346.4**	20,941.3
180 - 365 days	**5,347.6**	3,556.8
beyond 365 days	**2,351.1**	3,858.6
Total	**30,045.1**	**28,356.7**

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	**1,209.7**	1,304.5
Addition	**636.5**	72.6
Recoveries	**(270.7)**	(167.4)
Balance at the end of the year	**1,575.5**	**1,209.7**

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired. The Company has recognised an allowance of ₹ 4.5 Million (March 31, 2017 : ₹ 731.4 Million) against a past due loan including interest.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has unutilised working capital lines from banks of ₹ 41,769.0 Million as on March 31, 2018, ₹ 32,128.0 Million as on March 31, 2017.

The table below provides details regarding the contractual maturities of significant financial liabilities :

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2018
Non derivative				
Borrowings	**53,923.8**	**12,985.5**	**2,672.9**	**69,582.2**
Trade payables	**24,899.4**	**-**	**-**	**24,899.4**
Other financial liabilities	**17,422.0**	**9.1**	**-**	**17,431.1**
	96,245.2	**12,994.6**	**2,672.9**	**111,912.7**
Derivative				
Forward exchange contracts	**90.3**	**-**	**-**	**90.3**
	90.3	**-**	**-**	**90.3**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2017
Non derivative				
Borrowings	53,042.1	7,555.7	75.7	**60,673.5**
Trade payables	20,726.0	-	-	**20,726.0**
Other financial liabilities	15,726.6	6.8	-	**15,733.4**
	89,494.7	**7,562.5**	**75.7**	**97,132.9**
Derivative				
Forward exchange contracts	99.2	-	-	**99.2**
	99.2	**-**	**-**	**99.2**

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign exchange risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars, Euros, South African Rand and Russian Rouble) and foreign currency borrowings (primarily in US Dollars). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, option contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

a) Significant foreign currency risk exposure relating to trade receivables, cash and cash equivalents, borrowings and trade payables

₹ in Million

	As at March 31, 2018					
	US Dollars	Euro	Russian Rouble	South African Rand	Others	Total
Financial assets						
Trade receivables	**11,616.8**	**2,324.6**	**1,623.0**	**5,759.4**	**1,351.6**	**22,675.4**
Cash and cash equivalents	**171.0**	**91.8**	**40.0**	**-**	**15.5**	**318.3**
	11,787.8	**2,416.4**	**1,663.0**	**5,759.4**	**1,367.1**	**22,993.7**
Financial liabilities						
Borrowings	**33,698.7**	**1,609.4**	**-**	**-**	**-**	**35,308.1**
Trade payables	**6,343.2**	**1,595.1**	**3.0**	**185.3**	**584.9**	**8,711.5**
Product settlement, claims, recall charges and trade commitments	**16,027.2**	**-**	**-**	**-**	**-**	**16,027.2**
	56,069.1	**3,204.5**	**3.0**	**185.3**	**584.9**	**60,046.8**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2017					
	US Dollars	Euro	Russian Rouble	South African Rand	Others	Total
Financial assets						
Trade receivables	11,804.4	1,918.4	1,723.5	5,046.2	1,117.9	**21,610.4**
Cash and cash equivalents	909.6	37.3	18.0	-	11.7	**976.6**
	12,714.0	**1,955.7**	**1,741.5**	**5,046.2**	**1,129.6**	**22,587.0**
Financial liabilities						
Borrowings	37,356.5	-	-	-	-	**37,356.5**
Trade payables	4,828.8	882.5	0.3	161.4	270.1	**6,143.1**
Product settlement, claims, recall charges and trade commitments	14,298.5	-	-	-	-	**14,298.5**
	56,483.8	**882.5**	**0.3**	**161.4**	**270.1**	**57,798.1**

b) Sensitivity

For the years ended March 31, 2018 and March 31, 2017, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would decrease the Company's loss and increase the Company's equity by approximately ₹ 1,852.7 Million and ₹ 1,760.6 Million respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

c) Derivative contracts

The Company is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollars, Euros, South African Rand and Russian Rouble, and foreign currency debt is primarily in US Dollars. The Company uses foreign currency forward contracts, foreign currency option contracts and currency swap contracts (collectively, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank or a financial institution.

Hedges of highly probable forecasted transactions

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss.

In respect of the aforesaid hedges of highly probable forecasted transactions, the Company has recorded a gain of ₹ 26.6 Million for the year ended March 31, 2018 and loss of ₹ 26.6 Million for the year ended March 31, 2017 in other comprehensive income. The Company also recorded hedges as a component of revenue, loss of ₹ Nil for the year ended March 31, 2018 and ₹ 521.5 Million for the year ended March 31, 2017 on occurrence of forecasted sale transaction.

Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the statement of profit and loss. The changes in fair value of the forward contracts and option contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts -

Amount in Million

	Currency	Buy / Sell	Cross Currency	As at March 31, 2018	As at March 31, 2017
Derivatives designated as hedges					
Forward contracts	ZAR	Sell	USD	**-**	$ 22.0
Derivatives not designated as hedges					
Forward contracts	USD	Buy	INR	**$ 18.2**	$ 22.5
Forward contracts	AUD	Sell	USD	**$ 8.2**	$ 1.3
Forward contracts	RUB	Sell	USD	**$ 5.0**	$ 12.0
Forward contracts	GBP	Sell	USD	**$ 2.8**	$ 0.0
Forward contracts	ZAR	Sell	USD	**$ 21.0**	-
Forward contracts	CAD	Sell	USD	**$ 3.6**	-
Currency cum interest rate swaps	USD	Buy	INR	**$ 50.0**	$ 50.0
Currency options	USD	Buy	INR	**$ 100.0**	$ 100.0
Interest rate swaps	USD	Buy	INR	**$ 150.0**	$ 150.0

Interest rate risk

The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The Company's Treasury Department monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swaps etc. based on the market / risk perception.

For the years ended March 31, 2018 and March 31, 2017, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would decrease the Company's loss by approximately ₹ 122.2 Million and ₹ 160.5 Million respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2018, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE : 46 DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Principal amount remaining unpaid to any supplier as at the end of the accounting year	**105.5**	123.2
	(Interest - Nil)	(Interest - Nil)
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
The amount of interest due and payable for the year	**-**	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-
	105.5	**123.2**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 47 EARNINGS PER SHARE

	Year ended March 31, 2018	Year ended March 31, 2017
Loss for the year (₹ in million)- used as numerator for calculating earnings per share	**(4,945.9)**	(228.4)
Weighted average number of shares used in computing basic earnings per share (A)	**2,399,296,653**	2,403,319,673
Add : Dilution effect of employee stock options (B)	**65,420**	203,455
Weighted average number of shares used in computing diluted earnings per share (A+B)	**2,399,362,073**	2,403,523,128
Nominal value per share (in ₹)	**1**	1
Basic earnings per share (in ₹)	**(2.1)**	(0.1)
Diluted earnings per share (in ₹)	**(2.1)**	(0.1)

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

NOTE : 48 EMPLOYEE BENEFIT PLANS

Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other Statutory Funds are made only by the Company. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 676.3 Million (March 31, 2017 : ₹ 613.7 Million).

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to Provident Fund and Family Pension Fund	**566.3**	511.7
Contribution to Superannuation Fund	**72.7**	74.9
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	**36.9**	27.0
Contribution to Labour Welfare Fund	**0.4**	0.1

Defined benefit plan

a) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its annual review. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

b) Pension fund

The Company has an obligation towards pension, a defined benefit retirement plan, with respect to certain employees, who had already retired before March 01, 2013, will continue to receive the pension as per the pension plan.

Risks

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

i) Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

ii) Interest rate risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

iii) Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Other long term benefit plan

Actuarial Valuation for Compensated absences is done as at the year end and the provision is made as per Company rules with corresponding (gain) / charge to the statement of profit and loss amounting to ₹ (78.7) Million (March 31, 2017: ₹ 331.3 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in profit or loss.

₹ in Million

	Year ended March 31, 2018		Year ended March 31, 2017		
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)
Expense recognised in the statement of profit and loss (Refer Note 35)					
Current service cost	**-**	**266.8**	-	-	180.9
Interest cost	**66.0**	**196.5**	70.2	592.6	171.7
Expected return on plan assets	**-**	**(131.5)**	-	(598.5)	(147.2)
Recognition of unrecognised liabilities of earlier years	**-**	**-**	-	-	-
Excess of planned assets over commitments not recognised in financial statements	**-**	**-**	-	5.9	-
Expense charged to the statement of profit and loss	**66.0**	**331.8**	70.2	-	205.4
Remeasurement of defined benefit obligation recognised in other comprehensive income					
Actuarial loss / (gain) on defined benefit obligation	**(44.4)**	**(581.8)**	56.2	-	560.7
Actuarial gain on plan assets	**-**	**(38.1)**	-	-	(16.1)
Expense/(income) charged to other comprehensive income	**(44.4)**	**(619.9)**	56.2	-	544.6
Reconciliation of defined-benefit obligations					
Obligation as at the beginning of the year	**969.5**	**2,885.3**	930.7	4,598.6	2,169.0
Impact of merger	**-**	**-**	-	-	8.2
Current service cost	**-**	**266.8**	-	-	180.9
Interest cost	**66.0**	**196.5**	70.2	592.6	163.5
Obligations transferred	**-**	**-**	-	1.8	-
Benefits paid	**(87.4)**	**(141.0)**	(87.6)	(507.6)	(197.0)
Obligation transferred to regional provident fund, net of accumulated unrecognised gains	**-**	**-**	-	(4,685.4)	-
Actuarial (gains)/losses on obligations					
- due to change in demographic assumptions	**-**	**(114.2)**	-	-	61.7
- due to change in financial assumptions	**(50.0)**	**(406.5)**	54.5	-	398.0
- due to experience	**5.6**	**(61.1)**	1.7	-	101.0
Obligation as at the year end	**903.7**	**2,625.8**	969.5	-	2,885.3

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
	Gratuity (Funded)	Provident Fund (Funded)	Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the Balance sheet			
Present value of commitments (as per Actuarial Valuation)	**2,625.8**	-	2,885.3
Fair value of plan assets	**(2,550.4)**	-	(1,930.7)
Excess of planned assets over commitments not recognised	**-**	-	-
Net liability recognised in the financial statement	**75.4**	-	954.6

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2017
	Gratuity (Funded)	Provident Fund (Funded)	Gratuity (Funded)
Reconciliation of plan assets			
Plan assets as at the beginning of the year	**1,930.7**	4,632.8	1,728.0
Impact of merger			16.8
Expected return	**131.5**	598.5	130.4
Plan assets transferred	**-**	1.8	-
Actuarial gain	**38.1**	-	16.1
Employer's Contribution during the year	**591.1**	-	236.4
Benefits paid	**(141.0)**	(507.6)	(197.0)
Funds transferred to regional provident fund	**-**	(4,725.5)	-
Plan assets as at the year end	**2,550.4**	-	1,930.7

₹ in Million

	As at March 31, 2018		As at March 31, 2017	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Discount rate	**7.50%**	**7.50%**	6.81%	6.81%
Expected return on plan assets	**N.A.**	**7.50%**	N.A.	6.81%
Expected rate of salary increase	**N.A.**	**11.65%**	N.A.	14.50%
Interest rate guarantee	**N.A.**	**N.A.**	N.A.	N.A.
Mortality	**Indian Assured Lives Mortality (2006-08)**	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal	**N.A.**	**15.00%**	N.A.	13.50%
Retirement Age (years)	**N.A.**	**60**	N.A.	60

₹ in Million

	As at March 31, 2018		As at March 31, 2017	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Sensitivity analysis:				
Impact on defined benefit obligation				
Delta effect of +1% change in discount rate	**(68.2)**	**(113.6)**	(73.2)	(167.7)
Delta effect of -1% change in discount rate	**80.2**	**125.8**	86.0	189.7
Delta effect of +1% change in salary escalation rate	**-**	**119.8**	-	174.6
Delta effect of -1% change in salary escalation rate	**-**	**(110.5)**	-	(158.4)
Delta effect of +1% change in rate of employee turnover	**-**	**(28.9)**	-	(71.6)
Delta effect of -1% change in rate of employee turnover	**-**	**31.7**	-	80.3

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2018		As at March 31, 2017	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Maturity analysis of projected benefit obligation				
31-Mar-19	**87.4**	**461.2**	87.4	401.2
31-Mar-20	**100.3**	**292.4**	100.4	253.8
31-Mar-21	**115.2**	**305.2**	115.3	282.0
31-Mar-22	**132.3**	**295.8**	132.5	283.2
31-Mar-23	**151.9**	**273.8**	152.1	281.0
Thereafter	**174.4**	**1,138.5**	174.8	1,276.5
The major categories of plan assets are as under				
Central government securities	-	**9.9**	-	20.9
Bonds and securities of public sector / financial institutions	-	**67.3**	-	69.3
Insurer managed funds (Funded with LIC, break-up not available)	-	**2,459.2**	-	1,818.3
Surplus fund lying uninvested	-	**14.0**	-	22.2

The contribution expected to be made by the Company for gratuity, during financial year ending March 31, 2019 is ₹ 241.1 Million (March 31, 2018 : ₹ 372.9 Million)

NOTE : 49 LEASES

(a) The Company has given certain premises and plant and equipment under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 10 years under leave and licence / lease and are renewable by mutual consent on mutually agreeable terms. The Company has received refundable interest free security deposits where applicable in accordance with the agreed terms. (b) The Company has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 10 years under leave and licence, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. These refundable security deposits have been valued at amortised cost under relevant Ind AS (c) Lease receipts / payments are recognised in the statement of profit or loss under "Lease rental and hire charges" & "Rent" in Note 32 and 37 respectively. (d) The future minimum lease payments in respect of assets taken on non cancellable operating leases are as under -

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Not later than one year	-	17.1
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	**17.1**

NOTE : 50 EMPLOYEE SHARE-BASED PAYMENT PLANS

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

ESOS 2005 provided that the grant price of options would be the latest available closing price on the stock exchange on which the shares of the erstwhile RLL were listed, prior to the date of the meeting of the Committee in which the options were granted. If the shares are listed on more than one stock exchange, then the stock exchange where there was highest trading volume on the said date were considered. The options vested evenly over a period of five years from the date of grant. Options lapse, if they are not exercised prior to the expiry date, which was ten years from the date of grant.

ESOP 2011 provided that the grant price of options would be the face value of the equity share i.e. ₹ 5 per share. The options vested evenly over a period of three years from the date of grant. Options lapse, if they were not exercised prior to the expiry date, which was three months from the date of the vesting. An ESOP Trust had been formed to administer ESOP 2011. Shares issued to the ESOP Trust were allocated to the eligible employees upon exercise of stock options from time to time.

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

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

In accordance with the above approval of issuance of options, stock options have been granted from time to time.

The stock options outstanding as on June 30, 2005 are proportionately adjusted in view of the sub-division of equity shares of the Erstwhile RLL from the face value of ₹ 10 each into 2 equity shares of ₹ 5 each.

Pursuant to the Scheme of Amalgamation, Sun Pharmaceutical Industries Limited ('transferee company') formulated two Employee Stock Option Schemes, namely, (i) SUN Employee Stock Option Scheme-2015 (SUN-ESOS 2015) to administer ESOS 2005 (ii) SUN Employee Stock Option Plan-2015 (SUN-ESOP 2015) to administer ESOP 2011. These scheme provide that the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.80) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.80) and fractions rounded off to the next higher whole number. The terms and conditions of ESOS, of transferee company are not less favourable than those of ESOS's of erstwhile RLL. No new grants shall be made under these schemes and these schemes shall operate only for the purpose of administering the exercise of options already granted / vested on an employee pursuant to SUN-ESOS 2015 and SUN-ESOP 2015.

The movement of the options (post split) granted under SUN-ESOS 2015

	March 31, 2018			
	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	**401,678**	**270.0-562.5**	**462.9**	**1.9**
Exercised during the year $	**(18,893)**	**270.0-562.5**	**480.5**	**-**
Lapsed during the year	**(119,105)**	**270.0-562.5**	**488.1**	**-**
Outstanding at the end of the year *	**263,680**	**270.0-562.5**	**450.3**	**1.5**
Exercisable at the end of the year *	**263,680**	**270.0-562.5**	**450.3**	**1.5**

* Includes options exercised, pending allotment
$ Weighted average share price on the date of exercise ₹ 565.14

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

	March 31, 2017			
	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	610,739	270.0-703.0	480.9	2.5
Exercised during the year $	(62,682)	270.0-562.5	500.1	-
Lapsed during the year	(146,379)	270.0-562.5	521.7	-
Outstanding at the end of the year *	401,678	270.0-562.5	462.9	1.9
Exercisable at the end of the year *	401,678	270.0-562.5	462.9	1.9

* Includes options exercised, pending allotment
$ Weighted average share price on the date of exercise ₹ 690.23

The movement of the options (post split) granted under SUN-ESOP 2015

	March 31, 2018			
	Stock options (numbers)	Exercise price (₹)	Weighted-average exercise price (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	**52,284**	**6.3**	**6.3**	**0.4**
Forfeited during the year	**(168)**	**6.3**	**6.3**	**-**
Exercised during the year #	**(43,472)**	**6.3**	**6.3**	**-**
Lapsed during the year	**(8,644)**	**6.3**	**6.3**	**-**
Outstanding, end of the year	**-**	**-**	**-**	**-**

Weighted average share price on the date of exercise ₹ 562.58

	March 31, 2017			
	Stock options (numbers)	Exercise price (₹)	Weighted-average exercise price (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	169,913	6.3	6.3	1.1
Forfeited during the year	(11,179)	6.3	6.3	-
Exercised during the year #	(93,015)	6.3	6.3	-
Lapsed during the year	(13,435)	6.3	6.3	-
Outstanding, end of the year *	**52,284**	**6.3**	**6.3**	**0.4**
Exercisable at the end of the year *	941	6.3	6.3	-

* Includes options exercised, pending allotment
# Weighted average share price on the date of exercise ₹ 802.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

During the current year, the Company has recorded a Stock-based employee compensation expense / (gain) of ₹ (1.0) Million (March 31, 2017 : ₹ 30.8 Million). The amount has been determined under a fair value method wherein the grant date fair value of the options was calculated by using Black Scholes pricing model.

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

Particulars	Year ended March 31, 2015
Grant Date	08-May-14
Dividend yield	0.43%
Expected life of options from the date(s) of grant	1.25, 2.25 and 3.25 years
Risk free interest rate	8.57% (1.25 years)
	8.65% (2.25 years)
	8.71% (3.25 years)
Expected volatility	40.47%
Grant date fair value	₹ 462.39 (1.25 years)
	₹ 460.79 (2.25 years)
	₹ 459.16 (3.25 years)

@@ Assumptions used are as applicable at the date of grant in the context of erstwhile RLL

The Black Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materially affect fair value of the options. The options pricing models do not necessary provide a reliable measure of fair value of options. The volatility in the share price is based on volatility of historical stock price of the erstwhile RLL for last 60 months.

NOTE : 51 BORROWINGS

(A) Details of long-term borrowings and current maturities of long-term debt (included under other current financial liabilities)

(I) Unsecured External Commercial Borrowings (ECBs) has 5 loans aggregating of USD 256 Million (March 31, 2017 : USD 256 Million) equivalent to ₹ 16,622.1 Million (March 31, 2017 : ₹ 16,602.9 Million). For the ECB loans outstanding as at March 31, 2018, the terms of repayment for borrowings are as follows:

(a) USD Nil (March 31, 2017 : USD 10 Million) equivalent to ₹ Nil (March 31, 2017 : ₹ 648.6 Million). The loan was taken on June 30, 2011 and is repayable in 3 equal installments of USD 10 Million each at the end of 4th year, 5th year and 6th year. Last installment of USD 10 Million has been repaid in current year. First and second installment of USD 10 Million each has been repaid in previous years.

(b) USD Nil (March 31, 2017 : USD 30 Million) equivalent to ₹ Nil (March 31, 2017 : ₹ 1,945.7 Million). The loan was taken on September 9, 2015 and has been repaid in current year.

(c) USD 100 Million (March 31, 2017 : USD 100 Million) equivalent to ₹ 6,493.0 Million (March 31, 2017 : ₹ 6,485.5 Million). The loan was taken on June 4, 2013 and is repayable in 3 installments viz., the first installment of USD 30 Million is due on May 31, 2020, second installment of USD 30 Million is due on November 30, 2020 and last installment of USD 40 Million is due on November 30, 2021.

(d) USD 50 Million (March 31, 2017 : USD 50 Million) equivalent to ₹ 3,246.5 Million (March 31, 2017 : ₹ 3,242.7 Million). The loan was taken on August 11, 2015 and is repayable on August 8, 2019.

(e) USD 30 Million (March 31, 2017 : USD Nil) equivalent to ₹ 1,947.9 Million (March 31, 2017 : ₹ Nil). The loan was taken on September 08, 2017 and is repayable on September 07, 2020.

(f) USD 26 Million (March 31, 2017 : USD 16 Million) equivalent to ₹ 1,688.2 Million (March 31, 2017 : ₹ 1,037.7 Million). The loan was taken in tranches of USD 16 Million on March 24, 2017 and USD 10 Million on June 30, 2017. The loan is repayable in 2 installments viz., the first installment of USD 16 Million is due on March 22, 2019 and last installment of USD 10 Million is due on June 28, 2019.

(g) USD 50 Million (March 31, 2017 : USD 50 Million) equivalent to ₹ 3,246.5 Million (March 31, 2017 : ₹ 3,242.7 Million). The loan was taken on September 20, 2012 and is repayable in 2 equal installments of USD 25 Million each. The first installment of USD 25 Million is due on September 20, 2019 and last installment of USD 25 Million is due on September 18, 2020.

(II) Unsecured Loan under Foreign Currency Non Resident (FCNR B) Scheme of USD Nil (March 31, 2017 : USD 50 Million) equivalent to ₹ Nil (March 31, 2017 : ₹ 3,242.8 Million). The loan was taken on August 19, 2015 and has been repaid in current year.

(III) Secured term loan from department of biotechnology of ₹ 108.2 Million (March 31, 2017 : ₹ 108.2 Million) has been secured by hypothecation of all assets of the Company. The loan is repayable in 10 equal half yearly installments commencing from December 14, 2019, last installment is due on June 14, 2024.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

The Company has not defaulted on repayment of loan and interest payment thereon during the year. The aforementioned unsecured ECBs are availed from various banks at floating rate linked to Libor (2.26% as at March 31, 2018) and secured loan from department of biotechnology have been availed at a range from 2% to 3%.

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

As on March 31, 2017, secured short term borrowings had first charge on a pari-passu basis, by hypothecation of inventories and receivables, both present and future. The charge has been relinquished during the year ended March 31, 2018.

NOTE : 52 RELATED PARTY DISCLOSURES (IND AS 24) AS PER ANNEXURE "A"

NOTE : 53 LOANS / ADVANCES GIVEN TO SUBSIDIARIES AND ASSOCIATES

₹ in Million

	As at March 31, 2018	Maximum balance March 31, 2018	As at March 31, 2017	Maximum balance March 31, 2017
Loans / advances outstanding from subsidiaries				
Green Eco Development Centre Ltd	-	-	-	4.8
Zenotech Laboratories Limited, India	53.4	53.4	-	-
Loans / advances outstanding from an associate				
Loans				
Interest bearing with specified payment schedule:				
Zenotech Laboratories Limited, India *	-	726.9	-	726.9
Considered doubtful	-	-	726.9	-
Less: Provision for doubtful loans / advances	-	-	726.9	-
	-		-	

* includes interest accrued on loans amounting to ₹ 214.9 Million.
These loans have been granted to the above entities for the purpose of their business.

NOTE : 54

In respect of any present obligation as a result of past event that could lead to a probable outflow of resources, provisions has been made, which would be required to settle the obligation. The said provisions are made as per the best estimate of the management and disclosure as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets" has been given below :

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
	Product and Sales related *	Product and Sales related *
At the commencement of the year	24,997.0	26,206.6
Add: Provision for the year	770.6	840.0
Add: Unwinding of discounts on provisions	265.8	437.8
Add / (less): Foreign currency exchange fluctuation	29.8	(486.8)
Less: Utilisation / settlement	(2,520.5)	(2,000.6)
At the end of the year	23,542.7	24,997.0

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

NOTE : 55

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 27.0 Million (Previous Year ₹ 24.1 Million).

NOTE : 56

1 Zenotech Laboratories Limited ('Zenotech'), an associate of the Company, undertook a rights issue of its equity shares in which the Company participated and subscribed to equity shares worth ₹ 855 Million. On account of such participation, Zenotech became a subsidiary of the Company effective July 25, 2017. In compliance with the relevant provisions of IND AS 103, the Company has reversed impairment in the books to the extent of fair value of equity shares determined on the basis of rights issue price amounting to ₹ 725.7 Million.

2 Intangible assets consisting of trademarks, designs, technical know-how, non compete fees and other intangible assets are available to the Company in perpetuity. The amortisable amount of intangible assets is arrived at based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Company.

3 The Company is a defendant in respect of a civil antitrust litigation relating to a product Modafinil, in which the plaintiff's have alleged that the Company excluded its generic version of Modafinil from the US market and hence have claimed damages under the Sherman Act of US. This case is pending in the United States District Court for the Eastern District of Pennsylvania. The Company and one of its wholly owned subsidiaries entered into settlements with certain plaintiffs (Apotex Corporation and Retailer Purchasers) in the month of July 2017 and September 2017 whereby the Company agreed to pay an aggregate amount of USD 147 Million (₹ 9,505.0 Million). This amount has been provided for in the standalone financial statements and disclosed as an exceptional item. The Company continues to litigate the case against the other plaintiff's (other than those settled).

4 Out of a MAT credit entitlement of ₹ 8,222.7 Million which was written down by the erstwhile RLL during the quarter ended December 31, 2014, an amount of ₹ 7,517.0 Million was recognised by the Company in the year ended March 31, 2015, on a reassessment by the Management, based on convincing evidence that the combined amalgamated entity would pay normal income tax during the specified period and would therefore be able to utilize the MAT credit entitlement so recognised.

5 Since the US-FDA import alert at Karkhadi facility in March 2014, the Company remained fully committed to implement all corrective measures to address the observations made by the US-FDA with the help of third party consultant. Substantial progress has been made at the Karkhadi facility in terms of completing all the action items to address the observations made by the US-FDA in its warning letter issued in May 2014. The Company is continuing to work closely and co-operatively with the US-FDA to resolve the matter. The contribution of this facility to Company's revenues is not significant.

6 The US-FDA, on January 23, 2014, had prohibited using API manufactured at Toansa facility for manufacture of finished drug products intended for distribution in the U.S. market. Consequentially, the Toansa manufacturing facility was subject to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In addition, the Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had also issued an administrative subpoena dated March 13, 2014 seeking information primarily related to Toansa manufacturing facility for which a Form 483 containing findings of the US-FDA was issued in January 2014. The Company is continuing to fully co-operate and provide requisite information to the US DOJ.

7 In December 2015, the USFDA issued a warning letter to the manufacturing facility at Halol. Post the November 2016 inspection, the USFDA re-inspected Halol facility in February 2018. At the conclusion of the inspection, USFDA issued a Form-483 with three observations. The Company has submitted its response documenting the corrective measures to resolve the Form-483 observations. The Company continues to manufacture and distribute products to the U.S from Halol facility and at the same time is working closely and co-operatively with the USFDA to resolve the matter.

8 In September 2013, the USFDA had put the Mohali facility under import alert and was also subjected to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In March 2017, the USFDA lifted the import alert and indicated that the facility was in compliance with the requirements of cGMP provisions mentioned in the consent decree. The facility will continue to demonstrate sustainable cGMP compliance for a fixed period of time as required by the consent decree. The Company has started manufacturing and distributing products to the U.S from Mohali facility.

9 In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated Ind AS financial statements, and therefore, no separate disclosure on segment information is given in these financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

10 The board of directors of the Company at its meeting held on May 25, 2018, approved the scheme of arrangement between the Company, Sun Pharma (Netherlands) B.V. and Sun Pharmaceutical Holdings USA Inc. (both being wholly owned subsidiaries of the Company) which inter-alia, envisages spin-off of the specified investment undertaking of the Company. Further, the board of directors of the Company at its meeting held on November 14, 2017, had approved the scheme of arrangement between Company and Sun Pharma Global FZE (wholly owned subsidiary of the Company) which inter-alia, envisages demerger of unbranded generic pharmaceutical undertaking of Sun Pharma Global FZE into the Company. The above schemes shall be effective post receipt of required approvals and accordingly, the above financial statements do not reflect the impact, if any, on account of the schemes.

11 Post implementation of Goods and Service Tax ("GST") with effect from July 01, 2017, sale of products is disclosed net of GST. Sale of products for the previous year included excise duty which is now subsumed in GST. Sale of products for the year ended March 31, 2018 includes excise duty for the period ended June 30, 2017. Accordingly, sale of products for the year ended March 31, 2018 are not comparable with year ended March 31, 2017.

12 The Company completed buy-back of 7,500,000 equity shares of ₹ 1 each (representing 0.31% of total pre buy back paid up equity capital) on October 18, 2016, from the shareholders on a proportionate basis by way of a tender offer at a price of ₹ 900 per equity share for an aggregate amount of ₹ 6750.0 Million in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998. This buyback of equity shares was approved by the Board of Directors of the Company at its meeting held on June 23, 2016.

13 The Board of Directors of the Company at their meeting held on November 10, 2016 and the shareholders and unsecured creditors of the Company at their respective meetings held on June 20, 2017 approved the proposed scheme of arrangement u/s 230 to 232 of the Companies Act, 2013 for amalgamation of Sun Pharma Medisales Private Limited, Ranbaxy Drugs Limited, Gufic Pharma Limited and Vidyut Investments Limited into the Company with effect from April 01, 2017, the appointed date. On completion of all the formalities of the merger of the above companies with the Company , the said merger became effective September 8, 2017.

Consequent to the amalgamation prescribed by the Scheme, all the assets and liabilities of transferor companies were transferred to and vested in the Company with effect from April 01, 2017 ("the Appointed Date")

The amalgamation was accounted under the "pooling of interest" method prescribed under Ind AS 103 - Business Combinations, as prescribed by the Scheme.

Accordingly, all the assets, liabilities and other reserves of transferor companies were aggregated with those of the Company at their respective book values from the earliest period presented. As prescribed by the Scheme no consideration was paid as the transferor Companies were wholly owned subsidiaries of the Company. Accordingly, the resultant difference amounting to ₹ 535.6 Million was credited to capital reserve account.

14 The Company has sold 175,000,000 (March 31, 2017 : 475,000,000) optionally convertible preference shares of Sun Pharma Holdings to wholly owned subsidiary Sun Pharma Laboratories Limited. The Company has recorded gain of ₹ 1,328 Million (March 31, 2017 : ₹ 2,307.8 Million).

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

C. S. MURALIDHARAN
Chief Financial Officer

SUNIL R. AJMERA
Company Secretary

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

IND AS - 24 – "RELATED PARTY DISCLOSURES" ANNEXURE "A"

(I)	Names of related parties and description of relationships	
a	**Subsidiaries**	
	Green Eco Development Centre Limited	Dusa Pharmaceuticals New York, Inc. (Refer Footnote 4)
	Sun Pharmaceutical (Bangladesh) Limited	Sirius Laboratories Inc (Refer Footnote 4)
	Sun Pharmaceutical Industries, Inc.	Mutual Pharmaceutical Company Inc.
	Sun Farmaceutica Do Brasil Ltda.	Dungan Mutual Associates, LLC
	Sun Pharma De Mexico S.A. DE C.V.	URL PharmPro, LLC
	SPIL De Mexico S.A. DE C.V.	2 Independence Way LLC
	Sun Pharmaceutical Peru S.A.C.	Thallion Pharmaceutical Inc., (Refer Footnote 11)
	OOO "Sun Pharmaceutical Industries" Limited	Universal Enterprises Private Limited
	Sun Pharma De Venezuela, C.A.	Sun Pharma Switzerland Limited
	Sun Pharma Laboratories Limited	Sun Pharma East Africa Limited
	Faststone Mercantile Company Private Limited	Pharmalucence, Inc.
	Neetnav Real Estate Private Limited	PI Real Estate Ventures, LLC
	Realstone Multitrade Private Limited	Sun Pharma ANZ Pty Ltd (formerly known as Ranbaxy Australia Pty Ltd)
	Skisen Labs Private Limited	Ranbaxy Farmaceutica Ltda.
	Sun Pharma Holdings	Ranbaxy Pharmaceuticals Canada Inc.
	Softdeal Trading Company Private Limited	Sun Pharma Egypt Limited LLC (Formerly Known as Ranbaxy Egypt Ltd)
	Ranbaxy Pharmacie Generiques SAS	Rexcel Egypt LLC
	Ranbaxy Drugs Limited (Refer Footnote 6)	Office Pharmaceutique Industriel Et Hospitalier
	Vidyut Investments Limited (Refer Footnote 6)	Basics GmbH
	Gufic Pharma Limited (Refer Footnote 6)	Ranbaxy GmbH
	Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company) (Refer Footnote 5 & 6)	Ranbaxy Ireland Limited
	Ranbaxy (Malaysia) Sdn. Bhd.	Ranbaxy Italia S.P.A.
	Ranbaxy Nigeria Limited	Sun Pharmaceutical Industries S.A.C. (formerly known as Ranbaxy - PRP (Peru) S.A.C.)
	Sun Pharma (Netherlands) B.V. (Formerly known as Ranbaxy (Netherlands) B.V.)	Ranbaxy (Poland) Sp. Z o.o.
	Foundation for Disease Elimination and Control of India (Refer Footnote 2)	Terapia SA
	Zenotech Laboratories Limited (Refer Footnote 7)	AO Ranbaxy (formerly known as ZAO Ranbaxy)
	Chattem Chemicals Inc.	Ranbaxy South Africa (Pty) Ltd.
	The Taro Development Corporation	Ranbaxy Pharmaceutical (Pty) Ltd.
	Alkaloida Chemical Company Zrt.	Be-Tabs Investments (Pty) Ltd.
	Sun Pharmaceuticals UK Limited	Sonke Pharmaceuticals Proprietary Limited
	Sun Pharmaceutical Industries (Australia) Pty Limited	Laboratorios Ranbaxy, S.L.U.
	Aditya Acquisition Company Ltd.	Ranbaxy (U.K.) Limited
	Sun Pharmaceutical Industries (Europe) B.V.	Ranbaxy Holdings (U.K.) Limited
	Sun Pharmaceuticals Italia S.R.L.	Ranbaxy Europe Limited (Refer Footnote 12)
	Sun Pharmaceuticals Spain, S.L.U. (Refer Footnote 4)	Ranbaxy Inc.
	Sun Pharmaceuticals Germany GmbH	Ranbaxy Pharmaceuticals, Inc. (Refer Footnote 13)
	Sun Pharmaceuticals France	Ranbaxy (Thailand) Company Limited
	Sun Pharma Global FZE	Ohm Laboratories, Inc.
	Sun Pharmaceuticals (SA) (Pty) Ltd.	Ranbaxy Laboratories, Inc. (Refer Footnote 13)
	Sun Global Canada Pty. Ltd.	Ranbaxy Signature LLC
	Sun Pharma Philippines, Inc.	Sun Pharmaceuticals Morocco LLC (formerly known as Ranbaxy Morocco LLC)
	Sun Pharmaceuticals Korea Ltd.	"Ranbaxy Pharmaceuticals Ukraine" LLC
	Sun Global Development FZE	Perryton Wind Power LLC (Refer Footnote 4)
	Caraco Pharmaceuticals Private Limited	Insite Vision Incorporated
	Sun Pharma Japan Ltd.	Insite Vision Ltd. (Refer Footnote 3)
	Sun Pharma Healthcare FZE	Sun Pharmaceutical Medicare Limited (Refer Footnote 2)
	Morley & Company, Inc.	Ocular Technologies SARL (Refer Footnote 14)
	Sun Laboratories FZE	JSC Biosintez (Refer Footnote 2)
	Taro Pharmaceutical Industries Ltd. (TARO) (Refer Footnote 8)	Sun Pharmaceuticals Holdings USA, INC (Refer Footnote 2)
	Taro Pharmaceuticals Inc.	Zenotech Laboratories Nigeria Limited
	Taro Pharmaceuticals U.S.A., Inc.	Zenotech Inc
	Taro Pharmaceuticals North America, Inc.	Zenotech Farmaceutica Do Brasil Ltda

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

IND AS - 24 – "RELATED PARTY DISCLOSURES" ANNEXURE "A"

(I)	**Names of related parties and description of relationships**	
	Taro Pharmaceuticals Europe B.V.	
	Taro Pharmaceuticals Ireland Limited (Refer Footnote 9)	
	Taro International Ltd.	
	Taro Pharmaceuticals (UK) Limited (Refer Footnote 10)	
	Taro Hungary Intellectual Property Licensing Limited Liability Company (Refer Footnote 4)	
	3 Skyline LLC	
	One Commerce Drive LLC	
	Taro Pharmaceutical Laboratories Inc	
	Taro Pharmaceuticals Canada, Ltd.	
	Taro Pharmaceutical India Private Limited (Refer Footnote 3)	
	Alkaloida Sweden AB	
	Dusa Pharmaceuticals, Inc.	
	Names of related parties where there are transactions and description of relationships	
b	**Joint Ventures**	
	S & I Ophthalmic LLC (Refer Footnote 3)	
	Artes Biotechnology GmbH	
c	**Associate**	
	Zenotech Laboratories Limited (Refer Footnote 7)	
	Daiichi Sankyo (Thailand) Ltd. (Refer Footnote 15)	
	Medinstill Development LLC	
d	**Key Managerial Personnel (KMP)**	
	Dilip S. Shanghvi	Managing Director
	Sudhir V. Valia	Executive Director
	Sailesh T. Desai	Executive Director
	Israel Makov	Chairman and Non- Executive Director
	Kalyansundaram Subramanian (w.e.f. February 14, 2017)	Executive Director
e	**Non-Executive Directors**	
	S. Mohanchand Dadha	
	Hasmukh S. Shah (resigned w.e.f. November 15, 2017)	
	Keki M. Mistry	
	Ashwin S. Dani	
	Rekha Sethi	
	Vivek C. Sehgal (w.e.f. November 14, 2017)	
f	**Relatives of Key Managerial Personnel**	
	Aalok Shanghvi	
	Vidhi Shanghvi	
g	**Others (Entities in which the KMP and relatives of KMP have control or significant influence)**	
	Makov Associates Limited	
	Sun Pharma Advanced Research Company Limited.	
	Sun Petrochemicals Private Limited	
	Ramdev Chemicals Private Limited	
	Sidmak Laboratories (India) Private Limited	
	Aditya Medisales Limited	
	United Medisales Private Limited	

Footnote

1 Incorporated / Acquired during year

2 Incorporated / Acquired during the previous year

3 Dissolved / Liquidated during the year

4 Dissolved / Liquidated during the previous year

5 During the previous year Solrex Pharmaceuticals Company, a partnership firm has been converted into private limited company which is known as Sun Pharma Medisales Private Limited.

6 Pursuant to scheme of arrangement u/s 230 to 232 of Companies Act 2013, for amalgamation of Sun Pharma Medisales Private Limited, Ranbaxy Drugs Limited, Gufic Pharma Limited and Vidyut Investments Limited into the company with effect from April 01, 2017[Refer Note 56(13)].

7 Zenotech Laboratories Limited has ceased to be an associate and has become subsidiary of Sun Pharmaceutical Industries Limited with effect from July 27, 2017 [Refer Note 56(1)].

8 Holds voting power of 83.21% (beneficial ownership 74.82%) [March 31, 2017 81.87% (beneficial ownership 72.81%)]

9 Taro Pharmaceuticals Ireland Limited is under Liquidation.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

IND AS - 24 – "RELATED PARTY DISCLOSURES" ANNEXURE "A"

10 Taro Pharmaceuticals (UK) Limited is under Liquidation.
11 Thallion Pharmaceutical Inc., was acquired and merged with Taro Pharmaceuticals Inc. during the previous year.
12 Ranbaxy Europe Limited is under Liquidation.
13 Merged with Sun Pharmaceutical Industries Inc.
14 Merged with Sun Pharma Switzerland Limited.
15 Daiichi Sankyo (Thailand) Ltd.'s shares were sold during the previous year

(II) Detail of related party transaction during the year ended March 31, 2018:

₹ in Million

Type of Transaction	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of goods	**2,035.4**	**1,432.8**
Subsidiaries	**1,885.9**	1,404.6
Associates	**-**	12.9
Others	**149.5**	15.3
Purchase of property, plant and equipment	**681.7**	**283.8**
Subsidiaries	**43.2**	283.8
Others	**638.5**	-
Sale of goods	**58,994.8**	**26,126.3**
Subsidiaries	**29,220.4**	26,070.2
Associates	**-**	38.8
Others	**29,774.4**	17.3
Sale of property, plant and equipment	**22.0**	**17.9**
Subsidiaries	**21.5**	17.9
Others	**0.5**	-
Receiving of service	**872.6**	**1,373.9**
Subsidiaries	**559.6**	1,060.7
Joint ventures	**40.9**	-
Others	**272.1**	313.2
Reimbursement of expenses paid	**10,758.3**	**1,160.2**
Subsidiaries	**10,693.4**	1,142.4
Associates	**5.7**	2.8
Others	**59.2**	15.0
Rendering of service	**964.1**	**860.3**
Subsidiaries	**785.8**	712.5
Joint ventures	**0.1**	11.6
Others	**178.2**	136.2
Reimbursement of expenses received	**152.6**	**203.8**
Subsidiaries	**110.5**	162.3
Others	**42.1**	41.5
Purchase of Investment	**855.0**	**7.7**
Subsidiaries	**855.0**	7.7
Loans / Deposit given	**-**	**0.4**
Subsidiaries	**-**	0.4
Loans received back	**512.0**	**4.8**
Subsidiaries	**512.0**	4.8
Interest on loans received back	**183.3**	-
Subsidiaries	**183.3**	-
Advance given	**2.5**	**-**
Subsidiaries	**2.5**	-
Advance received back	**2.5**	**-**
Subsidiaries	**2.5**	-
Sales of investment	**12,384.5**	**32,318.4**
Subsidiaries	**12,384.5**	32,318.4
Loan taken	**28,122.1**	**9,200.0**
Subsidiaries	**28,122.1**	9,200.0
Loan repaid	**22,655.1**	**17,219.9**
Subsidiaries	**22,655.1**	17,219.9
Dividend income on preference shares	**80.0**	**40.0**
Subsidiaries	**80.0**	40.0
Dividend income on equity shares	**8,074.8**	**2,000.7**
Subsidiaries	**8,074.8**	2,000.7
Interest income	**257.7**	**70.4**
Subsidiaries (March 31, 2017 ₹ 24,066)	**5.0**	0.0
Associates	**19.1**	70.4
Others	**233.6**	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

IND AS- 24 - " RELATED PARTY DISCLOSURES "

ANNEXURE "A"

Interest expense	**647.4**	**116.4**
Subsidiaries	**647.4**	116.4
Rent income	**26.6**	**23.5**
Subsidiaries	**17.6**	19.3
Others	**9.0**	4.2
Rent expense	**1.0**	**0.7**
Subsidiaries	**1.0**	0.7
Provision for doubtful loans and interest accrued and due on Loans	**-**	**63.4**
Associates	**-**	63.4
Provision in respect of losses of a subsidiary	**254.3**	**165.4**
Subsidiaries	**254.3**	165.4
Provision for diminution in the value of Investment (net)	**(562.2)**	**-**
Subsidiaries	**(562.2)**	-
Provision for doubtful debt	**27.8**	**-**
Subsidiaries	**27.8**	-
Remuneration	**(2.9)**	**90.6**
Key managerial personnel (*)	**(23.0)**	77.3
Relatives of key managerial personnel	**20.1**	13.3

(*) Remuneration to Key Managerial Personnel includes the refund received from Key Managerial Personnel in respect of excess remuneration paid for financial year 2014-15, 2015-16 & 2016-17.

III) Balance Outstanding as at the end of the year

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Receivables	**23,901.0**	**15,518.0**
Subsidiaries	**20,406.9**	15,051.5
Others	**3,494.1**	466.5
Payable	**5,299.6**	**4,764.5**
Subsidiaries	**4,751.8**	4,176.2
Associates	**-**	137.7
Key managerial personnel	**2.7**	4.2
Relatives of key managerial personnel	**0.8**	0.6
Others	**544.3**	445.8
Loan taken	**6,049.7**	**-**
Subsidiaries	**6,049.7**	-
Loan given	**53.3**	**-**
Subsidiaries*	**53.3**	-
Deposit given	**62.5**	**62.5**
Subsidiaries	**62.5**	62.5
Other liabilities	**14,892.1**	**14,298.5**
Subsidiaries	**14,892.1**	14,298.5
Advance from customers	**34.3**	**83.5**
Subsidiaries	**30.9**	83.5
Others	**3.4**	-
Advance for supply of goods/services	**0.1**	**-**
Others	**0.1**	-
Capital advance	**212.9**	**212.9**
Associates	**212.9**	212.9

* Net of Provision for doubtful loans and interest accrued and due thereon of March 31, 2017 : ₹ 726.9 Million

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above and there is no Share-based payments to key managerial personnel of the Company.

Independent Auditor's Report

To the Members of Sun Pharmaceutical Industries Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Sun Pharmaceutical Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint Ventures in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 24 subsidiaries, whose Ind AS financial statements, without giving effect to elimination of intra group transactions, include total assets of ₹ 566,133.5 Million and net assets of ₹ 418,322.5 Million as at March 31, 2018, and total revenues of ₹ 185,173.2 Million and net cash outflows of ₹ 6,056.8 Million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial

Independent Auditor's Report

To the Members of Sun Pharmaceutical Industries Limited

statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 254.4 Million for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of 8 associates and joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 39 subsidiaries, whose financial statements and other financial information, without giving effect to elimination of intra group transactions, reflect total assets of ₹ 217,210.8 Million and net assets of ₹ 208,537.0 Million as at March 31, 2018, and total revenues of ₹ 6,131.0 Million and net cash outflows of ₹ 496.9 Million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

(c) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 26, 2017.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

Independent Auditor's Report

To the Members of Sun Pharmaceutical Industries Limited

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates, joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures – Refer Note 40 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 23 and Note 29 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and joint ventures and (b) the Group's share of net profit/loss in respect of its associates;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India, except a sum of ₹ 16.9 Million, which is held in abeyance due to pending legal cases.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No.: 105754

Place: Mumbai
Date: May 25, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Sun Pharmaceutical Industries Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Sun Pharmaceutical Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No.: 105754

Place: Mumbai
Date: May 25, 2018

Consolidated Balance Sheet

as at March 31, 2018

₹ in Million

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3a	**91,590.3**	84,952.9
(b) Capital work-in-progress		**14,344.7**	15,647.6
(c) Goodwill (Net)	48	**56,067.1**	55,362.2
(d) Other intangible assets	3b	**40,869.1**	36,436.6
(e) Intangible assets under development		**10,306.9**	12,366.2
(f) Investments in associates	4	**2,748.6**	4,605.4
(g) Investments in joint ventures	5	**252.8**	429.5
(h) Financial assets			
(i) Investments	6	**27,521.1**	4,575.1
(ii) Loans	7	**22,424.7**	698.1
(iii) Other financial assets	8	**1,049.2**	6,452.2
(i) Deferred tax assets (Net)	51	**21,937.8**	24,928.2
(j) Income tax assets (Net)	9	**31,896.6**	31,250.1
(k) Other non-current assets	10	**5,660.1**	6,861.8
Total non-current assets		**326,669.0**	**284,565.9**
(2) Current assets			
(a) Inventories	11	**68,806.9**	68,328.1
(b) Financial assets			
(i) Investments	12	**40,906.2**	2,308.8
(ii) Trade receivables	13	**78,152.8**	72,026.1
(iii) Cash and cash equivalents	14	**79,253.7**	86,628.0
(iv) Bank balances other than (iii) above	15	**20,040.1**	64,780.4
(v) Loans	16	**914.3**	10,190.8
(vi) Other financial assets	17	**4,795.5**	2,258.5
(c) Other current assets	18	**23,489.5**	22,949.9
		316,359.0	**329,470.6**
Assets classified as held for sale	66	**-**	65.9
Total current assets		**316,359.0**	**329,536.5**
TOTAL ASSETS		**643,028.0**	**614,102.4**

Consolidated Balance Sheet

as at March 31, 2018

₹ in Million

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	**2,399.3**	2,399.3
(b) Other equity	20	**378,606.3**	363,997.4
Equity attributable to the equity shareholders of the Company		**381,005.6**	**366,396.7**
Non-controlling interests		**38,841.6**	37,908.6
Total equity		**419,847.2**	**404,305.3**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	**17,720.9**	14,360.8
(ii) Other financial liabilities	22	**316.5**	1,048.0
(b) Provisions	23	**4,044.6**	12,111.1
(c) Deferred tax liabilities (Net)	51	**2,189.6**	3,147.9
(d) Other non-current liabilities	24	**266.0**	259.1
Total non-current liabilities		**24,537.6**	**30,926.9**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	**79,797.0**	66,549.2
(ii) Trade payables	26	**47,662.0**	43,953.9
(iii) Other financial liabilities	27	**13,377.2**	22,116.3
(b) Other current liabilities	28	**5,382.1**	4,620.5
(c) Provisions	29	**51,096.6**	40,159.1
(d) Current tax liabilities (Net)	30	**1,328.3**	1,471.2
Total current liabilities		**198,643.2**	**178,870.2**
Total liabilities		**223,180.8**	**209,797.1**
TOTAL EQUITY AND LIABILITIES		**643,028.0**	**614,102.4**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

₹ in Million

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
(I) Revenue from operations	31	**264,894.6**	315,784.4
(II) Other income	32	**8,387.6**	6,231.5
(III) Total income (I+II)		**273,282.2**	**322,015.9**
(IV) Expenses			
Cost of materials consumed	33	**44,626.0**	51,246.1
Purchases of stock-in-trade		**27,313.8**	32,777.6
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	**2,307.0**	(2,716.3)
Employee benefits expense	35	**53,670.5**	49,023.0
Finance costs	36	**5,175.7**	3,998.0
Depreciation and amortisation expense	3 (a & b)	**14,998.4**	12,647.5
Other expenses	37	**80,896.0**	84,561.3
Total expenses (IV)		**228,987.4**	**231,537.2**
(V) Profit before exceptional items and tax (III-IV)		**44,294.8**	**90,478.7**
(VI) Exceptional item	62	**(9,505.0)**	-
(VII) Profit before tax (V+VI)		**34,789.8**	**90,478.7**
(VIII) Tax expense			
Current tax		**6,628.0**	4,046.4
Deferred tax			
a) Deferred tax charge/(credit)		**(720.6)**	8,069.3
b) Deferred tax charge/(credit) - exceptional	74	**2,544.5**	-
Total tax expense (VIII)	50	**8,451.9**	**12,115.7**
(IX) Profit for the year before share of profit/(loss) of associates and joint ventures (VII-VIII)		**26,337.9**	**78,363.0**
(X) Share of profit/(loss) of associates (net of tax)		**(246.6)**	299.6
(XI) Share of profit/(loss) of joint ventures (net of tax)		**(7.8)**	(200.3)
(XII) Profit for the year before non-controlling interests (IX+X+XI)		**26,083.5**	**78,462.3**
(XIII) Non-controlling interests		**4,468.0**	8,818.6
(XIV) Profit for the year attributable to owners of the Company		**21,615.5**	**69,643.7**
(XV) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(a) Re-measurements of the defined benefit plans		**782.7**	(766.9)
Income tax on above		**(274.8)**	56.6
		507.9	(710.3)
(b) Equity instruments through other comprehensive income		**1,288.3**	(3,741.4)
Income tax on above		**(23.2)**	-
		1,265.1	(3,741.4)
Total (A)		**1,773.0**	**(4,451.7)**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

₹ in Million

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
(B) Items that may be reclassified to profit or loss			
(a) Debt instruments through other comprehensive income		**(98.3)**	(4.7)
Income tax on above		**8.7**	-
		(89.6)	(4.7)
(b) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		**(75.7)**	46.2
(c) Exchange differences in translating the financial statements of foreign operations		**4,025.7**	(10,461.7)
(d) Exchange differences on translation of net investment in a foreign operations		**(400.9)**	-
Total (B)		**3,459.5**	**(10,420.2)**
(XV) Total other comprehensive income (A + B)		**5,232.5**	**(14,871.9)**
(XVI) Total comprehensive income for the year (XII+XV)		**31,316.0**	**63,590.4**
Other comprehensive income for the year attributable to:			
- Owners of the Company		**4,754.8**	(13,337.6)
- Non-controlling interests		**477.7**	(1,534.3)
Total comprehensive income for the year attributable to:			
- Owners of the Company		**26,370.3**	56,306.1
- Non-controlling interests		**4,945.7**	7,284.3
Earnings per equity share (face value per equity share - ₹ 1)	52		
Basic (in ₹)		**9.0**	29.0
Diluted (in ₹)		**9.0**	29.0

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

₹ in Million

Particulars	Equity share capital	Reserves and surplus										Other comprehensive income (OCI)				Attributable to owners of Parent Company	Non-controlling interests	TOTAL
		Share application money pending allotment	Capital reserve	Securities premium reserve	Debenture redemption reserve	Share option outstanding account	Amalgamation reserve	Capital redemption reserve	Legal reserve	General reserve	Retained earnings	Debt instrument through OCI	Equity instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges			
Balance as at March 31, 2016	**2,406.6**	**6.7**	**456.9**	**18,585.2**	**1,041.7**	**48.9**	**43.8**	**-**	**1.1**	**35,578.0**	**251,630.4**	**1.3**	**4,081.1**	**15,943.1**	**-**	**329,824.8**	**40,852.5**	**370,677.3**
Profit for the year	-	-	-	-	-	-	-	-	-	-	69,643.7	-	-	-	-	69,643.7	8,818.6	78,462.3
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,927.4)	-	(8,927.4)	(1,534.3)	(10,461.7)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	* (710.3)	(4.7)	(3,741.4)	-	46.2	(4,410.2)	-	(4,410.2)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**68,933.4**	**(4.7)**	**(3,741.4)**	**(8,927.4)**	**46.2**	**56,306.1**	**7,284.3**	**63,590.4**
Payment of dividend	-	-	-	-	-	-	-	-	-	-	(2,406.8)	-	-	-	-	(2,406.8)	(30.4)	(2,437.2)
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	(490.0)	-	-	-	-	(490.0)	-	(490.0)
Recognition of share-based payments to employees	-	-	-	-	-	32.3	-	-	-	-	-	-	-	-	-	32.3	-	32.3
Issue of equity shares	0.2	(6.7)	-	31.3	-	-	-	-	-	-	-	-	-	-	-	24.8	-	24.8
Buy-back of equity shares (Refer note 65)	(7.5)	-	-	(6,742.5)	-	-	-	-	-	-	-	-	-	-	-	(6,750.0)	-	(6,750.0)
Expenditure on buy-back of equity shares	-	-	-	(34.2)	-	-	-	-	-	-	-	-	-	-	-	(34.2)	-	(34.2)
Buy-back of equity shares by overseas subsidiary Company	-	-	-	-	-	-	-	-	-	-	(10,110.3)	-	-	-	-	(10,110.3)	(10,447.5)	(20,557.8)
Transfer to capital redemption reserve on buy-back of equity shares	-	-	-	-	-	-	-	7.5	-	-	(7.5)	-	-	-	-	-	-	-
Transfer from surplus in consolidated statement of profit and loss	-	-	-	-	1,041.7	-	-	-	-	-	(1,041.7)	-	-	-	-	-	-	-
Additional non-controlling interests arising on the acquisition of JSC Biosintez	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	249.7	249.7
Transfer from surplus in consolidated statement of profit and loss as per the local law of an overseas subsidiary	-	-	50.6	-	-	-	-	-	-	-	(50.6)	-	-	-	-	-	-	-
Transfer on exercise of share options	-	-	-	54.8	-	(54.8)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	**2,399.3**	**# 0.0**	**507.5**	**11,894.6**	**2,083.4**	**26.4**	**43.8**	**7.5**	**1.1**	**35,578.0**	**306,456.9**	**(3.4)**	**339.7**	**7,015.7**	**46.2**	**366,396.7**	**37,908.6**	**404,305.3**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

₹ in Million

Particulars	Equity share capital	Reserves and surplus										Other comprehensive income (OCI)				Attributable to owners of Parent Company	Non-controlling interests	TOTAL
		Share application money pending allotment	Capital reserve	Securities premium reserve	Debenture redemption reserve	Share option outstanding account	Amalgamation reserve	Capital redemption reserve	Legal reserve	General reserve	Retained earnings	Debt instrument through OCI	Equity instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges			
Profit for the year	-	-	-	-	-	-	-	-	-	-	21,615.5	-	-	-		21,615.5	4,468.0	26,083.5
Exchange difference arising on translation of foreign operations /net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	3,104.4	-	3,104.4	520.4	3,624.8
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	* 507.7	(90.5)	1,308.9	-	(75.7)	1,650.4	(42.7)	1,607.7
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22,123.2**	**(90.5)**	**1,308.9**	**3,104.4**	**(75.7)**	**26,370.3**	**4,945.7**	**31,316.0**
Payment of dividend	-	-	-	-	-	-	-	-	-	-	(7,977.4)	-	-	-	-	(7,977.4)	(152.8)	(8,130.2)
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	(1,624.0)	-	-	-	-	(1,624.0)	-	(1,624.0)
Recognition of share-based payments to employees	-	-	-	-	-	(1.0)	-	-	-	-	-	-	-	-	-	(1.0)	-	(1.0)
Issue of equity shares@	0.0	(0.0)	-	9.1	-	-	-	-	-	-	-	-	-	-	-	9.1	-	9.1
Transfer to debenture redemption reserve	-	-	-	-	(833.4)	-	-	-	-	-	833.4	-	-	-	-	-	-	-
Buy-back of equity shares by overseas subsidiaries Company	-	-	-	-	-	-	-	-	-	-	(2,168.1)	-	-	-	-	(2,168.1)	(4,586.4)	(6,754.5)
Additional non-controlling interest arising on the acquisition of Zenotech (Refer note 76)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	726.5	726.5
Transfer from surplus in consolidated statement of profit and loss as per the local law of an overseas subsidiary	-	-	-	-	-	-	-	-	2.5	-	(2.5)	-	-	-	-	-	-	-
Transfer on exercise of share options	-	-	-	25.4	-	(25.4)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	**2,399.3**	**-**	**507.5**	**11,929.1**	**1,250.0**	**-**	**43.8**	**7.5**	**3.6**	**35,578.0**	**317,641.5**	**(93.9)**	**1,648.6**	**10,120.1**	**(29.5)**	**381,005.6**	**38,841.6**	**419,847.2**

* Represents re-measurements of the defined benefit plans
# (March 31, 2017 : ₹ 7,177)
@ (March 31, 2018 : ₹ 62,365)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

C. S. MURALIDHARAN
Chief Financial Officer

SUNIL R. AJMERA
Company Secretary

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Consolidated Cash Flow Statement

for the year ended March 31, 2018

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**34,789.8**	90,478.7
Adjustments for:		
Depreciation and amortisation expense	**14,998.4**	12,647.5
Impairment of property, plant and equipment, goodwill and other intangible assets	**26.7**	203.6
Loss on sale / write off of property, plant and equipment and other intangible assets, net	**201.6**	108.8
Finance costs	**5,175.7**	3,998.0
Interest income	**(5,197.6)**	(3,711.7)
Dividend income on investments	**(371.6)**	(420.5)
Net gain arising on financial assets measured at fair value through profit or loss	**(1,236.6)**	(72.2)
Net gain on sale of financial assets measured at fair value through profit or loss	**(234.0)**	(479.3)
Net loss on sale of financial assets measured at fair value through other comprehensive income	**7.5**	-
Gain on disposal of an associate entity	**-**	(201.3)
Provision / write off for doubtful trade receivables / advances	**1,095.9**	341.8
Sundry balances written back, net	**(170.6)**	(618.5)
Expense/ (income) recognised in respect of share based payments to employees	**(1.0)**	32.3
Impairment in value of investments	**(725.7)**	6.8
Effect of exchange rate changes	**253.5**	(6,828.6)
Operating profit before working capital changes	**48,612.0**	**95,485.4**
Movements in working capital:		
Increase in inventories	**(40.0)**	(3,449.9)
Increase in trade receivables	**(7,730.1)**	(2,934.5)
Increase in other assets	**(1,163.3)**	(6,464.2)
Increase in trade payables	**3,830.4**	7,354.5
Decrease in other liabilities	**(217.4)**	(1,530.7)
Increase in provisions	**3,197.3**	2,932.7
Cash generated from operations	**46,488.9**	**91,393.3**
Income tax paid (net of refund)	**(7,417.4)**	(20,571.2)
Net cash generated from operating activities (A)	**39,071.5**	**70,822.1**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment (including capital work-in-progress, other intangible assets and intangible assets under development)	**(19,607.8)**	(36,928.6)
Proceeds from disposal of property, plant and equipment and other intangible assets	**664.9**	1,024.7
Loans / inter corporate deposits		
Given / placed	**(25,847.2)**	(6,504.6)
Received back / matured	**13,230.0**	6,796.8
Purchase of investments [including associates and joint venture ₹ 324.7 Million (March 31, 2017: ₹ 1,543.6 Million)]	**(405,866.8)**	(388,310.4)
Proceeds from sale of investments	**349,923.7**	391,943.9
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	**(16,812.3)**	(67,586.6)
Fixed deposits / margin money matured	**65,987.1**	55,224.3
Net cash outflow on acquisition of subsidiaries / business units (Refer note 76)	**(855.0)**	(1,671.8)
Interest received	**5,103.7**	3,365.2
Receipt of rental on assets given under finance lease	**-**	10.6
Dividend received	**371.6**	420.5
Net cash used in investing activities (B)	**(33,708.1)**	**(42,216.0)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**122,061.7**	91,975.6
Repayment of borrowings	**(127,811.2)**	(80,649.9)
Payment for buy-back of equity shares of parent and buy-back of equity shares held by non-controlling interests of subsidiaries	**(6,754.5)**	(27,307.8)
Dividend payment to non-controlling interests	**(152.8)**	(30.4)
Payment for share buy-back expenses	**-**	(34.2)
Net increase / (decrease) in working capital demand loans	**11,625.7**	(604.5)

Consolidated Cash Flow Statement

for the year ended March 31, 2018

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Proceeds from issue of equity shares on exercise of stock options / share application money received	**9.1**	24.8
Finance costs	**(4,765.2)**	(3,338.3)
Dividend paid	**(7,981.4)**	(2,399.2)
Dividend distribution tax	**(1,624.0)**	(490.0)
Net cash used in financing activities (C)	**(15,392.6)**	**(22,853.9)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(10,029.2)**	5,752.2
Cash and cash equivalents at the beginning of the year	**86,423.6**	80,316.9
Cash and cash equivalents taken over on acquisition of subsidiaries (Refer note 76)	**1,197.3**	-
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	**1,472.8**	354.5
Cash and cash equivalents at the end of the year	**79,064.5**	**86,423.6**

Notes:

₹ In Million

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	**55,137.3**	49,192.3
In deposit accounts with original maturity less than 3 months	**24,099.3**	35,576.1
Cheques, drafts on hand	**10.6**	1,813.9
Cash on hand	**6.5**	45.7
Cash and cash equivalents (Refer note 14)	**79,253.7**	**86,628.0**
Less:- cash credit facilities included under loans repayable on demand in note 25	**189.2**	204.4
Cash and cash equivalents in cash flow statement	**79,064.5**	**86,423.6**

Change in financial liability/ asset arising from financing activities

₹ In Million

Particulars	Year ended March 31, 2018	
	Borrowings	Derivatives
Balance as on April 01, 2017	**98,317.7**	**1,210.0**
Changes from financing cash flows	**5,876.2**	**(518.0)**
The effect of changes in foreign exchange rates	**180.5**	**(32.1)**
Other changes	**(521.7)**	**-**
Changes in fair value	**-**	**94.2**
Balance as on March 31, 2018	**103,852.7**	**754.1**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per PAUL ALVARES
Partner
Membership No. : 105754
Mumbai, May 25, 2018

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

1. GENERAL INFORMATION

Sun Pharmaceutical Industries Limited ("the Parent Company") is a public limited company incorporated and domiciled in India, having it's registered office at Vadodara, Gujarat, India and has its listing on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is in the business of manufacturing, developing and marketing a wide range of branded and generic formulations and Active Pharmaceutical Ingredients (APIs). The Parent Company and its subsidiaries (hereinafter referred to as "the Company" or "the Group") have manufacturing locations spread across the world with trading and other incidental and related activities extending to the global markets.

The consolidated financial statement were authorised for issue in accordance with a resolution of the directors on May 25, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2018 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2017.

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis, except for: (i) financial instruments that are measured at fair values at the end of each reporting period; (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; (iii) derivative financial instrument and (iv) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest Million (₹ 000,000) upto one decimal, except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, and its subsidiaries as disclosed in Note 39. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances, transactions including unrealised gain /

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

loss from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in Associates and Joint Ventures

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the Group's share of losses of an associate or a joint venture exceeds its interest in that associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has obligations or has made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture and discontinues from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed off the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

b. Current vs. Non-current

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

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- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c. Business combinations

The Group uses the acquisition method of accounting to account for business combinations that occurred on or after April 01, 2015. The acquisition date is generally the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as Capital Reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as Capital Reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional

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assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

d. Foreign currency

Foreign currency transactions

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings (see note 2.2.r).

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 2.2.j below for hedging accounting policies).

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation) are recognised in other comprehensive income / (loss) and presented within equity as a part of Foreign Currency Translation Reserve. On disposal of the foreign operation, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currency are measured using the exchange rates at the date of initial transaction.

Foreign operations

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period.

Resulting foreign currency differences are recognised in other comprehensive income / (loss) and presented within equity as part of Foreign Currency Translation Reserve (and attributed to non-controlling interests as appropriate). When a foreign operation is disposed off, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

e. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

f. Property, plant and equipment

Items of property, plant and equipment are stated in consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as

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other assets, commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the acquired asset is measured at the carrying amount of the asset given up.

Depreciation is recognised on the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives. Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as follows:

Asset Category	No. of Years
Leasehold land	50-196
Leasehold improvements	3-10
Buildings	5-100
Buildings taken under finance lease	10-40
Buildings given under operating lease	30
Plant and equipment	3-25
Plant and equipment given under operating lease	2-15
Vehicles	3-15
Office equipment	2-21
Furniture and fixtures	2-17

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortised over the lower of the estimated useful life of the software and the remaining useful life of the tangible fixed asset.

g. Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Group's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a cash-generating unit to which goodwill is allocated, the goodwill associated with the disposed cash-generating unit is included in the carrying amount of the cash-generating unit when determining the gain or loss on disposal.

Other intangible assets

Other intangible assets that are acquired by the Group and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Group intends to and has sufficient resources/ability to complete development and to use or sell the asset.

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The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

Acquired research and development intangible assets which are under development, are recognised as In-Process Research and Development assets ("IPR&D"). IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such IPR&D assets is recognised in profit or loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

The consideration for acquisition of intangible asset which is based on reaching specific milestone that are dependent on the Group's future activity is recognised only when the activity requiring the payment is performed.

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognised in the statement of profit and loss as incurred.

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives for Product related intangibles and Other intangibles ranges from 5 to 20 years.

The estimated useful life and the amortisation method for intangible assets with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

h. Impairment of non-financial assets other than goodwill

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

In respect of assets other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's

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carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed off is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale.

Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the date the group commits to purchase or sale the financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all the changes in the profit or loss.

Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities and equity instruments Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Parent Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments.

Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the consolidated statement of profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying

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amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

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- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(iii) Net Investment Hedge

The group designates certain foreign currency liability as hedge against certain net investment in foreign subsidiaries. Hedges of net investments in foreign operations are accounted similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR')- a component of equity. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

Treasury shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The Group treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Dividend distribution to equity holders of the Parent

The Parent Company recognises a liability to make dividend distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Parent Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

k. Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Group as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased assets or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

Group as a lessor

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

l. Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade, stores and spares and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials and packing materials, stock-in-trade, stores and spares includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Companies cash management.

n. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Restructuring

A provision for restructuring is recognised when the Group has a detailed formal restructuring plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the consolidated financial statements.

o. Revenue

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is stated exclusive of sales tax, value added tax, goods and service tax and net of returns, chargebacks, rebates and other similar allowances. Revenue is inclusive of excise duty till the period, provision of excise duty was levied on sale of goods.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, it is probable that the economic benefit will flow to the Group, the associated costs and possible return of goods can be estimated reliably, there is neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably. The company is principal in all of its revenue arrangements, since it is the primary obligor in all of the revenue arrangements, as it has pricing latitude and is exposed to inventory and credit risks.

Provisions for chargeback, rebates, discounts and medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue.

Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Rendering of services

Revenue from services rendered is recognised in the consolidated statement profit and loss as the underlying services are performed. Upfront non-refundable payments received are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

p. Dividend and interest income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

q. Government grants

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

r. Employee benefits

Defined benefit plans

The Company operates a defined benefit gratuity plan which requires contribution to be made to a separately administered fund.

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

Termination benefits

Termination benefits are recognised as an expense at the earlier of the date when the Group can no longer withdraw the offer of those benefits and when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

Short-term and other long-term employee benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Group's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

Defined contribution plans

The Group's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Group does not have any obligation other than the contribution made.

Share-based payment arrangements

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, on a straight line basis, over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

s. Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

t. Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for the temporary differences that arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and taxable temporary differences arising upon the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

u. Earnings per share

The Parent Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Parent Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

v. Recent Accounting pronouncements

Standards issued but not yet effective and not early adopted by the Company

Ind AS 115, Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contracts with Customers, which is effective for accounting periods beginning on or after April 01, 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Ind AS 115 is effective for annual reporting periods beginning on or after April 01, 2018.

The Group intends to adopt Ind AS 115 effective April 01, 2018, using the modified retrospective method. The Group is evaluating the requirements of the standard and its impact on its financials.

Amendments to Ind AS 7 Statement of Cash Flows:

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for the current period in Consolidated Cash Flow Statement. Since amendment is effect from April 01, 2017, no comparative period information is required.

Other Amendments:

On March 28, 2018, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 40, Investment Property
- Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Ind AS 12, Income Taxes
- Ind AS 28, Investments in Associates and Joint Ventures
- Ind AS 112, Disclosure of Interests in Other Entities

The amendments are effective April 01, 2018. The Group believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Group.

NOTE : 3a PROPERTY, PLANT AND EQUIPMENT

₹ in Million

	Freehold land	Leasehold land	Buildings	Buildings taken under finance Lease*	Leasehold Improvement on Building	Buildings Given under operating Lease *	Plant and Equipment	Plant and Equipment Given under operating Lease *	Furniture and fixtures	Furniture and Fixtures Given under operating Lease *	Furniture and Fixtures Given under Finance Lease *	Vehicles	Vehicles Lease	Office equipment	Total
At cost or deemed cost															
As at April 01, 2016	2,269.5	1,894.4	42,048.6	1,601.6	253.9	216.8	69,154.9	21.7	3,131.8	0.6	-	1,138.7	-	1,300.0	123,032.5
Consolidation adjustments	(73.6)	(48.2)	(739.6)	(34.2)	(5.4)	(7.7)	(1,193.8)	(0.9)	(98.7)	(0.2)	-	(48.9)	-	(43.6)	(2,294.8)
Taken over on acquisition	524.1	-	1,566.4	-	-	-	2,001.4	-	28.2	-	-	28.5	-	6.9	4,155.5
Additions	403.6	-	4,553.2	-	-	94.3	10,502.5	-	652.4	-	-	189.2	-	452.4	16,847.6
Disposals	(220.7)	-	(2,124.9)	-	-	-	(4,922.1)	-	(227.7)	-	-	(232.8)	-	(18.4)	(7,746.6)
As at March 31, 2017	**2,902.9**	**1,846.2**	**45,303.7**	**1,567.4**	**248.5**	**303.4**	**75,542.9**	**20.8**	**3,486.0**	**0.4**	**-**	**1,074.7**	**-**	**1,697.3**	**133,994.2**
Consolidation adjustments	61.2	1.8	334.2	248.0	(248.5)	-	665.9	-	46.7	-	1.9	11.7	6.3	54.3	1,183.5
Taken over on acquisition	387.5	-	392.2	-	-	-	733.3	-	13.7	-	-	7.7	-	1.0	1,535.4
Additions	113.1	-	3,586.8	0.1	-	-	11,247.9	0.3	212.6	-	0.8	137.3	715.1	216.6	16,230.6
Disposals	(81.0)	-	(2,192.5)	(770.3)	-	-	(977.2)	-	(29.0)	-	-	(108.4)	-	(20.8)	(4,179.2)
As at March 31, 2018	**3,383.7**	**1,848.0**	**47,424.4**	**1,045.2**	**-**	**303.4**	**87,212.8**	**21.1**	**3,730.0**	**0.4**	**2.7**	**1,123.0**	**721.4**	**1,948.4**	**148,764.5**
Accumulated depreciation and impairment															
As at April 01, 2016	24.4	215.9	11,073.0	870.4	38.3	36.9	31,891.9	20.3	1,824.9	0.6	-	521.1	-	683.4	47,201.1
Consolidation adjustments	(1.9)	(16.9)	(210.9)	(21.5)	(0.9)	(1.9)	(719.5)	(0.9)	(54.6)	(0.2)	-	(38.1)	-	(30.6)	(1,097.9)
Depreciation expense	-	23.9	1,295.8	83.5	3.6	33.1	6,309.5	0.8	312.8	-	-	189.4	-	269.7	8,522.1
Impairment losses recognised in consolidated statement of profit and loss	-	13.2	97.4	-	-	-	93.0	-	-	-	-	-	-	-	203.6
Eliminated on disposals of assets	-	-	(1,266.7)	-	-	-	(4,173.5)	-	(202.4)	-	-	(137.8)	-	(7.2)	(5,787.6)
As at March 31, 2017	**22.5**	**236.1**	**10,988.6**	**932.4**	**41.0**	**68.1**	**33,401.4**	**20.2**	**1,880.7**	**0.4**	**-**	**534.6**	**-**	**915.3**	**49,041.3**
Consolidation adjustments	2.2	0.6	182.6	44.7	(41.0)	-	568.1	-	48.5	-	0.3	10.4	1.5	16.8	834.7
Taken over on acquisition ^	-	-	77.2	-	-	-	298.0	-	12.6	-	-	6.9	-	0.9	395.6
Depreciation expense	-	23.0	1,781.9	685.1	-	47.6	6,854.1	0.5	272.6	-	0.4	186.7	174.9	254.4	10,281.2
Eliminated on disposals of assets	(24.7)	-	(1,734.5)	(770.3)	-	-	(724.1)	-	(35.7)	-	-	(70.1)	-	(19.2)	(3,378.6)
As at March 31, 2018	**-**	**259.7**	**11,295.8**	**891.9**	**-**	**115.7**	**40,397.5**	**20.7**	**2,178.7**	**0.4**	**0.7**	**668.5**	**176.4**	**1,168.2**	**57,174.2**
Carrying amount															
As at March 31, 2017	**2,880.4**	**1,610.1**	**34,315.1**	**635.0**	**207.5**	**235.3**	**42,141.5**	**0.6**	**1,605.3**	**-**	**-**	**540.1**	**-**	**782.0**	**84,952.9**
As at March 31, 2018	**3,383.7**	**1,588.3**	**36,128.6**	**153.3**	**-**	**187.7**	**46,815.3**	**0.4**	**1,551.3**	**-**	**2.0**	**454.5**	**545.0**	**780.2**	**91,590.3**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE : 3b OTHER INTANGIBLE ASSETS

Other than internally generated

₹ in Million

	Computer Software	Trademarks and Designs	Total
At cost or deemed cost			
As at April 01, 2016	1,358.4	41,065.8	42,424.2
Consolidation adjustments	(16.1)	(1,461.4)	(1,477.5)
Taken over on acquisition	-	3.5	3.5
Additions	99.1	15,041.3	15,140.4
Disposals	(25.8)	(757.0)	(782.8)
As at March 31, 2017	**1,415.6**	**53,892.2**	**55,307.8**
Consolidation adjustments	14.1	653.1	667.2
Taken over on acquisition	-	550.0	550.0
Additions	332.6	8,150.8	8,483.4
Disposals	(8.7)	(343.2)	(351.9)
As at March 31, 2018	**1,753.6**	**62,902.9**	**64,656.5**
Accumulated amortisation and impairment			
As at April 01, 2016	701.9	15,178.6	15,880.5
Consolidation adjustments	(12.1)	(579.8)	(591.9)
Amortisation expense	237.6	3,887.8	4,125.4
Eliminated on disposals of assets	(15.1)	(527.7)	(542.8)
As at March 31, 2017	**912.3**	**17,958.9**	**18,871.2**
Consolidation adjustments	9.8	541.1	550.9
Amortisation expense	219.7	4,497.5	4,717.2
Eliminated on disposals of assets	(8.6)	(343.3)	(351.9)
As at March 31, 2018	**1,133.2**	**22,654.2**	**23,787.4**
Carrying amount			
As at March 31, 2017	**503.3**	**35,933.3**	**36,436.6**
As at March 31, 2018	**620.4**	**40,248.8**	**40,869.1**

Footnotes :

(a) Buildings include ₹ 8,620 (As at March 31, 2017: ₹ 8,620) towards cost of shares in a co-operative housing society and also includes ₹ 4.5 Million (March 31, 2017: ₹ 4.5 Million) towards cost of flats not registered in the name of the Parent Company but is entitled to right of use and occupancy.

(b) Excludes Assets classified as held for sale (Refer note 66).

(c) Deletions / adjustments during the previous year includes refund received from authorities in respect of dismantling charges.

(d) Borrowing cost capitalised during the year ₹ Nil (March 31, 2017: ₹ 110.3 Million)

(e) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.

(f) For details of assets pledged as security refer note 67 and 68.

* Refer note 55

^ Refer note 76

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

4. INVESTMENTS IN ASSOCIATES (NON-CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Carrying amount determined using equity method of accounting				
Unquoted, fully paid				
Investments in equity instruments				
Medinstill LLC	**1,999**	**1,436.4**	1,999	1,110.2
Investments in limited partnership [Refer note 39 (z)]				
Fraizer Healthcare VII, L.P.	**-**	**-**	-	1,436.9
Versant Venture Capital V, L.P.	**-**	**-**	-	951.4
Investments in limited liability partnership				
Trumpcard Advisors and Finvest LLP	**-**	**444.6**	-	312.5
Generic Solar Power LLP [₹ 28,760 (As at March 31, 2017: ₹ 28,760)]	**-**	**0.0**	-	0.0
Quoted, fully paid				
Investments in equity instruments (At cost, less impairment in value of investments)				
scPharmaceuticals Inc.	**2,167,679.0**	**867.6**	-	794.4
Zenotech Laboratories Limited [Shares of ₹ 10 each fully paid [Refer note 39 (t)]	**-**	**-**	16,128,078	2,463.5
Less: Impairment in value of investment		**-**		(2,463.5)
		2,748.6		**4,605.4**
Aggregate carrying value of unquoted investments		**1,881.0**		3,811.0
Aggregate book value (carrying value) of quoted investments		**867.6**		2,463.5
Market value of quoted investment		**1,745.3**		570.1
Aggregate amount of impairment in value of investments in an associate		**-**		2,463.5

5. INVESTMENTS IN JOINT VENTURES (NON-CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Carrying amount determined using equity method of accounting				
Unquoted, fully paid				
Investments in equity instruments				
MSD-Sun, LLC	**-**	**-**	10,564	0.7
S&I Ophthalmic LLC	**-**	**-**	-	183.9
Artes Biotechnology GmbH	**15,853**	**252.8**	15,853	244.9
		252.8		**429.5**
Aggregate carrying value of unquoted investments		**252.8**		429.5

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

6. INVESTMENTS (NON-CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
In equity instruments				
Quoted - At fair value through other comprehensive income				
Impax Laboratories Inc., Shares of USD 0.01 each fully paid	**2,868,623**	**3,622.8**	2,868,623	2,353.4
Krebs Biochemicals and Industries Limited Shares of ₹ 10 each fully paid	**1,050,000**	**172.3**	1,050,000	105.1
Krystal biotech, Inc. Shares of USD 0.00001 each fully paid	**914,107**	**598.9**	-	-
In equity instruments				
Unquoted				
Shimal Research Laboratories Limited Shares of ₹ 10 each fully paid	**9,340,000**	**934.0**	9,340,000	934.0
Less: Impairment in value of investment		**(934.0)**		(934.0)
Biotech Consortium India Limited Shares of ₹ 10 each fully paid	**50,000**	**0.5**	50,000	0.5
Less: Impairment in value of investment		**(0.5)**		(0.5)
Reanal Finomvegyszergyar Zrt. (Reanal Ltd)	**38,894**	**168.2**	38,894	167.0
Less: Impairment in value of investment		**(168.2)**		(167.0)
Others		**20.2**		293.2
In government securities				
Quoted - At fair value through other comprehensive income				
Government of Rajasthan UDAY non -SLR bond 7.75% Bond of ₹ 1 each fully paid maturing June 23, 2018	-	-	27,400,000	27.1
Government of Rajasthan UDAY non -SLR bond 7.86% Bond of ₹ 1 each fully paid maturing June 23, 2019	**27,400,000**	**27.1**	27,400,000	27.3
Government of Rajasthan UDAY non -SLR bond 8.01% Bond of ₹ 1 each fully paid maturing June 23, 2020	**27,400,000**	**27.2**	27,400,000	27.5
Government of Rajasthan UDAY non -SLR bond 8.21% Bond of ₹ 1 each fully paid maturing June 23, 2025	-	-	100,000,000	103.7
Government of Rajasthan UDAY non -SLR bond 8.39% Bond of ₹ 1 each fully paid maturing June 23, 2026	-	-	200,000,000	214.8
Government of Uttar Pradesh UDAY non -SLR bond 8.21% Bond of ₹ 1 each fully paid maturing June 23, 2026	-	-	150,000,000	159.7
Government of Telangana UDAY non -SLR bond 7.62% Bond of ₹ 1 each fully paid maturing March 07, 2026	**100,000,000**	**96.5**	-	-
Government of Telangana UDAY non -SLR bond 7.98% Bond of ₹ 1 each fully paid maturing March 07, 2030	**100,000,000**	**97.6**	-	-
Government of Tamil Nadu UDAY non -SLR bond 8.24% Bond of ₹ 1 each fully paid maturing March 22, 2028	**50,000,000**	**51.0**	-	-
Unquoted				
National Savings Certificates [₹ 10,000 (March 31, 2017: ₹ 10,000)]	-	**0.0**	-	0.0
Quoted - At fair value through other comprehensive income				
Others *	-	**3,310.2**	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
In debentures/bonds				
Quoted - At fair value through other comprehensive income				
Housing Development Finance Corporation Ltd - 9.9% Non-convertible Debentures of ₹ 1,000,000 each fully paid	**250**	**253.5**	250	259.4
National Highways Authority of India - 8.2% Bonds of ₹ 1,000 each fully paid of maturing on January 25, 2022	**61,809**	**66.1**	61,809	66.7
Power Finance Corporation Ltd (Series I) -8.2% Bonds of ₹ 1,000 each fully paid of maturing on February 01, 2022	**142,393**	**152.2**	142,393	153.6
Indian Railway Finance Corporation Ltd - 8/8.15% Bonds of ₹ 1,000 each fully paid of maturing on February 23, 2022	**163,131**	**173.5**	163,131	175.1
Investment in Bonds (various small denomination investments)	**-**	**11,340.5**	-	-
ONGC Videsh 4.625% Regd. Notes	**16,000,000**	**1,067.4**	-	-
NTPC 4.375% Regd. Euro Medium Term Notes	**10,000,000**	**661.4**	-	-
State Bank of India 4.875%	**700,000**	**476.1**	-	-
Other investments - Unquoted		**5,306.6**		608.5
		27,521.1		**4,575.1**
Aggregate book value (carrying value) of quoted investments		**22,194.3**		3,673.4
Aggregate amount of quoted investments at market value		**22,194.3**		3,673.4
Aggregate amount of unquoted investments before impairment		**6,429.5**		2,003.2
Aggregate amount of impairment in value of investments		**1,102.7**		1,101.5

*includes investment in various small denomination U.S Treasuries, certificates of deposits and commercial papers

7. LOANS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Loans to Employees/Others *		
Secured, considered good	**10.2**	20.4
Unsecured, considered good	**22,414.5**	677.7
Doubtful	**-**	0.8
Less: allowance for bad and doubtful loans	**-**	(0.8)
	22,424.7	**698.1**

* Others: Loans given to various parties at prevailing market interest rate.

8. OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Bank deposits with more than 12 months maturity *	**1.0**	4,589.2
Margin money/ security against guarantees/ commitments	**2.2**	-
Security deposits - unsecured, considered good	**653.8**	462.0
Derivatives designated as hedges	**-**	67.1
Derivatives not designated as hedges	**82.8**	627.7
Others#	**309.4**	706.2
	1,049.2	**6,452.2**

* includes deposits pledged with government authorities of ₹ 1.0 Million (March 31, 2017 : ₹ 1.6 Million)
# includes receivable towards sale of manufacturing facility

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

9. INCOME TAX ASSET (NET) [NON-CURRENT]

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Advance income tax (net of provisions)*	**31,896.6**	31,250.1
	31,896.6	**31,250.1**

* includes amount paid under protest

10. OTHER NON-CURRENT ASSETS

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Capital advances	**4,430.3**	3,971.7
Prepaid expenses	**91.0**	91.1
Balances with government authorities*	**1,122.1**	2,058.5
Other assets	**16.7**	740.5
	5,660.1	**6,861.8**

* includes amount paid under protest

11. INVENTORIES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Lower of cost and net realisable value		
Raw materials and packing materials	**24,360.1**	21,212.3
Goods in transit	**261.1**	598.7
	24,621.2	**21,811.0**
Work-in-progress	**14,514.2**	15,467.2
Finished goods	**22,429.0**	24,986.8
Stock-in-trade	**6,217.1**	4,614.3
Goods in transit	**25.5**	94.7
	6,242.6	**4,709.0**
Stores and spares	**999.0**	1,350.9
Goods in transit	**0.9**	3.2
	999.9	**1,354.1**
	68,806.9	**68,328.1**

(i) Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 10,437.8 Million (March 31, 2017: ₹ 9,174.9 Million). The changes in write downs are recognised as an expense in the consolidated statement of profit and loss.

(ii) For details of inventories pledged as security refer note 67 and 68.

(iii) The cost of inventories recognised as an expense is disclosed in notes 33, 34 and 37 and as purchases of stock-in-trade in the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

12. INVESTMENTS (CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
In Government securities				
Quoted (Fair value through other comprehensive income)				
Government of Rajasthan UDAY non -SLR bond 7.75% Bond of ₹ 1 each fully paid maturing June 23, 2018	**27,400,000**	**26.9**	-	-
Investment in others@		**22,087.4**		
In equity instruments				
Quoted (Fair value through other comprehensive income)				
FS Invt Corp Com	-	-	22,316	14.2
In bonds/debentures				
Quoted (Fair value through other comprehensive income)				
I Shares New York Amt Free Muni	-	-	6,032	43.1
SPDR Ser TR Barclays Long	-	-	-	2.0
Investment in Bonds (various small denomination investments)	-	**13,612.4**	-	170.8
In mutual funds *				
Unquoted				
Unit of ₹ 10 each	-	-		3.1
Unit of ₹ 100 each		**420.7**		400.1
Unit of ₹ 1000 each		**4,756.5**		1,675.5
In equity instruments				
Unquoted		**2.3**		-
		40,906.2		**2,308.8**

* Investments in mutual funds have been fair valued at closing net asset value (NAV).
@ includes investment in various small denomination U.S Treasuries, certificates of deposits and commercial papers

Aggregate book value (carrying value) of quoted investments	**35,726.7**	230.1
Aggregate amount of quoted investments at market value	**35,726.7**	230.1
Aggregate amount of unquoted investments before impairment	**5,179.5**	2,078.7
Aggregate amount of impairment in value of investments	-	-

13. TRADE RECEIVABLES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Unsecured		
Considered good	**78,152.8**	72,026.1
Considered doubtful	**3,142.9**	2,109.9
	81,295.7	**74,136.0**
Less: allowance for doubtful debts (expected credit loss allowance)	**(3,142.9)**	(2,109.9)
	78,152.8	**72,026.1**

14. CASH AND CASH EQUIVALENTS

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Balance with banks		
In current accounts	**55,137.3**	49,192.3
In deposit accounts with original maturity less than 3 months	**24,099.3**	35,576.1
Cheques, drafts on hand	**10.6**	1,813.9
Cash on hand	**6.5**	45.7
	79,253.7	**86,628.0**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

15. BANK BALANCES OTHER THAN DISCLOSED IN NOTE 14 ABOVE

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Deposit accounts (*)	**19,610.3**	64,573.9
Earmarked balances with banks		
Unpaid dividend accounts	**73.0**	59.3
Balances held as margin money or security against guarantees and other commitments (*)	**356.8**	147.2
	20,040.1	**64,780.4**

(*) Other bank balances include deposits amounting to ₹ 115.8 Million (March 31, 2017: ₹ 25,700.8 Million) and margin monies amounting to ₹ 327.7 Million (March 31, 2017: ₹ 70.2 Million) which have an original maturity of more than 12 months.

16. LOANS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Loans to related parties		
Unsecured, considered good	**-**	454.0
Considered doubtful (Refer notes 69 and 75)	**-**	512.0
Less: allowance for doubtful loans	**-**	(512.0)
	-	**454.0**
Loans to Employees/Others*		
Secured, considered good	**18.2**	8.7
Unsecured, considered good	**896.1**	9,728.1
Considered doubtful	**4.5**	4.5
Less: allowance for doubtful loans	**(4.5)**	(4.5)
	914.3	**9,736.8**
	914.3	**10,190.8**

* Others: Loans given to various parties at prevailing market interest rate.

17. OTHER FINANCIAL ASSETS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Interest accrued on investments/balances with banks	**316.0**	599.9
Interest accrued and due on loans (Refer note 69)		
Considered good	**-**	0.2
Considered doubtful	**-**	214.9
Less: allowance for doubtful interest accrued and due on loans	**-**	(214.9)
	-	**0.2**
Security deposits (unsecured, considered good)	**107.1**	70.9
Derivatives not designated as hedges	**700.7**	627.7
Refund due from government authorities	**2,079.4**	-
Others *	**1,592.3**	959.8
	4,795.5	**2,258.5**

* As at March 31, 2018 and as at March 31, 2017 includes receivable towards sale of assets/manufacturing facilities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

18. OTHER CURRENT ASSETS

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Export incentives receivable	**2,701.0**	2,159.2
Prepaid expenses	**1,212.2**	2,601.6
Advances for supply of goods and services		
Considered good	**6,525.6**	9,023.1
Considered doubtful	**328.8**	206.3
Less : allowance for doubtful	**(328.8)**	(206.3)
Balances with government authorities*	**12,739.2**	8,997.8
Others	**311.5**	168.2
	23,489.5	**22,949.9**

* includes balances of goods and service tax.

19. EQUITY SHARE CAPITAL

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Authorised				
Equity shares of ₹ 1 each	**5,990,000,000**	**5,990.0**	5,990,000,000	5,990.0
Cumulative preference shares of ₹ 100 each	**100,000**	**10.0**	100,000	10.0
	5,990,100,000	**6,000.0**	**5,990,100,000**	**6,000.0**
Issued, subscribed and fully paid up				
Equity shares of ₹ 1 each (Refer note 42)	**2,399,323,180**	**2,399.3**	2,399,260,815	2,399.3
	2,399,323,180	**2,399.3**	**2,399,260,815**	**2,399.3**

20. OTHER EQUITY

₹ in Million

	As at March 31, 2018	As at March 31, 2017
A) Share application money pending allotment (March 31, 2017: ₹ 7,177)	**-**	0.0
B) Reserves and surplus		
Capital reserve	**507.5**	507.5
Securities premium reserve	**11,929.1**	11,894.6
Debenture redemption reserve	**1,250.0**	2,083.4
Share options outstanding account	**-**	26.4
Amalgamation reserve	**43.8**	43.8
Capital redemption reserve	**7.5**	7.5
Legal reserve	**3.6**	1.1
General reserve	**35,578.0**	35,578.0
Retained earnings	**317,641.5**	306,456.9
C) Items of other comprehensive income (OCI)		
Debt instrument through other comprehensive income	**(93.9)**	(3.4)
Equity instrument through other comprehensive income	**1,648.6**	339.7
Foreign currency translation reserve	**10,120.1**	7,015.7
Effective portion of cash flow hedges	**(29.5)**	46.2
Total reserves and surplus	**378,606.3**	**363,997.4**

Refer statement of changes in equity for detailed movement in other equity balances

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Nature and purpose of each reserve

Capital reserve - During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Securities premium reserve - The amount received in excess of face value of the equity shares is recognised in securities premium reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Debenture redemption reserve - The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend. This reserve will be transferred to retained earning on redemption of debentures.

Share options outstanding account - The fair value of the equity settled share based payment transactions is recognised to share options outstanding account.

Amalgamation reserve - The reserve was created pursuant to scheme of amalgamation in earlier years.

Capital redemption reserve - The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

Legal reserve - The reserve has been created by an overseas subsidiary in compliance with requirements of local laws.

General reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Debt instrument through OCI - This represents the cumulative gain and loss arising on fair valuation of debt instruments measured through other comprehensive income. This amount will be reclassified to profit and loss account on derecognition of debt instrument.

Equity instrument through OCI - The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

Foreign currency translation reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Effective portion of cash flow hedges - The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedges reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

21. BORROWINGS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Redeemable non-convertible debentures (unsecured)	-	5,000.0
Term loans		
From banks (unsecured)	**15,538.7**	7,498.2
From banks (secured)	**1,035.3**	1,085.2
From department of biotechnology (secured)	**108.2**	108.2
Long-term maturities of finance lease obligations (secured)	**1,033.4**	662.5
Deferred payment liabilities (unsecured - at amortised cost)	**5.3**	6.7
	17,720.9	**14,360.8**

(Refer notes 55 and 67 for borrowings [Non-Current])

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

22. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Interest accrued	**9.1**	-
Other financial liabilities*	**307.4**	1,048.0
	316.5	**1,048.0**

* includes contractual and expected milestone obligations.

23. PROVISIONS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Employee benefits (Refer note 56)	**2,219.0**	3,146.3
Others (Refer note 61)	**1,825.6**	8,964.8
	4,044.6	**12,111.1**

24. OTHER NON-CURRENT LIABILITIES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Deferred revenue	**120.7**	105.7
Others	**145.3**	153.4
	266.0	**259.1**

25. BORROWINGS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Loans repayable on demand		
From banks (secured)	**-**	198.1
From banks (unsecured)	**23,810.6**	47,046.5
From others (unsecured)	**-**	1,001.4
Other loans		
From banks (unsecured)	**16,881.9**	-
Commercial paper (unsecured)	**39,104.5**	18,303.2
	79,797.0	**66,549.2**

(Refer note 68 for Borrowings [current])

26. TRADE PAYABLES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Dues to micro and small enterprises	**125.8**	123.8
Others	**47,536.2**	43,830.1
	47,662.0	**43,953.9**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

27. OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term debt (Refer note 67)	**6,106.3**	17,368.2
Current maturities of finance lease obligations (Refer notes 55 and 67)	**228.5**	39.5
Interest accrued	**335.5**	384.1
Unpaid dividends	**86.4**	76.6
Security deposits	**151.3**	179.4
Payables for purchase of property, plant and equipment	**4,141.2**	1,940.7
Derivatives designated as hedges	**35.8**	26.6
Derivatives not designated as hedges	**143.7**	217.4
Others*	**2,148.5**	1,883.8
	13,377.2	**22,116.3**

* includes claims, recall charges, contractual and expected milestone obligations, trade and other commitments.

28. OTHER CURRENT LIABILITIES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Statutory remittances	**4,887.5**	3,082.7
Advance from customers	**301.1**	1,205.8
Deferred revenue	**48.4**	13.4
Others	**145.1**	318.6
	5,382.1	**4,620.5**

29. PROVISIONS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Employee benefits (Refer note 56)	**2,756.8**	2,220.3
Others (Refer note 61)	**48,339.8**	37,938.8
	51,096.6	**40,159.1**

30. CURRENT TAX LIABILITIES (NET)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Provision for income tax [Net of advance income tax]	**1,328.3**	1,471.2
	1,328.3	**1,471.2**

31. REVENUE FROM OPERATIONS

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (Refer note 71)	**260,659.4**	302,642.3
Other operating revenues	**4,235.2**	13,142.1
	264,894.6	**315,784.4**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

32. OTHER INCOME

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on:		
Bank deposits at amortised cost	**1,399.0**	1,602.3
Loans at amortised cost	**921.4**	769.3
Investments carried at amortised cost	**-**	73.4
Investments in debt instruments at fair value through other comprehensive income	**553.9**	61.0
Investments carried at fair value through profit or loss	**-**	9.7
Other financial assets carried at amortised cost	**921.3**	852.7
Others (includes interest on income tax refund)	**1,402.0**	343.3
	5,197.6	**3,711.7**
Dividend income on investments	**371.6**	420.5
Net gain on sale of financial assets measured at fair value through profit or loss	**234.0**	479.3
Net gain / (loss) on sale of financial assets measured at fair value through other comprehensive income	**(7.5)**	-
Net gain arising on financial assets measured at fair value through profit or loss	**1,236.6**	72.2
Net gain on disposal of property, plant and equipment and other intangible assets	**31.3**	18.7
Sundry balances written back, net	**170.6**	618.5
Insurance claims	**258.6**	134.4
Lease rental and hire charges	**296.1**	249.4
Gain on disposal of an associate entity	**-**	201.3
Miscellaneous income	**598.7**	325.5
	8,387.6	**6,231.5**

33. COST OF MATERIALS CONSUMED

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Raw materials and packing materials		
Inventories at the beginning of the year	**21,811.0**	20,495.8
Inventories acquired on acquisition (Refer note 76)	**17.5**	171.0
Purchases during the year	**47,327.2**	52,565.2
Foreign currency translation difference	**91.5**	(174.9)
Inventories at the end of the year	**(24,621.2)**	(21,811.0)
	44,626.0	**51,246.1**

34. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the beginning of the year	**45,163.0**	42,786.5
Foreign currency translation difference	**329.8**	(339.8)
Inventories at the end of the year	**(43,185.8)**	(45,163.0)
	2,307.0	**(2,716.3)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

35. EMPLOYEE BENEFITS EXPENSE

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**47,082.9**	43,229.1
Contribution to provident and other funds *	**3,903.7**	3,001.0
Share based payments to employees	**(1.0)**	32.3
Staff welfare expenses	**2,684.9**	2,760.6
	53,670.5	**49,023.0**

* includes gratuity expense of ₹ 450.4 Million (March 2017 ₹ 279.0 Million)

36. FINANCE COSTS

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense for financial liabilities carried at amortised cost	**4,227.8**	2,854.6
Interest expense others	**21.5**	10.9
Exchange differences regarded as an adjustment to borrowing costs	**660.6**	694.7
Unwinding of discounts on provisions	**265.8**	437.8
	5,175.7	**3,998.0**

37. OTHER EXPENSES

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of materials, stores and spare parts	**7,511.5**	6,531.0
Conversion and other manufacturing charges	**6,499.4**	6,408.8
Power and fuel	**5,599.7**	5,250.9
Rent	**1,120.8**	1,237.8
Rates and taxes	**3,237.2**	3,022.3
Insurance	**1,312.9**	1,068.2
Selling and distribution	**13,661.6**	20,736.5
Commission on sale	**1,350.0**	1,130.0
Repairs and maintenance	**4,263.1**	4,097.0
Printing and stationery	**612.3**	859.7
Travelling and conveyance	**5,190.2**	5,250.1
Freight outward and handling charges	**3,633.9**	3,339.9
Communication	**801.9**	726.1
Provision/write off for doubtful trade receivables/advances	**1,095.9**	341.8
Professional, legal and consultancy	**16,153.1**	14,642.6
Donations	**254.8**	32.1
Loss on sale/write off of property, plant and equipment and intangible assets, net	**232.9**	127.5
Net (gain) / loss on foreign currency transactions	**82.5**	(3,730.7)
Excise duty on sales	**739.2**	2,703.0
(Decrease)/increase of excise duty on inventories	**(729.7)**	(5.2)
Payment to auditors (net of input credit, where applicable)	**196.1**	232.9
Impairment in value of investments	**(725.7)**	6.8
Impairment of property, plant and equipment and goodwill other intangible assets	**26.7**	203.6
Miscellaneous expenses	**8,775.7**	10,348.6
	80,896.0	**84,561.3**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

38. RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**6,062.5**	5,270.2
Contribution to provident and other funds	**277.2**	406.3
Staff welfare expenses	**250.9**	228.0
Consumption of materials, stores and spare parts	**3,516.6**	3,976.2
Power and fuel	**322.1**	366.3
Rates and taxes	**349.6**	318.0
Rent	**89.1**	92.9
Insurance	**15.2**	41.1
Repairs and maintenance	**524.5**	583.2
Printing and stationery	**41.0**	40.2
Travelling and conveyance	**182.6**	209.6
Communication	**39.4**	57.1
Professional, legal and consultancy	**6,787.5**	7,939.4
Loss on sale/write off of property, plant and equipment and intangible assets, net	**4.8**	(0.4)
Miscellaneous expenses	**2,206.4**	1,930.4
	20,669.4	**21,458.5**
Less:		
Miscellaneous income	**2.8**	11.2
Receipts from research activities	**145.7**	423.0
	148.5	**434.2**
	20,520.9	**21,024.3**

39 a) List of entities included in the Consolidated Financial Statements is as under:

	Particulars	Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2018	March 31, 2017
	Parent Company			
	Sun Pharmaceutical Industries Limited			
	Direct Subsidiaries			
1	Green Eco Development Centre Limited	India	**100.00%**	100.00%
2	Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	**72.50%**	72.50%
3	Sun Pharmaceutical Industries, Inc.	United States of America	**100.00%**	100.00%
4	Sun Farmaceutica do Brasil Ltda.	Brazil	**100.00%**	100.00%
5	Sun Pharma De Mexico S.A. DE C.V.	Mexico	**75.00%**	75.00%
6	SPIL De Mexico S.A. DE C.V.	Mexico	**100.00%**	100.00%
7	Sun Pharmaceutical Peru S.A.C.	Peru	**99.33%**	99.33%
8	OOO "Sun Pharmaceutical Industries" Limited	Russia	**100.00%**	100.00%
9	Sun Pharma De Venezuela, C.A.	Venezuela	**100.00%**	100.00%
10	Sun Pharma Laboratories Limited	India	**100.00%**	100.00%
11	Faststone Mercantile Company Private Limited	India	**100.00%**	100.00%
12	Neetnav Real Estate Private Limited	India	**100.00%**	100.00%
13	Realstone Multitrade Private Limited	India	**100.00%**	100.00%
14	Skisen Labs Private Limited	India	**100.00%**	100.00%
15	Sun Pharma Holdings	Mauritius	**100.00%**	100.00%
16	Softdeal Trading Company Private Limited	India	**100.00%**	100.00%
17	Ranbaxy Pharmacie Generiques	France	**100.00%**	100.00%
18	Ranbaxy Drugs Limited	India	**-** (Refer note n)	100.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

	Particulars	Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2018	March 31, 2017
19	Vidyut Investments Limited	India	- **(Refer note n)**	100.00%
20	Gufic Pharma Limited	India	- **(Refer note n)**	100.00%
21	Ranbaxy (Malaysia) SDN. BHD.	Malaysia	**90.74%**	71.22%
22	Ranbaxy Nigeria Limited	Nigeria	**85.31%**	85.31%
23	Sun Pharma (Netherlands) B.V. (Formerly known as Ranbaxy (Netherlands) B.V.)	Netherlands	**100.00%**	100.00%
24	Foundation for Disease Elimination and Control of India	India	**100.00%**	100.00%
25	Zenotech Laboratories Limited	India	**57.56% (Refer note t & u)**	-
26	Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	India	- **(Refer note n)**	100.00% (Refer note n)
	Step down Subsidiaries			
27	Chattem Chemicals Inc.	United States of America	**100.00%**	100.00%
28	The Taro Development Corporation	United States of America	**100.00%**	100.00%
29	Alkaloida Chemical Company Zrt.	Hungary	**99.99%**	99.99%
30	Sun Pharmaceuticals UK Limited	United Kingdom	**100.00% (Refer note w)**	100.00%
31	Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	**100.00%**	100.00%
32	Aditya Acquisition Company Ltd.	Israel	**100.00%**	100.00%
33	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	**100.00%**	100.00%
34	Sun Pharmaceuticals Italia S.R.L.	Italy	**100.00%**	100.00%
35	Sun Pharmaceuticals Spain, S.L.U.	Spain	-	- (Refer note g)
36	Sun Pharmaceuticals Germany GmbH	Germany	**100.00%**	100.00%
37	Sun Pharmaceuticals France	France	**100.00%**	100.00%
38	Sun Pharma Global FZE	United Arab Emirates	**100.00%**	100.00%
39	Sun Pharmaceuticals SA (Pty) Ltd	South Africa	**100.00%**	100.00%
40	Sun Global Canada Pty. Ltd.	Canada	**100.00%**	100.00%
41	Sun Pharma Philippines, Inc.	Philippines	**100.00%**	100.00%
42	Sun Pharmaceuticals Korea Ltd.	South Korea	**100.00%**	100.00%
43	Sun Global Development FZE	United Arab Emirates	**100.00%**	100.00%
44	Caraco Pharmaceuticals Private Limited	India	**100.00%**	100.00%
45	Sun Pharma Japan Ltd.	Japan	**100.00%**	100.00%
46	Sun Pharma Healthcare FZE	United Arab Emirates	**100.00%**	100.00%
47	Morley & Company, Inc.	United States of America	**100.00%**	100.00%
48	Sun Laboratories FZE	United Arab Emirates	**100.00%**	100.00%
49	Taro Pharmaceutical Industries Ltd. (Taro)	Israel (Refer note b)	**74.82%**	72.81%
50	Taro Pharmaceuticals Inc.	Canada	**74.82%**	72.81%
51	Taro Pharmaceuticals U.S.A., Inc.	United States of America	**74.82%**	72.81%
52	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	**74.82%**	72.81%
53	Taro Pharmaceuticals Europe B.V.	Netherlands	**74.82%**	72.81%
54	Taro Pharmaceuticals Ireland Ltd	Ireland	**74.82% (Refer note x)**	72.81%
55	Taro International Ltd.	Israel	**74.82%**	72.81%
56	Taro Pharmaceuticals (UK) Ltd.	United Kingdom	**74.82% (Refer note f)**	72.81%
57	Taro Hungary Intellectual Property Licensing Limited Liability Company	Hungary	-	- (Refer note h)
58	3 Skyline LLC	United States of America	**74.82%**	72.81%
59	One Commerce Drive LLC	United States of America	**74.82%**	72.81%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

	Particulars	Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2018	March 31, 2017
60	Taro Pharmaceutical Laboratories Inc.	United States of America	**74.82%**	72.81%
61	Taro Pharmaceuticals Canada, Ltd.	Canada	**74.82%**	72.81%
62	Taro Pharmaceutical India Private Limited	India	**- (Refer note i)**	72.81% (Refer note i)
63	Alkaloida Sweden AB	Sweden	**100.00%**	100.00%
64	Dusa Pharmaceuticals, Inc.	United States of America	**100.00%**	100.00%
65	Dusa Pharmaceuticals New York, Inc.	United States of America	**-**	- (Refer note j)
66	Sirius Laboratories Inc	United States of America	**-**	- (Refer note k)
67	Mutual Pharmaceutical Company Inc.	United States of America	**100.00%**	100.00%
68	Dungan Mutual Associates, LLC	United States of America	**100.00%**	100.00%
69	URL PharmPro, LLC	United States of America	**100.00%**	100.00%
70	2 Independence Way LLC	United States of America	**100.00%**	100.00%
71	Thallion Pharmaceutical Inc.,	United States of America	**-**	- (Refer note l)
72	Universal Enterprises Private Limited	India	**100.00%**	100.00%
73	Sun Pharma Switzerland Ltd.	Switzerland	**100.00%**	100.00%
74	Sun Pharma East Africa Limited	Kenya	**100.00%**	100.00%
75	Pharmalucence, Inc.	United States of America	**100.00%**	100.00%
76	PI Real Estate Ventures, LLC	United States of America	**100.00%**	100.00%
77	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	Australia	**100.00%**	100.00%
78	Ranbaxy Farmaceutica Ltda.	Brazil	**100.00%**	100.00%
79	Ranbaxy Pharmaceuticals Canada Inc.	Canada	**100.00%**	100.00%
80	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	Egypt	**100.00%**	100.00%
81	Rexcel Egypt LLC	Egypt	**100.00%**	100.00%
82	Office Pharmaceutique Industriel Et Hospitalier	France	**100.00%**	100.00%
83	Basics GmbH	Germany	**100.00%**	100.00%
84	Ranbaxy GmbH	Germany	**100.00%**	100.00%
85	Ranbaxy Ireland Limited	Ireland	**100.00%**	100.00%
86	Ranbaxy Italia S.P.A.	Italy	**100.00%**	100.00%
87	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	Peru	**100.00%**	100.00%
88	Ranbaxy (Poland) SP. Z O.O.	Poland	**100.00%**	100.00%
89	Terapia SA	Romania	**96.81%**	96.70%
90	AO Ranbaxy (Formerly known as ZAO Ranbaxy)	Russia	**100.00%**	100.00%
91	Ranbaxy South Africa (Pty) Ltd	South Africa	**100.00%**	100.00%
92	Ranbaxy Pharmaceuticals (Pty) Ltd	South Africa	**100.00%**	100.00%
93	Be-Tabs Investments (Pty) Ltd	South Africa	**100.00%**	100.00%
94	Sonke Pharmaceuticals Proprietary Limited	South Africa	**70.00%**	70.00%
95	Laboratorios Ranbaxy, S.L.U.	Spain	**100.00%**	100.00%
96	Ranbaxy (U.K.) Limited	United Kingdom	**100.00%**	100.00%
97	Ranbaxy Holdings (U.K.) Limited	United Kingdom	**100.00%**	100.00%
98	Ranbaxy Europe Limited	United Kingdom	**100.00% (Refer note y)**	100.00%
99	Ranbaxy Inc.	United States of America	**100.00%**	100.00%
100	Ranbaxy Pharmaceuticals, Inc.	United States of America	**- (Refer note v)**	100.00%
101	Ranbaxy (Thailand) Co., Ltd.	Thailand	**100.00%**	100.00%
102	Ohm Laboratories, Inc.	United States of America	**100.00%**	100.00%
103	Ranbaxy Laboratories, Inc.	United States of America	**- (Refer note v)**	100.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

	Particulars	Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2018	March 31, 2017
104	Ranbaxy Signature LLC	United States of America	**67.50%**	67.50%
105	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	Morocco	**100.00%**	100.00%
106	"Ranbaxy Pharmaceuticals Ukraine" LLC	Ukraine	**100.00%**	100.00%
107	Perryton Wind Power LLC	United States of America	**-**	- (Refer note m)
108	Insite Vision Incorporated	United States of America	**100.00%**	100.00%
109	Insite Vision Ltd.	United Kingdom	**- (Refer note aa)**	100.00%
110	Ocular Technologies SARL	Switzerland	**- (Refer note s)**	100.00%
111	Sun Pharmaceutical Medicare Limited	India	**100.00%**	100.00%
112	JSC Biosintez	Russia	**85.10%**	85.10%
113	Sun Pharmaceuticals Holdings USA, Inc.	United States of America	**100.00%**	100.00%
114	Zenotech Laboratories Nigeria Limited	Nigeria	**57.50% (Refer note u)**	-
115	Zenotech Inc	United States of America	**57.56% (Refer note u)**	-
116	Zenotech Farmaceutica Do Brasil Ltda	Brazil	**38.21% (Refer note u)**	-
	Name of Joint Venture Entities			
117	MSD - Sun LLC	United States of America	**- (Refer note o)**	50.00%
118	S & I Ophthalmic LLC	United States of America	**- (Refer note q)**	50.00%
119	Artes Biotechnology GmbH	Germany	**45.00%**	45.00%
	Name of Subsidiary of Joint Venture Entity			
120	MSD - Sun FZ LLC	United Arab Emirates	**-**	- (Refer note p)
	Name of Associates			
121	Zenotech Laboratories Limited	India	**- (Refer note t)**	46.84%
122	Daiichi Sankyo (Thailand) Ltd.	Thailand	**-**	- (Refer note r)
123	Medinstill LLC	United States of America	**19.99%**	19.99%
124	Fraizer Healthcare VII, L.P.	United States of America	**- (Refer note z)**	6.83%
125	Versant Venture Capital V, L.P.	United States of America	**- (Refer note z)**	7.75%
126	Generic Solar Power LLP	India	**28.76%**	28.76%
127	scPharmaceuticals Inc.	United States of America	**11.69%**	14.58%
128	Trumpcard Advisors and Finvest LLP	India	**40.61%**	40.61%
	Name of Subsidiary of Associates			
129	Composite Power Generation LLP	India	**36.90%**	36.90%
130	Vintage Power Generation LLP	India	**39.41%**	39.41%
131	Vento Power Generation LLP	India	**40.55%**	40.55%
132	HRE LLC	United States of America	**19.99%**	19.99%
133	HRE II LLC	United States of America	**19.99%**	19.99%
134	HRE III LLC	United States of America	**19.99%**	19.99%
135	Dr. Py Institute LLC	United States of America	**19.99%**	19.99%
136	Medinstill Development LLC	United States of America	**19.99%**	19.99%
137	ALPS LLC	United States of America	**19.99%**	19.99%
138	Intact Pharmaceuticals LLC	United States of America	**19.99%**	19.99%
139	Intact Skin Care LLC	United States of America	**19.99%**	19.99%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

b Following are the details of the Group's holding in Taro:

	March 31, 2018	March 31, 2017
Voting power	**83.21%**	81.87%
Beneficial ownership	**74.82%**	72.81%

c In respect of entities at Sr. Nos. 4 to 8, 90,106, 107, 108, 109, 110, 112 and 119 the reporting date is as of December 31, 2017 and different from the reporting date of the Parent Company. Adjustments have been made for significant transactions of these subsidiaries for the periods from January 01, 2017 to March 31, 2017 and January 01, 2018 to March 31, 2018, on the basis of their management accounts for the said periods.

d Entities at Sr. No. 25 and 114 to 116 have been acquired during the year ended March 31, 2018.

e Foundation for Disease Elimination and Control of India (FDEC), a wholly owned subsidiary incorporated in India on September 21, 2016 by the Company as part of its Corporate Social Responsibility (CSR) initiative. FDEC has entered into an MOU with Indian Council of Medical Research (ICMR) and Madhya Pradesh State Government to undertake the Mandla Malaria Elimination Demonstration Project with a goal to eliminate Malaria in the state. FDEC is a Section 8 company not considered for consolidation since it can apply its income for charitable purposes only and can raise funds/contribution independently.

f Taro Pharmaceuticals (UK) Limited is under Liquidation.

g With effect from March 02, 2017, Sun Pharmaceuticals Spain, S.L.U. has been liquidated.

h With effect from February 16, 2017, Taro Hungary Intellectual Property Licensing Limited Liability Company has been liquidated.

i Taro Pharmaceutical India Private Limited has been liquidated on April 04, 2017.

j With effect from August 16, 2016 Dusa Pharmaceuticals New York, Inc. has been dissolved.

k With effect from February 22, 2017 Sirius Laboratories Inc. has been dissolved.

l With effect from March 16, 2017, Thallion Pharmaceutical Inc. was acquired and merged with Taro Pharmaceuticals Inc.

m With effect from April 07, 2016 Perryton Wind Power LLC has been liquidated.

n During the year 2016-17 , Solrex Pharmaceuticals Company, a partnership firm was converted into company which is known as Sun Pharma Medisales Private Limited. The Board of Directors of the Company at their meeting held on November 10, 2016 and the shareholders and unsecured creditors of the Company at their respective meetings held on June 20, 2017 approved the proposed scheme of arrangement u/s 230 to 232 of the Companies Act, 2013 for amalgamation of Sun Pharma Medisales Private Limited, Ranbaxy Drugs Limited, Gufic Pharma Limited and Vidyut Investments Limited into the Company with effect from April 01, 2017, the appointed date. On completion of all the formalities of the merger of the above companies with the Company , the said merger became effective September 08, 2017.

o With effect from June 19, 2017 MSD - Sun LLC is liquidated

p MSD-Sun FZ LLC has been deregistered with effect from September 14, 2015 having deregistration certificate dated December 25, 2016.

q With effect from December 21, 2017 S & I Ophthalmic LLC has been dissolved.

r Daiichi Sankyo (Thailand) Ltd.'s shares were sold as per agreement dated May 13, 2016.

s With effect from April 01, 2017 vide certificate dated August 09, 2017 Ocular Technologies SARL has been merged with Sun Pharma Switzerland Limited.

t With effect from July 27, 2017 Zenotech Laboratories Limited has ceased to be an associate and has become a subsidiary of Sun Pharmaceutical Industries Limited.

u Books of accounts and other related records/documents of the overseas subsidiaries of the Zenotech Laboratories Limited were missing and due to non-availability of those records/ information, Zenotech Laboratories Limited is unable to prepare consolidated accounts.

v With effect from August 01, 2017, Ranbaxy Pharmaceuticals, Inc. and Ranbaxy Laboratories, Inc. have been merged with Sun Pharmaceutical Industries Inc.

w With effect from May 20, 2018 Sun Pharmaceuticals UK Limited has been dissolved.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

x Taro Pharmaceuticals Ireland Limited is under Liquidation.

y Ranbaxy Europe Limited is under Liquidation.

z Fraizer Healthcare VII, L.P. and Versant Venture Capital V, L.P. were treated as associates till March 31, 2017 and are now being classified and measured as investments at fair value through profit and loss.

aa With effect from April 25, 2017 Insite Vision Ltd. has been dissolved.

ab Significant Accounting Policies and other Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding of the consolidated position of the Group. Recognising this purpose, the Group has disclosed only such policies and notes from the individual financial statements which fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the individual financial statements.

40 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

		As at March 31, 2018	As at March 31, 2017
A)	**Contingent liabilities**		
I)	Claims against the Group not acknowledged as debts	**855.4**	1,147.6
II)	Liabilities disputed - appeals filed with respect to:		
	Income tax on account of disallowances / additions	**59,274.1**	56,712.6
	Sales tax on account of rebate / classification	**122.5**	45.7
	Excise duty on account of valuation / cenvat credit	**2,290.4**	4,548.1
	Environment cess	**23.3**	23.3
	ESIC contribution on account of applicability	**130.5**	132.8
	Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, enjoyed by the Group	**3,488.2**	3,488.2
	Demand by JDGFT for import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme	**17.4**	16.7
	Fine imposed for anti-competitive settlement agreement by European Commission	**830.7**	715.4
	Octroi demand on account of rate difference	**171.0**	171.0
	Other matters - State Electricity Board, Punjab Land Preservation Act related matters etc.	**77.4**	126.0
	Note: Includes interest till date of demand, wherever applicable.		
III)	Legal proceedings The Company and/or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims, anti-trust and other regulatory matters relating to conduct of its business. Most of these legal proceedings involve various complex issues on account of which, making a reliable estimate of the expected financial effect is not always attainable and involves significant uncertainties. To the extent that the Company concludes that a liability is probable and estimable based on the status of these cases, advice of the counsel, management assessment of the likely damages etc. the Company records a provision in the financial statements. The Company carries product liability insurance / is contractually indemnified by the manufacturer, for an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters are not expected to have material adverse effect on its Financial Statements.		
	Footnote: Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
B)	**Guarantees given by the bankers on behalf of the Group**	**2,850.6**	2,250.5

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

41 COMMITMENTS

₹ in Million

		As at March 31, 2018	As at March 31, 2017
I)	Estimated amount of contracts remaining to be executed on capital account (net of advances)	**19,579.2**	6,089.7
II)	Derivative related commitments - forward foreign exchange contracts [Refer note 47(c)]		
III)	Lease related commitments [Refer note 55]		
IV)	Investment related commitments	**2,873.3**	1,715.2
V)	Letters of credit for imports	**1,300.3**	2,362.0

42 DISCLOSURES RELATING TO SHARE CAPITAL

i Rights, preferences and restrictions attached to equity shares

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

ii Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period

	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Equity shares of ₹ 1 each				
Opening balance	**2,399,260,815**	**2,399.3**	2,406,605,118	2,406.6
Add: shares allotted to employees on exercise of employee stock options (excluding shares held by ESOP trust) (* : ₹ 62,365)	**62,365**	*** 0.0**	155,697	0.2
Less: buy-back of shares (Refer note 65)	-	-	(7,500,000)	(7.5)
Closing balance	**2,399,323,180**	**2,399.3**	2,399,260,815	2,399.3

iii The movement of shares issued to ESOP Trust at face value is as follows:

	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Equity shares of ₹ 1 each				
Opening balance (March 31, 2018 : * : ₹ 30,366)	**30,366**	*** 0.0**	123,381	0.1
Less: shares allotted by ESOP trust on exercise of employee stock options (March 31, 2018 : * : ₹ 30,366)	**(30,366)**	*** (0.0)**	(93,015)	(0.1)
Closing balance (March 31, 2017 : ₹ 30,366)	-	-	30,366	0.0

iv 1,035,581,955 (upto March 31, 2017: 1,035,581,955) equity shares of ₹ 1 each have been allotted as fully paid up bonus shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

v 334,956,764 (upto March 31, 2017: 334,956,764) equity shares of ₹ 1 each have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

vi Refer note 58 for number of employee stock options against which equity shares are to be issued by the Company / ESOP Trust upon vesting and exercise of those stock options.

vii 7,500,000 (upto March 31, 2017: 7,500,000) equity shares of ₹ 1 each have been bought back during the period of five years immediately preceding the date at which the Balance Sheet is prepared. The shares bought back in the previous year were cancelled immediately. (Refer note 65)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

viii Equity shares held by each shareholder holding more than 5 percent equity shares in the Parent Company are as follows:

Name of Shareholders	As at March 31, 2018		As at March 31, 2017	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Dilip Shantilal Shanghvi	**230,285,690**	**9.6**	230,285,690	9.6
Viditi Investment Pvt. Ltd.	**200,846,362**	**8.4**	200,846,362	8.4
Tejaskiran Pharmachem Industries Pvt. Ltd.	**194,820,971**	**8.1**	194,820,971	8.1
Family Investment Pvt. Ltd.	**182,437,880**	**7.6**	182,437,880	7.6
Quality Investments Pvt. Ltd.	**182,379,237**	**7.6**	182,379,237	7.6
Life Insurance Corporation of India*	**145,302,877**	**6.1**	106,329,652	4.4

*Shareholding has been consolidated on the basis of PAN as per SEBI circular dated December 19, 2017

43 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue, net (excluding depreciation) [Refer note 38]	**20,520.9**	21,024.3
Capital	**1,819.4**	1,679.3
Total	**22,340.3**	**22,703.6**

44 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Million

	As at March 31, 2018		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	-	**4,394.0**	-
Equity instruments - unquoted	**22.5**	-	-
Bonds/debentures - quoted	-	**27,803.1**	-
Government securities - quoted	-	**326.3**	-
Government securities - unquoted (₹ 10,000)	-	-	**0.0**
Mutual Funds - unquoted	**5,177.2**	-	-
Others - quoted	-	**25,397.6**	-
Others - unquoted	**5,306.6**	-	-
Loans to employees/others	-	-	**23,339.0**
Trade receivables	-	-	**78,152.8**
Bank deposits with more than 12 months maturity	-	-	**1.0**
Margin money/ security against guarantees/ commitments	-	-	**2.2**
Security deposits	-	-	**760.9**
Cash and cash equivalents	-	-	**79,253.7**
Bank balances other than Cash and cash equivalents	-	-	**20,040.1**
Interest accrued on investments / balances with banks	-	-	**316.0**
Refund due from Government authorities			**2,079.4**
Other financial assets	-	-	**1,901.7**
Mandatorily measured :			
Derivatives not designated as hedges	**783.5**	-	-
Total	**11,289.8**	**57,921.0**	**205,846.8**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2018		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial liabilities			
Borrowings	-	-	**97,517.9**
Current maturities of long-term debt and finance lease obligations	-	-	**6,334.8**
Trade payables	-	-	**47,662.0**
Interest accrued	-	-	**344.6**
Unpaid dividends	-	-	**86.4**
Trade/security deposits	-	-	**151.3**
Payable for purchase of property, plant and equipment	-	-	**4,141.2**
Derivatives designated as hedges	-	**35.8**	-
Other financial liabilities	-	-	**2,455.9**
Mandatorily measured :			
Derivatives not designated as hedges	**143.7**	-	-
Total	**143.7**	**35.8**	**158,694.1**

₹ in Million

	As at March 31, 2017		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	-	2,472.7	-
Equity instruments - unquoted	293.2	-	-
Bonds/debentures - quoted	-	870.7	-
Government securities - quoted	-	560.1	-
Government securities - unquoted (₹ 10,000)	-	-	0.0
Mutual Funds - unquoted	2,078.7	-	-
Others - unquoted	608.5	-	-
Loans to related parties	-	-	454.0
Loans to employees/others	-	-	10,434.9
Trade receivables	-	-	72,026.1
Bank deposits with more than 12 months maturity	-	-	4,589.2
Security deposits	-	-	532.9
Cash and cash equivalents	-	-	86,628.0
Bank balances other than Cash and cash equivalents	-	-	64,780.4
Interest accrued on investments / balances with banks	-	-	599.9
Interest accrued on investments loans	-	-	0.2
Derivatives designated as hedges	-	67.1	-
Other financial assets	-	-	1,666.0
Mandatorily measured :			
Derivatives not designated as hedges	1,255.4	-	-
Total	**4,235.8**	**3,970.6**	**241,711.6**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2017		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial liabilities			
Borrowings	-	-	80,910.0
Current maturities of long-term debt and finance lease obligations	-	-	17,407.7
Trade payables	-	-	43,953.9
Interest accrued	-	-	384.1
Unpaid dividends	-	-	76.6
Trade/security deposits	-	-	179.4
Payable for purchase of property, plant and equipment	-	-	1,940.7
Derivatives designated as hedges	-	26.6	-
Other financial liabilities	-	-	2,931.8
Mandatorily measured :			
Derivatives not designated as hedges	217.4	-	-
Total	**217.4**	**26.6**	**147,784.2**

45 FAIR VALUE HIERARCHY

Financial assets and liabilities measured at fair value on a recurring basis

₹ in Million

	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial assets			
Investments			
Equity instruments - quoted	**4,394.0**	**-**	**-**
Equity instruments - unquoted	**-**	**-**	**22.5**
Bonds/debentures - quoted	**27,803.1**	**-**	**-**
Government securities - quoted	**326.3**	**-**	**-**
Mutual Funds - unquoted	**5,177.2**	**-**	**-**
Others - quoted	**25,397.6**	**-**	**-**
Others - unquoted	**-**	**5,306.6**	**-**
Derivatives not designated as hedges	**-**	**783.5**	**-**
	63,098.2	**6,090.1**	**22.5**
Financial liabilities			
Derivatives not designated as hedges	**-**	**143.7**	**-**
Derivatives designated as hedges	**-**	**35.8**	**-**
	-	**179.5**	**-**

₹ in Million

	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial assets			
Investments			
Equity instruments - quoted	2,472.7	-	-
Equity instruments - unquoted	-	-	293.2
Bonds/debentures - quoted	870.7	-	-
Government securities - quoted	560.1	-	-
Mutual Funds - unquoted	2,078.7	-	-
Others - unquoted	-	-	608.5
Derivatives not designated as hedges	-	1,255.4	-
Derivatives designated as hedges	-	67.1	-
	5,982.2	**1,322.5**	**901.7**
Financial liabilities			
Derivatives not designated as hedges	-	217.4	-
Derivatives designated as hedges	-	26.6	-
	-	**244.0**	**-**

Notes to the Consolidated Financial Statements

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Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximates the fair value because there is wide range of possible fair value measurements and the costs represents estimate of fair value within that range.

The investments which are fair valued through other comprehensive income, are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at fair value through other comprehensive income as the management believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in consolidated statement of profit and loss.

There were no transfers between Level 1 and 2 in the periods.

The management considers that the carrying amount of financial assets and financial liabilities carried at amortised cost approximates their fair value.

Reconciliation of Level 3 fair value measurements

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Unlisted shares valued at fair value		
Balance at the beginning of the year	**901.7**	544.1
Purchases	**7.4**	462.8
Foreign currency translation difference	**-**	(98.4)
Others including disposal / settlements / charged to consolidated statement of profit and loss (Refer note 39 (z))	**(886.6)**	(6.8)
Balance at the end of the year	**22.5**	**901.7**

46 CAPITAL MANAGEMENT

a) The Group's capital management objectives are:
- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Group monitors capital on the basis of the carrying amount of debt less cash and cash equivalents, bank balances (excluding earmarked balances with banks) and current investments as presented on the face of the consolidated financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure.

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Debt (includes non-current borrowings, current borrowings, current maturities of finance lease obligations and current maturities of long-term debt)	**103,852.7**	98,317.7
Less : cash and cash equivalents, bank balances (excluding earmarked balances with banks) and current investments	**139,770.2**	153,510.7
Net debt	**(35,917.5)**	**(55,193.0)**
Total equity, including reserves	**419,847.2**	**404,305.3**
Net debt to total equity ratio	**N.A.**	**N.A.**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

b) Dividend on equity shares paid during the year

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Dividend on equity shares		
Final dividend for the year ended March 31, 2017 of ₹ 3.5 (year ended March 31, 2016: ₹ 1.0) per fully paid share	**7,977.4**	2,406.8
Dividend distribution tax on above	**1,624.0**	490.0

Dividends not recognised at the end of the reporting period

The Board of Directors at it's meeting held on May 25, 2018 have recommended payment of final dividend of ₹ 2 per share of face value of ₹ 1 each for the year ended March 31, 2018. The same amounts to ₹ 4,798.7 Million.

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.

47 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Group grants credit terms in the normal course of business.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect significant any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

The Group has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	**75,974.0**	69,889.0
180 - 365 days	**2,781.2**	1,729.0
beyond 365 days	**2,540.5**	2,518.0
Total	**81,295.7**	**74,136.0**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	**2,109.9**	1,955.7
Addition	**1,358.0**	318.1
Recoveries	**(325.0)**	(163.9)
Balance at the end of the year	**3,142.9**	**2,109.9**

Other than trade receivables, the Group has no significant class of financial assets that is past due but not impaired. The Group has recognised an allowance of ₹ 4.5 Million (March 31, 2017 : ₹ 732.2 Million) against a past due loan including interest.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group had unutilised working capital lines from banks of ₹ 47,081.4 Million as on March 31, 2018, ₹ 62,162.2 Million as on March 31, 2017.

The table below provides details regarding the contractual maturities of undiscounted significant financial liabilities as at March 31, 2018:

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	Total As at March 31, 2018
Non derivative				
Borrowings	**87,043.5**	**13,796.2**	**3,936.8**	**104,776.5**
Trade payables	**47,662.0**	**-**	**-**	**47,662.0**
Other financial liabilities	**6,862.9**	**316.5**	**-**	**7,179.4**
	141,568.4	**14,112.7**	**3,936.8**	**159,617.9**
Derivatives	**179.5**	**-**	**-**	**179.5**

The table below provides details regarding the contractual maturities of undiscounted significant financial liabilities as at March 31, 2017:

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	Total As at March 31, 2017
Non derivative				
Borrowings	84,178.8	12,881.4	1,482.4	**98,542.6**
Trade payables	43,953.9	-	-	**43,953.9**
Other financial liabilities	4,464.6	1,048.0	-	**5,512.6**
	132,597.3	**13,929.4**	**1,482.4**	**148,009.1**
Derivatives	244.0	-	-	**244.0**

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

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Foreign exchange risk

The Group's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollar, Euro, South African Rand and Russian Rouble) and foreign currency borrowings (primarily in US Dollar). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Group's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, option contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

a) Significant foreign currency risk exposure relating to trade receivables, cash and cash equivalents, borrowings and trade payables

₹ in Million

	As at March 31, 2018					
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	Total
Trade receivables	**11,716.2**	**3,600.3**	**2,096.4**	**5,759.4**	**2,058.2**	**25,230.5**
Cash and cash equivalents	**253.6**	**549.9**	**114.0**	**-**	**3.2**	**920.7**
	11,969.8	**4,150.2**	**2,210.4**	**5,759.4**	**2,061.4**	**26,151.2**
Borrowings	**34,077.3**	**1,609.4**	**-**	**-**	**-**	**35,686.7**
Trade payables	**8,620.1**	**2,778.9**	**3.0**	**185.3**	**418.1**	**12,005.4**
	42,697.4	**4,388.3**	**3.0**	**185.3**	**418.1**	**47,692.1**

₹ in Million

	As at March 31, 2017					
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	Total
Trade receivables	12,797.0	1,994.9	1,727.1	5,034.1	8.3	**21,561.4**
Cash and cash equivalents	1,135.6	822.8	352.3	-	449.2	**2,759.9**
	13,932.6	**2,817.7**	**2,079.4**	**5,034.1**	**457.5**	**24,321.3**
Borrowings	38,296.9	-	-	-	-	**38,296.9**
Trade payables	4,990.1	1,386.1	0.3	161.4	298.1	**6,836.0**
	43,287.0	**1,386.1**	**0.3**	**161.4**	**298.1**	**45,132.9**

b) Sensitivity

For the years ended March 31, 2018 and March 31, 2017 every 5% strengthening in the exchange rate between the Indian Rupee and the respective major currencies for the above mentioned financial assets/liabilities would increase Group's profit and equity by approximately ₹ 1,077.0 Million and ₹ 1,054.5 Million. A 5% weakening of the Indian Rupee and the respective major currencies would lead to an equal but opposite effect.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

c) Derivative contracts

The Group is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollar, Euro, South African Rand and Russian Rouble and foreign currency debt is primarily in US Dollar. The Group uses foreign currency forward contracts, foreign currency option contracts and currency swap contracts (collectively, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank or a financial institution.

Hedges of highly probable forecasted transactions

The Group designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the consolidated statement of profit and loss.

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In respect of the aforesaid hedges of highly probable forecasted transactions, the Group has recorded a loss of ₹ 75.7 Million for the year ended March 2018 and gain of ₹ 46.2 Million for year ended March 31, 2017 in other comprehensive income. The Group also recorded as a component of revenue, gain of ₹ 47.6 Million for year ended March 31, 2018 and loss of ₹ 559.7 Million for year ended March 31, 2017 due to occurrence of forecasted sale transaction.

Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the consolidated statement of profit and loss. The changes in fair value of the forward contracts and option contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the consolidated statement of profit and loss.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts:

Amount in Million

	Currency	Buy / Sell	Cross Currency	As at March 31, 2018	As at March 31, 2017
Derivatives designated as hedges					
Forward contracts	ZAR	Sell	USD	**-**	USD 22.0
Forward Contracts	USD	Buy	JPY	**USD 31.7**	USD 19.5
Derivatives not designated as hedges					
Forward contracts	USD	Buy	INR	**USD 18.2**	USD 22.5
Forward contracts	AUD	Sell	USD	**USD 8.2**	USD 1.3
Forward contracts	RUB	Sell	USD	**USD 5.0**	USD 12.0
Forward contracts	GBP	Sell	USD	**USD 2.8**	-
Forward contracts	ZAR	Sell	USD	**USD 21.0**	-
Forward contracts	CAD	Sell	USD	**USD 3.6**	-
Currency cum interest rate swaps	USD	Buy	INR	**USD 50.0**	USD 50.0
Currency options	USD	Buy	INR	**USD 100.0**	USD 100.0
Interest rate swaps	USD	Buy	INR	**USD 150.0**	USD 150.0
Forward contracts	USD	Sell	NIS	**USD 52.2**	USD 0.7
Forward contracts	USD	Sell	CAD	**USD 53.4**	USD 2.1
Forward contracts	USD	Sell	HUF	**USD 4.5**	USD 5.9
Forward contracts	RUB	Sell	RON	**RON 4.8**	RON 11.5

Interest rate risk

The Group has loan facilities on floating interest rate, which exposes the Group to risk of changes in interest rates. The Group monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swaps etc. based on the market / risk perception.

For the year ended March 31, 2018 and March 31, 2017, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would increase the Group's profit before tax by approximately ₹ 162.2 Million and ₹ 196.2 Million respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2018, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

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48 GOODWILL (NET):

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

i)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Goodwill in respect of:		
Sun Pharmaceutical Industries, Inc. [Refer note 39(v)]	**23,564.4**	23,273.5
Sun Farmaceutica do Brasil Ltda.	**427.1**	425.3
Sun Pharma Japan Ltd.	**125.5**	119.0
Taro Pharmaceutical Industries Ltd.	**12,311.0**	12,295.6
Terapia SA	**17,361.5**	17,295.8
Ranbaxy Farmaceutica Ltda.	**359.3**	358.9
Basics GmbH	**362.1**	311.9
Ranbaxy Pharmaceuticals, Inc. [Refer note 39(v)]	**-**	290.0
Insite Vision Incorporated	**435.8**	435.3
Zenotech Laboratories Limited	**595.4**	-
Sun Pharmaceutical Industries Limited [Refer note 39(n)]	**1,677.4**	-
Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company) [Refer note 39(n)]	**-**	1,208.0
Ranbaxy South Africa (Pty) Ltd	**3.8**	3.4
JSC Biosintez	**247.0**	112.6
Sun Pharmaceutical Medicare Limited	**1.0**	1.0
Gufic Pharma Limited [Refer note 39(n)]	**-**	469.4
Total (A)	**57,471.3**	**56,599.7**
Less:		
Capital reserve in respect of :		
Alkaloida Chemical Company Zrt.	**1,319.2**	1,152.5
Ranbaxy Nigeria Limited	**1.4**	1.4
Sun Pharmaceutical Industries Limited [Refer note 39(n)]	**27.5**	-
Ranbaxy Drugs Limited	**-**	27.5
Ranbaxy Malaysia SDN. BHD.	**56.1**	56.1
Total (B)	**1,404.2**	**1,237.5**
Total (A-B)	**56,067.1**	**55,362.2**

ii) Below is the reconciliation of the carrying amount of goodwill:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	**55,362.2**	56,347.4
Add: Due to acquisitions during the year	**595.4**	113.6
Add/ (less): Foreign currency translation difference	**109.5**	(1,098.8)
Closing balance	**56,067.1**	**55,362.2**

The carrying amount of goodwill are stated above. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The cash flow projections included estimates for five years developed using internal forecasts and terminal growth rate thereafter. The planning horizon reflects the assumptions for short to mid-term market developments. The average growth rate used in extrapolating cash flows beyond the planning period ranged from -8% to 2% for the year ended March 31, 2018, March 31, 2017. Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated on the weighted average cost of capital for respective CGU or group of CGUs. Discount rate used ranged from 0.7% to 7.1% for the year ended March 31, 2018, March 31, 2017. The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit. However, based on the impairment assessment, the Management has determined that in respect of certain subsidiaries, an impairment loss considering the above criteria/ factors aggregating to ₹ Nil (March 31, 2017: ₹ Nil) in the value of goodwill has been recognised.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

49 DISCLOSURES MANDATED BY THE COMPANIES ACT, 2013 SCHEDULE III PART II BY WAY OF ADDITIONAL INFORMATION IS GIVEN IN ANNEXURE 'A'.

50 INCOME TAXES

Tax Reconciliation

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Reconciliation of tax expense		
Profit before tax	**34,789.8**	90,478.7
Income tax rate in India (%)	**34.608%**	34.608%
Income tax expense calculated at corporate tax rate	**12,040.0**	**31,312.9**
Effect of deduction claimed under chapter VI of Income Tax Act, 1961	**(9,009.3)**	(8,487.2)
Effect of income that is exempt from tax	**(76.4)**	(118.5)
Effect of expenses that are not deductible in determining taxable profit	**122.5**	152.3
Incremental deduction allowed on account of research and development costs and other allowances	**(1,690.0)**	(2,959.5)
Investment allowance deduction	**(16.6)**	(295.1)
Effect of income which is taxed at special rates	**(2,236.0)**	(1,943.3)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**6,392.9**	5,193.2
Effect of difference between Indian and foreign tax rates and non taxable subsidiaries	**(3,536.9)**	(12,658.7)
Effect of deferred tax expense on undistributed profits	**582.3**	415.3
Effect of deferred tax expense exceptional item (Refer note 74)	**2,544.5**	-
Tax payable under MAT	**2,510.0**	2,100.0
Others	**824.9**	(595.7)
Income tax expense recognised in consolidated statement of profit and loss	**8,451.9**	**12,115.7**

51 DEFERRED TAX

i) Deferred tax assets (Net)

₹ in Million

	Opening balance April 01, 2017	Profit/(loss) movement during the Year *	Other comprehensive income movement during the Year *	Closing balance March 31, 2018
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	7,991.6	(3,058.4)	(229.9)	**4,703.3**
Unabsorbed depreciation / carried forward losses	6,031.5	213.8	-	**6,245.3**
Inventory and other related items	3,569.6	(1,696.0)	-	**1,873.6**
Intangible assets	2,851.0	1,015.4	-	**3,866.4**
Others	1,452.2	2,485.5	-	**3,937.7**
	21,895.9	**(1,039.7)**	**(229.9)**	**20,626.3**
MAT credit entitlement	7,517.0	-	-	**7,517.0**
	29,412.9	**(1,039.7)**	**(229.9)**	**28,143.3**
Less : Deferred tax liabilities				
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax	4,306.9	820.4	-	**5,127.3**
Others	177.8	882.6	17.8	**1,078.2**
	4,484.7	**1,703.0**	**17.8**	**6,205.5**
	24,928.2	**(2,742.7)**	**(247.7)**	**21,937.8**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

ii) Deferred tax liabilities (Net)

₹ in Million

	Opening balance April 01, 2017	Profit/(loss) movement during the Year *	Other comprehensive income movement during the Year *	Closing balance March 31, 2018
Deferred tax liabilities				
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax and others	3,678.7	(1,797.4)	-	**1,881.3**
Undistributed profits	-	984.5	-	**984.5**
	3,678.7	**(812.9)**	**-**	**2,865.8**
Less : Deferred tax assets				
Expenses claimed for tax purpose on payment basis	469.4	(157.0)	(44.9)	**267.5**
Others	61.4	344.0	3.3	**408.7**
	530.8	**187.0**	**(41.6)**	**676.2**
	3,147.9	**(999.9)**	**41.6**	**2,189.6**

Out of a MAT credit entitlement of ₹ 8,222.7 Million which was written down by the erstwhile RLL during the quarter ended December 31, 2014, an amount of ₹ 7,517.0 Million was recognised by the Company in the year ended March 31, 2015, on a reassessment by the Management, based on convincing evidence that the combined amalgamated entity would pay normal income tax during the specified period and would therefore be able to utilize the MAT credit entitlement so recognised.

* Movement during the year includes foreign currency translation difference amounting to ₹ 81.1 Million (loss) for the year ended March 31, 2018.

iii) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Tax losses	**101,672.0**	81,776.7
Unabsorbed depreciation	**31,260.2**	24,900.1
Unused tax credits (Including MAT credit entitlement)	**7,606.1**	8,178.9
Deductible temporary differences	**22,933.0**	25,892.5
	163,471.3	**140,748.2**

The unused tax credits will expire from financial year 2018-19 to financial year 2028-29 and unused tax losses expiry ranges from financial year 2018-19 to 2032-33. In case of certain overseas subsidiaries which have tax losses and unused tax credits, the amount is not material and there is no expiry period for tax losses and unused tax credits.

52 EARNINGS PER SHARE

	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year (₹ in Million) - used as numerator for calculating earnings per share	**21,615.5**	69,643.7
Weighted average number of shares used in computing basic earnings per share (A)	**2,399,296,653**	2,403,319,673
Add: Dilution effect of employee stock options (B)	**65,420**	203,455
Weighted average number of shares used in computing diluted earnings per share (A+B)	**2,399,362,073**	**2,403,523,128**
Nominal value per share (in ₹)	**1**	1
Basic earnings per share (in ₹)	**9.0**	29.0
Diluted earnings per share (in ₹)	**9.0**	29.0

Notes to the Consolidated Financial Statements

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53 SEGMENT REPORTING

The Chief Operating Decision Maker ('CODM') evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are as follows:

1. India
2. United States of America
3. Emerging Markets
4. Rest of World

The reportable segments derives their revenues from the sale of pharmaceuticals products (generics, speciality, API, etc.). The CODM reviews revenue as the performance indicator. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

Revenue by Geography ₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
India	**84,102.0**	80,610.1
United States of America	**88,635.4**	138,823.6
Emerging markets	**52,221.6**	49,074.2
Rest of world	**35,700.4**	34,134.4
	260,659.4	**302,642.3**

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

Concentration of revenues from two customers of the Group were 38.4% and 35.7% of total revenue for the year ended March 31, 2018 and March 31, 2017 respectively.

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Other intangible assets consisting of trademarks, designs, technical know-how, licences, non-compete fees and other intangible assets are stated at cost of acquisition based on their agreements. The amortisable amount of intangible assets is arrived at, based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Group.

55 LEASES

(a) The Group has given certain premises and Plant and Machinery under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 10 years under leave and license / lease and are renewable by mutual consent on mutually agreeable terms. The Group has received refundable interest free security deposits, where applicable, in accordance with agreed terms.

(b) The Group has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 10 years under leave and licenses, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Group has given refundable interest free security deposits in accordance with the agreed terms. These refundable security deposits have been valued at amortised cost under relevant Ind AS.

(c) Lease receipts/payments are recognised in the consolidated statement of profit and loss under "Lease rental and hire charges" and "Rent" in note 32 and note 37.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(d) Operating lease

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
(i) Group as lessee		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	**317.4**	386.2
later than one year and not later than five years	**725.5**	648.1
later than five years	**80.7**	203.3
(ii) Group as lessor		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	**143.0**	133.5
later than one year and not later than five years	**401.1**	532.9
later than five years	**58.4**	58.3

(e) Finance lease

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
(i) Group as lessee		
The future minimum lease payments under non-cancellable finance lease		
not later than one year	**317.1**	134.5
later than one year and not later than five years	**1,003.7**	433.2
later than five years	**341.6**	494.6
Less: Unearned finance charges	**400.6**	360.3
Present value of minimum lease payments payable		
not later than one year	**228.5**	39.5
later than one year and not later than five years	**740.3**	265.4
later than five years	**293.1**	397.1

56 EMPLOYEE BENEFITS

Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employee State Insurance Corporation (ESIC) and other Funds which covers all regular employees of the Parent and Indian subsidiaries. While both the employees and the Parent and Indian subsidiaries make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other statutory funds are made only by the Parent and Indian subsidiaries. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 886.6 Million (March 31, 2017: ₹ 778.8 Million).

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to Provident Fund and Family Pension Fund	**764.5**	673.2
Contribution to Superannuation Fund	**72.7**	74.9
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	**48.7**	30.5
Contribution to Labour Welfare Fund	**0.7**	0.2

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Defined benefit plan

a) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuitiy Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employement. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Parent and Indian subsidiaries reviews the level of funding in gratuity fund. The Parent and Indian subsidiaries decides its contribution based on the results of its annual review. The Parent and Indian subsidiaries aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

b) Pension fund

The Parent and Indian subsidiaries has an obligation towards pension, a defined benefit retirement plan, with respect to certain employees, who had already retired before March 01, 2013, will continue to receive the pension as per the pension plan.

Risks

These plans typically expose the Parent and Indian subsidiaries to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

i) Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

ii) Interest rate risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

iii) Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and the provision is made as per the Parent and Indian subsidiaries rules with corresponding (gain) / charge to the consolidated statement of profit and loss amounting to gain of ₹ 51.4 Million (March 31, 2017 loss of ₹ 499.6 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

₹ in Million

	Year ended March 31, 2018		Year ended March 31, 2017		
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)
Expense recognised in the consolidated statement of profit and loss (Refer note 35)					
Current service cost	**-**	**360.6**	-	-	244.1
Interest cost	**66.0**	**251.0**	70.2	592.6	212.5
Expected return on plan assets	**-**	**(161.2)**	-	(598.5)	(177.6)
Recognition of unrecognised liabilities of earlier years	**-**	**-**	-	-	-
Excess of planned assets over commitments not recognised in financial statements	**-**	**-**	-	5.9	-
Expense charged to the consolidated statement of profit and loss	**66.0**	**450.4**	**70.2**	**-**	**279.0**
Remeasurement of defined benefit obligation recognised in other comprehensive income					
Actuarial loss / (gain) on defined benefit obligation	**(44.4)**	**(695.7)**	56.2	-	728.7
Actuarial gain on plan assets	**-**	**(42.6)**	-	-	(18.0)
Expense/(income) charged to other comprehensive income	**(44.4)**	**(738.3)**	**56.2**	**-**	**710.7**
Reconciliation of defined benefit obligations					
Obligations as at the beginning of the year	**969.5**	**3,682.3**	930.7	4,598.6	2,708.4
Current service cost	**-**	**360.6**	-	-	244.1
Interest cost	**66.0**	**251.0**	70.2	592.6	212.5
Liability transferred in/ acquisitions (Refer note 76)	**-**	**1.6**	-	-	17.4
Obligations transferred	**-**	**-**	-	1.8	-
Benefits paid	**(87.4)**	**(173.6)**	(87.6)	(507.6)	(228.8)
Obligation transferred to regional provident fund, net of accumulated unrecognised gains	**-**	**-**	-	(4,685.4)	-
Actuarial (gains)/losses on obligations					
due to change in demographic assumptions	**-**	**(160.9)**	-	-	16.3
due to change in financial assumptions	**(50.0)**	**(575.4)**	54.5	-	624.3
due to experience	**5.6**	**40.6**	1.7	-	88.1
Obligation as at the year end	**903.7**	**3,426.2**	**969.5**	**-**	**3,682.3**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2018	As at March 31, 2017	
	Gratuity (Funded)	Provident Fund (Funded)	Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the consolidated balance sheet			
Present value of commitments (as per actuarial valuation)	**3,426.2**	-	3,682.3
Fair value of plan assets	**(3,068.8)**	-	(2,365.4)
Excess of planned assets over commitments not recognised	**-**	-	-
Net liability recognised in the consolidated balance sheet	**357.4**	**-**	**1,316.9**

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017	
	Gratuity (Funded)	Provident Fund (Funded)	Gratuity (Funded)
Reconciliation of plan assets			
Plan assets as at the beginning of the year	**2,365.4**	4,632.8	2,131.2
Expected return	**161.2**	598.5	177.6
Assets transferred in/ acquisitions	**-**	-	17.4
Plan assets transferred	**-**	1.8	-
Actuarial gain	**42.6**	-	18.0
Employer's contribution during the year	**673.2**	-	250.0
Employees' contributions during the year	**-**	-	-
Benefits paid	**(173.6)**	(507.6)	(228.8)
Funds transferred to regional provident fund	**-**	(4,725.5)	-
Plan assets as at the year end	**3,068.8**	**-**	**2,365.4**

	As at March 31, 2018		As at March 31, 2017	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Discount rate	**7.50%**	**In range of 7.50% to 7.70%**	6.81%	In range of 6.81% to 7.74%
Expected return on plan assets	**N.A.**	**7.50%**	N.A.	In range of 6.81% to 7.74%
Expected rate of salary increase	**N.A.**	**In range of 7.00% to 11.65%**	N.A.	In range of 7.00% to 14.50%
Interest rate guarantee	**N.A.**	**N.A.**	N.A.	N.A.
Mortality	**Indian Assured Lives Mortality (2006-08)**	**Indian Assured Lives Morality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal	**N.A.**	**15.00%**	N.A.	In range of 1.00% to 13.50%
Retirement age (years)	**N.A.**	**58 to 60**	N.A.	58 to 60

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2018		As at March 31, 2017	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Sensitivity analysis:				
Impact on defined benefit obligation				
Delta effect of +1% change in discount rate	**(68.2)**	**(155.8)**	(73.2)	(226.5)
Delta effect of -1% change in discount rate	**80.2**	**173.1**	86.0	257.8
Delta effect of +1% change in salary escalation rate	**-**	**164.9**	-	237.5
Delta effect of -1% change in salary escalation rate	**-**	**(151.5)**	-	(214.1)
Delta effect of +1% change in rate of employee turnover	**-**	**(40.5)**	-	(98.2)
Delta effect of -1% change in rate of employee turnover	**-**	**44.6**	-	110.7
Maturity analysis of projected benefit obligation				
31-Mar-19	**87.4**	**560.3**	87.4	466.6
31-Mar-20	**100.3**	**390.2**	100.4	320.2
31-Mar-21	**115.2**	**397.7**	115.3	353.9
31-Mar-22	**132.3**	**389.4**	132.5	352.3
31-Mar-23	**151.9**	**355.1**	152.1	353.2
Thereafter	**174.4**	**1,496.9**	174.8	1,601.0
The major categories of plan assets are as under:				
Central government securities	**-**	**9.9**	-	20.9
Bonds and securities of public sector / financial institutions	**-**	**67.3**	-	69.3
Insurer managed funds (Funded with LIC, break-up not available)	**-**	**2,977.6**	-	2,253.0
Surplus fund lying uninvested	**-**	**14.0**	-	22.2

The contribution expected to be made by the Parent and Indian subsidiaries for gratuity, during financial year ending March 31, 2019 is ₹ 384.8 Million (March 31, 2018: ₹ 486.3 Million).

In the United States, the Company sponsors a defined contribution 401(k) retirement savings plan for all eligible employees who meet minimum age and service requirements. The Company has no further obligations under the plan beyond its annual matching contributions.

57 Taro Pharmaceutical Industries Ltd and its Israeli subsidiaries are required to make severance or pension payments to dismissed employees and to employees terminating employment under certain other circumstances. Deposits are made with a pension fund or other insurance plans to secure pension and severance rights for the employees in Israel.

58 EMPLOYEE SHARE-BASED PAYMENT PLANS

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

ESOS 2005 provided that the grant price of options would be the latest available closing price on the stock exchange on which the shares of the erstwhile RLL were listed, prior to the date of the meeting of the Committee in which the options were granted. If the shares are listed on more than one stock exchange, then the stock exchange where there was highest trading volume on the said date were be considered. The options vested evenly over a period of five years from the date of grant. Options lapse, if they are not exercised prior to the expiry date, which was ten years from the date of grant.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

ESOP 2011 provided that the grant price of options would be the face value of the equity share i.e. ₹ 5 per share. The options vested evenly over a period of three years from the date of grant. Options lapse, if they were not exercised prior to the expiry date, which was three months from the date of the vesting. An ESOP Trust had been formed to administer ESOP 2011. Shares issued to the ESOP Trust were allocated to the eligible employees upon exercise of stock options from time to time.

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

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

In accordance with the above approval of issuance of options, stock options have been granted from time to time.

The stock options outstanding as on June 30, 2005 are proportionately adjusted in view of the sub-division of equity shares of the Erstwhile RLL from the face value of ₹ 10 each into 2 equity shares of ₹ 5 each.

Pursuant to the Scheme of Amalgamation, Sun Pharmaceutical Industries Limited ('transferee company') formulated two Employee Stock Option Schemes, namely, (i) SUN Employee Stock Option Scheme-2015 (SUN-ESOS 2015) to administer ESOS 2005 (ii) SUN Employee Stock Option Plan-2015 (SUN-ESOP 2015) to administer ESOP 2011. These scheme provide that the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.80) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.80) and fractions rounded off to the next higher whole number. The terms and conditions of ESOS, of transferee company are not less favourable than those of ESOS's of erstwhile RLL. No new grants shall be made under these schemes and these schemes shall operate only for the purpose of administering the exercise of options already granted / vested on an employee pursuant to SUN-ESOS 2015 and SUN-ESOP 2015.

The movement of the options (post split) granted under SUN-ESOS 2015

	March 31, 2018			
	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	**401,678**	**270.0-562.5**	**462.9**	**1.9**
Exercised during the year $	**(18,893)**	**270.0-562.5**	**480.5**	**-**
Lapsed during the year	**(119,105)**	**270.0-562.5**	**488.1**	**-**
Outstanding at the end of the year *	**263,680**	**270.0-562.5**	**450.3**	**1.5**
Exercisable at the end of the year *	**263,680**	**270.0-562.5**	**450.3**	**1.5**

* Includes options exercised, pending allotment
$ Weighted average share price on the date of exercise ₹ 565.14

	March 31, 2017			
	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	610,739	270.0-703.0	480.9	2.5
Exercised during the year $	(62,682)	270.0-562.5	500.1	-
Lapsed during the year	(146,379)	270.0-562.5	521.7	-
Outstanding at the end of the year *	**401,678**	**270.0-562.5**	**462.9**	**1.9**
Exercisable at the end of the year *	401,678	270.0-562.5	462.9	1.9

* Includes options exercised, pending allotment
$ Weighted average share price on the date of exercise ₹ 690.23

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

The movement of the options (post split) granted under SUN-ESOP 2015

	March 31, 2018			
	Stock options (numbers)	Exercise price (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	**52,284**	**6.3**	**6.3**	**0.4**
Forfeited during the year	**(168)**	**6.3**	**6.3**	**-**
Exercised during the year #	**(43,472)**	**6.3**	**6.3**	**-**
Lapsed during the year	**(8,644)**	**6.3**	**6.3**	**-**
Outstanding at the end of the year	**-**	**6.3**	**6.3**	**-**

Weighted average share price on the date of exercise ₹ 562.58

	March 31, 2017			
	Stock options (numbers)	Exercise price (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	169,913	6.3	6.3	1.1
Forfeited during the year	(11,179)	6.3	6.3	-
Exercised during the year #	(93,015)	6.3	6.3	-
Lapsed during the year	(13,435)	6.3	6.3	-
Outstanding at the end of the year *	**52,284**	**6.3**	**6.3**	**0.4**
Exercisable at the end of the year *	941	6.3	6.3	-

* Includes options exercised, pending allotment
# Weighted average share price on the date of exercise ₹ 802.00

During the current year, the Parent Company has recorded a Stock-based employee compensation expense / (gain) of ₹ (1.0) Million (March 31, 2017: ₹ 32.3 Million). The amount has been determined under a fair value method wherein the grant date fair value of the options was calculated by using Black Scholes pricing model.

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

Particulars	Year ended March 31, 2015
Grant Date	May 08, 2014
Dividend yield	0.43%
Expected life of options from the date(s) of grant	1.25, 2.25 and 3.25 years
Risk free interest rate	8.57% (1.25 years)
	8.65% (2.25 years)
	8.71% (3.25 years)
Expected volatility	40.47%
Grant date fair value	₹ 462.39 (1.25 years)
	₹ 460.79 (2.25 years)
	₹ 459.16 (3.25 years)

@@ Assumptions used are as applicable at the date of grant in the context of erstwhile RLL.

The Black Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materially affect fair value of the options. The options pricing models do not necessary provide a reliable measure of fair value of options. The volatility in the share price is based on volatility of historical stock price of the erstwhile RLL for last 60 months.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

59 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 209.6 Million (March 31, 2017: ₹ 96.1 Million).

60 The Group does not have any material associates or joint ventures warranting a disclosure in respect of individual associates or joint ventures. The Group's share of other comprehensive income is ₹ Nil (March 31, 2017: ₹ Nil) in respect of such associates and joint ventures. The unrecognised share of loss of ₹ Nil (March 31, 2017: ₹ Nil) in respect of such associates and joint ventures.

61 In respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, provision has been made, which would be required to settle the obligation. The said provisions are made as per the best estimate of the management and disclosure as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets" has been given below:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
	Product and Sales related *	Product and Sales related *
Opening balance	**46,903.6**	44,707.6
Add: Provision for the year	**20,577.9**	18,905.5
Add: Unwinding of discounts on provisions	**265.8**	437.8
Less: Utilisation/settlement/reversal	**(18,597.2)**	(15,852.3)
Add/(less): Foreign currency translation difference	**1,015.3**	(1,295.0)
Closing balance	**50,165.4**	**46,903.6**

* Includes provision for trade commitments, discounts, rebates, price reductions, product returns, chargeback, medicaids and contingency provision.

62 The Company is a defendant in respect of a civil antitrust litigation relating to a product Modafinil, in which the plaintiff's have alleged that the Company excluded its generic version of Modafinil from the US market and hence have claimed damages under the Sherman Act of US. This case is pending in the United States District Court for the Eastern District of Pennsylvania. The Company and one of its wholly owned subsidiaries entered into settlements with certain plaintiffs (Apotex Corporation and Retailer Purchasers) in the month of July 2017 and September 2017 whereby the Company agreed to pay an aggregate amount of USD 147 Million (₹ 9,505.0 Million). This amount has been provided for in the consolidated financial statements and disclosed as an exceptional item. The Company continues to litigate the case against the other plaintiff's (other than those settled).

63 a) Since the US-FDA import alert at Karkhadi facility in March 2014, the Company remained fully committed to implement all corrective measures to address the observations made by the US-FDA with the help of third party consultant. Substantial progress has been made at the Karkhadi facility in terms of completing all the action items to address the observations made by the US-FDA in its warning letter issued in May 2014. The Company is continuing to work closely and co-operatively with the US-FDA to resolve the matter. The contribution of this facility to Company's revenues is not significant.

b) The US-FDA, on January 23, 2014, had prohibited using API manufactured at Toansa facility for manufacture of finished drug products intended for distribution in the U.S. market. Consequentially, the Toansa manufacturing facility was subject to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In addition, the Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had also issued an administrative subpoena dated March 13, 2014 seeking information primarily related to Toansa manufacturing facility for which a Form 483 containing findings of the US-FDA was issued in January 2014. The Company is continuing to fully co-operate and provide requisite information to the US DOJ.

c) In December 2015, the USFDA issued a warning letter to the manufacturing facility at Halol. Post the November 2016 inspection, the USFDA re-inspected Halol facility in February 2018. At the conclusion of the inspection, USFDA issued a Form-483 with three observations. The Company has submitted its response documenting the corrective measures to resolve the Form-483 observations. The Company continues to manufacture and distribute products to the U.S from Halol facility and at the same time is working closely and co-operatively with the USFDA to resolve the matter.

d) In September 2013, the USFDA had put the Mohali facility under import alert and was also subjected to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In March 2017, the USFDA lifted the import alert and indicated that the facility was in compliance with the requirements of cGMP provisions mentioned in the consent decree. The facility will continue to demonstrate sustainable cGMP compliance for a fixed period of time as required by the consent decree. The Company has started manufacturing and distributing products to the U.S from Mohali facility.

64 Pursuant to the declaration executed by the Sun Pharma Laboratories Limited (SPLL) ('Donor') in favour of an entity controlled by Trumpcard Advisors and Finvest LLP (Associate of the SPLL), namely Vintage Power Generation LLP ('Donee') on March 31, 2017, the power undertaking of the Donor located at Kukshi, Madhya Pradesh has been gifted to the Donee. Accordingly, on and with effect from the close of business hours on March 31, 2017, all the assets, movable and immovable, tangible and intangible, along with the liabilities pertaining to the said power undertaking stand transferred to and vested in the Donee as a going concern without consideration. Accordingly, the value of power undertaking gifted to the Donee has been added to the cost of investment of the SPLL in the said Associate.

65 The Parent Company completed buy-back of 7,500,000 equity shares of ₹ 1 each (representing 0.31% of total pre buy back paid up equity capital) on October 18, 2016, from the shareholders on a proportionate basis by way of a tender offer at a price of ₹ 900 per equity share for an aggregate amount of ₹ 6,750.0 Million in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998. This buyback of equity shares was approved by the Board of Directors of the Parent Company at its meeting held on June 23, 2016.

66 Property, plant and equipment consisting of land, building, plant and equipments, furniture and fixtures amounting to ₹ Nil (March 31, 2017: ₹ 65.9 Million) in respect of the manufacturing facility in Ireland are held for sale.

67 DETAILS OF LONG-TERM BORROWINGS AND CURRENT MATURITIES OF LONG-TERM DEBT AND FINANCE LEASE OBLIGATIONS [INCLUDED UNDER OTHER FINANCIAL LIABILITIES (CURRENT)]

A Secured term loan from other parties:

Secured term loan from department of biotechnology of ₹ 108.2 Million (March 31, 2017: ₹ 108.2 Million) has been secured by hypothecation of all assets of the Parent Company. The loan is repayable in 10 equal half yearly installments commencing from December 14, 2019, last installment is due on June 14, 2024.

B

Lease obligations of ₹ 1,261.9 Million (March 31, 2017: ₹ 702.0 Million) [included in non-current borrowing March 31, 2018: ₹ 1,033.4 Million (March 31, 2017: ₹ 662.5 Million) and March 31, 2018: ₹ 228.5 Million (March 31, 2017: ₹ 39.5 Million) in current maturities of long term finance lease obligations] repayable by FY 2019-2025 is secured against assets taken on finance lease.

C Term loan from banks:

Secured

(i) Loan of USD 16.7 Million equivalent to ₹ 1,086.5 Million (March 31, 2017: USD 17.5 Million equivalent ₹ 1,134.2 Million [Included in non-current borrowing March 31, 2018: ₹ 1,035.3 Million (March 31, 2017: ₹ 1,085.2 Million) and March 31, 2018: ₹ 51.2 Million (March 31, 2017: ₹ 49.0 Million) in current maturities of long-term debt], which is repayable in varying amounts by June 2033. The loan is collateralised by substantially all the assets of Pharmalucence Inc. The effective interest rate was 3.05% at March 31, 2018.

Unsecured

(i) Unsecured External Commercial Borrowings (ECBs) has 5 loans aggregating of USD 256 Million (March 31, 2017: USD 256 Million) equivalent to ₹ 16,622.1 Million (March 31, 2017: ₹ 16,602.9 Million). For the ECB loans outstanding as at March 31, 2018, the terms of repayment for borrowings are as follows:

a) USD Nil (March 31, 2017: USD 10 Million) equivalent to ₹ Nil (March 31, 2017: ₹ 648.6 Million). The loan was taken on June 30, 2011 and is repayable in 3 equal installments of USD 10 Million each at the end of 4th year, 5th year and 6th year. Last installment of USD 10 Million has been repaid during the year ended March 31, 2018. First and second installment of USD 10 Million each has been repaid in previous years.

b) USD 50 Million (March 31, 2017 : USD 50 Million) equivalent to ₹ 3,246.5 Million (March 31, 2017 : ₹ 3,242.7 Million). The loan was taken on September 20, 2012 and is repayable in 2 equal installments of USD 25 Million each. The first installment of USD 25 Million is due on September 20, 2019 and last installment of USD 25 Million is due on September 18, 2020.

c) USD 100 Million (March 31, 2017: USD 100 Million) equivalent to ₹ 6,493.0 Million (March 31, 2017: ₹ 6,485.5 Million). The loan was taken on June 04, 2013 and is repayable in 3 installments

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

viz., the first installment of USD 30 Million is due on May 31, 2020, second installment of USD 30 Million is due on November 30, 2020 and last installment of USD 40 Million is due on November 30, 2021.

d) USD 50 Million (March 31, 2017: USD 50 Million) equivalent to ₹ 3,246.5 Million (March 31, 2017: ₹ 3,242.7 Million). The loan was taken on August 11, 2015 and is repayable on August 08, 2019.

e) USD Nil (March 31, 2017: USD 30 Million) equivalent to ₹ Nil. (March 31, 2017: ₹ 1,945.7 Million). The loan was taken on September 09, 2015 and has been repaid during the year ended March 31, 2018.

f) USD 26 Million (March 31, 2017 : USD 16 Million) equivalent to ₹ 1,688.2 Million (March 31, 2017 : ₹ 1,037.7 Million). The loan was taken in tranches of USD 16 Million on March 24, 2017 and USD 10 Million on June 30, 2017. The loan is repayable in 2 installments viz., the first installment of USD 16 Million is due on March 22, 2019 and last installment of USD 10 Million is due on June 28, 2019.

g) USD 30 Million (March 31, 2017 : USD Nil) equivalent to ₹ 1,947.9 Million (March 31, 2017: ₹ Nil). The loan was taken on September 08, 2017 and is repayable on September 07, 2020.

(ii) Unsecured loan under Foreign Currency Non-Resident (FCNR B) Scheme of USD Nil (March 31, 2017: USD 50 Million) equivalent to ₹ Nil (March 31, 2017: ₹ 3,242.8 Million). The loan was taken on August 19, 2015 and has been repaid during the year ended March 31, 2018.

The aforementioned unsecured ECB loans are availed from various banks at floating rate linked to Libor (2.26% as at March 31, 2018) and secured loan from department of biotechnology have been availed at a range from 2% to 3%.

D Unsecured debentures:

₹ 10,000 Million (March 31, 2017: ₹ 10,000 Million) rated unsecured listed redeemable non-convertible debentures at a coupon rate of 7.94% p.a. were issued by Sun Pharma Laboratories Limited ("SPLL" - the Wholly owned subsidiary) on December 23, 2015. Following are the details

	Face Value (₹)	Redemption Amount (₹ in Million)	Date of Redemption
Rated unsecured listed redeemable 5,000 Non-Convertible debentures Series 2 (included in current maturities of long-term debt as at March 31, 2018)	1,000,000	5,000.0	March 22, 2019
Rated unsecured listed redeemable 5,000 Non-Convertible debentures Series 1 (redeemed during the year)	1,000,000	5,000.0	December 22, 2017

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

68 DETAILS OF SECURITIES FOR CURRENT BORROWINGS ARE AS UNDER:

a) Borrowings made by overseas subsidiaries are supported by the letters of awareness issued by the Parent Company.

b) As on March 31, 2017, secured short term borrowings had first charge on a pari-passu basis, by hypothecation of inventories and receivables, both present and future. The charge has been relinquished during the year ended March 31, 2018.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

69 LOANS/ADVANCES DUE FROM AN ASSOCIATE

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Interest bearing with specified repayment schedule:		
Zenotech Laboratories Limited, India* [Refer note 39(t)]		
Considered doubtful	-	726.9
	-	**726.9**
Less: allowance for doubtful loan/interest accrued and due on loan	-	726.9
	-	-

* includes interest accrued and due on loans amounting to ₹ 214.9 Million in March 31, 2017
Loans have been granted to the above entity for the purpose of its business.

70 a) Sun Pharma Global FZE, a subsidiary of the Parent Company holds 23.35% in the capital of Enceladus Pharmaceutical B.V. However, as Sun Pharma Global FZE does not have any 'Significant Influence' in Enceladus Pharmaceutical B.V., as is required under Ind AS 28 - "Investments in Associates and Joint Ventures", the said investment in Enceladus Pharmaceutical B.V. has not been consolidated as an "Associate Entity".

b) The Parent Company holds 24.91% in the capital of Shimal Research Laboratories Limited. However, as the Parent Company does not have any 'Significant Influence' in Shimal Research Laboratories Limited, as is required under Ind AS 28 - "Investments in Associates and Joint Ventures", the said investment in Shimal Research Laboratories Limited has not been consolidated as an "Associate Entity".

71 Post implementation of Goods and Service Tax ("GST") with effect from July 01, 2017, sale of products is disclosed net of GST. Sale of products for the previous year included excise duty which is now subsumed in GST. Sale of products for the year ended March 31, 2018 includes excise duty for the period ended June 30, 2017. Accordingly, sale of products for the year ended March 31, 2018 are not comparable with year ended March 31, 2017.

72 DISCLOSURE OF A SUBSIDIARY THAT HAS NON-CONTROLLING INTEREST THAT IS MATERIAL TO THE GROUP

Name of Subsidiary	Principal place of business	Country of incorporation	Nature*	As at March 31, 2018	As at March 31, 2017
Taro Pharmaceutical Industries Ltd. and its subsidiaries (TARO Group)	United States of America	Israel	Beneficial ownership	**25.18%**	27.19%
			Voting power	**16.79%**	18.13%

* Held by non-controlling interest

₹ in Million

Name of Subsidiary	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	Year ended March 31, 2018	Year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017
TARO Group	**4,284.6**	8,599.9	**36,811.1**	36,547.7
Individually immaterial subsidiaries with non-controlling interests	**183.4**	218.7	**2,030.5**	1,360.9
Total	**4,468.0**	**8,818.6**	**38,841.6**	**37,908.6**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

The summarised consolidated financial information of TARO Group before inter-company eliminations:

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Consolidated balance sheet of TARO Group		
Non-current assets	**43,974.4**	34,063.2
Current assets	**116,578.1**	113,879.1
Non-current liabilities	**(350.4)**	(277.6)
Current liabilities	**(14,010.4)**	(13,248.8)

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Consolidated statement of profit and loss of TARO Group		
Total income	**45,216.7**	60,748.8
Total expenses	**26,101.3**	(23,243.0)
Profit after tax	**16,551.7**	30,612.9
Total comprehensive income for the year	**18,691.8**	25,241.9

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Consolidated cash flows information of TARO Group		
Net cash generated from operating activities	**21,318.0**	29,345.5
Net cash used in investing activities	**(15,576.7)**	(7,899.4)
Net cash used in financing activities	**(6,896.6)**	(19,760.5)

There has been no dividend paid by TARO during the year ended March 31, 2018 and March 31, 2017.

73 The Board of Directors of the Company at its meeting held on May 25, 2018, approved the Scheme of Arrangement between the Company, Sun Pharma (Netherlands) B.V. and Sun Pharmaceutical Holdings USA Inc. (both being wholly owned subsidiaries of the Company) which inter-alia, envisages spin-off of the specified investment undertaking of the Company. Further, the Board of Directors of the Company at its meeting held on November 14, 2017 had approved the Scheme of Arrangement between Company and Sun Pharma Global FZE (wholly owned subsidiary of the Company) which inter-alia, envisages demerger of unbranded generic pharmaceutical undertaking of Sun Pharma Global FZE into the Company. The above schemes shall be effective post receipt of required approvals and accordingly, the consolidated financial statements do not reflect the impact, if any, on account of the schemes.

74 Tax expense (exceptional) for the year ended March 31, 2018 includes deferred tax assets of ₹ 2,585.7 Million created on difference on tax and book value on intra-group transfer of certain intangibles. Further, it also includes an impact of ₹ 5,130.2 Million on account of re-measurement of the Group's deferred tax assets as a result of the Tax Cut and Jobs Act enacted in United States of America on December 22, 2017.

75 RELATED PARTY DISCLOSURES (IND AS-24) - AS PER ANNEXURE 'B'

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

76 BUSINESS COMBINATIONS

Zenotech Laboratories Limited

With effect from July 27, 2017 Zenotech Laboratories Limited has ceased to be an associate and has become a subsidiary of Sun Pharmaceutical Industries Limited.

The Group has elected to measure the non-controlling interests in the acquiree at its proportionate share of net assets.

The following assets and liabilities were recognised as at the date of acquisition (at fair value):

	₹ in Million
Assets	
Cash and cash equivalents	1,197.3
Trade receivables	0.1
Inventories	17.5
Other current assets	2.0
Other non-current assets	28.7
Property, plant and equipment and other intangible assets	1,689.8
Bank balances other than above	8.0
Other financial assets	1.2
Total	**2,944.6**
Liabilities	
Borrowings	512.0
Trade payables	48.3
Other current financial liabilities	297.4
Other current liabilities	184.5
Deferred tax liabilities	-
Provision	190.6
Total	**1,232.8**
Net worth	**1,711.8**
Total identifiable assets at fair value	
Non-controlling interest	726.5
Goodwill	595.4
Total purchase price	**1,580.7**
Purchase price paid	855.0
Impairment reversal	725.7

From the date of acquisition, Zenotech Laboratories Limited has contributed revenue of ₹ 60.8 Million and loss before tax of ₹ 60.9 Million to the Group. If the business combinations had taken place at the beginning of the year, revenue would have been ₹ 64.1 Million and the loss before tax would have been ₹ 68.2 Million. In compliance with the relevant provisions of Ind AS 103, the Company has reversed impairment in the books to the extent of fair value of equity shares determined on the basis of right issue price amounting to ₹ 725.7 Million.

77 On November 23, 2016, Taro announced that its Board of Directors authorised a USD 250 Million share repurchase of ordinary shares. On November 07, 2017, Taro Board extended the share repurchase program for one year. During the year ended March 31, 2018, Taro has repurchased 1,085,694 shares at an average price of USD 102.52 (March 2017 : 2,252,725 shares at an average price of USD 130.87). Through May 01, 2018, in total under the authorisation, Taro has repurchased 1,774,064 shares at an average price of USD 102.83; with USD 67.6 Million remaining.

78 In March 2018, Taro reached a settlement with the tax authority, under which Taro is obligated to pay a reduced tax assessment of USD 15.0 Million, and Taro was permitted to record the unutilised capital loss, transfer intellectual property from Taro North America to Taro Israel and Taro Canada and reorganise assets held by Taro subsidiaries without triggering an Israeli tax event (the "Settlement"). The settlement settled all tax disputes between the parties for the tax years 2010 through 2014 as well as related tax issues with respect to the tax years 2015 through 2016, which years were not subject to the disputes.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

ANNEXURE 'A'

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2017-18		2017-18		2017-18		2017-18	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
Parent Entity - Sun Pharmaceutical Industries Limited		47.1	1,97,701.0	(22.9)	(4,945.9)	10.4	494.9	(16.9)	(4,451.0)
Subsidiaries									
Indian									
1	Green Eco Development Centre Limited	0.0	1.6	(0.0)	(0.1)	-	-	(0.0)	(0.1)
2	Sun Pharma Laboratories Limited	46.9	196,823.7	40.5	8,762.2#	1.6	78.1	33.5	8,840.3#
3	Faststone Mercantile Company Private Limited	0.0	11.5	0.0	0.4	-	-	0.0	0.4
4	Neetnav Real Estate Private Limited	0.7	2,920.9	0.0	0.6	-	-	0.0	0.6
5	Realstone Multitrade Private Limited	0.0	11.5	0.0	0.4	-	-	0.0	0.4
6	Skisen Labs Private Limited	0.0	0.0	0.0	0.0	-	-	0.0	0.0
7	Softdeal Trading Company Private Limited	0.0	11.0	0.0	0.4	-	-	0.0	0.4
8	Universal Enterprises Private Limited	0.0	5.3	0.0	0.0	-	-	0.0	0.0
9	Sun Pharmaceutical Medicare Limited	(0.0)	(83.9)	(0.3)	(61.4)	(0.2)	(11.5)	(0.3)	(72.9)
10	Zenotech Laboratories Limited	0.4	1,553.4	(0.7)	(159.0)**	0.0	0.5	(0.6)	(158.5)**
Foreign									
1	Sun Pharmaceutical (Bangladesh) Limited	0.3	1,084.7	0.9	187.8	-	-	0.7	187.8
2	Sun Farmaceutica Do Brasil Ltda.	(0.5)	(2,289.9)	(0.9)	(199.1)	-	-	(0.8)	(199.1)
3	Sun Pharma De Mexico S.A. DE C.V.	0.2	717.1	1.0	223.5	-	-	0.8	223.5
4	SPIL De Mexico S.A. DE C.V.	0.0	0.2	-	-	-	-	-	-
5	Sun Pharmaceutical Peru S.A.C.	(0.0)	(149.3)	0.0	1.8	-	-	0.0	1.8
6	OOO "Sun Pharmaceutical Industries" Limited	(0.0)	(187.8)	(0.0)	(10.0)	-	-	(0.0)	(10.0)
7	Sun Pharma De Venezuela, C.A.	(0.0)	(2.6)	(0.0)	(0.7)	-	-	(0.0)	(0.7)
8	Ranbaxy Pharmacie Generiques	(0.5)	(2,199.2)	(1.2)	(257.9)	-	-	(1.0)	(257.9)
9	Ranbaxy (Malaysia) SDN. BHD.	0.2	877.7	2.1	455.7	-	-	1.7	455.7
10	Ranbaxy Nigeria Limited	0.1	211.2	(1.6)	(343.5)	-	-	(1.3)	(343.5)
11	Sun Pharma (Netherlands) B.V (Formerly known as Ranbaxy (Netherlands) B.V.)	12.6	52,694.6	(5.0)	(1,077.4)#	3.0	143.1	(3.5)	(934.3)#
12	Alkaloida Chemical Company Zrt.	5.8	24,387.2	(0.8)	(163.4)	-	-	(0.6)	(163.4)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

ANNEXURE 'A'

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2017-18		2017-18		2017-18		2017-18	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
13	Sun Pharmaceuticals UK Limited	0.0	0.0	0.4	95.2	-	-	0.4	95.2
14	Sun Pharmaceutical Industries (Australia) Pty Limited	0.4	1,512.7	(5.6)	(1,220.1)	-	-	(4.6)	(1,220.1)
15	Aditya Acquisition Company Ltd.	0.0	12.0	0.0	5.6	-	-	0.0	5.6
16	Sun Pharmaceutical Industries (Europe) B.V.	(0.0)	(66.0)	0.3	62.0	-	-	0.2	62.0
17	Sun Pharmaceuticals Italia S.R.L.	0.0	46.1	(0.0)	(0.9)	-	-	(0.0)	(0.9)
18	Sun Pharmaceuticals Germany GmbH	(0.0)	(207.2)	0.1	15.0	-	-	0.1	15.0
19	Sun Pharmaceuticals France	(0.0)	(24.7)	(0.0)	(4.5)	-	-	(0.0)	(4.5)
20	Sun Pharma Global FZE (Consolidated with a Joint venture)	30.3	127,032.1	10.6	2,295.7*	22.6	1,073.1	12.8	3,368.8*
21	Sun Pharmaceuticals (SA) (Pty) Ltd.	(0.0)	(0.0)	0.0	0.1	-	-	0.0	0.1
22	Sun Global Canada Pty. Ltd.	(0.0)	(1.4)	(0.0)	(0.2)	-	-	(0.0)	(0.2)
23	Sun Pharma Philippines, Inc.	(0.1)	(441.5)	(0.2)	(38.4)	-	-	(0.1)	(38.4)
24	Sun Pharmaceuticals Korea Ltd.	0.0	4.4	0.0	0.0	-	-	0.0	0.0
25	Sun Global Development FZE	0.0	180.9	(0.0)	(0.7)	-	-	(0.0)	(0.7)
26	Sun Pharma Japan Ltd.	(0.4)	(1,480.3)	(4.4)	(950.6)	-	-	(3.6)	(950.6)
27	Sun Pharma HealthCare FZE	0.0	183.4	0.0	2.2	-	-	0.0	2.2
28	Sun Laboratories FZE	(0.1)	(265.1)	0.4	79.9	-	-	0.3	79.9
29	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	34.8	146,191.6	76.6	16,551.7	45.0	2,140.0	70.9	18,691.7
30	Alkaloida Sweden AB	0.0	38.3	0.1	14.3	-	-	0.1	14.3
31	Sun Pharma Switzerland Ltd.	0.6	2,631.0	(0.0)	(4.7)	-	-	(0.0)	(4.7)
32	Sun Pharma Holdings	48.6	204,008.4	(0.1)	(29.5)	-	-	(0.1)	(29.5)
33	Sun Pharma East Africa Limited	(0.0)	(148.8)	(0.3)	(73.6)	-	-	(0.3)	(73.6)
34	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	(0.1)	(348.2)	0.4	80.2	-	-	0.3	80.2
35	Ranbaxy Farmaceutica Ltda.	(0.3)	(1,103.7)	(0.4)	(89.2)	-	-	(0.3)	(89.2)
36	Ranbaxy Pharmaceuticals Canada Inc.	0.1	278.2	(0.3)	(62.6)	-	-	(0.2)	(62.6)
37	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	0.1	382.7	(0.1)	(22.0)	-	-	(0.1)	(22.0)
38	Rexcel Egypt LLC	(0.0)	(18.7)	(0.0)	(7.3)	-	-	(0.0)	(7.3)
39	Office Pharmaceutique Industriel Et Hospitalier	0.0	93.8	0.0	2.5	-	-	0.0	2.5

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

ANNEXURE 'A'

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2017-18		2017-18		2017-18		2017-18	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
40	Basics GmbH	0.2	1,024.6	0.3	54.1	-	-	0.2	54.1
41	Ranbaxy GmbH	0.0	2.0	-	-	-	-	-	-
42	Ranbaxy Ireland Limited	0.1	571.0	(0.1)	(14.7)	-	-	(0.1)	(14.7)
43	Ranbaxy Italia S.P.A.	0.0	0.7	(0.0)	(6.5)	-	-	(0.0)	(6.5)
44	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	(0.0)	(125.0)	(0.1)	(29.6)	-	-	(0.1)	(29.6)
45	Ranbaxy (Poland) SP. Z O.O.	0.0	194.8	0.1	11.8	-	-	0.0	11.8
46	Terapia S.A.	3.4	14,079.7	10.1	2,174.2	-	-	8.2	2,174.2
47	AO Ranbaxy (Formerly Known ZAO Ranbaxy)	0.2	1,027.0	0.3	57.8	-	-	0.2	57.8
48	JSC Biosintez	0.2	994.4	(2.4)	(511.8)	-	-	(1.9)	(511.8)
49	Ranbaxy South Africa (Pty) Limited (Consolidated with its Subsidiary)	0.3	1,225.3	1.4	307.9	-	-	1.2	307.9
50	Ranbaxy Pharmaceuticals (Pty) Limited	(0.2)	(979.5)	0.8	183.1	-	-	0.7	183.1
51	Be- Tabs Investments (Pty) Limited	0.0	19.8	-	-	-	-	-	-
52	Laboratorios Ranbaxy, S.L.U.	0.1	355.3	0.3	62.9	-	-	0.2	62.9
53	Ranbaxy (U.K.) Limited	0.3	1,383.9	0.3	55.7	-	-	0.2	55.7
54	Ranbaxy Holdings (U.K.) Limited	0.7	2,832.7	-	-	-	-	-	-
55	Ranbaxy Europe Limited	0.0	0.0	(0.0)	(0.1)	-	-	(0.0)	(0.1)
56	Sun Pharma Holding USA Inc (Consolidated with its Subsidiaries, its associates and a Joint venture)	11.8	49,434.6	(25.3)	(5,466.9)#	-	-	(20.7)	(5,466.9)#
57	Ranbaxy (Thailand) Co., Ltd.	0.0	208.0	0.1	30.0	-	-	0.1	30.0
58	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	(0.0)	(72.9)	(0.1)	(31.2)	-	-	(0.1)	(31.2)
59	"Ranbaxy Pharmaceuticals Ukraine" LLC	0.0	158.6	0.2	48.0	-	-	0.2	48.0
Non controlling interest in all subsidiaries		9.3	38,841.6	(20.7)	(4,468.0)	(10.0)	(477.7)	(18.8)	(4,945.7)
Intercompany Elimination and Consolidation Adjustments		(153.6)	(643,919.3)	46.2	10,044.3	27.6	1,314.3	43.0	11,358.6
Total		**100.0**	**419,847.2**	**100.0**	**21,615.5**	**100.0**	**4,754.8**	**100.0**	**26,370.3**

Includes share of profit/loss and share of TCI, from its associates and a joint venture of ₹ 262.0 Million

* Includes share of profit and share of TCI, from a joint venture of ₹ 7.6 Million

** With effect from July 27, 2017 Zenotech Laboratories Limited has ceased to be an associate and has become subsidiary of Sun Pharmaceutical Industries Limited.

Note: The above amounts / percentage of net assets and net profit or (loss) in respect of the Parent Company, its subsidiaries, associates and joint ventures are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

ANNEXURE 'A'

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2016-17		2016-17		2016-17		2016-17	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
Parent Entity - Sun Pharmaceutical Industries Limited		52.0	210,124.7	(0.3)	(228.4)	4.8	(634.5)	(1.5)	(862.9)
Subsidiaries									
Indian									
1	Green Eco Development Centre Limited	0.0	1.6	(0.0)	(0.5)	-	-	(0.0)	(0.5)
2	Sun Pharma Laboratories Limited	48.9	197,557.8	10.9	7,584.3	0.8	(107.0)	13.3	7,477.3
3	Faststone Mercantile Company Private Limited	0.0	11.1	0.0	0.3	-	-	0.0	0.3
4	Neetnav Real Estate Private Limited	0.7	2,920.2	0.0	0.8	-	-	0.0	0.8
5	Realstone Multitrade Private Limited	0.0	11.1	0.0	0.4	-	-	0.0	0.4
6	Skisen Labs Private Limited	0.0	0.1	(0.0)	(0.0)	-	-	(0.0)	(0.0)
7	Softdeal Trading Company Private Limited	0.0	10.6	0.0	0.4	-	-	0.0	0.4
8	Universal Enterprises Private Limited	0.0	5.3	0.0	0.0	-	-	0.0	0.0
9	Sun Pharmaceutical Medicare Limited	(0.0)	(11.0)	(0.0)	(13.5)	-	-	(0.0)	(13.5)
Foreign									
1	Sun Pharmaceutical (Bangladesh) Limited	0.2	942.2	0.3	219.2	-	-	0.4	219.2
2	Sun Pharmaceutical Industries, Inc. (Consolidated with its Subsidiaries, its associates and a Joint venture)	3.1	12,430.7	(2.3)	(1,594.3)#	-	-	(2.8)	(1,594.3)#
3	Sun Farmaceutica Do Brasil Ltda.	(0.5)	(2,207.3)	0.3	185.1	-	-	0.3	185.1
4	Sun Pharma De Mexico S.A. DE C.V.	0.2	758.1	0.2	118.5	-	-	0.2	118.5
5	SPIL De Mexico S.A. DE C.V.	0.0	0.2	-	-	-	-	-	-
6	Sun Pharmaceutical Peru S.A.C.	(0.0)	(150.0)	(0.0)	(19.9)	-	-	(0.0)	(19.9)
7	OOO "Sun Pharmaceutical Industries" Limited	(0.0)	(182.6)	0.0	12.7	-	-	0.0	12.7
8	Sun Pharma De Venezuela, C.A.	(0.4)	(1,444.5)	(0.5)	(325.3)	-	-	(0.6)	(325.3)
9	Ranbaxy Pharmacie Generiques	(0.4)	(1,658.4)	(0.2)	(173.6)	-	-	(0.3)	(173.6)
10	Ranbaxy (Malaysia) SDN. BHD.	0.1	333.4	0.1	86.6	-	-	0.2	86.6
11	Ranbaxy Nigeria Limited	0.1	551.5	(0.2)	(114.2)	-	-	(0.2)	(114.2)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

ANNEXURE 'A'

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2016-17		2016-17		2016-17		2016-17	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
12	Sun Pharma (Netherlands) B.V. (Formerly known as Ranbaxy (Netherlands) B.V.)	13.2	53,421.2	1.5	1,079.2	-	-	1.9	1,079.2
13	Alkaloida Chemical Company Zrt.	6.1	24,524.0	(1.9)	(1,356.0)	-	-	(2.4)	(1,356.0)
14	Sun Pharmaceuticals UK Limited	(0.0)	(91.4)	(0.0)	(0.8)	-	-	(0.0)	(0.8)
15	Sun Pharmaceutical Industries (Australia) Pty Limited	0.5	1,975.6	(0.5)	(360.9)	-	-	(0.6)	(360.9)
16	Aditya Acquisition Company Ltd.	0.0	6.0	0.0	5.6	-	-	0.0	5.6
17	Sun Pharmaceutical Industries (Europe) B.V.	(0.0)	(110.5)	0.0	26.9	-	-	0.0	26.9
18	Sun Pharmaceuticals Italia S.R.L.	0.0	40.5	(0.0)	(1.5)	-	-	(0.0)	(1.5)
19	Sun Pharmaceuticals Spain, S.L.U.	-	-	(0.0)	(5.2)	-	-	(0.0)	(5.2)
20	Sun Pharmaceuticals Germany GmbH	(0.0)	(186.0)	(0.0)	(2.4)	-	-	(0.0)	(2.4)
21	Sun Pharmaceuticals France	(0.0)	(17.1)	(0.0)	(4.3)	-	-	(0.0)	(4.3)
22	Sun Pharma Global FZE (Consolidated with a Joint venture)	30.5	123,500.6	21.0	14,620.6*	27.4	(3,657.4)	19.5	10,963.2*
23	Sun Pharmaceuticals SA (Pty) Ltd	(0.0)	(0.1)	(0.0)	(0.0)	-	-	(0.0)	(0.0)
24	Sun Global Canada Pty. Ltd.	(0.0)	(1.1)	(0.0)	(0.0)	-	-	(0.0)	(0.0)
25	Sun Pharma Philippines, Inc.	(0.1)	(419.5)	(0.2)	(152.5)	-	-	(0.3)	(152.5)
26	Sun Pharmaceuticals Korea Ltd.	0.0	4.2	(0.0)	(0.3)	-	-	(0.0)	(0.3)
27	Sun Global Development FZE	0.0	181.3	(0.0)	(0.7)	-	-	(0.0)	(0.7)
28	Sun Pharma Japan Ltd.	(0.1)	(443.6)	(0.2)	(117.8)	-	-	(0.2)	(117.8)
29	Sun Pharma HealthCare FZE	0.0	181.0	0.0	2.5	-	-	0.0	2.5
30	Sun Laboratories FZE	(0.1)	(344.7)	(0.2)	(114.3)	-	-	(0.2)	(114.3)
31	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	33.2	134,415.9	44.0	30,612.8	12.6	(1,683.7)	51.4	28,929.1
32	Alkaloida Sweden AB	0.0	20.0	0.0	9.6	-	-	0.0	9.6
33	Sun Pharma Switzerland Ltd.	(0.0)	(21.8)	(0.0)	(27.8)	-	-	(0.0)	(27.8)
34	Ocular Technologies SARL	0.6	2,626.6	3.9	2,713.8	-	-	4.8	2,713.8
35	Sun Pharma Holdings	50.4	203,802.5	(0.0)	(9.7)	-	-	(0.0)	(9.7)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

ANNEXURE 'A'

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2016-17		2016-17		2016-17		2016-17	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
36	Sun Pharma East Africa Limited	(0.0)	(71.5)	(0.0)	(32.2)	-	-	(0.1)	(32.2)
37	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	(0.1)	(429.7)	0.0	34.8	-	-	0.1	34.8
38	Ranbaxy Farmaceutica Ltda.	(0.3)	(1,070.3)	0.1	87.3	-	-	0.2	87.3
39	Ranbaxy Pharmaceuticals Canada Inc.	0.1	332.7	(0.1)	(64.1)	-	-	(0.1)	(64.1)
40	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	0.1	265.7	(0.1)	(95.4)	-	-	(0.2)	(95.4)
41	Rexcel Egypt LLC	(0.0)	(10.9)	(0.0)	(11.8)	-	-	(0.0)	(11.8)
42	Office Pharmaceutique Industriel Et Hospitalier	0.0	78.6	0.0	14.5	-	-	0.0	14.5
43	Basics GmbH	0.2	842.2	0.1	41.2	-	-	0.1	41.2
44	Ranbaxy GmbH	0.0	1.7	-	-	-	-	-	-
45	Ranbaxy Ireland Limited	0.1	505.2	0.2	146.8	-	-	0.3	146.8
46	Ranbaxy Italia S.P.A.	0.0	19.8	(0.0)	(33.9)	0.0	(2.5)	(0.1)	(36.4)
47	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	(0.0)	(94.5)	(0.0)	(22.2)	-	-	(0.0)	(22.2)
48	Ranbaxy (Poland) Sp. Z o.o.	0.0	156.9	0.0	11.0	-	-	0.0	11.0
49	Terapia S.A.	2.6	10,409.9	3.2	2,237.1	-	-	4.0	2,237.1
50	AO Ranbaxy (Formerly Known ZAO Ranbaxy)	0.2	987.2	0.2	143.0	-	-	0.3	143.0
51	JSC Biosintez	0.4	1,703.7	0.0	25.1	-	-	0.0	25.1
52	Ranbaxy South Africa Proprietary Limited (Consolidated with its Subsidiary)	0.2	852.4	0.4	308.1	-	-	0.5	308.1
53	Ranbaxy Pharmaceuticals (Pty) Limited	(0.3)	(1,035.4)	0.3	186.9	-	-	0.3	186.9
54	Be- Tabs Investments (Pty) Limited	0.0	17.3	0.0	0.1	-	-	0.0	0.1
55	Laboratorios Ranbaxy, S.L.U.	0.1	248.6	0.2	104.9	-	-	0.2	104.9
56	Ranbaxy (U.K.) Limited	0.3	1,164.6	0.1	63.2	-	-	0.1	63.2
57	Ranbaxy Holdings (U.K.) Limited	0.6	2,480.0	(0.0)	(1.0)	-	-	(0.0)	(1.0)
58	Ranbaxy Europe Limited	0.0	148.1	0.0	0.0	-	-	0.0	0.0
59	Ranbaxy Inc. (Consolidated with its Subsidiaries)	9.4	38,000.0	7.6	5,297.3	-	-	9.4	5,297.3
60	Sun Pharmaceuticals Holdings USA, INC	5.1	20,673.7	0.0	0.1	-	-	0.0	0.1
61	Ranbaxy (Thailand) Co., Ltd.	0.0	160.8	(0.1)	(91.1)	-	-	(0.2)	(91.1)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

ANNEXURE 'A'

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2016-17		2016-17		2016-17		2016-17	
		As % of consolidated net assets	₹ in Million	As % of consolidated profit or (loss)	₹ in Million	As % of consolidated OCI	₹ in Million	As % of consolidated TCI	₹ in Million
62	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	(0.0)	(40.2)	0.1	81.7	-	-	0.1	81.7
63	"Ranbaxy Pharmaceuticals Ukraine" LLC	0.0	107.4	0.0	27.1	-	-	0.0	27.1
Non controlling interest in all subsidiaries		9.4	37,908.6	(12.7)	(8,818.6)	(11.5)	1,534.3	(12.9)	(7,284.3)
Foreign Joint Venture (Investment as per equity method)									
1	MSD - Sun LLC (Consolidated with its subsidiary)	0.0	0.7	-	-	-	-	-	-
Intercompany Elimination and Consolidation Adjustments		(166.3)	(673,076.4)	24.8	17,348.4	65.9	(8,786.8)	15.1	8,561.6
Total		**100.0**	**404,305.3**	**100.0**	**69,643.7**	**100.0**	**(13,337.6)**	**100.0**	**56,306.1**

Includes share of profit and share of TCI, from its associates and joint venture of ₹ 101.8 Million.
* Includes share of loss and share of TCI, from a joint venture of ₹ 2.5 Million.
Note: The above amounts / percentage of net assets and net profit or (loss) in respect of the Parent Company, its subsidiaries, associates and joint ventures are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

IND AS- 24 - " RELATED PARTY DISCLOSURES" ANNEXURE 'B'

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

a	**Key Managerial Personnel (KMP)**	
	Dilip S. Shanghvi	Managing Director
	Sudhir V. Valia	Executive Director
	Sailesh T. Desai	Executive Director
	Israel Makov	Chairman and Non- Executive Director
	Kalyansundaram Subramanian (w.e.f. February 14, 2017)	Executive Director
b	**Non - Executive Directors**	
	S. Mohanchand Dadha	
	Hasmukh S. Shah (resigned w.e.f. November 15, 2017)	
	Keki M. Mistry	
	Ashwin S. Dani	
	Rekha Sethi	
	Vivek C. Sehgal (w.e.f. November 14, 2017)	
c	**Relatives of Key Managerial Personnel**	
	Aalok Shanghvi	
	Vidhi Shanghvi	
d	**Others (Entities in which the KMP and Relatives of KMP have control or significant influence)**	
	Makov Associates Ltd	
	Shantilal Shanghvi Foundation	
	Sun Pharma Advanced Research Company Ltd	
	Sun Petrochemicals Pvt Ltd	
	Alfa Infraprop Pvt. Ltd.	
	Sidmak Laboratories India Private Limited	
	Ramdev Chemicals Private Limited	
	Sholapur Organics Private Limited	
	United Medisales Private Limited	
	Virtous Finance Private Limited	
	Aditya Medisales Limited	
	United Medisales Private Limited	
e	**Joint Venture**	
	S & I Ophthalmic LLC	
	Artes Biotechnology GmbH	
f	**Associates**	
	Zenotech Laboratories Limited [Refer note 39 (t) and 39 (u)]	
	Daiichi Sankyo (Thailand) Ltd. [Refer note 39 (r)]	
	Medinstill LLC	
	scPharmaceuticals Inc.	
	Trumpcard Advisors and Finvest LLP	
	Generic Solar Power LLP	
	Vintage Power Generation LLP	
g	**Unconsolidated subsidiary**	
	Foundation for Disease Elimination and Control of India	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

IND AS- 24 - " RELATED PARTY DISCLOSURES"

ANNEXURE 'B'

Details of related party transaction:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of goods	**308.3**	**28.2**
Associates	**-**	12.9
Others	**308.3**	15.3
Purchase of property, plant and equipment and other intangible assets	**650.2**	**885.4**
Others	**650.2**	885.4
Sale of goods	**79,876.2**	**103.4**
Associates	**-**	38.8
Others	**79,876.2**	64.6
Sale of property, plant and equipment and other intangible assets	**0.5**	**-**
Others	**0.5**	-
Receiving of service	**1,209.4**	**1,296.6**
Others	**1,005.6**	1,296.6
Joint venture	**40.9**	-
Associate	**162.9**	-
Reimbursement of expenses paid	**68.4**	**17.7**
Associates	**5.7**	2.8
Key managerial personnel ₹ Nil (March 31, 2017 : ₹ 45,815)	**-**	0.0
Others	**62.2**	14.9
Unconsolidated subsidiary	**0.5**	-
Rendering of service	**178.3**	**147.8**
Joint venture	**0.1**	11.6
Others	**178.2**	136.2
Reimbursement of expenses received	**326.4**	**290.1**
Others	**326.1**	289.8
Unconsolidated subsidiary	**0.3**	0.3
Loans / deposit given	**6,300.0**	**-**
Others	**6,300.0**	-
Loans received back	**9,912.4**	**-**
Others	**9,912.4**	-
Purchase of Investment in associates and joint venture and unconsolidated subsidiary	**324.7**	**1,856.1**
Associates	**324.7**	1,856.0
Unconsolidated subsidiary	**-**	0.1
Interest income	**1,058.7**	**70.4**
Associates	**19.1**	70.4
Others	**1,039.6**	-
Lease rental and hire charges	**51.0**	**51.1**
Others	**51.0**	51.1
Receipt on account of assets given under finance lease	**-**	**46.8**
Others	**-**	46.8
Rent expense	**6.8**	**-**
Others	**6.8**	-
Provision for doubtful loans and interest accrued and due on loans	**-**	**63.4**
Associates	**-**	63.4
Advance received back	**2.5**	**-**
Unconsolidated subsidiary	**2.5**	-
Advance given	**2.5**	**-**
Unconsolidated subsidiary	**2.5**	-
Remuneration / compensation	**237.7**	**294.9**
Key managerial personnel *	**217.6**	281.6
Relatives of Key managerial personnel	**20.1**	13.3
Donation	**62.8**	**52.1**
Unconsolidated subsidiary	**42.8**	-
Others	**20.0**	52.1

(*) Remuneration to key managerial personnel includes the refund received from key managerial personnel in respect of excess remuneration paid for financial year 2014-15, 2015-16 and 2016-17.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

IND AS- 24 - " RELATED PARTY DISCLOSURES" ANNEXURE 'B'

Balance outstanding as at the end of the year

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Receivables	**12,287.2**	**1,130.4**
Others	**12,287.2**	1,129.6
Unconsolidated subsidiary	**-**	0.8
Payables	**917.6**	**833.8**
Associates	**-**	137.7
Key managerial personnel	**169.5**	153.7
Relatives of key managerial personnel	**0.8**	0.6
Others	**747.3**	541.8
Capital advance	**212.9**	**212.9**
Associates	**212.9**	212.9
Deposit given	**658.6**	**-**
Others	**0.5**	-
Associates	**658.1**	-
Loan given	**-**	**454.0**
Associates *	**-**	454.0
Advance from customer	**3.4**	**-**
Others	**3.4**	-
Advance for supply of goods/services	**0.1**	**-**
Others	**0.1**	**-**

* Net of Provision for doubtful loans and interest accrued and due on loans thereof ₹ Nil [March 31, 2017 : ₹ 726.9 Million]

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amount provided on the basis of actuarial valuation, the same is not included above and there is no Share-based payments to key managerial personnel of the Company.

FORM AOC - 1

Pursuant to First Proviso to Sub-Section (3) of Section 129 of Companies Act, 2013 with the Rule 5 of Companies (Accounts) Rules, 2014

Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associate Companies/ Joint Ventures

₹ in Million

		PART "A": Subsidiaries													
Sr No	Name of the subsidiary company	Date since when subsidiary was acquired	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
1	Green Eco Development Centre Limited	12.11.2010	INR	1.00	7.0	(5.4)	1.6	0.0	-	-	(0.1)	-	(0.1)	-	100.00%
2	Sun Pharmaceutical (Bangladesh) Limited	29.03.2001	BDT	0.77	46.3	1,038.5	1,506.0	421.2	-	1,308.7	306.0	118.8	187.2	-	72.50%
3	Sun Pharmaceutical Industries, Inc.	14.06.2011	USD	64.93	13,872.9	2,382.6	81,682.8	65,427.3	7,297.4	35,759.0	(14,988.5)	(41.7)	(14,946.8)	-	100.00%
4	Sun Farmaceutica do Brasil Ltda.	22.05.2009	BRL	19.52	108.8	(2,397.6)	576.8	2,865.6	-	1,076.4	(168.5)	28.0	(196.5)	-	100.00%
5	Sun Pharma De Mexico S.A. DE C.V.	03.12.2002	MXN	3.52	3.6	669.8	988.9	315.5	-	1,267.0	263.0	88.3	174.7	-	75.00%
6	SPIL De Mexico S.A. DE C.V.	13.02.2002	MXN	3.52	0.2	-	0.2	-	-	-	-	-	-	-	100.00%
7	Sun Pharmaceutical Peru S.A.C.	27.06.2006	PEN	20.11	0.0	(157.1)	0.2	157.3	-	-	(1.0)	-	(1.0)	-	99.33%
8	OOO "Sun Pharmaceutical Industries" Limited	12.11.2007	RUB	1.13	0.1	(169.1)	32.9	201.9	-	-	(1.3)	1.2	(2.5)	-	100.00%
9	Sun Pharma De Venezuela, C.A.	06.11.2011	VEF	0.01	0.1	(2.6)	0.8	3.3	-	-	3.6	-	3.6	-	100.00%
10	Chattem Chemicals Inc.	24.11.2008	USD	64.93	2,235.8	1,023.4	3,426.4	167.2	-	1,436.5	(464.3)	(49.9)	(414.4)	-	100.00%
11	The Taro Development Corporation	20.09.2010	USD	64.93	0.0	(0.4)	1,289.2	1,289.6	-	-	-	-	-	-	100.00%
12	Alkaloida Chemical Company Zrt.	05.08.2005	USD	64.93	5,795.7	18,655.2	37,265.1	12,814.2	-	1,395.2	(99.5)	2.0	(101.5)	-	99.99%
13	Sun Pharmaceuticals UK Limited	20.06.2005	GBP	91.88	0.1	(0.1)	-	-	-	-	104.0	-	104.0	-	100.00%
14	Sun Pharmaceutical Industries (Australia) Pty Ltd	11.03.2008	AUD	49.78	3,467.0	(1,954.2)	8,532.6	7,019.8	-	3,501.1	(1,216.6)	-	(1,216.6)	-	100.00%
15	Aditya Acquisition Company Ltd.	22.04.2007	ILS	18.55	0.0	12.0	30.0	18.0	-	145.3	7.4	1.7	5.7	-	100.00%
16	Sun Pharmaceutical Industries (Europe) B.V.	29.06.2007	EURO	80.47	1.4	(67.5)	1,557.7	1,623.8	-	1,386.6	62.2	-	62.2	-	100.00%
17	Sun Pharmaceuticals Italia S.R.L.	14.04.2008	EURO	80.47	0.8	45.2	46.3	0.3	-	-	(0.9)	-	(0.9)	-	100.00%
18	Sun Pharmaceuticals Germany GmbH	11.08.2008	EURO	80.47	2.0	(209.2)	1,356.3	1,563.5	-	745.9	13.9	5.1	8.8	-	100.00%
19	Sun Pharmaceuticals France	10.02.2009	EURO	80.47	3.0	(27.7)	337.7	362.4	-	158.5	(4.8)	-	(4.8)	-	100.00%
20	Sun Pharma Global FZE	25.11.2008	USD	64.93	267.8	126,764.2	137,227.5	10,195.5	6,093.2	24,039.7	2,302.4	-	2,302.4	-	100.00%
21	Sun Pharmaceuticals (SA) (Pty) Ltd.	22.10.2008	ZAR	5.54	0.0	(0.1)	23.8	23.9	-	21.0	0.0	-	0.0	-	100.00%
22	Sun Global Canada Pty. Ltd.	23.06.2009	USD	64.93	0.1	(1.4)	-	1.3	-	-	(0.2)	-	(0.2)	-	100.00%
23	Sun Laboratories FZE	13.03.2011	USD	64.93	795.5	(1,060.6)	2,760.2	3,025.3	-	4,006.7	80.0	-	80.0	-	100.00%
24	Sun Global Development FZE	13.04.2011	USD	64.93	185.6	(4.8)	200.4	19.6	-	-	(0.7)	-	(0.7)	-	100.00%
25	Sun Pharma Japan Ltd.	01.03.2012	JPY	0.61	97.0	(1,574.8)	1,751.4	3,229.2	-	25.7	(1,008.6)	0.2	(1,008.8)	-	100.00%
26	Sun Pharma Philippines, Inc.	08.12.2011	PHP	1.24	10.7	(452.5)	232.6	674.4	-	296.8	(32.9)	27.7	(60.6)	-	100.00%
27	Sun Pharma Healthcare FZE	25.03.2012	USD	64.93	185.6	(2.2)	183.5	0.1	-	-	2.2	-	2.2	-	100.00%
28	Sun Pharmaceuticals Korea Ltd.	20.09.2011	KRW	0.06	6.1	(1.6)	6.1	1.6	-	-	0.0	-	0.0	-	100.00%
29	Caraco Pharmaceuticals Private Limited	12.01.2012	INR	1.00	0.1	(0.1)	0.0	0.0	-	-	(0.0)	-	(0.0)	-	100.00%
30	Sun Pharma Laboratories Ltd	09.03.2012	INR	1.00	0.5	196,823.2	227,734.3	30,910.6	5,714.3	51,099.1	11,582.4	2,820.2	8,762.2	4,790.0	100.00%
31	Morley & Company, Inc.	05.05.1983	USD	64.93	0.2	(0.1)	0.2	0.1	-	-	-	-	-	-	100.00%
32	Taro Pharmaceutical Industries Ltd. (TARO)	20.09.2010	USD	64.93	44.2	143,136.8	147,281.9	4,100.9	20,731.6	16,014.2	14,710.9	1,001.0	13,709.9	-	74.82%

FORM AOC - 1

Pursuant to First Proviso to Sub-Section (3) of Section 129 of Companies Act, 2013 with the Rule 5 of Companies (Accounts) Rules, 2014

Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associate Companies/ Joint Ventures

₹ in Million

		PART "A": Subsidiaries													
Sr No	Name of the subsidiary company	Date since when subsidiary was acquired	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
33	Taro Pharmaceuticals Inc.	20.09.2010	CAD	50.33	12,148.2	79,783.5	95,373.7	3,442.0	25,308.2	17,627.8	6,009.7	1,182.6	4,827.1	-	74.82%
34	Taro Pharmaceuticals U.S.A., Inc.	20.09.2010	USD	64.93	9.4	(1,730.1)	31,562.4	33,283.1	-	34,905.9	662.8	2,889.6	(2,226.8)	-	74.82%
35	Taro Pharmaceuticals North America, Inc.	20.09.2010	USD	64.93	0.0	32,776.4	32,776.4	-	4,310.8	-	12,035.2	-	12,035.2	-	74.82%
36	Taro Pharmaceuticals Europe B.V.	20.09.2010	EURO	80.47	1.4	2.6	44.2	40.2	-	-	40.6	-	40.6	-	74.82%
37	Taro Pharmaceuticals Ireland Ltd	20.09.2010	EURO	80.47	40.3	(40.3)	-	-	-	-	(304.0)	-	(304.0)	-	74.82%
38	Taro International Ltd.	20.09.2010	USD	64.93	0.0	578.5	1,094.1	515.6	-	1,698.4	203.7	49.1	154.6	-	74.82%
39	Taro Pharmaceuticals (UK) Ltd.	20.09.2010	GBP	91.88	0.0	(0.0)	-	-	-	-	842.3	-	842.3	-	74.82%
40	Taro Pharmaceuticals Canada, Ltd.	20.09.2010	CAD	50.33	0.0	0.1	0.1	-	-	-	0.1	-	0.1	-	74.82%
41	Alkaloida Sweden AB	22.11.2012	SEK	7.83	55.8	(17.3)	143.0	104.5	-	696.0	17.0	-	17.0	-	100.00%
42	Dusa Pharmaceuticals, Inc.	19.12.2012	USD	64.93	0.6	8,105.4	10,527.3	2,421.3	-	6,090.7	1,674.8	(1,360.9)	3,035.7	-	100.00%
43	Mutual Pharmaceutical Company Inc.	05.02.2013	USD	64.93	0.0	9,127.2	9,211.3	84.1	-	4,380.5	1,611.0	1,676.4	(65.4)	-	100.00%
44	Faststone Mercantile Company Private Limited	01.04.2012	INR	1.00	0.1	11.4	11.5	0.0	-	-	0.5	0.1	0.4	-	100.00%
45	Neetnav Real Estate Private Limited	01.04.2012	INR	1.00	0.1	2,920.8	3,077.3	156.4	-	1.3	0.8	0.2	0.6	-	100.00%
46	Realstone Multitrade Private Limited	01.04.2012	INR	1.00	0.1	11.4	11.6	0.1	-	-	0.5	0.1	0.4	-	100.00%
47	Skisen Labs Private Limited	01.04.2012	INR	1.00	163.6	(163.6)	0.1	0.1	0.0	(0.0)	(0.0)	-	(0.0)	-	100.00%
48	Softdeal Trading Company Private Limited	01.04.2012	INR	1.00	0.1	10.9	11.0	0.0	-	-	0.5	0.1	0.4	-	100.00%
49	Universal Enterprises Private Limited	31.08.2012	INR	1.00	4.5	0.8	5.3	0.0	-	-	(0.0)	-	(0.0)	-	100.00%
50	Sun Pharma Switzerland Ltd.	10.06.2013	CHF	68.26	6.8	(5.4)	14.0	12.6	-	-	(2.1)	-	(2.1)	-	100.00%
51	Sun Pharma Holdings	06.08.2015	USD	64.93	222,115.3	(18,087.6)	204,784.9	757.2	-	-	(29.7)	-	(29.7)	-	100.00%
52	Pharmalucence, Inc.	15.07.2014	USD	64.93	0.0	5,469.1	7,217.9	1,748.8	-	2,423.7	353.9	(69.7)	423.6	-	100.00%
53	PI Real Estate Ventures LLC	15.07.2014	USD	64.93	584.5	321.9	1,993.0	1,086.6	-	214.3	135.1	28.4	106.7	-	100.00%
54	Sun Pharma East Africa Limited	13.06.2014	KES	0.64	0.1	(105.6)	358.6	464.1	-	363.3	(75.8)	(22.4)	(53.4)	-	100.00%
55	Basics GmbH	24.03.2015	EURO	80.47	392.3	372.6	5,320.2	4,555.3	-	3,164.3	89.5	35.3	54.2	-	100.00%
56	Ranbaxy GmbH	24.03.2015	EURO	80.47	2.0	-	5.2	3.2	-	65.2	-	-	-	-	100.00%
57	"Ranbaxy Pharmaceuticals Ukraine" LLC	24.03.2015	UAH	2.45	98.0	37.7	208.4	72.7	-	731.9	38.0	6.8	31.2	-	100.00%
58	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	24.03.2015	MAD	7.09	86.8	(159.5)	1,236.2	1,308.9	-	1,224.6	48.0	53.8	(5.8)	-	100.00%
59	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	24.03.2015	PEN	20.11	87.3	(211.8)	229.7	354.2	-	301.3	(29.8)	-	(29.8)	-	100.00%
60	Ranbaxy Holdings (U.K.) Limited	24.03.2015	GBP	91.88	2,807.4	140.7	2,948.9	0.8	-	-	167.3	-	167.3	-	100.00%
61	Ranbaxy Pharmacie Generiques	24.03.2015	EURO	80.47	2,007.6	(4,206.7)	986.5	3,185.6	-	1,501.9	(273.6)	-	(273.6)	-	100.00%

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₹ in Million

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62	Office Pharmaceutique Industriel Et Hospitalier	24.03.2015	EURO	80.47	107.0	(13.2)	297.3	203.5	-	278.7	2.5	-	2.5	-	100.00%
63	Ranbaxy Italia S.P.A.	24.03.2015	EURO	80.47	4.0	0.1	2,222.8	2,218.7	-	1,734.7	(20.3)	1.6	(21.9)	-	100.00%
64	Ranbaxy Pharmaceuticals (Pty) Limited	24.03.2015	ZAR	5.54	1,108.4	(2,136.5)	6,406.5	7,434.6	-	6,836.0	195.2	-	195.2	-	100.00%
65	Sonke Pharmaceuticals Proprietary Limited	24.03.2015	ZAR	5.54	11.1	597.7	3,008.5	2,399.7	-	6,408.8	507.2	146.3	360.9	-	70.00%
66	Ranbaxy South Africa (Pty) Limited	24.03.2015	ZAR	5.54	97.0	688.0	2,544.6	1,759.6	-	1,617.1	1.9	(9.6)	11.5	-	100.00%
67	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	24.03.2015	EGP	3.67	483.2	(96.0)	563.7	176.5	-	360.4	(14.1)	4.6	(18.7)	-	100.00%
68	Rexcel Egypt Company LLC	24.03.2015	EGP	3.67	0.9	(19.6)	5.6	24.3	-	(2.6)	(7.4)	-	(7.4)	-	100.00%
69	Ranbaxy (U.K.) Limited	24.03.2015	GBP	91.88	1,998.3	(614.5)	2,605.7	1,221.9	-	1,898.9	76.9	17.1	59.8	-	100.00%
70	Ranbaxy (Poland) SP. Z O.O.	24.03.2015	PLN	19.11	82.0	112.8	244.9	50.1	-	552.9	17.4	4.8	12.6	-	100.00%
71	Ranbaxy Nigeria Limited	24.03.2015	NGN	0.21	8.2	200.4	2,123.1	1,914.5	-	1,024.0	(428.7)	5.1	(433.8)	-	85.31%
72	Ranbaxy (Thailand) Co., Ltd.	24.03.2015	THB	2.08	238.8	(30.9)	990.0	782.1	-	1,290.3	30.9	-	30.9	-	100.00%
73	Ohm Laboratories, Inc.	24.03.2015	USD	64.93	15.5	7,124.6	214,538.0	207,397.9	-	15,381.5	2,810.9	(1,253.3)	4,064.2	-	100.00%
74	Ranbaxy Laboratories, Inc.	24.03.2015	USD	64.93	-	80.8	80.8	-	-	3,587.0	(568.7)	-	(568.7)	-	100.00%
75	Ranbaxy Signature LLC	24.03.2015	USD	64.93	3.2	354.8	497.7	139.7	-	528.7	411.6	-	411.6	-	67.50%
76	Ranbaxy Pharmaceuticals, Inc.	24.03.2015	USD	64.93	0.0	4.8	4.8	-	-	4,065.3	(3,117.3)	-	(3,117.3)	-	100.00%
77	Ranbaxy Inc.	24.03.2015	USD	64.93	-	642.3	750.8	108.5	-	-	(364.8)	(148.1)	(216.7)	-	100.00%
78	Ranbaxy Ireland Limited	24.03.2015	EURO	80.47	572.2	(2.0)	572.9	2.7	-	6.1	(8.1)	7.6	(15.7)	-	100.00%
79	AO Ranbaxy (Formerly Known ZAO Ranbaxy)	24.03.2015	RUB	1.13	183.8	835.4	4,038.9	3,019.7	-	5,999.8	147.2	75.6	71.6	-	100.00%
80	Laboratorios Ranbaxy, S.L.U.	24.03.2015	EURO	80.47	80.5	281.2	1,597.2	1,235.5	-	1,695.2	75.3	8.6	66.7	-	100.00%
81	Ranbaxy (Malaysia) SDN. BHD.	24.03.2015	MYR	16.80	139.4	740.8	1,641.3	761.1	-	2,006.2	495.6	-	495.6	-	90.74%
82	Ranbaxy Farmaceutica Ltda.	24.03.2015	BRL	19.52	339.0	(1,437.9)	1,060.0	2,158.9	-	1,716.4	(25.5)	48.2	(73.7)	-	100.00%
83	Ranbaxy Europe Limited	24.03.2015	GBP	91.88	0.0	-	0.0	-	-	-	(0.0)	-	(0.0)	-	100.00%
84	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	24.03.2015	AUD	49.78	866.2	(1,214.8)	973.8	1,322.4	-	2,163.3	83.1	-	83.1	-	100.00%
85	Ranbaxy Pharmaceuticals Canada Inc.	24.03.2015	CAD	50.33	113.3	164.9	877.8	599.6	-	1,181.0	(66.6)	-	(66.6)	-	100.00%
86	Terapia S.A.	24.03.2015	RON	17.27	432.1	14,702.3	17,868.5	2,734.1	-	11,851.9	2,643.3	350.7	2,292.6	-	96.81%
87	Be- Tabs Investments (Pty) Limited	24.03.2015	ZAR	5.54	0.0	19.8	19.8	-	-	-	(0.0)	-	(0.0)	-	100.00%
88	Sun Pharma (Netherlands) B.V (Formerly known as Ranbaxy (Netherlands) B.V.)	24.03.2015	USD	64.93	44,039.3	8,655.3	53,355.2	660.6	923.6	0.0	(485.6)	95.5	(581.1)	-	100.00%
89	Insite Vision Incorporated	02.11.2015	USD	64.93	0.0	(349.9)	1,264.3	1,614.2	-	-	224.4	1,192.6	(968.2)	-	100.00%
90	JSC Biosintez	19.12.2016	RUB	1.13	0.3	723.1	4,700.1	3,976.7	2.3	2,906.1	80.7	72.5	8.2	-	85.10%

FORM AOC - 1

Pursuant to First Proviso to Sub-Section (3) of Section 129 of Companies Act, 2013 with the Rule 5 of Companies (Accounts) Rules, 2014

Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associate Companies/ Joint Ventures

₹ in Million

		PART "A": Subsidiaries													
Sr No	Name of the subsidiary company	Date since when subsidiary was acquired	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
91	Sun Pharmaceuticals Holdings USA, Inc	18.11.2016	USD	64.93	0.0	20,697.6	20,697.6	-	-	-	-	-	-	-	100.00%
92	Foundation for Disease Elimination and Control of India	21.09.2016	INR	1.00	0.1	3.9	4.8	0.8	-	42.8	5.1	-	5.1	-	100.00%
93	Zenotech Laboratories Ltd	27.07.2017	INR	1.00	610.3	(190.1)	817.4	397.2	-	111.4	(118.5)	-	(118.5)	-	57.56%
94	Sun Pharmaceutical Medicare Limited	16.01.2017	INR	1.00	2.5	(86.4)	3,077.1	3,161.0	-	1,199.2	(61.4)	-	(61.4)	-	100.00%

Note:

1 0.0' represents amount less than 0.05 Million and rounded off

2 In respect of entities at Sr. Nos. 4 to 8, 57, 79, 89 and 90 the reporting date is as of December 31, 2017 and different from the reporting date of the Parent Company. Adjustments have been made for significant transactions of these subsidiaries for the periods from January 01, 2017 to March 31, 2017 and January 01, 2018 to March 31, 2018, on the basis of their management accounts for the said periods.

3 Entities at Sr. No. 93 have been incorporated / acquired during the year ended March 31, 2018.

4 Foundation for Disease Elimination and Control of India (FDEC), a wholly owned subsidiary incorporated in India on September 21, 2016 by the Company as part of its Corporate Social Responsibility (CSR) initiative. FDEC has entered into an MOU with Indian Council of Medical Research (ICMR) and Madhya Pradesh State Government to undertake the Mandla Malaria Elimination Demonstration Project with a goal to eliminate Malaria in the state. FDEC is a Section 8 company not considered for consolidation since it can apply its income for charitable purposes only and can raise funds/contribution independently.

5 Taro Pharmaceutical India Private Limited has been liquidated on April 04, 2017.

6 With effect from December 21, 2017 S & I Ophthalmic LLC has been dissolved.

7 With effect from April 01, 2017 vide certificate dated August 09, 2017 Ocular Technologies SARL has been merged with Sun Pharma Switzerland Limited.

8 With effect from July 27, 2017 Zenotech Laboratories Limited has ceased to be an associate and has become subsidiary of Sun Pharmaceutical Industries Limited.

9 Books of accounts and other related records/documents of the overseas subsidiaries of the Zenotech Laboratories Limited were missing and due to non-availability of those records/ information, Zenotech Laboratories Limited is unable to prepare consolidated accounts.

10 With effect from August 01, 2017, Ranbaxy Pharmaceuticals, Inc. and Ranbaxy Laboratories, Inc. has been merged with Sun Pharmaceutical Industries Inc.

11 With effect from May 20, 2018 Sun Pharmaceuticals UK Limited has been dissolved.

12 Taro Pharmaceuticals Ireland Limited is under Liquidation.

13 Taro Pharmaceuticals (UK) Limited is under Liquidation.

14 Ranbaxy Europe Limited is under Liquidation.

15. 3 Skyline LLC and One Commerce drive LLC are being consolidated with Taro Pharmaceuticals U.S.A.,Inc.

16. With effect from April 25, 2017 Insite Vision Ltd. has been dissolved.

17. With effect from June 19, 2017 MSD - Sun LLC is liquidated.

18 Fraizer Healthcare VII, L.P. and Versant Venture Capital V, L.P. were treated as associates till March 31, 2017 and are now being classified and measured as investments at fair value through profit or loss.

19 The above does not include Taro Pharmaceutical Laboratories Inc., 2 Independence Way LLC, URL PharmaPro LLC and Dungan Mutual Associates LLC as they have no operation and does not have any Assets, Liabilities or Equity as on the close of their Financial Year.

FORM AOC - 1

Pursuant to First Proviso to Sub-Section (3) of Section 129 of Companies Act, 2013 with the Rule 5 of Companies (Accounts) Rules, 2014

Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associate Companies/ Joint Ventures

₹ in Million

Part "B": Associate Companies and Joint Ventures

Sr. No	Name of Associates/Joint Ventures	Jointly Controlled Entity		Associates			
		Artes Biotechnology GmbH	S & I Ophthalmic LLC	sc Pharmaceuticals Inc.	Generic Solar Power LLP	Trumpcard Advisors and Finvest LLP	Medinstill LLC
1	Latest audited Balance Sheet Date	31-Dec-17	31-Dec-17	31-Dec-17	31-Mar-18	31-Mar-18	31-Mar-18
	Date of acquisition	13.02.2014	28.10.2013	29.12.2016	09.10.2015	31.03.2017	13.03.2014
2	Shares of Associate/Joint Ventures held by the company on the year end						
	No.	15,853	NA	13,000,000	28,760	NA	1,999
	Amount of Investment in Associates/ Joint Venture	252.8	-	867.6	0.0	444.6	1,436.4
	Extend of Holding %	45.00%	50.00%	11.69%	28.76%	40.61%	19.99%
3	Description of how there is significant influence	NA	NA	NA	NA	NA	NA
4	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	55.7	-	1,003.5	0.0	0.2	(582.2)
6	Profit / Loss for the year						
	i. Considered in Consolidation	7.6	(15.4)	(250.1)	(0.0)	132.1	(128.6)
	ii. Not Considered in Consolidation	9.3	(15.4)	(1,889.1)	0.0	193.2	(514.7)

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

C. S. MURALIDHARAN
Chief Financial Officer

SAILESH T. DESAI
Wholetime Director

SUNIL R. AJMERA
Company Secretary

Mumbai, May 25, 2018

Sun Pharmaceutical Industries Ltd.

Registered Office: SPARC Tandalja, Vadodara - 390 012, Gujarat, India **Tel Nos:** 0265-6615500/600/700 **Fax No:** 0265-2354897
Corporate Office: Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon -East, Mumbai - 400 063, Maharashtra, India.
CIN: L24230GJ1993PLC019050 **Website:** www.sunpharma.com **Email:** secretarial@sunpharma.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty-Sixth Annual General Meeting** of the members of **Sun Pharmaceutical Industries Limited** will be held on **Wednesday, September 26, 2018 at 02:45 p.m. at Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390 020, Gujarat, India** to transact the following business:

ORDINARY BUSINESS:

1. a. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon.

   b. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2018 and the report of the Auditors thereon.

2. To consider declaration of dividend on equity shares for the financial year ended March 31, 2018.*

3. To appoint a Director in place of Mr. Dilip S. Shanghvi (DIN: 00005588), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Sudhir V. Valia (DIN: 00005561), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Vivek Chaand Sehgal (DIN: 00291126), who was appointed as an Additional Independent Director with effect from November 14, 2017, by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, who shall not be liable to retire by rotation, for a term of 5 (Five) years commencing from November 14, 2017 upto November 13, 2022."

6. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Gautam Doshi (DIN: 00004612), who was appointed as an Additional Independent Director with effect from May 25, 2018, by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, who shall not be liable to retire by rotation, for a term of 5 (Five) years commencing from May 25, 2018 upto May 24, 2023."

7. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force); relevant provisions of Articles of Association of the Company and subject to such approval(s) as may be necessary under law, Mr. Sudhir V. Valia (DIN: 00005561) be and is hereby re-appointed as the 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 the consent of the members of the Company, be and is hereby accorded for maximum remuneration to be paid to Mr. Sudhir V. Valia for a period of 3 (Three) years commencing from April 01, 2019 to March 31, 2022, on such terms and conditions including the said remuneration to be paid to him as minimum remuneration in the event of loss or inadequacy of profits in any financial year during the aforesaid period, as stated below and as set out in the draft Agreement as placed before the meeting duly initialled by the Chairman of this meeting for the purpose of identification, and the said draft Agreement be and is hereby specifically approved with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration and/or the said draft Agreement, in such manner as may be agreed to, between the Board of Directors and Mr. Sudhir V. Valia, within and in accordance with Act or such other applicable provisions or any statutory modification(s) or re-enactment(s) thereof and, if necessary, subject to the approval of Central Government as may be necessary and agreed to between the Board of Directors and as may be acceptable to Mr. Sudhir V. Valia:

   a) Salary (including bonus and perquisites) up to ₹6,00,00,000/- (Rupees Six Crores only) per annum.

Perquisites: He will be entitled to furnished/nonfurnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rule, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹75,00,000/- (Rupees Seventy Five Lakhs only) per annum.

b) Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure, though payable, shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

c) **Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year, Mr. Sudhir V. Valia shall be entitled to receive a total remuneration including perquisites, etc. not exceeding the ceiling limits as approved by the Board of Directors and the members hereinabove, as minimum remuneration subject to receipt of such approvals as may be required, if any.

d) **Other terms and conditions:** Subject to the control and supervision of the Board of Directors and subject to the provisions of the Act, Mr. Sudhir V. Valia shall have the powers of general conduct and management of the affairs of the Company and he shall be entitled to exercise all such powers and to do all such acts and things the Company is authorised to exercise and all such powers, acts or things which are directed or required by the Act or any other Law or by the Articles of Association of the Company expect such powers/acts/things which can be exercised or done by the Company in General Meeting or by the Board of Directors at their Meeting only. Mr. Sudhir V. Valia to perform such duties and exercise such powers as are additionally entrusted to him by the Board and/or the Chairman and that he is further authorised to do all such acts, deeds, things and matters as he may be required to do, as a Whole-time Director. The appointment would be subject to the provisions of Section 152 (6) of the Act i.e. Mr. Sudhir V. Valia shall be liable to retire by rotation. The re-appointment will be for a period of five years which may be terminated by either party giving to the other thirty days' notice in writing or upon Mr. Sudhir V. Valia's ceasing to be a Director of the Company.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V of the Act, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), i.e. the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid draft Agreement between the Company and Mr. Sudhir V. Valia be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required under law.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as they may deem fit, expedient or desirable to give effect to this resolution."

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force); relevant provisions of Articles of Association of the Company and subject to such approval(s) as may be necessary under law, Mr. Sailesh T. Desai (DIN: 00005443) be and is hereby re-appointed as the 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 the consent of the members of the Company, be and is hereby accorded for maximum remuneration to be paid to Mr. Sailesh T. Desai for a period of 3 (Three) years commencing from April 01, 2019 to March 31, 2022, on such terms and conditions including the said remuneration to be paid to him as minimum remuneration in the event of loss or inadequacy of profits in any financial year during the aforesaid period, as stated below and as set out in the draft Agreement as placed before the meeting duly initialled by the Chairman of this meeting for the purpose of identification, and the said draft Agreement be and is hereby specifically approved with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration and/or the said draft Agreement, in such manner as may be agreed to, between the Board of Directors and Mr. Sailesh T. Desai, within and in accordance with Act or such other applicable provisions or any statutory modification(s) or re-enactment(s) thereof and, if necessary, subject to the approval of Central Government as may be necessary and agreed to between the Board of Directors and as may be acceptable to Mr. Sailesh T. Desai:

a) Salary (including bonus and perquisites) up to ₹1,80,00,000/- (Rupees One Crore Eighty Lakhs only) per annum.

Perquisites: He will be entitled to furnished/nonfurnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rule, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹25,00,000/- (Rupees Twenty Five Lakhs only) per annum.

b) Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure, though payable, shall not be included in the

computation of ceiling on remuneration and perquisites as aforesaid.

c) **Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year, Mr. Sailesh T. Desai shall be entitled to receive a total remuneration including perquisites, etc. not exceeding the ceiling limits as approved by the Board of Directors and the members hereinabove, as minimum remuneration subject to receipt of such approvals as may be required, if any.

d) **Other terms and conditions:** Subject to the control and supervision of the Board of Directors and subject to the provisions of the Act, Mr. Sailesh T. Desai shall have the powers of general conduct and management of the affairs of the Company and he shall be entitled to exercise all such powers and to do all such acts and things the Company is authorised to exercise and all such powers, acts or things which are directed or required by the Law or any other Act or by the Articles of Association of the Company expect such powers/acts/things which can be exercised or done by the Company in General Meeting or by the Board of Directors at their Meeting only. Mr. Sailesh T. Desai to perform such duties and exercise such powers as are additionally entrusted to him by the Board and/or the Chairman and that he is further authorised to do all such acts, deeds, things and matters as he may be required to do, as a Whole-time Director. The appointment would be subject to the provisions of Section 152 (6) of the Act i.e. Mr. Sailesh T. Desai shall be liable to retire by rotation. The re-appointment will be for a period of five years which may be terminated by either party giving to the other thirty days' notice in writing or upon Mr. Sailesh T. Desai's ceasing to be a Director of the Company.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V of the Act, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), i.e. the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid draft Agreement between the Company and Mr. Sailesh T. Desai be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required under law.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as they may deem fit, expedient or desirable to give effect to this resolution."

9. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force); relevant provisions of Articles of Association of the Company and subject to such approval(s) as may be necessary under law, Mr. Kalyanasundaram Subramanian (DIN: 00179072)("Mr. Kal") be and is hereby re-appointed as the Whole-time Director of the Company upon the expiry of his present term of office on February 13, 2019, for a further period of 2 (Two) years commencing from February 14, 2019 to February 13, 2021, without any remuneration, on such terms and conditions as stated below and as set out in the draft Agreement as placed before this meeting duly initialled by the Chairman of this meeting for the purpose of identification, and the said draft Agreement be and is hereby specifically approved with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or the said draft Agreement, in such manner as may be agreed to, between the Board of Directors and Mr. Kal, within and in accordance with Act or such other applicable provisions or any statutory modification(s) or re-enactment(s) thereof and, if necessary, subject to the approval of Central Government as may be necessary and agreed to between the Board of Directors and as may be acceptable to Mr. Kal:

I) Subject to the supervision and control of the Board of Directors and subject to the provisions of the Act, Mr. Kal, the Whole-time Director will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors and the Managing Director.

He will report to Mr. Dilip S. Shanghvi, the Managing Director of the Company. He is further authorised to do all such acts, deeds, things and matter as may be required to do, as the Whole-time Director. The Appointee shall perform such duties and exercise such powers as are additionally entrusted to him by the Board.

II) Remuneration:
No remuneration shall be payable to Mr. Kal for his reappointment as Whole-time Director of the Company. His re-appointment would be without any remuneration, however, he will be entitled for reimbursement of expenses incurred while discharging his duties as the Whole-time Director of the Company.

III) Other Terms and Conditions:
The re-appointment of Mr. Kal as the Whole time Director of the Company would be subject to the provisions of Section 152 (6) of the Act, i.e. Mr. Kal would be liable to retire by rotation. The re-appointment as Whole-time Director will be terminated by either party giving to other thirty day's notice in writing or upon Mr. Kal ceasing to be a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as they may deem fit, expedient or desirable to give effect to this resolution."

10. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to Regulation 17(1A) and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to be effective from April 01,

2019 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the members be and is hereby accorded for continuation of Directorship of Mr. Israel Makov (DIN:05299764), Non-executive Director and Chairman of the Company."

11. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the members be and hereby ratify the remuneration as set out in the Explanatory Statement annexed to this Notice payable to M/s. Kailash Sankhlecha & Associates, Cost Accountants, Firm's Registration No. 100221, appointed as the Cost Auditors of the Company to conduct the audit of cost records maintained by the Company for the financial year 2018-19.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof, be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

By order of the Board of Directors
For Sun Pharmaceutical Industries Ltd.

Sunil R. Ajmera
Company Secretary

Mumbai
May 25, 2018

Registered Office:
SPARC, Tandalja, Vadodara - 390 012.

* The actual equity dividend to be declared by the members at the 26th Annual General meeting will be for only equity shares other than the equity shares in respect of which the equity shareholder(s) has/have waived/forgone his/her/their right to receive the dividend for the financial year ended March 31, 2018 in accordance with the rules framed by the Board as per Note no. 14 hereinafter appearing.

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') relating to the Special Business to be transacted at the 26th Annual General Meeting of the Company (the "Meeting" or "AGM") under Item Nos. 5 to 11.

   The relevant details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Clause 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment / re-appointment as Director is given under the heading "Profile of Directors" forming part of this Notice.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the scheduled time of the commencement of the Meeting.

4. Pursuant to the provisions of Section 105 of the Act read with the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other person or member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

5. Corporate members intending to send their authorized representative(s) to attend and vote on their behalf at the Meeting are requested to submit to the Company a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing their representative(s) to attend and vote along with specimen signature of authorized representative(s) before commencement of the Meeting.

6. Member(s)/ proxy(ies)/ Authorised Representative(s) should bring their attendance slips duly filled in for attending the Meeting.

7. The Proxy should carry his/her identity proof i.e. a Pan Card / Aadhaar Card / Passport / Driving License / Voter ID Card or such other proof(s) to prove his/her identity at the venue of the Meeting.

8. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.

9. Members of the Company had approved the appointment of S R B C & Co LLP, Chartered Accountants, as the Statutory Auditor of the Company at the 25th Annual General Meeting of the Company for a period of five years upto the conclusion of 30th Annual General Meeting of the Company. This appointment was required to be ratified by members at every Annual General Meeting in accordance with the Act, however, in accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is now not required to be ratified by the members at every Annual General Meeting.

10. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 19, 2018 to the date of the 26th AGM of the Company be held on Wednesday, September 26, 2018 (both days inclusive) for the

purpose of the 26th AGM of the Company and for the payment of Dividend.

11. This Notice of this AGM along with the Annual Report 2017-18 is being sent by electronic mode to those members whose e-mail address are registered with the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. / Depositories. Physical copies of the Notice of 26th AGM along with Abridged Annual Report are being sent, by the permitted mode, to those members whose email addresses are not registered and the members who have specifically requested for the physical copy in addition to e-mail. However, in case a member wishes to receive a physical copy of the full Annual Report 2017-18, he/she is requested to write to Link Intime India Pvt. Ltd., C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 or email at rnt.helpdesk@linkintime.co.in from their registered e-mail ID, duly quoting his/her DP ID and Client ID or the Folio number, as the case may be. A copy of the Notice of the Meeting along with the Annual Report 2017-18 is also available for download on the website of the Company www.sunpharma.com. To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register the same with our Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. / Depositories.

12. Relevant documents / agreements referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office and the Corporate Office of the Company on all working days, except Saturdays and Sundays, between 11:00 a.m. IST and 1:00.p.m. IST upto the date of the Meeting and at the venue of the Meeting during Meeting hours.

13. The Board of Directors at its Meeting held on May 25, 2018, recommended a Dividend of ₹2/- (Rupees Two only) per equity share of ₹1/- each of the Company for the year ended March 31, 2018 and the same if declared at the Meeting will be paid on or before October 01, 2018 to the Company's members whose names stand in the Register of Members as beneficial owners at the close of business hours on Tuesday, September 18, 2018 as per the list provided by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in respect of shares held in electronic form and as members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before Tuesday, September 18, 2018.

14. At the Extra Ordinary General Meeting of the members of the Company held on Monday, September 1, 2003, the members had approved, by way of a Special Resolution, certain amendments whereby few Articles were inserted in the Articles of Association of the Company relating to enabling the Company to implement any instruction from member(s) of the Company to waive/forgo his/their right to receive the dividend (interim or final) from the Company for any financial year. The above referred amendments as approved at the aforesaid Extra Ordinary General Meeting have been retained and are inter alia forming part of new set of Articles of Association adopted at the 24th Annual General Meeting of the Company held on Saturday, September 17, 2016. Thus, the members of the Company can waive/forgo, if he/they so desire(s), his/their right to receive the dividend (interim or final) for any financial year effective from the dividend recommended by the Board of Directors of the Company for the year ended March 31, 2004 on a year to year basis, as per the rules framed by the Board of Directors of the Company from time to time for this purpose. The member, if so wishes to waive/forgo the right to receive Dividend for the year ended March 31, 2018, shall fill up the form and send it to the Company's Registrars on or before Tuesday, September 18, 2018. The form prescribed by the Board of Directors of the Company for waiving/forgoing the right to receive Dividend for any year shall be available for download on the Company's website www.sunpharma.com under section "Investor - Shareholder's Information- Statutory Communication" or can also be obtained from the Company's Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd.

The Board of Directors of the Company at its meeting held on September 1, 2003 have framed the following rules under old Article 190A (corresponding Article no. 142 as per the new set of Articles of Association) of the Articles of Association of the Company for members who want to waive/forgo the right to receive dividend in respect of financial year 2002-2003 or for any year thereafter:

I. A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the Equity Shares held by him in the Company as on the Record Date/ Book-closure Date fixed for determining the names of Members entitled for such dividend. However, the Shareholder cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on a share(s).

II. The Equity Shareholder(s) who wish to waive/forgo the right to receive the dividend for any year shall inform the Company in the form prescribed by the Board of Directors of the Company only.

III. In case of joint holders holding the Equity Shares of the Company, all the joint holders are required to intimate to the Company in the prescribed form their decision of waiving/forgoing their right to receive the dividend from the Company.

IV. The Shareholder, who wishes to waive/forgo the right to receive the dividend for any year shall send his irrevocable instruction waiving/ forgoing dividend so as to reach the Company before the Record Date /Book Closure Date fixed for the payment of such dividend. Under no circumstances, any instruction received for waiver/ forgoing of the right to receive the dividend for any year after the Record Date / Book Closure Date fixed for the payment of such dividend for that year shall be given effect to.

V. The instruction once given by a Shareholder intimating his waiver/forgoing of the right to receive the dividend

for any year for interim, final or both shall be irrevocable and can not be withdrawn for that particular year for such waived/forgone the right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Record Date/Book Closure Date fixed for the payment of such dividend, the instruction once exercised by such earlier Shareholder intimating his waiver/forgoing the right to receive dividend will be invalid for the next succeeding Shareholder(s) unless such next succeeding Shareholder(s) intimates separately in the prescribed form, about his waiving/ forgoing of the right to receive the dividend for the particular year.

VI. The Equity Shareholders who wish to waive/forgo their right to receive the dividend for any year can inform the Company in the prescribed form only after the beginning of the relevant financial year for which the right to receive the dividend is being waived/forgone by him.

VII. The instruction by a Shareholders to the Company for waiving/ forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholder(s). There is a no interference with a Shareholder's Right to receive the dividend, if he does not wish to waive/forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.

VIII. The decision of the Board of Directors of the Company or such person(s) as may be authorized by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and/or implementation of these Rules.

IX. These Rules can be amended by the Board of Directors of the Company from time to time as may be required.

15. The members of erstwhile Tamilnadu Dadha Pharmaceuticals Limited; erstwhile Gujarat Lyka Organics Limited; erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited; who have not yet sent their share certificates of erstwhile Tamilnadu Dadha Pharmaceuticals Limited; erstwhile Gujarat Lyka Organics Limited; erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited, respectively for exchange with the share certificates of Sun Pharmaceutical Industries Limited, are requested to do so at the earliest, since share certificates of the erstwhile Tamilnadu Dadha Pharmaceuticals Limited; erstwhile Gujarat Lyka Organics Limited; erstwhile Phlox Pharmaceuticals Limited and erstwhile Ranbaxy Laboratories Limited are no longer tradable/ valid.

16. The members may be aware that the equity shares of the Company had been subdivided from 1 (One) equity share of ₹5/- (Rupees Five Only) each to 5 (Five) equity shares of ₹1/- each on November 29, 2010 based on the Record Date of November 26, 2010. The members who have yet not sent their share certificates of ₹5/- (Rupees Five Only) each of the Company for exchange with new equity shares of ₹1/- each are requested to send the same to the Company's Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd. since the old share certificates of ₹5/- (Rupees Five Only) each are no longer tradable.

17. Pursuant to Section 124 of the Act, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). The Company will be transferring the unclaimed dividends during the financial years ending March 31, 2019 to March 31, 2025 as given below:

Dividend for Financial Year	Date of Declaration of Dividend entitled	Rate of Dividend	Last date for claiming unpaid Dividend	Due Date for transfer to IEPF
2010-2011	16.09.2011	₹3.50 per share of ₹1/- each	15.09.2018	14.10.2018
2011-2012	10.08.2012	₹4.25 per share of ₹1/- each	09.08.2019	07.09.2019
2012-2013	30.09.2013	₹2.50 per share of ₹1/- each	26.09.2020	25.10.2020
2013-2014	27.09.2014	₹1.50 per share of ₹1/- each	27.09.2021	26.10.2021
2014-2015	31.10.2015	₹3.00 per share of ₹1/- each	30.10.2022	29.11.2022
2015-2016	17.09.2016	₹1.00 per share of ₹1/- each	16.09.2023	15.10.2023
2016-2017	26.09.2017	₹3.50 per share of ₹1/- each	26.09.2024	25.10.2024

Members who have not encashed their dividend warrants, for the financial year ended March 31, 2011 and onwards are requested to approach the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India, to claim their unpaid Dividend. The Dividend declared for the financial year ended March 31, 2011 and remaining unpaid and unclaimed, will be transferred to the Investor Education and Protection Fund ("IEPF") by October 14, 2018. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2017 (date of the last Annual General Meeting of the Company) on the website of the Company viz., www.sunpharma.com under head "Investor" sub-head "Shareholder Information" as well as on the website of the Ministry of Corporate Affairs viz., www.iepf.gov.in.

18. The members may note that pursuant to Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as

amended from time to time ("the Rules"), the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall be transferred to the demat account created by the IEPF Authority.

Consequently, the Company has transferred the shares to the IEPF Authority in respect of which dividend has remained unpaid or unclaimed from the financial year 2009-10 for 7 (seven) consecutive years, the details of which are available on website of the Company www.sunpharma.com under head "Investor" sub-head "Shareholder Information".

The details of shares liable to be transferred to the IEPF Authority are also available on website of the Company www.sunpharma.com under head "Investor" sub-head "Shareholder Information". These shares will be transferred to the IEPF Authority as per the requirements of Rules.

The procedure to claim shares from IEPF Authority is provided on the website of the Company and can be accessed from: www.sunpharma.com under head "Investor" sub-head "Shareholder Information".

19. The amendment to Regulation 40 of Listing Regulations vide Gazette notification dated June 08, 2018 has mandated that transfer of securities would be carried out in dematerialized form only. Accordingly, with effect from December 05, 2018, shares which are lodged for transfer shall be in dematerialized form only. The concerned are hence requested to get their physical shares dematerialized urgently as with effect from December 05, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form.

20. Route map along with prominent landmark to the Venue of the Meeting is provided at the end of this Notice.

21. Remote e-voting and electronic voting system:

Voting through electronic means:

(a) In accordance with the applicable provisions of the Listing Regulations and the Act, read with Companies (Management and Administration) Rules, 2014 including any amendments thereto, the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 26th Annual General Meeting. The Company has appointed CDSL to provide e-voting facilities to its members.

(b) The voting right of members shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut-off date Tuesday, September 18, 2018.

(c) The remote e-voting period begins on Sunday, September 23, 2018 at 09:00 a.m. and ends on Tuesday, September 25, 2018 at 05:00 p.m. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, September 18, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(d) The facility for voting through electronic means shall also be made available at the Meeting and members of the Company as of cut-off date, attending the Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting. The members who have cast their vote by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again.

(e) Mr. Chintan Goswami, Partner of KJB & Co LLP and failing him Mr. Alpeshkumar Panchal, Partner of KJB & Co LLP Practicing Company Secretaries, Mumbai, has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process (remote e-voting and electronic voting at the venue) in a fair and transparent manner and they have communicated their willingness to be appointed as such and that they are available for the said purpose.

(f) The procedure and instructions for members voting by remote e-voting are as under:

(i) The voting period begins on Sunday, September 23, 2018, at 09:00 a.m. and ends on Tuesday, September 25, 2018 at 05:00 p.m. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, September 18, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The members should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders / Members tab.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the e-voting code which is printed on address label on the envelope for the Abridged Annual Report sent in Physical, in the PAN field. For those having email IDs the e-voting code is sent by email.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

Any person who becomes a member of the Company after dispatch of the Notice and holds shares of the Company as on the cut-off date ie. Tuesday, September 18, 2018 and whose PAN is not registered with the Company may obtain the e-voting code detail by writing to the Company at rnt.helpdesk@linkintime.co.in or secretarial@sunpharma.com or contact Mr. Ashok Bhuta, Compliance Officer.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Sun Pharmaceutical Industries Limited to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdeskevoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same and send the scan copy of the Board resolution/ POA to scrutinizer@sunpharma.com.

(xx) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at www.evotingindia.com, under help section or write an email to helpdeskevoting@cdslindia.com.

Any person having any grievances in connection with remote e-voting may write to:

Name	: Mr. Rakesh Dalvi
Designation	: Deputy Manager
Address	: CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013, Maharashtra, India.
Email ID	: helpdesk.evoting@cdslindia.com
Toll Free Number	: 1800225533

g) The Scrutinizer will, immediately after the conclusion of electronic voting system at the venue of the Meeting, start scrutinizing the votes cast at the Meeting by electronic voting alongwith remote e-voting and prepare a consolidated Scrutinizer's Report and submit thereafter to the Chairman of the Meeting or any person authorised by him in writing. The result declared along with the consolidated Scrutinizer's Report will be placed on the Company's website at www.sunpharma.com and on the website of CDSL at www.evotingindia.com within 48 hours of the conclusion of the Meeting. The Company will simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the Special Business as set out at Item Nos. 5 to 11 of the accompanying Notice dated May 25, 2018.

Item No. 5 and 6

Mr. Vivek Chaand Sehgal (DIN: 00291126) ("Mr. Sehgal"), was appointed as an Additional Independent Director on November 14, 2017, in terms of Section 161(1) of the Companies Act, 2013 ("Act"), by the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee. Pursuant to the provisions of the aforesaid Section of the Act, Mr. Sehgal holds office upto to the conclusion of this 26th Annual General Meeting.

Mr. Gautam Doshi (DIN: 00004612), was appointed as an Additional Independent Director on May 25, 2018, in terms of Section 161(1) of the Act, by the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee. Pursuant to the provisions of the aforesaid Section of the Act, Mr. Gautam Doshi holds office upto to the conclusion of this 26th Annual General Meeting.

Further pursuant to Sections 149, 152 and Schedule IV of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, the approval of members is being sought for appointment of Mr. Sehgal and Mr. Gautam Doshi as Independent Directors, for a term of 5 years i.e from November 14, 2017 upto November 13, 2022 and from May 25, 2018 upto May 24, 2023, respectively and during their tenure of appointment they shall not be liable to retire by rotation.

The Company has received declaration from Mr. Sehgal and Mr. Gautam Doshi, stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, they fulfil the conditions specified in the said Act and the rules made thereunder for appointment as Independent Directors of the Company and that they are independent of the management.

The Company has also received notice pursuant to Section 160 of the Act from members proposing the candidature for appointment of Mr. Sehgal and Mr. Gautam Doshi as Independent Directors of the Company.

Profile and other particulars of Mr. Sehgal and Mr. Gautam Doshi, as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided under heading "Profile of Directors" forming part of this Notice.

The Board of Directors recommend the resolutions as set out in item no. 5 and 6 of this Notice for approval of the members as Ordinary Resolutions.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Sehgal and Mr. Gautam Doshi and their relatives, for their respective resolutions relating to their appointment, are in any way concerned or interested in the resolutions as set out at Item no. 5 and 6 of this Notice.

Item No. 7 and 8

Mr. Sudhir V. Valia and Mr. Sailesh T. Desai were re-appointed as the Whole-time Directors of the Company by way of Special Resolutions passed by the members at the 21st Annual General Meeting of the Company held on September 30, 2013, for a period of 5(five) years effective from April 01, 2014 and their present term of re-appointment is upto March 31, 2019.

Mr. Sudhir V. Valia and Mr. Sailesh T. Desai have been re-appointed as the Whole-time Directors of the Company by the Board of Directors on recommendation of the Nomination and Remuneration Committee of the Company, at their respective meetings held on May 25, 2018, subject to approval of members, for a further term of 5 (five) years i.e. from April 01, 2019 upto March 31, 2024 and also approved and recommended the maximum remuneration payable to them, for a period of 3 (three) years with effect from April 01, 2019 upto March 31, 2022. The remuneration was approved for the period of three years due to loss/inadequacy of profit, pursuant to requirements of Schedule V of Companies Act, 2013 ("Act").

The members' approval is being sought for re-appointment of Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, as the Whole-time

Directors of the Company for a further term of 5 (five) years from April 01, 2019 upto March 31, 2024 and for approval of their remuneration for a period of 3 (three) years from April 01, 2019 upto March 31, 2022 as provided in the resolutions set out at Item Nos. 7 and 8 of this Notice.

The brief terms of re-appointment including remuneration of Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, as recommended by Nomination and Remuneration Committee and approved by the Board of Directors are provided in the resolutions set out at Item No. 7 and 8 of this Notice.

Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, fulfil all the conditions given under Section 196(3) and Schedule V of the Act for being eligible for their re-appointment. They are not disqualified in terms of Section 164 of the Act from being appointed as Director.

The draft agreement to be entered into with Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, are available for inspection by any member of the Company at the Registered Office of the Company on all working days except Saturdays and Sundays between 11:00 a.m. IST and 1:00 p.m. IST up to the date of this 26th Annual General Meeting and at the venue of this Annual General Meeting during Meeting hours.

Profile and other particulars, as required under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India of Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, are provided under heading "Profile of Directors" forming part of this Notice.

The Board recommends the resolutions as set out at Item no. 7 and 8 of this Notice for approval of the members as Special Resolutions.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Sudhir V. Valia and his relatives to whom resolution no. 7 relates and Mr. Dilip S. Shanghvi, being brother-in-law of Mr. Sudhir V. Valia, are in any way concerned or interested in the resolution as set out at Item no. 7 of this Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Sailesh T. Desai and his relatives to whom resolution no. 8 relates, are in any way concerned or interested in the resolution as set out at Item no. 8 of this Notice.

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013.

I. GENERAL INFORMATION

1. Nature of industry:
   The Company is engaged into development, manufacture, sale, trading, marketing and export of various pharmaceutical products.

2. Date of commencement of commercial production:
   The Company is carrying on pharmaceutical business since its incorporation.

3. Financial performance based on given indicators:

Standalone Financial Results:

(₹in millions except EPS)

Particulars	2017-18	2016-17*
Profit (Loss) after tax	**(4,945.9)**	(228.4)
Net Worth	**197,701.0**	210,124.7
Revenue from operations	**79,476.0**	77,932.0
Earnings Per Share	**₹(2.1)**	₹(0.1)

*The Standalone Financial Results figures for 2016-17 have been restated to give effect to the merger of Sun Pharma Medisales Private Limited, Ranbaxy Drugs Limited, Gufic Pharma Limited and Vidyut Investments Limited into the Company with Appointed date of April 01, 2017.

Consolidated Financial Results:

(₹ in millions except EPS)

Particulars	2017-18	2016-17*
Profit after tax and non-controlling interest	**21,615.5**	69,643.7
Net Worth	**381,005.6**	366,396.7
Revenue from operations	**264,894.6**	315,784.4
Earnings Per Share	**₹9.0**	₹29.0

4. Foreign investments or collaboration, if any:
   For details of investment made by the Company, please refer the schedule nos. 5, 6, 7 and 14 of the Standalone Balance sheet forming part of the Annual Report for 2017-18.

   As on March 31, 2018, the Shareholding of Foreign Investors, in the Company is detailed as under:

Particulars	No. of Shares	%
Foreign Portfolio Investors	387782873	16.16
Foreign Institutional Investor	3806500	0.16
Foreign Nationals	21040	0.00
Non Resident Indians (Repat)	4877089	0.20
Non Resident Indians (Non Repat)	2565549	0.11
Foreign Companies	671865	0.03
Overseas Bodies Corporate	46000	0.00
Foreign Bank	25422	0.00
Total	**399796338**	**16.66**

The Company has not entered into any material foreign collaboration.

II. INFORMATION ABOUT THE APPOINTEE

1. Background details:
   The background details and profile of Mr. Sudhir V. Valia and Mr. Sailesh T. Desai are stated in "Profile of Directors" to this Notice.

2. Past remuneration:

The details of remuneration that Mr. Sudhir V. Valia and Mr. Sailesh T. Desai, Whole-time Directors are entitled, the remuneration actually paid to them for the last financial year 2017-18 subject to approval of the Central Government and maximum limit of remuneration as approved by the members are detailed below:

(₹ in crores)

Name of the Director	Amount of remuneration entitled (including contribution to PF) for the year 2017-18, as approved by the Board within the limit as approved by the members (excluding Perquisites such as reimbursement of electricity charges, motor vehicle charges, etc. which shall be taken at actuals)	Actual Amount paid out of the amount entitled for the year 2017-18, (including contribution to PF and Perquisites such as reimbursement of electricity charges, motor vehicle charges, etc. at actuals)	Amount of Remuneration paid for 2017-18, after excluding Contribution to PF which is excluded for calculation of limit as per Schedule V of the Companies Act, 2013	Maximum Remuneration p.a. as approved by Board and by Members at the 24th AGM, subject to approval of the Central Government, for the current tenure of appointment*
Mr. Sudhir V. Valia	3.93	3.36	3.02	5.64
Mr. Sailesh T. Desai	1.38	1.43	1.31	1.54

* Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure, are not included in the computation of, ceiling on remuneration and perquisites as aforesaid.

The Company has made application to Central Government for approval of remuneration to Mr. Sudhir Valia for 2017-18 as per his entitlement as provided above, the approval of which is awaited. The amount of remuneration paid to Mr. Sudhir Valia for 2017-18, is subject to approval of Central Government.

3. Recognition or awards:

Mr. Sudhir V. Valia, Whole-time Director is recipient of following awards:

Year	Awards	
2011	1	Best CFO in Pharma and Healthcare CNBC TV 18 CFO Awards
2012	2	Best CFO in Pharma and Healthcare CNBC TV 18 CFO Awards
2009	3	Best CFO in Pharma and Healthcare CNBC TV 18 CFO Award
	4	The Adivasi Sevak Puraskar (2008-09) by the Government of Maharashtra for his Contribution towards the welfare of tribals in the field of education

4. Job Profile and suitability:

Mr. Sudhir V. Valia, Whole-time Director of the Company is having rich experience in taxation & finance and has successfully contributed towards the growth of the Company.

Mr. Sailesh T. Desai, Whole-time Director of the Company is highly experienced and provided significant contribution in some of the marketing areas for the products of the Company.

5. Remuneration Proposed:

Details of remuneration proposed for approval of the members at this 26th Annual General Meeting of the Company are as provided in the resolutions as set out at Item No. 7 and 8 of this Notice.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The current remuneration being paid to the Whole-time Directors (looking at the profile of the position and person) are lower than the remuneration being paid by the companies of reasonably comparable size in the industry in which the Company operates.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Apart from the remuneration and perquisites paid to Mr. Sudhir V. Valia and Mr. Sailesh T. Desai and their shareholding held directly or indirectly in the Company and Mr. Sudhir V. Valia being the brother in law of Mr. Dilip S. Shanghvi, Managing Director of the Company, they do not have any pecuniary relationship directly or indirectly with the Company and its managerial personnel.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits and steps taken or proposed to be taken for improvement:

The Company has reported a net loss on standalone basis mainly due to the exceptional item of ₹9,505 million in respect of the anti-trust litigation for Modafinil in the US. But for this exceptional item, the Company would have reported a profit at the net level. During the current year, the Company continued its efforts of implementing various initiatives including optimisation and cost control programs.

Some of the Company's subsidiaries in India & overseas are engaged in substantial business activities. However, the Company continues to earn profit on consolidated basis and hence there are no specific steps required to take and proposed to be taken for improvement other than working towards cost optimization.

2. Expected increase in productivity and profits in measurable terms:

The Company has earned profit of ₹1,762 million on standalone basis for the quarter ended March 31, 2018 and the Company is taking appropriate measures to increase productivity and improve profitability.

IV. Disclosures:

The disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been made under the heading Corporate Governance forming part of the Annual Report for 2017-18.

Item No. 9

Mr. Kalyanasundaram Subramanian ("Mr. Kal") was appointed as the Whole-time Director of the Company by way of an Ordinary Resolution passed by the members at the 25th Annual General Meeting of the Company for a period of 2 (two) years effective from February 14, 2017 and their present term of appointment is upto February 13, 2019 without any remuneration.

Mr. Kal has been re-appointed as the Whole-time Director of the Company by the Board of Directors on recommendation of the Nomination and Remuneration Committee of the Company, at their respective meetings held on May 25, 2018, subject to approval of members, for a further term of 2 (two) years i.e. from February 14, 2019 upto February 13, 2021 without any remuneration.

Mr. Kal fulfils all the conditions given under Section 196(3) and Schedule V of the Companies Act, 2013 ("Act") for being eligible for his re-appointment. He is not disqualified in terms of Section 164 of the Act, from being appointed as Director.

The brief terms of appointment of Mr. Kal as recommended by Nomination and Remuneration Committee and approved by the Board of Directors are provided in the Resolution set out at Item No. 9 of this Notice.

The draft agreement to be entered into with Mr. Kal is available for inspection by any member of the Company at the Registered Office of the Company on all working days except Saturdays and Sundays between 11:00 a.m. IST and 1:00 p.m. IST up to the date of this Annual General Meeting and at the venue of this Annual General Meeting during Meeting hours.

Profile and other particulars of Mr. Kal, as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided under heading "Profile of Directors" forming part of this Notice.

Mr. Kal, is having rich experience in the pharmaceutical industry and has successfully contributed towards the growth of the Company.

The members' approval is being sought for re-appointment of Mr. Kal as a Whole-time Director of the Company for a period of 2 (two) years effective from February 14, 2019 to February 13, 2021 without any remuneration, in terms of applicable provisions of the Act and rules made thereunder.

Further the members may note that, Mr. Kal is also CEO and Whole-time Director of Sun Pharma Laboratories Limited (SPLL), a wholly owned subsidiary of the Company and SPLL at its Board meeting held on May 24, 2018 have re-appointed and approved the maximum remuneration of Mr. Kal as the CEO & Whole-time Director of SPLL for a period of two (2) years i.e. from February 13, 2019 to February 12, 2021, subject to approval of the members of SPLL at the ensuing annual general meeting of SPLL.

The Board recommends the resolution set out at Item no. 9 of this Notice for approval of the members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Kal and his relatives to whom this resolution relates, are in any way concerned or interested in the above resolution as set out at Item no. 9 of this Notice.

Item No. 10:

In terms of the recently notified Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to be effective from April 01, 2019, the consent of the members by way of Special Resolution is required for continuation of a Non-Executive Director of a company beyond the age of seventy five years.

Mr. Israel Makov, Non-executive Director and Chairman of the Company, is currently of 79 years.

Mr. Israel Makov, is highly experienced in Pharmaceutical Industry as per detailed disclosure under heading "Profile of Directors" forming part of this Notice and has successfully contributed towards the growth of the Company.

Mr. Israel Makov, having attained the age, beyond the age specified in the aforesaid Regulation, the approval of members is being sought by way of Special Resolution at the ensuing 26th Annual General Meeting of the Company for continuation of his Directorship in the Company.

Profile and other particulars of Mr. Israel Makov, as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided under heading “Profile of Directors” forming part of this Notice.

The Board recommends the resolution set out at Item no. 10 of this Notice for approval of the members as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Israel Makov and his relatives to whom this resolution relates, are in anyway concerned or interested in the above resolution as set out at Item No. 10 of this Notice.

Item No. 11:

M/s. Kailash Sankhlecha & Associates, Cost Accountants, have been appointed as the Cost Auditors by the Board of Directors of the Company on recommendation of the Audit Committee for conducting audit of cost records pertaining to the formulations and bulk drugs activities of the Company for the financial year ending March 31, 2019 at a remuneration of ₹20,75,000/- (Rupees Twenty Lakhs Seventy Five Thousand Only) excluding reimbursement of out of pocket expenses and applicable taxes.

In terms of provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, members ratification is required for remuneration payable to the Cost Auditors.

Therefore, consent of the members of the Company is being sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

The Board recommends the resolution as set out at item no. 11 of the Notice for approval of the members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution as set out at Item no. 11 of this Notice.

PROFILE OF DIRECTORS

(Details of Directors proposed to be appointed/ re-appointed)

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS – 2), the particulars of Directors who are proposed to be appointed / reappointed and/or whose remuneration is proposed to be approved at this 26th Annual General Meeting, are given below.

The details of Board and Committee Meetings attended by these Directors during the year 2017-18 are stated in the Corporate Governance Report which forms part of 26th Annual Report. The details of remuneration, wherever applicable, are provided in the respective resolution(s).

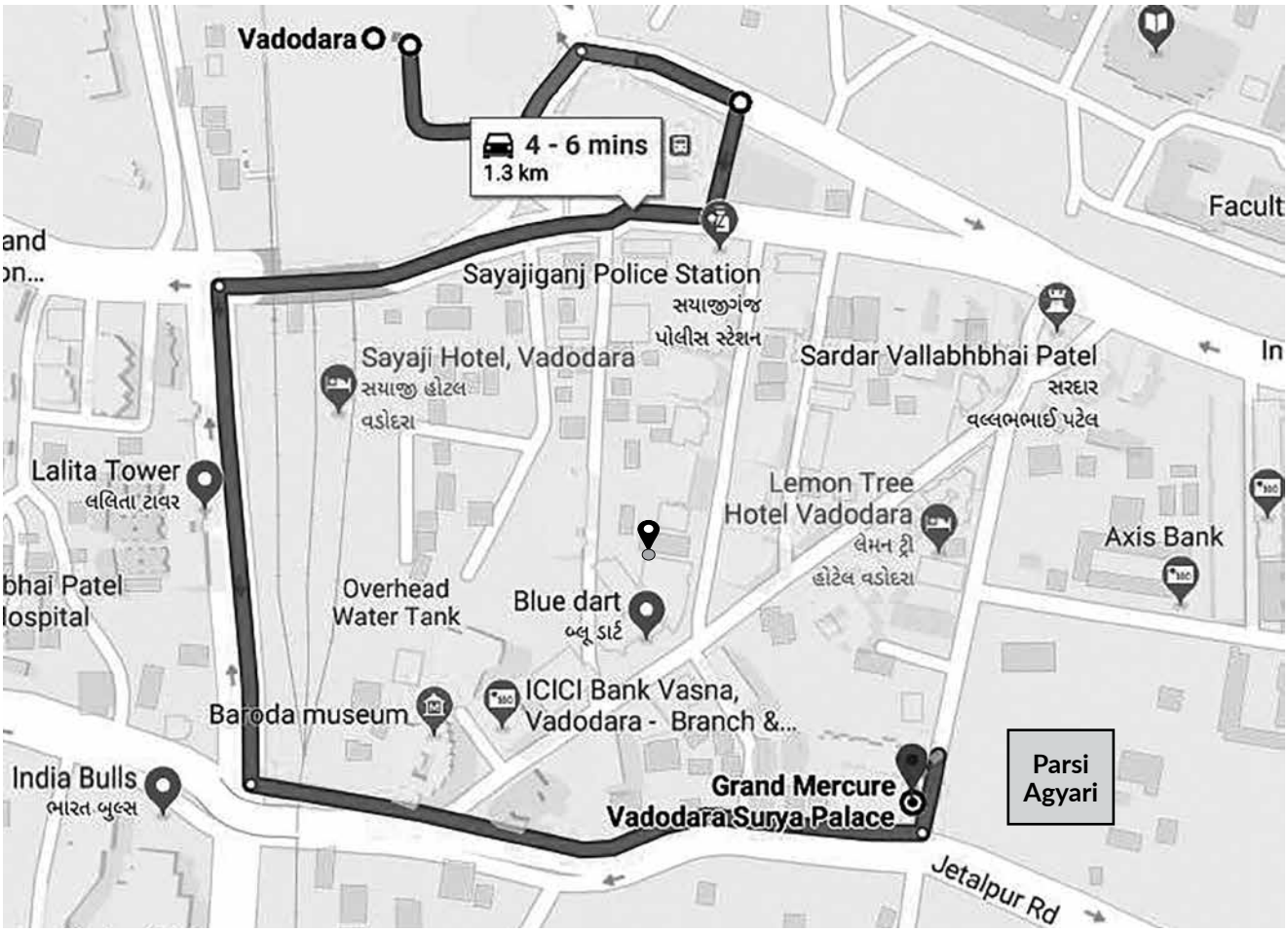
Particulars	Mr. Dilip S. Shanghvi	Mr. Sudhir V. Valia	Mr. Gautam Doshi
Age	62 Years	61 Years	65
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Dilip S. Shanghvi is a graduate in commerce from the University of Calcutta. He is the Managing Director of the Company and Chairman & Managing Director of Sun Pharma Advanced Research Company Ltd. He is the founding partner of Sun Pharmaceutical Industries, a firm which was later converted into Sun Pharmaceutical Industries Limited (SPIL) in 1993. Under his leadership, SPIL has recorded an all-round growth in business. He has extensive experience in the pharmaceutical industry. As the promoter of SPIL, he has been actively involved in international pharmaceutical markets, business strategy, business development and research and development functions in the Company. Mr. Shanghvi is a recipient of several awards as listed below: 1. Lifetime Outstanding Achievement Award - IMA - 2018 2. Entrepreneur of the year Award - AIMA - 2017 3. Padma Shri – 2016 (Fourth Highest Civilian Award – Government of India) 4. NDTV Business Leadership Award – Pharmaceutical – 2016 5. JRD Tata Corporate Leadership Award AIMA (All India Management Association) 2014 6. Economic Times Business Leader of the Year Award 2014 7. CNBC-TV18, Outstanding Business Leader of the Year 2014 8. Forbes Entrepreneur for the Year 2014 9. World Entrepreneur of the Year- Ernst and Young 2011 10. Indian of the Year (Business) CNN IBN 2011 11. Businessman of the Year- Business India 2011 12. Entrepreneur of the Year- Ernst and Young 2010 13. Entrepreneur of the Year- Economic Times 2008 14. CEO of the Year Business Standard 2008 15. First Generation Entrepreneur of the Year- CNBC TV 18 2007 16. Pharmaceutical Company IMC Juran Quality Medal 2007 17. Entrepreneur of the Year (Healthcare and Life Sciences) Ernst and Young 2005	Mr. Sudhir V. Valia holds a Bachelor's degree in Commerce from University of Mumbai and is also a qualified Chartered Accountant with more than three decades of taxation and finance experience. He has been the Director of Sun Pharmaceutical Industries Limited since 1994 and is also on the Board of Taro Pharmaceutical Industries Ltd. Mr. Valia has won several awards including CNBC TV 18's CFO of the Year in the Pharmaceutical and Healthcare Sectors for two consecutive years - 2011 and 2012, as well as in the year 2009. He is actively involved in the field of social activities and he was awarded the Adivasi Sevak Puraskar (2008 -2009) by the Government of Maharashtra for his contribution towards the welfare of tribals, particularly in the field of education in his capacity as visionary and Director of Shantilal Shanghvi Foundation. He is also a Director of Krishna Vrundavan Pratishthan.	Mr. Gautam Doshi, a Chartered Accountant and Masters in Commerce, has been in professional practice for over 40 years. He advises various industrial groups and families and also serves as director on boards of public listed and unlisted companies. Mr. Doshi has more than 40 years of experience in wide range of areas covering Mergers and Acquisitions, Direct, Indirect and International Taxation, Transfer Pricing, Accounting and Corporate and Commercial Laws. He has been actively involved in conceptualizing and implementing a number of mergers and restructuring transactions both domestic and cross border, involving many of the top 20 listed companies on BSE as also those forming part of FTSE 100. A prolific speaker, Mr Doshi has addressed several seminars and conferences within and outside of India and courses organized by the Institute of Chartered Accountants of India, International Fiscal Association, Other professional bodies and Chambers of Commerce. He has served on the Councils of Western Region as also All India level of the Institute of Chartered Accountants of India which has the task of development and regulation of profession of accountancy in India. During his tenure on the Council, he served on several committees and contributed significantly to the work of Board of Studies which is responsible for education and system of training of students. He also served as Chairman of Committees on direct and indirect taxation.
Date of First appointment on the Board	March 01, 1993	January 31, 1994	May 25, 2018
Directorship held in other companies (excluding foreign companies & Section 8 companies)	1. Sun Pharma Advanced Research Company Limited 2. Sun Petrochemicals Private Limited 3. Alfa Infraprop Private Limited 4. Aditya Clean Power Ventures Private Limited	1. Sun Pharma Advanced Research Company Limited 2. Sun Pharma Laboratories Limited 3. Aditya Clean Power Ventures Private Limited 4. Sun Petrochemicals Private Limited 5. Suraksha Asset Reconstruction Private Limited 6. Aditya Thermal Energy Private Limited 7. Fasttrack Housing Finance Limited 8. Alfa Infraprop Private Limited 9. Universal Enterprises Private Limited 10. ITI Mutual Fund Trustee Private Limited 11. ITI Reinsurance Limited	1. Reliance Communications Infrastructure Limited 2. Reliance MediaWorks Limited 3. Connect Capital Private Limited 4. Reliance Anil Dhirubhai Ambani Group Limited 5. Reliance Telecom Limited 6. Piramal Phytocare Limited 7. Reliance Home Finance Limited 8. Banda Real Estate Private Limited 9. Kudal Real Estate Private Limited 10. Aashni Ecommerce Private Limited 11. Capricon Realty Limited 12. Reliance Nippon Life Insurance Company Limited
Membership / Chairmanships of Committees of other public Companies	Sun Pharma Advanced Research Company Limited: • Member of Corporate Social Responsibility Committee • Member of Fund Management Committee • Member of Securities Allotment Committee	1. Sun Pharma Advanced Research Company Limited: • Chairman of Corporate Social Responsibility Committee • Chairman of Fund Management Committee • Member of Stakeholders Relationship Committee • Member of Audit Committee • Member of Securities Allotment Committee 2. Sun Pharma Laboratories Limited: • Chairman of Corporate Social Responsibility Committee • Member of Audit Committee	1. Reliance Communications Infrastructure Limited • Member of Audit Committee • Member of Nomination & Remuneration Committee 2. Reliance Home Finance Limited • Member of Audit Committee • Member of Nomination and Remuneration Committee • Member of Stakeholders Relationship Committee • Member of Corporate Social Responsibility (CSR) Committee • Member of Risk Management Committee • Member of Wilful Defaulter's Review Committee 3. Reliance MediaWorks Limited • Chairman of Investor Grievance Committee • Member of Audit Committee 4. Reliance Telecom Limited • Member of Corporate Social Responsibility Committee 5. Piramal Phytocare Limited • Chairman of Audit Committee • Member of Nomination and Remuneration Committee 6. Reliance Nippon Life Insurance Company Limited • Member of Board Audit & Compliance Committee • Member of Board Risk Management Committee • Member of Board Policyholders' Protection Committee • Member of Board Investment Committee • Member of Board Share Transfer Committee • Member of Board Asset Liability Management Committee • Member of Board Corporate Social Responsibility Committee • Member of Board Nomination & Remuneration Committee
Inter-se Relationship between Directors	Mr. Dilip S. Shanghvi is Brother-in-law of Mr. Sudhir V. Valia, Whole-time Director of the Company	Mr. Sudhir V. Valia is Brother-in-law of Mr. Dilip S. Shanghvi, Managing Director of the Company	None
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2018	230285690 Equity Shares	14345019 Equity Shares	8000 Equity Shares

Particulars	Mr. Vivek Chaand Sehgal	Mr. Sailesh T. Desai	Mr. Kalyanasundaram Subramanian ("Mr. Kal")	Mr. Israel Makov
Age	61	63 Years	64 Years	79 Years
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Vivek Chaand Sehgal is the Chairman of Samvardhana Motherson Group (SMG). In 1977 he entered the field of manufacturing with a cable and wire manufacturing unit. SMG is present in 37 countries with over 230 facilities across the globe. Motherson Sumi Systems Limited (MSSL), the flagship company of SMG, is now one of the largest auto ancillary companies in India. The Group has a diversified product range covering wiring harnesses, rear view mirrors, integrated plastic modules, lighting systems and a wide range of modules and components. SMG today is one of the leading suppliers of rearview mirrors globally & the leading supplier of polymer modules in Europe along with market leadership positions in most of the other product verticals in India. Under the leadership of Mr. Sehgal, SMG has evolved as a leading full system solutions provider to the global automotive industry He is a visionary who has the ability of sighting opportunities for the benefit of the Group whether it be in the form of joint ventures or acquisitions. Among the many accolades he has received, Mr. Sehgal was adjudged Man of the Year 2010 by Auto Car Professional Magazine. He received Ernst & Young Entrepreneur of the Year Award for manufacturing in 2012. He has been adjudged the Best CEO, 2013 for Auto Ancillaries by Business Today Magazine in India. He was adjudged as the "CEO of the Year 2015" by Business Standard. He also received the Best CEO award in 2016 in all Asia Executive Team Rankings for autos and auto parts sector by Institutional Investor Magazine. Recently Mr. Sehgal has been declared EY Entrepreneur of the Year 2016.	Mr. Sailesh T. Desai is a science graduate from Kolkata University and is a successful entrepreneur with more than three decades of wide industrial experience including more than two decades in the pharmaceutical industry.	Mr. Kal joined Sun Pharmaceutical Industries Limited (SPIL) in January 2010 after 22 years with GSK in various parts of the world. Mr. Kal is a Chemistry graduate and a Chartered Accountant from India with 37 years of experience of which some 30 years in the pharmaceutical industry. Mr. Kal's career in Pharma industry began when he joined Burroughs Wellcome, in New Zealand as Commercial Advisor in 1988. His long and varied career with Burroughs Wellcome in New Zealand which was acquired by Glaxo to become GlaxoWellcome and finally GlaxoSmithKline, includes assignments as Vice President, head of Classic Brands business of Emerging Markets; Area Director South Asia & Managing Director, GSK India; Managing Director – GlaxoWellcome, Singapore (Singapore, Indochina & Myanmar). Commercial Director - Burroughs Wellcome, New Zealand. In 2010, Mr. Kal Joined SPIL as the Chief Executive Officer to manage India and Emerging Markets (EM) and was a board member of the Company. Mr. Kalyansundaram Subramanian spearheaded opening of SPIL operations in few important markets such as Japan, MENA. In 2012, Mr. Kal moved to USA to assume responsibility for Taro operations in North America. In Jan 2017, Mr. Kal moved back to India to manage India and EM regions of SPIL. He is CEO of Sun Pharma Laboratories Limited.	Mr. Israel Makov is a Non-executive Chairman of the Company since May 29, 2012. He is also the former President and CEO of Teva Pharmaceutical Industries Ltd. He joined Teva in 1995 and led the company's global expansion, managing over 12 acquisitions, two of which were the largest M&A deals in the Israeli history at the time. Under Mr. Makov's leadership, Teva became the undisputed global leader in the generic pharmaceutical industry and a global leader in the treatment of Multiple sclerosis. Mr Israel Makov is Chairman of BioLight – an emerging global ophthalmic company focused on the discovery, development and commercialization of products for ophthalmic conditions and Chairman of Micromedic Technologies Ltd. - a cluster of companies engaged in cancer diagnostics. Mr Makov is the former Chairman of Given Imaging - the developer and world's leading provider of capsule endoscopy and Netafim - the pioneer and global leader in smart irrigation solutions. Mr. Israel Makov holds a B.Sc. in Agriculture and M. Sc in Economics from the Hebrew University, Jerusalem.
Date of First appointment on the Board	November 14, 2017	March 25, 1999	February 14, 2017	May 29, 2012
Directorship held in other companies (excluding foreign companies & section 8 companies)	1. Motherson Sumi Systems Limited 2. Motherson Techno Tools Limited 3. Samvardhana Motherson International Limited 4. MothersonSumi INfotech & Designs Limited 5. Kyungshin Industrial Motherson Pvt. Ltd. 6. Fritzmeier Motherson Cabin Engineering Pvt. Ltd. 7. Calsonic Kansei Motherson Auto Products Pvt. Ltd. 8. Magneti Marelli Motherson Auto System Pvt. Ltd. 9. Anest Iwata Motherson Private Limited 10. Motherson Bergstrom HVAC Solutions Pvt. Ltd. 11. A Basic Concepts Designs Pty. Ltd. 12. Motherson Auto Limited 13. Renu Farms Limited	1. Sun Pharma Laboratories Limited 2. Sun Pharmaceutical Medicare Limited 3. Universal Enterprises Private Limited	Sun Pharma Laboratories Limited	Nil
Membership / Chairmanships of Committees of other public Companies	1. Motherson Sumi Systems Limited • Member of Corporate Social Responsibility Committee 2. Motherson Auto Limited • Member of Corporate Social Responsibility Committee	Sun Pharma Laboratories Limited • Member of Nomination and Remuneration Committee	Sun Pharma Laboratories Limited • Member of Corporate Social Responsibility Committee	Nil
Inter-se Relationship between Directors	None	None	None	None
No. of Shares held in the Company (singly or jointly as first holder) as on March 31, 2018	Nil	3740747 Equity Shares	Nil	Nil

Route Map to 26th AGM Venue

Crystal Hall, Grand Mercure Vadodara Surya Palace, Vadodara

Prominent Landmark: Opposite Parsi Agyari, Sayajigunj



Sun Pharmaceutical Industries Ltd.
Sun House, Plot No. 201 B/1,
Western Express Highway,
Goregaon (East), Mumbai – 400063 India
Tel. : (91-22) 43244324 / 1234
Fax.: (91-22) 43244343
CIN: L24230GJ1993PLC019050, www.sunpharma.com

SUN PHARMA

To,
Shareholders (holding shares in Physical Form)

Date: August 20, 2018

Subject: - **Second reminder letter for Updating the KYC details and intimation to dematerialise physical securities.**

Dear Sir/Madam,

We refer to the first request letter dated July 12, 2018 sent by Link Intime India Pvt. Ltd., for updation of necessary KYC details, **to those shareholders of Sun Pharmaceutical Industries Ltd., who are holding shares in physical form** and have not yet submitted their KYC documents.The SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018 has directed all the listed companies to record the **PAN** of all the shareholders and **Bank Account details** of registered shareholder. We request you to submit the relevant documents in the KYC FORM provided overleaf, by ticking in the appropriate checkboxes on the basis of requirement shown under the above referred letter, and send the KYC FORM duly filled alongwith relevant documents, to our RTA- Link Intime India Pvt. Ltd., **within 21 days from the receipt of this letter.**

Kindly refer the list of supporting documents to be submitted for updating your KYC details.

Sr.No	REQUEST TO BE UPDATED	SUPPORTING DOCUMENTS
A	**PAN**	• Self- attested legible copy of PAN card (exempted for Sikkim Shareholders) **(Shareholders from Sikkim can provide self-attested copy of Aadhaar Card/Voters Card/Driving License/Passport or any other identity proof as issued by Govt.)**
B	**BANK ACCOUNT DETAILS**	• Self- attested legible copy of address proof. Any 1 from, **a**. Utility bill (not older than 3 months) **b**. Aadhaar Card **c**. Passport. • Original cancelled cheque leaf of registered shareholder • Legible copy of Bank Statement/Passbook with details of registered shareholder viz. name, address, account number etc. duly attested by Bank Manager or equivalent **(If shareholders' name is not printed on cheque leaf)**
C	**SPECIMEN SIGNATURE**	• Affidavit for change of signature shares/bonds, duly notarised on non-judicial stamp paper of Rs. 100/- * • Format for signature verification * • Original cancelled cheque leaf • Legible copy of Bank Statement/Passbook with details of shareholder viz. name, address, account number etc. duly attested by Bank Manager or equivalent **(If shareholders' name is not printed on cheque leaf)**
D	**EMAIL ID**	• To be mentioned in KYC form printed overleaf
E	**MOBILE NO.**	• To be mentioned in KYC form printed overleaf
F	**NOMINATION**	• Nomination Registration form *

Note: - 1. * The relevant formats are available on the website of our RTA- www.linkintime.co.in → Resources→ Downloads→ General.
2. Single copy of document is sufficient for updating multiple requests.

Further as per SEBI circular SEBI/LAD-NRO/GN/2018/24 dated 08th June 2018, BSE circular no. LIST/COMP/15/2018-19 dated 05th July, 2018 and NSE Ref. No NSE/CML/2018/26 dated 09th July, 2018 shareholders, are advised to **dematerialise their physical securities** since requests for effecting transfer of physical securities (except in case of transmission or transposition of securities) shall not be permitted from 05th December 2018.

Kindly note that, as per SEBI directive, enhanced due diligence procedure will be applicable if KYC requirements are not fulfilled.

Yours faithfully,
For Sun Pharmaceutical Industries Ltd.
Sd/-
Ashok I. Bhuta
Compliance Officer

If you have already submitted the documents for updating KYC or have dematerialised your physical securities then please do not submit the documents again.

This Form is required to be submitted **by those shareholders who are holding shares in physical form and have not yet submitted their KYC documents** as per the SEBI Circular No SEBI/HO/MIRSD/DOP1/CIR/P/2018/73

KYC FORM

To
Linkintime India Private Limited
C 101, 247 Park, L.B.S.Marg,
Vikhroli (West), Mumbai - 400083.
Unit: Sun Pharmaceutical Industries Limited

Date: ___/___/_____

Folio No: _____

No of Shares:_____

Dear Sir Madam,

We are forwarding herewith the required supporting documents by ticking in the appropriate checkbox below for all the fields where the status is shown as 'Required' in your first request letter dated July 12, 2018 for updation of necessary KYC details.

A) For registering PAN of registered shareholder and joint shareholders

O Registered shareholder O Joint holder 1 O Joint holder 2

B) For registering Bank details of registered shareholder only

O Aadhaar/Passport/utility bill O Original cancelled cheque leaf O Bank Passbook/Bank Statement

C) For registering the Specimen Signature of registered shareholder and joint shareholders

O Affidavit O Format for signature verification O Original cancelled cheque leaf O Bank Passbook/Bank Statement

D) For Updating the email id of registered shareholder only: _____

E) For updating Mobile No. of registered shareholder only: | | | | | | | | | | |

F) For registering the nominee details by the registered shareholder only: O Nomination Registration form

Note: - 1. Shareholders from Sikkim can provide self-attested copy of Aadhaar Card/Voters Card/Driving License/Passport or any other identity proof as issued by Govt.

I /We hereby state that the above mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed with this letter by affixing my/our signature(s) to it

Sign: _____	Sign: _____	Sign: _____
Registered holder	Joint holder 1	Joint holder 2

Mr/Ms/Mrs _____(registered holder)

Address: _____

_____

_____

City _____ PIN_____

NB: The above details will not be updated if the supporting documents are not attached and are not duly self attested and if the Form is not signed by all the joint shareholders.

Sun Pharmaceutical Industries Ltd.

Registered Office: SPARC Tandalja, Vadodara - 390 012, Gujarat, India **Tel Nos:** 0265-6615500 / 600/700 **Fax No:** 0265-2354897
Corporate Office: Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon -East, Mumbai - 400 063, India.
CIN: L24230GJ1993PLC019050 **Website:** www.sunpharma.com **Email:** secretarial@sunpharma.com

ATTENDANCE SLIP

TWENTY SIXTH ANNUAL GENERAL MEETING ON WEDNESDAY, SEPTEMBER 26, 2018 AT 02:45 P.M.

I /We hereby record my presence at the **Twenty Sixth Annual General Meeting of the Company at Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj , Vadodara - 390 020, Gujarat, India on Wednesday, September 26, 2018 at 02:45 P.M. IST**

Registered Folio/DP ID & Client ID : ..... No. of shares.....

Name and address of the Member : .....
Joint Holder 1 : .....
Joint Holder 2 : .....

Signature of the Attending Member: ..... Signature of Proxy: .....

NOTES:

(1) Member/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
(2) Member/ Proxy holder desiring to attend the meeting should bring his/her copy of the Notice and Annual Report for reference at the meeting.

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	User ID	* PAN
180730031	Use your DP ID/ Client ID/ Folio No.	Use your PAN. *Members who have not updated their PAN with the Company/ Depository Participant shall use e-voting code printed on the address label on the envelope in the PAN field. For those having email IDs the e-voting code is sent by email.

Cut here

Sun Pharmaceutical Industries Ltd.

Registered Office: SPARC Tandalja, Vadodara - 390 012, Gujarat, India **Tel Nos:** 0265-6615500 / 600/700 **Fax No:** 0265-2354897
Corporate Office: Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon -East, Mumbai - 400 063, India.
CIN: L24230GJ1993PLC019050 **Website:** www.sunpharma.com **Email:** secretarial@sunpharma.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

[Form MGT-11]

Name of the member : .....
Registered address : .....
No. of Shares held : .....Folio No./ DP Id & Client Id : .....
Joint Holder(s) :.....
E-mail Id : .....
I/We, being the member(s), holding ..... shares of Sun Pharmaceutical Industries Limited, hereby appoint:

1. Name: ..... Address: .....
   E-mail Id: ..... Signature: ..... or failing him / her;
2. Name: ..... Address: .....
   E-mail Id: ..... Signature: ..... or failing him / her;
3. Name: ..... Address: .....
   E-mail Id: ..... Signature: ..... or failing him / her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Twenty Sixth Annual General Meeting** of the Company, to be held on **Wednesday, September 26, 2018 at 02:45 P.M. at Crystal Hall, Grand Mercure Vadodara Surya Palace, Opposite Parsi Agyari, Sayajigunj, Vadodara - 390 020, Gujarat, India** and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolution
	ORDINARY BUSINESS:
1.	a. Adoption of audited standalone financial statements of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon
	b. Adoption of audited consolidated financial statements of the Company for the financial year ended March 31, 2018 and the report of the Auditors thereon
2.	Declaration of dividend on equity shares for the financial year ended March 31, 2018
3.	Re-appointment of Mr. Dilip S. Shanghvi (DIN: 00005588), who retires by rotation and being eligible offers himself for re-appointment
4.	Re-appointment of Mr. Sudhir V. Valia (DIN: 00005561), who retires by rotation and being eligible offers himself for re-appointment
	SPECIAL BUSINESS:
5.	Appointment of Mr. Vivek Chaand Sehgal (DIN: 00291126) as Independent Director of the Company
6.	Appointment of Mr. Gautam Doshi (DIN: 00004612) as an Independent Director of the Company
7.	Special Resolution for re-appointment and remuneration of Mr. Sudhir V. Valia (DIN: 00005561) as Whole-time Director
8.	Special Resolution for re-appointment and remuneration of Mr. Sailesh T. Desai (DIN: 00005443) as Whole-time Director
9.	Re-appointment of Mr. Kalyanasundaram Subramanian (DIN: 00179072) as Whole-time Director without any remuneration
10.	Special Resolution for continuation of Directorship of Mr. Israel Makov (DIN:05299764)
11.	Ratification of Remuneration of Cost Auditors of the Company for the financial year 2018-19

Signature of Shareholder: ..... Signed this ..... day of 2018

Signature of Proxy holder(s): .....

Affix Revenue Stamp of ₹1/-

Note:

1. The form of Proxy must be deposited at the Registered Office of the Company at SPARC, Tandalja, Vadodara – 390 012, Gujarat, India, at least 48 (Forty Eight) hours before the scheduled time of the commencement of the said Meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signatures.
4. In case of multiple proxies, the proxy later in time shall be accepted.

Notes

Corporate Information

Board of Directors

Israel Makov
Chairman

Dilip S. Shanghvi
Managing Director

Sudhir V. Valia
Whole-time Director

Sailesh T. Desai
Whole-time Director

Kalyanasundaram Subramanian
Whole-time Director

S. Mohanchand Dadha
Director

Hasmukh S. Shah
Director (upto November 15, 2017)

Keki M. Mistry
Director

Ashwin Dani
Director

Rekha Sethi
Director

Vivek Chaand Sehgal
Director (w.e.f. November 14, 2017)

Gautam Doshi
Director (w.e.f. May 25, 2018)

Chief Financial Officer

C. S. Muralidharan (w.e.f. June 19, 2017)
Uday V. Baldota (upto June 19, 2017)

Company Secretary

Sunil R. Ajmera

Auditors

S R B C & CO LLP
Chartered Accountants

Registrars & Share Transfer Agents

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

Operational manufacturing plants

1 Dewas, Madhya Pradesh, India
2 Karkhadi, Gujarat, India
3 Baddi, Himachal Pradesh, India
4 Dadra, Dadra & Nagar Haveli, India
5 Ponda, Goa, India
6 Halol, Gujarat, India
7 Mohali, Punjab, India
8 Paonta Sahib, Himachal Pradesh, India
9 Silvassa, Dadra & Nagar Haveli, India
10 Ahmednagar, Maharashtra, India
11 Ankleshwar, Gujarat, India
12 Dahej, Gujarat, India
13 Maduranthakam, Tamilnadu, India
14 Malanpur, Madhya Pradesh, India
15 Panoli, Gujarat, India
16 Toansa, Punjab, India
17 Sun Pharma Laboratories Ltd.
Guwahati, Assam, India.
18 Sun Pharma Laboratories Ltd.
Jammu, Jammu & Kashmir, India
19 Sun Pharma Laboratories Ltd.
Ranipool, Sikkim, India
20 Sun Pharma Laboratories Ltd.
Setipool, Sikkim, India
21 Sun Pharmaceutical Medicare Ltd.
Baska, Gujrat, India
22 Sun Pharmaceutical Industries (Australia) Pty Ltd., Latrobe, Australia
23 Sun Pharmaceutical Industries (Australia) Pty Ltd., Port Fairy, Australia
24 Sun Pharmaceutical (Bangladesh) Ltd.
Joydevpur, Gazipur, Bangladesh
25 Taro Pharmaceuticals Inc.
Brampton, Ontario, Canada
26 Ranbaxy Egypt (L.L.C.)
October City, Giza, Egypt
27 Alkaloida Chemical Company Zrt,
Tiszavasvari, Kabay, Hungary
28 Taro Pharmaceutical Industries Ltd.
Haifa Bay, Israel
29 Ranbaxy Malaysia Sdn. Bhd.
Kuala Lumpur, Malaysia
30 Ranbaxy Nigeria Limited
Lagos (Magboro) Nigeria
31 S.C Terapia S. A.
Cluj, Romania
32 JSC Biosintez
Penza, Russia
33 Ranbaxy Pharmaceuticals (Pty) Ltd.
Roodepoort, Johannesburg, South Africa
34 Chattem Chemicals, Inc.
Chattanooga, USA
35 Dusa Pharmaceuticals Inc.
Wilmington, Massachusetts, USA
36 Ohm Laboratories, Inc.
Brunswick, New Jersey, USA
37 Pharmalucence Inc.
Billerica, Massachusetts, USA
38 Sun Pharmaceutical Industries Inc.
Cranbury, New Jersey, USA

Offices

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

Corporate Office
Sun House, CTS No. 201 B/1,
Western Express Highway,
Goregaon (E), Mumbai 400063,
Maharashtra.
CIN: L24230GJ1993PLC019050
Tel: (022)-4324 4324
Fax: (022)-4324 4343
email: secretarial@sunpharma.com

Major R&D centres

India

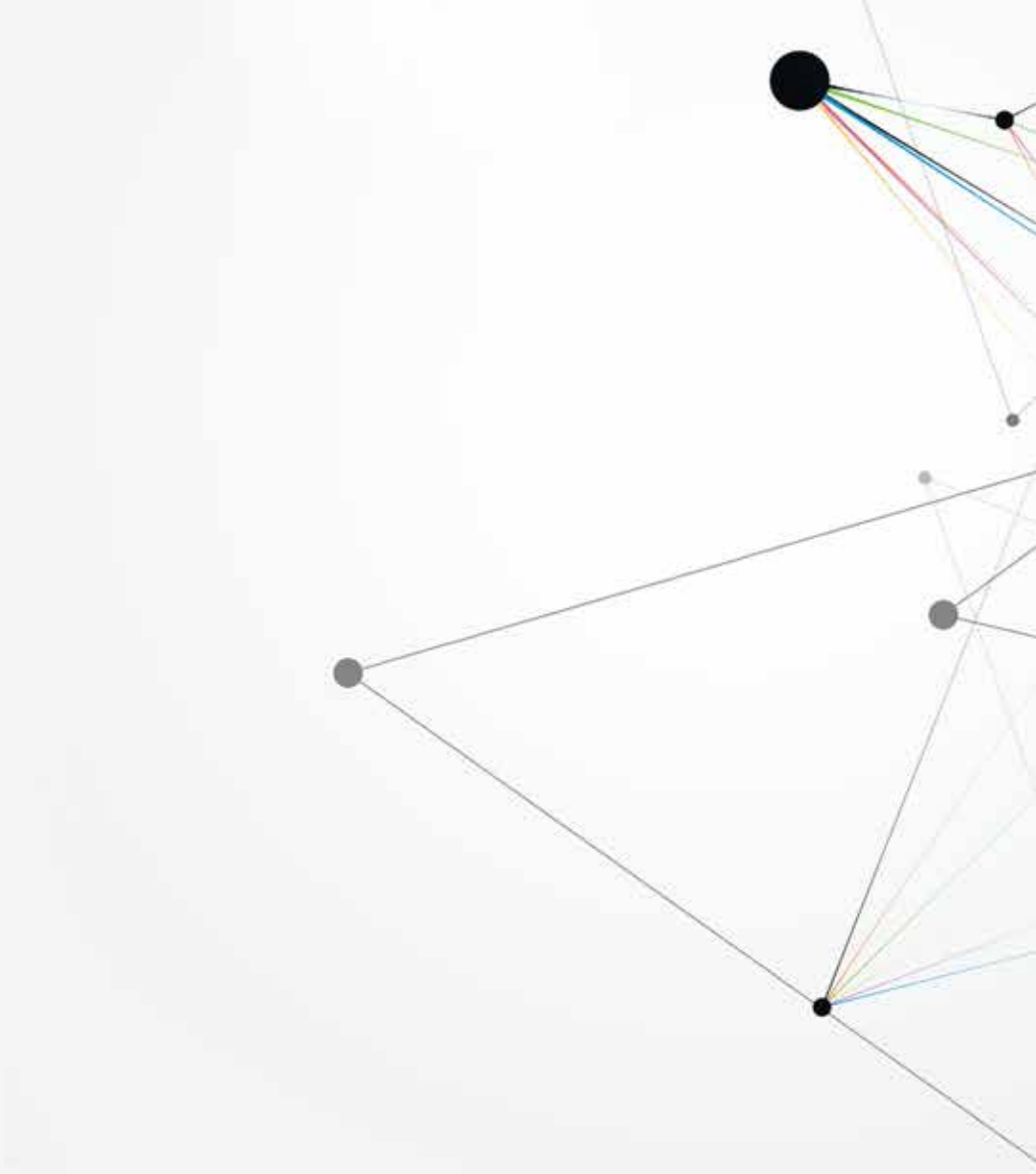
1. Sun Pharma Advanced Research Centre, F.P.27, Part Survey No. 27, C.S. No. 1050, TPS No. 24, Village Tandalja, District, Vadodara - 390 020, Gujarat.
2. 17-B, Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra.
3. Village Sarhaul, Sector-18 , Gurgaon - 122015 (Haryana)

Israel
Chemistry and Discovery Research Israel, 14 Hakitor Street, P.O. Box 10347 Haifa Bay 2624761, Israel.

Canada
Taro Pharmaceuticals Inc., 130 East Drive, Brampton, Ontario L6T 1C1, Canada.

US
Ohm Laboratories Inc., Terminal Road, New Brunswick, New Jersey 08901 USA.





/concept, content and design at **AICL** (hello@aicl.in)

SUN PHARMA

SUN HOUSE

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Tel : (+91 22) 4324 4324, Fax : (+91 22) 4324 4343

CIN: L24230GJ1993PLC019050

www.sunpharma.com

Business Responsibility Report

Message from the Director's Desk

As humans evolve, the life expectancy is increasing. Pharmaceutical companies are playing a significant role in finding cure for more and more diseases. But still, the number of deaths due to unavailability of medicines continues to be high.

At Sun Pharma, we develop high-quality medicines trusted by healthcare professionals and patients, making us the world's 5th largest speciality generic pharmaceutical company. But what gives us better satisfaction is that we make them affordable and accessible, in over 100 countries across 6 continents.

Our vision of 'Reaching People. Touching Lives' globally as a leading provider of valued medicines is what injects us to strive responsibly and reach higher towards a holistic growth, where all stakeholders benefit, be it patients, healthcare professionals, communities, planet, regulatory bodies, employees or shareholders.

This responsible approach has been the hallmark of our Company since inception, but five years ago we integrated all these components into one interconnected model based on the National Voluntary Guidelines (NVG). It helped us in focussing our efforts towards all our stakeholders. As we move ahead on our sustainability journey, this year saw the development of some promising trends in all the three areas of Employee Wellness, Community Wellness and Environment Wellness.

Employee Wellness

Employees are the most important asset of an organisation. For us, they are like our first customers. Our open, enabling and trust-based culture offers an exciting environment to work and grow for the 32000+ employees from over 50 different nationalities. This diversity is one of our biggest strengths as it brings on the table, a varied thought process and skill set.

Our all-encompassing Human Resources (HR) Policy covers every aspect of employee management from recruitment to retention. We are committed to hire exceptionally talented people and nurture them professionally through high growth opportunities and challenging roles with clear responsibilities. They are supported with opportunities to enhance their skills through development programmes. In FY18, approximately 67% of our employees, including 58% of women employees were provided with safety and skill up-gradation training.

Community Wellness

Being one of the leading companies in the global generic pharmaceutical industry, it is our responsibility to make medicines which are affordable and accessible. With active fieldwork, dedicated research and efficient operations, we try to combat illness and disease, and help as many people as we can to ensure their right to good health.

Other than alleviating the health issues of patients, we take initiatives for the welfare of the community. Through our comprehensive Corporate Social Responsibility (CSR) Policy, we design programmes for community development focussing on healthcare, education, infrastructure & rural development, safe drinking water & sanitation, environment conservation and disaster relief. We also supported Government initiatives, like helping build 201 individual household toilets during FY18 with an investment of Rs. 3.21 million to achieve Government's objective of zero open defecation.

Environment Wellness

At Sun Pharma, we are fully committed to achieve excellence in Environment, Health & Safety (EHS) and conduct our activities in the most responsible manner. The importance of EHS is continually stressed and extensively promoted as a part of our corporate culture. A robust EHS policy enunciates our commitment to create a safe and healthy workplace, and a clean environment for employees and the community.

The policy ensures that we manufacture our products safely and in an environmentally responsible manner. For that we follow the highest international standards in facility design, equipment selection, maintenance and operations. Waste management, conservation measures, increasing efficiency, green energy and implementing Clean Development Mechanism (CDM) projects at our facilities are some of the measures we employ to reduce our burden on the environment. In FY18, we generated around 2.7 million kWh of clean energy.

This Business Responsibility Report (BRR) is a testament of our responsibility towards all stakeholders. We welcome your valuable insights and feedback to enrich our understanding and enhance our sustainability performance.

Regards,

Sudhir V. Valia
Whole-time Director

Overview

We are living in times where volatility is the new normal. From disruption in societies to political uncertainties, extreme weather to cities going through unprecedented water crisis, the future seems chaotic, and hence, sustainability seems the only way out.

Understanding that growth can sustain only if it is inclusive, is a reality that we are staring at more starkly than ever. Everyone including individuals, governments and corporates have to become more responsible towards the community and the environment, while pursuing growth.

Being a global pharma leader with 32,000+ employees worldwide, 42 manufacturing sites, 100+ markets served and a portfolio of 2,000+ marketed products, we at Sun Pharma strongly believe that business and responsibility go together. Holistic and long-term growth can only be achieved when we take care of all the three bottom lines - economic, environmental and social.

This Business Responsibility Report is testimony of our caring for the triple bottom line with respect to our business. In line with SEBI's proposed index and the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', the report summarises our efforts to conduct business with responsibility.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L24230GJ1993PLC019050
2	Name of the Company	SUN PHARMACEUTICAL INDUSTRIES LIMITED
3	Registered Address	SPARC, TANDALJA, VADODARA - 390 020, GUJARAT
4	Website	http://www.sunpharma.com/
5	E-mail id	secretarial@sunpharma.com
6	Financial Year reported	01-April-2017 to 31-March-2018
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	'Pharmaceuticals' is the primary reportable segment
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Cip-Isotretinoin | Kerastick | Imatinib
9	Total number of locations where business activity is undertaken by the Company	
	1. Number of International Locations (Provide details of major 5)	US, Japan, Romania, Canada, Russia
	2. Number of National Locations	Facilities: Halol, Panoli, Karkhadi, Baska, Ankleshwar and Dahej (all in Gujarat), Baddi and Paonta Sahib (both in Himachal Pradesh), Mohali and Toansa (both in Punjab), Malanpur and Dewas (both in Madhya Pradesh), Ahmednagar (Maharashtra), Madurantakam (Tamil Nadu), Dadra, Silvassa, Sikkim, Goa and Guwahati (Assam) R&D Centres: Vadodara (Gujarat), Mumbai (Maharashtra), and Gurgaon (Haryana) Registered and Corporate offices: Vadodara (Gujarat) and Mumbai (Maharashtra) respectively Pan-India Distribution Network
10	Markets served by the Company – Local/State/National/International	Over 100 markets served across 6 continents - Asia, North America, South America, Europe, Africa and Australia

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (Rs)	2,399 million
2	Total Turnover (Rs)	90,756 million (standalone)
3	Total profit after taxes (Rs)	(4,946) million (standalone)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Due to losses recorded in the last 3 years, the company is not required to allocate any amount towards CSR. However, it has voluntarily spent Rs. 26.97 million on CSR activities for the year
5	List of activities in which the above expenditure has been incurred	Refer Principle 8 'Equitable Development'

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	There is no direct participation
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company has not instituted any process to monitor/verify whether any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company

SECTION D: BR INFORMATION

1 a. Details of the Director/Directors responsible for implementation of the BR (Business Responsibility) policy/policies:

1	# DIN Number	5561
2	# Name	Mr. Sudhir V. Valia
3	# Designation	Whole-time Director

b. Details of the BR head:

1	# DIN Number (if applicable)	Mr. Sudhir V. Valia, Whole-time Director of Sun Pharma, oversees the BR implementation. The Company does not have a BR Head.
2	# Name	
3	# Designation	
4	# Telephone number	
5	# e-mail id	

2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N)

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and is approved by the Board.								
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	All the policies are compliant with respective principles of NVG guidelines.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	All the policies have been approved by the Board and have been signed by the Managing Director.								
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The Board has appointed Mr. Sudhir Valia, Whole-time Director - Sun Pharma, to oversee policy implementation.								
6	Indicate the link for the policy to be viewed online?	Copies will be made available on receipt of written request from shareholders.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to internal stakeholders. The external stakeholders will be communicated in due course.								
8	Does the company have in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	It will be done in due course.								

3. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annual
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The BR report for FY18 can be accessed through the link: http://www.sunpharma.com/pdflist/alldocuments. It is published annually.

Principle 1: Ethics, Transparency and Accountability

Any reputed company, needs good governance. And for the ones that wish to grow sustainably over a long period of time, it is critical. At Sun Pharma, we believe it is the foundation of our success.

Our governance standards have evolved from our core values - Quality, Reliability, Consistency, Trust and Innovation. Comprehensive policies and processes are in place to ensure transparency and accountability. This has resulted in a culture of ethics and integrity, which is evident across hierarchies in the organisation.

Our corporate governance philosophy is based on the following tenets:

- High levels of transparency
- Accountability
- Consistent value systems
- Delegation of responsibility across all facets of operations

Consistent implementation of these principles is ensured through:

Leadership

At Sun Pharma, the leadership involves developing future strategy and implementing plans and policies with accountability and transparency. Our Board of Directors with a wealth of exposure to and knowledge of global best practices, sets the tone to ensure responsible growth.

Board Committees

Dedicated board committees are formed to streamline the governance process. These committees include:

- Audit Committee
- Remuneration Committee
- Shareholders' / Grievance Committee
- Committee of Directors

Code of Conduct & Policy

A Code of Conduct is an important step in establishing an inclusive culture. At Sun Pharma, merit is the only consideration and no bias is entertained. Different policies on pertinent subjects and the Code of Conduct ensure that each employee is given an equal opportunity to grow through fair means.

The policies and the Code keep evolving to keep up with the changing times, but our commitment to uphold our values and governance standards remain intact. Feedback is actively solicited from all stakeholders to push the envelope further on good governance. In the reporting year, we received 3 stakeholder complaints, which were resolved satisfactorily.

Principle 2: Product Life Cycle Sustainability

At Sun Pharma, we are in the business of serving patients. But along with manufacturing products that heal, we have to take care that we have minimum negative impact on either the community or the environment.

So, we responsibly address all the three bottom lines of equitable growth - along with making good health affordable and accessible, we work towards empowering communities and enriching the environment.

Affordable Access

More people are suffering from unavailability of medicines. Research and development has resulted in finding the cure for many diseases, but the cost of medicines have eluded the benefit to pass to majority of people. As one of the leaders in the generics segment of the global pharmaceutical industry, we make good health affordable and accessible to the marginalised communities and society at large.

We manufacture and supply affordable, high quality generic World Health Organisation prequalified (WHO PQ) ARV products and treatments to patients around the world to fight HIV/AIDS. Other than making drugs affordable, in order to improve access, we also provide some life-saving medicines free of cost. Some of our products that have broken the affordability and accessibility barrier include:

- Rilutor (Riluzole): Used for treating Amyotrophic Lateral Sclerosis (a life-threatening disease), this product is distributed free of cost to all patients
- Decitabine: An enabler to oncology therapy, sold at a significantly lower price compared to innovator's product.
- Patent protected oral anti-diabetic products: two major patent protected molecules are sold at an affordable price to enable access

Empowering Communities

While we expand to serve patients in newer geographies globally, we continue to elevate communities around us locally. Whether by employing them or by sourcing material from them, we boost local economy and in turn, reduce our carbon footprint.

Initiatives are taken to upskill the people, so that they can earn more and enrich their life. If they are suppliers, we invest in upgrading them with modern technology and need-based credit. It enables them to raise their standard and quality of our products. For more details regarding our community initiatives, please refer Principle 8 of this report.

Enriching Environment

Care for the Environment is one of our core corporate values and, as a part of this commitment, we enunciated our EHS Policy. which, provides for the creation of a safe and healthy workplace and a clean environment for employees and the community. It aims for the highest international standards in facility design, equipment selection, maintenance and operations. The policy is a commitment that we will manufacture products safely and in an environmentally responsible manner. For more details regarding this, please refer Principle 6 of this report.

Calculating our environmental performance per product poses unique challenges, owing to a large and diverse product portfolio and complex production processes. We therefore, monitor and manage our total annual water and energy performance vis-à-vis our total annual production.

Production:
API: 5,640 ton
Formulations: 19,986 million

Water usage: 2,998,406 KL

Energy Usage:

Electricity (kWh)	435,969,000
Gas (in '000 nm^3)	10,033
Furnace Oil (MT)	11,001
HSD (L)	1,601,000
Briquette (MT)	48,956

Principle 3: Employee Well-being

Employees are the most important ingredient of any company's evolution. We attribute our growth and success to our 32,000+ strong, multi-cultural workforce from over 50 different countries. This culturally diverse workforce is one of our biggest strengths and the rich experience they bring, across varied skill-sets and backgrounds, is invaluable.

We inspire our global workforce by binding them together through our common values, providing them a safe workplace, introducing friendly policies, ensuring growth opportunities and encouraging learning options. This creates an environment where personal goals and business goals merge to realise maximum potential. Our 360-degree HR Policy covers every facet of talent management and keeps evolving with the feedback of employees. Some of the main features of the policy are:

Employee Engagement

When employees feel that their voices are heard, they feel more empowered and motivated to work harder. We have designed special platforms where people can share their feedback transparently and we can alleviate their anxieties. We utilise these channels to inform them of the Company's vision and direction as well.

Continuous Learning

At Sun Pharma, our employees are provided with opportunities to enhance their management, technical and soft skills through continuous training and development programmes. This may include putting them through in-house competency development mechanism or external training programmes.

Through our tie-up with reputed educational institutes, we offer unique management programmes to our people to enhance their management skills without interrupting their careers. These are custom-designed modules focussing on advanced specialisations and quality courseware, while improving the business acumen of our employees.

All these unique academic initiatives are aimed to enable the employees to contribute significantly at work through improved results, while growing personally and professionally.

Equality of Opportunity

Merit is the only criteria for growth at Sun Pharma and discrimination is not acceptable. We have a multi-cultural workforce, which is an advantage with varied skill set and experience. We encourage diversity of every kind and discourage bias of any kind.

As of 31st March 2018, we had a total workforce of 32,000+ people, including permanent, temporary and contractual employees, of which 1,648 were women employees and 13 were employees with disabilities.

Freedom of Association

We believe that Freedom of Association is an important mechanism to enhance employee working experience and develop a conducive environment for achieving employees' and organisational goals.

We continue to support a management-recognised employee association, which covers approximately 5% of our employee membership.

Health and Safety

Providing a healthy and safe workplace is key to better employee retention. At Sun Pharma, we are fully committed to achieving excellence in Environment, Health & Safety (EHS) and conduct our activities in the most responsible manner. The importance of EHS is continually stressed and extensively promoted as a part of our corporate culture.

The implementation of the EHS Policy is ensured by institutionalising a robust EHS Management System, adequately supported by a well-defined organisational structure. Besides laying down guidelines on systems, policies and training, Corporate EHS monitors compliance as well as maintains and disseminates information on laws and regulations. EHS performance is periodically reviewed at facility, divisional and corporate levels to monitor the progress against EHS improvement plans.

Close cooperation between all units and individuals is key to maintaining high standards of environment protection and safety at all the facilities. Safety training also plays a pivotal role in the awareness of all safety rules to follow in operations, including when an emergency arises. The reporting year saw the safety and skill up-gradation training of approximately 67% of our employees, including 58% of women employees.

We have been progressively establishing ISO 14001:2004 compliant Environmental Management System and OHSAS 18001:2007 compliant Occupational Health and Safety Management System at our key manufacturing facilities. Reporting of accidents, injuries and near misses are encouraged to frame SOPs for the future, so that safer work practices can be adopted, and unsafe practices identified and discarded. The key ingredients of our occupational health and safety approach are:

- Safe Working Systems
- Use of Personal Protective Equipment (PPE)
- Safety Inspections & Audits
- Emergency Preparedness
- Safety Risk Management

Recognition & Recreation

A motivated employee is an invaluable asset. Recognition and recreation are two great tools to create an environment where the employees feel inspired to go beyond their call of duty.

A continuous and conscious effort to reward excellence in performance through various programmes has been consistently implemented across the company. Prompt and instant recognition is given to employees for exceptional performance through various recognition schemes. Regional and functional awards facilitate the acknowledgement of employees' involvement and inputs towards the realisation of goals.

Some of the other mechanisms include:

- Special celebration to accord due recognition to the retiring employee
- Long-service award to recognise the loyalty and commitment of employees
- Family picnics to foster camaraderie

Sun Pharma Excellence Awards

In our constant endeavour to promote young pharma talent, we recognise top academic performers through the Sun Pharma Excellence Award Programme. This honour is given to final year students of the MBA in Pharmaceutical Management programmes in various institutes. We are also committed to hire exceptionally talented people from the campus and nurture them professionally.

Principle 4: Stakeholder Engagement

Companies engage with stakeholders to find out what issues matter most to them in order to improve decision-making and accountability. At Sun Pharma, we think that consistent interaction with our stakeholders not only helps in finding solutions to important matters, it also builds trust and understanding.

We have a comprehensive stakeholder mechanism in place to have a regular and transparent dialogue with all our stakeholders. This mechanism has three pillars - inclusivity, accountability and responsibility.

Inclusivity

We prefer to include all stakeholders who are impacted by and who can influence, our decisions and its implementation. Whether minor or major, internal or external, we have identified them and engage with them in a fair and transparent manner.

The key stakeholders identified by us are:

- Employees
- Neighbouring Communities
- Patients
- Healthcare Professionals
- Investors & Shareholders
- Vendors, Suppliers & Distributors
- Government & Regulators

Accountability

Since our decisions and actions affect our stakeholders, we are answerable to them. In fact, this helps in maintaining integrity and transparency. A continuous and consistent, two-way communication includes sharing information and feedback, and leads to clear understanding and trust. Some of the main vehicles we use to communicate include:

- Corporate Website
- Annual Report
- Quarterly Reports
- Investor Presentations
- Official Press Releases
- Vendor Meets
- Customer Feedback Sessions
- Dedicated Portals for Employees, Vendors and Field Staff
- Participation in Independent Exhibitions
- Social Media

Responsibility

Some stakeholders effect our choices, while others are affected by them. Some may need more investment, while the others may need more time from us. Each stakeholder is different, and so is their need. Equitable growth is when every stakeholder grows with us. So as a responsible organisation, we have to balance our initiatives in such a way that we can collaborate with all stakeholders. For more details on these initiatives, please refer Principle 8.

Principle 5: Human Rights

Human rights are fundamental rights, and should be respected irrespective of nation, location, language, religion, ethnic origin or any other status. Sun Pharma is a firm believer of the principle of human rights and adheres to it in letter and spirit. We have a robust human rights policy which encompasses myriad principles like freedom of association and freedom from harassment, etc.

Being present in various geographies, we ensure that all local regulations are being adhered. We have also set up grievance redressal mechanisms so that any violation of human rights can be promptly and fairly dealt with. In the reporting year, there were no human rights violation complaints, relating either to child, forced and involuntary labour against the Company. However, we did receive one complaint related to sexual harassment during the year which has been resolved.

Principle 6: Environment

Environment destruction is a global issue facing all of us. Focussing on growth which is equated to convenience, comfort and consumption, has led to a stage where the natural resources are either depleted or polluted to an extent which is dangerous.

Care for the environment is one of our core corporate values and as a part of this commitment, we have a robust Environment, Health & Safety (EHS) policy which etches out our concerns as well as the roadmap to resolve them. Be it conservation measures, efficiency measures or reducing our dependence on resources which are limited, we are not only reducing the burden on the environment, but also on our operational costs.

Some of our green steps which are a must-do:

- Ensure statutory compliance
- Optimise natural resources
- Effect continuous improvement in environment management
- Innovate greener technologies and processes
- Spread green awareness across internal and external stakeholders

We also engage with the concerned authorities and industry in devising responsible laws, regulations and standards. Some of our key material concerns include:

Waste Management

Investments have been made in process improvements as well as upgradation of effluent treatment plants, using membrane-based technologies, multi-effect thermal evaporators, agitated thin film dryers and hazardous waste incinerators. These measures have helped to reduce the environmental burden. With equipment installed at all our major facilities for recycling of the treated effluent, we have achieved the status of zero liquid discharge at majority of our facilities. Some of the SOPs include:

- Waste production is minimised at the source itself
- Waste materials including solvents, waste water, glass, plastic liners, fibre drums, metal drum sheets, HDPE sheets and waste oil are recycled. Initiatives consist of setting up effluent treatment plants, recycling through registered recyclers and engaging scrap vendors for materials like paper, plastic and HDPE. 17 of our units are Zero Liquid Discharge (ZLD) facilities, while 5 are in the process of obtaining the status
- Well-equipped solvent recovery systems enable us to recycle recovered solvents
- We ensure safe and responsible waste disposal as per government norms and at government approved sites

Energy Conservation

Energy conservation is at the top of the sustainable energy hierarchy. It not only reduces the need for energy, lowering resource depletion, and thus benefitting the environment, but also reduces operational costs making economic sense as well.

At Sun Pharma, we are evaluating and implementing all available avenues to conserve as much energy as possible and reduce the environmental burden. These options broadly can be classified into two categories - using energy efficiently in manufacturing processes and tapping technology to generate green energy.

Greener Operations

A host of initiatives were undertaken to reduce the consumption of energy in our processes. This was achieved through optimising the systems at various points, some of which are:

- Installation of condensate recovery system and increasing condensate recovery
- Usage of condensate water in boiler
- CFL replaced with LED as an energy conservation initiative at various sites
- Timer provided on field light and ETP blowers to save energy
- Installation of Variable Frequency Drives (VFDs) to save energy at AHUs
- Hot water generation from jacket heat exchanger
- Installation of RO plant in ETP and treated ETP water for cooling tower water makeup
- Steam condensate recovered and reused in boiler
- Installation of boiler economisers and air pre-heaters
- Replacement of cooling tower fan blade to save power
- Installation of energy efficient equipment like coating dry scrubber
- Using air compressor's exhaust air as inlet air for boiler combustion
- Hot water generation from jacket steam
- Spray drying of liquid waste (RO rejects) using flue gas heat of incinerator
- Energy efficient equipment (axial flow pumps for MEE-120 KL) are being installed at site
- Optimisation of water evaporation hence reduction in water consumption & simultaneously reduction in power consumption

Green Investments

Renewable energy is a great opportunity to reduce our dependence on fossil fuels and we are committed to generate more green energy. Our investments in the wind energy are testimony of our commitment and in FY18, we generated around 2.7 million kWh of clean energy.

Carbon Emission

By converting from 'conventional' furnace oil / light diesel oil boilers to 'eco-efficient' biomass briquette-based boilers, we are implementing Clean Development Mechanism (CDM) projects at our facilities. It not only restricts the emissions of our operations, but also achieves two more objectives:

- Social well-being: Generating additional earning opportunities for the local people
- Environmental well-being: Replacing fossil fuels by a carbon-neutral fuel

As of now, we have 9 facilities equipped with the biomass fuelled boilers, with a total steam generation capacity of 80.5 tph.

As of 31st March 2018, there were no pending notices from pollution control boards.

Principle 7: Policy Advocacy

Being the world's 5th largest speciality generic pharmaceutical company, we understand our responsibility of developing high quality affordable medicines trusted by healthcare professionals and patients. Added to it, is the challenge to make the medicines accessible in over 100 countries across 6 continents. All this in a dynamic world, where change is continuous, whether it is technology, Government or policy.

So, it makes perfect sense to keep the channel of communication open with stakeholders who have an impact on policy making, because it directly affects business. With our considerable experience and leadership position, we can share our insights to influence key decisions that affects patients and their well-being, leading to better health policies. Of course, sharing also involves learning from best practices. While we collaborate with various stakeholders, we are also members of:

- Indian Drug Manufacturing Association (IDMA)
- Indian Pharmaceutical Alliance (IPA)
- Bombay Chamber of Commerce and Industry
- Confederation of Indian Industry (CII)
- Pharmaceuticals Export Promotion Council of India (Pharmexcil)
- The Associated Chambers of Commerce of India (ASSOCHAM)
- The Federation of Indian Chambers of Commerce and Industry (FICCI)

Principle 8: Equitable Development

Growth is not sustainable for a long term if it is not inclusive. As a global pharmaceutical leader, we understand our responsibility not only to make good health affordable and accessible, but also to reach out to the marginalised in the community and make them grow. At Sun Pharma, we have always believed in growing at the intersection of economic, environmental and community well-being.

We have a comprehensive CSR policy that determines our efforts towards social development. Sun Pharma's community development initiative focusses on:

- Healthcare
- Education
- Infrastructure and Rural Development
- Safe Drinking Water and Sanitation
- Environment Conservation
- Disaster Relief

Some of the initiatives taken in the focus areas during the year include:

Healthcare Projects

We implemented various healthcare programmes with the objective of offering up-gradation in health infrastructure to benefit the community on a sustained basis and in priority areas.

Distributing Medicines

Being in the healthcare industry, we directly support the socio-economically challenged sections of the society by providing medicines. Some of the beneficiaries include:

- Financially challenged patients continue to gain our assistance in the form of free-of-cost medicines. In the reporting period, we continued to dispense free Riluzole which is used in the treatment of Amyotrophic Lateral Sclerosis (a life-threatening disease) to all patients

- We have also been regularly distributing medicines to monasteries in Sikkim

Mobile Medical Units

Sun Pharma Community Healthcare Society partnered with HelpAge India to introduce mobile medical units providing free healthcare services to the community at their doorstep. These mobile units provided various medical services like curative services, reproductive and child health related services, diagnostic facilities, free healthcare services together with free medicine, doctor consultation as well as preventive healthcare services. Since the initiation of the Programme, it has already benefitted more than 1 million people with preventive and curative consultation and treatment.

These mobile medical units are a complete clinic-on-wheels with an experienced doctor on board. The programme saw an investment of Rs. 21.51 million in FY18 and is serving remote and rural areas nearby our manufacturing facilities based at Halol, Ahmednagar, Karkhadi, Panoli, Ankleshwar, Madurantakam, Mohali, Dewas, Toansa, Malanpur and Paonta Sahib, covering a population of 291,274 persons, out of which the total number of beneficiaries were 118,180. In addition to this, 68,788 people also benefitted under various Health Promotion and Preventive awareness services.

Health Dispensary

We renovated an abandoned dispensary of Zilla Parishad at Nawanshahr, Punjab, providing all infrastructural needs, required equipment and medicines, in addition to the Government supply. We are maintaining this dispensary as a continuous project which covers the population of nearby villages of Bholewal, Toansa and Railmajra.

The main objective is to deliver primary healthcare services to the underserved rural and urban slum areas staying close to the dispensary to ensure medical health services to all. It also focusses on reducing infant & maternal mortality and improve the health status of adolescent girls. It has benefitted 7,200 persons with an investment of Rs. 70,000 in FY18.

Kidney Dialysis Project

Our kidney dialysis project focusses on providing free kidney dialysis for poor and unprivileged sections of the society. With an investment of Rs. 0.40 million during FY18, the project has benefitted 127 patients.

Educational Programmes

The vision of Sun Pharma's CSR programme is to improve the educational standards through ensuring basic infrastructural facilities in rural areas. Model School Development Project emphasises on improving the quality of government schools by construction of boundary walls, provision of drinking water facility, strengthening eco-clubs, sanitation clubs, etc.

This was implemented at Ahmednagar, Halol, Ankleshwar, Madurantakam, Panoli, Silvassa, Malanpur and Toansa, and has already benefitted 5,770 students with an investment of Rs. 1.60 million during FY18.

Sanitation Programmes

Sun Pharma has been working consistently to ensure involvement and participation of various stakeholders from the community as well as from the concerned Government Departments. In one of the better examples of PPP model by the company, we ensure that the available Government Schemes benefit those who are bereft of sanitation facilities. We also organise awareness programmes to spread the message of cleanliness and hygiene for leading a healthy life. We helped build 201 individual household toilets during FY18 with an investment of Rs. 3.21 million to achieve the Government's objective of zero open defecation.

Safe Drinking Water Project

With an objective of providing safe drinking water to the rural populace, we are maintaining a deep bore well and pipeline at village Toansa. With an investment of Rs. 0.15 million during FY18, it provided potable water to approximately 950 beneficiaries.

Green Belt Development

Tree plantation is one of the most effective remedial measure to control the problem of air pollution and desertification, as well as has many obvious economic benefits. It effectively addresses several important environmental and sustainable development objectives. We undertook roadside plantation at Panoli, with an investment of Rs. 0.03 million during FY18.

Principle 9: Customer Value

All our efforts finally boil down to 'a brand trusted worldwide' by the customers. State-of-the-art plants, cutting-edge technology, robust processes and comprehensive policies resulting in products that alleviate pain of the patients and heal them. Our customer-centricity approach hence encompasses a gamut of propositions:

- Delivering affordable medicines and increasing their accessibility
- Practising stringent quality standards to ensure safe, effective and easy to use products
- Soliciting customers' feedback and insights, and timely addressing their issues

Chronic Healthcare Products

We produce a comprehensive, diverse and highly complementary portfolio of chronic products targeting a wide spectrum of treatments. But our true success lies in making them affordable, because otherwise it would address an unmet need, but with an unmet cost.

Along with being affordable, we also ensure that we are accessible. Our continuously expanding presence in more than 100 countries, helps us in being responsive to local treatment needs while continually improving our global product offering in our niche therapy areas of dermatology, psychiatry, diabetes, neurology, cardiology, nephrology, gastroenterology, orthopaedics and ophthalmology.

Product Safety

Quality of our products directly affects the well-being of our patients. Any adverse effects which may arise in or due to our products, is critical. Hence, we have incorporated pharmaco-vigilance SOPs to methodically examine, detect and gauge them, which allows us to remove these at the development phase itself.

Our R&D experts play a significant role in setting a higher benchmark where product safety and quality are concerned, raising us to be a global leader in our segment. They are supported by the holistic quality management system in place. It includes the 'adverse impact reporting form' which is available on our website for anyone to fill in case of an unfortunate event. The feedback is used to create an updated database of unfavourable incidents that helps in assessing the systematic benefit-risk ratio of the medicine.

Active Engagement

Our engagement with our customers is an effective two-way process:

1. **Provide**
   Detailed information detailed information for all our products, which also complies with all applicable labelling codes and specifications. We also deal with customers in a transparent and ethical manner, eliminating any form of miscommunication or misunderstanding. Our employees' engagement with the customer is governed through the Code of Conduct.

2. **Receive**
   Valuable feedback from customers to help us identify and address issues, if any. In the reporting year, although no formal survey was carried out, our medical representatives continued to seek suggestions in person, from doctors and pharmacists. Our 'Customer Centricity Policy' also directs our employees to be receptive towards customer's needs and concerns.

There is no material case filed by any stakeholder against Sun Pharma, regarding dishonest trade practices or irresponsible advertising, during the last nine years.