

## Annexure (1) to Directors' Report

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

**B. Consumption per unit of production**

It is not feasible to maintain product category-wise energy consumption data, since we manufacture a large range of formulations and bulk drugs having different energy requirements.

**C. Energy conservation measures**

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

## TECHNOLOGY ABSORPTION

### A. Research and Development

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

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

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

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

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

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

The Department of Scientific and Industrial Research, Ministry of Science and Technology of Government of India has granted approval to the in house research and development facility of your Company under the provision of the Income Tax Act, 1961.

#### 3. Future plan of action

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

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

## B. Technology Absorption, Adaptation and Innovation

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

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

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

- (a) Market leader for several complex products. Offers complete baskets of products under speciality therapeutic classes. Strong pipeline of products for future introduction in India, emerging markets, as well as US and European generic market.
- (b) Not dependent on imported technology, can make high cost products available at competitive prices by using indigenously developed manufacturing processes and formulation technologies.
- (c) Offer products which are convenient and safe for administration to patients, products with a technology advantage.
- (d) We are among the few selected companies that have set up completely integrated manufacturing capability for the production of anticancer, hormones, peptide, cephalosporins and steroidal drugs.
- (e) The Company has benefited from reduction in cost due to import substitution and increased revenue through higher exports.

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

## C. Foreign Exchange Earnings and Outgo

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

## Auditors' Report to the Members of Sun Pharmaceutical Industries Limited

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

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

Place: Mumbai  
Date: May 24, 2010

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

## Annexure to the Auditors' Report

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

### **Sun Pharmaceutical Industries Limited**

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

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

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

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

- (xi) The Company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has not obtained any borrowings by way of debentures.
- (xiii) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares. The Company has not granted any loans and advances on the basis of security by way of pledge of debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loan taken by others from banks and financial institutions, are not prima facie prejudicial to the interest of the Company.
- (xv) The Company has not obtained any term loans during the year.
- (xvi) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Place: Mumbai  
Date: May 24, 2010

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

## Balance Sheet As at 31st March, 2010

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

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**K. A. KATKI**  
Partner

Mumbai, 24th May, 2010

**KAMLESH H. SHAH**  
Company Secretary

For and on behalf of the Board

**DILIP S. SHANGHVI**  
Chairman & Managing Director

**SUDHIR V. VALIA**  
Wholtime Director

**SAILESH T. DESAI**  
Wholtime Director

Mumbai, 24th May, 2010



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

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

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**K. A. KATKI**  
Partner

Mumbai, 24th May, 2010

**KAMLESH H. SHAH**  
Company Secretary

For and on behalf of the Board

**DILIP S. SHANGHVI**  
Chairman & Managing Director

**SUDHIR V. VALIA**  
Wholetime Director

**SAILESH T. DESAI**  
Wholetime Director

Mumbai, 24th May, 2010

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

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

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

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

### Notes:

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

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**K. A. KATKI**  
Partner

Mumbai, 24th May, 2010

**KAMLESH H. SHAH**  
Company Secretary

For and on behalf of the Board

**DILIP S. SHANGHVI**  
Chairman & Managing Director

**SUDHIR V. VALIA**  
Wholetime Director

**SAILESH T. DESAI**  
Wholetime Director

Mumbai, 24th May, 2010

## Schedules to the Financial Statements

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

## Schedules to the Financial Statements

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

**SCHEDULE 5 : FIXED ASSETS**

Rs in Million

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

**NOTES :**

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

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

## Schedules to the Financial Statements

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

## Schedules to the Financial Statements

	As at 31st March, 2010 Rs in Million		As at 31st March, 2009 Rs in Million	
<b>c) In Subsidiary Companies</b>				
<b>In shares</b>				
<b>Quoted</b>				
Caraco Pharmaceutical Laboratories Ltd. USA 8,382,666 (Previous Year 8,382,666) fully paid Common Shares of No Par Value Market Value Rs.2249.5 Million (Previous Year Rs. 1,500.4 Million)		<b>303.9</b>		303.9
<b>Unquoted</b>				
Zao Sun Pharma Industries Ltd. Russia 1,000 (Previous Year 1,000) Shares of Rubles 20 each fully paid		<b>0.2</b>		0.2
Sun Pharma Global Inc. BVI 2,362,820 (Previous Year 1,224,560) Shares of US \$ 1 each fully paid		<b>9,405.0</b>		5,065.4
Sun Farmaceutica Ltda, Brazil 829,288 (Previous Year 829,288) quota of Capital Stock of Real (R\$) 1 each fully paid.		<b>18.3</b>		18.3
Sun Pharma De Mexico, S.A. DE C.V. 750 (Previous Year 750) Common Shares of no Face Value		<b>3.3</b>		3.3
Sun Pharmaceutical Industries Inc. 5,000 (Previous Year 5,000) fully paid Common Stock of \$ 1 Par Value		<b>0.2</b>		0.2
Sun Pharmaceutical (Bangladesh) Ltd. 434,469 (Previous Year 434,469) Ordinary Shares of 100 Takas each fully paid.		<b>36.5</b>		36.5
Share Application Money		<b>31.6</b>		31.6
Sun Pharmaceutical Peru S.A.C. (Rs. 21,734 (Previous Year Rs.21,734)) 149 (Previous Year 149) Ordinary Shares of Soles 10 each fully paid		<b>0.0</b>		0.0
SPIL DE Mexico SA DE CV 100 (Previous Year 100) Nominative and free Shares of \$500 Mexican Pesos each fully paid		<b>0.2</b>		0.2
OOO "Sun Pharmaceutical Industries" Ltd. Par value stock of 49,500 Rubles (Previous Year 49,500 Rubles)		<b>0.1</b>		0.1
		<b>9,495.4</b>		5,155.8
<b>In Debenture</b>				
<b>Unquoted</b>				
Sun Pharma Global Inc. BVI 50,000 (Previous Year 500,000) 0% Optionally Fully Convertible Debentures of US\$100 each fully paid		<b>224.0</b>		2,249.3
<b>d) In Capital of Partnership Firm</b>				
Sun Pharma Exports *		<b>15.9</b>		4.4
Sun Pharmaceutical Industries **		<b>4,236.8</b>		9,358.8
Sun Pharma - Sikkim ***		<b>2,992.2</b>		86.1
		<b>7,244.9</b>		9,449.3

## Schedules to the Financial Statements

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



## Schedules to the Financial Statements

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

## Schedules to the Financial Statements

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

## Schedules to the Financial Statements

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

## Schedules to the Financial Statements

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

## Schedules to the Financial Statements

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

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

## Schedules to the Financial Statements

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

## Schedules to the Financial Statements

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

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

### SCHEDULE 20 :SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

#### A SIGNIFICANT ACCOUNTING POLICIES

##### I Basis of Accounting

These financial statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India and the Accounting Standards (AS) as notified under Companies (Accounting Standards) Rules, 2006.

##### II Use of estimates

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

##### III Fixed Assets and Depreciation / Amortisation

Fixed Assets including intangible assets are stated at historical cost (net of cenvat credit) less accumulated depreciation/ amortisation thereon and impairment losses, if any. Depreciation on tangible assets is provided on Straight Line Method at the rates specified in Schedule XIV to The Companies Act, 1956. Assets costing Rs.5,000/- or less are depreciated at hundred percent rate on prorata basis in the year of purchase. Intangible assets consisting of trademarks, designs, technical knowhow, non-compete fees and other intangible assets are amortised on Straight Line Method from the date they are available for use, over the useful lives of the assets (10/20 years), as estimated by the Management. Leasehold land is amortised over the period of lease.

##### IV Leases

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

##### V Revenue Recognition

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

##### VI Investments

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

##### VII Inventories

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

##### VIII Research and Development

The research and development cost is accounted in accordance with Accounting Standard – 26 'Intangible Asset'. All related revenue expenditure incurred on original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding up to the time when it is possible to demonstrate probable future economic benefits, is recognised as research expenses and charged off to the profit and loss account, as incurred. All subsequent expenditure incurred for product development on the application of research findings or other knowledge upon demonstration of probability of future economic benefits, prior to the commencement of production, to the extent identifiable and possible to segregate are accumulated and carried forward as development expenditure under Capital Work in Progress, to be capitalised as an intangible asset on completion of the project. In case a project does not proceed as per expectations / plans, the same is abandoned and the amount classified as development expenditure under Capital Work in Progress is charged off to the profit and loss account.

##### IX Foreign Currency Transactions

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



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

### X Derivative Accounting

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

### XI Taxes on Income

Provision for taxation comprises of Current Tax, Deferred Tax and Fringe Benefit Tax. Current Tax provision has been made on the basis of reliefs and deductions available under the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance sheet date. Fringe Benefits tax has been calculated and accounted for in accordance with the provisions of the Income Tax Act, 1961 and the Guidance note on Fringe Benefit Tax by the Institute of Chartered Accountants of India. Pursuant to the enactment of the Finance Act, 2009, Fringe Benefit tax stands abolished w.e.f. April 01, 2009.

### XII Employee Benefits

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

### XIII Borrowing Costs

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

### XIV Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

### XV Government Grants / Subsidy

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

### XVI Impairment of Assets

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

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

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

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

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

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

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

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

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

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

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

	Year ended 31st March, 2010 Rs in Million	Year ended 31st March, 2009 Rs in Million
<b>9 INCOME/EXPENDITURE IN FOREIGN CURRENCY</b>		
Income		
Exports (FOB basis)	8,389.5	8,137.7
Interest	9.8	70.6
Others	109.0	72.8
Expenditure		
Raw Materials (CIF basis)	3,003.9	2,299.6
Packing Materials (CIF basis)	242.6	272.8
Capital Goods (CIF basis)	242.0	367.7
Spares and Components (CIF basis)	26.4	20.2
Professional Charges	226.2	424.5
Interest	—	22.5
Overseas Travel	80.4	79.5
Others	807.5	772.1
<b>10</b> The net exchange gain of Rs.36.4 Million (Previous Year gain of Rs.759.6 Million) is included under various heads in the Profit & Loss account.		
<b>11</b> Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:		
(a) An amount of Rs.14.8 Million (Previous Year Rs.2.1 Million) and Rs. NIL (Previous Year NIL) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.		
(b) No interest was paid during the year.		
(c) No interest is payable at the end of the year under Micro, Small and Medium Enterprises Development Act, 2006.		
(d) No amount of interest was accrued and unpaid at the end of the accounting year.		
The above information and that given in Schedule 12 - "Current Liabilities and Provisions" regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.		
<b>12 Disclosure with respect to Accounting Standards notified by Companies (Accounting Standards) Rules, 2006:</b>		
(i) <b>Related Party Disclosure - as per Annexure 'A' annexed.</b>		
(ii) <b>Accounting Standard (AS-20) on Earnings Per Share</b>	<b>2009-10</b>	2008-09
Profit After Tax - used as Numerator for calculating Earnings per share	8,986.5	12,652.9
Weighted Average number of Shares used in computing basic & diluted earnings per share	207,116,391	207,116,391
Nominal Value Per Share (in Rs.)	5	5
Basic & Diluted Earnings Per Share (in Rs.)	43.4	61.1
(iii) <b>Accounting Standard (AS-17) on Segment Reporting</b>		
(a) Primary Segment		
The Company has identified "Pharmaceuticals" as the only primary reportable business segment.		
(b) Secondary Segment (by Geographical Segment )		
India	9,731.6	20,004.1
Outside India	9,180.0	8,332.4
<b>Total Sales</b>	<b>18,911.6</b>	<b>28,336.5</b>

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

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

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

Contributions are made to Recognised Provident Fund/ Government Provident Fund, Family Pension Fund, ESIC and other Statutory Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to Rs. 90.8 Million (Previous year Rs. 80.8 Million)

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

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

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

In respect of gratuity (funded):

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

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

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

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

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

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

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

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

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

**(v) Accounting Standard (AS-19) on Operating Leases**

- (a) The company has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licence, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.
- (b) Lease payments are recognised in the Profit and Loss Account under "Rent" in Schedule 18.

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

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

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

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

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

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

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



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

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

**17** Intangible assets consisting of trademarks, designs, technical knowhow, non compete fees and other intangible assets are stated at cost of acquisition based on their agreements and are available to the company in perpetuity. The depreciable amount of intangible assets is arrived at based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the company.

### 18 Legal Proceedings

The Company and / or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims and other regulatory matters relating to conduct of its business. The Company carries product liability insurance / is contractually indemnified by the manufacturer, in an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters will not have material adverse effect on its Financial Statements.

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

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

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

21 The company enters into Forward Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.

A) The following are the outstanding Forward Exchange Contracts (including against firm commitments) entered into by the company as on 31st March, 2010

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

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

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

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

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

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

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

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

Annexure 'A' to Notes on Account

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

#### Names of related parties and description of relationship

##### 1. Subsidiaries

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

##### 2. Controlled Entity

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

##### 3. Key Management Personnel

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

##### 4. Relatives of Key Management Personnel

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

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

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

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

Annexure 'A' to Notes on Account

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

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

Annexure 'A' to Notes on Account

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

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

## Balance Sheet Abstract and Company's General Business Profile

### I Registration Details

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

### II Capital Raised during the year (Rs in Million)

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

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

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

### IV Performance of the Company (Rs in Million)

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

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

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

For and on behalf of the Board

**DILIP S. SHANGHVI**  
Chairman & Managing Director

**SUDHIR V. VALIA**  
Wholetime Director

**SAILESH T. DESAI**  
Wholetime Director

Mumbai, May 24, 2010

**KAMLESH H. SHAH**  
Company Secretary

Mumbai, May 24, 2010