

Deloitte Haskins & Sells LLP

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

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

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED

- We have reviewed the accompanying Statement of Unaudited Financial Results of SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED ("the Company") for the quarter and half year ended September 30, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
- We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
- Based on our review conducted as stated above, read with paragraph 4 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
- Managerial remuneration paid / payable is in excess of the limits approved by the Central Government to the extent of ₹ 15.43 Lakhs for the half year ended September 30, 2014 (₹ Nil for the quarter ended September 30, 2014 and ₹ 215.09 Lakhs upto September 30, 2014). In this regard, we have been informed by the Management of the Company that they have made further representations to the Central Government, the response in respect of which is awaited.
Our report is not qualified in respect of this matter.
- Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and half year ended September 30, 2014 of the Statement, from the details furnished by the Management/Registrars.

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



Rajesh K. Hiranandani
Partner
(Membership No. 36920)



MUMBAI, October 31, 2014

Office: 12, Dr Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai - 400 018, India

Haskins & Sells (Registration No. BA 97449) a partnership firm was converted into Deloitte Haskins & Sells LLP (LLP Registration No. AAB-8737) a limited liability partnership with effect from 20th November 2013.

Sun Pharma Advanced Research Company Limited

Regd Office: Sun Pharma Advanced Research Centre,
Akota Road, Akota, Vadodra - 390 020.

CIN No. : L73100GJ2006PLC047837 Web Site : www.sunpharma.in

Part I Statement of Unaudited Financial Results for the Quarter and Half Year ended September 30, 2014

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income						
Income from Operations	4,591	3,585	2,594	8,176	6,151	10,703
Total Income	4,591	3,585	2,594	8,176	6,151	16,703
Expenditure						
Cost of Materials Consumed	195	184	145	379	396	801
Employee Benefits Expense	1,126	1,113	1,082	2,239	2,126	4,040
Clinical Trials and Professional Charges	2,659	2,723	1,696	5,382	2,448	5,247
Depreciation Expense	206	160	90	366	178	317
License and Fees	35	22	32	57	47	1,441
Other Expenses	580	493	431	1,073	634	1,025
Total Expenses	4,801	4,696	3,446	9,486	6,028	13,711
Profit / (Loss) from Operations before Other Income and Finance Costs	(210)	(1,110)	(852)	(1,320)	122	2,992
Other Income	68	142	304	210	512	1,000
Profit / (Loss) before Finance Costs	(142)	(968)	(548)	(1,110)	634	3,992
Finance Costs	5	0	207	11	448	560
Profit / (Loss) before Tax	(147)	(974)	(755)	(1,121)	186	3,432
Tax Expense	-	-	-	-	-	400
Profit / (Loss) for the period / year	(147)	(974)	(755)	(1,121)	186	3,032
Paid-up Equity Share Capital - Face Value ₹ 1 each	2,367	2,367	2,367	2,367	2,367	2,367
Reserves excluding Revaluation Reserve	-	-	-	-	-	11,563
Earnings Per Share of ₹ 1 each - in ₹ (Basic and Diluted)	(0.06)	(0.41)	(0.32)	(0.47)	0.08	1.28

Part II Select Information for the Quarter and Half Year ended September 30, 2014

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
Particulars of Shareholding						
Public Shareholding						
No. of Equity Shares	77,811,251	77,811,251	77,811,251	77,811,251	77,811,251	77,811,251
Percentage of Shareholding	32.87	32.87	32.87	32.87	32.87	32.87
Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
No. of Equity Shares	675,000	675,000	675,000	675,000	675,000	675,000
Percentage of Equity Shares (as a % of the total shareholding of promoter and promoter group)	0.42	0.42	0.42	0.42	0.42	0.42
Percentage of Equity Shares (as a % of the total share capital of the Company)	0.29	0.29	0.29	0.29	0.29	0.29
b) Non-encumbered						
No. of Equity Shares	158,218,196	158,218,196	158,218,196	158,218,196	158,218,196	158,218,196
Percentage of Equity Shares (as a % of the total shareholding of promoter and promoter group)	99.58	99.58	99.58	99.58	99.58	99.58
Percentage of Equity Shares (as a % of the total share capital of the Company)	66.84	66.84	66.84	66.84	66.84	66.84
Investor Complaints						
Pending at the beginning of the quarter						
Received during the quarter						
Disposed of during the quarter						
Remaining unresolved at the end of the quarter						
Notes						

1 Statement of Assets and Liabilities

Particulars	As at 30.09.2014		As at 31.03.2014	
	Unaudited	Audited	Unaudited	Audited
A EQUITY AND LIABILITIES				
I Shareholders' Funds				
(a) Share Capital	2,367		2,367	
(b) Reserves and Surplus	10,444	12,811	11,563	13,930
II Non-current Liabilities				
(a) Long-term Borrowings	327		382	
(b) Deferred Tax Liabilities (Net)	-		-	
(c) Other Long-term Liabilities	8	618	16	148
(d) Long-term Provisions	183		148	148
III Current Liabilities				
(a) Short-term Borrowings	1		82	
(b) Trade Payables	2,879		2,874	
(c) Other Current Liabilities	646		758	
(d) Short-term Provisions	80	3,405	64	3,878
TOTAL - EQUITY AND LIABILITIES		16,734		18,354
B ASSETS				
I Non-current Assets				
(a) Fixed Assets	6,798		6,525	
(b) Long-term Loans and Advances	782		760	
(c) Other Non-current Assets	44	7,634	57	7,347
II Current Assets				
(a) Current Investments	-		850	
(b) Trade Receivables	4,223		2,800	
(c) Cash and Cash Equivalents	759		898	
(d) Short-term Loans and Advances	3,776		6,494	
(e) Other Current Assets	343	9,100	412	11,012
TOTAL - ASSETS		16,734		18,354

EM *PK*
For Identification
Deloitte Haskins & Sells LLP



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CIN No. : L73100GJ2006PLC047837 Web Site : www.sunpharma.in

- 2 The above financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 31, 2014 and have been subjected to a limited review by the Statutory Auditors of the Company
- 3 The Company has only one reportable business segment namely 'Pharmaceutical Research & Development'
- 4 Status of Utilisation of rights issue proceeds:

Particulars	Total Projected utilisation	Projected utilisation upto 31.03.2014	Actual utilisation upto 31.03.2014	Actual utilisation upto 30.09.2014
Any Research and Development activities / expenses *	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Repayment of identified loans availed from Group Entities	10,316	5,161	5,143	5,254
General corporate purposes	8,100	6,100	6,100	6,100
Issue expenses	3,256	3,256	3,256	3,256
Funds utilised	152	152	152	152
Un-utilised rights issue proceeds **	19,824		14,691	18,562
Calls unpaid	19,824		5,157	1,247
Total			19,848	19,809
	19,824	14,669	19,824	19,824

* Revised from 'Pharmaceutical research and development activities - Clinical trials' in terms of resolution passed by shareholders at the Annual General Meeting held on July 30, 2013. Given the highly unpredictable nature of the Company's business of Pharmaceutical Research and Development, the actual utilisation of the funds varied from the projections.

** temporarily invested in inter corporate deposits / current account with a bank.

- 5 The Company has adopted the useful lives of fixed assets as indicated in Part C of Schedule II of the Companies Act, 2013 and amendment thereto vide notification dated August 29, 2014 issued by Ministry of Corporate Affairs. Consequently, the depreciation charge for the quarter ended September 30, 2014 is higher by ₹ 108 Lakhs (including ₹ 34 Lakhs in respect of the quarter ended June 30, 2014) and the depreciation charge for the half year ended September 30, 2014 is higher by ₹ 178 Lakhs.
- 6 Figures for the previous periods / year have been regrouped / reclassified, wherever considered necessary

Mumbai, October 31, 2014

EM PKC
For Identification
Deloitte Haskins & Sells LLP



By order of the Board
[Signature]
Dilip K. Shingra
Chairman and Managing Director