



Creating Lasting Value

Investor Presentation - February 2014

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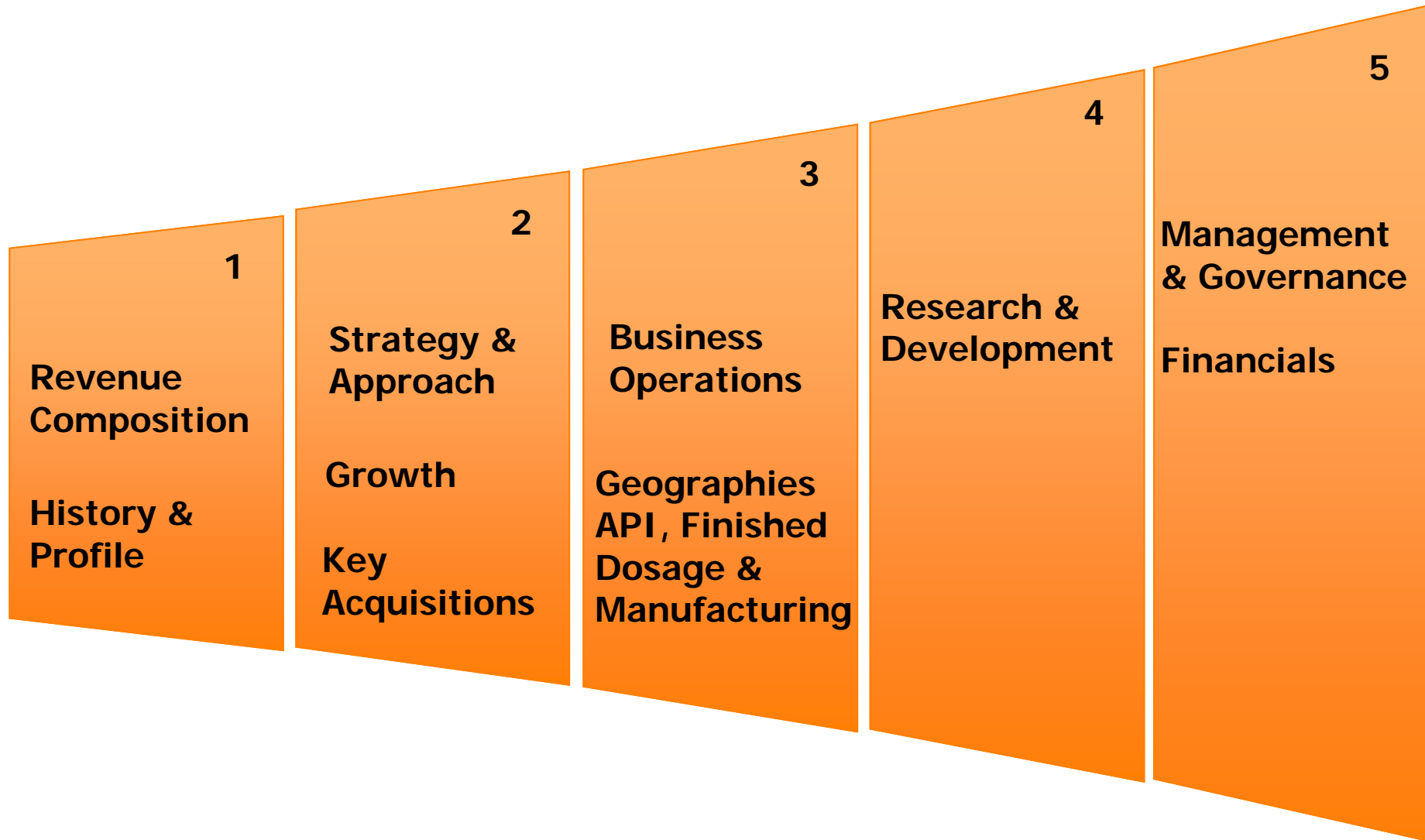
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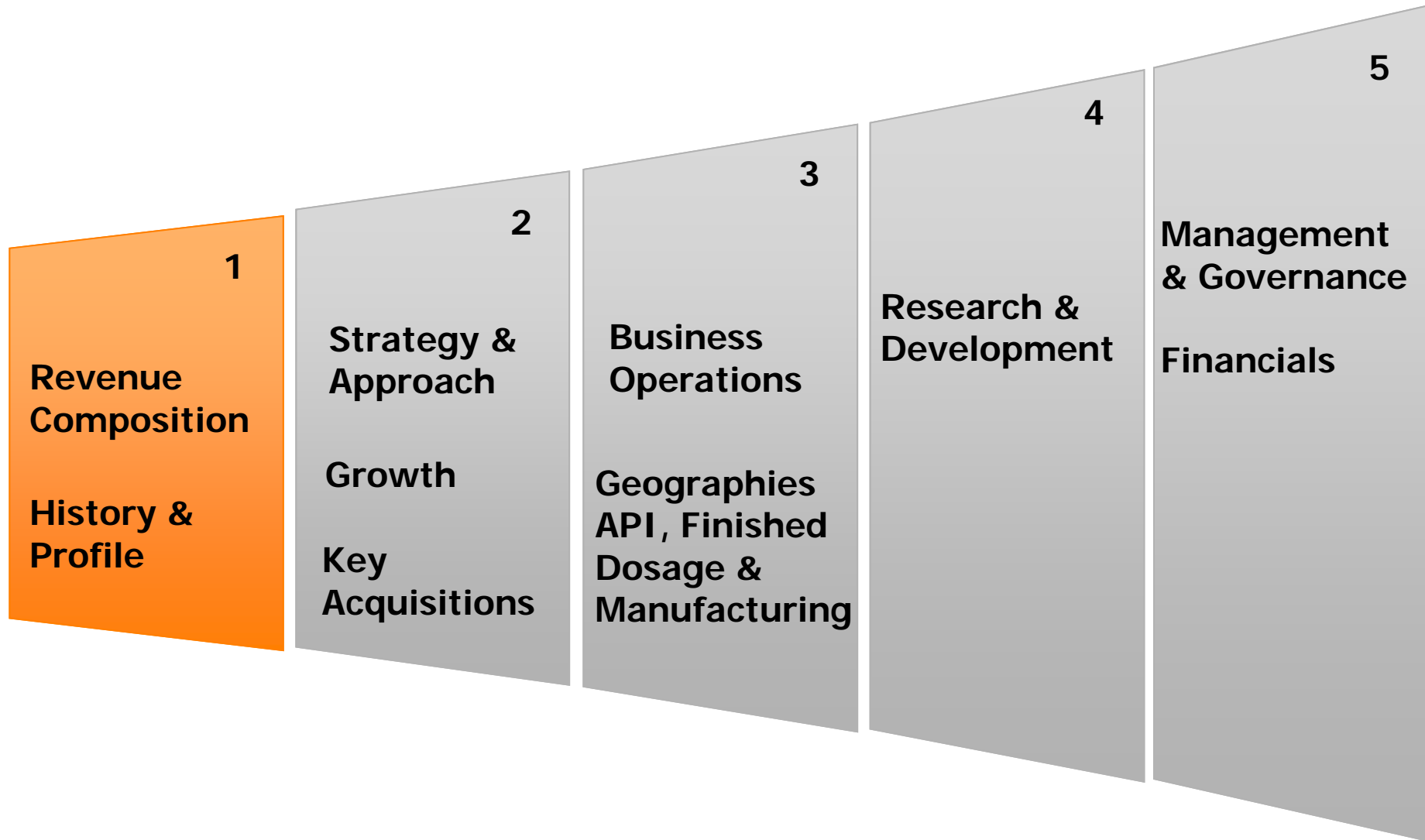
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Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “should”, “potential”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. Sun Pharmaceutical Industries Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Agenda



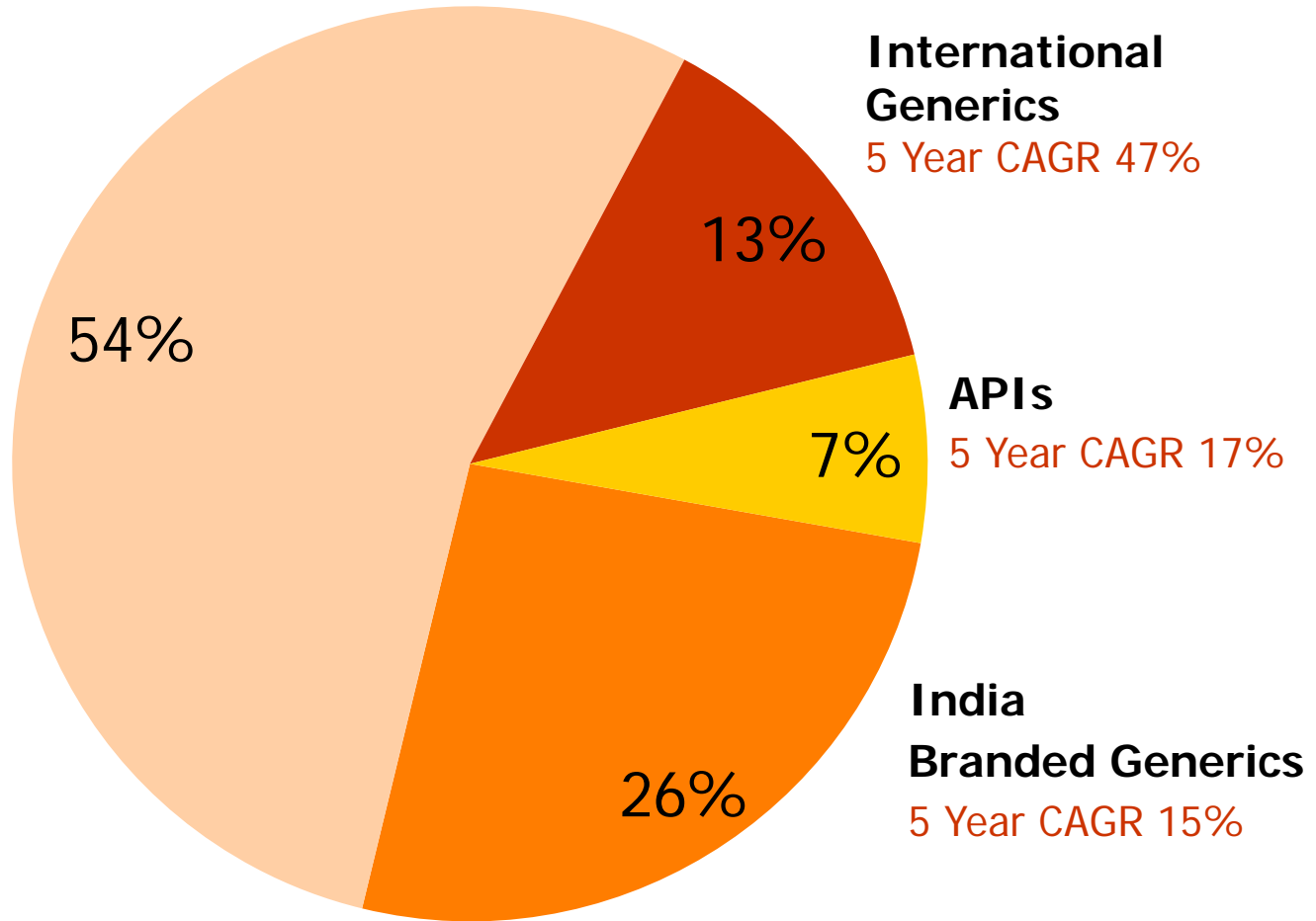
Agenda



Revenue Composition

2012-13 Annual Gross Sales : Rs 114,087 million

5 Year CAGR 27%



US Formulations
5 Year CAGR 34%

International Generics
5 Year CAGR 47%

APIs
5 Year CAGR 17%

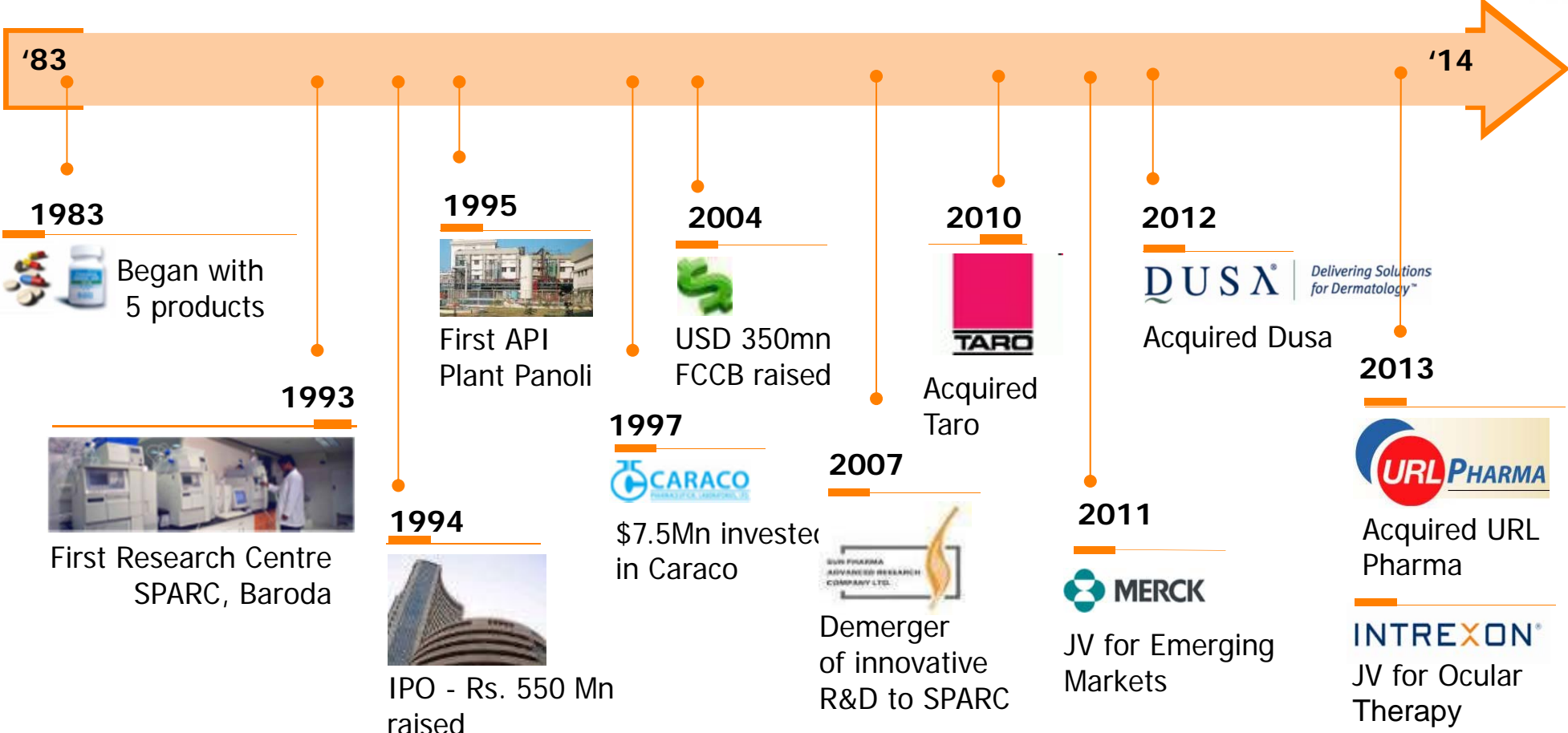
India Branded Generics
5 Year CAGR 15%

Finished Dosage sales 93%
5 year CAGR 28%

International sales 72%
5 year CAGR 34%



Creating Value, Continuously...



Sun Pharma Today

14,000+ Employees

Invested Rs. 35 billion in Research

PART OF

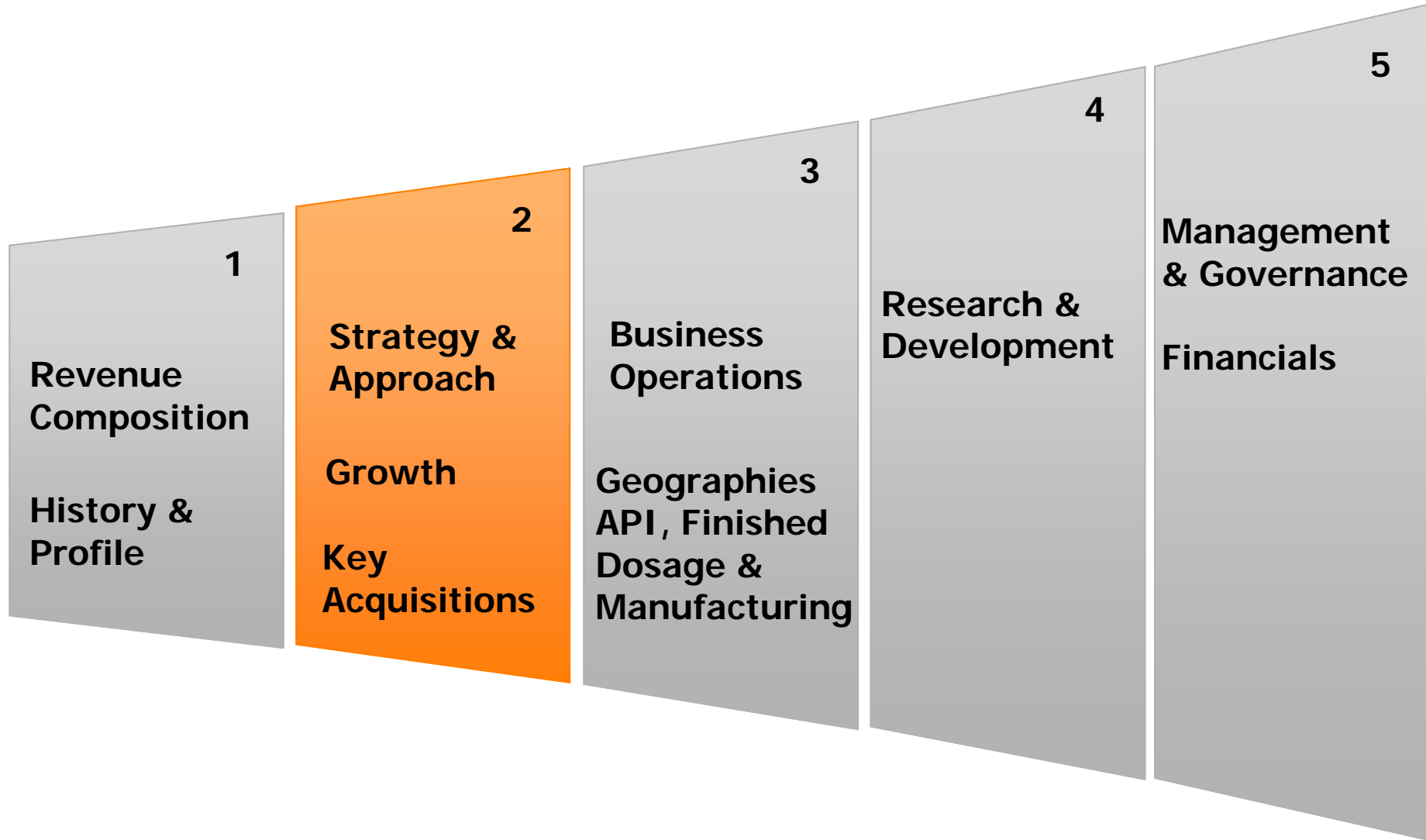
 Stock of the nation

26 Manufacturing facilities in 4 Continents



More than 70% of sales from international markets

Agenda



Strategy and Approach

Create sustainable revenue streams

- Focus: Chronic therapies
- Differentiation: Technically complex products
- Speed to market

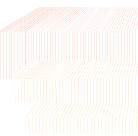


Seek cost leadership

- Vertical integration : Development through Manufacturing (API and Finished Dosage) to Marketing
- Optimize operational costs

Balance profitability and investments for future

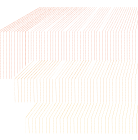
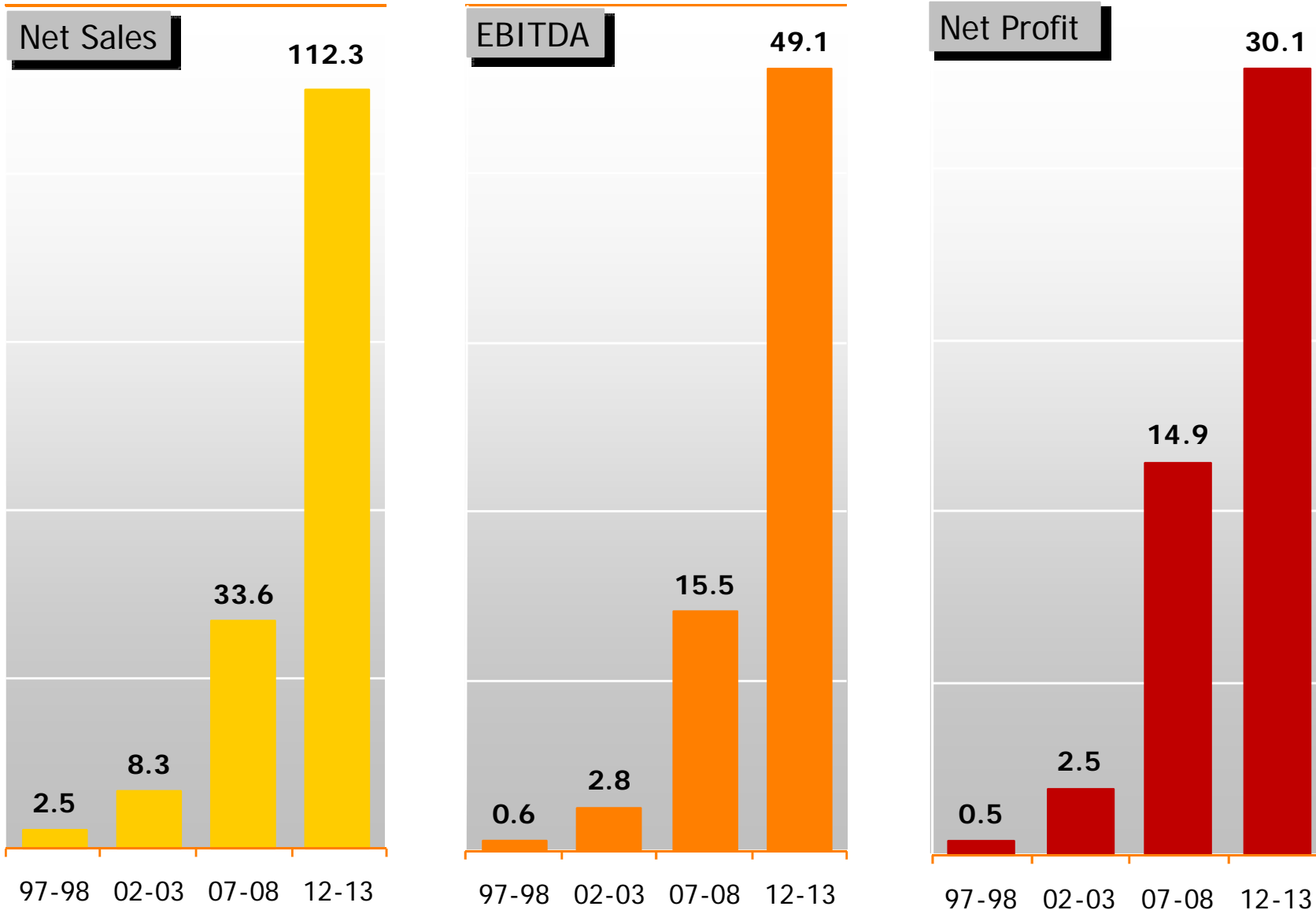
- Acquisitions yielding high ROI
- Development of complex generics



Growing Steadily

Consistent top-line and bottom-line growth; continuing the trend despite increasing size

(Figures in Rs billion)

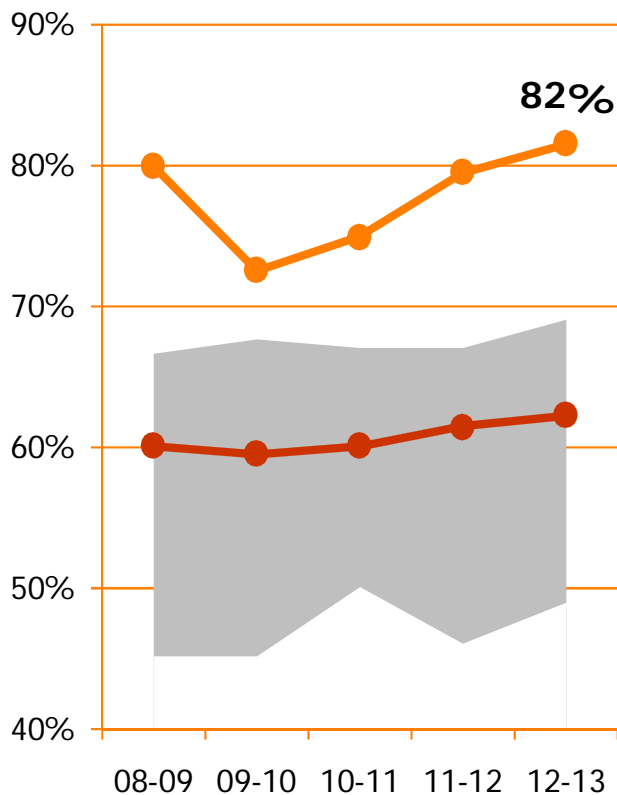


Sustained Profitability

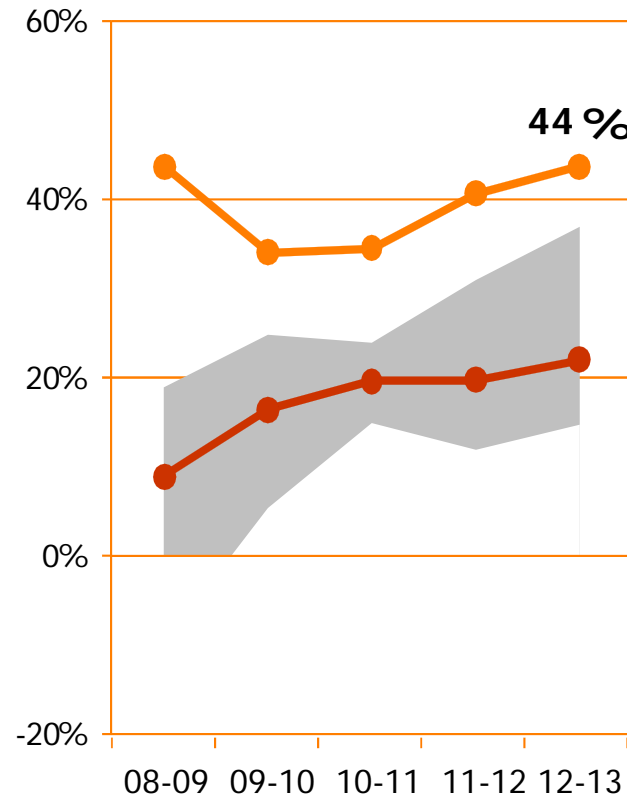
Superior business model

Margins consistently higher than peers*

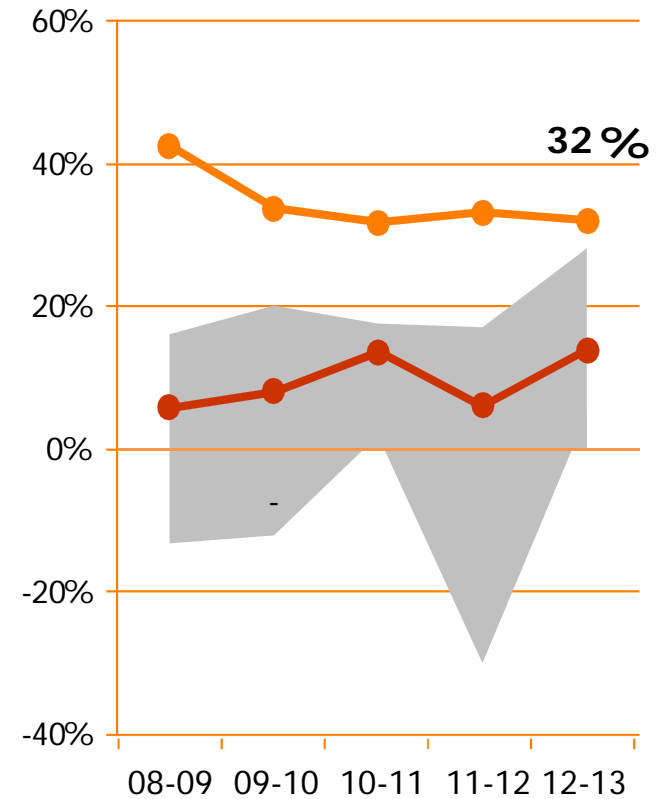
Gross Margin



EBITDA Margin



Net Margin



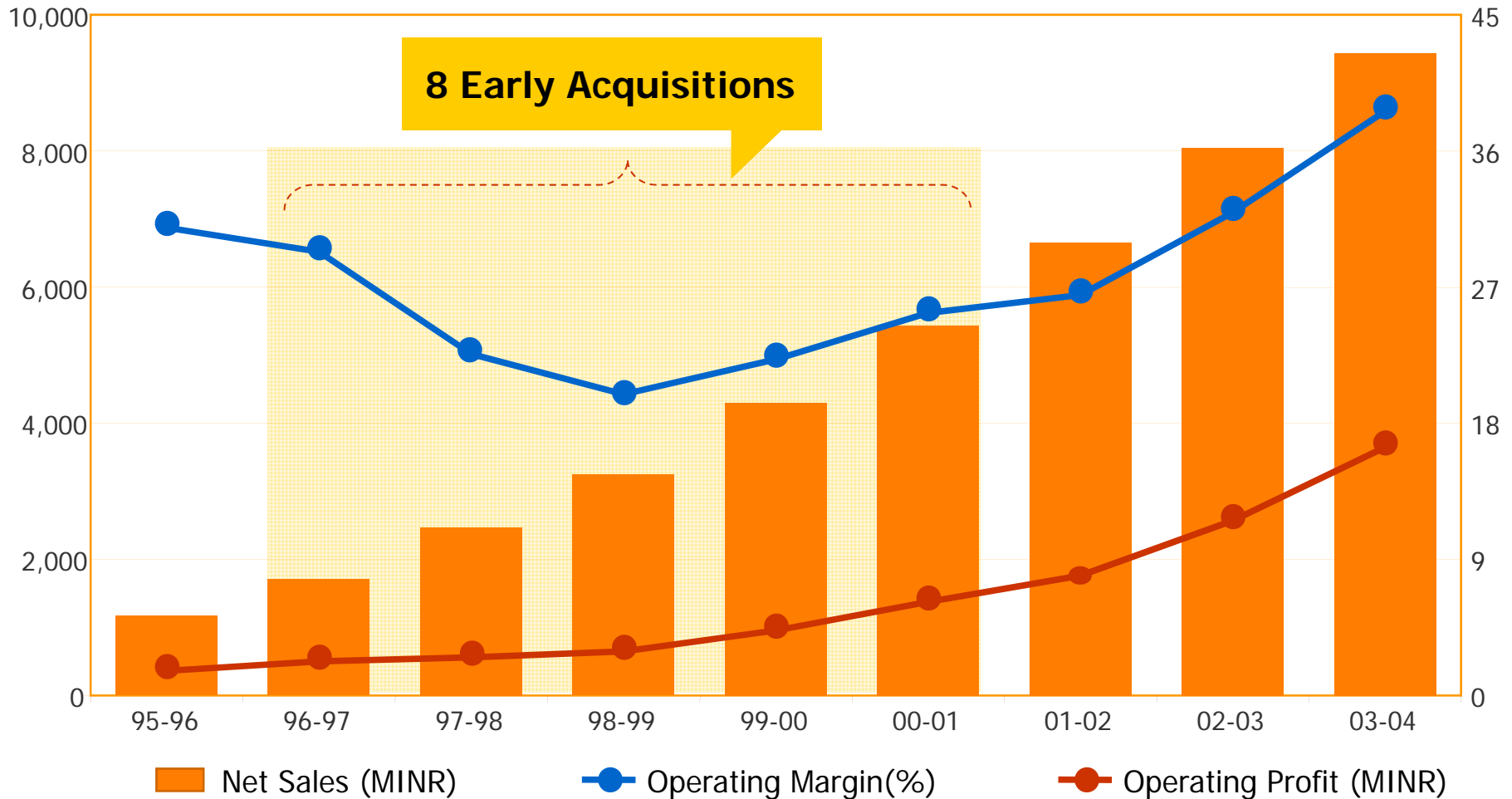
—●— Sun Pharma ■ Range of other Top 10 Pharma Cos. —●— Average

Gross margin= (Net Sales – Material Cost) / Net Sales * 100

- Other top 10 Indian Pharma company include Aurobindo,, Cadila Healthcare,
- Cipla, DRL, Glenmark, Ipca, Lupin, Ranbaxy, Torrent and Wockhardt.

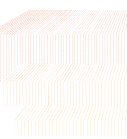
Successful At Acquisitions

Acquired 16 high potential yet under-performing businesses*; successful turnarounds

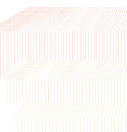
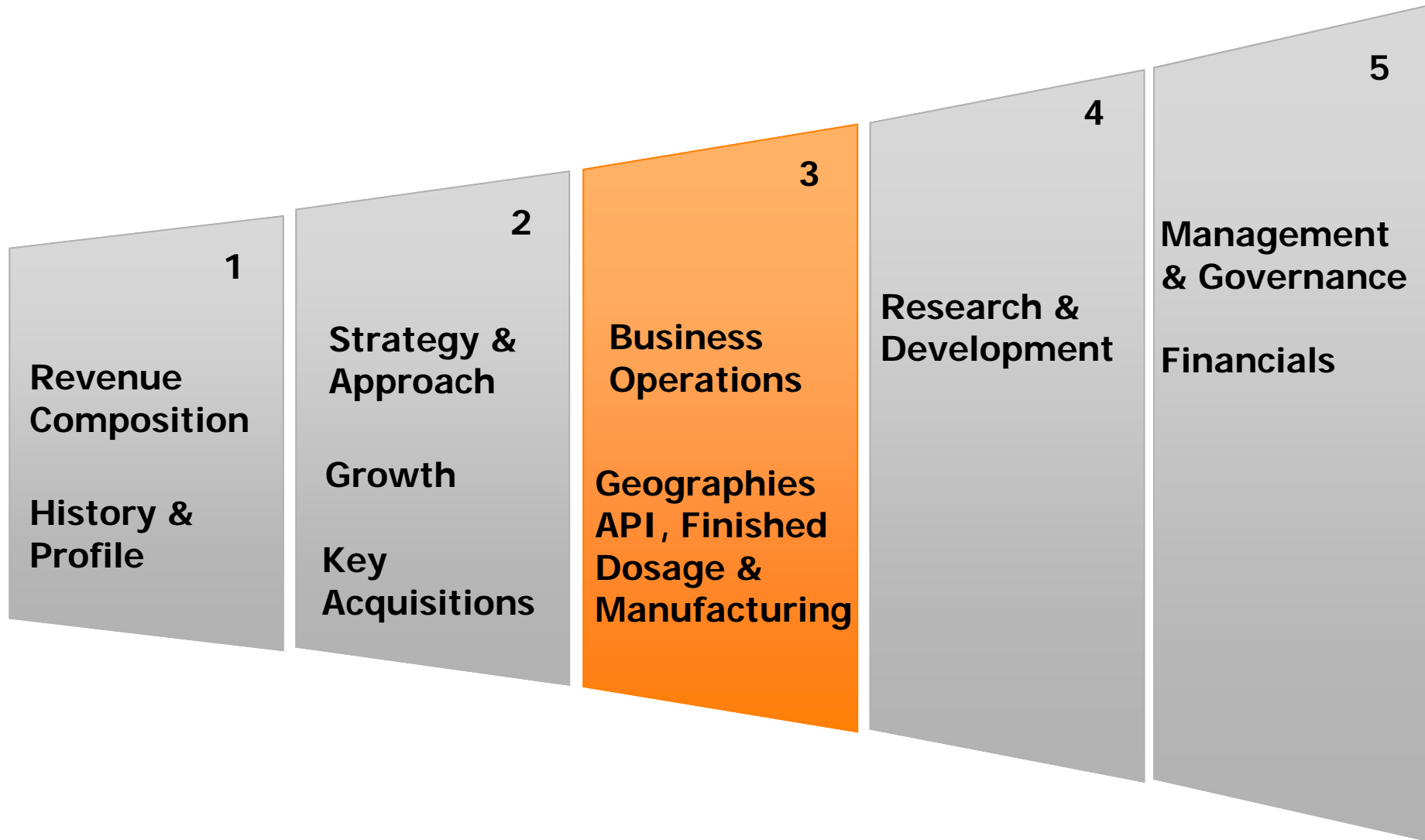


Key Deals & Rationale

Year	Deals	Country	Rationale
2013	Formation of Sun-Intrexon JV	US	JV for ocular therapies
2013	Acquired URL's generic business	US	Adds 107 products to US portfolio
2012	Acquired DUSA Pharma, Inc.	US	Access to branded derma product
2011	100% ownership of Caraco	US	Privatization
2011	Formation of Sun-MSD JV	Emerging Markets	Develop and commercialize technology based combinations products
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel	Dermatology & Topical Product Manufacturing Plant at Israel & Canada
2009	Caraco acquired some products of Forest's Inwood business	US	Increased generic product offerings
2008	Acquired Chattem Chemicals, Inc.	Tennessee, US	Import registration with DEA, API Plant approved by DEA in Tennessee, US
2005	Assets of Able labs	New Jersey, US	Dosage form plant (NJ, US) and IP
2005	Formulation plant in Bryan	Ohio, US	Dosage form plant (Ohio, US)
2005	Acquired ICN Hungary	Hungary	API and dosage form plant (Hungary)
1998	Brands from Natco	India	Respiratory brands
1997	Acquired Caraco	Detroit, US	Dosage form Plant
1997	Merged Tamilnadu Dadha Pharmaceuticals Ltd (TDPL)	Chennai, India	Gynecology and oncology brands; API and dosage form plant
1996	Acquired MJ Pharma	Halol, India	Dosage form plant (now USFDA approved)

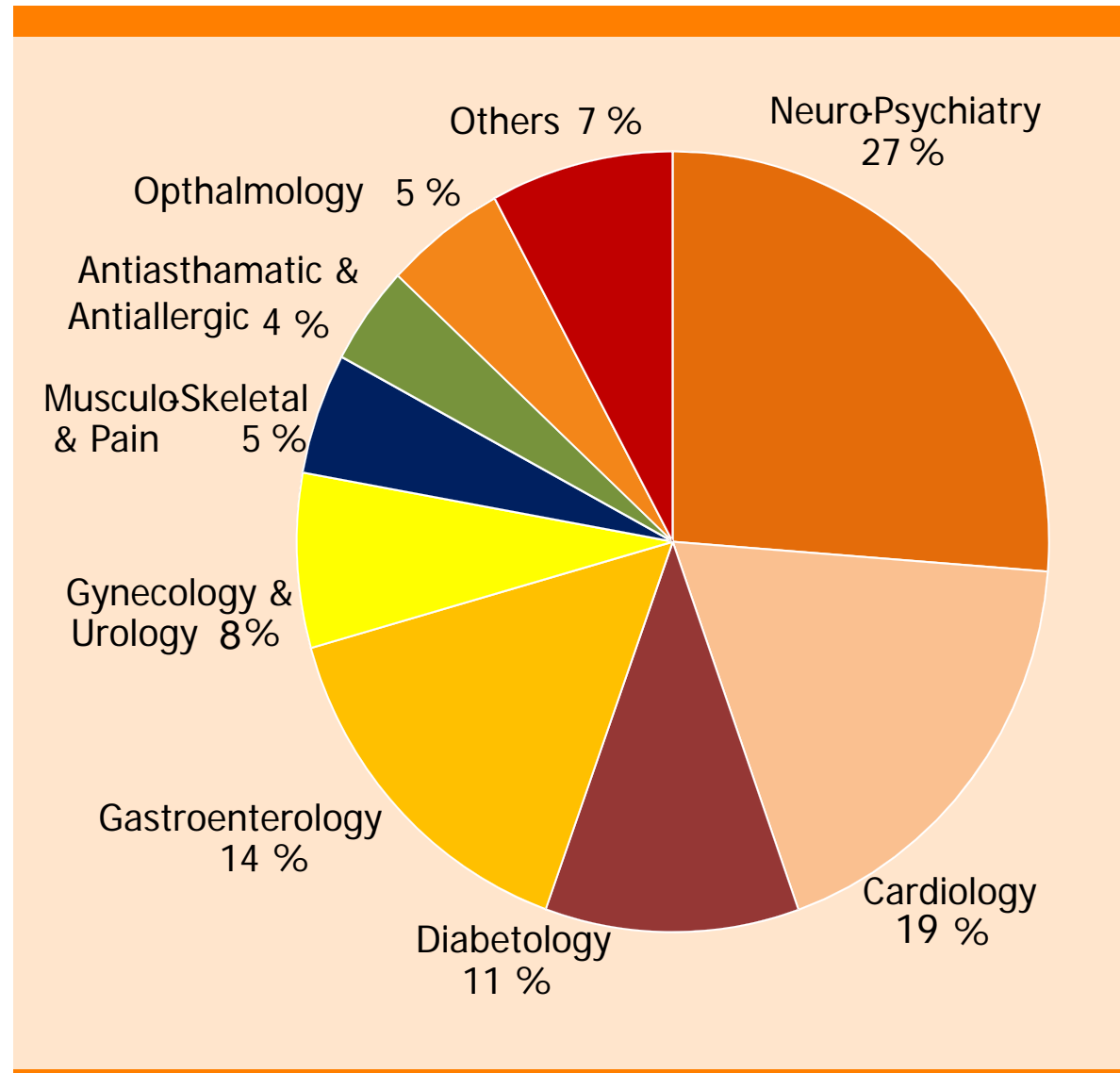


Agenda



India Branded Generics : Strong Base

- **Market Share :5.3%***
- **Leadership in chronic segment;**
Top 3 in over 50% of more than 500 brands



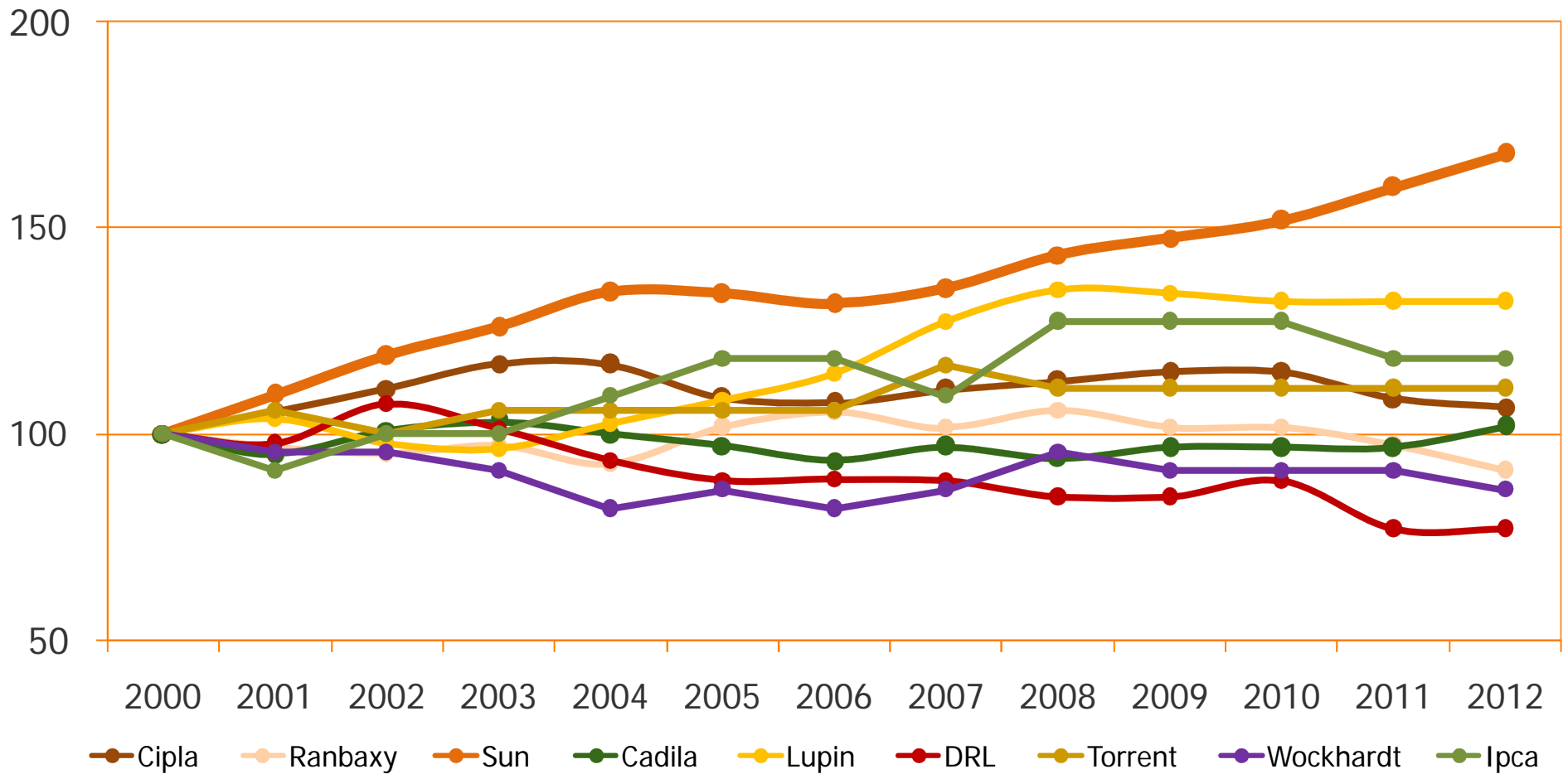
* As per AIOCD AWACS –Dec'13

Relentless Customer Focus

Therapy focused marketing

- 4,000+ sales representatives covering 140,000 specialist doctors

Strong increase in market share



Year 2000 Market Share indexed to 100 for all companies

Therapy Focused Marketing

 Delivering promotional message to specialty customers.

Gastroenterology, Orthopedics



Cardiology, Diabetology




Psychiatry, Neurology




Ophthalmology



Rheumatology, Dermatology




Asthma, COPD



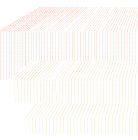
Oncology



Fertility, Gynecology, Urology



Gynecology

Preferred Choice of Doctors

Leadership in key therapeutic areas*

Specialist	Oct '10	Oct '13
Psychiatrists	1	1
Neurologists	1	1
Cardiologists	1	1
Orthopaedic	1	1
Ophthalmologists	1	1
Gastroenterologists	1	1
Nephrologists	2	1
Diabetologists	2	2
Chest Physicians	4	5
Consulting Physicians	3	5
Gynaecologists	6	7
Dermatologists	14	7
Oncologists	9	7
Urologists	8	12

Top 10 Brands contribute 20% of India Sales

Brand Name	Therapy area
Pantocid	Proton pump inhibitor/ antiulcerant
Gemer	Oral antidiabetic
Aztor	CVS, cholesterol reducing agent
Pantocid-D	Proton pump inhibitor/ antiulcerant
Susten	Women's healthcare
Glucored Group	Oral antidiabetic
Levipil	CNS
Istamet	Antidiabetic
Rozavel	CVS
Clopilet	CVS, anticlotting agent

*Ranks based on prescription share

Source-Strategic Marketing Solutions and Research Centre (SMSRC) Pvt. Ltd.

Creating Lasting Value - Investor Presentation



US Generics

Integrated generic manufacturer with flexibility for manufacture onshore / offshore



Caraco Pharmaceutical Laboratories Ltd.

The 100% owned US generics subsidiary, markets own and Sun Pharma ANDAs



Sun Pharmaceutical Industries, Inc. (SPI)

A wholly owned subsidiary of Sun Pharma in US



Taro Pharmaceutical Industries Ltd.

The 66% owned subsidiary of Sun Pharma

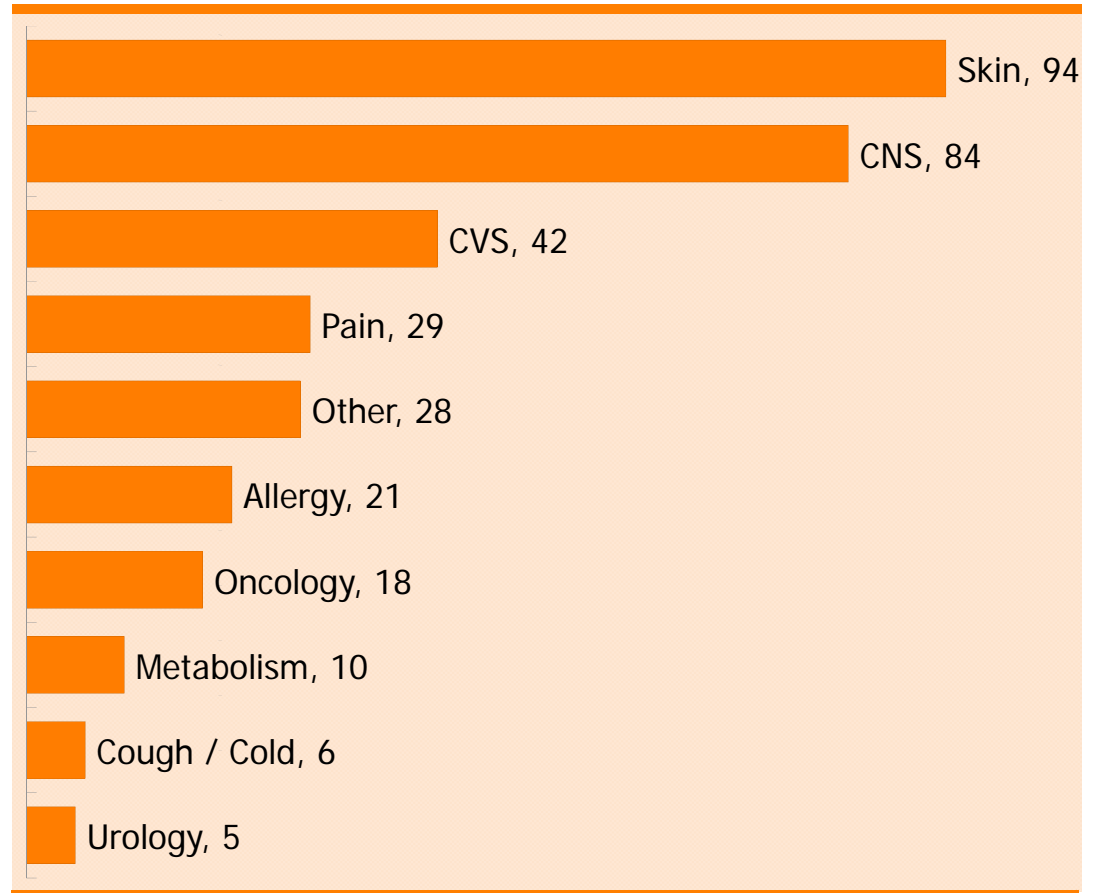


URL Pharma. Inc.

A wholly owned subsidiary of Caraco in US

Approvals

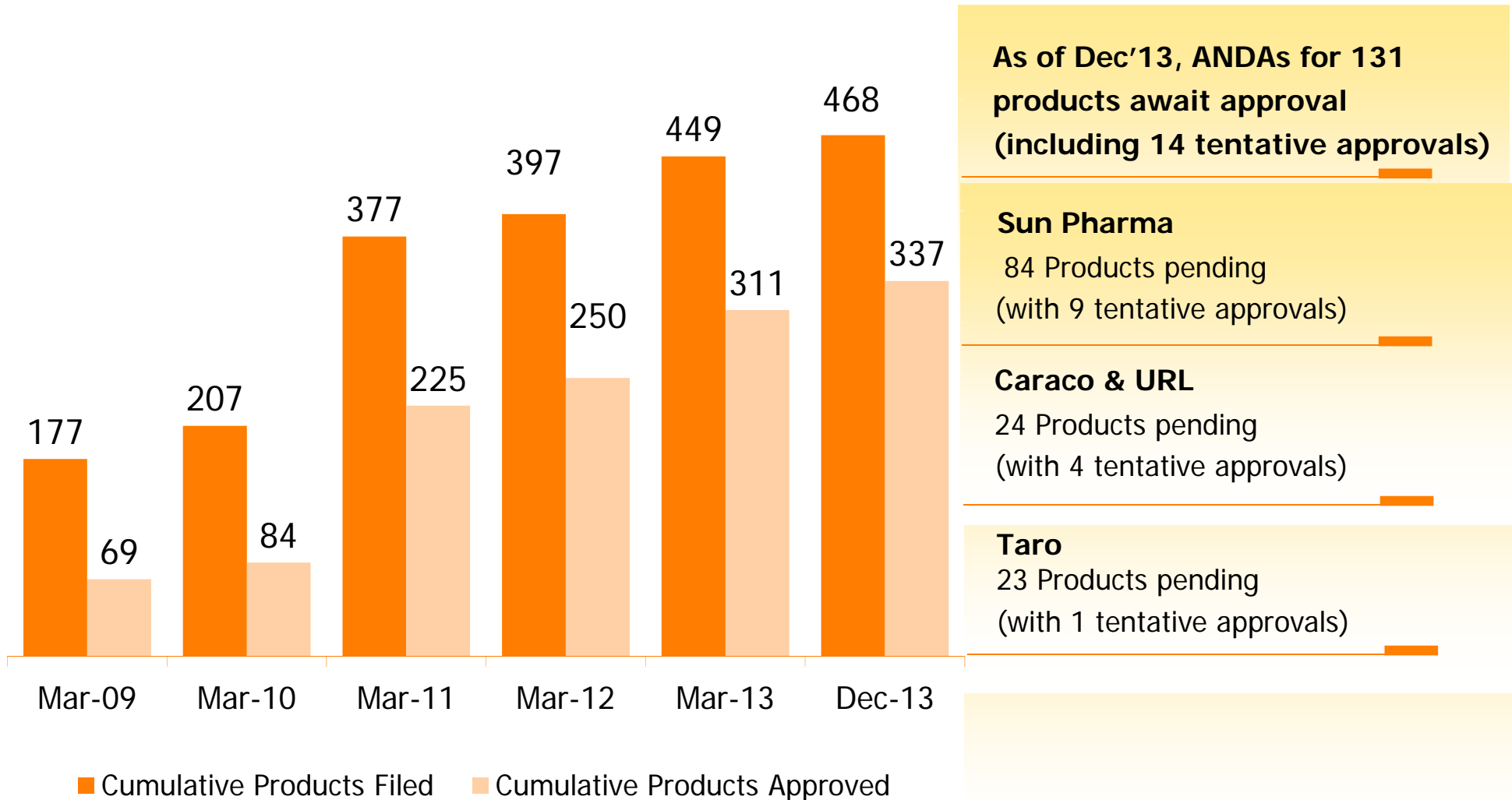
Therapy wise summary



As on 31-Dec-2013

ANDA Pipeline : Significant ramp up

Products Filed and Approved Status



(Taro numbers added since Mar 2011 & URL numbers added since Mar 2013)

Europe Generic Markets

Focused key markets

- Working on complex generic products, including injectables
- Filings from Indian site



■ Focus Countries

An API and Finished Dosage manufacturing site in Hungary with controlled substance capacity



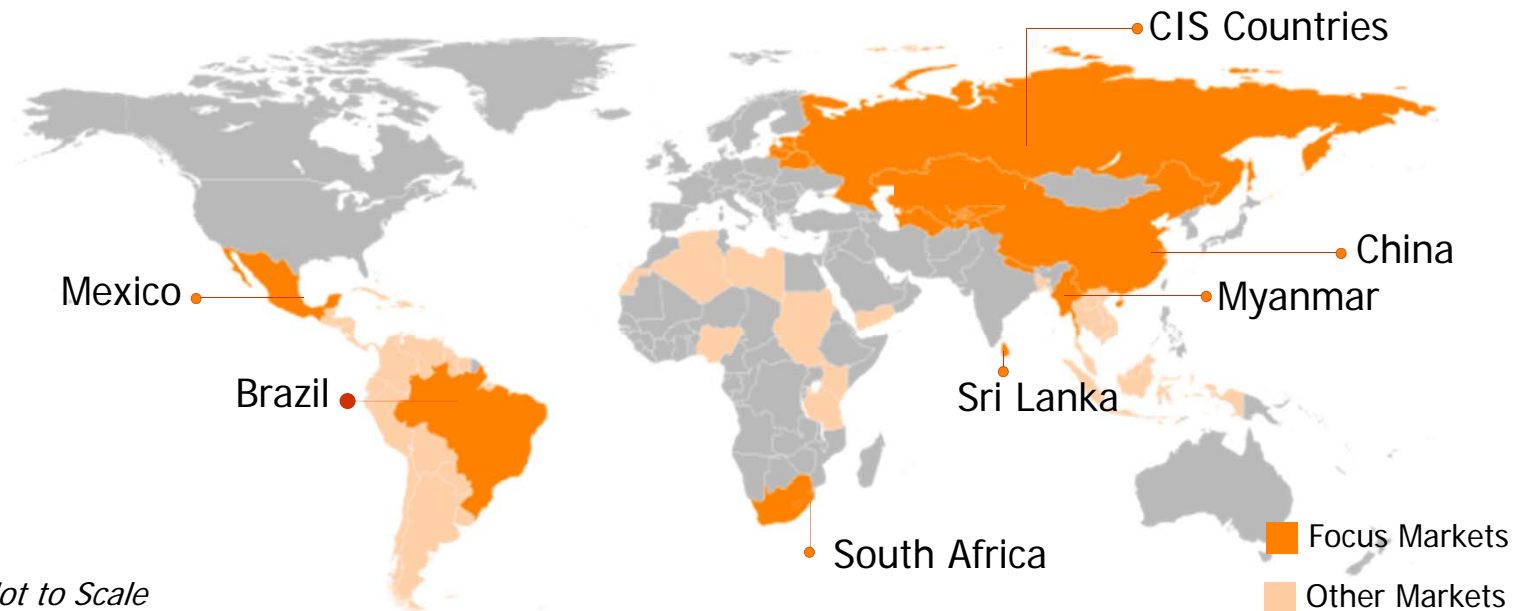
International Branded Generic Markets

Semi Regulated Markets

- 45 countries
- 866 strong local sales force promotes brands to doctors

Replicating the speciality pipeline

Product basket width and technology based products as growth drivers



Leveraging through Partnership



- Sun Pharma and Merck establish a Joint Venture for Emerging Markets excluding India
- JV to bring new combinations and formulations of incrementally innovative branded generics to market
- Opportunity to use SPARC Proprietary Delivery Technologies
- Equal representation in JV for Sun Pharma & Merck
- JV to use partners infrastructure for development, manufacturing, regulatory and commercialization.



- Sun Pharma and Intrexon Form Joint Venture to Develop New Class of Therapeutics for Ocular diseases for global markets
- Pipeline of potential Ocular therapies to help millions worldwide suffering from blinding diseases
- Equal representation in JV for Sun Pharma and Intrexon. Both partners to share funding and revenues from the joint venture.

Speciality API

High Margin Regulated Markets

- Business largely with end users in regulated markets
- Over 170 speciality APIs across 8 plants

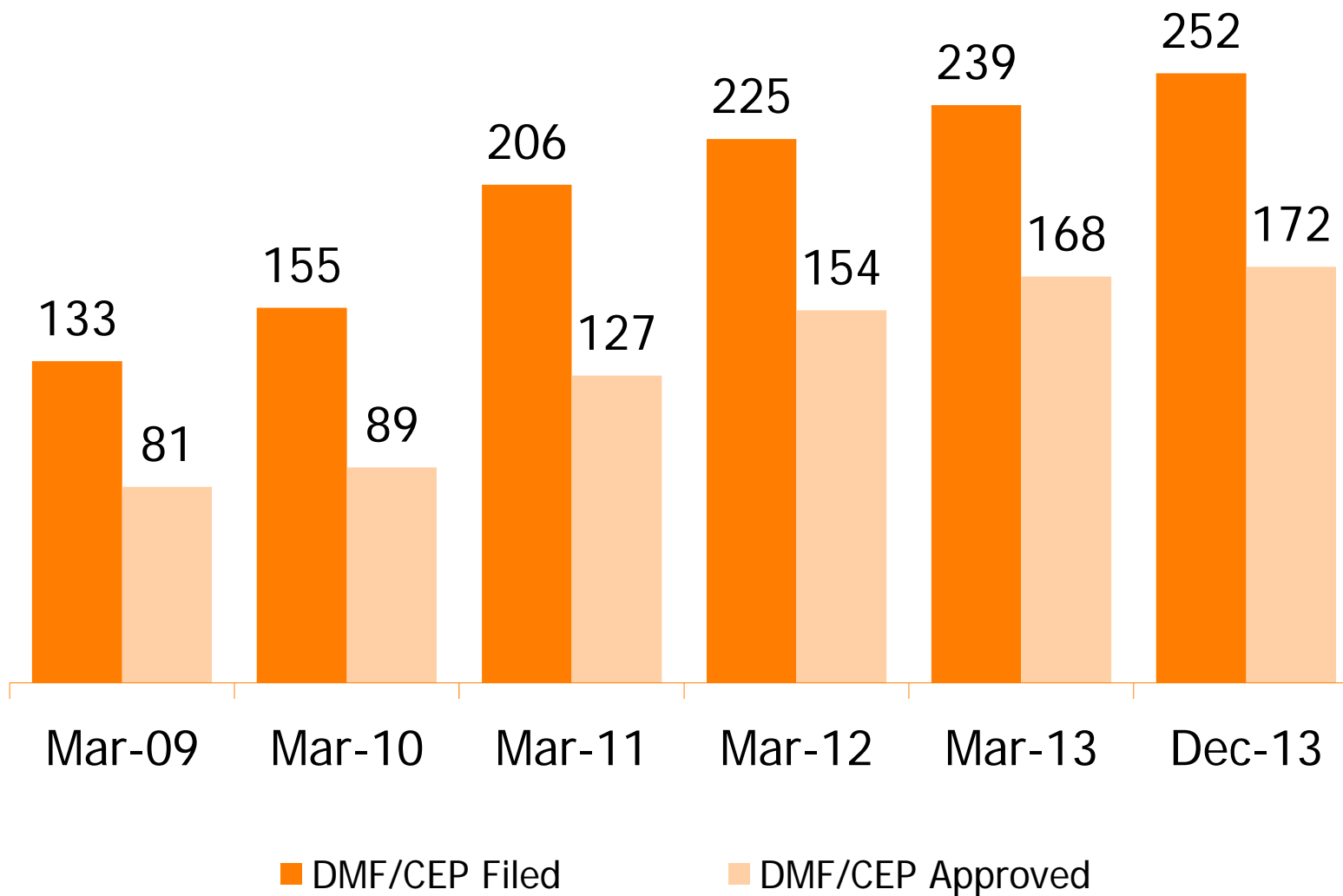
Strong regulatory capability

- 252 DMF / CEP filed
- 172 approved
(including Taro)



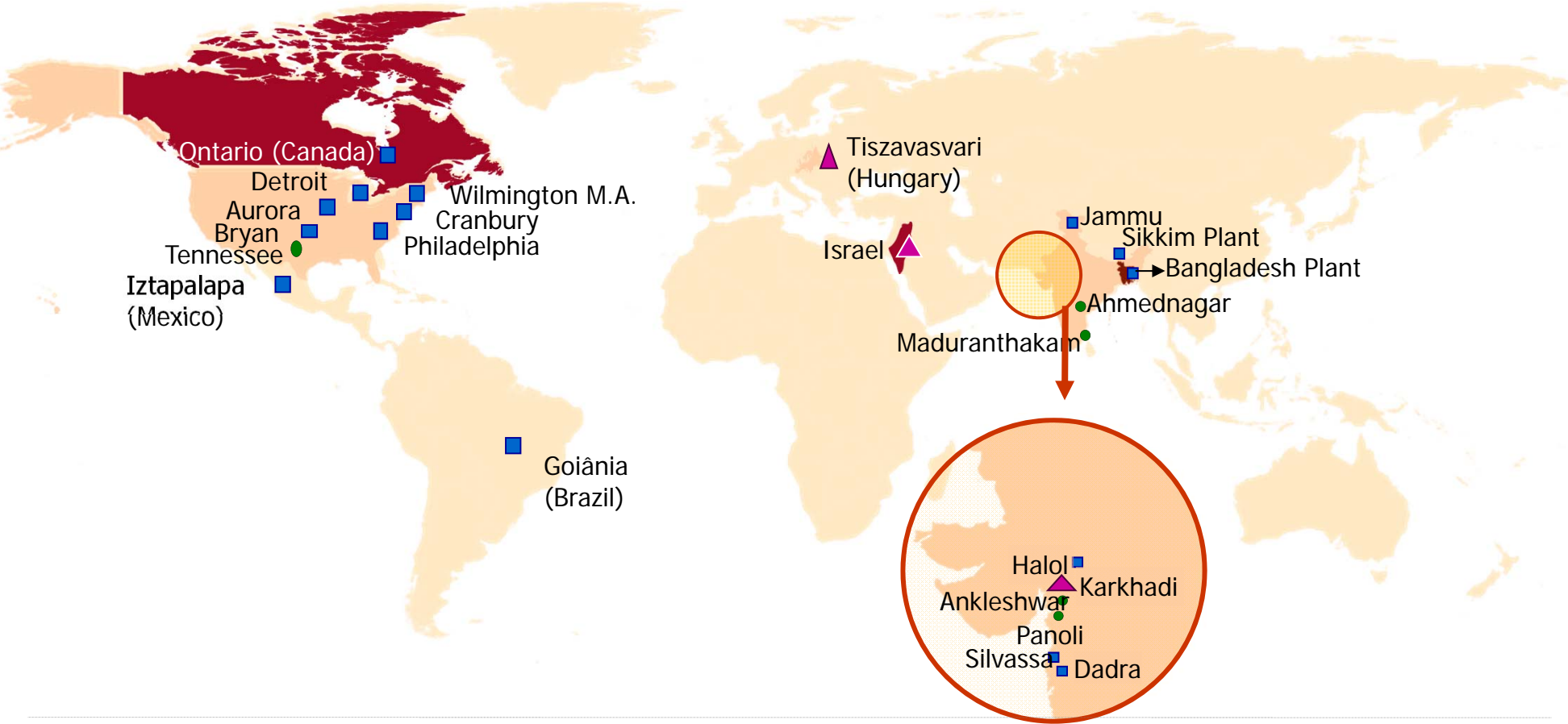
Strong Regulatory Capability

International level quality processes and documentation



Integrated product dev and manufacturing network

Vertically integrated network across four continents enabling high quality, low cost and a quick market entry across the geographies



■ Sun Pharma
 ■ Taro Pharmaceuticals
 ▲ API and Formulations
 ● API
 ■ Formulations

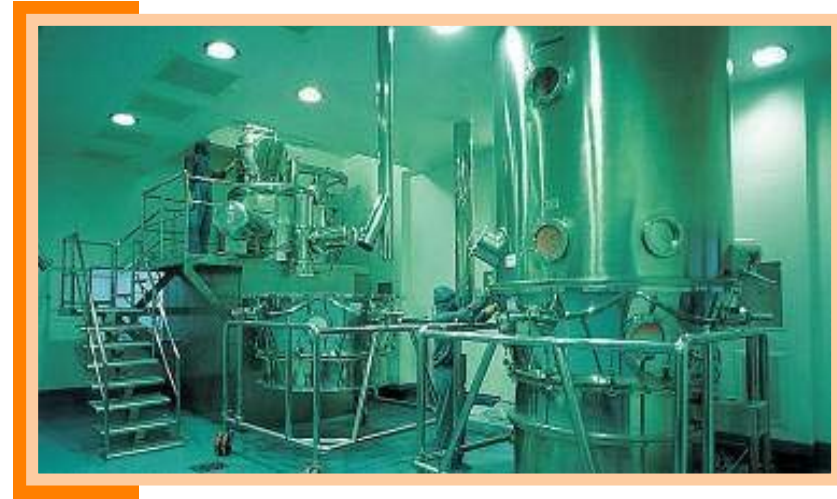
Global networked facilities are FDA, EMEA, TGA approved



Finished Dosage Manufacturing

18 Manufacturing sites worldwide

- India : 6, US : 6
- Canada, Brazil, Mexico, Hungary , Israel, Bangladesh : 1 each
- Capacities available for a variety of finished dosage



Tablets / Capsules	Injectables / Sterile	
Semisolids	Vials	Dry powder
Liquids	Ampoules	Eye drops
Suppository	Pre-filled Syringes	MDI
	Gels	Aerosols
	Lyophilized Units	

API Manufacturing

8 World class locations with all sites ISO 14001, ISO 9002 approved

- India : 5, Israel : 1, US : 1, Hungary : 1



Over 25 API processes scaled up annually

Panoli & Ahmednagar (both India)

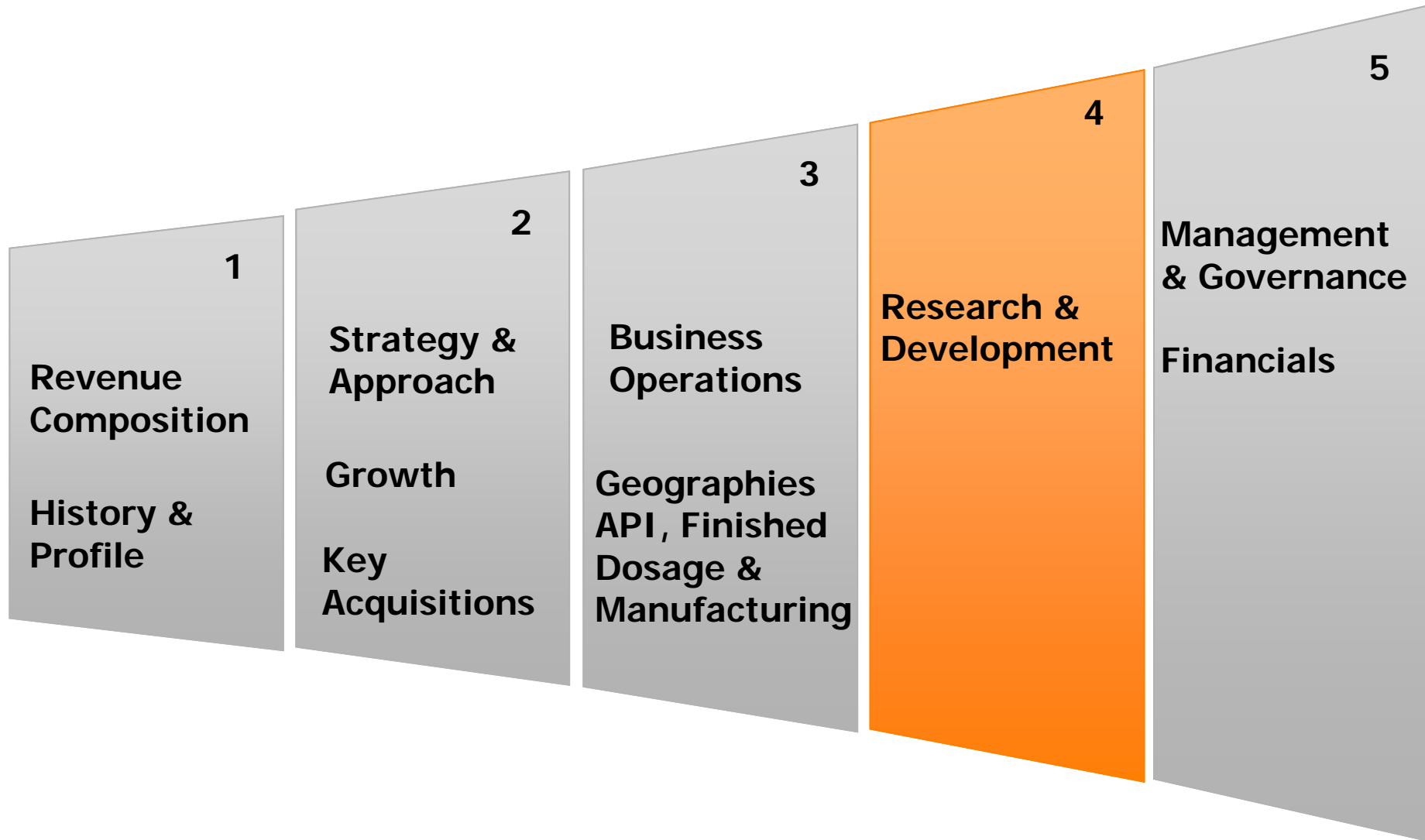
- International regulatory approvals: USFDA, European
- Stand alone units for peptides, anti-cancer, steroids, sex hormones



Hungary & Tennessee (US)

- Controlled substances manufacture

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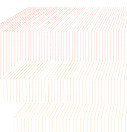
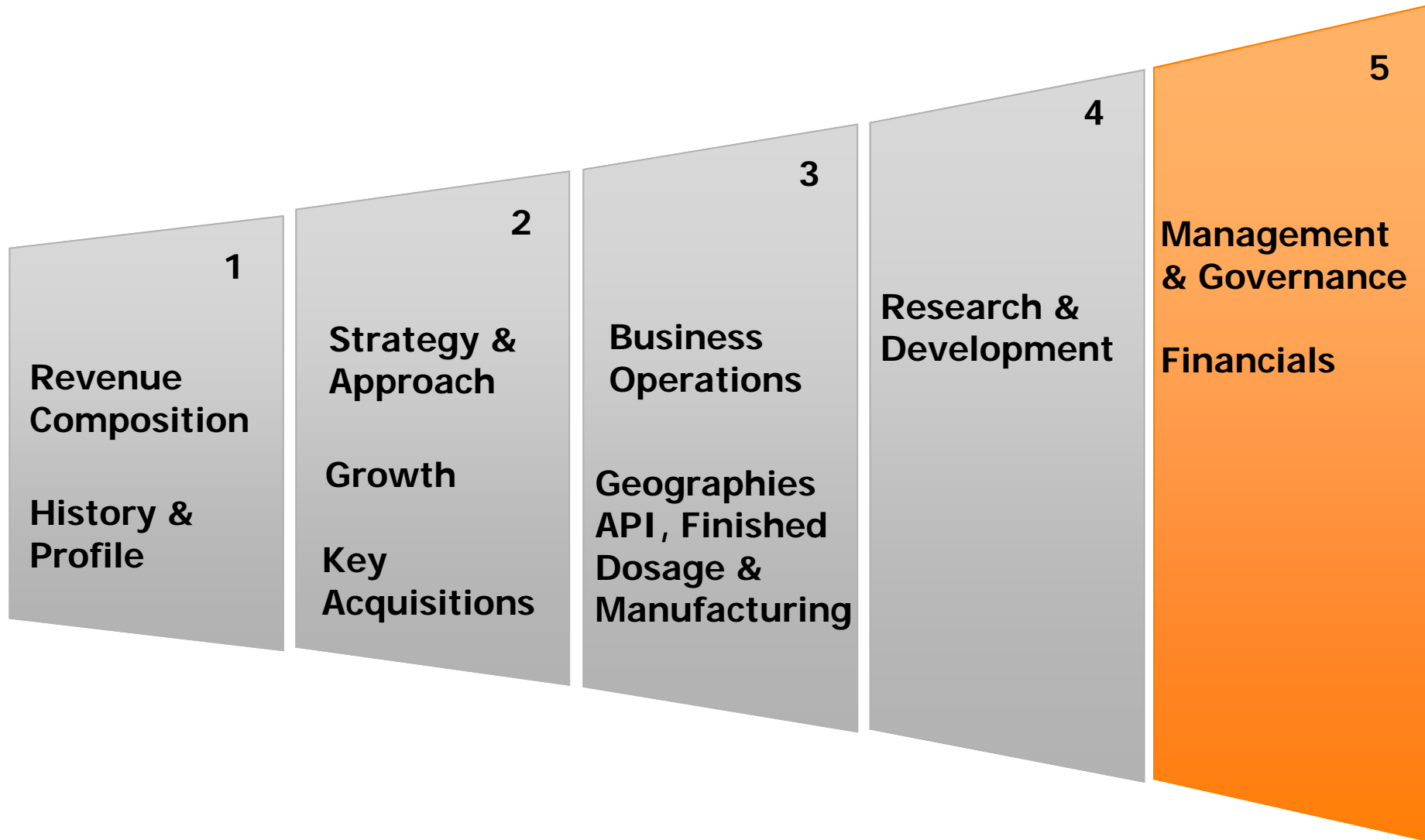


Research and Development

- Generic R&D spend around 6% of net sales
- Strong research teams in generics, finished dosage development, biological support, chemistry
- 4 R&D centers with over 900 scientists



Agenda



Corporate Governance



Our philosophy on corporate governance envisages working towards high levels of transparency, accountability and consistent value systems across all facets of operations

Chairman Sun Pharma

Israel Makov

Former President & CEO of Teva Pharma. Industries Ltd.



Independent Directors

Keki Mistry

Vice Chairman And CEO, HDFC



Hasmukh Shah

Chairman Gujarat Gas & Former Chairman And MD, IPCL



Rekha Sethi

Director General All India Management Association (AIMA)



Audit Committee

Committee chaired by Keki Mistry comprises Hasmukh Shah and S. M. Dadha

Ashwin Dani

Vice Chairman and Managing Director, Asian Paints Ltd.



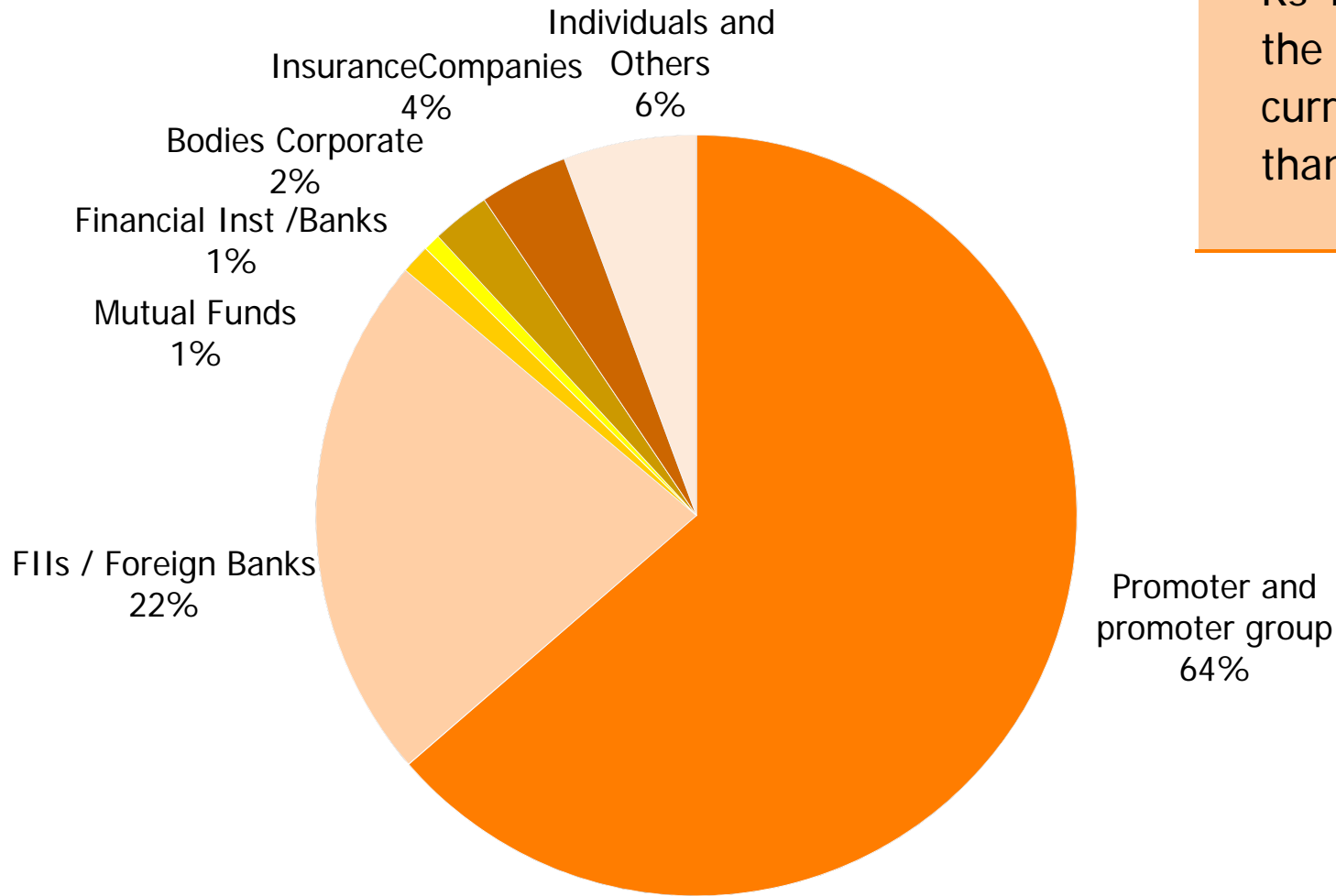
S. Mohanchand Dadha

Former Chairman & Managing Director, TDPL



Shareholding Pattern

as on Dec 31, 2013



- Rs 1,000 Invested in the 1994 IPO is currently worth more than Rs. 470,000

- Total shares outstanding : 2,071 million
- Total free float (shares) : 746 million
- Average daily trading volume (12 months) : 1.5 million



Financials

Market Capitalisation Rs. 1,200 billion / US\$ 19.5 billion*



Figures in Rs million

	2008-09	2009-10	2010-11	2011-12	2012-13
P&L Summary					
Net Sales	42,723	40,075	57,229	80,057	112,389
Gross Profit	34,154	29,096	42,577	63,644	91,592
EBITDA	18,639	13,628	19,518	32,507	49,063
Net Profit	18,177	13,511	18,161	26,567	29,830
Net Profit (Adjusted)	18,177	13,511	18,161	26,567	# 35,666
R&D Spend	3,320	2,631	3,313	4,449	7,042
BS Summary					
Shareholders Funds	70,449	78,289	94,833	122,358	150,147
Loan Funds	1,789	1,712	3,651	2,650	1,982
Net Fixed Assets	16,196	16,776	27,568	32,742	50,771
Investments	18,595	31,664	22,298	22,129	24,116
Cash and Bank Balances	16,690	5,089	22,046	33,672	40,587
Inventory	9,757	10,739	14,895	20,870	25,778
Sundry Debtors	8,811	11,748	11,049	20,787	27,108
Sundry Creditors	2,543	3,194	6,454	9,927	13,579

*Exchange Rate :

US\$1 = Rs 62.47 (As on 31 Jan 2014)

Adjusted for Rs 5.83 bn provision related to generic Protonix settlement for the year 2012-13.



Financial Ratios

	2008-09	2009-10	2010-11	2011-12	2012-13
Growth (%)					
Net Sales	27.3	(6.2)	42.8	39.9	40.4
Gross Profit	29.6	(14.8)	46.3	49.5	43.9
EBITDA	20.2	(26.9)	43.2	66.5	50.9
Net Profit	22.2	(25.7)	34.4	46.3	13.2
Net Profit (Adjusted)	22.2	(25.7)	34.4	46.3	# 35.2
Margins (%)					
Gross Margin	79.9	72.6	74.4	79.5	81.5
EBITDA Margin (%)	43.6	34.0	34.1	40.6	43.7
Net Margin	42.5	33.7	31.7	33.2	26.8
Net Margin (Adjusted)	42.5	33.7	31.7	33.2	# 32.0
Return (%)					
Return on Average Capital Employed	31.5	19.5	23.6	30.3	35.7
Return on Average Net Worth	30.2	18.2	21.0	24.5	22.1
Others					
Debt / Equity	0.03	0.02	0.04	0.02	0.01
Fully Diluted EPS (Rs) Post bonus	8.8	6.5	8.8	12.8	14.5
Fully Diluted EPS (Rs) Post bonus (Adjusted)	8.8	6.5	8.8	12.8	# 17.3
R&D Spend % of Net Sales					
Revenue	7.3	6.2	5.4	5.1	5.9
Capital	0.5	0.4	0.4	0.5	0.4

Adjusted for Rs 5.83 bn provision related to generic Protonix settlement for the year 2012-13.

Key Financials Q3 & 9m FY14

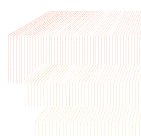


Figures in Rs million

	Q3 FY14	Q3 FY13	CHANGE	9m FY14	9m FY13	CHANGE	FY13
Net Sales	42,866	28,520	50%	119,607	81,674	46%	112,389
Gross Profit	35,041	22,927	53%	98,527	66,172	49%	91,592
Gross Margin	82%	80%		82%	81%		81%
EBITDA	19,751	12,611	57%	53,340	36,463	46%	49,063
EBITDA Margin	46%	44%		45%	45%		44%
Net Profit	15,311	8,813	74%	16,173	19,965	-19%	29,830
Net margin	36%	31%		14%	24%		27%
Net Profit (Adjusted)	15,311	8,813	74%	# 41,347	* 25,800	60%	* 35,666
Net margin (Adjusted)	36%	31%		35%	32%		32%
R&D	3,055	1,884	62%	7,335	4,727	55%	7,042
R&D as % of Net Sales	7%	7%		6%	6%		6%
EPS (Diluted) INR	7.4	4.3	74%	7.8	9.6	-19%	14.4
EPS (Diluted) INR (Adjusted)	7.4	4.3	74%	20.0	12.5	60%	17.2

Adjusted for Rs 25.17 bn provision related to generic Protonix settlement for Q1 FY14

* Adjusted for Rs 5.83 bn provision related to generic Protonix settlement for the year 2012-13.

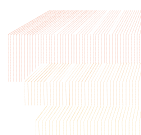


Sales Breakup



Figures in Rs million

	Q3 FY14	Q3 FY13	CHANGE	9m FY14	9m FY13	CHANGE	FY13
Formulation							
India	9,472	7,885	20%	27,453	21,860	26%	29,657
US	26,789	14,946	79%	72,983	43,659	67%	61,538
ROW	5,207	3,942	32%	14,638	11,333	29%	15,271
Sub-total	41,468	26,773	55%	115,074	76,852	50%	106,466
Bulk	1,742	2,090	-17%	5,787	5,850	-1%	7,549
Others	109	59	85%	123	202	-39%	73
Gross Sales	43,319	28,922	50%	120,984	82,904	46%	114,088

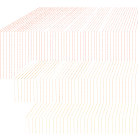


Recent Developments

- Sun Pharma and Intrexon Form Joint Venture to Develop New Class of Therapeutics for Ocular Diseases
 - Pipeline of Potential Ocular Therapies to Help Millions Worldwide Suffering from Blinding Diseases
- Sun Pharma settled the pending patent litigation in US regarding generic Protonix with Wyeth & Altana Pharma AG.
 - Sun Pharma will pay a lump-sum US\$ 550 million as a part of settlement.
- Received US FDA approval for generic Prandin.
 - Sun to enjoy 180-day exclusivity by virtue of its FTF status.
- Recent Acquisitions
 - URL acquisition– Expands product offering in US through addition of 107 products
 - DUSA acquisition– Gives access to branded dermatology product in US
 - DUSA & URL acquisitions strengthen our presence in the US - focus on growing these acquired businesses and enhancing their profitability

Revised Guidance for FY14

- Sales growth guidance: Revised to 29% compared to previous guidance of 25% over FY13. Guidance at constant exchange rate
- R&D : 6-8% of sales
- Capex : Rs 8 bn
- ANDAs for 25 products to be filed





For updates and specific queries, please visit www.sunpharma.com
or feel free to contact

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