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Sun Pharma announces closure of merger deal with Ranbaxy

Beginning today, integration to focus on enhancing productivity

Value creation initiatives to deliver US\$ 250 mn synergies in Year 3

Combined entity structure to create opportunities for strong talent growth

Growing Together is the theme of combined culture

- *100% compliance, enhancing R&D productivity & strong business growth are the key priorities for Sun Pharma as combined entity*
- *Announces Management Leadership Team to lead combined entity's next growth phase*
- *Plans strong team of Functional Leaders drawing best of Sun Pharma & Ranbaxy*

Mumbai, India: March 25, 2015 – Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE:SUNPHARMA, BSE: 524715), today, begins the integration of Ranbaxy's business following the successful closure of its merger. The integration, planned by Sun Pharma over many months, will focus on supporting strong growth. The merger has fortified Sun Pharma's position as the world's fifth largest specialty generic pharmaceutical company and the top ranking Indian Pharma company with significant lead in market share. The combined entity's manufacturing footprint covers 5 continents with products sold in over 150 nations with a stronger presence in US, India, Asia, Europe, South Africa, CIS & Russia and Latin America. Sun Pharma now offers a large basket of specialty and generic products encompassing a broad range of chronic and acute prescription drugs as well as a ready foray into the global consumer healthcare market. Post-merger, Daiichi Sankyo becomes the second largest shareholder in Sun Pharma and both companies will work together to leverage this relationship for global business growth. The integrated culture theme, "Growing Together", represents the core objective of this merger focusing on improving productivity, compliance commitment, focus on quality and sustainable growth. Through this merger Sun Pharma emerges as India's first truly global pharmaceutical company.

The combination allows Sun Pharma to:

1. Significantly expand its R&D capabilities and global presence, especially across emerging markets
2. Enhance product portfolio and market depth in India, US as well as Rest of the World markets
3. Improve strategic flexibility, ability to pursue partnerships and strengthen M&A bandwidth

Following the closure of this transaction, Ranbaxy will be delisted from the Indian Stock Exchanges. Ranbaxy shareholders will receive 0.8 share of Sun Pharma for each share of Ranbaxy. On pro forma basis for 12 months ended December 2014, Sun Pharma's gross margin stands at 76% (Industry average 62%); EBIDTA margin at 32% (industry average 19%) and Net margin at 20% (Industry average 12%).

Mr Israel Makov, Chairman, Sun Pharma said, *"The combined entity will capitalize on the expanded global footprint and enhance our dominance as a world leader in the specialty generics landscape. Sun remains committed to uncompromised product quality, 100% compliance and promotes innovation to create the most dynamic global specialty generics pharmaceutical company. We believe that our shareholders, customers and employees will share our excitement in the potential of this combination and thank them for their continued support."*

TOP PRIORITIES FOR COMBINED ENTITY

Sun Pharma has identified three key priority levers to drive growth in the combined entity

1. Achieving 100% compliance in manufacturing in line with Regulator expectations
2. Increase R&D productivity to introduce new innovative products
3. Strong business growth across US, India, and Rest of the World markets

Commenting on the combined entity's priorities, Mr Dilip Shanghvi, Managing Director, Sun Pharma further added: *"It is an important milestone in the history of Sun Pharma as we enter into a new phase of growth. We will continue to focus on gaining trust of the Regulators globally while continuing to develop products based on patient needs and leverage them to become brand leaders globally."*

INTEGRATION FOCUS

Over the last 10 months, Sun Pharma and Ranbaxy's joint functional teams put together the integration blueprint with direction from Integration Management Office (IMO). The IMO will continue to oversee the implementation of the functional integration process. The integration will emphasize on productivity enhancement, aligning best functional requirements and employee talents in the combined entity. Any structural re-alignment will focus on clear benefits assessment to synchronize Company's long term goals and integration of a culturally diverse combination. This merger strengthens Sun Pharma's foundation with a strong & multi-cultural team of over 30,000 people representing over 50 global cultures making the combined entity a truly global corporation in spirit & scale.

Remediation at manufacturing units which are currently in deviation from cGMP norms will remain a critical focus. Sun Pharma is working with global consultants assisting its internal teams to achieve compliance objectives. It has formalized an operational blueprint for realizing its US\$ 250 million synergy target for year-3 through significant value creation across functions. The integration will cover all functions and markets globally.

LEADERSHIP TEAM

Leading the integration process will be Sun Pharma's Leadership Team comprising members from Sun Pharma and Ranbaxy. This team draws upon the expertise, collective industry experience and proven track record within Sun Pharma & Ranbaxy organisations. The leadership team is also responsible for leading Sun Pharma's next phase of growth as it deepens penetration in existing markets while the merger enables it to enter new therapies. Each Leadership Team member will lead an expanded Functional Management Team. **This Functional leadership pipeline draws best of talents from both Sun Pharma and Ranbaxy identified through detailed capability assessment undertaken by a global talent management firm.**

The combined entity's leadership structure design was guided by the following factors:

- Allow focus on priority areas and institutionalize imperatives in R&D & Quality
- Support strong and sustainable revenue growth across US, India & Rest of the World.
- Promote learning through best practices of Sun Pharma & Ranbaxy
- Create opportunities for talent to grow together
- Minimise disruptions by undertaking modification only in case of clear benefits

Sun Pharmaceutical Industries Ltd.
SUN HOUSE, CTS No. 201 B/1,
Western Express Highway,
Goregaon (E), Mumbai 400063, India
Tel.: (91-22) 4324 4324 Fax.: (91-22) 4324 4343
CIN: L24230GJ1993PLC019050
www.sunpharma.com



The combined entity comprises best intellectual capital, capability of nearly 1,800 scientists and the ability to invest significantly in R&D. The focus of R&D investments will be to harness multiple capabilities and technologies for developing complex products in addition to the combined entity's core business of offering affordable generic medicines. The combined entity will continue developing innovative and complex generics that boast of technical differentiators.

About Sun Pharma: Sun Pharma is the world's fifth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business, economies of scale and an extremely skilled team enable us to deliver quality products in a timely manner at affordable prices. It provides high-quality, affordable medicines trusted by customers and patients in over 150 countries across the world. Sun Pharma's global presence is supported by 45 manufacturing facilities spread across 5 continents, R&D centres across the globe and a multi-cultural workforce comprising over 50 nationalities. The pro forma consolidated revenues for 12 months ending December 2014 are at US\$4.5 billion, of which US contributes US\$2.2 billion. In India, the company enjoys leadership across 11 different classes of doctors with 31 brands featuring amongst top 300 pharmaceutical brands in India. Its footprint across emerging markets covers over 50 countries and 6 markets in Western Europe. Its Global Consumer Healthcare business is ranked amongst Top 10 across 4 global markets with 5 brands enjoying category leadership across India, Romania and Nigeria. Its API business footprint is strengthened through 11 world class API manufacturing facilities across the globe. Sun Pharma fosters excellence through innovation supported by strong R&D capabilities comprising 1800 scientists and R&D investments of 6.3% of annual revenues. For further information please visit www.sunpharma.com

Safe Harbor Statement

This press release contains statements regarding our strategic direction and our projected financial and business results, which may be considered forward-looking within the meaning of the local & international laws. These statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from results expressed or implied in this press release. We assume no obligation, and do not intend, to update these forward-looking statements as a result of future events or developments.

MEDIA CONTACTS:

USA

Robert Ferris | +1 614-318-7615 | robert.ferris@rfbinder.com
Della Burns | +1 847-331-6545 | della.burns@rfbinder.com
Will Maroni | +1 301 481-1636 | william.maroni@rfbinder.com
Chuck Caprariello | +1 609-462-7354 | chuck.caprariello@sunpharma.com

India

Bhupesh Kapoor | +91 9990831051 | bhupesh.kapoor@sunpharma.com
Gaurav Chugh | +91 9810471414 | gaurav.chugh@sunpharma.com
Devneeta Pahuja | +91 9811277033 | devneeta.pahuja@sunpharma.com
Krishnan Ramalingam | +91 9810042540 | krishnan.ramalingam@sunpharma.com
Frederick Castro | +91 9920665176 | frederick.castro@sunpharma.com

Romania

Anca Secueanu | +40 372179606 | anca.secueanu@sunpharma.com

INVESTOR RELATIONS CONTACT:

Nimish Desai | +91-22-4324 4324 | nimish.desai@sunpharma.com

Registered Office : SPARC, Tandalia, Vadodara – 390 020, India