July 5, 2019

The National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip code: STAR

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip code: 532531

Dear Sirs,

Re: Notice of 28th Annual General Meeting and Annual Report for FY 2018-2019

This is to inform you that the 28th Annual General Meeting (AGM) of the Company is scheduled to be held on Tuesday, July 30, 2019 at 11:30 hrs at Hotel Four Points by Sheraton, Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 701.

As required under SEBI Listing Regulations, we are enclosing herewith the notice of AGM and Annual Report for FY 2018-2019 of the Company. A copy of the same is also available on the Company's website www.strides.com.

Schedule of events are as under:

#	Event	Date and Time
1.	Cut-off date for dispatch of AGM Notice and Annual Report	Friday, June 21, 2019
2.	Record Date for determining the eligibility of shareholders for payment of Dividend of Rs. 3/- per share	Monday, July 22, 2019
3.	Closure of Register of Members and Share Transfer Books – for AGM and payment of Dividend	• From: Tuesday, July 23, 2019 • To: Tuesday, July 30, 2019 (both days inclusive)
4.	E-voting	• Commences - Wednesday, July 24, 2019 at 09:00 hrs • Ends - Monday, July 29, 2019 at 17:00 hrs

Strides

This is for your information and records.

Thanks & Regards,
For Strides Pharma Science Limited

Manjula .R.

Manjula Ramamurthy
Company Secretary

Strides Pharma Science Limited
(Formerly Strides Shasun Limited)
CIN: L24230MH1990PLC057062
Corp Off: Strides House, Bilekahalli, Bannerghatta Road, Bangalore - 560 076, India
Tel: +91 80 6784 0000 Fax: +91 80 6784 0700
Regd Off: 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703, India
Tel: +91 22 2789 2924 / 3199 Fax: +91 22 2789 2942
info@strides.com; www.strides.com

STRIDES PHARMA SCIENCE LIMITED
(formerly Strides Shasun Limited)
CIN: L24230MH1990PLC057062
Regd. Office: 201, 'Devavrata', Sector – 17, Vashi, Navi Mumbai – 400 703
Tel No.: +91 22 2789 2924/ 2789 3199, Fax No.: +91 22 2789 2942
Corp. Office: 'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru – 560 076
Tel No.: +91 80 6784 0000/ 6784 0290, Fax No.: +91 80 6784 0700
Website: www.strides.com; Email: investors@strides.com

NOTICE is hereby given that the Twenty-Eighth Annual General Meeting (AGM) of the Members of the Company will be held on Tuesday, July 30, 2019 at 11:30 hrs at Hotel Four Points by Sheraton, Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 701 to transact the following business:

ORDINARY BUSINESS

Item 1: Adoption of financial statements for the year ended March 31, 2019

To receive, consider, approve and adopt:

a) the Audited Financial Statement of the Company for the Financial Year ended March 31, 2019 together with Reports of the Board of Directors and the Auditors thereon.

b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2019 and the Report of Auditors thereon.

Item 2: Declaration of Dividend of ₹ 3/- per share

To declare a Dividend of ₹ 3/- per equity share of face value ₹ 10/- each for the financial year ended March 31, 2019.

Item 3: Appointment of a Director in place of Mr. Deepak Vaidya, retiring director

To appoint a director in place of Mr. Deepak Vaidya (DIN: 00337276) Non-Executive Director, who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

Item 4: Re-appointment of Mr. S Sridhar as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"**RESOLVED** that pursuant to provisions of Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (the 'Act') and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), including any statutory modification(s) or re-enactment(s) thereof to the Act and the Listing Regulations, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. S Sridhar (DIN: 00004272) as an Independent Director not liable to retire by rotation to hold office for the second term of five years from the conclusion of the Twenty-Eighth Annual General Meeting till the conclusion of Thirty-Third Annual General Meeting of the Company.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to the aforesaid resolution."

Item 5: Re-appointment of Ms. Sangita Reddy as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"**RESOLVED** that pursuant to provisions of Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (the 'Act') and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), including any statutory modification(s) or re-enactment(s) thereof to the Act and the Listing Regulations, consent of the Members of the Company be and is hereby accorded for the re-appointment of Ms. Sangita Reddy (DIN: 00006285) as an Independent Director not liable to retire by rotation for the second term of five years from the conclusion of the Twenty-Eighth Annual General Meeting till the conclusion of Thirty-Third Annual General Meeting of the Company.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to the aforesaid resolution."

Item 6: Continuation of Directorship of Mr. Deepak Vaidya, Non-Executive Director of the Company
To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"**RESOLVED** that pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, consent of the Members of the Company be and is hereby accorded for continuation of directorship of Mr. Deepak Vaidya (DIN: 00337276) as a Non-Executive Director of the Company, who shall attain the age of seventy-five years before the next Annual General Meeting.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to the aforesaid resolution."

Item 7: Ratification of remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for FY 2018-19
To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No.: 000065), appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for FY 2018-19, be paid a remuneration not exceeding ₹3.00 Lakhs (Rupees Three Lakhs only) plus applicable taxes, if any.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to the aforesaid resolution."

Item No. 8: Amendment to Strides Shasun Employee Stock Option Plan 2016
To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"**RESOLVED** that in partial modification of the Special Resolution passed by the Members of the Company on April 21, 2016 and pursuant to Section 62 of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and any other applicable regulatory requirement, approval of the Members of the Company be and is hereby accorded for extending the exercise period of options granted/ to be granted under the Strides Shasun Employee Stock Option Plan 2016 ('ESOP Plan') from 60 days to 12 months (exercisable in not more than two tranches) and consequently amend clause 3.18 of the ESOP Plan as under:

Clause 3.18: "Exercise Period means the period of 12 months from the date of vesting of the options within which the Employee should exercise his/ her right, in not more than two tranches, to apply for Shares against the vested option in pursuance of the Plan. The options shall not be permitted to be exercised after the expiry of the above-mentioned exercise period. After the lapse of the said exercise period, all the options vested and remained unexercised under the scheme will lapse.

The unexercised options shall become available for future grant or sale under the Plan, unless the Plan has been terminated."

RESOLVED FURTHER that consent of the Members of the Company be and is accorded to amend the (i) title of the ESOP Plan from 'Strides Shasun Employee Stock Option Plan 2016' to 'Strides Employee Stock Option Plan 2016' and (ii) name of the Company wherever appearing in ESOP Plan to 'Strides Pharma Science Limited' and make necessary amendments to the Plan to give effect to the title change and name change of the Company.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to the aforesaid resolution."

Item 9: Payment of Commission to Non-Executive Directors of the Company
To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"**RESOLVED** that pursuant to applicable provisions of the Companies Act, 2013 (the 'Act') and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), including any statutory modification(s) or re-enactment(s) thereof to the Act and the Listing Regulations, consent of the Members of the Company be and is hereby accorded to pay to its Directors (other than the Managing Director and Whole-time Director of the Company) such commission as the Board of Directors, may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time), not exceeding 1% of the net profits of the Company for that financial year computed in the manner provided in Section 198 of the Companies Act, 2013.

RESOLVED FURTHER that the above payment shall be in addition to the sitting fee payable to the Non-Executive Director(s) for attending the meetings of the Board and/ or Audit Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the said meetings.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to the aforesaid resolution."

By Order of the Board
For **Strides Pharma Science Limited**

Sd/-
Manjula Ramamurthy
Company Secretary

Place: Bengaluru
Dated: May 10, 2019

NOTES

1) The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.

2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HERSELF/ HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   The instrument appointing proxy should be duly completed and must be deposited at the Company's Registered Office/ Corporate Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the Meeting. The proxy form for the AGM is enclosed. Proxy need not be a member of the Company.

   A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent (10%) of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent (10%) of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

   Members/ Proxy are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.

3) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution of the Company, authorizing their representative to attend and vote on their behalf at the meeting.

4) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 23, 2019 to Tuesday, July 30, 2019 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended March 31, 2019 and the AGM.

5) Subject to the provisions of Companies Act, 2013, Dividend recommended by the Board of Directors, if approved by the Members at the AGM, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on Monday, July 22, 2019. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Monday, July 22, 2019, as per the details furnished by the National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).

6) The Company is presently using National – ECS (NECS) for dividend remittance. Members holding shares in physical form are requested to notify/ send the following at the earliest:

- Any change in their address/mandate/bank details;
- Particulars of their bank account, in case the same have not been sent earlier, to the Company's Registrar and Transfer Agent at:

Karvy Fintech Private Limited,
Unit - Strides Pharma Science Limited,
Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Seriligampally Mandal, Hyderabad - 500032;
Email id: einward.ris@karvy.com
Contact Persons: Mr. S.V. Raju/ Mr. Mohan Kumar
Contact Number: 040-6716 2222.

7) Members holding shares in the electronic form are requested to inform any changes in address/ bank mandate directly to their respective Depository Participants. The address/ bank mandate as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.

8) Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.

9) Electronic copy of the Notice convening the AGM of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form is being sent to the members whose e-mail addresses are registered with the Company/ Depository Participant(s) for communication purposes, unless any member has requested for hard copy of the same.

For members who have not registered their e-mail addresses, physical copies of the Notice convening the AGM of the Company, along with the Annual Report, the process of e-voting, Attendance slip and the Proxy form is being sent in the permitted mode.

Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.

Members may also note that the Notice convening the AGM of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form will be available on Company's website – www.strides.com.

The physical copies of the inspection documents will be available at Company's Registered Office for inspection between 11.00 a.m. to 4.00 p.m. on all the working days till the date of AGM i.e., July 30, 2019.

Members who require communication in physical form in addition to e-communication or have any other queries may write to us at investors@strides.com.

In compliance with Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has provided the facility to the members to exercise their vote electronically through the electronic voting service facility arranged by Karvy Fintech Private Limited, Hyderabad ('Karvy').

The facility for voting through electronic voting system (Insta Voting) shall also be made available at the meeting and the members attending the AGM, who have not already cast their vote by remote e-voting, shall be able to exercise their vote at the AGM through Insta Voting.

In case of any technical failure or eventuality resulting into non-functionality of the Insta Voting system at the meeting, the Members would be provided ballot paper for casting their votes at the meeting.

Members who have cast their vote through remote e-voting prior to the AGM may attend the AGM but shall not cast their votes again. However, in case Members cast their vote both via Insta Voting/physical ballot at the AGM and remote e-voting, then voting through remote e-voting shall prevail and voting done at the AGM shall be treated as invalid. Instructions for e-voting are annexed to the Notice.

10) This Notice is dispatched/ emailed to Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Friday, June 21, 2019.

However, the Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Monday, July 22, 2019 are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9 a.m. on Wednesday, July 24, 2019 and will end at 5.00 p.m. on Monday, July 29, 2019. Thereafter the facility of e-voting shall forthwith be blocked.

Members are eligible to cast vote electronically only if they are holding shares as on that date. Members who have acquired shares after the dispatch of the Annual Report and before the cut-off date may approach the Registrar for issuance of the User ID and Password for exercising their right to vote by electronic means.

11) M/s. Nilesh Shah and Associates, Practicing Company Secretaries, represented by Mr. Nilesh Shah (having Membership No. FCS-4554) or failing him, Ms. Hetal Shah (having Membership No. FCS-8063) or failing her Mr. Mahesh Darji (having Membership No. FCS-7175) have been appointed as the Scrutinizer to scrutinize the e-voting process and voting done through Insta Voting/ physical ballot paper at the AGM in a fair and transparent manner.

12) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through Insta Voting/ ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.

13) The Scrutinizer shall, after the conclusion of voting at the general meeting, count the votes cast at the meeting in the presence of at least two witnesses not in the employment of the Company.

    The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in Favor or Against, not later than forty-eight hours after the conclusion of AGM to the Chairman of the Company. The Chairman or any other person authorized by the him, shall declare the results of voting forthwith.

14) The result along with the Scrutinizer's report will be placed on the Company's website and on the website of Karvy after the result is declared by the Chairman/ any other person authorized by the him, and the same shall be communicated to the stock exchanges where the shares of the Company are listed.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 4 to 9 of the accompanying Notice:

Item 4 & 5: Re-appointment of Independent Directors

Mr. S Sridhar (DIN: 00004272), aged 68 years, is associated with the Company from July 27, 2012. He was appointed as Independent Director of the Company at the 23rd Annual General Meeting held on September 9, 2014 for a period of five years upto the conclusion of 28th Annual General Meeting. His term as an Independent Director shall end at this Annual General Meeting.

Ms. Sangita Reddy (DIN: 00006285), aged 57 years, is associated with the Company from February 07, 2014. She was appointed as Independent Director of the Company at the 23rd Annual General Meeting held on September 9, 2014 for a period of five years upto the conclusion of 28th Annual General Meeting. Her term as an Independent Director shall end at this Annual General Meeting.

In terms of Section 149 of the Companies Act, 2013, every Independent Director shall hold office for a term upto 5 consecutive years on the Board of the Company. Any re-appointment of such Independent Director shall be approved by the Members of the Company by way of Special Resolution.

Nomination and Remuneration Committee ('NRC') at their meeting held on May 9, 2019 considered the performance evaluation of Sridhar and Sangita during their tenure. Considering their contribution, their skills and rich experience, the Committee recommended their reappointment.

Board of Directors at their meeting held on May 10, 2019 considered the recommendation of NRC and approved the re-appointment of Sridhar and Sangita as Independent Directors of the Company for the second term of 5 years, subject to approval of the Members.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member proposing the candidature of Sridhar and Sangita to be re-appointed as Independent Directors of the Company.

The Company has also received consent letter(s) and declaration from Sridhar and Sangita confirming their eligibility for re-appointment as Independent Directors for the second term in line with the requirements of Companies Act, 2013 and Listing Regulations.

Sridhar and Sangita Reddy are not related to any other Director(s) of the Company.

A brief profile of Sridhar and Sangita along with other details as required under Listing Regulations, Companies Act, 2013 and Secretarial Standard forms part of the 'Corporate Governance Report and its Annexures'.

In the opinion of the Board, Sridhar and Sangita fulfill the conditions specified in the Companies Act, 2013 and Listing Regulations and are independent of the management. Except Sridhar and Sangita none of the other Directors, Key Managerial Personnel, Promoters or their relatives are in any way concerned or interested, financially or otherwise, in their respective resolutions.

Board recommends passing of the proposed resolutions stated in Item 4 and Item 5 as Special Resolutions and requests Members' approval for the same.

Item 6: Continuation of directorship of Mr. Deepak Vaidya, Non-Executive Director of the Company

Mr. Deepak Vaidya (DIN: 00337276), aged 74 years, is a Non-Executive Director and Chairperson of the Board of the Company, who shall attain the age of seventy-five years in January 2020.

Deepak is also retiring by rotation and being eligible has offered himself for re-appointment.

In terms of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members by way of Special Resolution is required for continuation of directorship of Non-Executive Directors beyond the age of seventy-five years.

Nomination and Remuneration Committee ('NRC') in their meeting held on May 9, 2019 considered the performance evaluation of Deepak for the period. It was noted that Deepak is associated with Strides since 1998 and has made significant contributions in laying a solid foundation for taking Strides to the next level of growth with ethics, integrity, and compliance as the key pillars. It was noted that the organization has benefited immensely by his experience and guidance at many junctures.

Board of Directors in their meeting held on May 10, 2019 considered the recommendation of NRC and approved continuation of Directorship of Deepak as Non-Executive Director, subject to approval of the Members.

Members to note that Deepak is not related to any other Director of the Company.

A brief profile of Deepak along with other details as required under Listing Regulations, Companies Act, 2013 and Secretarial Standard forms part of the 'Corporate Governance Report and its Annexure'.

Except Deepak none of the other Directors, Key Managerial Personnel, Promoters or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

Board recommends passing of the proposed resolution stated in Item 6 as a Special Resolution and requests Members' approval for the same.

Item 7: Remuneration to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the FY 2018-19

The Board of Directors of the Company, based on the recommendation of Audit Committee had approved the appointment of M/s. Rao, Murthy & Associates, Cost Accountants, (Firm Registration No.: 000065) as Cost Auditors of the Company for the FY 2018-19.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) any remuneration payable to Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought by way of passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of remuneration payable to the Cost Auditors for FY 2018-19.

None of the Directors, Key Managerial Personnel, Promoters or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

Board recommends passing of the proposed resolution stated in Item 7 as an Ordinary Resolution and requests Members approval for the same.

Item No. 8: Amendment to Strides Shasun Employee Stock Option Plan 2016

Strides Shasun ESOP 2016 ('ESOP Plan') is the ESOP Plan, which was approved by the Members of the Company on April 21, 2016. The maximum number of options that were approved under the ESOP Plan for grant was 30 Lakh options. Post grant of stock options to employees till date, there is balance of 25,22,500 options available for further grant. Under the ESOP Plan, a total of 55 employees hold 457,500 stock options (in aggregate).

Two amendments are proposed to the ESOP Plan:
1) Extension of exercise period;

2) Change in title of the ESOP Plan to 'Strides Employee Stock Option Plan 2016' and name of the Company where ever appears in the ESOP Plan to 'Strides Pharma Science Limited'.

Extension of Exercise Period

In terms of existing ESOP Plan, employees are required to exercise their stock options within 60 days from vesting period, failing which the vested options shall lapse.

To facilitate an employee friendly and flexible exercise period, it is proposed to extend the exercise period from the current period i.e., 60 days to 12 months to be exercised in not more than two-tranches during this period. The said amendment is expected to provide ample time to the employees to plan their funding for this purpose.

In terms of Regulation 7(1) and 7(2) of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company may by special resolution in a general meeting vary the terms of the scheme offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the employees.

Change in title of the ESOP Plan and give effect to name change of the Company

Consequent to name change of the Company from 'Strides Shasun Limited' to 'Strides Pharma Science Limited', it is proposed to change the title of the ESOP Plan from 'Strides Shasun Employee Stock Option Plan 2016' to 'Strides Employee Stock Option Plan 2016'. Further, name of the Company be changed to 'Strides Pharma Science Limited' where ever it appears in the ESOP Plan.

Nomination and Remuneration Committee ('NRC') in their meeting held on May 9, 2019 considered the above proposals and keeping in mind the spirit of the ESOP Plan and the interest of the employees, recommended the same for approval of the Board of Directors.

Board of Directors at their meeting held on May 10, 2019 considered the recommendations of NRC and approved the said proposals, subject to approval of Members of the Company in a general meeting.

Accordingly, clause 3.18 of the ESOP Plan is proposed to be amended as under:

Clause 3.18: "Exercise Period means the period of 12 months from the date of vesting of the options within which the Employee should exercise his/ her right, in not more than two tranches, to apply for Shares against the vested option in pursuance of the Plan. The options shall not be permitted to be exercised after the expiry of the above-mentioned exercise period. After the lapse of the said exercise period, all the options vested and remained unexercised under the scheme will lapse.

The unexercised options shall become available for future grant or sale under the Plan, unless the Plan has been terminated."

Mr. Badree Komandur, Executive Director - Finance and Group CFO and Ms. Manjula Ramamurthy, Company Secretary hold certain stock options under the ESOP Plan.

Other than the above, none of the Directors, Key Managerial Personnel, Promoter or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

Board recommends passing of the proposed resolution stated in Item 8 as a Special Resolution and requests Members approval for the same.

Item 9: Payment of Commission to Non-Executive Directors of the Company

Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company in their meeting held on May 10, 2019 considered the proposal to pay commission upto 1% of the net profit of the Company to Non-Executive Directors of the Company, considering the experience and expertise brought to the Board by them and in appreciation of their contribution and services they have rendered/ will be rendering to the Company.

The said proposal shall be effective FY 2018-19 onwards. It is proposed that ₹ 10 Lakhs be paid to each of the Non-Executive Directors of the Company as commission for the FY 2018-19.

In terms of the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors shall recommend all fees or compensation, if any, paid to Non-Executive Directors including Independent Directors and shall require approval of Members in general meeting.

Subject to the applicable provisions of the Companies Act, 2013 and the Listing Regulations, consent of the Members of the Company is sought to pay to its Non-Executive Directors such commission as the Board of Directors may from time to time determine not exceeding 1% of the net profits of the Company for that financial year, computed in the manner provided in Section 198 of the Companies Act, 2013. The said commission of 1% of net profits shall be divided amongst the Non-Executive Directors in such proportion as may be determined by the Board of Directors from time to time.

Members to note that the proposed payment of commission shall be in addition to the sitting fee payable to the Director(s) for attending the meetings of the Board and/ or Audit Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the said meetings.

Non-Executive Directors of the Company are interested in the said resolution to the extent of commission, which may be paid to them.

None of the Executive Directors, Key Managerial Personnel, Promoters or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

Board recommends passing of the proposed resolution stated in Item 9 as a Special Resolution and requests Members' approval for the same.

By Order of the Board
For **Strides Pharma Science Limited**

Sd/-
Manjula Ramamurthy
Company Secretary

Place: Bengaluru
Dated: May 10, 2019

ATTENDANCE SLIP

STRIDES PHARMA SCIENCE LIMITED
(formerly Strides Shasun Limited)
CIN: L24230MH1990PLC057062
Regd. Office: 201, 'Devavrata', Sector – 17, Vashi, Navi Mumbai – 400 703
Tel No.: +91 22 2789 2924/ 2789 3199, Fax No.: +91 22 2789 2942
Corp. Office: 'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru – 560 076
Tel No.: +91 80 6784 0000/ 6784 0290, Fax No.: +91 80 6784 0700
Website: www.strides.com; Email: investors@strides.com

Annual General Meeting – July 30, 2019

Please complete this Attendance Slip and hand over at the entrance of the Meeting Hall.

Name of the Member	:
Folio / DP & Client ID No.	:
No. of shares held	:

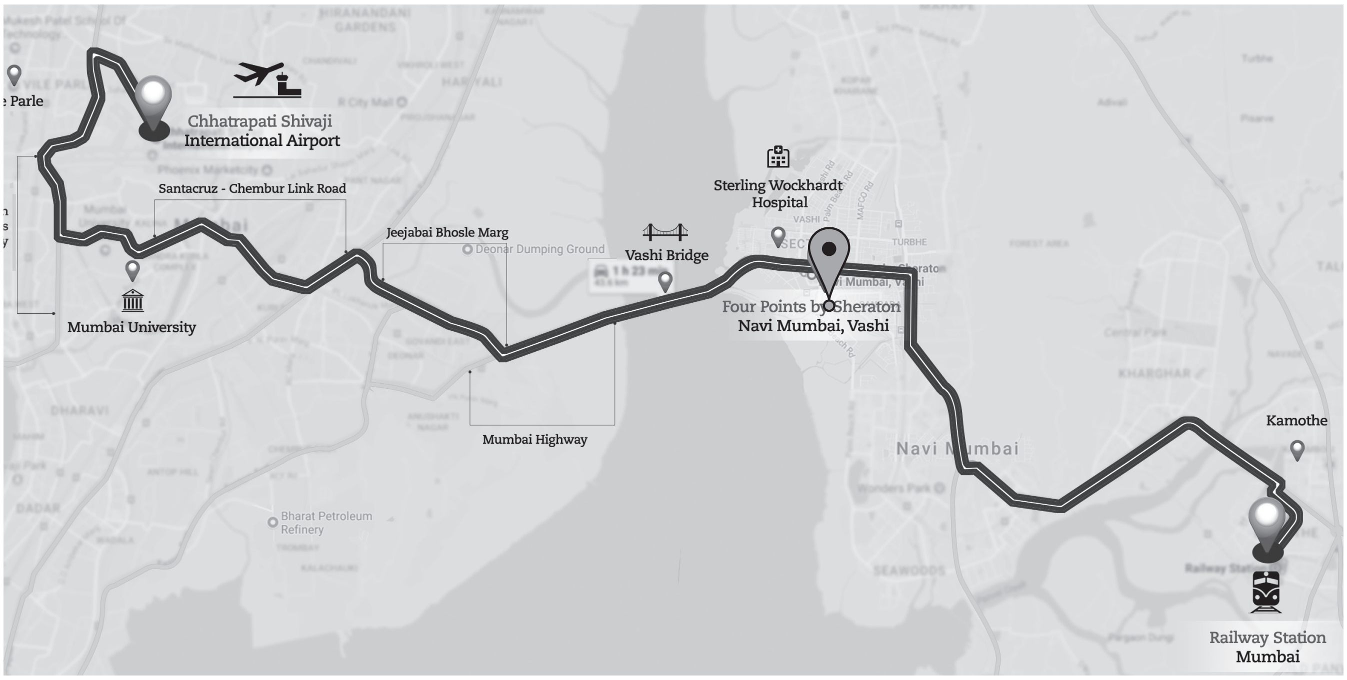
I certify that I am a member/ proxy of the member of the Company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company, held at 11:30 hrs at Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 701 on Tuesday, July 30, 2019.

Name of the attending Member/ Proxy
(In BLOCK Letters)

Signature of the attending Member/ Proxy

ROUTE MAP



Hotel Four Points by Sheraton
Plot No. 39/1, 6 to 15
Sector 30A, Vashi
Navi Mumbai – 400 701

PROXY FORM – FORM MGT 11

[Pursuant to Section 105 (6) of Companies Act, 2013 and Rule 19 (3) of Companies (Management and Administration) Rules, 2014]

Strides

STRIDES PHARMA SCIENCE LIMITED
(formerly Strides Shasun Limited)
CIN: L24230MH1990PLC057062
Regd. Office: 201, 'Devavrata', Sector – 17, Vashi, Navi Mumbai – 400 703
Tel No.: +91 22 2789 2924/ 2789 3199, Fax No.: +91 22 2789 2942
Corp. Office: 'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru – 560 076
Tel No.: +91 80 6784 0000/ 6784 0290, Fax No.: +91 80 6784 0700
Website: www.strides.com; Email: investors@strides.com

Annual General Meeting – July 30, 2019

Name of the member(s)	:
Registered Address	:
Email	:
Folio No. / Client ID	:
DP ID	:

I/ We, being a member/ members of .... shares of the above named Company, hereby appoint:

1) Name:..

Address: ....

E-mail Id:...Signature.. or failing him/her

2) Name:..

Address: ....

E-mail Id:...Signature.. or failing him/her

3) Name:..

Address: ....

E-mail Id:.. Signature..

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the ANNUAL GENERAL MEETING of the Company, to be held on Tuesday, July 30, 2019 at 11:30 hrs at Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 701 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item Number	Resolutions	Type of Resolution
	Ordinary Business	
1.	Adoption of financial statements for the year ended March 31, 2019 a) the Audited Financial Statement of the Company for the Financial Year ended March 31, 2019 together with Reports of the Board of Directors and the Auditors thereon. b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2019 and the Report of Auditors thereon.	Ordinary Resolution
2	Declaration of Dividend of ₹ 3/- per share for the year ended March 31, 2019	Ordinary Resolution
3	Appointment of a Director in place of Mr. Deepak Vaidya, retiring director	Ordinary Resolution
	Special Business	
4	Re-appointment of Mr. S Sridhar as an Independent Director of the Company	Special Resolution
5	Re-appointment of Ms. Sangita Reddy as an Independent Director of the Company	Special Resolution
6	Continuation of Directorship of Mr. Deepak Vaidya, Non-Executive Director of the Company	Special Resolution
7	Ratification of remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for FY 2018-19	Ordinary Resolution
8	Amendment to Strides Shasun Employee Stock Option Plan 2016	Special Resolution
9	Payment of Commission to Non-Executive Directors of the Company	Special Resolution

Signed this _________ ________day of ___________________ 2019

Signature of the Member

Signature of the Proxy

Affix
revenue
stamp

Note:

(1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(2) The proxy to be effective should be duly completed and deposited at the Registered Office/ Corporate Office of the Company not less than 48 hours before the commencement of the Meeting.

PROCEDURE FOR E-VOTING

Strides

STRIDES PHARMA SCIENCE LIMITED
(formerly Strides Shasun Limited)
CIN: L24230MH1990PLC057062
Regd. Office: 201, 'Devavrata', Sector – 17, Vashi, Navi Mumbai – 400 703
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Tel No.: +91 80 6784 0000/ 6784 0290, Fax No.: +91 80 6784 0700
Website: www.strides.com; Email: investors@strides.com

Serial No.:

Name & Address of Member :

Name of Joint Holder(s), if any :

Folio No/ DP ID/ Client ID :

Number of shares held :

Dear Member,

Sub: Instructions for e-voting

Pursuant to Section 108 of the Companies Act, 2013 (the 'Act'), read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company is pleased to provide the e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the notice convening the 28th Annual General Meeting to be held on Tuesday, July 30, 2019 at 11:30 hrs at Hotel Four Points by Sheraton, Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 701.

The Company has engaged the services of Karvy Fintech Private Limited to provide the e-voting facility. The e-voting facility is available at the link https://evoting.karvy.com/

The electronic voting particulars are set out below:

E-voting Details

EVENT	User ID	Password

The e-voting facility will be available during the following voting period:

E-voting Details

Commencement of e-voting	End of e-voting
9 a.m. on Wednesday, July 24, 2019	5.00 p.m. on Monday, July 29, 2019

Please read the instructions attached before exercising your vote.

These details and instructions form an integral part of the Notice of the Annual General Meeting to be held on July 30, 2019.

Yours faithfully,

For **Strides Pharma Science Limited**

Sd/-
Manjula Ramamurthy
Company Secretary

PROCEDURE FOR E-VOTING

1. To use the following URL for e-voting:
   https://evoting.karvy.com/
2. Enter the login credentials i.e., user id and password mentioned below this communication. Your Folio No./ DP ID Client ID will be your user ID.

User – ID	**For Members holding shares in Demat Form** a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID b) For CDSL: 16 digits beneficiary ID **For Members holding shares in Physical Form** Event no. followed by Folio Number registered with the Company
Password	In case of Members who have not registered their e-mail addresses, their User-Id and Password is printed below.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

3. After entering the details appropriately, click on LOGIN.
4. Password change menu will appear. Change the Password with a new Password of your choice. The new password has to be minimum eight characters consisting of at least one upper case (A-Z).one lower case (a-z), one numeric value (0-9) and a special character.

   Kindly note that this password can be used by the Members for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Fintech Private Limited e-Voting platform.

   System will prompt you to change your password and update any contact details like mobile number, email ID etc., on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it.

   It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
5. Login again with the new credentials.
6. On successful login, system will prompt to select the '**Event**' i.e., the Company name - '**Strides Pharma Science Limited**'.
7. On the voting page, you will see Resolution Description and against the same the option 'FOR/ AGAINST/ ABSTAIN' for voting.

   Enter the number of shares (which represents number of votes) under 'FOR/ AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the Member does not want to cast his vote, select 'ABSTAIN'.
8. Members holding multiple folios/ demat account shall choose the voting process separately for each folios/ demat account.
9. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
10. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
11. Corporate/ Institutional Members (Corporate/ Fls/ Flls/ Trust/ Mutual Funds/ Banks etc.,) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to nilesh@ngshah.com with a copy to evoting@karvy.com
12. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting User Manual for Members available at the download section of https://evoting.karvy.com or contact Mr. Raju S.V/ Mr. Mohan Kumar A of Karvy Fintech Pvt Ltd at +91 40 6716 2222 or at 1800 345 4001 (toll free).
13. This Notice is dispatched/ emailed to Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Friday, June 21, 2019.

    However, the Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Monday, July 22, 2019 are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on Wednesday, July 24, 2019 and will end at 5.00 p.m. on Monday, July 29, 2019.

    Members are eligible to cast vote electronically only if they are holding shares as on that date. Members who have acquired shares after the dispatch of the Annual Report and before the cut-off date may approach the Registrar for issuance of the User ID and Password for exercising their right to vote by electronic means.
14. M/s. Nilesh Shah and Associates, Practicing Company Secretaries, represented by Mr. Nilesh Shah (having Membership No. FCS-4554) or failing him, Ms. Hetal Shah (having Membership No. FCS-8063) or failing her Mr. Mahesh Darji (having Membership No. FCS-7175) have been appointed as the Scrutinizer to scrutinize the e-voting process and voting done through Insta Voting/ physical ballot paper at the AGM in a fair and transparent manner.
15. The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in Favor or Against, not later than forty eight hours after the conclusion of AGM to the Chairman of the Company. The Chairman or any other person authorized by him, shall declare the results of voting forthwith. The result along with the Scrutinizer's report will be placed on the Company's website and on the website of Karvy after the result is declared by the Chairman/ any other person authorized by the him, and the same shall be communicated to the stock exchanges where the shares of the Company are listed.

RESET RESURGENT

Strides Pharma Science Limited
Annual Report **2018-19**

ACROSS THIS REPORT

Key financials, FY 2018-19

Revenues

₹ 30,264 Million — 6%

EBITDA

₹ 4,695 Million — 7%

EBITDA Margin

15.5% — 20 BPS

Regulated Market Margin

20% — 300 BPS

Growth (y-o-y)

For more information, visit www.strides.com

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to appraise our prospects and take investment decisions. This report and other statements–written and oral–that we periodically make contain forward-looking statements that sets out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar substance in connection with any discussion of future performance. Although we have been prudent in our assumptions, we cannot guarantee that these forward-looking statements will be realised. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could materially vary from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future events or otherwise.

RESURGENT THROUGH RESET FOCUS

This annual report deep dives into our reset and resurgent approaches that accelerate our growth momentum across the regulated markets and Africa continent. Challenging the status quo has always been a part of our DNA and our sole prescription for progress.

We believe, the reset strategy has infused new energy and optimism in our business and will help us create more value for both medium and long term and benefit all our stakeholders.

RESET AS A PRUDENT STRATEGY SHIFT

Starting our journey from a challenging year, our focus in FY 2018-19 was to realign priorities and maximise growth with a focus on operational efficiencies.

Growing share in regulated markets

The regulated markets globally are projected to report a 3-6% CAGR during 2019-23, reaching an estimated value of US$900-1,020 Million. We have decided to consistently expand our share in regulated markets owing to their sheer scale and significance. Also, we have a growing presence in several countries in the European Union (EU), along with the US, the UK, South Africa and Canada, amongst others. We are driving rapid expansion in the US and other regulated markets to consistently grow our revenue share across these regions. Our continued R&D momentum is resulting in a significant build out of the portfolio for global markets.

US

Overall growth in the US has been fairly significant. Revenues from the nation grew by 36% on a year-on-year basis. Our share of the US business to total revenues grew to 35% in FY 2018-19 from 27% in FY 2017-18. The recent product launches and yet to be commercialised ANDAs in the US provides a springboard for expansion of the base business.

Other regulated markets (the UK, EU, South Africa and Canada)

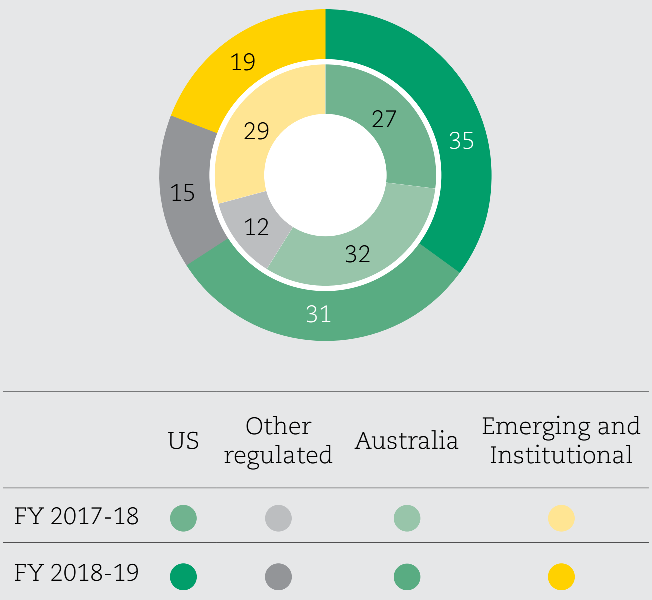
Growth across these markets continues to gain momentum. We are benefitting from improved pricing and robust product portfolio. Revenues from the other regulated markets grew by 39% on a year-on-year basis.

Australia

During the year under review, we reported steady growth with over 20% margins driven by increase in the number of products that were integrated to our supply chain. We launched 18 new products in FY 2018-19. In May 2018, Arrow and Apotex Inc. (Apotex) proposed a merger to build the largest player in the Australian generic pharmaceutical market. Strides (Arrow) would have minimum ownership of 50% in the merged entity. Post a strategic review, we decided to sell our entire Australian business (Arrow) in the best interests of shareholders. We will receive AU$300 Million as upfront payment at the closure of transaction, while the balance AU$94 Million is to be deferred through a interest-bearing secured instrument. The initial net proceeds will be deployed to pare term debt of US$180-190 Million strengthening the balance sheet.

As part of the proposed transaction, we will continue to create value in Australia through efficient supply chain execution. We will enter into a 10-year preferred supplier contract with the merged entity while enabling Strides to retain ongoing earnings of 40-50% of current EBITDA at Arrow. We will also keep access to the IP of 140 products in the Arrow portfolio. Moreover, the transaction will be EPS accretive.

Business-wise revenue (%)



Cautious approach in emerging markets

We have realigned our strategic initiatives for emerging markets to enhance focus on margin-led expansion.

Consumer Health Care business

We separated the over-the-counter (OTC) Consumer Health Care (CHC) business. During FY 2018-19, we partnered with ICP-III Investment Advisors (ICP) to fund the nascent Consumer Health Care business. ICP is infusing US$20 Million capital for growth. Currently, the CHC business operates key brands in the US, India and other geographies globally.

RESURGENT DRIVE TO REMAIN FUTURE-READY

As we focus on future, we expect to build on the momentum with profitable growth, robust cash flows and operating leverage.

Regulated markets

US market
Our US market growth is driven by a significant portfolio build out and additional upside from the recently concluded strategic acquisitions, which are as follows:

Acquisition of Vensun Pharmaceuticals
We acquired a 100% stake in Vensun Pharmaceuticals, Inc. (Vensun), a US-based generics company. Vensun has 12 commercialised ANDAs and 12 files pending approvals.

Converted 50:50 joint venture with Vivimed to 100% ownership
To fast track our strategy, we converted our 50:50 JV with Vivimed to 100% ownership. Vivimed's portfolio of 10 approved ANDAs was earlier marketed by third parties. The portfolio will now be ours and potentially add an annualised US$25 Million revenue starting from FY 2019-20.

The US FDA approved facility at Alathur, Chennai with a capacity of 1.5 Billion oral solids will support better utilisation of our facilities to service our increased demand in the fast-growing regulated markets business.

Other regulated markets

Other regulated markets witnessed the fastest growing business for Strides in FY 2018-19. We are fast-tracking growth by leveraging an extensive and established portfolio in Australia, Europe and the US through a portfolio maximisation strategy for other regulated markets.

Building our Canadian operations
We acquired 80% stake in Pharmapar Inc. (Pharmapar), a Canada-based specialised generics front-end Company. This transaction enabled us to foray into Canada, which is a new market for us and one of the top 10 global pharmaceutical markets. The market is estimated at US$21 Billion, with a significant share of generics through retail pharmacies (Source: IQVIA).

Emerging markets

Currently, we are focussing on driving profits in emerging markets and staying on the forefront with a new treatment regimen in the institutional business. We remain focussed on reinforcing our pan-Africa branded generic player with leadership position in key markets and therapies.

In institutional business, we will sustain profitability of the existing business through focussed pricing and tender participation. Additionally, the introduction of next-generation combinations drugs will drive the next level of growth.

REFRESHING WAY FORWARD

Incorporated in 1990, Strides Pharma Science Limited (Strides) is a global pharmaceutical company that operates across two business verticals in regulated and emerging markets. We focus on 'difficult-to-manufacture' products that are sold in over 100 countries.

With sustainability as a goal and a reset business model, we have made significant progress towards course correction and execution of our strategic objectives. We are strengthening our diversified B2C business, while we retain our growth momentum across key markets. We are supported in our endeavours by our global manufacturing base with seven production units spanning three continents. We have five manufacturing facilities [four US Food and Drug Administration (US FDA) approved] for regulated markets and we also own two dedicated production facilities in India and Kenya for the emerging markets. In the journey ahead, we will also maintain our product filing and approval trajectory for the US and other regulated markets.

We operate in a highly regulated and competitive global generics market with a resurgent approach that catalyses our actions towards achieving optimal growth momentum with improved margins and a stronger balance sheet. Our focus is on building a diversified consumer-focussed global formulations business with niche products and complex manufacturing capabilities. Our strategic progress has enabled us to operate in difficult markets and create a robust branded generics portfolio for a formidable front-end presence. We are putting the building blocks to commence the next leg of our journey; and we have made significant investments in synergic acquisitions, capacity expansions, research and development (R&D), IT infrastructure and compliance to build a strong foundation for the future.

In all our initiatives, the most important driving force is our people. With their curiosity, creativity, agility and intuition, they help us manage change with foresight and fortitude. Our empowered workforce brings onboard strong technical acumen and scientific capability to deliver high compliance and quality.

Business focus

Regulated markets

USA | Australia | Other regulated markets

Emerging markets

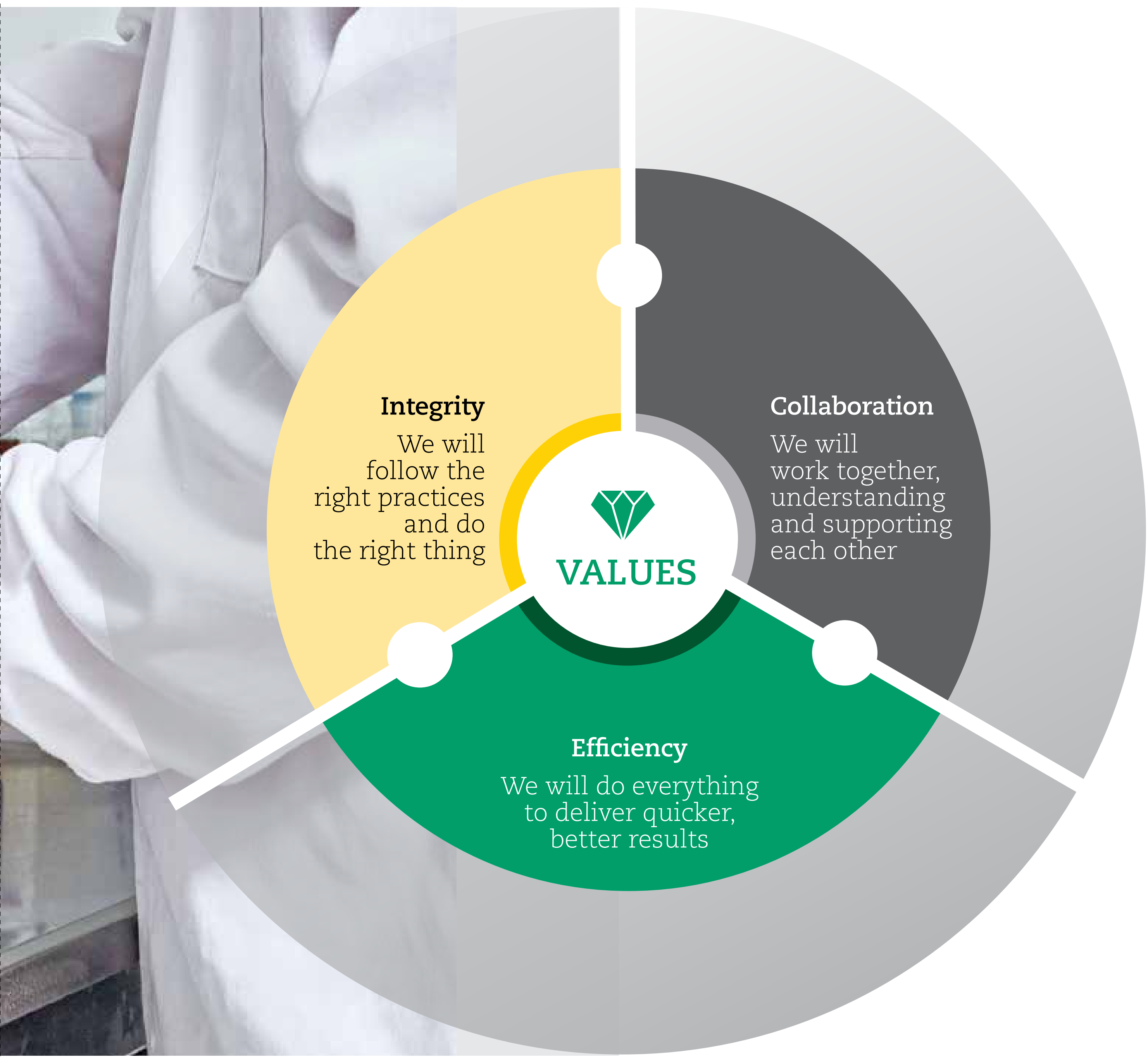
Africa | Institutional business

VISION

To be the leading Indian pharma multinational with a reputation for the highest quality and integrity.

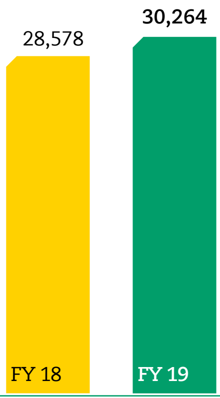
MISSION

With a differentiated B2C portfolio focussed on attaining leadership, we will provide an unparalleled growth opportunity for our people and value creation opportunity for our stakeholders.



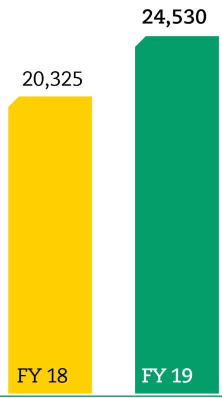
ELEVATING THE PERFORMANCE CURVE

Revenue
(₹ in Million)



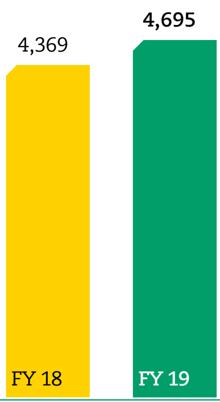
Our revenue grew by 6% compared to FY 2017-18 driven by increasing prominence in the regulated markets.

Regulated market revenue
(₹ in Million)



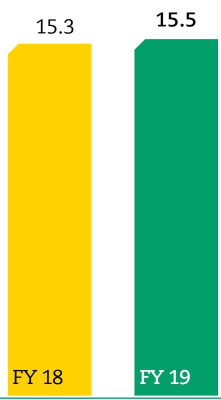
Our regulated market revenue grew by 21% compared to FY 2017-18 primarily propelled by the US markets, followed by other regulated regions.

EBITDA
(₹ in Million)



Our EBITDA grew by 7% over last year owing to better management of operating costs.

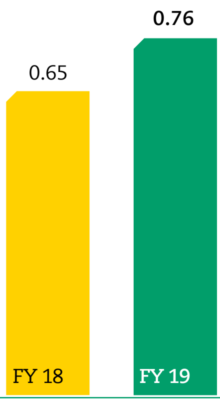
EBITDA margin
(%)



We sustained our EBITDA margin with a relentless focus on efficiency across the board.

Debt equity ratio

(x)



Adjusted profit after tax for FY 2018-19

₹ 1,067 Million

Adjusted earnings per share or FY 2018-19

₹ 12

Net debt

(₹ in Million)

*Constant currency net debt includes cash receivables of ₹551 Million on account of divestment of Strides Chemicals Private Limited and interest bearing investments of ₹724 Million.

**Adjusted debt includes cash receivable of ₹1,310 Million on account of divestment of Strides Chemicals Private Limited and ₹662 Million for loans advanced to partners.

OUR VALUE ACCRETIVE MODEL

Our business model is flexible, resilient and value accretive with a long-term focus.

Core fundamentals

Wide presence
We have robust front-end reach in over 100 countries across regulated and emerging markets (EMs).

Portfolio
We have capabilities in multiple delivery technologies and dosage formats across orals, topicals, liquids, creams, ointments, soft gels, tablets and modified release formats.

Research and development
Our efficient R&D infrastructure with 250+ scientists in India ensure strong global filing capabilities.

Compliance
We have a robust foundation of quality, compliance and governance. Our IT investment drives a superior culture of quality and compliance integrity.

Team
We have a diverse global employee base of over 3,000 employees with a transparent and open culture.

Supply chain
We have supply chain security through long-term supply agreements for APIs with Solara Active Pharma Sciences Limited.

Leadership
Our experienced and proven management team propels our growth strategy.

Manufacturing base
Our manufacturing base enjoys key global regulatory approvals. We have Finished Dosage Forms (FDF) facilities in India, Italy, Kenya and Singapore. We have capabilities in multiple delivery technologies and dosage formats.

Technology
We have put in place the best-in-class technology across all processes (R&D, quality and manufacturing, among others) ensuring excellence in every aspect of our operations.

Growth strategies

Expanding portfolio range with differentiated and limited competition products

Leveraging a strong 'go-to-market' capability to expand the distribution network across the US, the UK, South Africa and Canada

Building a portfolio of strong brands in emerging markets

Identifying emerging growth avenues to deliver sustainable growth

Propelling value creation

Shareholders

- Proven track record of delivering shareholder returns
- Focus on generating operating leverage
- Enhancing shareholder returns with an improved return ratio profile
- Proposed dividend of ₹3 per equity share of face value of ₹10 in FY 2018-19

Employees

- Emphasis on creating a diverse and congenial workplace
- Attracting and retaining talent by offering robust growth opportunities
- Driven by a diverse and dynamic team

Patients and end users

- Enhanced B2C focus reaching out to more with a broad and specialised product portfolio
- Committed to improving the lives of patients

Community

- Over 25,000 people have benefitted through our various social responsibility programmes
- Overall, we reach 12+ villages through our various social development programmes

RESURGENT AND OPTIMISTIC

We continued to be resilient and delivered an improved overall performance in FY 2018-19, while at the same time strengthened our fundamentals across our businesses.

We recalibrated our strategy in the US market and delivered healthy front-end performance in the base portfolio with market share gains for several molecules.

Dear Shareholders,

It feels great to share my perspectives yet again in my annual letter to you after a significant strategy reset at Strides. It has been a satisfying year in which most of our planned outcomes have met our expectations. Before we deep dive into the strategic progress and performance for the year, it is worthwhile to revisit the thoughts I shared last year wherein I had outlined the focus for FY 2018-19 as course correction and building the right enablers. From that perspective, we are happy to have achieved what we had set out to do.

If we look back, the beginning of the year was no doubt challenging for us, given the backdrop of a weak performance in FY 2017-18 and changing industry landscape across key pharmaceutical markets. However, we continued to be resilient and delivered an improved overall performance, while at the same time strengthened our fundamentals across our businesses. This is particularly evident in our regulated market performance, where we exceeded our internal targets on margins, despite increased R&D activity and spend.

We reported 6% revenue growth from ₹28,578 Million in FY 2017-18 to ₹30,264 Million in FY 2018-19, resulting in growing scale in existing regulated markets and entry into emerging regulated geographies. Our EBITDA grew by 7% from ₹4,369 Million in FY 2017-18 to ₹4,695 Million in FY 2018-19 with a stable 15.5% margin. Our adjusted net profit (PAT) stood at ₹1,067 Million and earnings per share was ₹12 for FY 2018-19

Our reset strategy primarily revolves around our growing exposure in regulated markets, along with the cautious and calibrated approach in emerging markets and institutional business.

Regulated markets

The regulated markets business reported 21% year-on-year growth, accounting for over 81% of group revenues.

We recalibrated our strategy in the US market and delivered healthy front-end performance in the base portfolio with market share gains for several molecules. Over 60% of the currently commercialised portfolio is among the top 3 or have a significant market share, and 10+ products are enjoying a US$10 Million run rate.

We acquired 100% stake in Vensun Pharmaceuticals, Inc. to bolster our US marketed portfolio and front-end presence. We also converted our 50:50 joint venture with Vivimed to 100% ownership to take control of partnered ANDAs and the US FDA approved facility increasing our manufacturing bandwidth for the US market. Moreover, we entered into exclusive product development, licensing and supply agreement with SUDA Pharmaceuticals Ltd. for our novel drug SUD-001H, an oral spray of sumatriptan to treat migraine headache for the US market.

Our business across other regulated markets saw encouraging growth, while achieving critical scale driven by portfolio maximisation and new market entry. In the UK, we delivered a strong front-end performance, catalysed by increased wholesaler listings for generics and branded portfolio.

In South Africa, we benefitted from better compliance for portfolio and new customer addition. During the year under review, we forayed into Canada.

During FY 2018-19, we received shareholders' approval to divest Australian business. The transaction is pending for other closing conditions, including the completion of the merger of Arrow and Apotex. Simultaneously with closure, we will enter into a 10-year preferred supplier contract with the merged entity, which will ensure our continued presence in the Australian market with improved EBITDA.

We continued our research and development (R&D) momentum. Our R&D investments grew 10% to ₹1,290 Million in FY 2018-19 from ₹1,176 Million in FY 2017-18. During FY 2018-19, we had 21 filings and received 15 product approvals, including PARA IV approvals for Cinacalcet and Milnacipran Hydrochloride.

Emerging markets and institutional business

We had our own share of challenges in emerging markets and institutional business owing primarily to the weak business environment. In Africa and other emerging markets, our major strategy shift achieved its desired outcomes; and is expected to deliver a turnaround in the foreseeable future. We remain focussed to become a pan-Africa branded generic player with leadership position in key markets and therapies.

In our institutional business, we completed all contractual obligations of low-margin institutional supplies, partnered under long-term contracts. Now we have recalibrated our strategy to focus more on profitable contracts and have taken a guarded, margin-driven approach.

Compliance

During FY 2018-19, we successfully completed the US FDA inspection at our flagship facility in Bengaluru. We received the US FDA approval for our greenfield oral dosage facility in Singapore, which will cater to regulated markets across the US, Australia, the UK and Europe. Our focus is unwavering on compliance, with industry-leading automation and quality framework. Our efforts are underway to get a fast reclassification of Puducherry facility, which was recently classified as 'Official Action Indicated' by the US FDA. We will continue to drive reassuring outcomes in quality, compliance and automation.

Looking ahead

Going forward, our key priorities to drive sustainable growth will include:

- Reinforce market prominence in the US with existing portfolio and maintain product launch momentum
- Broad-base growth across other regulated markets with our robust product portfolio
- Focus on R&D filings with a strategic shift towards complex or speciality generics
- Drive profitable growth across emerging markets and institutional business

On behalf of the Board, I take this opportunity to convey my gratitude to our shareowners, management team, employees, suppliers, associates and our loyal fraternity of customers for their continued trust and support.

Arun

DELIVERING WITH FLEXIBILITY AND PRUDENCE

“We grew our revenues by 6% and EBITDA by 7%. Our growth has been led by other regulated markets, which grew by 39% and the US by 36%. Our EBITDA grew across all major verticals of the Company and ended Q4 FY 2018-19 with an impressive 18.8% after many quarters. We have laid a strong foundation for consistent growth.

“The gross margins expanded in all quarters throughout the year. We improved the gross margin from 48.7% in Q1 FY 2018-19 to 53.4% in Q4 FY 2018-19.

Dear Shareholders,

Our focus for the financial year FY 2018-19 was on driving growth, improving profitability, increasing R&D effectiveness and productivity, maintaining debt levels in a narrow range, improving EBITDA to PAT conversion and realising synergies in corporate action. The Company’s top priority was to lay a strong foundation for scalable and consistent growth.

I would like to summarise the achievements in each parameter in addition to many qualitative wins.

Growth

We grew our revenues by 6% and EBITDA by 7%. Our growth has been led by other regulated markets, which grew by 39% and the US by 36%. Our EBITDA grew across all major verticals of the Company and ended Q4 FY 2018-19 with an impressive 18.8% after many quarters. Arrow delivered over 20% EBITDA margins across all quarters. The Company's US revenue reached a landmark ₹10 Billion, an encouraging achievement by any measure. We have laid a strong foundation for consistent growth.

Profitability

The gross margins expanded in all quarters throughout the year. We improved the gross margins from 48.7% in Q1 FY 2018-19 to 53.4% in Q4 FY 2018-19. The EBITDA margins improved from 13.5% in Q1 FY 2018-19 to 18.8% in Q4 FY 2018-19. This was primarily led by higher contribution from regulated markets and steady cost base. We fully managed the operating leverage in Q4 FY 2018-19. This is a significant achievement and the scale-up is very steep from Q1 FY 2018-19.

R&D effectiveness

We achieved linearity in R&D filings. During the year, we filed 21 ANDA applications. This is one of the highest filings in the preceding few years of Strides 2.0. In addition, the fungibility of the Arrow portfolio, has enabled other regulated markets to grow at a healthy pace with minimal regulatory costs.

Debt/PAT conversion

The depreciation, interest and tax component has been consistent in all the four quarters of the year. The increase in the gross margins and EBITDA of Q4 FY 2018-19 completely reflected in PAT, signifying the reflection of the operating leverage. The scale up of the US business was almost 2.5 times in Q4 FY 2018-19 vis-à-vis Q4 FY 2017-18.

To fund the growth in our business and to sustain the R&D momentum, we had to make investments in working capital. The depreciation in the Rupee also increased the reported debt by about ₹1,890 Million, primarily arising out of exchange fluctuations (Conversion) on consolidation though the debt is in respective functional currency. The balance debt increase represents acquisition debt on to Vensun and Vivimed transaction. During the year, the Company also committed funding to Stelis Biopharma to the tune of ~₹1,000 Million in proportion to its shareholding.

Corporate initiatives

We completed multiple corporate actions with acquisitions of Vensun, Pharmapar and Vivimed. We deconsolidated Consumer Health Care (CHC) business with effect from Q4 FY 2018-19. We announced the divestment of our Australian front-end business. We had announced the intention to pare off significant term debt. We hope to complete the transaction by Q2 FY 2019-20.

In addition, there have been qualitative wins. We, along with Mylan, successfully closed the long pending international arbitration, which resulted in cash inflow of about US$42 Million to the Company. We have been very proactive and have laid a strong governance framework for ever-changing legislations globally. The Goods and Services Tax (GST) refund process has also been completely streamlined. We are happy to share, that we have completed all the pending capital expenditure (capex) programmes in Singapore. Our Singapore plant received an US FDA approval in March 2019.

Future priorities

We are pleased with the progress of FY 2018-19 and we believe we have laid a strong foundation for consistent Profitability, Efficiency and Growth (PEG). The key priorities for the next year comprise the following:

- Lay a strong platform to achieve a sustainable EBITDA level of 20%
- Improve return ratios like return on capital employed (ROCE) and return on equity (ROE) to industry standards
- Continue our strong risk management programme and extend it to new geographies
- IT automation needs more focus to enable decision-making both in terms of lead and lag metrics on all aspects of performance
- Align working capital between front-end and back-end business so that the cash is fungible across the organisation
- Complete the divestment of Australian business, retire debt and strengthen the balance sheet
- Focus on global governance compliance programme including new geographies

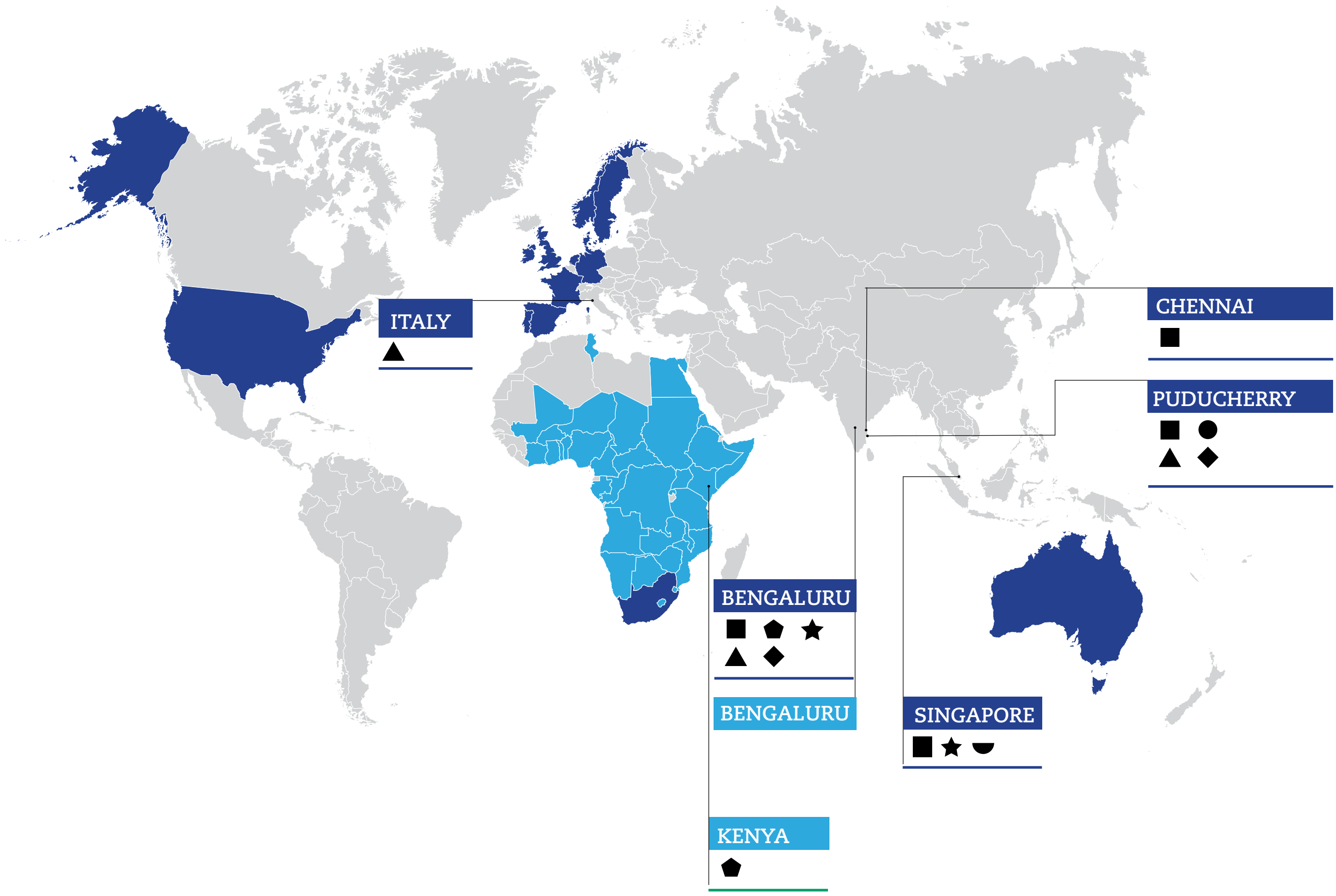
We will continue to focus on enhancing the productivity of our teams and build a robust review mechanism to meet ever-growing future demands. We will be guided by the knowledge and insight of the investor fraternity and serve them well. Energised by a reset strategy and a resurgent focus on future priorities, we are confident to grow prudently.

I thank all shareholders for their support and guidance in one of the most turbulent years of our journey. I look forward to FY 2019-20 with optimism and we are committed to creating long-term value with diligence and focus.

Badree

GLOBAL ASSETS

We have vertically integrated infrastructure with seven manufacturing facilities, spanning three continents, including five (four US FDA approved) facilities for regulated markets and two facilities for emerging markets.



Approvals

- Food and Drug Administration (FDA)
- Medicines and Healthcare products Regulatory Agency (MHRA)
- World Health Organisation (WHO)
- Therapeutic Goods Administration (TGA)
- Brazillian Health Surveillance Agency (ANVISA)
- Pharmaceuticals and Medical Devices Agency (PMDA)
- Health Sciences Authority (HSA)

Markets

- Regulated
- Emerging

STRIDES' GLOBAL HEADQUARTERS

New world-class oral dosage facility in Singapore

We have received US FDA approval for our state-of-the-art manufacturing facility in Singapore. The facility is also approved by Therapeutic Goods Administration (TGA), Australia and Health Science Authority (HSA), Singapore. The facility will provide growth capacities for regulated markets of the US, Australia, the UK and Europe and help expand our manufacturing base.

Future growth capacities

- We will join the league of global pharmaceutical companies having a manufacturing and research and development footprint in Singapore, with the commercialisation of this manufacturing facility.
- The facility will complement our existing manufacturing base and help meet enhanced demand from our fast-growing regulated markets business across the US, Australia, the UK and Europe.
- Singapore is also among the list of designated countries under the Trade Agreements Act (TAA), making it eligible to supply goods under the Federal Supply Schedule (FSS) contracts in the US. This facility will enable us to tap opportunities under various federal government procurement programmes, including procurements administered by the Department of Veterans Affairs (VA).
- Operating at its peak capacity the facility will produce ~1.4 Billion tablets and hard gelatin capsules
- Built with an emphasis on automation in production and quality control laboratories, it has fully integrated manufacturing and packing lines

INNOVATION REMAINS OUR COMPETITIVE ADVANTAGE

The pharmaceutical landscape is ever evolving, and innovation is critical to survive and thrive in such an operating landscape. Our R&D team focusses on development of a variety of novel dosage forms, including various novel dosage forms. The focus is to steadily improve our processes and procedures to drive our long-term growth trajectory.

During FY 2018-19, our R&D team delivered 21 ANDAs, along with 30+ dossiers for regulated markets, including EU zone, Canada, Australia, South Africa and others. Our technical expertise, coupled with access to leading-edge technology platforms enable us to deliver value and customer satisfaction seamlessly.

Powered by innovation, we introduced new products and processes, which helped strengthen our profit. We also consolidated our new R&D infrastructure and streamlined our processes. We followed a strategic blueprint for growing the impact of our R&D across the various markets we serve. During FY 2018-19, our R&D spend stood at ₹1,290 Million vis-à-vis ₹1,176 Million in FY 2017-18.

Regulated market

As a part of our transformation, we are shifting our focus on novel drug delivery system and 505b (2) product development, alongside the existing generic product development. Since we have created a robust foothold in the US with 100+ files, our R&D team is gradually shifting its focus on increasing generic filings in other regulated markets of EU region, Canada and Australia, thereby providing equal emphasis to all regulated markets, where we have our presence.

Additionally, our R&D team is involved in extending the current portfolio to multiple regulated markets through the portfolio maximisation programme, whereby we not only increase the number of filings but also expand the revenue of each product basket.

Summary of filings

95
Filing in the UK

80+
Filing in the South Africa

140+
Filing in the EU

140+
IP-owned products for commercialisation in Canada

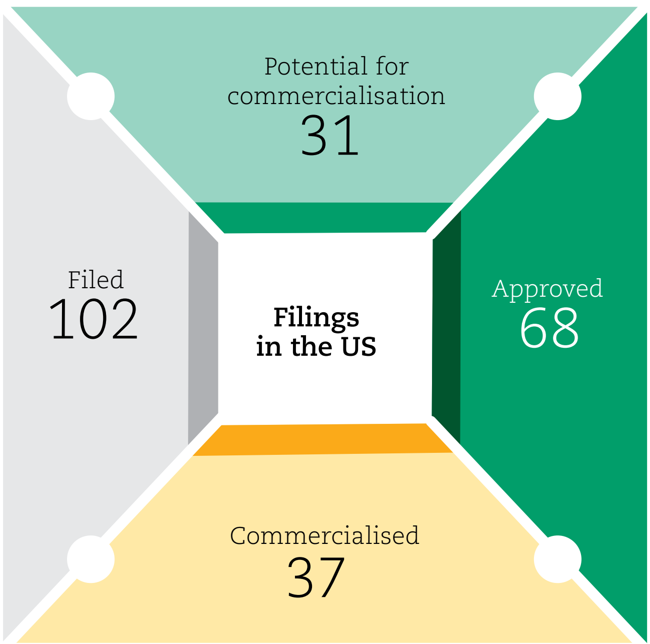
Institutional and emerging markets

During FY 2018-19, we recalibrated our focus on institutional and emerging markets and emphasised on the regulated markets business. Our R&D team is ready to take up additional development and improvement activities with the available technical expertise, along with our futuristic technological platforms.

Way forward

The transition from being a generic player to a novel drug development/505b(2) developer will be the primary focus for the upcoming year. Therefore, balancing the generic development across all regulated markets and specialised drug development will be the most critical task at hand for our R&D team.

Going forward, we will continue to focus on complex drug development while developing generic competitive projects with speed. Besides, we will also emphasise on portfolio maximisation and process improvement for different markets.



QUALITY AT THE CENTRE OF OUR OPERATIONS

Quality is a 24x7 priority at Strides. Our continued focus on quality and compliance has helped us achieve high benchmarks in the compliance curve. This includes laboratory and manufacturing automation, translating to greater accuracy and compliance in these areas.

We have set up a robust quality governance mechanism and continue to optimise it for greater effectiveness, based on relentless improvement programmes. These governance models include site-level and corporate-level governance mechanisms. The governance model ensures that senior management is engaged in key matters of quality and compliance.

Our automation initiative is now expanded to more number of products for manufacturing and testing. The real-time governance metrics has been matured and democratised for greater effectiveness and engagement with relevant staff. The learning management standard has been expanded to include more people under the purview of a very intense training and development programmes for our technical staff.

We are mindful of ever-rising regulatory expectations as well as learning from current industry challenges. The result is that we have undertaken several breakthrough initiatives to make the Company resilient and future-ready.

ACCELERATING COMMUNITY INTERVENTIONS

We address social, environmental and economic requirements of the communities we work with. Our community interventions primarily focus on health, education and employability.

We believe a socially responsible ecosystem is key to inclusive development that benefits all sections of society. Therefore, we are focussed on creating sustainable value for communities—beyond compliance—through our numerous programmes.

School health camp

Polio vaccine drive

Health

Arogyadhama

Arogyadhama is a state-of-the-art primary health centre that caters to the people of surrounding 12 villages. During FY 2018-19, it completed four years of service in curative, preventive and promotive healthcare services at Honnakalasapura, Suragajakkanahalli, Karnataka.

The centre hosts advanced diagnostic equipment, including x-ray and scanning machines. It also has laboratory facilities and a minor OT, along with out-patient facilities. Additionally, the healthcare centre has other specialist's care like ophthalmology, gynaecology, paediatrics, dental treatments, pharmacy and daycare.

Arogyadhama also undertakes the cause of spreading awareness on various health and hygiene topics like the importance of a clean environment and symptoms of diseases like tuberculosis, leprosy, H1N1, malaria and others. It further provides proactive treatment, persuades the community to keep the environment clean, identifies diabetes and hypertension patients, offers to counsel and administers regular medicines.

Arogyadhama has won appreciation and positive feedback from the surrounding villages, the Panchayat, along with the government primary healthcare centres (PHCs) and doctors.

RO water plants

We arranged access to potable water for over 9,000 people in Suragajakkanahalli, Hennagra and Neralur panchayats in Anekal Taluk, Bangalore to ensure water-borne diseases are not transmitted. Till date, our CSR arm—Strides Foundation—has built eight self-sustainable RO water units, with 2,000 litres per hour capacity each. During the year under review, we commissioned new units at Guddahatti, Honnakalasapura and Ramakrishnapura.

Installed RO water plant

Life skills training at government schools

Life skills training at government schools

Infrastructure development at school

Education

Leadership Adoption Program at Schools (LeAPS)
LeAPS is designed to impart life skills training to government school students. It helps and motivates students through:

- Innovative training methodologies
- Life Application that takes the children beyond their classrooms
- A highly stimulating and enjoyable experience

We also organised educational tours for the students of government schools of Haragadde and Suragajakkanahalli, where 250 students participated. The children visited historical sites of Hampi, Badami, Aihole and Pattadkal.

Isha Vidhya
With our focus on enriching the quality of education, we made a grant to Isha Vidhya to support its educational infrastructure, in their Cuddalore school, for buying equipment, including computers/laptops; science and sports equipment; and arts and craft materials.

Centre for Social Initiatives and Management (CSIM)
We also supported Social Entrepreneurship programmes with financial assistance to the CSIM.

Employability

Vocational skill development
We offer vocational training to the youth in the fisherman community and other lesser privileged villages near Puducherry. The Employment Empowerment Program is organised in partnership with Swami Vivekananda Rural Community College (SVRCC), where 100 students are trained in several job-led courses, with a holistic approach, to make them responsible citizens.

Disaster relief

During the year under review, we contributed to the disaster relief efforts of Kerala and the Kodagu district of Karnataka.

BOARD OF DIRECTORS

Deepak Vaidya
Non-Executive Director and Chairperson of the Board

Arun Kumar
Managing Director and Group CEO

S Sridhar
Independent Director

Homi Rustam Khusrokhan
Independent Director

Bharat D Shah
Independent Director

Sangita Reddy
Independent Director

Badree Komandur
Executive Director – Finance and Group CFO

GLOBAL LEADERSHIP

INDIA

Arun Kumar
Managing Director and Group CEO

Shashank Sinha
CEO – International Business

Badree Komandur
Executive Director – Finance and Group CFO

Ramaraju PVS
Chief Operations Officer

Umesh Kale
Chief Quality Officer

Vinod Nair
Sr. Vice President – Institutional Business

Amol Mehta
Vice President – Regulated Markets

USA

Mohan Devineni
President – Technical, Strides Pharma Inc.

Kevin Knarr
Sr. Vice President, Strides Pharma Inc.

UK

Sohel Islam
Head – Sales, Strides Pharma UK Ltd.

SOUTH AFRICA

Gabriel Richard Simaan
Managing Director, Trinity Pharma

KENYA

Perviz Dhanani
Managing Director, Universal Corporation Ltd.

SINGAPORE (INTERNATIONAL HEADQUARTERS)

Mohan Kumar
CEO & Managing Director, Strides Pharma Global

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and development

Global economy

World economic growth slowed to 3.6% in 2018, reversing a two-year cyclical upswing. There were a number of causative factors. Weakness in Eurozone economies, continued uncertainty around BREXIT, lingering US-China trade tensions, elevated threats of protectionism, decelerated global industrial production (particularly capital goods) in tandem with higher policy ambiguity and volatile oil prices contributed to the slower growth trajectory. Further, macroeconomic stress in Argentina and Turkey, stricter banking regulations in China and disruptions in the German auto industry due to the implementation of higher emission standards weighed heavily on the global economy, especially in the second half.

In contrast, the US economic growth accelerated on the back of massive tax cuts approved in 2017, muted inflation, and a natural unemployment rate. China ramped up its fiscal and monetary stimulus to counter the imposition of higher tariffs; while the European Central Bank, the Bank of England and the Bank of Japan shifted to an accommodative policy stance.

Global growth momentum is likely to moderate in 2019 before picking up in the second half as financial markets gradually regain confidence. Advanced economies will likely tend towards a modest rate of growth while growth rates in emerging Asian economies such as China and India are expected to converge at sustainable levels. Overall global economic growth is likely to slow down further to 3.3% in 2019 before stabilising at 3.6% in 2020. [Source: International Monetary Fund (IMF)]

Global growth trend (%)

	2018	2019 (P)	2020 (P)
World output	3.6	3.3	3.6
Advanced economies	2.2	1.8	1.7
USA	2.9	2.3	1.9
Euro Area (Germany, France, Italy, Spain)	1.8	1.3	1.5
United Kingdom	1.4	1.2	1.4
Japan	0.8	1.0	0.6
Australia	2.8	2.1	2.8
Other advanced economies[1]	2.9	2.6	2.2
Emerging market and developing economies	4.8	4.5	4.4
Emerging and developing Asia	6.6	6.4	6.3
Sub-Saharan Africa	2.9	3.0	3.5

[1] Excludes Canada, Japan, the UK, the US and the Euro area countries | P: Projections
[Source: International Monetary Fund (IMF) World Economic Outlook April 2019]

Indian economy

India remains one of the fastest growing major economies with economic growth of 6.8% [Source: CSO]. Robust private consumption, favourable monetary policy, effects of structural reforms such as the Goods and Services Tax (GST), the Insolvency and Bankruptcy Code, the recapitalisation of public sector banks (PSBs), below-target retail and food inflation and greater fiscal prudence kept the economy buoyant.

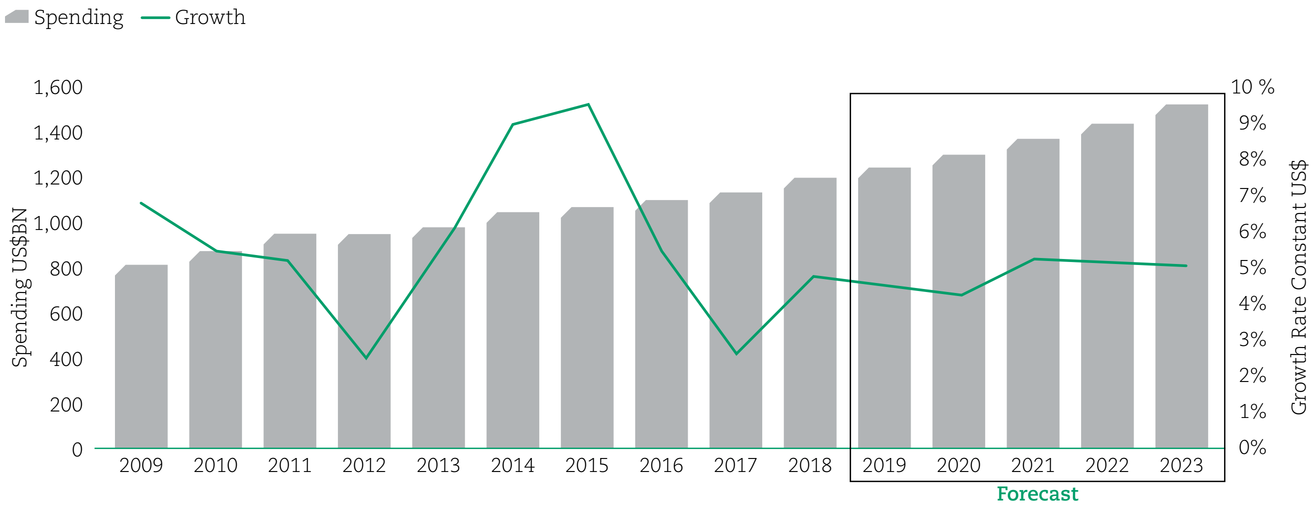
India improved its ranking in the World Bank's Ease of Doing Business index for the second year in a row, climbing to the 77th spot in 2018. Health will remain a priority, through the Government's flagship health insurance scheme — Pradhan Mantri Jan Arogya Yojana (PM-JAY), also known as Ayushman Bharat – that aims to lower out-of-pocket expenses for patients, and all citizens can avail necessary medical services. The Government's ability to push through structural and financial reforms, maintain fiscal consolidation, improve GST compliance and governance of PSBs, expedite infrastructure development, and create jobs will determine the country's future growth trajectory.

Global pharmaceutical industry

The world is likely to spend more than US$1.5 trillion on medicines by 2023, experiencing steady growth from about US$1.3 trillion in 2019, US$1.2 trillion in 2018, and US$1.1 trillion in 2017. The US and pharmerging markets are likely to continue to drive this growth. Pharmerging markets are projected to grow from US$285.9 billion in 2018 to US$355-385 billion in 2023, at a 5-8% CAGR while spending growth in developed markets is likely to moderate to a 3-6% CAGR, from US$800 billion in 2018 to US$900-1,020 billion in 2023. Broad growth drivers include a growing as well as an ageing population, longer life expectancy, improving purchasing power, higher chronic disease prevalence, faster drug approvals, increasing focus on orphan drug development for rare disease therapies, uptake of new technologies and cost-conscious drug policies.

Global medicine spending and growth 2009-2023

(₹ in million)



[Source: IQVIA]

Global pharmaceutical spending and growth

Regions	2018 (US$ billion)	2014-2018 CAGR (%)	2023 (US$ billion)	2019-2023 CAGR (%)
Developed markets	800.0	5.7	900-1,020	3-6
Pharmerging markets	285.9	9.3	355-385	5-8
Rest of the world	118.9	3.2	130-160	2-5
Global pharmaceutical market	1,204.8	6.3	1,505-1,535	3-6

[Source: IQVIA]

Global medicine spending by region and product type in 2023

Spending	Original brands	Non-original brands	OTC	Unbranded	Other products	Total (US$ billion)
Global markets	61%	20%	6%	9%	4%	1,505-1,535
Developed markets	76%	10%	3%	8%	2%	90-1,020
Pharmerging markets	27%	40%	11%	13%	9%	355-385
Rest of world	56%	26%	7%	8%	3%	130-160

[Source: IQVIA]

Developed markets include the United States, United Kingdom, Germany, Italy, Spain, France, Japan, Canada, South Korea and Australia

Pharmerging countries are defined based on per capita income below US$30,000 and a five-year aggregate pharmaceutical growth over US$1 billion.

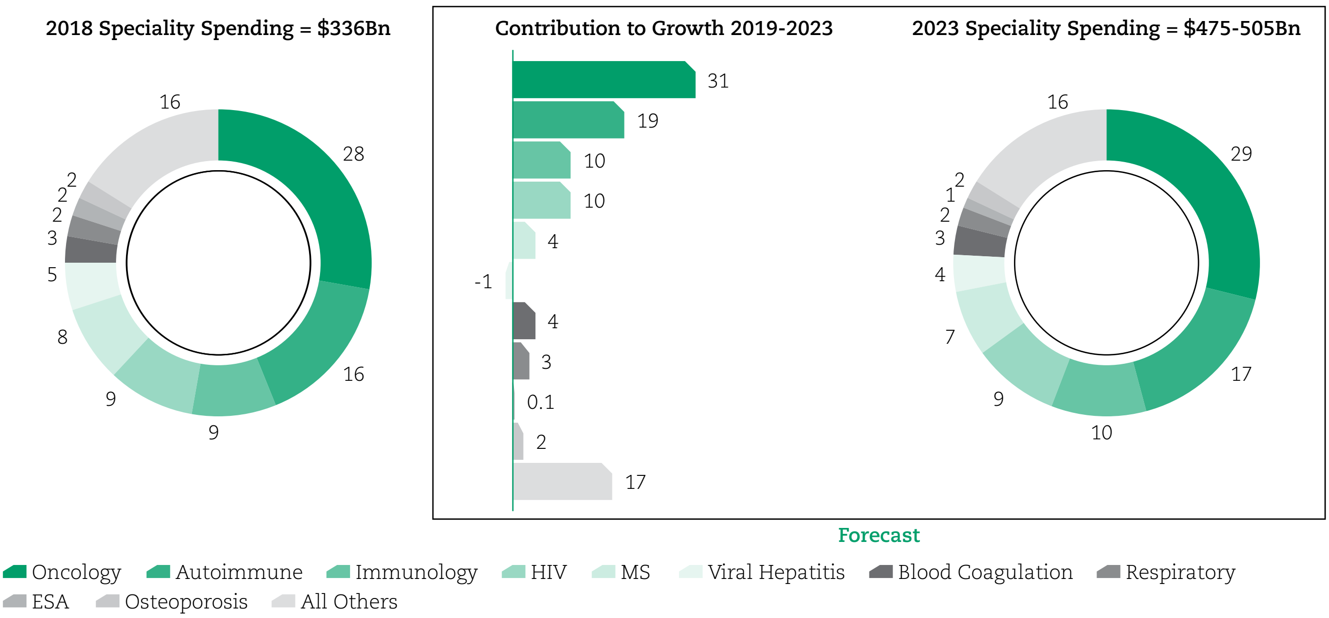
Speciality market

Innovation in new products continues to shift towards speciality, niche and orphan drugs, which are used to treat chronic, complex or rare diseases and are at the higher end of the pricing spectrum. The US FDA approved 80 orphan indications in 2017 and 90 in 2018.

About 66% of new products that will be launched until 2023 are likely to be speciality class, up from 61% in 2018. The Specialty share of spending in most developed markets is projected to approach 50% by 2023 from 42% in 2018, amounting to US$475-505 billion. However, growth in speciality spending in most markets will be partially offset by an increase in generics spending.

Specialty medicines spending and growth in developed markets

(%)



[Source: IQVIA]

Generics market

The global generics market is emerging from a phase of consolidation. The market received a boost with governments and regulators bringing down prices of generics to enhance competitiveness. The US FDA approved 810 generic drugs in 2018, with record-breaking approvals obtained in October and November; India accounted for about 40% of the US FDA approvals.

'First generics' – approvals for generic equivalents of branded drugs that previously had no US FDA-approved generics – constituted about 10% of the approvals while 'complex generics drugs' – drugs that are particularly difficult to 'genericise' – accounted for about 14%. Growth in the long term is likely to be driven primarily by complex generics. [Source: US FDA]

Key pharmaceutical markets

Developed markets

USA

US healthcare is undergoing a fundamental change in how it develops cost-effective solutions that improve the overall health of the population. Spending in the US will cross US$600 billion (on invoice basis) in the next five years, driven by accelerated launches of new active substances. It is estimated to grow at a 4-7% CAGR to US$625-655 billion in 2023 from US$484.9 billion in 2018.

The deceleration (2014-2018 CAGR of 7.2%) is attributed to lower price increases for protected branded products; price declines for generics and more moderate growth from new products despite a significant increase in the number of launches. Overall invoice spending growth is expected to rebound in 2023 to 6%, from a low of 1.2% in 2017, driven by a substantial rise in the number of launches, partially offset by brand exclusivity losses.

Price erosion and increased product competition characterise the US generics market. Price increases by manufacturers on established products have been a subject of public criticism. As a result, drug-makers are reducing list prices of branded medicines (now below 6% per year on average and expected to remain in the 4-7% range till 2023). The net prices that manufacturers receive for these branded drugs are growing more slowly as off-invoice discounts, rebates, statutory payments under the affordable care act and the value of patient coupons partially offset invoice price growth.[Source: IQVIA]

EU5

Spending in western Europe's top five developed markets (France, Germany, Italy, Spain and the UK) is likely to record a 1-4% CAGR, down from 4.7% over 2014-2018, reaching US$200-230 billion in 2023 from US$177.5 billion in 2018, primarily due to the EU's cost-control focus and slowing spends on new products. [Source: IQVIA]

The industry has been reeling under pricing pressures for a long time. Regulatory and political risks loom larger on this part of the world. The Trump administration is likely to enforce pricing reforms that could affect European drug manufacturers. The European Commission proposed in May 2018 to address several key issues related to the 1992-enacted supplementary protection certificates (SPC). The proposal called for an export manufacturing waiver that would allow generics and biosimilar developers to manufacture, in an EU member state during the SPC term, for exporting their products exclusively to non-EU markets where patent or SPC protection has expired or never existed. Although the proposal received a strong endorsement from Europe's generics and biosimilar industry, the European Federation for Pharmaceutical Industries and Associations argued that this would weaken the EU's intellectual property protections and disincentivise investments in the EU by branded drug makers. Further, with the Brexit yet to be concluded, the full impact of the UK's separation from the EU is still unknown.

Japan

Japan spent US$86 billion on medicines in 2018, and the spending growth rate is expected to continue decelerating into 2023, reaching US$89-93 billion due to exchange rate dynamics and the continued uptake of generics. Japan's government in 2014 announced its target of attaining 80% prescription volume of unbranded generics in the unprotected market by 2021. The aim is likely to be achieved a year earlier, as incentives boost commercial interest in unbranded generics. The savings generated from generics will flow into speciality drugs spends without impacting the overall budget. Speciality share in spending is expected to rise from approximately 30% in 2018 to 41% in 2023. [Source: IQVIA]

Australia

Australia's pharmaceutical market is set to grow marginally from US$13.1 billion in 2018 to US$13-17 billion by 2023, at a 0-3% CAGR. The government is under pressure to reduce its subsidy expenditure via the Pharmaceutical Benefits Scheme. Australia continues to focus on containing growth in speciality medicine spending and supporting lower drug prices. [Source: IQVIA]

Pharmerging markets

Pharmaceutical spending growth for pharmerging markets by region (US$ billion)

Region/Country	2018	2014-2018 CAGR	2023	2019-2023 CAGR
China	132.3	7.6%	140-170	3-6%
Tier 2 markets	67.7	10.7%	91-95	7-10%
Brazil	31.8	10.8%	39-43	5-8%
India	20.4	11.2%	28-32	8-11%
Russia	15.5	9.9%	21-25	7-10%
Tier 3 markets	85.9	11.3%	105-135	7-10%
Pharmerging markets	**285.9**	**9.3%**	**355-385**	**5-8%**

[Source: IQVIA]

China

China – the largest pharmerging and the second largest global pharmaceutical market – is nearing the combined spending level of the five major European markets to reach US$140-170 billion by 2023, at a 3-6% CAGR from US$132.3 billion in 2018 [Source: IQVIA]. A key growth driver has been the government's thrust on expanding insurance access to both rural and urban residents, as well as modernising the hospital system and primary care services. Growth on the broader economy also stimulates spending. The government manages drug pricing through centralised schemes, where manufacturers offer substantial discounts in return for broader access allocation. The government has initiated a wide range of reforms aimed at reducing corruption and improving the efficiency of state agencies.

Africa

Africa comprises 54 distinct markets, each varying from another by size, growth trajectory, economic landscape, legal structure and political complexity. South Africa remains the best-established region for pharmaceutical manufacturing in sub-Saharan Africa; however, local manufacturing markets in East and West Africa are relatively well developed. In many African countries, such as South Africa, Egypt, Algeria, Morocco, Nigeria and Kenya, generics are gaining market share at the expense of over-the-counter and branded products on the back of physician and pharmacist support, expansion in national insurance programmes and government interventions.

Overall, medicine spending in Africa is set to reach US$160.7 billion by 2024, at a CAGR of 20.4% from 2018 [Source: Goldstein Research]. Long-term growth is likely to be driven by changing economic profiles, urbanisation, increased healthcare spending and investments, and a higher incidence of chronic lifestyle diseases.

Opportunity landscape

- **Change in global demographics**
  World population will cross 9.3 billion in the next three decade and as much as 21% of these individuals are likely to be aged 60 and above [Source: United Nations' World Population Prospects]. Societies are increasingly shifting towards healthier lifestyles and at the same time, medicine is making great progress in improving the quality of life. As a result, life expectancy rates are making considerable gains across the countries.

- **Higher level of prosperity**
  With a rapid pace of urbanisation and globalisation, income levels are on the rise. Middle-income earning groups are expanding, supporting higher demand for both branded drugs and biosimilars. This is particularly seen in emerging and developing economies of the world, such as China and India.

- **Rise in the incidence of chronic diseases**
  The World Health Organization (WHO) estimates that the prevalence of chronic ailments will increase by 57% by 2020. Since population growth is expected to be heavily concentrated in the developing countries of Asia and Africa, these are likely to contribute towards the majority share of all such chronic medical conditions. [Source: World Health Organization]

- **Rapid pace of drug approvals**
  Key drug regulator, US Food and Drug Administration (US FDA) went ahead with 971 approval actions in the calendar year 2018 – highest ever in its history. [Source: US FDA]

- **Growth in orphan drug research innovation**
  The research focus on rare disease therapies is intensifying, leading to a large pipeline of new orphan drugs across manufacturers. In 2018, the US FDA approved a total of 80 orphan indications; these innovations are targeted against significant medical needs. [Source: IQVIA]

Strides in a nutshell

Incorporated in 1990, Strides, listed on the BSE Limited (532531) and National Stock Exchange of India Limited (STAR), is a global pharmaceutical company headquartered in Bangalore, India. We primarily operate in the regulated markets and have forayed into Africa with an 'in Africa for Africa' strategy, along with an institutional business to service donor-funded markets. Our seven global manufacturing sites are located in India – Bangalore (two sites), Puducherry, and Chennai; Singapore; Italy – Milan; and Kenya – Nairobi. We focus on 'difficult to manufacture' products that are sold in over 100 countries.

Our manufacturing units are highly compliant and approved by various regulatory agencies such as the US Food and Drug Administration (US FDA); the Medicines and Healthcare Products Regulatory Agency (MHRA); the Therapeutic Goods Administration (TGA); the World Health Organisation (WHO) and the Pharmaceuticals and Medical Devices Agency (PMDA). We manufacture a range of dosage forms, including orals, liquids, creams and ointments, soft gels, sachets, tablets, and modified release dosage formats.

Over the years, we have built a formidable research and development framework in India and other regulated markets, which facilitates 25+ ANDA filings per annum. Additionally, it allows us to expand the product portfolio with niche and technically complex pharmaceutical offerings.

Reset and resurgent

We are pursuing sustainability with a reset business model and have made significant progress in terms of course correction and execution. With all the growth pivots in place, we are confident about scaling our diversified B2C business and maintaining the growth momentum across key markets. We are maintaining our product filing and approval trajectory for the US and other regulated markets.

Our resurgent actions are a result of several corporate initiatives, which are enabling us to look towards an optimal growth momentum with improved margins and a stronger balance sheet.

We intend to build a diversified consumer-focussed global formulations business. We have unlocked significant value by positioning our business as an important B2C player, both in the regulated and emerging markets. Our strategic progress has led to a robust branded generics portfolio in the regulated markets, where we are now scaling our front-end presence.

Regulated markets

Our regulated markets operations span the US and Australia and other regulated markets comprising the UK, South Africa and Canada, among others. Our revenue from the regulated markets increased 21% to ₹24,530 million in FY 2018-19 from ₹20,325 million in FY 2017-18.

US

Performance driven by significant momentum in frontend portfolio on the back of new product launches

₹10,514 Million Revenue in FY 2018-19 (36% y-o-y growth)	**102** Cumulative ANDAs filed	**34** Cumulative ANDAs pending approval
21 ANDAs filed in FY 2018-19	**15** ANDAs approved in FY 2018-19	**60%** Commercialised products among top 3

The US is the largest pharma market for Strides and the most attractive market globally. Our presence in the US enhances our ability to reach a larger base of customers and patients in need of quality treatment. Strides Pharma Inc. is the front-end entity with a clear vision of providing quality healthcare products to the market in prescriptions and OTCs. Today, we have reached a critical size, and our focus is mainly on a niche, low-volume, low-competition, high-technology barrier products built around modified releases, soft-gel capsules (SGCs), topicals and liquids. We also produce high-competition products where we benefit from a fully integrated value chain. We have an overwhelming focus on efficient R&D to ensure on-time approvals, market launches and sustain growth momentum.

Going forward, we will utilise our R&D capabilities for 20-25 filings every year to benefit from new regulations. Additionally, we will also leverage our front-end presence to scale our business.

Achievements in FY 2018-19

- Delivered a stellar front-end performance on recently launched products and a healthy volume trajectory for our existing products and a steady pricing environment for our portfolio

- Higher revenue and a stable cost base to drive operating leverage, delivering improved EBITDA performance

- Over 60% of the commercialised portfolio is among the top 3 or have a significant market share

- Re-launched erstwhile partnership molecules through front-end business witnessing encouraging traction which contributed to a sequential ramp-up in the US business
- Witnessed healthy order book visibility driven by significant order wins
- R&D spend as % of US sales stood at ~12%
- Maintained strong ANDA filing momentum with 21 filings and received 15 product approvals including PARA IV approvals for Cinacalcet and Milnacipran Hydrochloride
- Completed acquisition of Vensun Pharmaceuticals and took 100% ownership in a joint venture with Vivimed Labs adding ~US$ 25 million additional sales and a combined portfolio of 100+ ANDAs
- Entered into a strategic partnership with SUDA Pharmaceuticals for an exclusive agreement for novel and a fast-acting oral spray of sumatriptan in the US market

Future strategy

- Drive linearity in filings and approvals with significant upside from new strategic acquisitions
- Drive continued growth in the base portfolio with market share gains and pricing improvements
- Continued focus on R&D filings with a strategic shift towards complex or speciality generics going forward
- Strengthen manufacturing and compliances
- Ensure filing momentum continues with 20-25 ANDA per year
- Expand front-end capabilities further

Australia

₹ 9,331 Million Revenue in FY 2018-19 (1% y-o-y growth)	**3rd** Largest generic company	**18** Products launched in FY 2018-19
1,500+ Pharmacies in coverage	**230+** Rx and OTC molecule portfolio	

Our Australia growth story was written on the back of Arrow's organic growth, coupled with bolt-on acquisitions for portfolio and coverage with Pharmacy Alliance, R&D outfit Generic Partner (GP) and Amneal. These factors enabled Arrow to enjoy nation-wide sales presence, driving distribution and loyalty in generics and its proprietary 'Chemist's Own' over-the-counter (OTC) portfolio. We sold over 190 molecules with a pharmacy coverage of 1,500+ stores and 4,000+ pharmacy accounts and shared enduring relationships with major retail pharmacy groups and wholesalers, including Sigma (one of Australia's largest pharmacy-led networks). We also had a significant competitive advantage as we owned the IP for most of our portfolio products. Also, an important portion of our offerings was backwardly integrated into our TGA-approved global manufacturing base.

In 2018, we announced our intent to merge Arrow with Apotex's Australian business to become Australia's pharmaceutical behemoth. The combined entity expected to have the broadest range of products and pharmacy coverage in Australia's generics industry.

After reviewing the strategic options post the Arrow-Apotex merger due diligence, we decided to exit Arrow at AU$ 394 million in the best interest of our shareholders. The merger would have fetched us a minimum 50% ownership in the combined entity. We considered acquiring 100%, but that would have meant a significant increase in debt, and the estimated combined synergies and EBITDA could not have supported comfortable leverage.

During FY 2018-19, we have received shareholders' approval to divest Australian business. The transaction is pending other closing conditions including the completion of the merger of Arrow and Apotex. With closure, we will enter into a 10-year preferred supplier contract with the merged entity, which will ensure the Company's continued presence in the Australian market with improved EBITDA.

Achievements in FY 2018-19

- Delivered strong business momentum with over 20% margins due to the increase in the number of products integrated to our supply chain
- Resolved product supply shortages through enhanced supply chain execution and backward integration of portfolio to in-house manufacturing platform
- Commenced supply of 17 products from in-house manufacturing sites contributing to margins
- Completed site transfers for all major products to our in-house manufacturing units
- Continued margin expansion from backward integration to Strides manufacturing

Future strategy

After exiting our investment in Arrow Pharmaceuticals, we will

- Leverage our 10-year preferred supplier contract with the merged entity (Arrotex), which enables us to retain ongoing earnings of 40%-50% of current EBITDA at Arrow

- Offer supply chain assurance to encourage further backward integration and deliver superior margins
- Retain access to IP of 140+ products in Arrow portfolio with fungibility in other global markets including key regulated markets
- Strengthen balance sheet with a significant reduction in debt without substantially impacting EBITDA

Other regulated markets

Business attains critical scale driven by portfolio maximisation and new market entry

₹ 4,685 Million Revenue in FY 2018-19 (39% y-o-y growth)	95 Product filings in the UK	80+ Molecules in South Africa
140+ Product filings in Europe	140+ IP owned products for commercialisation in Canada	

The other regulated markets business includes all regulated markets, excluding the US and Australia. We have established a strong foothold in Europe, Canada and South Africa.

Europe's pharma market is highly diversified and dependent on macroeconomic conditions of the region. The UK is our anchor market in Europe. We serve the market with high-quality generics for the retail sector, as well as the National Health Service (NHS) through Commercial Medicines Unit (CMU) tenders. We also have legacy OTC brands in the UK retail space. Our UK operations continue to be the springboard for penetrating other European opportunities.

In continental Europe, we are growing our presence primarily in the Nordics and Western Europe. The business is mostly built on IP-led partnerships and B2B focussed strategy around niche molecules with limited competition. We are concentrating on portfolio maximisation and market expansion through partnerships in Central and Eastern Europe (CEE) and the Mediterranean.

Unlike other African pharma markets, South Africa follows a stringent regulatory framework, making it hard to access. We forayed into this market in January 2018 with the acquisition of Trinity Pharma and since then have been leveraging the distribution of products through pharmacy chains and mail-order systems. We are also building a strong base with portfolio maximisation to improve our IP landscape and participate in the local ARV and Non-ARV opportunities through a steady regional footprint.

We are building our business in Canada with generics, private-label OTCs and branded OTC extension from our portfolios in other markets. In the other regulated markets, our focus remains on leveraging our portfolio developed for the US and Australia to build a low-investment, high-return opportunity.

The other regulated markets' business grew on the back of a better business environment in key European markets and portfolio maximisation. Besides, increasing channel presence in key markets towards full-line wholesalers provided better predictability while improved pricing, change in go-to-market strategy and new product launches led to enhanced margins.

Achievements in FY 2018-19

- Steered mature business growth from new product launches, foray into new territories, portfolio maximisation and consistent focus on front-end compliance and market efficiencies
- Improved market share in key molecules driving market strategy
- Leveraged R&D functions for the US and Australia to build organic growth strategy with minimal cost
- Delivered robust front-end performance in the UK driven by increased wholesaler listings for generics and branded portfolio
- Improved partner off-take helped European business pick up the pace
- Delivered steady performance in South Africa
- Foray into Canada and Nordic region through the recent strategic initiatives

Future strategy

- Unlock the value of a large and established portfolio of Australia and US through maximisation strategy for other regulated markets
- Drive growth in UK front-end through the expansion of product portfolio and more listings with wholesalers
- Tap market scarcity while maintaining significant market share in key molecules and make 95 filings in the UK
- Focus on better customer alignment for long-term partnerships
- Focus on entry to new geographies through strategic collaborations across Europe

Emerging markets

Our emerging market operations comprises Africa and institutional business. Emerging market revenue decreased 31% to ₹ 5,735 million in FY 2018-19 from ₹8,253 million in 2017-18, accounting for 19% of total revenues.

Africa

Focussed on maintaining business hygiene and driving business efficiencies

₹ 2,081 Million	215+	20,000+
Revenue in FY 2018-19 (-21% y-o-y growth)	Medical representatives	Doctors reached

700+
Product registrations

Africa offers a significant opportunity for pharmaceutical companies worldwide. It is a very complex market and demonstrates an industry-leading growth pattern, driven by increasing urbanisation and the rapid expansion of primary healthcare.

We began our exports business with Africa, and since then, it remains one of our key opportunity markets providing sustainable growth prospects due to strong macro tailwinds and a significant unmet need. We are geared to capitalise on these emerging market scenarios and focus on emerging as a pan-Africa branded generic company with a leadership position in key markets and therapies.

We follow an 'In Africa For Africa' strategy. We are gaining ground as the normalisation exercise to align primary and secondary sales attains the outcome. Our WHO-approved facility in Kenya and significant sales footprint in 40+ African countries, along with a robust medical field force, enable our reach to 20,000+ doctors. The business segment enjoys an extensive portfolio with established brands such as Renerve, Unibrol, Combiart, Duotab and Vitafer. We also have several product registrations in the pipeline.

Achievements in FY 2018-19

- Delivered steady secondary sales growth in branded business and key focussed markets
- Revamped business leadership, field force and agency in key markets
- Achieved outcomes for aligning primary and secondary sales
- Expanded footprint in East Africa to strengthen branded generics platform in Africa
- Gained healthy market share for key brands such as Renerve, Solcer and Combiart

Future strategy

- Maintain market leading secondary sales growth trend in branded business
- Introduce new products, including line extensions for existing products
- Expand penetration into high-growth markets
- Implement tools for better monitoring of field force activities
- Improve targeting of Key Opinion Leaders' (KOL's) and specialists brand loyalist

Institutional business

Going forward, focus on margin-led expansion and select business

₹ 3,654 Million
Revenue in FY 2018-19
(-35% y-o-y growth)

We develop and manufacture drugs in anti-retroviral, anti-malarial, anti-tuberculosis, Hepatitis and other infectious disease segments for our institutional business. Our customers include institutionally funded aid projects and global procurement agencies. As one of the leading Indian suppliers of drugs in these segments, we are at the forefront of the fight against these global pandemics.

We are an approved supplier to institutionally funded aid projects and global procurement agencies such as the United States Agency for International Development (USAID), Global Fund, the US President's Emergency Plan for AIDS Relief (PEPFAR), the United Nations Children's Fund (UNICEF), the World Health Organisation (WHO), the Pan American Health Organisation (PAHO), the United Nations Development Program (UNDP), Population Services International (PSI), Chemeonics and Partnership for Supply Chain Management (PFSCM). Our products are supplied to more than 100 disease-prone countries in Africa, Asia and Latin America.

We manufacture products for this business division in our Bangalore facility with regulatory approvals from the US FDA, the MHRA, the TGA and WHO. We are also capitalising on our WHO-approved Kenya production unit for global donor agencies and local government tenders in Africa. We continue to strengthen our R&D initiatives to develop next-generation products and collaborate with agencies such as UNITAID, Medicines Malaria Venture (MMV) and licensing agreements with Medicines Patent Pool (MPP), Gilead Life Sciences and Vive.

Achievements in FY 2018-19

- Completed all contractual obligations of low-margin institutional supplies partnered under long-term contracts
- Recalibrated business to focus on profitable contracts and undertake guarded approach with focus on margins
- Continued impact on ARV business due to API cost escalations

Future strategy

- Focus on profitable expansion of business with cost-effective products and leveraging local manufacturing base in Kenya
- Introduce next-generation combinations drugs that will attract future funding and steer future growth

- Invest in new product regimens and transition from current product mix

Financial progress

Consolidated financial performance

(₹ in Million)

Particulars	FY 2017-18	FY 2018-19
Revenue	28,578	30,264
EBITDA	4,369	4,695
Adjusted PAT	-	1,067

Key ratios

Particulars	FY 2017-18	FY 2018-19
Debtors turnover	3.03	3.22
Inventory turnover	2.15	2.06
Interest Coverage ratio	3.18	2.85
Current ratio	1.31	1.13
Debt equity ratio	0.65	0.76
EBITDA margin (%)	15.3%	15.5%
Net Profit margin (%)	2.5%	1.9%

Return on Networth from Total operations stood at 11.8% for FY 2018-19 and 26.1% for FY 2017-18. Decline in Return on Networth for FY 2018-19 is largely on account of corporate actions including fair valuation gain on account of API demerger during FY 2017-18.

Strengthening IT framework

In recent years we have worked towards implementing solutions that can facilitate automation of crucial processes involved in R&D, QC Lab, and Manufacturing. Our focus now is to ensure that we are able to maximise the Return on Investment on Information Technology. In order to realise this vision, Strides has been advancing on the path of evaluating whether emerging technologies like Robotic Process Automation or Machine Learning can be incorporated seamlessly to enable such solutions and have them work in harmony in order to herald increased efficiency. These technologies are currently being used to handle heavy volumes of transaction and routine tasks that leave room for mistakes when done manually. However, we are aiming at using these technologies to automate some of the repetitive activities involved in the disposition stages of the existing solutions, as well. We are confident of our capacity to employ these technologies to productive use in the impending future. When introduced these technologies will:

- Aid in reducing deployment cycle
- Perform mundane and repetitive tasks, thus allowing crucial talent to devote attention to core activities
- Infuse greater degree of efficiency into operations as it can work 24x7 and maximise ROI
- Eliminate manual errors

People at Strides

We have a diverse global employee base of over 3,000 employees with a transparent and open culture.

We focus on attracting and retaining talent by offering them a congenial workplace that provides many opportunities for growth. We have a merit-based recruitment policy and support our people with adequate training for enhancing skills.

We continued to invest in talent development and management across geographies and help nurture careers and future leaders, who grow within the organisation. We launched the Future Leadership Programme (FLP) to focus on developing a highly committed group of employees through a structured development programme.

We motivate our people and help them align their goals with organisational objectives to drive excellence. We use curriculum-based learning programmes to help our people improve their efficiency persistently.

We believe that collaboration is the cornerstone that enables our continued success. We conduct transparent communication sessions to bolster camaraderie at Strides. Our management leaders directly interact with our global staff members on various topics that are relevant to them during these sessions. We also have an app-based tool for employee feedback and governance that encourages two-way communication across our global worksites.

Risk management

Risk is an inherent part of the operating environment for any business. Risk is considered as an event or a potential event that can significantly impact the core strategy of the company. Such events, if not managed and mitigated, would not only disrupt the achievement of its strategic and operational objectives but may also cause extensive financial and reputational loss. Effective risk management enables companies to make informed decisions to substantially improve the probability of achieving their strategic and operational objectives. A definite risk strategy defines the company's risk appetite and risk management processes focus on the adequate steering of risk, as opposed to merely avoiding or minimising risk.

As an Indian pharma company with global footprints, Strides operates in a highly regulated sector. Hence, risk management is an integral part of the management activities and control systems in our Company. Close monitoring and reporting of potential risks allow us to detect deviations from the pre-determined levels of risk tolerance at an early stage.

We have developed and implemented an integrated Enterprise Risk Management (**ERM**) framework to identify, monitor and mitigate the risks prevailing in the business globally. Our robust risk management framework will enable us to measure risk intensity, devise solutions to reduce them and implement and monitor the results.

As the Company moved into the ERM framework at an enterprise level globally, the Company engaged a specialist in the field to formalise the programme.

Enterprise Risk Management Program
As part of the ERM Program, the Board of Directors of the Company has constituted a sub-committee, i.e. the Risk Management Committee (**RMC**).

Details of RMC's composition is mention in the Corporate Governance Report.

The ERM Program comprehensively covers the entire risk management universe of Strides mainly consisting of all the functions, business development teams, major global locations especially the manufacturing sites in all jurisdictions which are essential for the business continuity of the Company.

Risk Management Charter, Policy and Manual
The RMC operates through its Charter which broadly describes its composition, meetings, quorum and responsibilities. The Charter also outlines the responsibilities of the Chief Risk Officer (CRO) appointed by the Board of Directors to assist the RMC in implementation of the ERM Program. The frequency at which RMC shall meet will be at least once in a year.

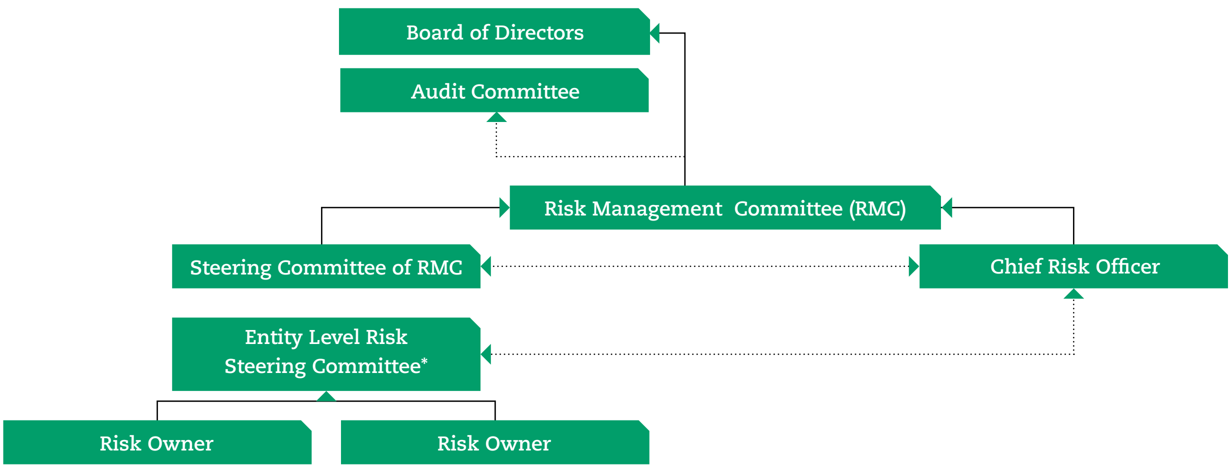
The Enterprise Risk Management Policy stipulates the management governance structure, scope and objectives of the ERM Program, roles and responsibilities of the Board of Directors, the RMC, etc.

The Board of Directors are responsible for risk governance and oversight of the Company. The Board of Directors comprehensively reviews the effectiveness of the Company's risk management system on an annual basis. The Audit Committee is required to evaluate the ERM Program, besides providing insight to the RMC.

RMC is assisted and guided by Risk Steering Committees (RSC), both at the enterprise and entity levels. The Committees identify and monitor various risks identified in the Company. RSC ensures risk identification and mitigation through risk ownership.

All the activities of the RMC are facilitated, monitored and executed through the CRO. To enable implementation of the ERM Program at the operational level in the Company, the RMC has framed a Risk Management Manual.

Risk assessment criteria, categorisation and mitigation
The Company, through the CRO and RSC, has identified very high and high risks basis their level of Impact, Velocity and Likelihood scenarios on the business continuity in the Company.



*Will be formed for each entity of Group

The risks have been identified in various functions viz., R&D, Regulatory, Quality, Operations, Information Technology, Compliance, Finance and Human Resource and have been categorised as operational and corporate risks to ensure all entities and jurisdictions become part of the mitigation exercise.

For these assessed risks, relevant directional mitigation plans have also been identified by the Company and continue to be implemented through the respective Risk Owners.

Some of the corporate and operational Risks identified by the Company are :

Risk and its Definition	Risk Mitigation
Research & Development - Delay in regulatory product approvals beyond goal dates, consequent delay in product launches, impacting our growth targets	The Company closely monitors product approvals and liaison with the regulators to ensure timely approvals
Regulatory - Critical inspection observations related to facilities/systems/deployment could culminate into organisational action disrupting supply and business continuity	The Company strives to adhere to cGMP practices and procedures to meet, preferably to exceed the metrics defined by the regulatory agencies
Quality - Product quality issues impacting patient safety and product efficacy leading to rejections, product recalls, financial loss and reputational damages	The Company has implemented quality systems during the entire product life cycle, ensures robust product quality The company has implemented a robust pharmacovigilance system which provides a mechanism for addressing any adverse drug event impacting patient safety and product efficacy
Marketing - Impact on the pricing of products as a result of competition, regulations, high input costs and high cost of manufacturing leading to margin erosion	The company has implemented several initiatives for cost optimisation through enhanced manufacturing efficiencies and portfolio enhancement to address pricing and margin challenges The company also proactively evaluates vendors for strategic arrangements including pricing/alternate vendors for existing APIs
Operation - Impact on business continuity due to natural calamity/disasters/accidents and non-compliance to EHS Standards	The Company has comprehensive EHS programs to ensure employee/facility safety and compliance to EHS norms
Information Technology - Cyber Attacks (Malware, phishing, ransomware), security breaches, threats to information system causing financial, reputational and legal damages to the organisation	The Company has IT controls in place to ensure consistency and protection and security of data and IT systems. The Company is in the process of enhancing the existing cybersecurity framework.
Compliance - Failure to comply with statutory requirements in India and/ or Overseas jurisdictions may result in penalties, compounding, negative press coverage, or penal prosecution	The Company has a compliance framework to manage the various compliance requirements and is in the process of strengthening its statutory compliance mechanism by implementing IT-enabled monitoring
Human Resource - Inability to attract, integrate and retain key personnel may lead to adverse marketplace reputation and performance	The Company has various employee engagement initiatives to attract and retain the right talent through well-defined progression path, effective learning and development program, rewards and recognition program and succession planning for critical roles

The Company has also compared the risks identified during this exercise with similar global and Indian pharma companies.

While we strengthened the comprehensive ERM Program across the organisation, the key priorities for the Company in FY 2019-20 is to measure, report and mitigate not only the critical risks but also the residual risks in a timely and consistent manner. We need to be extraordinarily alert to the fast changing Geo – Political and regulatory environments. We also need to seamlessly spot and update the risk registers to be ahead of the curve. As a company we are very conscious of all the risks we encounter regularly and the ERM Program will only strengthen our manner of addressing the risks. We continue to be guided by the analysts reports which give us a perspective and new trends evolving in this industry, accordingly making us fine tune our ERM Program.

Internal control systems and adequacy

The Company's advanced IT infrastructure ensures adequate internal controls over business processes and practices. This internal control system provides reasonable assurance about the integrity and reliability of financial statements. Moreover, the Company has an active in-system audit programme, supported by Grant Thornton, which regularly encompasses various operations consistently. Our Audit Committee reviews internal audit observations regularly.

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty-Eighth Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2019.

1. Financial Summary (Consolidated & Standalone)

₹ in Million

Particulars	Consolidated				Standalone			
	FY 2018-19		FY 2017-18		FY 2018-19		FY 2017-18	
	INR	US$*	INR	US$**	INR	US$*	INR	US$**
1.1 Financial Results								
Continuing Operations								
Total income	30,571.10	441.84	29,214.06	448.34	16,520.43	238.77	16,258.05	249.51
Operating Profit (EBITDA)	5,001.79	72.29	4,906.02	75.29	2,536.49	36.66	3,532.89	54.22
Net Profit (PAT)	589.33	8.52	742.62	11.40	1,144.10	16.54	1,564.48	24.01
Reserve & Surplus	25,591.55	369.87	23,741.58	364.36	31,672.49	457.76	30,725.16	471.53
Non-Controlling Interests	1,529.54	22.11	1,546.48	23.73				
1.2 Profits								
Operating Profit (EBITDA)	**5,001.79**	**72.29**	**4,906.02**	**75.29**	**2,536.49**	**36.66**	**3,532.89**	**54.22**
Less:								
Finance Costs	2,053.37	29.68	1,962.43	30.12	540.92	7.82	819.70	12.58
Depreciation & Amortisation Expense	1,718.49	24.84	1,540.35	23.64	830.02	12.00	778.05	11.94
Exceptional Items	26.18	0.38	435.78	6.69	35.24	0.51	293.81	4.51
Profit Before Tax	**1,203.75**	**17.40**	**967.46**	**14.85**	**1,130.31**	**16.34**	**1,641.33**	**25.19**
Share of Profit / (Loss) of Joint Ventures and Associates	(483.20)	(6.98)	(167.99)	(2.58)				
Profit Before Tax	**720.55**	**10.41**	**799.47**	**12.27**	**1,130.31**	**16.34**	**1,641.33**	**25.19**
Less: Tax Expenses	131.22	1.90	56.85	0.87	(13.79)	(0.20)	76.85	**1.18**
Profit After Tax	**589.33**	**8.52**	**742.62**	**11.40**	**1,144.10**	**16.54**	**1,564.48**	**24.01**
Profit/ (Loss) After Tax from Discontinued operations	2,709.42	39.16	6,101.23	93.63	(40.43)	(0.58)	7,351.43	112.82
Profit attributable to Non-controlling Interest	52.57	0.76	198.68	3.05				
Profit attributable to owners of the Company	**3,246.18**	**46.92**	**6,645.17**	**101.98**	**1,103.67**	**15.95**	**8,915.91**	**136.83**
Other Comprehensive Income								
Items that will not be reclassified to profit/ (loss)	3.03	0.04	(202.39)	(3.11)	(4.53)	(0.07)	(0.87)	(0.01)
Items that may be reclassified to profit/ (loss)	(639.02)	(9.24)	42.12	0.65	97.60	1.41	(196.60)	(3.02)
Total Other Comprehensive Income (Net of Tax)	**(635.99)**	**(9.19)**	**(160.27)**	**(2.46)**	**93.07**	**1.35**	**(197.47)**	**(3.03)**
Total Comprehensive Income	**2,662.76**	**38.48**	**6,683.58**	**102.57**	**1,196.74**	**17.30**	**8,718.44**	**133.80**
Opening balance of Profit and Loss	1,353.47	19.56	2,234.71	34.30	5,329.29	77.02	3,930.01	60.31
Adjustments pursuant to Scheme of Demerger	-	-	(7,038.43)	(108.02)	-	-	(7,038.43)	(108.02)
Adjustments pursuant to adoption of IND AS 115 (net of tax)	(610.86)	(8.83)	-	-	(93.03)	(1.34)	-	-
Available for appropriation	**3,988.79**	**57.65**	**1,841.45**	**28.26**	**6,339.93**	**91.63**	**5,807.49**	**89.13**
1.3 Appropriations								
Dividend on Equity Shares								
Final Dividend (including tax on dividend)	(179.10)	(2.59)	(487.98)	(7.49)	(179.10)	(2.59)	(478.20)	(7.34)
Balance carried to Balance Sheet	**3,809.69**	**55.06**	**1,353.47**	**20.77**	**6,160.83**	**89.04**	**5,329.29**	**81.79**

Notes:

* 1 US$ = ₹69.19 (Exchange Rate as on March 31, 2019)

** 1 US$ = ₹65.16 (Exchange Rate as on March 31, 2018)

Previous year figures have been regrouped/ restated wherever necessary to make them comparable with those of the current year.

2. Company's Performance

FY 2019 was a challenging year for the Company in which we focused on course correction and building the right enablers. Most of the strategic outcomes have been met and your Company is now resurgent with its strategy and executing to plan.

On a consolidated basis, the operating revenue grew by 6% from ₹28,578 million in FY 2018 to ₹30,264 million in FY 2019 and EBITDA grew by 7% from ₹4,369 million in FY 2018 to ₹4,695 million in FY 2019.

The Regulated Markets of the US, Australia and the Other Regulated Markets comprising of UK, European Union, South Africa, Canada amongst others, registered a 21% year on year growth and contributed 81% to total revenues in FY 2019 as compared to 71% in FY 2018.

US business delivered a stellar performance during the year to be the largest market for your Company. This market contributed ₹10,514 million to FY 2019 revenues, growing 36% over FY 2018. The performance of the business was primarily driven by improved market share in the base portfolio, new product launches and a stable price environment across several products in the company's portfolio.

In Australia, while the business reported a modest growth to register revenues of ₹9,331 Million; it delivered over 20% margins on account of backward integration of products to the Company owned manufacturing facilities in India and Singapore.

Other Regulated Markets Business continued to scale up sequentially to become the fastest growing market for your company, registering a growth of 39% year on year. It contributed ₹4,685 Million to FY 2019 revenues with growth attributed to an improved business environment in the key European markets and portfolio expansion.

During the year, the Emerging Markets and Institutional Business witnessed challenges as a result of a weak business environment. The contribution from these markets to the revenues stood at ₹2,081 Million and ₹3,654 Million, respectively. Your Company remains focused to turnaround its performance in these markets as it expects the recalibrated strategy to deliver an improved performance in the future.

During the year, R&D operations of the Company remained on track with 21 ANDAs filings as against the planned range of 20-25 ANDA filings in the year. Your Company also received 15 product approvals in FY 2019 including PARA IV approvals for Cinacalcet and Milnacipran Hydrochloride.

Your Company is progressing steadily with the outcomes from the reset strategy across each of the businesses both in terms of course correction and execution. In FY 2020, we expect to build on the momentum, targeting profitable growth and superior cash flows through anticipated operating leverage.

A detailed analysis of each of the businesses of the Company is provided in the Management Discussion and Analysis Report.

3. Corporate Updates

During the year under review, your Company has undertaken the following key corporate actions:

Acquisitions

- **Acquisition of 100% stake in Vensun Pharmaceuticals, Inc., USA**
  Strides Pharma Inc, a step-down subsidiary of the Company in the US, acquired 100% stake in Vensun Pharmaceuticals, Inc ('Vensun'), a US-based generic company to bolster its US marketed portfolio and front-end presence. The transaction enabled Strides an unencumbered access to its partnered IP with Vensun.

- **Acquisition of 80% stake in Pharmapar Inc., Canada**
  Strides Pharma Canada Inc, a step-down subsidiary of the Company in Canada, acquired 80% stake in Pharmapar Inc., a Canada based specialised generic front-end company. The transaction enabled Strides to head-start in the Quebec market with an established front-end and distribution network.

- **Conversion of 50:50 JV with Vivimed to 100% ownership**
  The Company acquired balance 50% stake in Vivimed Life Sciences Private Limited, India and Strides Pharma Global Pte. Limited, Singapore ('SPG') acquired the balance 50% stake in Strides Vivimed Pte. Ltd., Singapore to own and operate the erstwhile JV companies.

  The transaction complements Strides' front-end growth strategy with a de-risked manufacturing base and enables expansion of US portfolio.

Divestments

- **Update on the divestment of Strides Chemicals Private Limited to Solara Active Pharma Sciences Limited**
  In line with the Company's B2C led growth strategy to focus on finished dosage formulations and Solara's offer to provide the Company a long term "most favoured status" for API supplies and new product development, the Company, divested its 100% stake in Strides Chemicals Private Limited to Solara Active Pharma Sciences Limited. Pursuant to the said divestment, the residual API manufacturing facility held by Strides was transferred to Solara.

- **Consumer Health Care (CHC) Business**
  In October 2018, Strides partnered with India Life Sciences III LLC, a fund advised by ICP-III Investment Advisors, to fund its nascent CHC Business.

  India Life Sciences agreed to provide the business with US$ 20 Million growth capital. Accordingly, in term of the arrangement, India Life Sciences invested into Strides Consumer Private Limited, India and Strides Global Consumer Healthcare Limited, UK.

  Strides' CHC business comprises of key brands of JointFlex®, Pediacare®, NiteThru™ and NixIt™ sold across key regulated and emerging markets.

- **Divestment of Australian business**
  Pursuant to the approval of the Member's of the Company in March 2019, the Company proposes to divest its entire shareholding in the step-down subsidiary (i) Strides Arcolab (Australia) Pty Ltd., Australia and (ii) Generic Partners Holding Co Pty Ltd., Australia. Both these subsidiaries are held through SPG.

  Consideration for the said transaction including the transfer of assets relevant to the Australian Business which are held by SPG or its affiliates to Arrotex Holdings Pty. Ltd., Australia is AUD 394 Million on a 'cash-free/ debt-free' basis and on such terms and conditions as may be decided by the Board.

  As part of the arrangement, SPG will:

  a) Enter into a ten year preferred supplier contract with Arrotex, which will enable SPG to retain 40-50% of current EBITDA of the Australian business. The Australian business for Strides is estimated to have an annualised EBITDA of AUD 40 Million.

  b) Retain IP of 140+ products in the Arrow portfolio with fungibility to be commercialised in other regulated markets where Strides operates.

  c) Retain the right to commercialise these products in Australia post completion of the non-compete period of three years.

  The transaction is currently pending for other closing conditions, including completion of the merger of Arrow and Apotex and closure of ten year preferred supply contract.

Other Updates

- **Additional Investments in Stelis Biopharma Private Limited (Stelis)**
  In November 2018, considering the future prospects of Stelis, the Board of Directors approved the proposal to invest upto US$ 15 Million in the Compulsorily Convertible Preference Shares (CCPS) of Stelis to maintain a significant ownership. As at March 31, 2019, the Company has invested approximately US$ 10.70 Million in the CCPS of Stelis.

- **Strategic Partnership with SUDA Pharmaceuticals Ltd for the US Market**
  In November 2018, Strides Pharma Global Pte. Limited, a step-down wholly owned subsidiary of the Company in Singapore, entered into exclusive product development, licensing and supply agreement with SUDA Pharmaceuticals for its novel drug SUD-001H, an oral spray of Sumatriptan to treat migraine headache for the US market.

4. Board of Directors and Key Managerial Personnel of the Company as at the date of this Report

Board of Directors of the Company

- Mr. Deepak Vaidya (DIN: 00337276), Non-Executive Director, Chairperson of the Board.

- Mr. S Sridhar (DIN: 00004272), Mr Bharat D Shah (DIN: 00136969), Ms. Sangita Reddy (DIN: 00006285) and Mr. Homi Rustam Khusrokhan (DIN: 00005085) - Independent Directors of the Company.

- Mr. Arun Kumar (DIN: 00084845), Managing Director and Group CEO

- Mr. Badree Komandur (DIN: 07803242), Executive Director, Finance and Group CFO

Key Managerial Personnel

- Mr. Arun Kumar (DIN: 00084845), Managing Director and Group CEO

- Mr Badree Komandur (DIN: 07803242), Executive Director, Finance and Group CFO

- Ms Manjula Ramamurthy (A30515), Company Secretary

Details of changes in the Board of Directors and KMPs are provided in the Corporate Governance Report, which forms part of this Report.

Appointment/ Re-appointment, Continuation of Directorship & Retirement by Rotation

Proposal for the appointments/ re-appointment/ continuation of directorship of the following Directors shall be placed before the Members' of the Company at the ensuing Annual General Meeting:

1) Mr. Deepak Vaidya, Non-Executive Director, who retires by rotation at the ensuing Annual

General Meeting (AGM) and being eligible, offers himself for re-appointment.

Further, in terms of the SEBI Listing Regulations, proposal for continuation of Mr. Vaidya's directorship in the Company, who will attain the age of 75 years in January 2020, will also be placed for Members' approval;

2) Re-appointment of Mr. S Sridhar and Ms. Sangita Reddy as Independent Directors of the Company for a second term of 5 (Five) years from the conclusion of ensuing AGM till the conclusion of the 33rd AGM of the Company.

Your Directors recommend their appointment/ re-appointment/continuation of directorship on the Board.

Meetings of the Board and Board Committees
Details of the meetings of the Board and Board Committees and their respective composition are provided in the Corporate Governance Report, which forms part of this report.

5. Share Capital

As on March 31, 2019, the Authorised Share Capital of the Company stood at ₹1,767,500,000/- divided into 176,750,000 equity shares of ₹10/- each.

The Issued, Subscribed and Paid-up Equity Share Capital of the Company as on March 31, 2019, stood at ₹895,494,760/- divided into ₹89,549,476 equity shares of ₹10/- each.

There has been an increase in the paid-up equity share capital of the Company during the Financial Year on account of allotment of 49,441 equity shares consequent to exercise of stock options by employees.

6. Dividend

Your Directors are pleased to recommend a Dividend of ₹3.00 (Indian Rupees Three Only) per equity share of face value of ₹10/- each for the Financial Year ended March 31, 2019, subject to the approval of the Members' of the Company at the ensuing AGM, which is scheduled on July 30, 2019.

The Register of Members' and Share Transfer Books will remain closed from July 23, 2019, to July 30, 2019 (both days inclusive) for payment of final dividend for the Financial Year ended March 31, 2019, and the AGM.

In terms of Regulation 43(A) of the SEBI Listing Regulations, the Company has in place a Dividend Distribution Policy.

The said Policy is available on the Company's website and can be accessed at http://www.strides.com/investor-committeeboard.html

7. Transfer to Reserves

During the Financial Year, the Company has not made any transfer to the reserves.

8. Subsidiary, JVs and Associate Companies

Details of Subsidiaries, JVs and Associate Companies are provided herein below:

Nature of Relationship	India	Overseas	Total
Subsidiaries	5	48	53
Joint Ventures	-	2	2
Associates	2	4	6
Total			**61**

Accounts of Subsidiaries
In accordance with Section 129 (3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement.

A statement containing salient features of the financial statements of the Company's subsidiaries, joint ventures and associate companies as required in Form AOC 1 is enclosed as Annexure 1 to this Report.

9. Corporate Governance and Management Discussion and Analysis

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditor's Certificate thereon, and the Management Discussion and Analysis Report forms part of this report.

10. Employee's Stock Option Plan

As at March 31, 2019, the Company has two Employee's Stock Option Plan viz., Strides Arcolab Employee's Stock Option Plan 2015 and Strides Shasun Employee's Stock Option Plan 2016.

Statement giving detailed information on stock options granted to Employees under the Company's Employee Stock Option Plans as required under Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is enclosed as Annexure 2 to this Report and is also available at http://www.strides.com/investor-financial.html

11. Particulars of Employees

The statement containing particulars in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is appended herewith as Annexure 3 to this report.

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report.

Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the Members' of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. Any Member interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

12. Corporate Social Responsibility (CSR)

The Company has undertaken "Corporate Social Responsibility (CSR)", initiatives in areas of Health, Education and Employability which are projects in accordance with Schedule VII of the Companies Act, 2013.

The Policy is available on the Company's website and can be accessed at http://www.strides.com/investor-committeboard.html

A detailed report on the CSR activities undertaken during FY 2018-19 is enclosed as Annexure 4 to this Report.

13. Loans, Guarantees or Investments

Details of Loans granted, Guarantees given and Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note no. 39 to the standalone financial statements in the Annual Report.

14. Contracts or Arrangements with Related Parties

All the transactions with related parties are in the ordinary course of business and at arm's length basis. Further, there are no materially significant related party transactions made by the Company which may have potential conflict with the interests of the Company.

The information on transactions with related parties pursuant to section 134(3)(h) of the Companies Act 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as Annexure 5 to this Report.

All the transactions with related parties are disclosed in Note no. 44 to the standalone financial statements in the Annual Report.

Policy for Governance of Related Party Transactions is available on the Company's website at http://www.strides.com/investor-committeboard.html

15. Auditors and Audit Reports

Secretarial Audit Report

M/s. Gopalkrishnaraj H H & Associates, a firm of Company Secretaries in Practice (Certificate of Practice No: 4152) is the Secretarial Auditor for the Company.

The Secretarial Audit for FY 2018-19, inter-alia, included audit of compliance with the Companies Act, 2013 and the Rules made under, SEBI Listing Regulations and applicable Regulations prescribed by SEBI amongst others.

The Secretarial Audit Report is enclosed as Annexure 6 to the Board's Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration no. 101248W/ W-100022) were appointed as Statutory Auditors of the Company for a period of 5 years at the 26th AGM of the Company to hold office till the conclusion of the 31st AGM of the Company.

Auditors Report for the Financial Year ended March 31, 2019, is enclosed with the financial statements in the Annual Report. Auditors Report for the year ended March 31, 2019, does not contain any qualification, observations or adverse remarks.

Internal Auditors

M/s. Grant Thornton India LLP are the Internal Auditors of the Company.

During the year under review, the Internal Auditors were satisfied with the management response on the observations and recommendations made by them during the course of their audit and have expressed satisfaction with the internal controls implemented by the Company.

Cost Auditors

Pursuant to Section 148(1) of the Companies Act, 2013, Company is required to maintain cost records and accordingly such accounts and records are made and maintained

Pursuant to Section 148(3) and the Companies (Cost Records and Audit) Rules, 2014, M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No.: 000065), were appointed as Cost Auditors of the Company for the Financial Year 2018-19.

The remuneration proposed to be paid to the Cost Auditors forms part of the AGM Notice for ratification by the Members.

16. Internal Financial Controls

The Company has in place adequate framework for Internal Financial Controls as required under Section 134 (5) (e) of the Companies Act, 2013.

During the year under review, such controls were tested and no material weaknesses in their design or operations were observed.

17. Risk Management

The Company has a risk management framework for the identification and management of risks.

In line with the requirement under the amended SEBI Listing Regulations, the Company has constituted a Risk Management Committee (RMC) effective April 1, 2019, comprising of members of the Board and Senior Management personnel. Composition of the RMC is provided in the Corporate Governance Report, which forms part of this Report.

RMC is entrusted with the responsibility of overseeing strategic, operational and financial risks that the organisation faces, along with the adequacy of mitigation plans to address such risks.

Additional details relating to Risk Management are provided in the "Management Discussion and Analysis" report forming part of this Report.

18. Other Disclosures

Nature of Business of the Company
There has been no change in the nature of business of the Company during the year under review.

Deposits
The Company has not accepted any deposits covered under chapter V of the Companies Act, 2013. Accordingly, no disclosure or reporting is required in respect of details relating to deposits.

Whistle Blower Policy
Pursuant to provisions of Section 177(9) of the Companies Act, 2013 and SEBI Listing Regulations, the Company has a Whistle Blower Policy in place.

The Policy provides appropriate avenues to the directors, employees and stakeholders of the Company to make protected disclosures in relation to the matters concerning the Company.

Pursuant to the amendment in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Whistle Blower Policy has been appropriately amended to enable employees to report instances of leak or suspected leak of unpublished price sensitive information.

During the year, the Company has not received any protected disclosure.

The Policy is available on the Company's website and can be accessed at http://www.strides.com/investor-committeboard.html

Policy on Directors Appointment and Remuneration
The policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178 of the Companies Act, 2013 is available on the Company's website and can be accessed at http://www.strides.com/investor-committeboard.html

Disclosure on compliance with Secretarial Standards
The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

Insurance
The assets/ properties of the Company are adequately insured against loss due to fire, riots, earthquake, terrorism, amongst others and against other perils that are considered necessary by the management.

Reporting of Fraud
No frauds were reported by the Auditors as specified under Section 143 of the Companies Act, 2013 for the Financial Year ended March 31, 2019.

Significant and material orders passed by the Regulators or Courts
There were no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

Extract of Annual Return
Extract of Annual Return in Form MGT– 9 is enclosed as Annexure 7 to the Board's Report and is available at http://www.strides.com/investor-financial.html

Conservation of Energy, R&D, Technology Absorption and Foreign Exchange Earnings/ Outgo
Details of Energy Conversation, R&D, Technology Absorption and Foreign Exchange Earnings/ Outgo are enclosed as Annexure 8 to this Report.

Policy on prevention of Sexual Harassment at workplace
Your Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act, 2013 (PoSH Act). Strides has adopted a gender-neutral policy.

As per the PoSH Act, the Company has constituted Internal Complaints Committee. During the year, there were no PoSH instances reported in terms of the Policy.

A disclosure relating to PoSH is provided in the Corporate Governance Reports, which forms part of the Board's Report.

19. Declaration by Independent Directors

In accordance with Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI Listing Regulations, each independent director has confirmed to the Company that he/she meets the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

20. Board Evaluation

The evaluation of all the Directors, Committees, Chairperson of the Board, and the Board as a whole was conducted for the year. The evaluation parameters and the process have been explained in the Corporate Governance Report, which is part of this report.

21. Material changes and commitments, if any

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year to which this financial statement relates and the date of this report.

22. Directors' Responsibility Statement

Pursuant to the requirement under section 134 (3) (c) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of your company state that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

(c) directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) directors have prepared the annual accounts of the Company on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Acknowledgement

Your Directors sincerely thank all the stakeholders, employees, medical professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and members for their continued assistance, support and valuable cooperation.

For and on behalf of the Board of Directors

Deepak Vaidya
Non-Executive Director
Chairperson of the Board
DIN: 00337276

Date: May 10, 2019
Place: Bengaluru

ANNEXURE 1

FORM AOC 1

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

PART A- SUBSIDIARIES

₹ in Million

Sl. No.	Name of the Subsidiary	Country of incorporation	Reporting Currency	Exchange Rate	(a) Capital (Includes Monies pending allotment)	(b) Reserves	(c) Total Assets	(d) Total liabilities (other than Capital & reserves)	(e) Investments other than in subsidiaries	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) Share-holding (%)
1	Alliance Pharmacy Pty Ltd.	Australia	AUD	49.10	-	-	-	-	-	-	-	-	-	-	50.99%
2	Altima Innvovations Inc.	USA	US$	69.19	0.42	(185.57)	35.07	220.22	-	0.06	(2.35)	-	(2.35)	-	100.00%
3	Amneal Pharma Australia Pty Ltd.	Australia	AUD	49.10	-	-	-	-	-	-	-	-	-	-	99.99%
4	Amneal Pharmaceuticals Pty Ltd.	Australia	AUD	49.10	3,916.99	(3,086.61)	931.97	101.59	10.27	494.13	138.20	75.73	62.47	-	99.99%
5	Apollo Life Sciences Holding Proprietary Limited	South Africa	ZAR	4.77	-	(1.32)	0.93	2.25	-	36.38	(0.57)	-	(0.57)	-	51.76%
6	Arco Lab Private Limited	India	INR	1.00	1.60	25.46	211.59	184.53	-	150.77	2.26	(25.34)	27.60	-	100.00%
7	Arrow Life Sciences (Malaysia) Sdn.Bhd	Malaysia	MYR	16.99	0.93	(1.05)	(0.04)	0.08	-	-	(0.82)	-	(0.82)	-	100.00%
8	Arrow Pharma Pte Ltd.	Singapore	US$	69.19	58.43	(131.88)	(68.43)	5.02	-	0.09	(1.70)	-	(1.70)	-	100.00%
9	Arrow Pharma (Private) Limited	Sri Lanka	LKR	0.39	19.92	(16.95)	3.08	0.11	-	-	(0.04)	-	(0.04)	-	100.00%
10	Arrow Pharma Life Inc.**	Philippines	PHP	1.32	12.65	(10.28)	3.00	0.63	-	-	(1.76)	-	(1.76)	-	100.00%
11	Arrow Pharma Pty Ltd.	Australia	AUD	49.10	-	-	-	-	-	-	-	-	-	-	99.99%
12	Arrow Pharmaceuticals Pty Ltd.	Australia	AUD	49.10	5,784.57	856.23	10,662.59	4,021.79	0.53	6,736.84	1,017.96	264.53	753.43	-	99.99%
13	Arrow Remedies Private Limited	India	INR	1.00	0.10	(0.68)	(0.04)	0.54	-	0.02	(0.24)	-	(0.24)	-	100.00%
14	Beltapharm S.p.A	Italy	EUR	77.61	113.00	64.50	473.18	295.68	-	516.42	(13.67)	-	(13.67)	-	97.94%
15	Fagris Medica Private Limited	India	INR	1.00	10.40	(8.59)	9.04	7.23	-	-	0.80	-	0.80	-	100.00%
16	Generic Partners Holding Co. Pty Ltd.	Australia	AUD	49.10	728.89	5.77	739.53	4.87	-	-	(1.89)	-	(1.89)	-	50.99%
17	Generic Partners Pty Ltd.	Australia	AUD	49.10	0.09	(257.31)	1,240.16	1,497.38	-	1,421.93	179.81	44.46	135.35	-	50.99%
18	Generic Partners (International) Pte Ltd.	Singapore	SGD	51.03	7.71	(3.82)	13.03	9.14	-	-	(3.84)	-	(3.84)	-	50.99%

₹ in Million

Sl. No.	Name of the Subsidiary	Country of incorporation	Reporting Currency	Exchange Rate	(a) Capital (Includes Monies pending allotment)	(b) Reserves	(c) Total Assets	(d) Total liabilities (other than Capital & reserves)	(e) Investments other than in subsidiaries	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) Share-holding (%)
19	Generic Partners (Canada) Inc	Canada	CAD	51.84	0.01	4.47	134.12	129.64	-	10.13	(23.43)	5.00	(28.43)	-	50.99%
20	Generic Partners (M) Sdn.Bhd**	Malaysia	MYR	16.99	-	-	-	-	-	-	0.30	0.28	0.02	-	50.99%
21	Generic Partners (NZ) Ltd.	New Zealand	NZD	47.14	-	(4.72)	0.63	5.35	-	-	(2.41)	-	(2.41)	-	50.99%
22	Generic Partners (South Africa) Pty Limited**	South Africa	ZAR	4.77	-	(0.33)	-	0.33	-	-	(0.33)	-	(0.33)	-	100.00%
23	Generic Partners UK Ltd.	UK	GBP	90.17	0.01	63.28	71.87	8.58	-	28.37	8.12	0.90	7.22	-	100.00%
24	Pharmapar Inc.	Canada	CAD	51.84	259.22	(203.06)	167.99	111.83	-	44.26	13.52	-	13.52	-	80.00%
25	Pharmacy Alliance Group Holdings Pty Ltd.	Australia	AUD	49.10	1,335.76	(1,335.78)	35.04	35.06	-	-	12.69	-	12.69	12.70	50.99%
26	Pharmacy Alliance Investments Pty Ltd.	Australia	AUD	49.10	693.12	35.06	728.18	-	-	-	6.48	-	6.48	-	99.99%
27	Pharmacy Alliance Pty Ltd.	Australia	AUD	49.10	72.96	245.36	587.87	269.55	-	863.65	131.12	39.06	92.06	12.70	50.99%
28	Shasun Pharma Solutions Inc.	USA	US$	69.19	37.87	(38.20)	-	0.33	-	-	0.09	-	0.09	-	100.00%
29	Smarterpharm Pty Ltd.	Australia	AUD	49.10	0.07	36.73	51.77	14.97	-	14.52	11.39	3.42	7.97	-	50.99%
30	Stabilis Pharma Inc.	USA	US$	69.19	0.06	0.09	0.32	0.17	-	-	0.15	0.11	0.04	-	100.00%
31	Stelis Biopharma (Malaysia) Sdn.Bhd	Malaysia	MYR	16.99	141.36	(55.85)	85.72	0.21	-	-	3.43	0.09	3.34	-	100.00%
32	Strides Arcolab (Australia) Pty Ltd.	Australia	AUD	49.10	5,875.16	(438.87)	10,065.13	4,628.84	-	-	(340.37)	-	(340.37)	-	99.99%
33	Strides Arcolab International Ltd.	UK	US$	69.19	4,251.69	(507.99)	4,802.26	1,058.56	1,358.33	-	(894.13)	-	(894.13)	-	100.00%
34	Strides Chemicals Private Limited	India	INR	1.00	-	-	-	-	-	156.67	14.27	-	14.27	-	-
35	Strides CIS Limited	Cyprus	US$	69.19	0.22	5.97	74.19	68.00	-	90.45	(10.66)	(3.05)	(7.61)	-	100.00%
36	Strides Consumer Private Limited	India	INR	1.00	-	-	-	-	-	3.69	19.63	-	19.63	-	
37	Strides Emerging Markets Limited	India	INR	1.00	56.27	(303.81)	488.53	736.07	-	36.12	(159.66)	-	(159.66)	-	100.00%
38	Strides Foundation Trust	India	INR	1.00	-	26.20	35.04	8.84	-	-	(6.30)	-	(6.30)	-	-
39	Strides Life Sciences Limited	Nigeria	NGN	0.19	0.56	(75.26)	165.10	239.80	-	35.84	(35.26)	-	(35.26)	-	100.00%
40	Strides Pharma (Cyprus) Ltd.	Cyprus	EUR	77.61	0.20	1,033.92	1,673.13	639.01	-	531.52	(956.54)	(15.96)	(940.58)	-	100.00%
41	Strides Pharma (SA) Pty Ltd.	South Africa	ZAR	4.77	-	31.22	41.78	10.56	-	0.25	(10.82)	(5.71)	(5.11)	-	60.00%
42	Strides Pharma Global (UK) Ltd.	UK	GBP	90.17	3,909.48	(2,423.08)	1,491.88	5.48	111.30	-	(413.81)	-	(413.81)	-	100.00%
43	Strides Pharma Asia Pte Ltd.	Singapore	US$	69.19	12,130.16	2,222.26	15,103.35	750.93	-	-	2,544.27	0.59	2,543.68	258.97	100.00%

₹ in Million

Sl. No.	Name of the Subsidiary	Country of incorporation	Reporting Currency	Exchange Rate	(a) Capital (Includes Monies pending allotment)	(b) Reserves	(c) Total Assets	(d) Total liabilities (other than Capital & reserves)	(e) Investments other than in subsidiaries	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) Share-holding (%)
44	Strides Pharma Canada Inc.	Canada	CAD	51.84	218.97	(25.76)	213.47	20.26	-	12.92	(25.27)	-	(25.27)	-	100.00%
45	Strides Pharma Global Pte Limited	Singapore	US$	69.19	14,702.96	1,097.79	37,709.33	21,908.58	1,304.63	7,377.57	(1,284.37)	20.62	(1,304.99)	-	100.00%
46	Strides Global Consumer Healthcare Limited (incorporated on August 23, 2018)	UK	US$	69.19	-	-	-	-	-	-	(2.16)	-	(2.16)	-	
47	Strides Pharma Inc.	USA	US$	69.19	1,348.39	1,886.31	7,936.88	4,702.18	-	5,420.75	210.26	(157.46)	367.72	-	100.00%
48	Strides Pharma International Limited	Cyprus	US$	69.19	30.30	923.00	1,243.88	290.58	-	-	(398.69)	(24.11)	(374.58)	-	100.00%
49	Strides Pharma UK Ltd.	UK	GBP	90.17	1.30	576.27	580.97	3.40	-	952.96	277.35	2.20	275.15	-	100.00%
50	Strides Pharma Therapeutics Singapore Pte Ltd. (incorporated on September 18, 2018)**	Singapore	US$	69.19	-	-	-	-	-	-	-	-	-	-	100.00%
51	Strides Shasun Latina, SA de CV	Mexico	MXN	3.58	27.07	(10.13)	21.65	4.71	-	-	(5.70)	-	(5.70)	-	80.00%
52	Strides Specialties (Holdings) Limited	Mauritius	US$	69.19	-	-	-	-	-	-	-	-	-	-	-
53	Strides Vivimed Pte Ltd.	Singapore	US$	69.19	197.01	(48.08)	149.08	0.15	-	223.33	(32.30)	-	(32.30)	-	100.00%
54	SVADS Holdings SA	Switzerland	CHF	69.51	466.59	(119.28)	599.37	252.06	-	4.33	0.90	8.29	(7.39)	-	100.00%
55	Trinity Pharma Proprietary Limited	South Africa	ZAR	4.77	0.01	59.51	546.99	487.47	-	1,055.89	52.45	19.08	33.37	-	51.76%
56	Universal Corporation Limited	Kenya	KES	0.69	125.39	888.33	2,535.12	1,521.40	-	1,509.05	(127.82)	(72.73)	(55.09)	-	51.00%
57	Vensun Pharmaceuticals Inc.	USA	US$	69.19	3,106.46	(5,356.48)	527.69	2,777.71	-	196.74	(11.21)	0.13	(11.34)	-	100.00%
58	Vivimed Life Sciences Private Limited	India	INR	1.00	282.67	207.00	1,543.39	1,053.72	-	-	-	-	-	-	100.00%

PART B - ASSOCIATES/ JOINT VENTURE

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associate / Joint Venture	Stelis Biopharma Private Limited, India	Regional Bio Equivalence Centre S.C., Ethiopia	Aponia Laboratories Inc, USA	Oraderm Pharmaceuticals Pty Limited, Australia	Mypak Solutions Australia Pty Ltd., Australia	Strides Consumer Private Limited, India	Strides Global Consumer Healthcare Limited, UK	Generic Partners (R&D) Pte. Ltd, Singapore
1	Latest audited Balance Sheet Date	31st March 2019	31st December 2018	31st March 2019	Not Applicable		31st March 2019	31st March 2019	Not Applicable
2	Shares of Associate/ Joint Venture held by the Company (directly or indirectly) on the year end								
	Number of shares	251,527 equity shares 90,766 preference shares (CCPS)	342 shares	3,734,074 preference shares	50 shares	51 shares	1000 equity shares 1,538,615 preference shares	19,782,717 shares	24 shares
	Amount of Investment in Associate/ Joint Venture	₹2,510.78 Million	Nil	₹94.85 million	₹0.53 Million	₹10.27 Million	₹101.46 Million	₹1,339.95 Million	Nil
	Extent of Holding %	38.56%	24.98%	24.00%	50.00%	50.495%	53.65%	53.64%	19.35%
3	Description of how there is significant influence	Shareholding and board representation	Shareholding	Shareholding and board representation	Shareholding and board representation	Shareholding and board representation	Shareholding and board representation	Shareholding and board representation	Shareholding and board representation
4	Reason why the Associate/ Joint Venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Networth attributable to Shareholding as per latest auditied Balance Sheet	₹1,387.19 Million		₹32.65 Million	₹0.49 Million	₹143.50 Million	₹176.13 Million	₹960.87 Million	
6	Profit/ (Loss) for the year								
	Considered in Consolidation	(₹144.59) Million	Nil	₹2.70 Million	Nil	(₹26.24) Million	(₹52.50) Million	(₹107.03) Million	Nil
	Not considered in Consolidation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1 Arco Lab, India - wholly owned subsidiary effective December 1, 2018.
2 Generic Partners, South Africa and Generic Partners, UK - step down wholly owned subsidiary effective September 25, 2018.
3 Pharmapar Inc, Canada - step down subsidiary effective February 13, 2019.
4 Strides Consumer, India - associate company effective December 20, 2018.
5 Strides Chemicals ceased to be a wholly owned subsidiary effective August 31, 2018.
6 Strides Pharma, South Africa ceased to be a step down wholly owned subsidiary effective September 12, 2018.
7 Strides Pharma, Canada -step down wholly owned subsidiary effective January 2, 2019.
8 Strides Global Consumer, UK - associate company effective December 19, 2018.
9 Strides Specialities (Holdings), Mauritius - Dissolved effective May 15, 2018.
10 Strides Vivimed, Singapore - step down wholly owned subsidiary effective March 29, 2019.
11 Vensun Pharmaceuticals, USA - step down wholly owned subsidiary effective January 30, 2019.
12 Vivimed Life Sciences, India - wholly owned subsidiary effective March 29, 2019.
13 ** Represents entities which has made application for strike-off/ liquidation/ closure with appropriate authorities.
14 Subsidiaries of Associates and Joint Ventures are not included in this disclosure.

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director and Group CEO
DIN : 00084845

Badree Komandur
Executive Director- Finance and Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number: A30515

Date: May 10, 2019
Place: Bengaluru

ANNEXURE 2

Details of Strides Employee Stock Options pursuant to SEBI (Share Based Employee Benefits) Regulation, 2014 and Companies Act, 2013 as at March 31, 2019

During the year under review, the Company had three ESOP Plans viz., Strides Arcolab ESOP 2011, Strides Arcolab ESOP 2015 and Strides Shasun ESOP 2016 Scheme.

Please find below the details of Employee Stock Options:

S. No	Particulars/Requirement	Strides Arcolab ESOP 2011	Strides Arcolab ESOP 2015	Strides Shasun ESOP 2016
1	The board of directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations	Pursuant to de-merger of Commodity API business of the Company to Solara Active Pharma Sciences Limited and in terms of the Composite Scheme, exercise price of outstanding stock options held by existing/ retained employees were repriced to adjust effect of de-merger on the stock price.		
2	Disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Please refer to Note No. 42 of the Standalone Financial Statements		
3	Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (IND AS) - 33 – Earnings Per Share	Continuing Operations		₹12.77
		Discontinued Operations		₹(0.45)
		Total Operations		₹12.32
4	Details relating to ESOP			
i)	Total options approved under the Scheme	15,00,000	70,000	30,00,000
ii)	Date of shareholders' approval	May 30, 2011	November 6, 2015	April 21, 2016
iii)	Vesting requirements	3-year plan Vesting schedule: Year 1: 20% Year 2: 30% Year 3: 50%	4-year plan Vesting schedule: Year 1: 25% Year 2: 25% Year 3: 25% Year 4: 25%	3-year plan Vesting schedule: Year 1: 20% Year 2: 30% Year 3: 50%
iv)	Pricing formula	Decided by the Compensation Committee from time to time, which shall be, not less than 85% of the market price of the shares on the date of grant of option.	Exercise price per Stock Option is ₹273.92	Decided by the Compensation Committee from time to time, which shall be, not less than 75% of the market price of the shares on the date of grant of option.
v)	Maximum term of options granted	Three years from the date of initial grant under the plan, subject to vesting schedule	Four years from the date of initial grant under the plan, subject to vesting schedule	Three years from the date of initial grant under the plan, subject to vesting schedule
vi)	Source of shares (primary, secondary or combination)	Primary	Primary	Primary
vii)	Variation of terms of options	-	Pursuant to de-merger of Commodity API business of the Company to Solara Active Pharma Sciences Limited and in terms of the Composite Scheme, exercise price of outstanding stock options held by existing/ retained employees in both the ESOP Plans was repriced to adjust effect of de-merger on the stock price.	
5	Method used to account for ESOP	Fair value method		
6	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the option, shall be disclosed. The impact of the difference on profits and EPS of the Company shall be disclosed.	The Compensation cost has been accounted under fair value.		

S. No	Particulars/Requirement	Strides Arcolab ESOP 2011	Strides Arcolab ESOP 2015	Strides Shasun ESOP 2016
7	Option movement during the year			
(i)	Outstanding options as at April 1, 2018	40,000	10,692	2,80,000
(ii)	Options granted during the year under review	NIL	NIL	3,38,000
(iii)	Options lapsed / surrendered/ settled during the year under review	NIL	688 (Refer Note 4)	1,60,500
(iv)	Options vested during the year under review	40,000	9,441	70,000
(v)	Options exercised during the year under review	40,000	9,441	NIL
(vi)	Total number of shares arising as a result of exercise of options	40,000	9,441	NIL
(vii)	Money realised by exercise of options	1,28,92,000	25,62,360	NIL
(viii)	Total number of options in force at the end of the period ending March 31, 2019	NIL	563	4,57,500
(ix)	Available for further grant	NIL (Refer Note 1)	NIL (Refer Note 2 & 3)	25,22,500
8	Weighted average exercise price	-	₹231.79	₹394.15
9	Weighted average fair value of options	-	₹1098.12	₹271.14
10	Employee-wise details of options granted during the year under review:			
(i)	Senior Managerial Personnel/ Key Managerial Personnel	NONE	NONE	(Refer Note 5)
(ii)	Any other employee who received grant in any one year of option amounts to 5% or more of options during the year	NONE	NONE	NONE
(iii)	Identified employees who were granted options, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant	NONE	NONE	NONE

11 A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information:

The fair value of options granted were estimated on the grant date using the Black Scholes method.

Details of assumptions used in the estimation of fair value as at grant date for options granted during the previous year are given below:

Plan	ESOP 2011		ESOP 2015	ESOP 2016				
	LOT 1	LOT 2	LOT 3	LOT 1	LOT 2	LOT 3	LOT 4	LOT 5
Grant date:	Feb 7, 2014	Feb 2, 2015	May 16, 2016 and Oct 28, 2016	June 15, 2016	May 18, 2017	Aug 14, 2017	Aug 8, 2018	Jan 29, 2019
Exercise Price :	₹322.30	₹792.60	₹273.92	₹841.25	₹792.45	₹656.10	₹301.00	₹378.40
Repriced on April 24, 2018	NA	NA	₹231.79	₹711.85	₹670.56	₹555.18	-	-
Risk free interest rate	8.75%	7.65%	7.59%	7.52%	6.73%	6.52%	7.78%	7.53%
Expected life	3 years	3 years	4 years	3 years	3 years	3 years	3 years	3 years
Expected annual volatility of shares	38.64%	48.44%	70.30%	69.47%	42.86%	38.96%	34.30%	32.65%
Expected dividend/ yield	20%	20%	40%	40%	40%	40%	40%	20%
The price of the underlying share in market at the time of option grant	₹379.15	₹932.45	₹1305.43	₹1128.94	₹1037.51	₹896.72	₹414.85	₹504.50

The volatility is calculated from the method of historical volatility, based on the three years data of closing market prices of the Company's shares as per the data recorded by NSE and the average number of trading days during that period. It is the percentage co-efficient within the option pricing formulae.

Note 1 All outstanding options issued under Strides ESOP 2011 were exercised during the year. The Plan was as per the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines. Considering the revised ESOP Regulation, the Nomination and Remuneration Committee resolved to terminate this Plan.

Note 2 ESOP 2015 was an exclusive Plan for the employees of erstwhile Shasun Pharmaceuticals and its subsidiaries which merged into Strides. Under the Plan, 30,625 options were granted to employees of erstwhile Shasun and 6,813 options were granted to employee of its subsidiary.

Stock Options as per the Scheme of Arrangement to all Eligible Employees of erstwhile Shasun have already been granted and no further grant is pending under the Plan.

Note 3 Pursuant to Demerger of Commodity API business of the Company to Solara Active Pharma Sciences Limited, the Company accelerated vesting of 9,128 stock options under the Strides Arcolab ESOP 2015 Plan held by identified employees who were transferred to Solara. Out of the accelerated options, 8,878 options were exercised by the employees and balance 250 options were lapsed. However, the outstanding options under the ESOP 2015 shall continue to vest as per the offer letter granted to identified employees of the Company.

Note 4 R&D business of the Company viz., Shasun Research Centre (SRC) in Chennai was divested to Solara Active Pharma Sciences Limited (Solara) effective April 1, 2018.

As part of the transaction, an employee holding 688 stock options under Strides Arcolab ESOP 2015 Plan was transferred to Solara. In terms of the ESOP Plan, the employee was provided a cash compensation for the outstanding stock options held by him.

Note 5 Employee wise details of options granted during the year under review:

	Name of Employee	Designation	Category	No. of options	Exercise price (in ₹)	Plan name
1	Badree Komandur	Executive Director – Finance & Group CFO	KMP	25,000	301.00	ESOP 2016
2	Manjula Ramamurthy	Company Secretary	KMP	5,000	301.00	ESOP 2016
3	Shashank Sinha	CEO - International Operations	SMP	25,000	301.00	ESOP 2016
4	Ramaraju PVS	COO - Global Head Manufacturing	SMP	25,000	301.00	ESOP 2016
5	Umesh Kale	CQO -Quality Assurance	SMP	25,000	301.00	ESOP 2016
6	Amit Gupta	Vice President – Finance	SMP	7,500	301.00	ESOP 2016
7	Vikesh Kumar	Vice President – Finance	SMP	7,500	301.00	ESOP 2016

Kindly note that this report is also available at http://www.strides.com/investor-financial.html

For and on behalf of the Board of Directors

Deepak Vaidya
Non-Executive Director
Chairperson of the Board
DIN: 00337276

Date: May 10, 2019
Place: Bengaluru

ANNEXURE 3

Details pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ending March 31, 2019	As at March 31, 2019, the Board comprises of 7 Directors - comprising of 2 Executive Directors, 4 Independent Directors and 1 Non-Executive Director. The Non-Executive & Independent Directors receive sitting fees of ₹100,000/- for attending each meeting of the Board and Audit Committee. The ratio of remuneration of the Executive Directors of the Company to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2019 are as below: 1) Mr. Arun Kumar, Managing Director & Group CEO – 1:119 2) Mr. Badree Komandur, Executive Director, Finance & Group CFO – 1:63 The median remuneration* for the period under review is ₹502,436/- per annum. *One-time payment made to employees for individual projects is excluded in calculation of above median remuneration.
b.	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the Financial Year ending March 31, 2019:	

#	Particulars	% Increase
1	Mr. Arun Kumar Managing Director & Group CEO	N.A.
2	Badree Komandur Executive Director, Finance & Group CFO	0%
3	Manjula Ramamurthy Company Secretary	8%

c.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2019	3%
d.	The number of permanent employees on the rolls of Company as at March 31, 2019	2,036 Employees
e.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase across the organisation was around 8%.

The Company affirms remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Deepak Vaidya
Non-Executive Director
Chairperson of the Board
DIN: 00337276

Date: May 10, 2019
Place: Bengaluru

ANNEXURE 4

ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY FOR FY 2018-19

1. Introduction

At Strides, social responsibility is an integral part of the organisational culture. The Company strives to drive its social responsibility initiatives beyond 'compliance' and create sustainable value for the community. The Company endeavours to create a lasting impact in the domain of health, education and employability through need-based interventions.

Strides is focused on developing a socially responsible ecosystem for inclusive and equitable growth through several initiatives that enable the marginalised communities to transform their vulnerability and aspirations into their strength and actuality.

During the year, it pursued several projects undertaken in the previous Financial Years and initiated some new projects as well.

2. The Composition of the CSR Committee as at the date of this report is as under:

#	Name of the Director	Category
1	Sangita Reddy	Chairperson
2	Homi Rustam Khusrokhan	Member
3	Arun Kumar	Member
4	Deepak Vaidya	Member
5	Badree Komandur	Member

3. Average Net Profit of the Company for the last three Financial Years is: ₹1,205.55 Million

4. The prescribed CSR Expenditure, which is two per cent of the amount mentioned in 3 above, is ₹24.11 Million for FY 2018-19

5. Details of CSR spend during the FY 2018-19

The Total CSR expenditure for FY 2018-19 stood at ₹25.84* Million

#	Particulars	Amount (₹ in Million)
1	Prescribed CSR spend for the FY 2018-19	24.11
2	Total spend during the year under review (Amount spent directly by Strides + Transferred to Strides Foundation)	25.84
3	**Amount unspent, if any**	-

6. Manner in which the amount was spend in FY 2018-19:

1	2	3	4	5	6		7	8	9
#	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects of programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	Remarks
					(1) Direct expenditure on projects	(2) Overheads		All projects implemented through Strides Foundation, Implementation Agency	
Health									
1	Arogyadhama	Health	Local Area - Honnakalasapura, Suragajakkanahalli Panchayat, Anekal Taluk, Bengaluru Dist, Karnataka State	₹50,00,000	₹50,00,000	-	-	Strides Foundation	
2	RO Drinking Water setup : Bengaluru	Health & Hygiene	Local Area - Guddahatti - Neralur Panchayat; Karkalghatta - Indlawadi panchayat; Ramakrishnapura - Hennagra panchayat, Bengaluru Dist, Karnataka State	₹28,50,000	₹22,00,000	-	-	Strides Foundation	3 villages were identified initially. Project in 2 villages were successfuly completed during the year under review. One of the project could not be initiated because of non-availability of land from the identified village. Project later moved to another site, which is due for completion in Q1 FY 20.
3	RO Drinking Water setup - Puducherry	Health & Hygiene	Local Area - Selliamman Nagar and Mathur Village, Puducherry	₹15,00,000	-	-	-	Strides Foundation	Identification of land and formal approval from panchayat was delayed in the identified village. The approvals are now in place. Work not commenced due to code of conduct for elections. This project will be taken up in FY 20.
4	Dispensary in Puducherry	Health & Hygiene	Local Area - Puducherry	₹12,00,000	-	-	-	-	Post demerger, this project was taken up by the demerged entity and hence dropped by Strides Foundation.
5	Medical Camps & awareness programme	Health & Hygiene	-	₹9,00,000	-			-	Post demerger, this project was taken up by the demerged entity and hence dropped by Strides Foundation.

1 #	2 CSR project or activity identified	3 Sector in which the project is covered	4 Projects or programs (1) Local Area or other (2) Specify the State and district where projects of programs was undertaken	5 Amount outlay (budget) project or programs wise	6 Amount spent on the projects or programs	7 Cumulative expenditure upto the reporting period	8 Amount spent: Direct or through implementing agency	9 Remarks
6	Anekal Police station - Rest room block	Health & Hygiene	Local Area - Anekal Taluk, Bengaluru Dist, Karnataka State	₹27,70,000	₹16,00,000	- -	Strides Foundation	Work in Progress - Expected completion by June 2019. Work deferred due to code of conduct for elections.
7	Rain Water Harvesting - Tsunami village, Puducherry	Health & Hygiene	Local Area - Tsunami Nagar, Puducherry	-	₹2,27,587	- -	Strides Foundation	2 units constructed in view of Lieutanant Governor's suggestion during her visit to Puducherry visit.
		Total (A)		**₹1,42,20,000**	**₹90,27,587**			
	Education							
1	LeAPS programme	Education	Local Area - Haragadde Government School and Gottigere Government School, Bengaluru Dist, Karnataka State	₹15,00,000	₹9,50,000	- -	Strides Foundation	Ongoing Project; Initial approval for the project got delayed from Government - hence the shortfall in spend.
2	Indlawadi School - Adoption	Education	Local Area - Haragadde Government School, Bengaluru Dist, Karnataka State	₹19,40,000	-	- -	Strides Foundation	The land granted for the project by the local Panchayat was not feasible to build School structure as per National Green Tribunal. Local Panchayat has been requested to provide an alternate site. Awaiting response.
3	Infrastructure improvement at Honnakalasapura & Kumbharanahalli Government School	Education	Local Area - Haragadde Government School, Bengaluru Dist, Karnataka State	₹35,00,000	-	- -	Strides Foundation	
4	Sponsorship & support - Bengaluru	Education	CSIM - Training - Bengaluru - Karnataka	₹10,00,000	₹10,00,000	- -	Strides Foundation	CSIM - funds provided to run Social Entrepreneurship Programs
5	TISS Education support - Puducherry	Education	Local Area - Puducherry	₹8,00,000	₹29,87,875	- -	Direct by the company	-

1	2	3	4	5	6	7	8	9
#	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects of programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	Remarks
6	Sponsorship & support - Isha Vidhya - Cuddalore	Education	Local Area - Cuddalore	-	₹8,80,000	-	-	Strides Foundation	Given a grant of ₹8,80,000/- as support towards purchase of computer / laptops / PA System / Science & Sports Equipments / Arts and craft materials
		Total (B)		**₹87,40,000**	**₹58,17,875**			
	Employability							
1	Employability development programme with SVRCC - Puducherry	Employability	Local Area - Puducherry	₹7,50,000	₹9,00,000		Strides Foundation	-
		Total (C)		**₹7,50,000**	**₹9,00,000**			
	Others							
1	Community Development	Health & Sanitation	Local Area - Bengaluru, Karnataka State	₹5,00,000	-	- -	Strides Foundation	Part of the School Project discussed above. This will be utilised when the said project takes off.
2	Kerala & Kodagu Relief funds	Disaster Management	Kerala & Karnataka	-	₹26,00,909	- -	Strides Foundation	
3	Identified CSR projects	Education/ Health/ Employability	Local Area - Bengaluru, Karnataka State	-	₹74,92,423	- -	Strides Foundation	
	Total (D)			**₹5,00,000**	**₹1,00,93,332**			
	GRAND TOTAL (A+B+C+D)			**₹2,42,10,000**	**₹2,58,38,794**	**- -**		

7. Brief on the projects taken up

A. Health

1. Arogyadhama – State of the art Primary Health Centre:

With its untiring service to the people of the surrounding 12 villages and extending beyond, Arogyadhama has completed its 4 years of service in Curative, preventive and promotive healthcare / services at Honnakalasapura, Suragajakkanahalli.

Equipped with state-of-the-art equipment viz X-ray, Scan, laboratory and minor OT along with out-patient facilities, Arogyadhama has other specialists facilities like Ophthalmology, Gynaecology, Paediatrics, Dental Treatments, Pharmacy and day care. In the past year it has catered to more than 10,500 patients.

Arogyadhama has taken up the cause of spreading awareness on different facets of health and hygiene like importance of clean environment, symptoms of different diseases such as Tuberculosis, Leprosy, H1N1, Malaria etc and their proactive treatment, persuading the community to keep the environment clean, identifying diabetes and hypertension patients, counselling and administering regular medicines are some of Arogyadhama's routine activities in addition to providing healthcare at the centre.

Milestones for FY 2018-19 :

- Over 2800 students covered from 44 schools from the panchayats of Suragajakkanahalli, Indlawadi, Haragadde and Hennagra
- Eye Camps - covered 4 villages - 8 successful cataract surgeries done
- Tuberculosis survey conducted in 11 villages - 9 positive cases being treated at Arogyadhama
- Malaria camp conducted in 11 villages via blood smear test - no positive cases found
- Leprosy camp conducted at 5 villages - covered 631 families - 18 suspected sent for further diagnosis
- Awareness Camp on H1N1 – covered 3000+ population.
- H1N1 special camp was conducted - 600 people covered - 3 positive cases are being treated.
- Polio vaccines administered to 340 kids in 11 villages. This programme was in collaboration with Government PHC
- 2 HIV positive cases found referred to the government hospital for further investigations

Arogyadhama has won a lot of appreciation and positive feedback from the surrounding villages, the Panchayat and also from the Government PHCs & Doctors.

2. RO Water plants

To avoid water borne diseases and to provide accessibility to safe drinking water, Strides has made permanent arrangements for safe drinking water to over 9000 people at Suragajakkanahalli, Hennagra and Neralur panchayats in Anekal Taluk, Bengaluru. Till date, Strides Foundation, has built 8 self-sustainable RO water units, with 2000 litres per hour capacity each. We have commissioned new units at Guddahatti, Honnakalasapura and Ramakrishnapura this year.

B. Education:

1. LeAPS :

Leadership Adoption Programme at Schools, popularly known as LeAPS programme is designed with an aim to provide life skills training to children of Government schools. It helps and motivate students through:

- Innovative training methodologies
- Life Application that takes the children beyond their classrooms
- A highly stimulating and totally fun experience

The programme involves Children, Parents and Teachers and looks at overall development of the child.

Continuing our efforts, 250 students were covered under this programme from Haragadde Government Primary School. Recognising the impact of the programme, this year we have extended and covered 254 students from Government High School, Haragadde for 8th & 9th standard students

"Examination Strategy" workshop for class 10 students at Haragadde Government High School conducted on February 4, 2019 – 75 students were benefitted

Educational tour for Students of Government School of Haragadde and Suragajakkanahalli was organised. A total of 250 students enjoyed and were benefitted from the tour took part,

- Class 5 to 7 went to Hampi, Badami, Aihole & Pattadkal – theme "History" – learning Vijayanagar empire and Chalukyan dynasty – 130 students

- Class 2 to 4 to Government Aquarium and Cubbon park – theme "Marine life and nature" – 120 students participated

2. **Sponsorship Support**

Isha Vidhya:

With our focus on quality Education, a grant of ₹8,80,000/- was given to Isha Vidhya as support towards purchase of the following for their school at Cuddalore:

- Computer / laptops
- Science & Sports Equipment
- Arts and craft Materials

Centre for social initiatives and management (CSIM):

To support Social Entrepreneurship programs a grant of ₹10 Lakh was given to CSIM.

C. **Employability**

1. **Vocational Skill Development:**

As part of our continuing programmes to provide vocational skills to the fisherman community and other lesser privileged villages at Puducherry, we are able to launch the 3rd batch of 100 students. It is a matter of pride that we achieved success in empowering the local youths for employment through placement of 194 students out of 200 in our last two batches.

Also, Employment Empowerment Programme is being organised in partnership with Swami Vivekananda Rural Community College (SVRCC), where 100 students will be trained in several job-led courses, with a holistic approach, to make them responsible citizens.

D. **Relief and rehabilitation**

1. **Kerala and Kodagu relief:**

Total of ₹50 Lakh was contributed towards the flood disaster at Kerala & Kodagu in during August 2018 for the cause as under:

- ₹39 Lakh to the Kerala CMDRF
- ₹6 Lakh to the Karnataka Chief Minister's Calamity Relief Fund for the relief work at Kodagu (Coorg)
- ₹5 Lakh to Isha Foundation, towards the relief supplies to the stranded population of Kerala.
- ₹26 Lakh was contributed from CSR funds.

Responsibility Statement:

We hereby confirm that the implementation of the policy and monitoring of the CSR projects and activities is in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board of Directors

Sangita Reddy
Independent Director
Chairperson of the CSR Committee
DIN - 00006285

Deepak Vaidya
Non-Executive Director
Chairperson of the Board
DIN – 00337276

Date: May 10, 2019
Place: Bengaluru

ANNEXURE 5

Form AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts)) Rules, 2014)

1) Details of contracts or arrangements or transactions not at arm's length basis – There were no contracts or arrangements, or transactions entered into by the Company with related parties during the year ended March 31, 2019 which were not at arm's length basis.

2) Details of material contracts or arrangements, or transactions at arm's length basis for the year ended March 31, 2019 are as below:

#	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Monetary Value (₹ in Million)	Date of approval by the Board	Amount paid as advances, if any
1	Solara Active Pharma Sciences Limited (Solara)	Enterprise owned or significantly influenced by KMP and relatives of KMP	Selling or otherwise disposing of property of any kind	N.A.	Divestment of Strides Chemicals Private Limited to Solara	1,310.00	April 24, 2018	Nil
			Purchase of materials/ Rendering of Services, Leasing of property	Commencing from FY 2018-19	The Company predominantly purchase APIs from Solara. In addition to API purchases, the Company also has other transactions with Solara such as rendering of services, leasing of property etc.	3,745.29	May 18, 2018 and January 29, 2019	Nil

Note: The above transactions were also approved by the Members of the Company.

For and on behalf of the Board of Directors

Deepak Vaidya
Non-Executive Director
Chairperson of the Board
DIN: 00337276

Date: May 10, 2019
Place: Bengaluru

ANNEXURE 6

Form No. MR-3

Secretarial Audit Report
For the Financial Year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Strides Pharma Science Limited
(formerly Strides Shasun Limited)
CIN: L24230MH1990PLC057062

Regd. Office:
201, 'Devavrata', Sector 17
Vashi, Navi Mumbai – 400 703
Maharashtra

Corporate Office:
Strides House, Bilekahalli
Bannerghatta Road
Bengaluru – 560 076
Karnataka

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 'Strides Pharma Science Limited' ('the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2019 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder.

2) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder.

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

4) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.

5) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

6) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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

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

We further report that, there were no events/ actions in pursuance of the following requiring compliance thereof by the Company during the Audit period.

1) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

2) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

3) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

4) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

1) Secretarial Standards issued by the Institute of Company Secretaries of India.

2) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.

We further state that, during the period under review and based on our verification of the records maintained by the Company and also on review of compliance reports/ statements by the respective department heads/Chief Financial Officer/Company Secretary taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism commensurate to the size and nature of the Company's business exist in the Company to monitor and ensure compliances with applicable laws, industry specific laws, labour laws, intellectual property laws and environmental laws. We have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

We, further report that:

1) As at March 31, 2019, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in couple of meeting(s) with shorter notice as per the Secretarial Standard 1 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3) Majority decisions of the Board were unanimous and there were no dissenting views by any Members' of the Board during the period under review.

We further report that during the audit period:

1) the Company has not issued any equity or preference shares/ debentures/ sweat equity except those equity shares issued to employees of the Company under ESOP schemes.

2) the Company has sought Members approval in pursuance of Section 180 of the Act and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Divestment of Australian Business.

3) The Company has changed its name from 'Strides Shasun Limited' to 'Strides Pharma Science Limited' and has made consequential amendments to Memorandum and Articles of Association of the Company.

4) The Company has not undertaken any foreign technical collaborations.

5) Other key matters for which the Company has sought Members' approval are as under:

- Divestment of Strides Chemicals Private Limited, a wholly owned subsidiary of the Company, pursuant to the provisions of Section 188 of the Act.
- Approval for grant of loan and continuing of guarantee/ security provided to Stelis Biopharma Private Limited, an Associate Company, pursuant to the provisions of Section 185 and other applicable provisions of the Act.
- Approval for Transactions/ Contracts/ Arrangements with Solara Active Pharma Sciences Limited upto ₹500 Crore in each Financial Year, pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Gopalakrishnaraj H H & Associates**
Company Secretaries

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152

Date: April 26, 2019
Place: Bengaluru

ANNEXURE 7

Form No. MGT-9
Extract of Annual Return
for the Financial Year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

CIN	L24230MH1990PLC057062
Registration date	June 28, 1990
Name of the company	Strides Pharma Science Limited (formerly Strides Shasun Limited)
Category/ Sub-Category of the company	Company Limited by shares / Non-Govt.Company
Address of the Registered office and contact details	201,Devavrata, Sector 17, Vashi, Navi Mumbai – 400703 Telephone : +91 22 27893199/ 27892924; Fax: +91 22 27892942 Email: investors@strides.com Website: www.strides.com
Whether listed company	Yes
Name, address and contact details of Registrar and transfer Agent, if any	Karvy Fintech Private Limited (Formerly, Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot no.31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 Telephone:+ 91 40 67162222 Fax: +91 40 23420814 Email id: raju.sv@karvy.com

II. Principal Business Activities of the Company

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

#	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
a)	Pharmaceutical	210 as per NIC 2008 code	100

III. Particulars of Holding, Subsidiary and Associate Companies

#	Name of the Company	CIN	Holding/ Subsidiary /Associate/ JV	% of shares held	Applicable section
1	Alliance Pharmacy Pty Ltd, Australia	NA	Subsidiary	50.99%	2(87)
2	Altima Innovations Inc, USA	NA	Subsidiary	100%	2(87)
3	Amneal Pharma Australia Pty Ltd, Australia	NA	Subsidiary	99.99%	2(87)
4	Amneal Pharmaceuticals Pty Ltd, Australia	NA	Subsidiary	99.99%	2(87)
5	Apollo Life Sciences Holdings Proprietary Limited, South Africa	NA	Subsidiary	51.76%	2(87)
6	Arco Lab Private Limited, India	U74999KA2018PTC115573	Subsidiary	100%	2(87)
7	Arrow Life Sciences (Malaysia Sdn. Bhd, Malaysia	NA	Subsidiary	100%	2(87)
8	Arrow Pharma (Private) Limited, Sri Lanka	NA	Subsidiary	100%	2(87)
9	Arrow Pharma Life Inc, Philippines	NA	Subsidiary	100%	2(87)
10	Arrow Pharma Pte Ltd, Singapore	NA	Subsidiary	100%	2(87)
11	Arrow Pharma Pty Ltd, Australia	NA	Subsidiary	99.99%	2(87)
12	Arrow Pharmaceuticals Pty Ltd, Australia	NA	Subsidiary	99.99%	2(87)
13	Arrow Remedies Private Limited, India	U33111MH2015FTC268380	Subsidiary	100%	2(87)
14	Beltapharm, S.P.A, Italy	NA	Subsidiary	97.94%	2(87)
15	Fagris Medica Private Limited, India	U24230MH2008PTC271062	Subsidiary	100%	2(87)
16	Generic Partners (Canada) Inc, Canada	NA	Subsidiary	50.99%	2(87)

#	Name of the Company	CIN	Holding/ Subsidiary /Associate/ JV	% of shares held	Applicable section
17	Generic Partners (International) Pte Ltd, Singapore	NA	Subsidiary	50.99%	2(87)
18	Generic Partners (M) Sdn Bhd, Malaysia	NA	Subsidiary	50.99%	2(87)
19	Generic Partners (NZ) Ltd, New Zealand	NA	Subsidiary	50.99%	2(87)
20	Generic Partners (South Africa) (Pty) Ltd, South Africa	NA	Subsidiary	100%	2(87)
21	Generic Partners Holding Co Pty Ltd, Australia	NA	Subsidiary	50.99%	2(87)
22	Generic Partners Pty Ltd, Australia	NA	Subsidiary	50.99%	2(87)
23	Generic Partners Ltd., UK	NA	Subsidiary	100%	2(87)
24	Pharmacy Alliance Group Holdings Pty Ltd, Australia	NA	Subsidiary	50.99%	2(87)
25	Pharmacy Alliance Investments Pty Ltd, Australia	NA	Subsidiary	99.99%	2(87)
26	Pharmacy Alliance Pty Ltd, Australia	NA	Subsidiary	50.99%	2(87)
27	Pharmapar Inc, Canada	NA	Subsidiary	80%	2(87)
28	Shasun Pharma Solutions Inc, USA	NA	Subsidiary	100%	2(87)
29	Smarterpharm Pty Ltd, Australia	NA	Subsidiary	50.99%	2(87)
30	Stabilis Pharma Inc, USA	NA	Subsidiary	100%	2(87)
31	Stelis Biopharma (Malaysia) Sdn Bhd, Malaysia	NA	Subsidiary	100%	2(87)
32	Strides Arcolab (Australia) Pty Ltd, Australia	NA	Subsidiary	99.99%	2(87)
33	Strides Arcolab International Ltd., UK	NA	Subsidiary	100%	2(87)
34	Strides CIS Ltd, Cyprus	NA	Subsidiary	100%	2(87)
35	Strides Emerging Markets Limited, India (formerly Strides Emerging Markets Private Limited, India)	U24132KA2012PLC064214	Subsidiary	100%	2(87)
36	Strides Lifesciences Limited, Nigeria	NA	Subsidiary	100%	2(87)
37	Strides Pharma (Cyprus) Ltd, Cyprus	NA	Subsidiary	100%	2(87)
38	Strides Pharma (SA) Pty Ltd, South Africa	NA	Subsidiary	60%	2(87)
39	Strides Pharma Asia Pte. Ltd, Singapore	NA	Subsidiary	100%	2(87)
40	Strides Pharma Canada Inc, Canada	NA	Subsidiary	100%	2(87)
41	Strides Pharma Global (UK) Ltd, UK (formerly, Strides Pharma (UK) Ltd)	NA	Subsidiary	100%	2(87)
42	Strides Pharma Global Pte Limited, Singapore	NA	Subsidiary	100%	2(87)
43	Strides Pharma Inc., USA	NA	Subsidiary	100%	2(87)
44	Strides Pharma International Limited, Cyprus	NA	Subsidiary	100%	2(87)
45	Strides Pharma Therapeutics Singapore Pte Ltd, Singapore	NA	Subsidiary	100%	2(87)
46	Strides Pharma UK Ltd, UK (formerly, Strides Shasun (UK) Ltd)	NA	Subsidiary	100%	2(87)
47	Strides Shasun Latina Sa De CV, Mexico	NA	Subsidiary	80%	2(87)
48	SVADS Holdings SA, Switzerland	NA	Subsidiary	100%	2(87)
49	Trinity Pharma Proprietary Limited, South Africa	NA	Subsidiary	51.76%	2(87)
50	Universal Corporation Ltd, Kenya	NA	Subsidiary	51%	2(87)
51	Strides Vivimed Pte Ltd, Singapore (formerly, Vivimed Global Generics Pte Ltd)	NA	Subsidiary	100%	2(87)
52	Vensun Pharmaceuticals Inc, USA	NA	Subsidiary	100%	2(87)
53	Vivimed Life Sciences Private Limited, India	U24304TG2017PTC115352	Subsidiary	100%	2(87)
54	MyPak Solutions Australia Pty Ltd, Australia (formerly, MyPak Solutions Pty Ltd)	NA	JV	50.495%	2(6)
55	Oraderm Pharmaceuticals Pty Limited, Australia	NA	JV	50%	2(6)
56	Strides Consumer Private Limited, India	U24100MH2017PTC292022	Associate	53.65%	As per IND AS
57	Strides Global Consumer Healthcare Limited, UK	NA	Associate	53.64%	As per IND AS
58	Aponia Laboratories Inc., USA	NA	Associate	24%	As per IND AS
59	Generic Partners (R&D) Pte Ltd, Singapore	NA	Associate	19.35%	As per IND AS
60	Regional Bio Equivalence Centre S.C., Ethiopia	NA	Associate	24.98%	As per IND AS
61	Stelis Biopharma Private Limited, India	U74140KA2007PTC043095	Associate	38.56%	As per IND AS

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2018				No. of Shares held at the end of the year March 31, 2019				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
Individual/ HUF	7,150,146	-	7,150,146	7.99	6,531,584	-	6,531,584	7.29	(0.70)
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Bodies Corporate	20,918,238	-	20,918,238	23.37	21,439,738	-	21,439,738	23.94	0.57
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	**28,068,384**	**-**	**28,068,384**	**31.36**	**27,971,322**	**-**	**27,971,322**	**31.24**	**(0.13)**
(2) Foreign				**-**	**-**		**-**	**-**	**-**
NRI's - Individuals	-	-	-	-	-	-	-	-	-
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**28,068,384**	**-**	**28,068,384**	**31.36**	**27,971,322**	**-**	**27,971,322**	**31.24**	**(0.13)**
(B) Public Shareholding									
(1) Institutions									
Mutual Funds/UTI	16,658,405	-	16,658,405	18.61	20,044,710	-	20,044,710	22.38	3.77
Banks/ Financial Institutions	485,391	1,026	486,417	0.54	988,021	1,026	989,047	1.10	0.56
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	156,789	-	156,789	0.18	-	-	-	-	(0.18)
FII's/ FPI's	27,611,511	-	27,611,511	30.85	22,591,453	-	22,591,453	25.23	(5.62)
Foreign Venture Capital Funds	564,306	-	564,306	0.63	-	-	-	-	(0.63)
Others: Alternate Investment Funds	433,559	-	433,559	0.48	612,842	-	612,842	0.68	0.20
Sub Total (B)(1)	**45,909,961**	**1,026**	**45,910,987**	**51.30**	**44,237,026**	**1,026**	**44,238,052**	**49.40**	**(1.90)**
(2) Non Institutions									
(a) Bodies Corporate									
(i) Indian	3,348,515	2,222	3,350,737	3.74	2,937,720	2,066	2,939,786	3.28	(0.46)
(ii) Overseas: Foreign Co./ Overseas Corporate Bodies	21,000	-	21,000	0.02	21,000	-	21,000	0.02	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 Lakh	7,219,942	164,642	7,384,584	8.25	8,565,075	140,589	8,705,664	9.72	1.47
(ii) Individual shareholders holding nominal share capital in excess ₹1 Lakh	1,852,600	-	1,852,600	2.07	2,613,018	-	2,613,018	2.92	0.85
(c) Others									
(i) Non Resident Indians	1,852,838	10,112	1,862,950	2.08	1,858,595	9,725	1,868,320	2.09	0.00
(ii)HUF	312,888	-	312,888	0.35	434,064	-	434,064	0.48	0.14
(iii)Directors	278,853	-	278,853	0.31	280,750	-	280,750	0.31	0.00
(iv)Trust	2,280	2,500	4,780	0.01	3,330	-	3,330	0.00	0.00
(v)Clearing Members	195,142	-	195,142	0.22	184,329	-	184,329	0.21	(0.01)
(vi) Foreign Nationals	100,120	-	100,120	0.11	97,120	-	97,120	0.11	0.00
(vii)NBFCs registered with RBI	6,628	-	6,628	0.01	5,005	-	5,005	0.01	0.00
(viii) NRI Non-Repatriation	96,740	-	96,740	0.11	122,448	-	122,448	0.14	0.03
(ix) IEPF	53,642	-	53,642	0.06	65,268	-	65,268	0.07	0.01
Sub Total (B2)	**15,341,188**	**179,476**	**15,520,664**	**17.34**	**17,187,722**	**152,380**	**17,340,102**	**19.36**	**2.02**
Total Public Shareholding B=(B)(1)+(B)(2)	**61,251,149**	**180,502**	**61,431,651**	**68.64**	**61,424,748**	**153,406**	**61,578,154**	**68.76**	**0.13**
(C) Shares held by Custodian for GDRs & ADRs		-	-	-		-	-	-	-
Grand Total(A+B+C)	**89,319,533**	**180,502**	**89,500,035**	**100.00**	**89,396,070**	**153,406**	**89,549,476**	**100.00**	**0.00**

ii) Shareholding of Promoters :

#	Category & Name of the Shareholder	Shareholding at the beginning of the year April 1, 2018			Shareholding at the end of the year March 31, 2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares held	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares held	
	PROMOTERS							
1	ARUN KUMAR PILLAI	1,370,797	1.53	-	1,370,797	1.53	-	0.00
2	K R RAVISHANKAR	1,255,593	1.40	-	1,255,593	1.40	-	0.00
3	DEVENDRA KUMAR S	11,272	0.01	96.82	11,272	0.01	-	0.00
4	VIMAL KUMAR S	215,012	0.24	79.07	265,012	0.30	47.73	0.06
5	PRONOMZ VENTURES LLP	12,665,000	14.15	-	12,665,000	14.14	7.90	(0.01)
	PROMOTER GROUP							
6	ADITYA ARUN KUMAR	200,000	0.22	-	-	0.00	-	(0.22)
7	CHAITANYA D	331,988	0.37	-	331,988	0.37	-	0.00
8	DEEPA ARUN KUMAR	201,000	0.22	-	-	0.00	-	(0.22)
9	DEEPAK ABHAYA KUMAR	312	0.00	-	-	0.00	-	0.00
10	GAYATRI NAIR	33,000	0.04	-	33,000	0.04	-	0.00
11	HEMALATHA PILLAI	48,000	0.05	-	48,000	0.05	-	0.00
12	JATIN V	59,283	0.07	42.17	394,283	0.44	-	0.37
13	JITESH D	364,125	0.41	27.46	364,125	0.41	-	0.00
14	K R LAKSHMI	130,365	0.15	-	130,365	0.15	-	0.00
15	LAKSHMI GOPALAKRISHNAN	50,000	0.06	-	50,000	0.06	-	0.00
16	LEELA V	275,358	0.31	58.11	425,358	0.47	-	0.17
17	MONISHA NITIN	593,750	0.66	-	158,750	0.18	-	(0.49)
18	NITIN KUMAR V	96,255	0.11	-	431,255	0.48	-	0.37
19	PADMAKUMAR KARUNAKARAN PILLAI	171,485	0.19	-	171,485	0.19	-	0.00
20	POOJA SRISRIMAL	93,750	0.10	-	93,750	0.10	-	0.00
21	PURUSHOTHAMAN PILLAI G	33,013	0.04	-	33,013	0.04	-	0.00
22	RAHUL NAIR	20,000	0.02	-	20,000	0.02	-	0.00
23	RAJESWARI AMMA	93,760	0.10	-	93,760	0.10	-	0.00
24	RAJITHA GOPALAKRISHNAN	45,000	0.05	-	45,000	0.05	-	0.00
25	RUPALI JATIN	632,812	0.71	-	197,812	0.22	-	(0.49)
26	SAJITHA PILLAI	80,000	0.09	-	80,000	0.09	-	0.00
27	SAJJAN D	159,400	0.18	-	162,000	0.18	-	0.00
28	SUCHI CHAITANYA SRISRIMAL	93,750	0.10	-	93,750	0.10	-	0.00
29	TARINI ARUN KUMAR	200,000	0.22	-	-	0.00	-	(0.22)
30	V. JATIN (HUF)	408	0.00	-	408	0.00	-	0.00
31	V. NITIN KUMAR (HUF)	500	0.00	-	500	0.00	-	0.00
32	VIMAL KUMAR S - HUF	115,158	0.13	-	95,308	0.11	3.31	(0.02)
33	VINEETHA MOHANAKUMAR PILLAI	175,000	0.20	-	175,000	0.20	-	0.00
	BODY CORPORATES							
34	ABUSHA INVESTMENT & MANANGEMENT SERVICES LLP	1,681,221	1.88	100.00	281,221	0.31	2.49	(1.56)
35	AGNUS CAPITAL LLP	20,000	0.02	-	20,000	0.02	-	0.00
36	AGNUS HOLDINGS PVT LTD	120,816	0.13	-	120,816	0.13	-	0.00
37	AMBEMATA SECURITIES	481,660	0.54	95.50	481,660	0.54	-	0.00
38	CHAYADEEP PROPERTIES PRIVATE LTD	411,060	0.46	-	411,060	0.46	-	0.00
39	DEVENDRA ESTATES PRIVATE LIMITED	701,953	0.78	99.83	1,953	0.00	25.60	(0.78)
40	DEVENDRA ESTATES LLP	500,000	0.56	100.00	1,118,000	1.25	98.39	0.69
41	SEQUENT SCIENTIFIC LIMITED	3,312,500	3.70	-	3,312,500	3.70	-	0.00
42	SHASUN LEASING AND FINANCE (P) LIMITED	968,091	1.08	99.27	968,091	1.08	33.26	0.00
43	TRIUMPH VENTURE HOLDINGS LLP	35,937	0.04	-	35,937	0.04	-	0.00
44	KARUNA VENTURES PRIVATE LIMITED	20,000	0.02	-	20,000	0.02	-	0.00
45	KARUNA BUSINESS SOLUTIONS LLP*	NA	NA	NA	603,500	0.67	100.00	0.67
46	LIFECELL INTERNATIONAL PRIVATE LIMITED**	NA	NA	NA	1,400,000	1.56	100.00	1.56
	TOTAL	**28,068,384**	**31.36**	**16.99**	**27,971,322**	**31.24**	**16.31**	**(0.13)**

* Became part of Promoter group effective November 2018

** Became part of Promoter group effective February 2019

iii) Change in Promoters' Shareholding

#	Shareholder's Name	Shareholding Details		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	PROMOTERS				
1	**Arun Kumar**				
	At the beginning of the year April 1, 2018	1,370,797	1.53	-	-
	At the End of the year	-	-	1,370,797	1.53
2	**K R Ravishankar**				
	At the beginning of the year April 1, 2018	1,255,593	1.40	-	-
	At the End of the year	-	-	1,255,593	1.40
3	**Devendra Kumar S**				
	At the beginning of the year April 1, 2018	11,272	0.01	-	-
	At the End of the year	-	-	11,272	0.01
4	**Vimal Kumar S**				
	At the beginning of the year April 1, 2018	215,012	0.24	-	-
	Add: Gift from family members on September 6, 2018	200,000		415,012	
	Add: Gift from family members on September 19, 2018	200,000		615,012	
	Less: Market sale on March 27, 2019	350,000		265,012	
	At the End of the year			265,012	0.30
5	**Pronomz Ventures LLP**				
	At the beginning of the year April 1, 2018	12,665,000	14.15	-	-
	At the End of the year	-	-	12,665,000	14.14
	PROMOTER GROUP				
6	**Aditya Arun Kumar**				
	At the beginning of the year April 1, 2018	200,000	0.22	-	-
	Add: Gift from family members on November 5, 2018	101,000		301,000	
	Less: Market sale on November 6, 2018	301,000		-	
	At the End of the year			Nil	Nil
7	**Chaitanya D**				
	At the beginning of the year April 1, 2018	331,988	0.37	-	-
	At the End of the year	-	-	331,988	0.37
8	**Deepa Arun Kumar**				
	At the beginning of the year April 1, 2018	201,000	0.22	-	-
	Less: Gift to family members on November 5, 2018	201,000		-	-
	At the End of the year			Nil	Nil
9	**Deepak Abhaya Kumar**				
	At the beginning of the year April 1, 2018	312	0.00	-	-
	Less: Market Sale on September 10, 2018	312		-	
	At the End of the year			Nil	Nil
10	**Gayatri Nair**				
	At the beginning of the year April 1, 2018	33,000	0.04	-	-
	At the End of the year	-	-	33,000	0.04
11	**Hemalatha Pillai**				
	At the beginning of the year April 1, 2018	48,000	0.05	-	-
	At the End of the year	-	-	48,000	0.05
12	**Jatin V**				
	At the beginning of the year April 1, 2018	59,283	0.07	-	-
	Add: Market purchase on March 27, 2019	335,000		394,283	
	At the End of the year			394,283	0.44
13	**Jitesh D**				
	At the beginning of the year April 1, 2018	364,125	0.41	-	-
	At the End of the year	-	-	364,125	0.41

#	Shareholder's Name	Shareholding Details		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
14	**K R Lakshmi**				
	At the beginning of the year April 1, 2018	130,365	0.15	-	-
	At the End of the year	-	-	130,365	0.15
15	**Lakshmi Gopalakrishnan**				
	At the beginning of the year April 1, 2018	50,000	0.06	-	-
	At the End of the year	-	-	50,000	0.06
16	**Leela V**				
	At the beginning of the year April 1, 2018	275,358	0.31	-	-
	Add: Gift from family members on September 6, 2018	100,000		375,358	
	Add: Off-market - on loan basis on September 11, 2018	100,000		475,358	
	Add: Gift from family members on September 19, 2018	100,000		575,358	
	Less: Off-market - on loan basis: October 26, 2018	100,000		475,358	
	Less: Market sale on March 27, 2019	50,000		425,358	
	At the End of the year			425,358	0.47
17	**Monisha Nitin**				
	At the beginning of the year April 1, 2018	593,750	0.66	-	-
	Less: Gift to Family members on September 6, 2018	300,000		293,750	
	Less: Market sale on March 27, 2019	135,000		158,750	
	At the End of the year			158,750	0.18
18	**Nitin Kumar V**				
	At the beginning of the year April 1, 2018	96,255	0.11	-	-
	Add: Market purchase on March 27, 2019	335,000		431,255	
	At the End of the year			431,255	0.48
19	**Padmakumar Karunakaran Pillai**				
	At the beginning of the year April 1, 2018	171,485	0.19	-	-
	At the End of the year	-	-	171,485	0.19
20	**Pooja Srisrimal**				
	At the beginning of the year April 1, 2018	93,750	0.10	-	-
	At the End of the year	-	-	93,750	0.10
21	**Purushothaman Pillai G**				
	At the beginning of the year April 1, 2018	33,013	0.04	-	-
	At the End of the year	-	-	33,013	0.04
22	**Rahul Nair**				
	At the beginning of the year April 1, 2018	20,000	0.02	-	-
	At the End of the year	-	-	20,000	0.02
23	**Rajeswari Amma**				
	At the beginning of the year April 1, 2018	93,760	0.10	-	-
	At the End of the year	-	-	93,760	0.10
24	**Rajitha Gopalakrishnan**				
	At the beginning of the year April 1, 2018	45,000	0.05	-	-
	At the End of the year	-	-	45,000	0.05
25	**Rupali Jatin**				
	At the beginning of the year April 1, 2018	632,812	0.71	-	-
	Less: Off-market - on loan basis on September 11, 2018	100,000		532,812	
	Less: Gift to family members on September 19, 2018	300,000		232,812	
	Add: Off-market - on loan basis: October 26, 2018	100,000		332,812	
	Less: Market sale on March 27, 2019	135,000		197,812	
	At the End of the year			197,812	0.22

#	Shareholder's Name	Shareholding Details		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
26	**Sajitha Pillai**				
	At the beginning of the year April 1, 2018	80,000	0.09	-	-
	At the End of the year	-	-	80,000	0.09
27	**Sajjan D**				
	At the beginning of the year April 1, 2018	159,400	0.18	-	-
	Add: Market purchase between January 7, 2019 and January 18, 2019	2,600		162,000	
	At the End of the year			162,000	0.18
28	**Suchi Chaitanya Srisrimal**				
	At the beginning of the year April 1, 2018	93,750	0.10	-	-
	At the End of the year	-	-	93,750	0.10
29	**Tarini Arun Kumar**				
	At the beginning of the year April 1, 2018	200,000	0.22	-	-
	Add: Gift from family members on November 5, 2018	100,000		300,000	
	Less: Market sale on November 6, 2018	300,000		-	
	At the End of the year			Nil	Nil
30	**V. Jatin (HUF)**				
	At the beginning of the year April 1, 2018	408	0.00	-	-
	At the End of the year	-	-	408	0.00
31	**V. Nitin Kumar (HUF)**				
	At the beginning of the year April 1, 2018	500	0.00	-	-
	At the End of the year	-	-	500	0.00
32	**Vimal Kumar S - HUF**				
	At the beginning of the year April 1, 2018	115,158	0.13	-	-
	Less: Off-market - on loan basis on August 21, 2018	18,000		97,158	
	Less: Pledge invocation on March 26, 2019	1,850		95,308	
	At the End of the year			95,308	0.11
33	**Vineetha Mohanakumar Pillai**				
	At the beginning of the year April 1, 2018	175,000	0.20	-	-
	At the End of the year	-	-	175,000	0.20
	BODY CORPORATES				
34	**Abusha Investments & Management Services LLP**				
	At the beginning of the year April 1, 2018	1,681,221	1.88	-	-
	Less: Market Sale on September 6, 2018	400,000		1,281,221	
	Less: Market Sale on February 22, 2019	500,000		781,221	
	Less: Market Sale on February 25, 2019	500,000		281,221	
	At the End of the year			281,221	0.31
35	**Agnus Capital LLP**				
	At the beginning of the year April 1, 2018	20,000	0.02	-	-
	At the End of the year	-	-	20,000	0.02
36	**Agnus Holdings Pvt Ltd**				
	At the beginning of the year April 1, 2018	120,816	0.13	-	-
	At the End of the year	-	-	120,816	0.13
37	**Ambemata Securities**				
	At the beginning of the year April 1, 2018	481,660	0.54	-	-
	At the End of the year			481,660	0.54
38	**Chayadeep Properties Private Ltd**				
	At the beginning of the year April 1, 2018	411,060	0.46	-	-
	At the End of the year	-	-	411,060	0.46

#	Shareholder's Name	Shareholding Details		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
39	**Devendra Estates LLP**				
	At the beginning of the year April 1, 2018	500,000	0.56	-	-
	Add: Transfer from Devendra Estates Private Limited on May 4, 2018	650,000		1,150,000	
	Add: Transfer from Devendra Estates Private Limited on May 18, 2018	50,000		1,200,000	
	Less: Pledge Invocation on Aug 21, 2018	100,000		1,100,000	
	Add: Off-market - on loan basis on August 21, 2018	18,000		1,118,000	
	Less: Off-market - Pledge - Collateral for F&O margin on August 21, 2018	18,000		1,100,000	
	Add: Off-market - on loan basis on September 24, 2018	18,000		1,118,000	
	At the End of the year			1,118,000	1.25
40	**Devendra Estates Private Limited**				
	At the beginning of the year April 1, 2018	701,953	0.78	-	-
	Less: Transfer to Devendra Estates LLP on May 4, 2018	650,000		51,953	
	Less: Transfer to Devendra Estates LLP on May 18, 2018	50,000		1,953	
	At the End of the year	-	-	1,953	0.00
41	**Sequent Scientific Limited**				
	At the beginning of the year April 1, 2018	3,312,500	3.70	-	-
	At the End of the year	-	-	3,312,500	3.70
42	**Shasun Leasing And Finance (P) Limited**				
	At the beginning of the year April 1, 2018	968,091	1.08	-	-
	At the End of the year	-	-	968,091	1.08
43	**Triumph Venture Holdings LLP**				
	At the beginning of the year April 1, 2018	35,937	0.04	-	-
	At the End of the year	-	-	35,937	0.04
44	**Karuna Ventures Private Limited**				
	At the beginning of the year April 1, 2018	20,000	0.02	-	-
	At the End of the year	-	-	20,000	0.02
45	**Karuna Business Solutions LLP***				
	At the beginning of the year April 1, 2018	-	-		
	Add: Market Purchase and part of Promoter Group on November 6, 2018	603,500		603,500	
	At the End of the year	-	-	603,500	0.67
46	**Lifecell International Private Limited****				
	At the beginning of the year April 1, 2018	-	-	-	-
	Part of Promoter Group effective February 25, 2019	400,000			
	Add: Market Purchase between February 22, 2019 and February 25, 2019	1,000,000		1,400,000	
	At the End of the year			1,400,000	1.56

* Became part of Promoter group effective November 2018

** Became part of Promoter group effective February 2019

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

#	Name of Shareholder	Shareholding at the beginning of the year April 1, 2018		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SBI MAGNUM MULTIPLIER FUND	6,740,140	7.53	8,656,213	9.67
2	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	175,200	0.20	6,092,000	6.80
3	ROUTEONE OFFSHORE MASTER FUND LP	2,288,215	2.56	3,642,630	4.07
4	BNP PARIBAS ARBITRAGE	181,177	0.20	3,130,635	3.50
5	GOVERNMENT PENSION FUND GLOBAL	2,031,434	2.27	2,831,878	3.16
6	ROUTEONE FUND I LP	2,080,067	2.32	2,673,097	2.99
7	DSP BLACKROCK EQUITY AND BOND FUND	2,551,999	2.85	2,610,065	2.91
8	HDFC TRUSTEE COMPANY LTD- HDFC EQUITY SAVING FUND	1,598,016	1.79	1,913,116	2.14
9	SATPAL KHATTAR	1,560,032	1.74	1,560,032	1.74
10	APAX GLOBAL ALPHA LIMITED	1,314,092	1.47	1,314,092	1.47
11	UTI-UNIT SCHEME FOR CHARITABLE AND RELIGIOUS TRUST	1,872,440	2.09	235,479	0.26
12	KARST PEAK ASIA MASTER FUND	2,583,024	2.89	-	-
13	MSD INDIA FUND LIMITED	1,552,630	1.73	-	-

Note: The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

v) Shareholding of Directors and Key Managerial Personnel :

#	Name of the Directors and KMP	Shareholding at the beginning of the year April 1, 2018		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Deepak Vaidya**				
	At the beginning of the year	177,000	0.20	-	-
	At the End of the year	-	-	177,000	0.20
2	**Sridhar S**				
	At the beginning of the year	48,750	0.05	-	-
	At the End of the year	-	-	48,750	0.05
3	**Bharat Shah**				
	At the beginning of the year	30,000	0.03	-	-
	Add: Market Purchase made on July 5, 2018 and July 10, 2018	25,000		-	-
	At the End of the year	-	-	55,000	0.06
4	**Sangita Reddy**				
	At the beginning of the year	Nil	Nil	-	-
	At the End of the year.	-	-	Nil	Nil
5	**Homi Rustom Khusrokhan**				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
6	**Arun Kumar**				
	At the beginning of the year	1,370,797	1.53	-	-
	At the End of the year	-	-	1,370,797	1.53
7	**Badree Komandur**				
	At the beginning of the year	Nil	Nil	-	-
	At the End of the year	-	-	Nil	Nil
8	**Shashank Sinha***				
	At the beginning of the year	23,103	0.03	-	-
	Add: Market Purchase made on September 6, 2018	15,000		-	-
	At the End of the year	-	-	38,103	0.04
9	**Manjula Ramamurthy - Company Secretary**				
	At the beginning of the year	100	0.00	-	-
	At the End of the year	-	-	100	0.00

* Resigned from the Board effective May 18, 2018

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as at March 31, 2019

(₹in Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
(i) Principal Amount	5,543.07	518.49	-	**6,061.56**
(ii) Interest due but not paid	-	-	-	**-**
(iii) Interest accrued but not due	-	-	-	**-**
Total (i+ii+iii)	**5,543.07**	**518.49**	**-**	**6,061.56**
Change in Indebtedness during the Financial Year				
Addition	-	-	-	**-**
Reduction	(21.20)	(518.49)	-	**(539.69)**
Working capital loans (net)	2,590.56	-	-	**2,590.56**
Net Change	**2,569.36**	**(518.49)**	**-**	**2,050.87**
Indebtedness at the end of the Financial Year				
(i) Principal Amount	8,112.43	-	-	**8,112.43**
(ii) Interest due but not paid	-	-	-	**-**
(iii) Interest accrued but not due	-	-	-	**-**
Total (i+ii+iii)	**8,112.43**	**-**	**-**	**8,112.43**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

#	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount (₹)
		Arun Kumar (Managing Director & Group CEO) (₹)	Badree Komandur (Executive Director, Finance & Group CFO) (₹)	Shashank Sinha** (₹)	
1.	Gross Salary				
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	4,00,00,008.00	1,96,08,987.00	65,61,836.00	6,61,70,831.00
	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Options	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission As % of profit Others, pls specify	-	-	-	-
5.	Others				
	a) One time incentive	-	30,00,000.00	-	30,00,000.00
	b) Retention Linked	-	62,50,000.00	-	62,50,000.00
	c) Performance Linked	99,99,992.00	32,50,000.00	35,00,000.00	1,67,49,992.00
	TOTAL (A)	**5,00,00,000.00**	**3,21,08,987.00**	**1,00,61,836.00**	**9,21,70,823.00**
	Ceiling as per the Act for Managing Directors/ Whole-time Directors	@ 5% of net profits as computed under the Act is ₹57.11 Million @ 10% of net profits as computed under the Act is ₹114.21 Million			

*includes Company's contribution towards PF

**Resigned from Board of Directors with effect from May 18, 2018.

B. Remuneration to other Directors

#	Name of Directors	Fees for attending Board & Committee meetings (₹)	Commission* (₹)	Others (₹)	Total (₹)
1	Deepak Vaidya	14,00,000	10,00,000	-	24,00,000
2	Sridhar S	16,00,000	10,00,000	-	26,00,000
3	Bharat Shah	16,00,000	10,00,000	-	26,00,000
4	Homi Khusrokhan	14,00,000	10,00,000	-	24,00,000
5	Sangita Reddy	4,00,000	10,00,000	-	14,00,000
	Total	**64,00,000**	**50,00,000**	**-**	**1,14,00,000**

*Shall be paid post Members' approval at the ensuing AGM

Overall ceiling as per the Act for Non-Executive Directors: ₹11.42 Million (being 1% of the net profit calculated under Section 198 of the Companies Act, 2013)

Total Managerial Remuneration for Managing Director/ Whole-time Directors and Other Directors, paid/payable: ₹103.57 million

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

#	Particulars	Manjula Ramamurthy (Company Secretary)
1.	Gross Salary	
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	32,31,927.00
	Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Options	-
3.	Sweat Equity	-
4.	Commission	-
	As % of profit	
	Others, pls specify	
5.	Others – Performance Linked payout	1,50,000.00
	TOTAL (A)	**33,81,927.00**

*includes Company's contribution towards PF

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

For and on behalf of the Board of Directors

Deepak Vaidya
Non-Executive Director
Chairperson of the Board
DIN: 00337276

Date: May 10, 2019
Place: Bengaluru

ANNEXURE 8

Particulars on Energy Conservation and Technology Absorption for FY 2018-19

(A) Conservation of Energy

(i) Steps taken and impact on conservation of energy

a) 69,048 KL of process water treated by waste water treatment plants and was reused for garden/lawn/Utilities inside the plant premises across all sites in India.

b) 26,098 KL of water recycled from steam condensate was reused for steam generation at KRSG.

c) 13,910 KL rain water was collected and recharged to improve the ground water table across all sites.

d) Replacement of TFL/CFL/SVL with energy efficient LED lights resulted in saving of about 5,39,678 kWh across all sites.

(ii) Steps taken by the Company for utilising alternative sources of energy

a) Utilisation of 11.20 MU renewable energy at KRSG resulted in 5396 MT CO2 emissions reduction.

b) Generated 5,42,600 Units of renewable energy through inhouse solar power generating systems of 340 KW .

(B) Technology absorption:

(i) Efforts made towards technology absorption are:

At Oral Dosage Facility – Bengaluru

a) Automated Storage & Retrieval System(ASRS) for 5000 pallet stations warehouse commissioned for an efficient material storage and handling.

b) Tablet Inspection system in CVC 200 BPM High speed Bulk filling line commissioned to detect & reject tablets/hard gel capsules not meeting acceptance criteria.

c) High accuracy liquid filling line with robotic arms commissioned to handle solvent based products in PET and glass bottles

d) Back Synchronisation system incorporated in DG sets to reduce Grid power outages impact by 50%.

At Oral Dosage facility – Puducherry

a) Centralised data Acquisition System commissioned for online Temperature & RH Monitoring in storage areas with 20 Nodes to have 24x7 monitoring of environmental conditions

At Oral Dosage facility – Alathur

a. Additional counting & Filling machine from CVC is added to existing bulk filling line to increase line capacity from 60 BPM to 135 BPM

At R&D – Bengaluru

a) Building Management System(BMS) commissioned in Microbiology & FD RM Store - 02 for (Temperature, RH & DP) Monitoring.

b) SAP plant maintenance module extended to cover equipment breakdown activities .

c) Dehumidifier installed to achieve low RH(NMT 50%) in Coating - 1, 2, Capsule Filling and dispensing area, to have areas complied for low RH production / R&D Batch manufacturing.

(ii) Product Improvement & Technology Absorption:

At Oral Dosage Facility – Bengaluru

a) MES (Manufacturing Execution System - eBMR) implemented successfully for tablet manufacturing process. Three products completed – LNZ (69 Batches), AL (11 Batches), Prednisone (1 Batch).

b) Following Softgel product's robustness improved by eliminating cause for capsules clumping issues:

- Dutasteride
- Omega

c) Cycle time improvements & Batch Size Scale-ups:

- Emtricitabine & Tenofovir Disoproxil Fumarate Film Coated Tablets [200mg/300mg] cycle time is reduced by approx. 45%.
- Frusemide Tablets [500mg] drying stage cycle time is reduced by approx. 12.5%.

d) Product Robustness Improvement Projects:

- Emtricitabine & Tenofovir Disoproxil Fumarate Film Coated Tablets [200mg/300mg] - Severe sticking issue of ET Tabs is resolved by change in spray granulation equipment.
- Quinine Bisulfate Coated Tablets BP [300mg] – Drying stage parameters are revised and validated to get consistent LOD results of dried granules.
- Quinine Sulphate 300mg - Sticking severity is reduced by change in granular profile by change in granulation suite.
- Prednisone Tabs 25 mg - Hardness is improved by change in granulation fluid uptake and change in drying stage parameters.
- Diphen hydramine & Ibuprofen 25 & 200mg Soft Gelatine Capsules - Capsules brittleness issue resolved by change in shell formulae and tunnel drying stage parameters.
- Potassium Chloride ER Tablets 8mEq & 10mEq - LG PSD issues by standardising the granulation process & dissolution release issues resolved by change in uncoated tablets curing time.
- Oxybutynin Hcl Tablets 2.5mg & 5.0mg - BU & CU issues resolved by standardising the API PSD.

e) Stoppage of Recurring Complaints:

- Quinine Bisulfate Coated Tablets BP [300mg] – Bursting of coated tablets stopped after coating process change.
- Efavirenz Tablets 200/600mg - Coating colour changed to match the description of PRS.

At Oral Dosage facility – Puducherry

a) Following Exhibit batches were executed and filed in 2018 to 2019 for US market

- Celecoxib capsules 100mg, 200mg and 400mg,
- Ibprofen Tablets 200mg (as Ibuprofen sodium 256mg) and Ibuprofen Tablets 400mg (as Ibuprofen Sodium512mg)
- Diltiazem Hydrochloride ER capsules 120mg/180mg/240mg/300mg/360mg
- Mirabegron ER tablets 50 mg

b) UK market (Exhibit batches)

- Ibuprofen Tablets 200mg (as Ibuprofen sodium 256mg) and Ibuprofen Tablets 400mg(as Ibuprofen Sodium512mg) – Poland (Europe)
- Ibuprofen ER tablets 300 mg – 3 VB (1500 kg) executed for filing – UK

c) 35 commercial launches for US market are achieved to have the higher share in regulated market & 2 are under progress

- Ketoprofen capsules USP 25mg
- Ketoconazole Tablets USP 200mg
- Gabapentin Capsules 100mg/300mg/400mg (ACI)
- Mesalamine ER Capsules 250mg/500mg (Validation bathes manufacturing under progress)
- Gabapentin Capsules 100mg/300mg/400mg (In-house) (Validation bathes manufacturing under progress)

d) Improved the productivity of 5 products by resolving / reducing the sticking frequency for overall efficiency

- Potassium citrate ER Tablets 10mEq and 15mEq – Reducing rattling of tablets
- Gabapentin Tablets 600mg ACI – Resolved sticking issue.
- Gabapentin Tablets 800mg ACI - Resolved sticking issue.
- Ibuprofen tablets 20 mg – Arrow - Reduced sticking issue.
- Ibuprofen tablets 400 mg – Dr. Max - Reduced sticking issue.

At Oral Dosage facility – Alathur

a) The efforts made towards technology absorption

- Improved the productivity of Amlodipine Besylate Tablets 10 mg by increasing the Batch size.
- Site transfer of 2 products were completed successfully and filed for approval – Clindamycin Capsules and Gabapentin Tablets.
- New Product was executed and filed for approval- Ranitidine Tablets (Cool mint).

- New Product (Ranolazine Tablets) was executed for Customer. Filing to be done.

(iii) In case of import technology (imported during the last year), the year of Import whether the technology has been fully absorbed:

a) Integrated blister cartonator line from CAM commissioned in KRSG to improve blister packaging capacity to 500 Mn / annum

b) CVC counter – 75 BPM commissioned to increase installed capacity of bulk filling line in Alathur site

Expenditure on R&D:

₹ In Million

Particulars	March 31, 2019	March 31, 2018
Capital	206.15	274.76
Revenue	1,217.45	1,741.69
Total	**1,423.60**	**2,016.45**

Total Foreign Exchange Earned and Used

₹ In Million

Particulars	Year ended March 31, 2019
Foreign exchange earned in terms of actual inflows	61,695
Foreign exchange outgo in terms of actual outflows	63,835

For and on behalf of the Board of Directors

Deepak Vaidya
Non-Executive Director
Chairperson of the Board
DIN:00337276

Date: May 10, 2019
Place: Bengaluru

CORPORATE GOVERNANCE REPORT

In compliance with provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company submits the Corporate Governance Report for the year ended March 31, 2019.

1. Corporate Governance at Strides

At Strides, we are guided by our values **Integrity, Collaboration and Efficiency ("ICE")** in everything we do.

We want to continue to be one of the leading Indian pharmaceutical companies with a reputation for the highest quality and integrity. At Strides we have a glorious track record of compliance **Integrity** and ethical standards. It continues to be our guiding principle in everyday conduct.

Being a global and multidisciplinary organisation, we want to harness the power of great team work. This cross-functional **Collaboration**, we call the power of 'One Strides'. It is one of our core values.

We will remain a globally competitive company by optimising our efficiency and effectiveness by being the best in what we do. Being right first time and harnessing our resources to deliver outperforming results is an attribute enshrined in our third value, **Efficiency**. At Strides, it's our way of life.

Our values are the foundation on which we are building our business and our culture. They inculcate trust and a strong relationship with all our stakeholders.

At Strides, we are committed to compliance with the best standards of Corporate Governance.

2. The Board of Directors

The Company is headed by an effective Board of Directors ('the Board'), which is entrusted to guide and oversee the management and performance of the Company with the ultimate responsibility to protect the interests of shareholders, employees and the other stakeholders.

We believe that our Board has an appropriate mix of Executive and Non-Executive Directors to maintain its independency and to separate its function of governance and management. The Board represents an optimal mix of professionalism, knowledge and experience.

2.1 Board Composition

As on the date of this Report, the Board comprises of Seven Directors – Two Executive Directors and Five Non-Executive Directors, of which Four are Independent Directors, Chairperson of the Board is a Non-Executive Director.

During the period under review, Board composition of the Company underwent the following changes:

Effective Date	Remarks
April 1, 2018	a) Arun Kumar moved from Non-Executive position to Executive position.
May 18, 2018	a) Shashank Sinha stepped down from the Board of Directors owing to a newer role. b) Arun Kumar was re-designated as Managing Director & Group CEO of the Company. c) Deepak Vaidya was designated as the Chairperson of the Board.

Board and Committee Composition as at March 31, 2019 is as under:

Name of the Director	Category	Board	Audit Committee	Nomination and Remuneration Committee	Stakeholder Relationship Committee	CSR Committee	Risk Management Committee*
Deepak Vaidya	Non-Executive Director	♟	✓	✓	♟	✓	-
S Sridhar	Independent Director	✓	♟	✓	✓	-	✓
Bharat Shah	Independent Director	✓	✓	♟	✓	-	✓
Sangita Reddy	Independent Director	✓	✓	-	-	♟	-
Homi R Khusrokhan	Independent Director	✓	✓	✓	-	✓	♟
Arun Kumar	Managing Director & Group CEO	✓	-	-	✓	✓	-
Badree Komandur	Executive Director	✓	-	-	-	✓	✓

* Effective April 1, 2019. Other members of the Committee are:

1. Ramaraju PVS, Chief Operating Officer – Global Head Manufacturing
2. Umesh Kale, Chief Quality Officer – Quality Assurance
3. Sormistha Ghosh, General Counsel and Chief Risk Officer

♟ - Chairperson of the Board/Committee

✓- Member

Note: The Company Secretary acts as the Secretary to the Board Committees.

The details of each member of the Board as at March 31, 2019 is as under:

#	Name of Director	Category of Directorship	Date of Original Appointment	No. of shares held in the Company & % to paid up capital	No. of Directorships held	No. of Committees of which Member	Chairmanship of Committees of Companies
1.	Deepak Vaidya	Chairperson & Non-Executive Director	January 16, 1998	177,000 (0.20%)	11	8	3
2.	S Sridhar	Independent Director	July 27, 2012	48,750 (0.05%)	11	7	5
3.	Bharat Shah	Independent Director	July 25, 2014	55,000 (0.06%)	11	8	1
4.	Sangita Reddy	Independent Director	February 7, 2014	-	16	1	-
5.	Homi Rustam Khusrokhan	Independent Director	May 18, 2017	-	4	2	1
6.	Arun Kumar	Managing Director & Group CEO	June 28, 1990	13,70,797 (1.53%)	5	2	-
7.	Badree Komandur	Executive Director - Finance & Group CFO	May 18, 2017	-	1	-	-

Note:

1. While considering the total number of directorships, directorships in Public Companies and Private Companies and Alternate Directorships (including Nominee Directorship) are considered. Directorships in Foreign Companies and Section 8 Companies, if any, have been excluded.

   Further, position held in the Company as Director and/ or Member/ Chairperson of Committee is included in the above table.

2. None of the Directors is a member of the Board of more than twenty companies or a member of more than ten Board-level Committees or Chairperson of more than five Committees across all listed/ public entities.

None of the Independent Directors serve as an Independent Director on more than seven listed entities.

3. In accordance with the provisions of Listing Regulations, while considering the position held as Member/ Chairperson in Committees, only Audit Committee and Stakeholder Relationship Committee are considered.

   Committee membership in all public limited companies, whether listed or not, is included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.

4. None of the Directors are related to any other Director.

5. During the year under review there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors/ Independent Directors, other than the related party transactions which are reported as part of the financials.

6. The Company has not issued any convertible instruments. Accordingly, the Directors do not hold such instruments in the Company.

7. Details of Directorships and Committee memberships of the Directors in all other entities incorporated under Indian Companies Act 1956/ 2013 is annexed to this report as Annexure CG 1.

8. Mr. Gopalakrishnaraj of M/s. Gopalakrishnaraj HH& Associates, Company Secretaries, has issued a certificate as required under the Listing Regulations confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as Annexure CG 2 to this Report.

2.2 Appointment/ Re-appointment, Continuation of Directorship & Retirement by Rotation

Proposal for the appointment/ re-appointment/ continuation of directorship of the following Directors shall be placed before the Members of the Company at the ensuing Annual General Meeting:

1) Mr. Deepak Vaidya, Non-Executive Director, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment;

   Further, in terms of the Listing Regulations, proposal for continuing of Mr. Vaidya's directorship in the Company, who will attain the age of 75 years in January 2020, will also be placed for Members' approval;

2) Re-appointment of Mr. S Sridhar and Ms. Sangita Reddy as Independent Directors of the Company for a second term of 5 (Five) years from the conclusion of ensuing Annual General Meeting till the conclusion of Thirty-Third Annual General Meeting of the Company.

   Your Directors recommend their appointment/ re-appointment/ continuation of directorship on the Board.

2.3 Induction & Familiarisation programs for Board Members

Every newly appointed Director is taken through a formal induction programme.

The Managing Director provides a brief on Company's current structure and performance of business and the Company Secretary provides new Directors with a brief on their responsibilities as Directors.

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes encompassing important laws are updated to the Directors. Sessions by subject matter experts on various regulatory updates is also arranged.

Site visits to Company's facilities are organised for the Directors to enable them understand the operations of the Company.

The policy formulated by the Company for Familiarisation and details of familiarisation programme imparted to independent directors are uploaded on the website of the Company at http://www.strides.com/investor-committeboard.html

2.4 Key Board skills/ expertise/ competence of the Board of Directors

The Board of Directors are collectively responsible for selection of a Member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

Following is the list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of the Company's business:

Area of Expertise	Remarks
Global Business	Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Experience in developing long-term strategies to grow consumer/ business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.
Governance	Developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.
Finance	Experience in handling financial management of a large organisation along with an understanding of accounting and financial statements.

2.5 Board Meetings

With a view to leverage technology and complement MCA's Green Initiatives, the Company has adopted digital meetings platform, which can be accessed through web version, iOS and Android based application.

Board/ Committee Agenda and related notes are circulated through this application which meets high standards of security and integrity that is required for storage and transmission of Board/ Committee related documents in electronic form.

The Board meetings are pre-scheduled and a tentative annual calendar of Board meetings is agreed to facilitate them to plan their schedules and to ensure meaningful participation.

However, in case of special and urgent business, Board Meetings are convened at shorter notice or Board's approval is obtained by circulating the resolution, depending on the matter to be transacted.

During the year under review, the Board met 9 times. These meetings were held on April 24, 2018, May 18, 2018, July 3, 2018, August 8, 2018, August 21, 2018, October 31, 2018, November 22, 2018, December 27, 2018 and January 29, 2019.

Attendance of Directors at the Board Meeting is as under:

Directors	April 24, 2018	May 18, 2018	July 3, 2018	August 8, 2018	August 21, 2018	October 31, 2018	November 22, 2018	December 27, 2018	January 29, 2019
Deepak Vaidya	✓	✓	✓	✓	✓	✓	☎	✓	✓
S Sridhar	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bharat Shah	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sangita Reddy	LOA	✓	LOA	✓	LOA	LOA	LOA	LOA	☎
Homi Rustam Khusrokhan	LOA	✓	✓	✓	✓	✓	✓	✓	✓
Arun Kumar	☎	✓	LOA	✓	LOA	✓	LOA	✓	✓
Shashank Sinha*	☎	✓	NA	NA	NA	NA	NA	NA	NA
Badree Komandur	✓	✓	☎	✓	LOA	✓	☎	✓	✓

* Resigned from the Board effective May 18, 2018

✓ - Present

☎ - Teleconference

LOA – Leave of Absence

NA – Not Applicable

2.6 Meetings of Independent Directors

Independent Directors of the Company met on May 18, 2018 to evaluate the performance of the Non-Independent Directors, the Board as a whole along with the performance of various Committees of the Board, performance of the Chairperson of the Board taking into account the views of executive directors and non-executive directors.

The Independent Directors further discussed various aspects including the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

2.7 Declaration by Independent Directors

The Company has received necessary declarations from each of the Independent Director that he/ she meets the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at March 31, 2019.

Board is of the opinion that the independent directors fulfill the conditions specified in the above said regulations and are independent of the management.

3 Committees of the Board

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters when required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

Board has constituted the following committees as prescribed under the Companies Act, 2013 and SEBI Listing Regulations:

1) Audit Committee;
2) Nomination and Remuneration Committee;
3) Stakeholders' Relationship Committee;
4) Corporate Social Responsibility Committee;
5) Risk Management Committee [constituted effective April 1, 2019]

3.1 Attendance of members of Committees at the meetings

Board Committees	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee (CSR)
Meetings held	7	4	4	3
Members' attendance				
Deepak Vaidya	6	4	4	3
S Sridhar	7	4	4	NA
Bharat Shah	7	4	4	NA
Sangita Reddy	2	NA	NA	2
Homi Rustam Khusrokhan	6	3	NA	3
Arun Kumar	NA	NA	4	3
Badree Komandur	NA	NA	NA	3
Shashank Sinha*	NA	NA	NA	1

*Ceased to be a member of Corporate Social Responsibility Committee effective May 18, 2018.

4. Audit Committee

4.1 Audit Committee Meetings

The Committee met 7 times during the period under review i.e., on April 24, 2018, May 18, 2018, August 8, 2018, August 21, 2018, October 31, 2018, November 22, 2018 and January 29, 2019. Attendance of members at the Committee Meeting is provided at Item No. 3.1 above.

The meetings of the Audit Committee are also attended by Executive Directors, Statutory Auditors and Internal Auditors.

4.2 Terms of reference of the Audit Committee

Terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II to the SEBI Listing Regulations.

Terms of reference of the Audit Committee, inter alia, includes the following:

a) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b) Examination of the Company's financial statements and Auditor's Report on the same.

c) Discuss and review with the Management and Auditors, the annual/ quarterly financial statements before submission to the Board for approval.

d) Review of Management Discussion and Analysis of financial condition and results of operations.

e) Recommend to the Board appointment, re-appointment, removal of the Statutory Auditors, fixation of audit fee and approval for payment for any non-audit services rendered by the Statutory Auditors.

f) Reviewing and monitoring the auditor's independence & performance and effectiveness of audit process.

g) Review the appointment, removal and terms of remuneration of the Internal Auditor.

h) Review on a regular basis the adequacy of internal audit function, the structure of the internal audit department, approval of the internal audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

i) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

j) Discuss with internal auditors any significant findings and follow up thereon.

k) Review with Management, Statutory Auditors and Internal Auditors about the adequacy of internal control systems and related matters.

l) Review of Management letters/ letters of internal control weakness issued by Statutory Auditors/ Internal Auditors.

m) Review the appointment, removal and terms of remuneration payable to the Cost Auditor.

n) Evaluation of internal financial controls and risk management systems.

o) Review and approval of Related Party Transactions.

p) Reviewing the functioning of the Whistle Blower mechanism.

q) Review compliance of provisions of Insider Trading Regulations and verify that systems for internal control are adequate and operating effectively, at-least once in a Financial Year.

In addition, the Committee has discharged such other roles/ functions as envisaged under the Companies Act, 2013 and Listing Regulations.

5. Nomination and Remuneration Committee

5.1 Meetings of the Committee

The Committee met 4 times during the period under review on April 24, 2018, May 17, 2018, August 7, 2018 and January 29, 2019. Attendance of members at the Committee Meetings is provided at Item No. 3.1 above.

5.2 Terms of reference of the Committee

Terms of reference of the Nomination and Remuneration Committee (NRC) covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the SEBI Listing Regulations.

Terms of reference of the NRC, inter-alia are as follows:

a) To periodically review the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole.

b) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

c) To formulate a criteria for evaluation of performance of all Independent Directors and the Board.

d) Committee to carry out evaluation of every Director's performance.

e) To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.

f) To formulate criteria and evaluate the performance of the statutory committees of the Board viz., Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

g) To devise a policy on Board diversity and assist the Board in ensuring Board nomination process addresses diversity of gender, knowledge, experience, and perspective.

h) Identify persons who are qualified to become Directors and who may be appointed as Senior Management Personnel (SMP), in accordance with the criteria laid down in the policy.

i) To recommend to the Board the appointment and removal of Directors and SMP, in accordance with the criteria laid down in the policy.

j) To recommend to the Board, a policy relating to remuneration of Directors, Key Managerial Personnel (KMP) and SMP.

k) To recommend to the Board, all remuneration, in whatever form, payable to SMP.

l) To establish and review plans relating to orderly succession for appointment of the Board, KMP and SMP.

m) To assist the Board of Directors in the Board's overall responsibilities relating to Employee Stock Option Plans, including the administration of the Company's ESOP and other incentive plans and the interpretation and adoption of rules for the operation thereof.

To carry out any other function as may be mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.

5.4 Nomination and Remuneration Policy

The Company has formulated a Nomination and Remuneration Policy for the Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company which is uploaded on the website of the Company:

http://www.strides.com/investor-committeeboard.html

5.5 Performance Evaluation

The Nomination and Remuneration Committee (NRC) has devised a criteria for evaluation of the performance of the Directors including Independent Directors (ID). The said criteria provides certain parameters like attendance, acquaintance with business, interpersonal relations with other directors and management etc., which is in compliance with applicable laws, regulations and guidelines.

Evaluation of performance is carried out once a year.

The evaluation is carried out based on the questionnaire and feedback form which forms part of the Board Evaluation policy of the Company.

Such an evaluation procedure provides a fine system of checks and balances on the performance of the directors and ensures that they exercise their powers in a rational manner.

With an aim to maintain a proactive and effective Board, NRC is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company.

The Chairperson of NRC in consultation with the members of the Committee carries out the evaluation of Directors and Committees of the Board.

5.6 Details of Remuneration to Directors

Remuneration to Non-Executive Directors

The Non-Executive Directors (NED) receive sitting fees of ₹100,000/- each for attending each meeting of the Board and Audit Committee.

Recommendation of payment of commission to Non-Executive Directors

Considering the experience and expertise brought to the Board by the NEDs and in appreciation of their contribution and services, the Board of Directors in their meeting held on May 10, 2019 have recommended payment of commission upto 1% of the net profits of the Company in terms of the provisions of Section 197 of the Companies Act, 2013 and SEBI Listing Regulations.

It is proposed that such payment be effective from FY 2018-19, subject to approval of the Members.

The said remuneration shall be in addition to the sitting fee paid to them and out-of-pocket expenses incurred for attending meetings of the Board and various Board Committees thereof.

Approval of the Members for this matter shall be sought at the upcoming AGM of the Company.

For FY 2018-19, the Board of Directors have recommended a commission of ₹10 Lakh per Non-Executive Director under this provision, which shall be paid to them post Members' approval at the ensuing AGM.

Details of remuneration paid/ payable to Non-Executive Directors during FY 2018-19 is as under:

#	Name of the Directors	Sitting fee (₹)	Commission (₹)*	Total (₹)
1	Deepak Vaidya	14,00,000	10,00,000	24,00,000
2	S Sridhar	16,00,000	10,00,000	26,00,000
3	Bharat Shah	16,00,000	10,00,000	26,00,000
4	Sangita Reddy	4,00,000	10,00,000	14,00,000
5	Homi Khusrokhan	14,00,000	10,00,000	24,00,000
	Total	**64,00,000**	**50,00,000**	**1,14,00,000**

* Shall be paid post Members' approval at the ensuing AGM.

Remuneration to Executive Directors

The Company pays remuneration in combination of fixed and variable component to its Executive Directors. Annual increments are recommended by the Nomination and Remuneration Committee in line with the remuneration approved by Members of the Company.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the remuneration payable to the Executive Directors out of the profits for the Financial Year and within the ceilings prescribed under the Act.

Details of remuneration paid/ payable to Executive Directors during Financial Year 2018-19 is as under:

Particulars	Arun Kumar	Badree Komandur	Shashank Sinha*
Salary and Allowances	₹3,76,00,008	₹1,84,68,987	₹60,43,993
PF including pension	₹24,00,000	₹11,40,000	₹5,17,843
Perquisite Value w.r.t ESOP	NA	NIL	NIL
Bonus/ Incentive Payout			
a) Retention Linked Payout	-	₹62,50,000	-
b) Performance Linked Payout	₹99,99,992	₹32,50,000	₹35,00,000
c) One time Incentive	-	₹30,00,000	-
TOTAL	**₹5,00,00,000**	**₹3,21,08,987**	**₹1,00,61,836**

* Resigned from the Board effective May 18, 2018.

Service Contracts, Notice Period and Severance Fees relating to Executive Directors
As per the existing HR policy of the Company a notice period of 3 months is applicable to a whole-time director of the Company and no severance fee paid to any whole-time director.

Details of Stock Options held by Directors
The Non-Executive Directors and Mr. Arun Kumar (Promoter Director) do not hold any stock options of the Company

Mr. Badree Komandur and Mr. Shashank Sinha hold stock options under the Strides ESOP 2016 Plan.

Stock Options are granted by the Compensation Committee at an exercise price, which shall not be less than 75% of the Market price of the shares on the date of grant of option. Further, as the shares of the Company are listed on more than one stock exchange, the closing price on the stock exchange having higher trading volume is considered as the market price of the share for the purpose of facilitating the grant of stock options.

In terms of the Plan, there is a minimum period of one-year lock-in between the grant and vesting of stock options. Further, vesting of stock options is over a period of 3 years from the date of grant and is vested as under:

- Year 1 – 20% of the option vested
- Year 2 – 30% of the option vested
- Year 3 – 50% of the option vested

Stock options held by Badree and Shashank are as under:

Name	Number of Options granted	Date of Grant	Price per option (₹)	No of Options exercised till date	No of options lapsed	No of outstanding options
Badree Komandur	1,00,000	14 Aug 2017	555.18*	Nil	20,000	80,000
	25,000	8 Aug 2018	301.00	None - Vesting to start from August 2019	NA	25,000
Shashank Sinha	1,00,000	15 Jun 2016	711.85**	20,000	30,000	50,000
	25,000	8 Aug 2018	301.00	None - Vesting to start from August 2019	NA	25,000

* Originally granted at ₹656.10. Repriced in April 2018 pursuant to demerger of API Business.
** Originally granted at ₹841.25. Repriced in April 2018 pursuant to demerger of API Business.

6 Stakeholders' Relationship Committee

6.1 Meetings of the Committee
The Committee met 4 times during the period under review i.e. on May 17, 2018, August 7, 2018, October 31, 2018 and January 29, 2019. Attendance of members at the Committee Meeting is provided at Item No. 3.1 above.

6.2 Terms of reference of the Committee
Terms of reference of the Stakeholders' Relationship Committee (SRC) covers the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the SEBI Listing Regulations.

Terms of reference of the SRC, inter-alia are as follows:

a) To monitor and resolve grievances of securities holders of the Company including but not limited to complaints related to transfer/ transmission of shares, issue of new/ duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends, general meetings etc.

b) To look into various aspects of interest of shareholders and other security holders of the Company.

c) Review of measures taken for effective exercise of voting rights by shareholders.

d) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

e) Review of various measures and initiatives taken by the Company relating to unclaimed dividends (including reducing the quantum of unclaimed dividend) and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

f) To act as a delegated authority of the Board of Directors to expedite the process of securities transfers, transmission, transposition, deletion of name of the deceased holder and noting of the same upon completion of the process.

g) To act as a delegated authority of the Board of Directors to approve issue of duplicate share certificates/ other certificates of document issued in respect of any other securities of the Company;

h) To note the issue of share certificates or any other certificates issued in respect of any securities of the Company, in relation to dematerialisation, rematerialisation, splitting and consolidation of shareholding;

i) Printing of share certificates or any other certificate of document issued in respect of any other securities of the Company;

j) To seek information from Share Transfer Agent from time to time;

In addition, the Committee has discharged such other roles/ functions as envisaged under the Companies Act, 2013 and Listing Regulations.

6.3 Investor/ Shareholder Complaints

Details of complaints resolved during the period under review is as under:

#	Description	Opening balance as at April 1, 2018	No. of cases received during the year	Disposed during the year	Pending as at March 31, 2019
1	Non-receipt of dividend warrants	0	108	108	0
2	Non-receipt of annual reports	0	21	21	0
3	Non-receipt of securities	0	40	40	0
4	Non-receipt of securities after transfer	0	6	6	0
5	Non-receipt of electronic credits	0	0	0	0
6	Non-receipt of duplicate/ transmission/ deletion of share certificates	0	1	1	0
7	SEBI Complaints (SCORES)	0	4	4	0
8	NSE/ BSE Complaints	0	2	2	0
9	Other Complaints (MCA/ROC)	0	0	0	0
	Total	**0**	**182**	**182**	**0**

6.4 Reconciliation of Share Capital Audit

The Company conducts a share capital audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Regulations 1996 & SEBI Circular No. D&CC/ FITTC/ CIR-16/ 2002 dated December 31, 2002.

The Reconciliation of Share Capital Audit Report obtained from a Practicing Company Secretary, which has been submitted to the Stock Exchanges within the stipulated period, certifies that the equity shares of the Company held in the dematerialised form and in the physical form confirms to the issued and paid up equity share capital of the Company.

6.5 Secretarial Compliance Certificate

As per provisions of the Listing Regulations, the Company has obtained the Secretarial Compliance Certificate on half yearly basis from a Practicing Company Secretary to the effect that all transfers/ transmissions of shares are effected within stipulated time. The certificate has been submitted to the Stock Exchanges within the prescribed time.

6.6 Secretarial Audit

Secretarial Audit was undertaken by Mr. Gopalakrishnaraj H H of M/s. Gopalakrishnaraj H H & Associates Company Secretaries for the Financial Year ended March 31, 2019 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India.

The Secretarial Audit Report forms as an Annexure to Boards' Report and does not contain any qualification, reservation or adverse remark.

7. Corporate Social Responsibility Committee

7.1 Committee Meeting Details

The CSR Committee met 3 times during the period under review i.e., on May 17, 2018, August 7, 2018 and January 29, 2019.Attendance of members at the Committee Meeting is provided at Item No. 3.1 above.

7.2 Terms of reference of the Committee

Terms of Reference of the CSR Committee, inter alia, includes the following:

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas/ subject as specified in Schedule VII of the Act.

b) Recommend the amount of expenditure to be incurred on the CSR Activities.

c) Monitor adherence by the Company with the CSR Policy.

d) The Committee, at its sole authority, may seek the advice of outside experts or consultants at the Company's expense where judged necessary, to discharge its duties and responsibilities.

(e) The Committee shall ensure that the Company is taking the appropriate measures to implement the CSR activities as mentioned in the policy successfully.

A detailed report on the CSR activities undertaken during the year, together with its monitoring and spending is annexed to the Board's Report as Annexure 4.

8. Governance of Subsidiary Companies

Company has in place policy for Governance of subsidiaries drafted in line with the SEBI Listing Regulations. Policy is available at www.strides.com.

Minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis.

Details of Investments, Loans granted and Guarantees, if any, made by the subsidiary companies are placed before and reviewed by the Audit Committee of the company. The Board of Directors of the Company periodically review the statement of all significant transactions and arrangements entered into by the subsidiary companies.

9. General Meetings and Postal Ballot

9.1 Annual General Meeting

The Twenty-Seventh Annual General Meeting (AGM) of the Company was held on Monday, September 24, 2018 at 12.15 pm.

The Meeting was attended by all the Directors of the Company, i.e., Mr. Deepak Vaidya, Mr. Arun Kumar, Mr. Badree Komandur, Mr. S Sridhar, Mr. Bharat Shah, Ms. Sangita Reddy and Mr. Homi Khusrokhan.

9.2 General Meetings and Tribunal Convened Meetings held during the preceding three years

Details of the General Meetings and Tribunal Convened Meetings held during the preceding three years and Special Resolutions passed therein are summarised as under:

AGM/ EGM	Date /Time	Venue	Special Resolutions passed
Extraordinary General Meeting	March 27, 2019 at 11.30 AM	Hotel Ritz Carlton, Residency Road, Bengaluru – 560025	1) Divestment of Australian Business
AGM for FY ending March 31, 2018	September 24, 2018 at 12.15 PM	Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701	1) Appointment of Mr. Arun Kumar as Executive Director 2) Approval for the continuation of Mr. Homi Rustam Khusrokhan as Independent Director 3) Approval for grant of loan and continuing of guarantee/ security provided to Stelis Biopharna
Tribunal convened Meeting	December 27, 2017 at 12.00 Noon	Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701	1) Approval of de-merger of the API Business of the Company to Solara Active Pharma Sciences Limited
AGM for FY ending March 31, 2017	September 15, 2017 at 12.15 PM	Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701	1) Appointment of Mr. Shashank Sinha as Managing Director 2) Appointment of Mr. Badree Komandur as Executive Director – Finance 3) Amendment of Article 94 of the Articles of Association of the Company relating to retirement of Directors by rotation
AGM for FY ending March 31, 2016	July 29, 2016 12.00 Noon	Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701	1) Appointment of Mr. Abhaya Kumar as an Executive Director 2) Adoption of new set of Articles of Association of the Company to incorporate the terms of Shareholders' Agreement amongst the Promoters of the Company

9.3. Postal Ballot/ E-voting

During FY 2018-19 the Company conducted Postal Ballot to seek approval of the shareholders for the following items:

a) Name change of the Company from "Strides Shasun Limited" to "Strides Pharma Science Limited"

b) Amendment to Memorandum of Association pursuant to change of name of the Company

c) Divestment of Strides Chemicals Private Limited.

Mr. Binoy Chacko, Partner of M/s. Joseph and Chacko LLP, Company Secretaries was appointed as Scrutiniser for conducting the Postal Ballot/ e-voting process in a fair and transparent manner.

Notice of Postal Ballot was dated May 18, 2018 and the consolidated results of the same was announced on July 2, 2018.

Item	Type of Resolution	No. of votes polled	Votes Cast in Favour (% to total voted polled)	Votes Cast against (% to total voted polled)	Invalid Votes (% to total voted polled)	Abstained (% to total voted polled)
Name change of the Company from "Strides Shasun Limited" to "Strides Pharma Science Limited"	Special	29,632,867	29,609,730 (99.922%)	2,307 (0.00008)	210 (0.0007)	20,620 (0.066)
Amendment to Memorandum of Association pursuant to change of name of the Company	Special	29,633,017	29,609,350 (99.920)	2,199 (0.007)	210 (0.001)	21,258 (0.072)
Divestment of Strides Chemicals Private Limited	Ordinary	29,633,017	29,608,882 (99.919)	2,579 (0.009)	210 (0.001)	21,346 (0.072)

There is no proposal as on the date of this report to conduct postal ballot.

9.4 Procedure adopted by the Company for Postal Ballot

The Company dispatches Postal Ballot Notice, together with the documents accompanying the same to all the Members by email/ registered post/ courier whose names appear in the Register of Members/ list of Beneficial Owners as received from the National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) or Registrar and Share Transfer Agent ('Karvy') as on the cut-off date at their respective registered/ last known address.

The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and other applicable Regulations.

Voting rights are reckoned on the no. of shares registered as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the Scrutiniser on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with related Rules, the Company provides electronic voting (e-voting) facility to all its members. The Company engages the services of Karvy Fintech Private Limited ("Karvy") for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e voting.

The Scrutiniser submits his report to the Chairperson, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairperson/ authorised officer. The results are also displayed on the Company website, www.strides.com, and also on the website of Karvy i.e., https://evoting.karvy.com, besides being communicated to BSE Limited and the National Stock Exchange of India Limited on which the shares of the Company are listed.

10 Shareholders' Communication

The Company recognises the importance of two-way communication with shareholders and giving a balanced report of results and progress. The Company regularly communicates to its stakeholders through multiple channels of communications such as results announcement, annual report, media releases and hosting information in Company's website.

Shareholders seeking information relating to their shareholding may contact the Company directly or through Karvy Fintech Private Limited, Company's Registrars and Transfer Agents, details of which are available on the Company's website.

The Company ensures that complaints and suggestions of its shareholders are responded to in a timely manner.

10.1 Means of Communication

a) **Quarterly, Half yearly and Annual financial results**

The quarterly, half yearly and annual results of the Company as approved by the Board of Directors are submitted to the Stock Exchanges where the Company's shares are listed.

Further, the quarterly, half yearly and annual results of the Company are also published in Financial Express and Lokmat, local vernacular daily.

These are also disseminated through Company's PR Agency and made available on the Company's website: www.strides.com.

The Company also conducts earnings calls with analysts and investors and their transcripts are published on the website thereafter.

b) Notice to shareholders relating to transfer of shares in respect of the dividends which has remained unpaid or unclaimed for seven consecutive years to the Investors Education and Protection Fund was published in Free Press Journal/ Business Standard and in the local vernacular daily, Navshakti.

c) **News releases, presentations, etc.:**

The Company has established systems and procedures to disseminate relevant information to its stakeholders including shareholders, analysts, suppliers, customers, employees and the society at large.

Regular updates about the Company in the form of news releases, stock exchange intimations, investor presentations etc., are displayed on the Company's website.

d) **Compliance Filings with Stock Exchanges**

All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NSE Electronic Application Processing System and BSE Corporate Compliance & Listing Centre.

e) **SEBI Complaints Redress System (SCORES)**

Investors' complaints are also being processed through the centralised web base complaint redressal system of SEBI (SCORES). SCORES enables speedy and effective resolution of complaints filed therein..

f) **Website**

The primary source of information regarding the operations of the Company is the corporate website: www.strides.com

It contains a separate dedicated section for 'Shareholders', 'Investors' and 'Media' where the latest and updated information about financials/ activities of the Company are available.

The website of the Company also displays official news releases and presentations made to the institutional investors and analysts from time to time.

g) **Annual report**

The Company's annual report containing the Board's Report, Corporate Governance Report, Management Discussion and Analysis (MD&A), Audited Annual Accounts, Consolidated Financial Statements, Auditors' Report and other important information is circulated to members and other stakeholders. Annual Reports are also emailed to the shareholders who have registered their email IDs with the Company/ depositories.

Strides' annual report is also available at www.strides.com

11 General Shareholders Information

11.1 Annual General Meeting – 2019

Day/ Date/Time	Tuesday, July 30, 2019 at 11.30 hrs
Venue	Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701.
Date of Book closure for Dividend and AGM purpose	July 23, 2019, to July 30, 2019 (both days inclusive)
E-voting Dates	Commences at 09:00 hrs on Wednesday, July 24, 2019; Ends at 17:00 hrs on Monday, July 29, 2019

11.2 Financial Calendar for the Year 2019-20

Financial Reporting for Quarter/ Half Year ended/ Annual	During
June 30, 2019	July, 2019
September 30, 2019	October, 2019
December 31, 2019	January, 2020
March 31, 2020	May, 2020

11.3 Dividend

The Board of Directors of the Company at their meeting held on May 10, 2019 had recommended a dividend of ₹3.00 (Indian Rupees Three Only) per share on equity share of face value of ₹10/- each for the Financial Year ended March 31, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Dividend, if approved by members, will be paid within 30 days from the date of approval by the members.

The Company provides the facility of payment of dividend to the shareholders by directly crediting the dividend amount to the shareholder's bank account and by way of dividend warrants.

Members are requested to register and/or update their core banking details with the Company/ RTA/ Depository Participants, as the case may be, to enable credit of dividend to their bank accounts directly.

To prevent fraudulent encashment of dividend warrants, shareholders are requested to provide their bank account details (if not provided earlier) to the Company/its RTA (if shares held in physical form) or to DPs (if shares held in electronic form), as the case may be, for printing of the same on the dividend warrants.

11.4 Unclaimed Shares Suspense Account

Pursuant to Regulation 39(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Schedule VI of the said Regulations, the Company has dematerialised shares which have been returned undelivered by postal authorities and shares lying unclaimed. The dematerialised shares are held in an 'unclaimed suspense account' opened with Karvy Stock Broking Limited.

Any corporate benefits accruing on such shares, viz. bonus shares, split etc., shall also be credited to unclaimed suspense account, for a period of seven years and thereafter shall be transferred by the Company to IEPF, in accordance with provisions of Section 124(5) and (6) of the Companies Act, 2013 and rules made thereunder.

In accordance with the provisions of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account.

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	1,193	71,225
Shareholders who approached the Company for transfer of shares from suspense account during the year	17	358
Shareholders to whom shares were transferred from the suspense account during the year	17	358
Aggregate number of shareholders and shares which were transferred to IEPF as per the MCA Circular	37	496
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	1,139	70,371

The voting rights on the shares outstanding in the suspense account as on March 31, 2019 shall remain frozen till the rightful owner claims the shares.

11.5 Unpaid/ Unclaimed Dividends and Shares

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed/ claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/ unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend/ shares are transferred to the IEPF Authority can claim their shares/ dividend from the Authority.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹362,935/- of unpaid/ unclaimed dividends and 11,626 shares were transferred during FY 2018-19 to the IEPF including the dividend amounts declared and paid by erstwhile Shasun Pharmaceuticals Limited.

The Company has appointed Ms. Manjula Ramamurthy, Company Secretary as the Nodal Officer of the Company under the provisions of IEPF, the details of which are available on the website of the Company.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 24, 2018 (date of last AGM) on the Company's website.

11.6 Due date for transfer of unpaid/ unclaimed dividend to IEPF is as follows:

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
31 December 2011	Final	20%	25 May 2012	30 June 2019
31 December 2012	Final	20%	10 June 2013	16 July 2020
31 March 2014	Special	5000%	10 December 2013	15 January 2021
	Final	50%	09 September 2014	15 October 2021
31 March 2015	Special	1050%	07 October 2014	12 November 2021
	Final	30%	30 July 2015	04 September 2022
31 March 2016	Final	40%	29 July 2016	03 September 2023
31 March 2017	Final	45%	15 September 2017	21 October 2024
31 March 2018	Final	20%	24 September 2018	30 October 2025
Fractional Shares Account *				
27 January 2016	NA	NA	NA	03 March 2023
Unclaimed Shares Suspense Account**				
17 August 2016	NA	NA	NA	22 September 2023

* Arising on account of sale of fractional shares pursuant to merger of Shasun with Strides.

** Pursuant to unclaimed shares transferred into Suspense Account as per Listing Regulations.

Due dates for transfer of unpaid/ unclaimed dividends to IEPF relating to erstwhile Shasun Pharmaceuticals Limited which got merged with the Company effective November 19, 2015 is as follows:

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
31 March 2012	Final	20%	02 Aug 2012	07 September 2019
31 March 2013	Final	75%	02 Aug 2013	07 September 2020
31 March 2014	Final	50%	06 Aug 2014	11 September 2021
31 March 2016	Interim	50%	30 July 2015	04 September 2022

The Members of the Company, who have not yet encashed their divided warrant(s), may write to the Company/ Registrar and Share Transfer Agents immediately.

12. Listing on Stock Exchanges and Stock Codes

The Company has paid listing fees to both the stock exchanges and there is no outstanding payment as on date of this report. Details of the scrip is as under:

The equity shares of the Company is listed on:

BSE Limited (Stock Code: 532531) PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	**National Stock Exchange of India Limited** (Stock Code: STAR) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

The ISIN of the Company is INE939A01011.

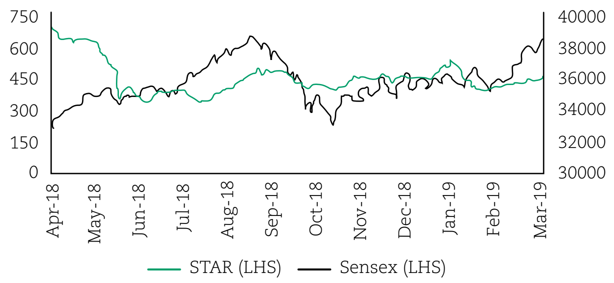
13 Market Price Data

The High and Low prices of the shares of the Company at National Stock Exchange of India Limited, Mumbai (NSE) and BSE Limited, Mumbai (BSE) for the period under review is as under:

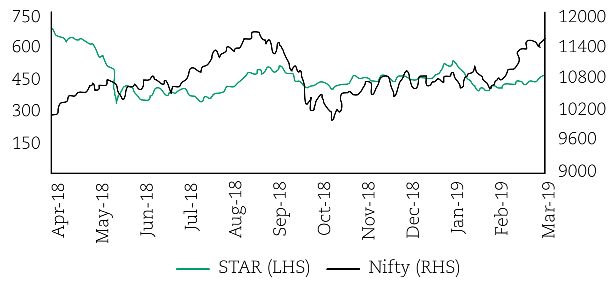
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2018	719.75	628.55	665,910	718.50	627.10	13,705,036
May, 2018	644.30	337.05	9,588,256	644.95	333.30	106,404,241
June, 2018	422.20	334.10	11,876,304	422.00	333.35	124,873,579
July, 2018	419.90	340.00	4,588,196	420.00	340.10	45,345,821
August, 2018	499.45	377.70	7,434,217	499.40	376.60	71,225,238
September, 2018	517.00	431.15	4,569,728	517.00	431.20	40,844,989
October, 2018	460.50	390.50	2,792,456	461.75	390.15	28,336,909
November, 2018	489.40	417.30	2,883,315	490.90	417.50	25,383,407
December, 2018	488.95	417.00	2,129,687	489.00	418.00	25,050,498
January, 2019	550.40	448.40	4,697,203	551.40	448.25	52,688,201
February, 2019	465.75	392.20	3,673,575	465.00	392.20	35,247,885
March, 2019	479.25	422.00	19,03,369	479.70	422.10	26,749,319

14. Performance of Strides Pharma Science Limited Share Price to Broad Based Index (BSE Sensex and NSE Nifty)

BSE Chart



NSE Chart



15. Share Transfer System

The Company has appointed Karvy Fintech Private Limited, Hyderabad, as its Registrar and Share Transfer Agents (Karvy) to expedite the process of share transfers. All queries and requests relating to share transfers/ transmission may be addressed to Karvy. The share transfers lodged are being processed on a day-to-day basis and Memorandum of Transfers is generated on a fortnightly basis.

16. Distribution of Shareholding as on March 31, 2019

Slab of Shareholding	No. of Shareholders	% to Total Number of Shareholders	No. of Shares	Amount (₹)	% to paid up capital
1 – 5,000	75,937	95.64	5,241,420	52,414,200.00	5.85
5,001 – 10,000	1,788	2.25	1,353,416	13,534,160.00	1.51
10,001-20,000	832	1.05	1,213,010	12,130,100.00	1.35
20,001-30,000	253	0.32	633,307	6,333,070.00	0.71
30,001-40,000	114	0.14	406,458	4,064,580.00	0.45
40,001-50,000	75	0.09	351,258	3,512,580.00	0.39
50,001-1,00,000	139	0.18	1,019,166	10,191,660.00	1.14
1,00,001 and above	258	0.32	79,331,441	793,314,410.00	88.59
TOTAL	79,396	100.00	89,549,476	895,494,760.00	100.00

17. Shareholding Pattern as at March 31, 2019

#	Category	No. of shares held	% to total shareholding
1.	Indian Promoters	2,79,71,322	31.24
2.	Mutual Funds	2,00,44,710	22.38
3.	Banks, Indian Financial Institutions, Insurance Companies	9,89,047	1.10
4.	Foreign Institutional Investors/ Foreign Portfolio Investors	2,25,91,453	25.23
5.	Bodies Corporate & NBFC	29,44,791	3.29
6.	Non-Resident Indians/ Foreign Nationals/ Overseas Corporate Bodies	19,86,440	2.22
7.	Others (including Indian Public, Clearing Members, Trust, etc)	1,30,21,713	14.54
	TOTAL	**89,549,476**	**100.00**

18 Dematerialisation of Shares & Liquidity

The Company's shares are traded in dematerialised form. The Company has established connectivity with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar, Karvy Fintech Private Limited.

As at March 31, 2019, 99.83% of the paid-up share capital of the Company representing 89,396,070 shares has been dematerialised and balance 0.17% representing 153,406 shares of the Company is in physical form.

Members who continue to hold shares in physical form are advised to dematerialise their shares at the earliest. Further, in line with the various SEBI circulars, Members are also requested to update their PAN and Bank details. For any clarification, assistance or information – members may contact the Company or Karvy.

19 Employee Stock Options

Statement providing detailed information on stock options granted to Employees under the Company's Employee Stock Option Schemes as required under the SEBI Regulation is annexed to the Board's Report as Annexure 2.

20. Manufacturing Facilities as at the date of this report:

#	Address	Approvals
1	Strides Pharma Science Limited KRS Gardens, Suragajakkanahalli, Kasaba Hobli, Anekal Taluk, Bengaluru – 562 106, India	US FDA, MHRA, TGA, ANVISA, WHO
2	Strides Pharma Science Limited PIMS Road, Periyakalapet Puducherry – 605 014, India	US FDA, MHRA, ANVISA, PMDA
3	Strides Pharma Global Pte Ltd, Singapore 3 Tuas South Avenue 4, Singapore – 637610	US FDA, TGA, HSA
4	Vivimed Life Sciences Private Limited Plot no. 101 to 108, SIDCO Industrial Estate, Alathur Village, Kancheepuram – 603 110, India	US FDA
5	Universal Corporation Limited Club Road, Past Post Office, Plot No. 13777, P.O.Box 1748- 00902, Kikuyu Town, Kenya	WHO
6	Beltapharm SpA 20095 Cusano MIL Via Stelvio, 66, Italy	-
7	Strides Emerging Markets Limited #19/1,19/3, Chandapura, SarjapuraHobli, Anekal taluk, Bengaluru -560 099, India	-

21. Investors Correspondence

Registered Office	Corporate Office	Registrars & Share Transfer Agents
No. 201, 'Devavrata' Sector 17, Vashi, Navi Mumbai - 400 703 Tel. No. +91-22-2789 2924/3199 Fax No. +91-22-2789 2942	Strides House, Bilekahalli, Bannerghatta Road, Bengaluru – 560 076 Tel. No.: +91 80 6784 0000/ 0290 Fax No. +91 80 6784 0700 e-mail id: investors@strides.com	Karvy Fintech Private Limited, (Formerly Karvy Computershare Private Limited), Karvy Selenium Tower B Plot No. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal Hyderabad – 500032 Tel: +91 40 6716 2222 Fax: +91 40 23420814 E-mail id: svraju@karvy.com **Contact Persons:** S.V. Raju, Deputy General Manager Mohan Kumar A, Manager
Investor Relations Team Badree Komandur +91 80 6784 0747 Vikesh Kumar +91 80 6784 0827 Sandeep Baid +91 80 6784 0791 Kannan N +91 98450 54745	**Compliance Officer** Manjula Ramamurthy Company Secretary Tel. No.: +91 80 6784 0734 Fax No. +91 80 6784 0800 e-mail id.: manjula.r@strides.com	**PR Consultancy** Fortuna PR K Srinivas Reddy: +91 90005 27213 srinivas@fortunapr.com K Priya: +91 95354 25418 priya@fortunapr.com

The Company's designated email id for investor complaints is investors@strides.com

22. Fee paid by the listed entity and its subsidiaries to the statutory auditor i.e., BSR & Co. LLP, Chartered Accountant, and all entities in the network firm/ network entity of which the statutory auditor is a part is ₹3,82,96,644/-

23. Affirmations and Disclosures

a) The Company has complied with all the mandatory requirements as prescribed under Listing Regulations including regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations and also a few non-mandatory requirements, as prescribed under Regulation 27(1) of the Listing Regulations like unmodified audit opinion on financial statements and appointment of separate persons to the post of Chairperson and Managing Director.

b) There are no materially significant related party transactions with its promoters, directors or management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company.

c) The Company has formulated a policy for transacting with Related Parties, which is uploaded on the website of the Company at http://www.strides.com/investor-committeboard.html

All the transactions with related parties are disclosed in Note no. 44 to the standalone financial statements in the Annual Report.

d) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on matters relating to capital markets during the last 3 years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authorities relating to the above.

e) The Company has formulated a Whistle Blower Policy for Directors and Stakeholders of the Company. None of the personnel of the Company has been denied access to the Audit Committee.

f) The Company is not exposed to any commodity price risk. The details of the Foreign Exchange Risk and Company's hedging activities forms part of the Notes to the Financial Statements.

g) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Particulars	Remarks
a. number of complaints filed during FY 2018-19	Nil
b. number of complaints disposed of during FY 2018-19	Nil
c. number of complaints pending as on end of the Financial Year March 31, 2019	Nil

24. Code of Conduct

Board has adopted Code of Conduct ('Code') for all Board Members and Senior Management of the Company. A copy of the said Code is available on the website of the Company www.strides.com.

The Code provides that members of the Board are required to avoid any interest in contracts entered into by the Company. If such an interest exists, the members are required to make disclosure to the Board and to abstain from discussion, voting or otherwise influencing on any matter in which the concerned Director has or may have such interest. The Code also restricts the Directors from accepting any gifts or incentives in their capacity as Director of the Company, except what is duly authorised under the Code.

All Board Members and Senior Management Personnel have confirmed compliance with the Code for the period under review.

A declaration to this effect signed by the Managing Director of the Company is attached as Annexure CG – 3 to this Report.

For and on behalf of the Board of Directors

Deepak Vaidya
Non-Executive Director
Chairperson of the Board
DIN: 00337276

Date: May 10, 2019
Place: Bengaluru

ANNEXURE CG 1

Profile of Directors as at March 31, 2019

Sl. No.	Name of the Director	Brief Profile	Other Directorships Held in Indian Companies	Committee Membership
Executive Directors				
1	Arun Kumar Managing Director and Group CEO (DIN: 00084845)	Arun Kumar is the Founder and Promoter Director of the Company and a Board Member since inception. He is currently the Managing Director & Group CEO. Arun founded Strides in the year 1990 and has since led the Company in building its global reputation. Post modest beginnings, Arun's leadership has ensured that Strides remains ahead of the curve in the business with its differentiated model, high end infrastructure and best in class operating practices. He has also been instrumental in carving a niche for Strides with his intellect of picking "difficult to operate" domains with high scarcity value. He graduated in Commerce, before founding Strides, he began his career in the exports department of Bombay Drug House Limited, one of the earliest exporters of pharmaceuticals products from India in the early 80s and was soon promoted to head their international division. He later worked as General Manager-Exports with British Pharmaceuticals Limited, a Mumbai based Company. He is a recipient of E&Y Entrepreneur of the year award in the Healthcare sector in 2000. He has also been awarded the Business Today "India's Best CEO Award (Mid-Sized Companies Category)" and the "Best CEO in the Pharma & Healthcare Industry" in 2014. As at March 31, 2019, Arun holds 13,70,797 equity shares representing 1.53% directly and 81,04,228 equity shares representing 9.05% indirectly of the paid-up share capital of the Company and is not related to any other Director of the Company.	**Unlisted Companies**	
			1. Clairvolex IP Solutions Private Limited (Formerly Clairvolex Knowledge Processes Private Limited)	-
			2. Spire Technologies and Solutions Private Limited	-
			4. Skanray Healthcare Global Private Limited	-
			5. Mobme Wireless Solutions Limited	1. Audit Committee 2. Compensation Committee (Chairperson) 3. Technologies Steering Committee
			Listed Companies	
			None	None
2	Badree Komandur Executive Director -Finance and Group CFO (DIN: 07803242)	Badree Komandur is the Executive Director - Finance & Group CFO and is associated with Strides since February 2010. He holds a degree in Commerce from the University of Madras and is a Member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost and Works Accountants of India. Prior to joining Strides, Badree had over 15 years of experience working in Information Technology and Engineering Sectors. As at March 31, 2019, Badree does not hold any equity shares in the Company and is not related to any other Director of the Company.	**Listed & Unlisted Companies**	
			None	None

Sl. No.	Name of the Director	Brief Profile	Other Directorships Held in Indian Companies	Committee Membership
Non-Executive Director				
3	Deepak Vaidya (DIN: 00337276)	Deepak Vaidya is the Non-Executive Director and Chairperson of the Board & Stakeholder Relationship Committee. Deepak is associated with Strides since January 1998. He holds a Bachelor's Degree in Commerce from Bombay University and is also a fellow member of the Institute of Chartered Accountants, England & Wales, UK. He has over 30 years of experience in the corporate financial services industry in India and abroad. He was the Country Head of Schroder Capital Partners (Asia) Ltd in India for 12 years. He is on the Board of various companies in areas of Pharma and Financial Services. He also served as a member of International Markets Advisory Board of the NASDAQ Stock Market. As at March 31, 2019, he holds 1,77,000 equity shares representing 0.20% of the paid-up share capital of the Company and is not related to any other Director of the Company.	**Listed Companies**	
			1. Bombay Oxygen Investments Limited (formerly, Bombay Oxygen Corporation Limited)	-
			2. Solara Active Pharma Sciences Limited	1. Audit Committee 2. Nomination & Remuneration Committee
			3. Indraprastha Medical Corporation Limited	1. Audit Committee
			Unlisted Companies	
			4. Apollo Gleneagles Hospital Limited	1. Audit Committee (Chairperson) 2. CSR Committee (Chairperson) 3. Nomination & Remuneration Committee (Chairperson)
			5. Marudhar Hotels Private Limited	-
			6. PPN Power Generating Company Private Limited	1. CSR Committee
			7. Suntec Business Solutions Private Limited	1. Audit Committee (Chairperson)
			8. UTI Capital Private Limited	1. Audit Committee (Chairperson) 2. Nomination & Remuneration Committee
			9. Spandana Sphoorty Financial Limited	1. Audit Committee 2. Nomination & Remuneration Committee
			10. Stelis Biopharma Private Limited	1. Audit Committee 2. Nomination & Remuneration Committee 3. Allotment Committee
Independent Directors				
4	S Sridhar (DIN: 00004272)	S Sridhar is the Independent Director of the Company and is the Chairperson of the Audit Committee. He is associated with Strides since July 2012. He holds a Bachelor's degree (honours) in Physics from the Bengaluru University and a Master's degree in Physics from the Indian Institute of Technology, Delhi and Jamnalal Bajaj Institute of Management Studies, Mumbai. He also holds an honorary fellowship award by the Indian Institute of Banking and Finance. He was elected Fellow of the Royal Institute of Chartered Surveyors, U.K. He is a banker with over 45 years' experience in commercial and development banking. He is widely acknowledged to be an innovative, market oriented banker and a strategic thinker having provided transformational leadership to the organisations he had worked for. He started his career with State Bank of India. He retired as the Chairperson & Managing Director of Central Bank of India. He was also the Chairperson & Managing Director of National Housing Bank (NHB). He was awarded the Lord Aldington Banking Research Fellowship for the year 1984 by the Indian Institute of Bankers. As at March 31, 2019 of this report, He holds 48,750 equity shares representing 0.05% of the paid - up share capital of the Company and is not related to any other Director of the Company.	**Listed Companies**	
			1. DCB Bank Limited	1. Nomination & Remuneration Committee (Chairperson) 2. CSR Committee
			2. Jubilant Life Sciences Limited	1. Audit Committee (Chairperson) 2. Stakeholders Relationship Committee (Chairperson)
			3. Shriram Transport Finance Company Limited	1. Audit Committee (Chairperson) 2. IT Strategy Committee (Chairperson)
			4. Tourism Finance Corporation of India Limited	1. CSR Committee (Chairperson)
			Unlisted Companies	
			5. GVFL Trustee Company Private Limited	-
			6. IIFL Home Finance Limited	1. Audit Committee (Chairperson)
			7. Sewa Grih Rin Limited	1. Audit Committee
			8. Strategic Research and Information Capital Services Private Limited	-
			9. Essfore Consultancy Services Private Limited	
			10. Universal Trustees Private Limited	-

Sl. No.	Name of the Director	Brief Profile	Other Directorships Held in Indian Companies	Committee Membership
5	Bharat D Shah (DIN: 00136969)	Bharat D Shah is the Independent Director of the Company and Chairperson of the Nomination and Remuneration Committee. Bharat is associated with Strides since July 2014. He holds a Bachelor's Degree in Science from University of Mumbai and a diploma in Applied Chemistry from Borough Polytechnic, London. He has been one of the founder members of HDFC Bank Limited. He joined the bank as an Executive Director in December 1994 and has held the position of Head - Custody and Depository,Retail, HR, Private Banking, Infrastructure and Merchant services. He is presently the Chairperson of HDFC Securities Limited, 3M India Limited and Exide Industries Limited. He is experienced in the fields of banking, finance and securities market. He is also on the Boards of various prominent companies including Hexaware Technologies Limited, Tata Sky Limited, Digikredit Finance Private Limited, Mahindra Lifespace Developers Limited, Apollo Munich Health Insurance Company Limited and Spandana Sphoorty Financial Limited. As at March 31, 2019, Bharat holds 55,000 equity shares representing 0.06% of the paid-up share capital of the Company.	**Listed Companies**	
			1. Exide Industries Limited	1. CSR Committee (Chairperson)
			2. 3M India Limited	1. Audit Committee 2. Nomination & Remuneration Committee 3. CSR Committee (Chairperson) 4. Stakeholders Relationship Committee (Chairperson)
			3. Mahindra Lifespace Developers Limited	1. Audit Committee 2. Nomination & Remuneration Committee (Chairperson)
			4. Hexaware Technologies Limited	1. Nomination & Remuneration Committee 2. CSR Committee (Chairperson) 3. Strategy & Risk Committee
			Unlisted Companies	
			5. HDFC Securities Limited	1. Nomination & Remuneration Committee 2. CSR Committee 3. Capex Committee 4. Share Allotment and Transfer Committee (Chairperson)
			6. Salisbury Investments Private Limited	-
			7. TATA Sky Limited	1. Audit Committee 2. Nomination & Remuneration Committee (Chairperson)
			8. Digikredit Finance Private Limited (Formerly Amadeus Advisors Private Limited)	-
			9. Apollo Munich Health Insurance Company Limited	1. Investment Committee
			10. Spandana Sphoorty Financial Limited	1. Audit Committee 2. Nomination & Remuneration Committee (Chairperson) 3. Stakeholders Relationship Committee 4. Risk Management Committee (Chairperson)

Sl. No.	Name of the Director	Brief Profile	Other Directorships Held in Indian Companies	Committee Membership
6	Sangita Reddy (DIN: 00006285)	Sangita Reddy is the Independent Director of the Company and is the Chairperson of the CSR Committee. Sangita is associated with the Company since February 2014. She holds a Bachelor's degree in Science in Nutrition and Dietetics from the Women's Christian College, Chennai and has completed post-graduate and executive courses in Hospital Administration from Rutgers University and Harvard University in the U.S. and National University of Singapore in Singapore. She holds a Diploma in Financial Management from the Institute of Financial Management and Research. In 2017, Macquarie University conferred an Honorary Doctorate to her in recognition of her untiring efforts and resolute commitment in bringing about transformative changes in Indian healthcare. She has received the 'Young Manager of the Year 1998' Award from the Hyderabad Management Association and was awarded the 'Top Woman Entrepreneur in the Information and Communication Technology Sector' by the Government of Andhra Pradesh in 2005-06. She has also received several accolades which include the "Hyderabad women of the Decade achievers" award from ASSOCHAM and Ladies League for "Excellence in Business and Healthcare" As at March 31, 2019, she does not hold any equity shares in the Company and is not related to any other Director of the Company.	**Listed Companies**	
			1. Apollo Hospitals Enterprise Limited	1. CSR Committee
			2. PCR Investments Limited	-
			Unlisted Companies	
			3. AMG Healthcare Destination Private Limited	1. Audit Committee
			4. Apollo Gleneagles Pet-CT Private Limited	-
			5. Apollo Health And Lifestyle Limited	1. Investment Committee (Chairperson)
			6. Apollo Home Healthcare Limited	-
			7. Apollo Med Skills Limited	-
			8. Apollo Sugar Clinics Limited	-
			9. Apollo Telehealth Services Private Limited	-
			10. Elixir Communities Private Limited	-
			11.Family Health Plan (TPA) Limited	-
			12. Searchlight Health Private Limited (Formerly known as Health Superhiway Private Limited)	-
			13. Healthnet Global Limited	-
			14. Imperial Hospital And Research Centre Limited	1. CSR Committee
			15. KAR Auto Private Limited	-
7	Homi Rustam Khusrokhan (DIN: 00005085)	Homi Rustam Khusrokhan is the Independent Director of the Company and is associated with the Company since May 2017. He is a qualified Chartered Accountant from ICAI since 1966. He studied at the Sydenham College of Commerce and Economics and obtained a B.Com (honours) from the University of Mumbai in 1963. He also holds an M.Sc. with Economics, Accounting and Finance from the London School of Economics and Political Science. He has over 40 years of experience in the corporate sector and a wide experience and knowledge in modern management and accounting techniques. He has experience and expertise in pharmaceuticals, agriculture related businesses, international business and mergers & acquisitions. He has earlier been the Managing Director of Tata Tea Limited, Tata Chemicals Limited and Glaxo & Burroughs Wellcome in India and also served as a Director of LIC Mutual Fund Trustee Private Limited. He was also an Independent Director on the Board of ICICI Bank Limited. He retired from the Tata Group in 2008 and is now a Senior Advisor to Tata Capital's Private Equity Funds. He is also on the Board of The Anglo Scottish Education Society. As at March 31, 2019, He does not hold any equity shares in the Company and is not related to any other Director of the Company.	**Listed Companies**	-
			1. Neuland Laboratories Limited	-
			Unlisted Companies	
			2. Novalead Pharma Private Limited	-
			3. Samson Maritime Limited	1. Audit Committee (Chairperson) 2. CSR Committee 3. Nominations & Remuneration Committee (Chairperson)

ANNEXURE CG 2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Strides Pharma Science Limited
(formerly Strides Shasun Limited)
201, 'Devavrata', Sector 17,
Vashi, Navi Mumbai – 400 703

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Strides Pharma Science Limited, having CIN L24230MH1990PLC057062 and having Registered Office at 201, 'Devavrata', Sector 17, Vashi, Navi Mumbai – 400 703 and Corporate Office at Strides House, Bilekahalli, Bannerghatta Road, Bengaluru – 560 078 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31/03/2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

DIN	Name	Designation	Original Date of Appointment
00084845	Mr. Arun Kumar	Managing Director & Group CEO	28/06/1990
07803242	Mr. Badree Komandur	Executive Director, Finance & Group CFO	18/05/2017
00004272	Mr. S Sridhar	Independent Director	27/07/2012
00005085	Mr. Homi Rustam Khusrokhan	Independent Director	18/05/2017
00006285	Ms. Sangita Reddy	Independent Director	07/02/2014
00136969	Mr. Bharat Dhirajlal Shah	Independent Director	25/07/2014
00337276	Mr. Deepak Calian Vaidya	Non-Executive Director	16/01/1998

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gopalakrishnaraj H H & Associates
Company Secretaries

Sd/-
Gopalakrishnaraj H H
Proprietor
CP 4152; FCS 5654

Place: Bengaluru
Date: May 25, 2019

ANNEXURE CG 3

Declaration of Compliance with the Code of Conduct

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmations that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the Financial Year ended March 31, 2019.

Place: Bengaluru
Date: May 10, 2019

Arun Kumar
Managing Director & Group CEO
DIN: 0008485

INDEPENDENT AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members of Strides Pharma Science Limited

We have examined the compliance of conditions of Corporate Governance by Strides Pharma Science Limited (*formerly known as Strides Shasun Limited*) ('the Company'), for the year ended 31 March 2019, as per regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ["Listing Regulations"].

Management's Responsibility

The Company's Management is responsible for compliance of conditions of Corporate Governance requirements as stipulated under the Listing Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the above mentioned Listing Regulations.

Auditor's Responsibility

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2019.

We conducted our examination of the corporate governance compliance by the Company as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), Guidance Note on Certification of Corporate Governance both issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information; and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as per regulations 17 to 27, clause (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

This report has been solely issued for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership number: 060573
UDIN No. 19060573AAAABS7477

Place: Bengaluru
Date: June 28, 2019

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

#	Description	
1.	Corporate Identity Number (CIN) of the Company	L24230MH1990PLC057062
2.	Name of the Company	Strides Pharma Science Limited (Formerly Strides Shasun Limited)
3.	Registered Address	201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703.
4.	Website	www.strides.com
5.	E-mail id	investors@strides.com
6.	Financial Year reported	2018-19
7.	Sector that the Company is engaged in (industrial activity code-wise)	Pharmaceutical
8.	List three key products/services that the Company manufacture/provide (as in balance sheet)	1. Gabapentin Tablets 2. LNZ Tablets 3. Ranitidine Tablets
9.	Total number of locations where business activity is undertaken by the Company	
	Number of international locations	Singapore, USA, Canada, Australia, Europe, Africa Three manufacturing facilities - one in Africa, one in Singapore and one in Europe
	Number of national locations	**Registered Office:** Vashi, Navi Mumbai, Maharashtra **Corporate Office:** Bengaluru, Karnataka
		Facilities: • Suragajakkanahalli, Bengaluru, Karnataka • Chandapura, Bengaluru, Karnataka • PIMS Road, Periyakalapet, Puducherry • Alathur, Kancheepuram
		R&D Center at Bengaluru, Karnataka
10.	Markets served by the Company – Local/State/ National/International	The Company has a strong commercial footprint across 100 countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

#	Description	
1.	Paid-Up Capital – FY 2018-19	₹89.549 Crore
2.	Total Turnover	₹16,520.43 Million
3.	Total profit after taxes	₹1,103.67 Million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of the average net profit of the last three years – ₹24.11 Million
5.	List of activities in which expenditure in 4 above has been incurred	Areas in which the Company has spent under CSR: • Health & Hygiene, • Education and • Employability. A detailed report on CSR initiatives forms part of the Board's' Report as Annexure 4.

SECTION C: OTHER DETAILS

#	Description	
1.	Does the Company have any Subsidiary company/companies	Details of subsidiaries, JVs and Associate Companies forms part of the Board's Report.
2.	Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company/companies	The Company's Business Responsibility initiatives were not extended to its subsidiaries, JVs and associates during the reporting period.
3.	Do any other entity/entities (e.g. suppliers, distributors, among others) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	In due course, the Company intends to extend its sustainability policies and initiatives beyond its boundaries and spread awareness among its several stakeholders.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for the implementation of the BR policy/policies

1	DIN Number	07803242
2	Name	Badree Komandur
3	Designation	Executive Director – Finance & Group CFO

Note : Pursuant to resignation of Mr. Shashank Sinha on May 18, 2018, Mr. Badree Komandur has been appointed as the Director responsible for the Business Responsibility Report.

b. Details of the BR head

1	DIN Number	Not Applicable
2	Name	Ramaraju PVS
3	Designation	Chief Operating Officer - Global Head, Manufacturing
4	Telephone number	+91 80 6784 0290
5	E-mail id	ramaraju.pvs@strides.com

Principle-wise (as per NVGs) BR policy/policies

c. Details of compliance (Reply in Y/N)

#	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for...?	Y	Y	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify.	The policies are drafted in line with the provisions of the respective laws prevalent in India.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	The policies are approved by the functional heads and few of them have been adopted by the Board.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	While few of the policies mandate requirement of a Board Committee, the rest of them are monitored by the management team.								
6.	Indicate the link for the policy to be viewed online?	Link to the policies, which are available on the website is as under: http://strides.com/investor-committeboard.html								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the Company have in-house structure to implement the policy/policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No								

d. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

#	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage, where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within the next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

2. Governance related to BR

#	Description	
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company – within 3 months, 3-6 months, annually, more than 1 year	Annually by the Board of Directors
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This report shall be published annually as a part of the Annual Report which will be available on the Company's website as well.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1:

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Strides is a global pharmaceutical Company headquartered in Bengaluru, India. The Company mainly operates in the regulated markets and has an "in Africa for Africa" strategy along with an institutional business to service donor - funded markets. The Company focusses on "difficult to manufacture" products that are sold in over 100 countries

As at the date of the report, the Company has global manufacturing foot print with facilities located in India - Bengaluru (two sites), Puducherry and Chennai, Singapore, Italy-Milan and Kenya - Nairobi.

The Company has a dedicated R&D facility in India with global filing capabilities and a strong commercial footprint across 100 countries.

We are devoted towards a holistic approach to corporate governance. We benchmark our corporate governance activities to best practices across the globe. Our strategy is directed towards having a sharper focus on compliance.

The values that define our business ethos are: Integrity, Collaboration and Efficiency.

- Integrity - We will follow the Right Practices and do the Right thing;
- Collaboration - We will work Together - understanding and supporting each other;
- Efficiency - We will do everything to deliver quicker, better results.

It is these values that have helped us not only instigate trust in our Company, but also develop strong relationships with all our stakeholders thereby creating long-term value for society and our business.

The code of conduct relating to ethics, bribery and corruption is integrated in our well-established and implemented 'Code of Conduct' for the Board, senior management and employees. The existing code does not cover suppliers, contractors and business partners.

The Whistleblower Policy is formulated with a view to provide a mechanism for employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. It is applicable to not just our employees but also extends to our business associates. Some of the malpractices and events covered under this policy are negligence causing substantial and specific danger to public health and safety, deliberate violation of law/regulation, breach of Company policy or failure to implement or comply with any approved Company policy, wastage/misappropriation of Company funds/assets, etc.

All disclosures reported under our Whistleblower Policy are thoroughly investigated by the HR Head, who is the Whistle Officer of the Company. The Whistle Officer oversees the investigations under the authorisation of the Audit Committee. During the reporting period, no stakeholder complaints were received on ethics, transparency and accountability.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

We are dedicated to manufacturing products that are socially beneficial, economically and environmentally sustainable throughout their life cycle. We have implemented the Oracle Agile Product Lifecycle Management for all our R&D operations. The product suite, in addition to aggregation of development data for our dossiers prepared for regulatory filing, helps us to track the entire lifecycle of development until the launch of our products.

With a vision to touch billions of lives through our high-quality pharmaceuticals, while delivering value to all stakeholders – patients, investors and community; we incorporate sustainable and rightful practices throughout the product development process.

Our key products wherein social and environmental-friendly designs have been incorporated are:

i) Virso (Sofosbuvir tablet) for Hepatitis C treatment

ii) Virpas (combination of Sofosfovir and Ledipasvir tablet) for Hepatitis C treatment

iii) Nuprin Plus (combination of Dexibuprofen and Paracetamol tablet) for moderate to severe pain management

iv) Starflu (Oseltamivir Capsules) for swine flu management

v) NixIt (Nicotine Lozenges) for nicotine replacement therapy

vi) JointFlex for moderate to severe pain management

The Company, being a mass multi-product manufacturing and multi-facility established Company, monitors the resource consumption in batches. Currently, monitoring of resource consumption for manufacturing each unit of product is not feasible. However, we are aware of the importance of adopting highest standards of environmental and social practices in all our manufacturing locations.

Each of our manufacturing locations monitor the energy, water and fuel consumption on periodic basis. We have undertaken various measures towards identifying our environmental risks and develop mitigation plans to address them. All our manufacturing locations are certified to ISO 14001: 2015.

Production Details – FY 2018-19			
S. No.	Type of Products Manufactured	Units	Quantity Produced
1	Oral Dosage	Tonne	2,771.66

Production Details – FY 2018-19			
S. No.	Type of Resource Utilised	Units	Consumption
1	Water	KL	1,78,912
	Electricity	kWh/Annum	4, 05,51,014
	Fuel		
	a) HSD	KL	875.96
	b) FO	KL	1,073
	c) Briquette	Tonne	98

Sustainable sourcing

We address elements of sustainable sourcing like ethics, labour and human rights, wages and benefits, health and safety and the environment in the purchase/service orders released to our vendors and suppliers. While we are in the process of developing a well-defined 'Supplier Code of Conduct' with an endeavour to integrate sustainability in our procurement process for all our products and services, we do conduct audit and due diligence prior to sourcing of materials/availing services from the vendors. The sourced products are submitted for approval with the regulatory authorities and post their approval, such materials are used in our final products.

Sourcing from local and small producers

The Company procures goods from local and small producers, who comply with its quality requirements. We follow required statutory obligation to meet sustainability with the micro, small and medium enterprises.

Our supply chain strategy management of the Company believes in facilitating local economic growth by encouraging and supporting local suppliers in the vicinity of our area of operation. Local sourcing also helps us in reducing air emissions from vehicular movement. In this Financial Year, we have procured a part of our required materials from local (India) suppliers.

We also educate our vendors and suppliers on the current needs of quality standards, regulatory compliances to adhere to and share good industry practices with them.

Product recycle and waste management

It is our endeavour to bring safe, efficient and affordable treatment to global markets, while operating to the highest standards of compliance. We, therefore use only the finest quality of raw materials and implement precautionary approach to check that no waste/rejected batch materials are returned to the production process. We also ensure that the waste generated is appropriately channeled for incineration as these are bio-medical waste and requires effective disposal mechanisms.

We have also taken steps towards effective treatment of the process generated wastewater. The process water is treated in the wastewater treatment plant and reused for gardens/lawns inside the plant premises across all sites in India. In FY 2018-19, we treated 70,029 KL of wastewater.

Principle 3:

Businesses should promote the well-being of all employees

We acknowledge that our employees are the drivers of our development and consider them to be our greatest assets. Our vision is to create a working environment that facilitates their personal well-being while meeting the business needs. We are committed to providing a work environment that ensures that every employee is treated with dignity, respect and equality.

Health & Safety

Health and safety of employees is a critical element that makes any workplace appropriate for operations. For our sustainable business, safety is a prerequisite. The wellness of our workforce is given utmost importance in the interest of employees' safety, their health and in the interest of the employer's responsibility.

Some of the illustrations of workplace wellness in the organisation include allowing flexi-time for exercise, medical insurance, flexi times/work from home, maternal leave, paternal leave and employee wellness programme – 'We Care'. The Company follows a wellness calendar as a part of the employee welfare programme.

The Company also conducts periodic safety trainings and mock drills so that the employees are aware of all the *do's and don'ts* during an emergency situation.

The Company's health and safety approach include:

1. Safe working systems
2. Use of personal protective equipment
3. Emergency preparedness.

Our Environment, Health & Safety (EHS) policy is applicable to all facilities. Moving forward, we intend to certify all our units with the OHSAS 18001:2007 standard.

Some of the other available employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits – mediclaim insurance policy, group term life policy, group accident policy, maternity leave and paternity & adoption leave policy.

The Company doesn't support any discrimination in terms of nationality, sex, religion, marital status, caste and creed. There is 'zero tolerance' towards sexual harassment and any act of sexual harassment leading to serious disciplinary action. We have established a policy against Sexual Harassment for the employees.

Employee engagement

We also assure employees' well-being through active engagement. We have several two-way communication platforms in place for employees to express themselves, raise their queries and enable employees to know more about the organisation.

Strides Facebook at Workplace

This is a collaborative platform. It is used to communicate via groups, to chat with colleagues and it helps employees to keep themselves updated/ abreast about various events/programmes/information regarding the company /locations.

Seek App

This is for bringing in greater awareness and engagement around quality. Through SEEK the employees are introduced to the concept and issues around quality. It provides an interactive platform to express views and opinions.

Open House Meeting

This is a two- way communication channel where the common concerns and issues amongst the employees are discussed. The employees can raise their concerns, give suggestions and express their grievances.

As a part of recreation camaraderie, we celebrate family day and employees are encouraged to opt for team outings.

At Strides, we also gives due credit to the employee's union that pursues the interests of its members, with equal focus on the overall business expectations. Currently, we have a management-recognised employee association, which covers approximately 20% of our employee membership.

Strides Workforce Details – FY 2018-19		
S. No.	Type of Resource Utilised	Number of Employees
1	Permanent employees	2,036
2	Permanent women employees	262
3	Permanent employees with disabilities	0
4	Temporary/contractual employees	1,134

Continuous learning

At Strides, we believe in expanding our ability to learn and increase our knowledge in response to a changing environment and new developments.

Some of our key programs are listed below:

a. **Skill development**
Strides Continuous Learning Programme (CLP), is an initiative designed to reinforce Strides values, acknowledge skill gaps, strengthen basic skills and enhance personal capabilities. The programme is flexible with multiple sessions planned for each training module, to enable you to plan your participation. The programme demands personal time and commitment (minimum of 3 - 6 hours per month) for a successful completion. Each CLP learning track — Foundation, Intermediate and Advanced, will be an engagement of approximately three months with the interventions targeted to develop your personal capabilities progressively. Training will be on Functional and Behavioral Competencies such as communication, innovative thinking, collaboration, problem solving, negotiation, accountability for results, and many more.

Bespoke training programmes are also conducted at regular intervals. In addition, we have collaborated with prestigious institutes like IIM Bengaluru, BITS Pilani, TISS, NMIMS and Acharya Institute of Pharmacy to enable continuous learning for our employees.

As a succession planning approach, we have introduced identification and development of future leaders through the Future Leadership Programme, which acts as an intrinsic motivation and retention.

Our managerial and leadership development programmes help enhance leadership capabilities across levels.

b. **Talent management**
The talent management strategy at Strides is derived based on many factors mainly:

a. Current talent pool

b. Analysis of department-wise and role-wise work

c. Future business plans

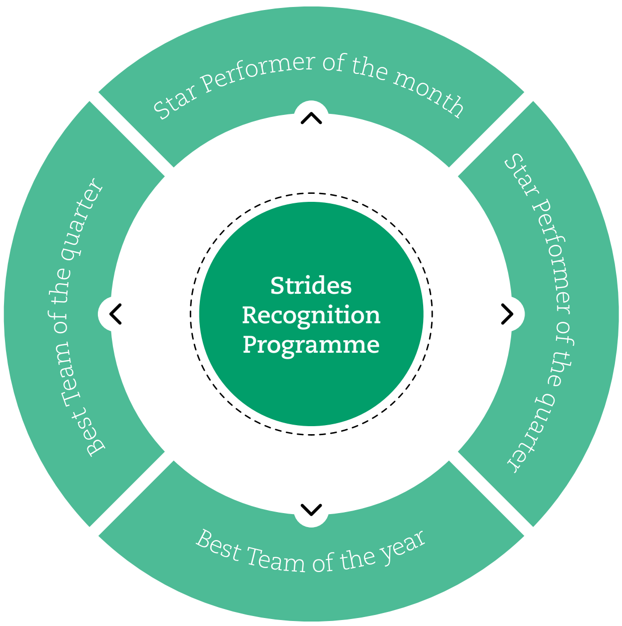
d. Recommendations from managers to develop their teams

The organisation has trainings in the form of Continuous Learning Programme and Pathway Programs to identify and nurture talent at various levels.

c. **Self - managed teams**
Our facility for emerging markets in Chandapura, Bengaluru, has implemented the Self-Managed Teams (SMT) philosophy to build a high-performing culture, thereby creating empowered teams.

We have established a Strides recognition programme to reward and recognise performers to makes a difference. This is applicable across all the levels and locations. The programme is aimed at institutionalising the culture of the organisation, sustained employee enrichment and engaging employees positively and progressively.

We strive to do the best to keep our employees happy and motivated, which is one of the factors for the organisational success. Some of our recognition programmes include:



Strides Learning & Development – FY 2018-19			
S. No.	Category	Number of Employees	Percentage of Employees
1.	Employees provided with skill upgradation training	1,505	73.92%
2.	Employees received performance or career development reviews	1,459	71.66%

We periodically renew our HR strategies to enhance productivity and better engage with a diverse workforce across geographies. We equip our employees with opportunities to learn and apply the business concepts in day-to-day practice, thus enriching the quality of delivery.

Complaints relating to child labour, forced labour, involuntary labour, sexual harassment/ discriminatory employment

We believe that the success of a responsible organisation rests on the foundation of ethics and respect for human rights. We follow the best international practices, which ensure the freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour. In FY 2018-19, we did not receive any complaint relating to child labour, forced labour, involuntary labour, sexual harassment or discriminatory employment.

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

We are cognizant of the fact that the stakeholder engagement is a periodic process that enables companies to develop and implement strategies to fulfill the stakeholder expectations and seek their long-term support. We recognise employees, our service partners (suppliers and dealers), customers, shareholders/investors, communities surrounding our operations and regulatory authorities as our key stakeholders. We engage with them through various channels, such as consultations with local communities through village panchayats, supplier/vendor meets, employee satisfaction surveys, investor forums, etc. Though there is already a policy in place, we are working towards developing the policy in line with the requirement of the prescribed principle.

Internal and external stakeholders

We have mapped our internal and external stakeholders based on our 'shareholder and stakeholders communication' strategy.

A detailed report on the CSR activities of the Company is annexed to the Board's Report as Annexure 4.

Principle 5:

Businesses should respect and promote human rights

As a responsible organisation, the Company respects human rights at the work place and endeavour to adopt best international practices, which ensure the freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour.

The Company values the rights of the individuals and it is testified in our Code of Conduct for Board, senior management and employees. The Code of Conduct embraces a commitment to conduct our business in the most ethical manner with due regard to business needs and stakeholder interests.

The elements of Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), an international treaty by the United Nations General Assembly, described as an international bill of rights for women has been covered in our Code of Conduct. A Committee has been constituted by the management to consider and redress complaints of sexual harassment. Any employee may contact their local HR point of contact and/or log in to Strides Portal to understand the redressal mechanisms.

In case of any non compliance, the employee or any of the business associates can directly approach the Chairperson of the Audit Committee. The Committee ensures the confidentiality and protects the complainant from being persecuted.

While the Code of Conduct covers employees of the organisation, we are working towards evolving the Code of Conduct in line with the requirements of the prescribed principle and International Labour Organisation (ILO), to extend it to our suppliers, contractors, and other stakeholders.

Stakeholder Complaints

Our Code of Conduct discourages violation of human rights and provides a fair and transparent mechanism for reporting any such violation. No complaints were received pertaining to human rights violation during the reporting period.

Principle 6:

Businesses should respect, protect and make efforts to restore the environment

We believe as an organisation, it is our responsibility to ensure that all our business practices are carried out in a way that causes minimal impact on the environment. Our policy on 'Environment, Health & Safety' (EHS) provides us the necessary direction towards climate change mitigation and adaptation efforts, as well as natural resource replenishment initiatives.

We follow our policy on Environment, Health & Safety which is applicable to all business operational facilities. As part of the policy, we commit to educating our stakeholders (employees, contractors, sub-contractors, transporters, visitors) about the EHS policy and emergency procedures.

We understand that global warming has relevance on our business and the markets that we serve. We try to address this issue through our Environment, Health & Safety policy and have taken various initiatives through its Environmental Management System. It is in the process of initiating specific business level strategies to address global warming and climate change.

We identify and assess all the potential environmental risks as per the Environmental Management System Standards ISO 14001:2015. We have developed appropriate standard operating procedures to address the key environmental risks.

Clean Development Mechanism

We do not have any project related to Clean Development Mechanism.

Initiatives undertaken on clean technology, energy efficiency, renewable energy

Clean technology	Energy efficiency	Renewable energy
9,562 KL rain water collected and recharged to improve the ground water table in and around the plant.	26,098 KL of water recycled from steam condensate (80% of steam recovery) and reused for steam generation.	137.7 MT CO_2 emissions reduction achieved by utilisation of 2.25 Lakh kWh renewable energy source.
69,048 WWTP and reused for garden/ lawn inside the plant premises across all sites in India.	Replacement of TFL/CFL/SVL with energy efficient LED lights resulted in saving of about 5,39,678 kWh per year.	Utilisation of 16.50MU of renewable energy resulted in 8,745 MT of CO_2 emission reduction
13,910 KL of process water treated by ZLD and reused for cooling tower.		

Compliance to CPCB/SPCB norms in relation to emission/waste generated by the Company

Emission are monitored by Pollution Control Board (PCB) authorised laboratories and periodical emission test reports are submitted to regulatory authorities. The generated stack emissions and ambient air quality are well within the limits as defined by Central Pollution Control Board/ State Pollution Control Board.

All hazardous solid wastes are stored at designated places and disposed to approved recycler/ TSDF, as per the requirements of hazardous and other waste (Management and Transboundary Movement) Rules, 2016.

Show cause/legal notices received from CPCB/SPCB

During the year under review, the Company did not receive any notice from CPCB/ SPCB.

Principle 7:

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

We strive to create a positive impact and participate in making sound policy decisions to facilitate change in public policies that are beneficial to the sector. We believe a sustainable business growth can be achieved when worked together with the regulatory authorities, government and trading bodies.

We are a part of various industry bodies and associations that influence public and regulatory bodies in a responsible manner, which include:

a. Pharmaceuticals Export Promotion Council of India

b. Bombay Chambers of Commerce

c. Bangalore Chamber of Industry and Commerce

d. Export Promotion Council for EOUs & SEZs

e. Confederation of Indian Industry

f. Indian Drug Manufacturers' Association

g. Karnataka Drugs & Pharmaceutical Manufacturers Association

h. Federation of Karnataka Chambers of Commerce and Industry

We actively support the policy advocacy campaigns which the above organisations take up from time to time.

Principle 8:

Businesses should support inclusive growth and equitable development

At Strides, we always strive to secure the interests of all the stakeholders along with the healthy growth of the Company. Community development programs are integral to our sustainability strategy. We have always contributed towards CSR activities, even before it was mandated by the law. We have initiated many programs for the disadvantaged, surrounding our area of operation.

The Company have developed and implemented the CSR policy which encompasses our philosophy towards CSR and lays down guidelines and mechanisms for undertaking socially beneficial programs for welfare and sustainable development of the community at large.

Our CSR initiatives help address socioeconomic challenges in the realms of health, education, employability and disaster management.

We have implemented the CSR programmes through our unit CSR Team and CSR advisory committee along with Strides Foundation and external NGOs, to contribute to different sectors of society. Projects to promote the wellbeing of the society has been developed post a comprehensive Community Need Analysis. Our focus areas are:

a. Promoting hygiene and healthcare

b. Promoting education and

c. Employability

A detailed report on CSR initiatives and the amount spent during the period under review forms part of the Board's Report as Annexure 4.

Impact assessment

We intend to carry out a formal structured impact assessment of our various CSR programmes in FY 2020 since all our major CSR projects are in the domains of healthcare, education and livelihood and were commissioned 4 years back.

Our focus for Community development being Health & Hygiene and Education, our initiatives have been around providing:

- Preventive, promotive and curative healthcare at our Speciality healthcare center – Arogyadhama at Suragajakkanahalli village panchayat,
- Safe drinking water through self-sustainable RO drinking water plants at Anekal,
- Good healthcare, creating awareness through health camps etc., building awareness on health and hygiene
- Providing infrastructure and also empowering children to learn better and equip themselves for a better future.

Arogyadhama caters to over 12,500 populations in 12 villages giving the best of facilities. Over 10,500 people were benefitted in 2018-19.

In our efforts to provide safe drinking water and to improve the quality of living of people, new RO water units have been installed at Guddahatti and Ramakrishnapura in Anekal.

On Employability front, the Employment Empowerment Programme initiative in partnership with Swami Vivekananda Rural Community College (SVRCC), has upskilled 100 youths of our neighbouring villages, who are now under industrial training and will be ready to be employed by July. Owing to the success of the first two batches, we have initiated the process to upskill the next set of rural youths.

In line with our focus to provide better quality of education to children by improving the infrastructure of the schools, 2 classrooms along with a stage were constructed at Lakshmipura School, Indlawadi Panchayat. About 50 students will be benefitted with this initiative.

Under Leadership adoption programme for school (LeAPS) life skills are imparted to the students of the Government primary and high school to get the young students future ready. Also, Effective Examination Skills workshop was organised for the Boys and Girls of 10th standard to help them do better in the 10th exams.

Principle 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner

We give utmost priority to provide effective, superior quality and economically affordable products to our customers. We work towards safe management of our products throughout its lifecycle and is committed to reducing risks. This is ensured by making factual disclosure of information during labelling and branding of our products. As a company, we are strongly connected with our customers. By understanding their needs, expectations and priorities, we are better equipped to develop products that offer great value.

We follow a standard operating procedure on providing the required factual information about our products to the customers. We ensure compliance towards all applicable legislations with respect to packaging and labelling. We realise the extent of influence we can have on our customers and we wish to engage with them in a responsible manner.

We have developed and implemented a robust pharmacovigilance system for handling and addressing complaints received from any of our stakeholders.

Customer Complaints – FY 2018-19					
S. No.	Category	Number of Complaints Received	Number of Complaints Closed	Number of complaints pending	% of Complaints/ Cases Pending
1	Customer Complaints	279	255	24	8.6 %
2	Customer Cases (legally filed)	NA	NA	NA	NA

We have a dedicated pharmacovigilance cell to resolve any customer concerns or queries related to our products. We have not received any complaints on unfair trade practices, irresponsible advertising and anti-competitive behavior.

Display of product information on the product label

The customer is provided with the instructions on dosage and basic knowledge about the science behind the various ingredients added in different products. We also provide information on the composition of each ingredient in volume and percentage in the product. Storage Instructions and cautionary notes are also provided wherever required.

For and on behalf of the Board of Directors

Date: May 10, 2019
Place: Bengaluru

Badree Komandur
Executive Director – Finance & Group CFO
DIN – 07803242

Ramaraju PVS
COO – Global Head, Manufacturing

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

To the Members of Strides Pharma Science Limited (formerly known as Strides Shasun Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Strides Pharma Science Limited (*formerly known as Strides Shasun Limited*) (hereinafter referred to as the "Holding Company" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2019, the consolidated statement of profit and loss (including other comprehensive income) , consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial information of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*** section of our report. We are independent of the Group including its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Taxation

[Refer Significant Accounting Policies and notes 11, 12, 26 and 35 to the consolidated financial statements]

The key audit matter	How the matter was addressed in our audit
Restatement with respect to tax accounting on business combination We draw attention to Note 56 to the consolidated financial statements which states that during the current year, the Group noted an error in one of its material foreign subsidiary with respect to accounting for deferred taxes on a business combination consummated during fiscal 2016. The Group during the year noted that it should have recorded deferred tax liabilities on certain intangibles acquired in a business combination with a corresponding impact to goodwill as of the acquisition date, which was rectified during the current year by restating past periods.	With respect to the deferred tax accounting impact for business combinations and the impact of restatement of subsidiary information, we read the reporting from the component auditor and also performed procedures in compliance with the requirements of SA 600: Using the Work of Another Auditor. We also verified the adjustments made by the management to restate the comparative information in the consolidated financial statements arising from the aforesaid matter. We tested the design of internal financial controls and operating effectiveness of the relevant key controls in respect of taxation

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

Key Audit Matters (Contd.)

Taxation

[Refer Significant Accounting Policies and notes 11, 12, 26 and 35 to the consolidated financial statements]

The key audit matter	How the matter was addressed in our audit
Other taxation matters Further, the Group operates across a large number of jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including transfer pricing, direct and indirect tax matters. In addition, the consolidated financial statements is subject to complexities involved in the assessment of recognition of deferred taxes on business combinations, owing to significant management judgment. Given the complexity of tax accounting for multiple jurisdictions, impact of deferred taxes related to acquisitions accounting, intercompany transactions and restatement noted during the year, we assessed this to be an area of focus for our audit.	For uncertain tax positions, we read and analysed select key correspondences with tax authorities, assessed Management's judgment regarding the eventual resolution of matters with various tax authorities, assessment of third-party opinions and the use of past experience, where available, with the tax authorities in the respective jurisdiction. Additionally, we used our own local and international subject matter expert, to assess the accounting position taken by the management for current and deferred taxes.

Carrying value of goodwill and intangible assets

[Refer Significant Accounting Policies and notes 6 and 7 to the consolidated financial statement

The key audit matter	How the matter was addressed in our audit
The Group has goodwill and intangible assets of ₹13,691 million and ₹15,647 million respectively as at 31 March 2019. The carrying values of goodwill and intangible assets will be recovered through future cash flows and there is a risk that the assets will be impaired if these cash flows do not meet the Group's expectations. Goodwill including these intangibles are assessed for impairment at each reporting date based on triggers and / or is mandatorily tested annually for impairment. The Group determines the value in use by means of a discounted cash flow method which contains a number of significant assumptions and estimates including revenue growth, the success of new product launches, terminal growth rates and discount rate. Changes in these assumptions could affect the assessment of impairment to the carrying value of goodwill and intangible assets There is a risk for the financial statements that impairment loss for an existing goodwill / intangible assets may not be recognized as of the reporting date. In addition, there is a risk that the related disclosures in the notes to the consolidated financial statements are not complete and appropriate. Given the significance of the amounts involved and significant estimates involved in the above, we determined this to be an area of focus for our audit.	Our audit procedures included testing the Group's controls around the carrying value of goodwill / intangible assets, assessing the Group's budgeting procedures upon which the forecasts are based, validating the discounted cash flow models which management used to prepare the valuations and performing a retrospective review of the accuracy of the managements past projections by comparing historical forecast to actual results. We did this by using our own valuation specialists to assist us in evaluating the assumptions and methodologies used by management, in particular those relating to the discount rates and by comparing relevant assumptions to industry and economic forecasts. We also assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflect the risks inherent in the valuation of goodwill.

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

Key Audit Matters (Contd.)

Impact on adoption of new revenue standard (Ind AS 115)

[Refer Significant Accounting Policies and note 3.24 to the consolidated financial statements]

The key audit matter	How the matter was addressed in our audit
The Group has adopted Ind AS 115: Revenue from Contracts with Customers effective 1 April 2018 using the modified retrospective approach, with the cumulative effect of initially applying the impact of any change being recorded in opening equity as at 1 April 2018. The core principle of this standard is that the Group shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Under Ind AS 115, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer which is different from transfer of risk and rewards under the old revenue standard. Additionally, the Group also evaluated its out-licensing arrangements with reference to upfront non-refundable fees received in earlier periods. With respect to control evaluation and out-licensing arrangements, the risk is to determine timing of transfer of control considering all the terms of the contract, shipping terms, whether all the identified performance obligations meet the criteria of being distinct and consequently its impact on timing and pattern of revenue recognition. Pursuant to the above, implementation of the new revenue standard requires management to apply judgment in carrying out the above evaluations and hence was an area of focus for our audit.	We tested the design of internal financial controls and operating effectiveness of the relevant key controls in respect of sale of goods and services. With reference to revenue recognition from sale of goods and from licensing income arrangements, we evaluated the appropriateness of management's assessment of keys terms of the contract to determine transfer of control of goods, read underlying contracts on a sample basis and evaluated the appropriateness of the key judgments and estimates made by management. We also evaluated management's assessment whether the rights transferred under these arrangements qualified for revenue recognition and in particular whether the underlying performance obligations meet the criteria of being distinct and hence can be segregated from other obligations under the arrangement.

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

Key Audit Matters (Contd.)

Business combinations

[Refer Significant Accounting Policies and note 38 to the consolidated financial statements]

The key audit matter	How the matter was addressed in our audit
The Group completed the acquisition of 3 subsidiaries during the year and consequently recognised goodwill of ₹2,998 million. Accounting for the business combinations require the Group to determine fair value of consideration transferred (including earnouts, if any) and fair value of net assets acquired as a part of acquisition. Given the significance of amounts involved and complexities involved we determined this to be an area of focus for our audit. .	We evaluated the appropriateness of purchase price allocation (PPA) performed by management using third party valuation experts and tested the methodology and assumptions using our own valuation experts. We also performed sensitivity analysis over certain assumptions such as sales volume and the discount rate used in management's valuation to determine whether the cash flows applied within the valuation models and the key assumptions were appropriate. We assessed the appropriateness of working capital balances on the acquisition date and obtained supporting evidence to corroborate these. In instances where business combination accounting was audited by component auditors, we read their reporting to us including procedures in compliance with the requirements of SA 600: *Using the Work of Another Auditor,* where necessary, for the purpose of our audit of consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the Consolidated Financial Statements and our Auditor's Report thereon) which we obtained prior to the date of this Auditor's Report, and the remaining sections of Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate companies have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and subsidiaries) as well as associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 9 subsidiaries, whose financial statements reflect total assets of ₹64,313 million as at 31 March 2019, total revenues of ₹19,799 million and net cash flows amounting to ₹975 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

(b) The financial statements/financial information of 45 subsidiaries, whose financial statements/financial information reflect total assets of ₹29,764 million as at 31 March 2019, total revenues of ₹2,720 million and net cash flows amounting to ₹124 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹376 million for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of 10 associates and joint ventures, whose financial statements/financial information have not been audited by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

(c) We also refer to note 56 to the consolidated financial statements which more fully explains that, based on the report from the auditor of a subsidiary, comparative information for fiscal 2018 has been restated with respect to accounting for deferred taxes on business combination. The balance sheet as at 1 April 2017 included in these consolidated financial statements, is based on the previously issued consolidated financial statements prepared in accordance with the Companies Act, 2013 and audited by the predecessor auditor whose audit report for the year ended 31 March 2017 dated 18 May 2017 expressed an unmodified opinion on those consolidated financial statements, as adjusted for the impact of the restatement, which have been audited by us based on the consideration of reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary companies and associate companies as on 31 March 2019 taken on record by the Board of Directors of the respective companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 41 to the consolidated financial statements.

ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019. Refer Note 51 to the consolidated financial statements.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2019. Further there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the subsidiary companies and associate companies incorporated in India.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors and representations from management of such subsidiary companies and associate companies incorporated in India which were not audited by us as referred to in 'Other Matters' paragraph above, the remuneration paid during the current year by the Holding Company, its subsidiary companies and associate companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No: 060573

Bengaluru
10 May 2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STRIDES PHARMA SCIENCE LIMITED ("THE COMPANY") FOR THE YEAR ENDED 31 MARCH 2019:

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Strides Pharma Science Limited (*formerly known as Strides Shasun Limited*) (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STRIDES PHARMA SCIENCE LIMITED ("THE COMPANY") FOR THE YEAR ENDED 31 MARCH 2019:

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No: 060573

Bengaluru
10 May 2019

CONSOLIDATED BALANCE SHEET

As at March 31, 2019

₹ in Million

	Note	March 31, 2019	March 31, 2018 (Restated)*	April 1, 2017 (Restated)*
A ASSETS				
I Non-current assets				
(a) Property, plant and equipment	4	10,374.20	6,648.06	9,783.00
(b) Capital work-in-progress		1,019.96	3,220.09	2,045.00
(c) Investment property	5	773.74	735.78	705.97
(d) Goodwill	6	13,691.11	10,826.93	11,308.44
(e) Other intangible assets	7	11,606.58	11,555.00	9,691.10
(f) Intangible assets under development		4,040.02	2,982.79	5,756.79
(g) Investment in associates and joint ventures	8(i)	4,057.84	2,663.60	2,135.63
(h) Financial assets				
(i) Investments	8(ii)	111.85	101.41	315.02
(ii) Loans receivable	9(i)	682.69	624.61	575.41
(iii) Other financial assets	10(i)	23.44	16.29	-
(i) Deferred tax assets (net)	11	1,521.70	1,235.16	701.15
(j) Income tax assets (net)	12	1,362.61	1,198.29	1,212.24
(k) Other non-current assets	13(i)	336.72	440.20	594.05
Total non-current assets		**49,602.46**	**42,248.21**	**44,823.80**
II Current assets				
(a) Inventories	14	8,706.99	5,520.24	7,328.00
(b) Financial assets				
(i) Investments	8(iii)	2,847.49	3,114.79	12,795.38
(ii) Trade receivables	15	9,871.82	8,821.78	9,959.13
(iii) Cash and cash equivalents	16	3,658.89	2,561.62	3,223.27
(iv) Other balances with banks	17	1,507.61	471.64	71.49
(v) Loans receivable	9(ii)	541.49	290.70	72.35
(vi) Other financial assets	10(ii)	806.70	348.18	1,264.93
(c) Other current assets	13(ii)	2,511.64	3,336.35	3,203.65
		30,452.63	**24,465.30**	**37,918.20**
(d) Assets classified as held for sale	39.3.1	-	370.61	-
Total current assets		**30,452.63**	**24,835.91**	**37,918.20**
TOTAL ASSETS		**80,055.09**	**67,084.12**	**82,742.00**
B EQUITY AND LIABILITIES				
I Equity				
(a) Equity share capital	18	895.49	895.00	894.23
(b) Other equity	19	25,591.55	23,741.58	26,644.49
Equity attributable to equity holders of the Company		**26,487.04**	**24,636.58**	**27,538.72**
Non- controlling interests	20	1,529.54	1,546.48	1,335.01
Total Equity		**28,016.58**	**26,183.06**	**28,873.73**
II Liabilities				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	21(i)	18,065.60	15,513.23	16,377.09
(ii) Other financial liabilities	22(i)	4,565.34	3,924.06	3,918.08
(b) Provisions	23(i)	215.19	165.52	251.93
(c) Deferred tax liabilities (net)	11	2,056.01	2,208.96	2,227.51
(d) Other non-current liabilities	24(i)	103.67	96.26	54.97
Total non-current liabilities		**25,005.81**	**21,908.03**	**22,829.58**
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21(ii)	13,390.17	9,443.94	13,939.56
(ii) Trade payables	25			
(a) total outstanding dues of micro enterprises and small enterprises		57.36	44.67	21.46
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		8,884.55	7,076.02	7,719.48
(iii) Other financial liabilities	22(ii)	1,737.93	590.57	7,447.47
(b) Provisions	23(ii)	1,620.09	570.13	466.62
(c) Current tax liabilities (net)	26	582.80	558.44	700.73
(d) Other current liabilities	24(ii)	759.80	677.91	743.37
		27,032.70	**18,961.68**	**31,038.69**
(e) Liabilities directly associated with assets classified as held for sale	39.3.1	-	31.35	-
Total current liabilities		**27,032.70**	**18,993.03**	**31,038.69**
Total liabilities		**52,038.51**	**40,901.06**	**53,868.27**
TOTAL EQUITY AND LIABILITIES		**80,055.09**	**67,084.12**	**82,742.00**

*Refer note 56

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

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
Bengaluru, May 10, 2019

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director
DIN: 00084845

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership No.: A30515

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2019

₹ in Million

		Note	March 31, 2019	March 31, 2018 (Restated)*
A.	**Continuing operations:**			
I	Revenue from operations	27	30,116.78	28,451.14
II	Other income	28	454.32	762.92
III	**Total Income (I+II)**		**30,571.10**	**29,214.06**
IV	**Expenses**			
	(a) Cost of materials consumed		10,020.50	8,474.99
	(b) Purchases of stock-in-trade		6,086.90	4,391.50
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(1,447.35)	921.86
	(d) Employee benefits expense	30	4,425.84	4,340.51
	(e) Finance costs	31	2,053.37	1,962.43
	(f) Depreciation and amortisation expense	32	1,718.49	1,540.35
	(g) Other expenses	33	6,368.93	6,299.47
	(h) Foreign exchange (gain) / loss - net		114.49	(120.29)
	Total Expenses (IV)		**29,341.17**	**27,810.82**
V	**Profit before exceptional items and tax (III - IV)**		**1,229.93**	**1,403.24**
VI	Exceptional items gain / (loss) net	34	(26.18)	(435.78)
VII	**Profit before tax (V + VI)**		**1,203.75**	**967.46**
VIII	Share of profit/(loss) of joint ventures and associates		(483.20)	(167.99)
IX	**Profit before tax (VII + VIII)**		**720.55**	**799.47**
X	**Tax expense:**	35		
	(a) Current tax		543.72	485.12
	(b) Deferred tax		(412.50)	(428.27)
	Total tax expense (X)		**131.22**	**56.85**
XI	**Profit after tax from continuing operations (IX - X)**		**589.33**	**742.62**
B.	**Discontinued operations**	39		
	(i) Profit/(Loss) from discontinued operations		-	(844.59)
	(ii) Gain on disposal of assets/settlement of liabilities attributable to the discontinued operations (net)		2,723.10	7,103.09
	(iii) Tax expense of discontinued operations		13.68	157.27
XII	**Profit/(loss) after tax from discontinued operations**		**2,709.42**	**6,101.23**
XIII	**Profit for the year (XI + XII)**		**3,298.75**	**6,843.85**
XIV	**Other comprehensive income**	36		
A	(i) Items that will not be reclassified to profit or loss		(1.22)	(202.85)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.25	0.46
B	(i) Items that may be reclassified to profit or loss		(620.05)	(61.93)
	(ii) Income tax relating to items that may be reclassified to profit or loss		(18.97)	104.05
	Total other comprehensive income for the year, net of tax (XIV)		**(635.99)**	**(160.27)**
XV	**Total comprehensive income for the year (XIII + XIV)**		**2,662.76**	**6,683.58**
	Profit for the period attributable to:			
	- Owners of the Company		3,246.18	6,645.17
	- Non-controlling interests		52.57	198.68
			3,298.75	**6,843.85**
	Other comprehensive income for the year			
	- Owners of the Company		(634.27)	(155.14)
	- Non-controlling interests		(1.72)	(5.13)
			(635.99)	**(160.27)**
	Total comprehensive income for the year			
	- Owners of the Company		2,611.91	6,490.03
	- Non-controlling interests		50.85	193.55
			2,662.76	**6,683.58**
	Earnings per equity share (of ₹10/- each) (for continuing operations):	48		
	(1) Basic		5.99	6.08
	(2) Diluted		5.99	6.08
	Earnings per equity share (of ₹10/- each) (for discontinued operations):	48		
	(1) Basic		30.26	68.17
	(2) Diluted		30.25	68.15
	Earnings per equity share (of ₹10/- each) (for discontinued and continuing operations):	48		
	(1) Basic		36.25	74.25
	(2) Diluted		36.24	74.23

*Refer note 56

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

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
Bengaluru, May 10, 2019

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director
DIN: 00084845

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership No.: A30515

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2019

₹ in Million

		March 31, 2019	March 31, 2018
Cash flow from operating activities			
Profit before tax from:			
Continuing operations		720.55	799.47
Discontinued operations		2,723.10	6,258.50
		3,443.65	**7,057.97**
Adjustments for:			
- Depreciation and amortisation expense		1,718.49	1,939.26
- Share of profit / (loss) of joint ventures and associates		483.20	167.99
- Profit on sale of property, plant and equipment and other intangible assets (net)		(11.34)	(68.05)
- Share based compensation expense		8.97	24.52
- Unwinding of discount on gross obligations over written put options to NCI		27.77	99.06
- Unwinding of discount on contingent consideration payable		42.56	2.22
- Fair valuation of derivative instruments		(66.11)	(2.14)
- Interest expense on borrowings and discounting of lease security deposit received		2,053.36	2,368.49
- Interest on delayed payment of Income tax		-	0.03
- Interest and dividend income		(307.14)	(538.79)
- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) (Refer note 39)		(2,723.10)	(7,103.09)
- Rental income from investment property		(94.67)	(109.13)
- Liability / provision no longer required written back		-	(0.03)
- Bad debts written off / provision for doubtful trade and other receivables		57.95	36.66
- Impairment of goodwill		370.00	14.12
- Business combination and restructuring expense		183.18	-
- Write down of inventory and other assets		-	157.35
- Loss on sale of investment in subsidiaries (Refer note 39.3.2)		14.35	-
- Fair valuation on investment in associates (Refer note 39.3.4)		(587.94)	-
- Fair valuation gain on acquisition of controlling shares in Vivimed Life Sciences India Private Limited (Refer note 38)		(270.39)	-
- Net unrealised exchange loss / (gain)		46.78	266.44
Operating profit before working capital changes		**4,389.57**	4,312.88
Changes in working capital			
(Increase) in trade and other receivables		(1,724.39)	(2,742.50)
Decrease / (increase) in inventories		(3,055.49)	840.86
(Decrease) / increase in trade and other payables		1,548.47	(4.96)
Net change in working capital		**(3,231.41)**	(1,906.60)
Cash generated from operations		**1,158.16**	2,406.28
Income taxes paid		(557.61)	(535.62)
Net cash flow generated from operating activities	**A**	**600.55**	1,870.66
Cash flow from investing activities			
Capital expenditure for property, plant and equipment and intangible assets, including capital advance		(3,290.78)	(4,026.31)
Proceeds from sale of property, plant and equipment and intangible assets		126.72	32.18
Payments for investment property		-	(1.05)
Short-term investments in funds		(1,304.63)	(1,927.51)
Purchase of long-term investments including investment in associates		(750.00)	(665.04)
Consideration paid towards business combinations, net of cash acquired (Refer note 38)		(700.55)	(1,915.14)
Consideration paid towards acquisition of non-controlling interest in subsidiary (Refer note 38)		(0.01)	(469.36)
Proceeds from sale of investment in mutual funds		1,585.36	9,722.42
Proceeds from sale of investments		-	8.29
Proceeds from sale of long-term investments including discontinued operations, net of expenses and cash (Refer note 39)		4,269.75	5,166.29
Loan (given) to others		(539.67)	(412.45)
Loan recovered from others		-	100.00
Rent deposit received / (given)		0.08	1.88

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2019

₹ in Million

		March 31, 2019	March 31, 2018
Investment in fixed deposits with maturity of more than 3 months		(1,023.69)	(411.70)
Rental income from investment property		97.88	108.97
Interest and dividends received (net of tax on dividend)		44.61	514.47
Net cash flow generated from / (utilised in) investing activities	**B**	**(1,484.93)**	5,825.94
Cash flow from financing activities			
Proceeds from issue of equity shares		14.00	36.31
Proceeds from long-term borrowings		2,051.25	17,290.13
Repayment of long-term borrowings		(302.35)	(22,070.07)
Net (decrease) / increase in working capital and short-term borrowings		2,327.17	(2,332.49)
Dividends paid (net of tax on dividend)		(179.46)	(442.86)
Proceeds from issue of shares to minority shareholders		32.65	2.61
Dividend paid to minority shareholders		(6.01)	(9.78)
Interest paid on borrowings (Refer note (ii) below)		(1,994.58)	(2,630.73)
Net cash generated (utilised in) / generated from financing activities	**C**	**1,942.67**	(10,156.88)
Net (decrease) in cash and cash equivalents	**(A+B+C)**	**1,058.29**	(2,460.28)
Cash and cash equivalents at the beginning of the year		2,561.62	5,150.78
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		38.98	25.71
Cash and cash equivalents classified as held for sale (Refer note 39.3.1)		-	(0.02)
Cash and cash equivalents pursuant to the scheme of demerger (Refer note 39.1)		-	(154.57)
Cash and cash equivalents at the end of the year*		**3,658.89**	**2,561.62**
*** Comprises:**			
Cash on hand		2.65	2.06
Balance with banks:			
- In current accounts		3,226.36	2,176.62
- In Escrow account		2.00	2.00
- In deposit accounts		50.59	183.61
- Funds-in-transit		377.29	197.33
Total		**3,658.89**	**2,561.62**

Notes:

(i) The consolidated cash flow statement reflects the combined cash flows pertaining to continuing and discontinued operations. Refer note 39 for cash flows from discontinued operations.

(ii) Interest paid is inclusive of borrowing cost capitalised on fixed assets ₹217.39 Million (Previous year ₹240.76 Million).

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

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
Bengaluru, May 10, 2019

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director
DIN: 00084845

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership No.: A30515

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A. Equity share capital

₹ in Million

Particulars	Notes	Amount
Balance as at April 1, 2017		**894.23**
Changes in equity share capital during the year		
Shares issued pursuant to exercise of stock options	44	0.77
Balance as at March 31, 2018		**895.00**
Changes in equity share capital during the year		
Shares issued pursuant to exercise of stock options	44	0.49
Balance as at March 31, 2019		**895.49**

B. Other equity

₹ in Million

Particulars	Notes	Share application money pending allotment	Reserves and Surplus (Restated)*							Items of other comprehensive income (Restated)*				Equity attributable to owners of the Company	Non- controlling interests	Total
			Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	Equity for gross obligation liability	General reserve	Retained earnings (Restated)*	FVOCI equity investments reserve	Cash flow hedging reserve	Foreign currency translation reserve (Restated)*	Remeasurement of the defined benefit liabilities / (asset)			
Balance as at April 1, 2017 (Restated)*		**-**	**438.97**	**18,879.22**	**601.61**	**88.54**	**(3,754.76)**	**3,970.93**	**2,234.71**	**(410.60)**	**222.63**	**4,470.43**	**(97.19)**	**26,644.49**	**1,335.01**	**27,979.50**
Profit for the year		-	-	-	-	-	-	-	6,645.17	-	-	-	-	6,645.17	198.68	6,843.85
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	(201.45)	(196.60)	243.85	(0.94)	(155.14)	(5.13)	(160.27)
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,645.17**	**(201.45)**	**(196.60)**	**243.85**	**(0.94)**	**6,490.03**	**193.55**	**6,683.58**
Pursuant to business combinations	38	-	-	-	-	-	-	-	-	-	-	-	-	-	218.59	218.59
Pursuant to acquisition of non-controlling interest in subsidiary	38	-	(103.45)	-	-	-	-	-	-	-	-	-	-	(103.45)	(145.32)	(248.77)
Pursuant to disposal / allotment of shares to non-controlling interests		-	144.63	-	-	-	-	-	-	-	-	-	-	144.63	2.60	147.23
Dividend (including tax on dividend)		-	-	-	-	-	-	-	(487.98)	-	-	-	-	(487.98)	-	(487.98)
Adjustment pursuant to the scheme of demerger	39.1	-	-	(1,971.57)	-	-	-	-	(7,038.43)	-	-	-	-	(9,010.00)	(28.17)	(9,038.17)
Issue of shares on exercise of stock options	44	1.44	-	61.78	-	(27.68)	-	-	-	-	-	-	-	35.54	-	35.54
Employee stock compensation expenses (including expenses pertaining to discontinued operations)	44	-	-	-	-	28.32	-	-	-	-	-	-	-	28.32	-	28.32
Pursuant to exchange movement		-	-	-	-	-	-	-	-	-	-	-	-	-	(29.78)	(29.78)
Balance as at March 31, 2018 (Restated)*		**1.44**	**480.15**	**16,969.43**	**601.61**	**89.18**	**(3,754.76)**	**3,970.93**	**1,353.47**	**(612.05)**	**26.03**	**4,714.28**	**(98.13)**	**23,741.58**	**1,546.48**	**25,288.06**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

₹ in Million

Particulars	Notes	Share application money pending allotment	Reserves and Surplus (Restated)*							Items of other comprehensive income (Restated)*				Equity attributable to owners of the Company	Non- controlling interests	Total
			Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	Equity for gross obligation liability	General reserve	Retained earnings (Restated)*	FVOCI equity investments reserve	Cash flow hedging reserve	Foreign currency translation reserve (Restated)*	Remeasurement of the defined benefit liabilities / (asset)			
Adjustments pursuant to adoption of IND AS 115, (net of tax)		-	-	-	-	-	-	-	(610.86)	-	-	-	-	(610.86)	(15.73)	(626.59)
Adjusted balance as at April 1, 2018		1.44	480.15	16,969.43	601.61	89.18	(3,754.76)	3,970.93	742.61	(612.05)	26.03	4,714.28	(98.13)	23,130.72	1,530.75	24,661.47
Profit for the year		-	-	-	-	-	-	-	3,246.18	-	-	-	-	3,246.18	52.57	3,298.75
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	10.44	(211.82)	(425.48)	(7.41)	(634.27)	(1.72)	(635.99)
Total comprehensive income		-	-	-	-	-	-	-	3,246.18	10.44	(211.82)	(425.48)	(7.41)	2,611.91	50.85	2,662.76
Pursuant to business combinations	38	-	-	-	-	-	(85.37)	-	-	-	-	-	(2.92)	(88.29)	31.45	(56.84)
Pursuant to acquisition of non-controlling interest in subsidiary	38	-	78.11	-	-	-	-	-	-	-	-	-	-	78.11	(101.19)	(23.08)
Pursuant to disposal / allotment of shares to non-controlling interests		-	15.46	-	-	-	-	-	-	-	-	-	-	15.46	17.20	32.66
Dividend (including tax on dividend)		-	-	-	-	-	-	-	(179.10)	-	-	-	-	(179.10)	(6.01)	(185.11)
Issue of shares on exercise of stock options		(1.44)	-	31.38	-	(16.43)	-	-	-	-	-	-		13.51	-	13.51
Transferred to general reserve on stock options lapse		-	-	-	-	(6.28)	-	6.28	-	-	-	-	-	-	-	-
Employee stock compensation expenses (including expenses pertaining to discontinued operations)	44	-	-	-	-	9.23	-	-	-	-	-	-	-	9.23	-	9.23
Pursuant to exchange movement		-	-	-	-	-	-	-	-	-	-	-	-	-	6.49	6.49
Balance as at March 31, 2019		-	573.72	17,000.81	601.61	75.70	(3,840.13)	3,977.21	3,809.69	(601.61)	(185.79)	4,288.80	(108.46)	25,591.55	1,529.54	27,121.09

*Refer note 56

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
Bengaluru, May 10, 2019

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director
DIN: 00084845

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership No.: A30515

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forming part of the consolidated financial statements for the year ended March 31, 2019

Note No. 01 // General Information

Strides Pharma Science Limited (formerly Strides Shasun Limited) (the ‘Company’ or ‘Strides’) and its subsidiaries (together referred to as the ‘Group’) are into the development and manufacture of pharmaceutical products. The Group has its registered office situated at 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400703, with corporate office in Bengaluru, India and operates across many countries spreading across developed and emerging markets. The Company has changed its name from Strides Shasun Limited to Strdes Pharama Science Limited with effect from July 18, 2018. Strides is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Note No. 02 // Basis of preparation of consolidated financial statements

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated Ind AS financial statements ('consolidated financial statements') were approved by the Board of Directors and authorised for issue on May 10, 2019.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest million, unless otherwise indicated.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;

- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations; and

- Equity settled share based payments that are measured at fair value

2.4 Basis of consolidation

The consolidated financial statements includes the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Group, other vote holders or other parties;

- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive

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forming part of the consolidated financial statements for the year ended March 31, 2019

income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12 Income Taxes.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Refer note 50 for details of subsidiaries considered in these consolidated financial statements.

2.5 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

2.5.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2.2 — Assessment of functional currency;
- Note 3.5 — Revenue recognition: whether revenue from sale of product and services is recognised overtime or at a point of time;
- Note 3.18 and 51 — Financial instruments;
- Note 3.12, 3.13 and 3.14— Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 3.6 — Lease classification;
- Note 45 — measurement of defined benefit obligation; key actuarial assumptions;
- Note 44 — Share based payments;
- Note 3.11 and 41— Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets;
- Note 3.15 — Impairment testing for non financial assets.

2.5.2 Control over subsidiaries

The following entities are considered subsidiaries of the Group even though the Group and non-controlling interests have about 50% of the ownership interest and the voting rights in such entities:

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forming part of the consolidated financial statements for the year ended March 31, 2019

Name of the entities	Proportion of ownership interest and voting power held by the Group	
	March 31, 2019	March 31, 2018
1. Generic Partners Pty Limited	51%	51%
2. Generic Partners Holding Co. Pty Limited	51%	51%
3. Generic Partners (International) Pte Limited	51%	51%
4. Generic Partners (Canada) Inc	51%	51%
5. Generic Partners (M) SDN BHD	51%	51%
6. Generic Partners (NZ) Limited	51%	51%
7. Pharmacy Alliance Pty Limited	51%	51%
8. Alliance Pharmacy Pty Ltd	51%	51%
9. Pharmacy Alliance Group Holdings Pty Ltd	51%	51%
10. Smarterpharm Pty Limited	51%	51%
11. Universal Corporation Limited	51%	51%
12. Trinity Pharma (Pty) Limited	51.76%	51.76%
13. Apollo Life Sciences Holdings (Pty) Limited	51.76%	51.76%

The management of the Group assessed whether or not the Group has control over the above mentioned entities based on whether the Group has the practical ability to direct the relevant activities of such entities unilaterally. Based on such assessment, the directors concluded that the Group has sufficient management rights to unilaterally direct the relevant activities of such entities and therefore the Group has control.

2.6 Assumption and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

2.6.1 Impairment of non-financial assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

2.6.2 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.6.3 Useful lives of property, plant and equipment, Intangible assets and Investment property

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

2.6.4 Employee benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected future salary increases, attrition rate and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

2.6.5 Share based compensation to employees

The Company has granted share based payment plans to its employees. Valuation models are used to calculate the expense for such share-based compensation to employees. These models require a number of assumptions to be made as input. These include financial assumptions as well as various assumptions around individual employee behaviour.

2.6.6 Litigations

As explained in note 41, the Group is a party to certain commercial disputes and has also received notification of claims for significant amounts. There are number of factors that may affect the ultimate outcome in respect of this matter and accordingly, it is difficult to assess the impact of these disputes with accuracy.

2.7 Operating cycle

As mentioned in para 1 above under 'Corporate information', the Group is into development and

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forming part of the consolidated financial statements for the year ended March 31, 2019

manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

2.8 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

Note No. 03 // Significant accounting policies

3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 *Share-based Payment* at the acquisition date (see note 3.10.2); and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.3 below.

3.3 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value

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of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 ***Impairment of Assets*** as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to statement of profit and loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to statement of profit and loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to statement of profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.4 Non-current assets held for sale

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

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described

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above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.5 Revenue from contracts with customers

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

3.5.1 Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

The consideration received by the Group in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

Profit share revenues

The Group from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Group sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners only when the collectability of the profit share becomes probable and a reliable measurement of the profit share is available. Otherwise, recognition is deferred to a subsequent period pending satisfaction of such collectability and measurability requirements. In measuring the amount of profit share revenue to be recognised for each period, the Group uses all available information and evidence, including any confirmations from the business partner of the profit share amount owed to the Group, to the extent made available before the date the Company's Board of Directors authorises the issuance of its financial statements for the applicable period.

Sale to Distributors

The Group appoints distributors in various territories who purchases the goods from the Group and thereafter sells them in the territory. In case the distributor is acting as an agent, the Group defers revenue recognition

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till the time goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of significant risks and rewards of ownership of the goods to the distributor.

Right to reject or return goods

The Group sells its products to the customers with a right to return the goods within the specified period of time. If the probability of acceptance by the customer is uncertain, recognition of revenue is deferred till the expiry of right to return or acceptance by the customer whichever is earlier.

Free samples

The Group distributes free samples to distributors, at various exhibitions and at medical conferences. The cost of samples distributed at exhibitions, medical conferences or to doctors directly are treated as marketing expense and clubbed under "Business Promotion Expense". However, free samples given to distributors (that are not acting as agents) is recognised as cost of goods sold. In case the free samples are not delivered at the same time as the related sales consignment, a reliable provision is made in this regard.

Price Variations / Incentives

Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue. However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission.

Chargebacks / Reptos claims by the wholesalers / distributors and Price Protections

Chargebacks and reptos claims are estimated on the basis of the average trend of the past years and recognised as reduction to revenue.

3.5.2 Rendering of services

Revenue from services rendered, which primarily relate to contract research, is recognised in the consolidated statement of profit and loss as the underlying services are performed. Upfront payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

3.5.3 Royalty, sale of licenses and Intellectual property rights

The Group enters into certain dossier sales, royalties, licensing and supply arrangements with various parties. Income from licensing arrangements is generally recognised over the term of the contract. Some of these arrangements include certain performance obligations by the Group. Revenue from such arrangements is recognised in the period in which the Group completes all its performance obligations.

3.5.4 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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

3.5.5 Rental income

The Group's policy for recognition of revenue from operating leases is described in note 3.6.1 below.

3.5.6 Export Incentives

Export incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under specified schemes as applicable.

3.5.7 Transition

The Group has adopted IND AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018). Accordingly, the information presented for the year ended March 31, 2018 has not been restated – i.e. it is presented, as previously reported, under IND AS 18 and related interpretations.

3.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.6.1 The Group as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the

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carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.6.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised immediately in statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 3.8 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.7 Foreign currencies transactions and translation

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss in the period in which they arise except for:

- exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets, and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), are recognised initially in other comprehensive income and reclassified from equity to statement of profit and loss on repayment of the monetary items. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, will be reclassified from equity to statement of profit and loss when the gain or loss on disposal is recognised.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in statement of profit and loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the statement of profit and loss.

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Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.8 Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

3.9 Employee benefits

3.9.1 Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

3.9.2 Post-employment benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.9.3 Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

3.10 Share-based payment arrangements

3.10.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the

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revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.10.2 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

3.11 Taxation

Income tax expense represents the sum of the current tax payable and deferred tax.

3.11.1 Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.11.2.1 Deferred Tax on Undistributed Earnings

When only a portion of undistributed earnings is remitted to the parent entity by its subsidiary, the parent recognises a deferred tax liability only for the portion of the undistributed earnings expected to be remitted in the foreseeable future.

3.11.2.2 Deferred Tax on Unrealised Profits

The intragroup elimination is made as a consolidation adjustment and not in the financial statements of any individual reporting entity. Therefore, the elimination will result in the creation of a temporary difference, as far as the group is concerned, between the carrying amount of the inventories in the consolidated financial statements and the tax base (assumed to be the carrying amount in the purchaser's individual financial statements). The deferred tax effects arising in respect of this temporary difference is recognised. The tax rate used while recognising the deferred tax balance arising from the elimination of unrealised profits on intragroup transactions is determined by reference to the tax rate in the purchaser's jurisdiction where the temporary difference will reverse.

3.12 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The non refundable payments made with respect to Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Dies and punches	:	4 years
Mobile phones	:	3 years
Certain factory buildings	:	18 years

Freehold land is not depreciated.

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Depreciation on the tangible fixed assets of the Group's foreign subsidiaries has been provided on straight-line method as per the estimated useful life of such assets as follows:

Building	: 20 years to 30 years
General plant and machinery	: 5 years to 20 years
Furniture and fixtures	: 5 years to 16 years
Office equipment	: 5 years to 6 years
Motor vehicles	: 8 years
Computers and data processing equipment	: 3 years to 6 years

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Individual assets costing less than ₹5,000 are depreciated in full in the year of purchase.

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

When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of that item is measured at fair value (even if the entity cannot immediately derecognise the asset given up) unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

3.13 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

3.14 Intangible assets

3.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.14.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.14.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.14.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

3.14.5 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Registration and Brands	: 10 years to 25 years
Software Licenses	: 5 years

Customer/supply contracts are amortised over the period of the contract or useful life, whichever is less.

3.15 Impairment of assets

3.15.1 Impairment of financial assets:

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

3.15.2 Impairment of goodwill and investments in associates and joint ventures:

Refer notes 3.2 and 3.3.

3.15.3 Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

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A reversal of an impairment loss is recognised immediately in statement of profit and loss.

3.16 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Cost is determined as follows:

Raw materials, packing materials, stores and spares: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads, wherever applicable

Stock-in trade: weighted average basis

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

3.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.17.1 Onerous contracts

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

3.17.2 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.18 Financial instruments

3.18.1 Financial assets and financial liabilities

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments in Outlook

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Therauputics Inc. (formerly Oncobiologics Inc.) which is not held for trading.

Financial assets at fair value through profit or loss
Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities
Financial liabilities are measured at amortised cost using effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

3.18.2 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

3.18.3 Derivative financial instruments and hedge accounting

The Group uses various derivative financial instruments such as interest rate swaps, currency swaps and forward contracts to mitigate the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge
The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the statement of profit and loss.

b) Fair value hedge
The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the statement of profit and loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to statement of profit and loss over the period of maturity.

3.18.4 Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss, and is included in the 'Other income' line item.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to statement of profit and loss on the disposal of the foreign operation.

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3.18.5 Written put options issued to the non-controlling interests:

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash.

Accounting on initial recognition:

The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity.

Subsequent measurement:

The liability is subsequently accreted through finance charges recognised under exceptional items in the statement of profit and loss upto the redemption amount that is payable at the date on which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

3.19 Exceptional items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year, the nature and amount of such items are disclosed as exceptional items.

3.20 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash at banks, demand deposits and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.21 Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

3.22 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairperson and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

3.23 Standards / amendments not yet effective

Ind AS 116- Leases

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 'Leases' (New lease Standard), which replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from existing accounting under Ind AS

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17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards, if applicable, when they become effective. The Group is in the process of evaluating the potential impact of the adoption of Ind AS 116 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over Income Tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatments, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (or loss), tax base, unused tax losses, unused tax credits and tax rates.

The standard permits two possible method of transition – i) Full retrospective approach- Under this approach, Appendix C will be applied retrospectively to each reporting period presented in accordance with Ind AS 8 – Accounting policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual period beginning on or after April 01, 2019. The Group will adopt the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on initial application i.e. April 01, 2019 without adjusting comparatives.

The effect of adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

Amendments to Ind AS 12- Income taxes

On March 30, 2019 , the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes.

The amendment clarified that an entity shall recognise the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee benefits’, in connection with accounting for plan amendments, curtailments and settlements.

The amendment require an entity:

— To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

— To recognise in profit or loss as part of past of service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Group does not expect any impact from this amendment.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect any impact from this amendment.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

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Note No. 04 // Property, plant and equipment

₹ in Million

Particulars	Gross block									Accumulated depreciation								Net block	
	As at April 1, 2018	Effects of foreign currency exchange differences and regroupings	Additions during the year	Disposals during the year	Acquisition through business combinations referred in note 38	Derecognised on disposal of business as referred in note 39.3	Derecognised on demerger as referred in note 39.1	Classified as Held for sale as referred in note 39.3.1	As at March 31, 2019	As at April 1, 2018	Effects of foreign currency exchange differences and regroupings	Depreciation for the year	Eliminated on disposals of assets	Eliminated on disposal of a businesses referred in note 39.3	Eliminated on demerger referred in note 39.1	Classified as Held for sale as referred in note 39.3.1	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Freehold Land	918.06	(31.71)	-	-	117.44	-	-	-	1,003.79	-	-	-	-	-	-	-	-	1,003.79	918.06
	965.75	23.66	15.72	-	-	-	87.07	-	918.06	-	-	-	-	-	-	-	-	918.06	965.75
Leasehold Land	48.14	-	1.72	-	-	-	-	-	49.86	-	-	-	-	-	-	-	-	49.86	48.14
	47.36	0.78	-	-	-	-	-	-	48.14	(0.78)	0.78	-	-	-	-	-	-	48.14	48.14
Buildings	2,146.68	(134.02)	817.51	1.04	149.35	254.44	-	-	2,724.04	308.48	(32.15)	94.34	0.12	10.19	-	-	360.36	2,363.68	1,838.20
	2,837.62	18.83	192.59	15.88	254.44	-	1,140.92	-	2,146.68	205.02	19.00	151.07	2.71	-	63.90	-	308.48	1,838.20	2,632.60
Plant and equipments	4,395.11	58.24	3,637.82	23.25	361.75	518.34	-	-	7,911.33	1,087.27	31.77	533.41	14.89	28.74	-	-	1,608.82	6,302.51	3,307.84
	6,711.96	93.08	696.06	61.93	479.00	-	3,211.33	311.73	4,395.11	1,154.95	68.99	672.69	33.05	-	691.97	84.34	1,087.27	3,307.84	5,557.01
Furniture and fixtures	191.07	1.42	72.65	0.01	12.40	3.53	-	-	274.00	85.77	0.87	13.96	-	0.64	-	-	99.96	174.04	105.30
	197.63	4.01	39.97	2.00	3.52	-	37.23	14.83	191.07	63.02	3.13	29.09	0.91	-	5.61	2.95	85.77	105.30	134.61
Vehicles	71.02	3.29	7.63	-	0.86	-	-	-	82.80	23.65	0.04	12.49	-	-	-	-	36.18	46.61	47.37
	83.90	4.13	11.86	20.35	1.45	-	9.91	0.06	71.02	17.27	3.74	14.28	7.12	-	4.46	0.06	23.65	47.37	66.63
Office equipments	621.76	3.94	179.17	0.80	19.75	20.84	-	-	802.98	238.61	1.94	129.68	-	0.95	-	-	369.28	433.70	383.15
	552.28	6.35	262.62	4.58	2.04	-	160.44	36.51	621.76	174.02	5.71	149.98	1.17	-	70.51	19.42	238.61	383.15	378.26
Total	**8,391.84**	**(98.84)**	**4,716.50**	**25.10**	**661.55**	**797.15**	**-**	**-**	**12,848.80**	**1,743.78**	**2.47**	**783.88**	**15.02**	**40.52**	**-**	**-**	**2,474.60**	**10,374.20**	**6,648.06**
Previous year	11,396.50	150.84	1,218.82	104.74	740.45	-	4,646.90	363.13	8,391.84	1,613.50	101.35	1,017.11	44.96	-	836.45	106.77	1,743.78	6,648.06	

Notes:

(i) Figures in italics relates to previous year.

(ii) The above assets, other than to the extent mentioned in note 47, are owned by the Group.

(iii) In 2008, the Group had entered into a lease cum sale agreement with Karnataka Industrial Area Development Board for purchase of land under a lease cum sale agreement. The Group is in the process of transferring the said land in its name.

(iv) Refer note 21 for details of property, plant and equipment pledged as security towards borrowings.

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Note No. 05 // Investment property

₹ in Million

Particulars	Gross block							Accumulated depreciation					Net block	
	As at April 1, 2018	Regroupings (Refer note (v) below)	Additions during the year	Acquisition through business combinations referred in note 38	Derecognised on disposal of business as referred in note 39.3	Derecognised on demerger as referred in note 39.1	As at March 31, 2019	As at April 1, 2018	Regroupings (Refer note (v) below)	Depreciation for the year	Eliminated on disposal of a businesses referred in note 39.3	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Land	115.96	31.31	-	-	-	-	147.27	-	-	-	-	-	147.27	115.96
	117.95	-	-	-	-	1.99	115.96	-	-	-	-	-	115.96	117.95
Building	741.13	152.52	-	-	72.97	-	820.68	121.31	29.79	46.02	2.91	194.21	626.47	619.82
	667.10	-	1.06	72.97	-	-	741.13	79.08	-	42.23	-	121.31	619.82	588.02
Total	**857.09**	**183.83**	**-**	**-**	**72.97**	**-**	**967.95**	**121.31**	**29.79**	**46.02**	**2.91**	**194.21**	**773.74**	**735.78**
Previous year	785.05	-	1.06	72.97	-	1.99	857.09	79.08	-	42.23	-	121.31	735.78	

Notes:

(i) Figures in italics relates to previous year.

(ii) Details of assets given under an operating lease:

₹ in Million

Particulars	Gross block		Net block	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Freehold Land	147.27	115.96	147.27	115.96
Buildings	812.96	733.41	621.53	614.08
Total	**960.23**	**849.37**	**768.80**	**730.04**

(iii) Details of assets held by Trust and for capital appreciation and not given under lease:

₹ in Million

Particulars	Gross block		Net block	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Buildings	7.72	7.72	4.94	5.74
Total	**7.72**	**7.72**	**4.94**	**5.74**

(iv) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2019 has been arrived at ₹2,021 Million (previous year: ₹890.70 Million) on the basis of a valuation carried out by independent valuers. The said valuers are registered with the authority which governs valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations.

The inputs used are as follows:

- Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and
- Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

(iv) Refer note 21 for details of investment properties pledged as security towards borrowings.

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(v) Subsequent to sale of SRC division referred to in note 39.3.1, the land and building has been leased out to Solara Active Pharma Sciences Limited, India. Hence, the same has been reclassified as investment property.

(vi) Amounts recognised in profit or loss for investment properties

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Rental income	94.67	109.13
Depreciation expense	(46.02)	(42.23)
Profit from investment properties	**48.65**	**66.90**

Note No. 06 // Goodwill

₹ in Million

Particulars	As at April 1, 2018	Effects of foreign currency exchange differences	Acquisition through business combinations	Disposals during the year (Refer note (ii) below)	Derecognised on disposal of business as referred in note 39.3	Impairment loss recognised in the year (Refer note (iii) below)	As at March 31, 2019
Goodwill (Restated)*	10,826.93	226.81	3,022.44	-	15.07	370.00	13,691.11
Previous year	*11,308.44*	*84.26*	*198.25*	*749.90*	-	*14.12*	*10,826.93*

*Refer note 56

Notes:

(i) Figures in italics relates to previous year.

(ii) Disposals include disposal of goodwill relating to discontinued operations referred to in note 39.3.

(iii) Allocation of goodwill to cash generating units:

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- Australia
- US
- Other regulated markets
- Emerging markets
- Institutional business
- API

The carrying amount of goodwill (other than goodwill related to discontinued operations) are allocated to cash-generating units as follows:

₹ in Million

Cash generating units	March 31, 2019	March 31, 2018
Australia	9,648.76	9,459.86
US	2,881.39	-
Other regulated markets	736.38	601.15
Emerging markets	328.39	309.28
Institutional business	96.19	441.57
API	-	15.07
Total	**13,691.11**	**10,826.93**

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The recoverable amount of the above cash generating units have been determined based on 'value in use' model, where in the value of cash generating unit is determined as a sum of the net present value of the projected post tax cash flows for a period of 4 to 5 years and terminal value. The terminal value of each cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate. Key assumptions used for determining the said value in use of each cash generating unit is as follows:

₹ in Million

Key Assumptions	Australia	US	Other regulated markets	Emerging Markets	Institutional business
Discount Rate	11.54% - 14.80%	10.44%	8.22%	14.84% - 14.89%	19.36%
Growth Rate (used for determining Terminal Value)	2.50% - 3%	2%	2%	3%	4%

The discount rates used are based on weighted average cost of capital.

The growth rates of the above cash generating units have been considered based on the market conditions prevalent in the countries that would fall in respective cash generating units.

The management believes that the projections used by the management for determining the "value in use" of cash generating units reflect past experience and external sources of information and any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

With respect to the Goodwill in Australia CGU, management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

in percent

Changes required for recoverable amount to equal carrying amount	March 31, 2019
Discount Rate	0.9
Growth Rate (used for determining Terminal Value)	(1.5)

During the current year, the Group has recognised impairment charge of ₹370.00 Million for goodwill pertaining to the Institutional business CGU based on the independent valuation report.

During the previous year ended March 31, 2018, the Group had recognised impairment charge of ₹14.12 Million for goodwill pertaining to the API CGU pursuant to the proposed sale of subsidiary as referred to in note 39.3.2.

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Note No. 07 // Other intangible assets

₹ in Million

Particulars	Gross block										Accumulated amortisation									Net block	
	As at April 1, 2018	Effects of foreign currency exchange differences and regroupings	Additions during the year	Disposals during the year	Acquisition through business combinations referred in note 38	Derecognised on disposal of business as referred in note 39.3	Derecognised on loss of control as referred in note 39.3.4	Derecognised on demerger as referred in note 39.1	Classified as Held for sale as referred in note 39.3.1	As at March 31, 2019	As at April 1, 2018	Effects of foreign currency exchange differences and regroupings	Amortisation for the year	Eliminated on disposals of assets	Eliminated on disposal of a businesses referred in note 39.3	Derecognised on loss of control as referred in note 39.3.4	Eliminated on demerger as referred in note 39.1	Classified as Held for sale as referred in note 39.3.1	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
- Internally generated: - Registration and brands	402.88	-	47.80	-	-	-	-	-	-	450.68	125.16	-	59.98	-	-	-	-	-	185.14	265.54	277.72
	176.32	*-*	*227.31*	*-*	*-*	*-*	*-*	*0.75*	*-*	*402.88*	*75.86*	*-*	*50.05*	*-*	*-*		*0.75*	*-*	*125.16*	*277.72*	*100.46*
- Others: - Registration and brands	11,343.73	360.19	999.15	52.42	503.48	22.28	1,046.27	-		12,085.58	1,116.76	60.75	639.39	29.85	-	116.15	-	-	1,670.90	10,414.68	10,226.97
	9,951.44	*92.55*	*3,638.07*	*1,980.29*	*275.82*	*633.86*	*-*	*-*	*-*	*11,343.73*	*940.55*	*72.30*	*669.42*	*448.87*	*116.64*	*-*	*-*	*-*	*1,116.76*	*10,226.97*	*9,010.89*
- Customer / Supply Contracts	599.62	(42.90)	-	-	28.35	-	-	-	-	585.07	41.25	(2.84)	49.97	-	-	-	-	-	88.38	496.69	558.37
	238.24	*3.45*	*-*	*-*	*357.93*	*-*	*-*	*-*	*-*	*599.62*	*16.40*	*1.30*	*23.55*	*-*	*-*		*-*	*-*	*41.25*	*558.37*	*221.84*
- Customer Relationships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	*-*	*-*	*36.40*	*36.40*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*1.06*	*1.06*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
- Software licenses	725.27	1.12	76.99	3.02	9.22	9.78	-	-	-	799.80	233.33	(0.24)	139.25	-	2.21	-	-	-	370.13	429.67	491.94
	482.47	*2.17*	*301.04*	*-*	*0.38*	*-*		*48.68*	*12.11*	*725.27*	*124.56*	*2.12*	*135.84*	*-*	*-*		*23.45*	*5.74*	*233.33*	*491.94*	*357.91*
Total	**13,071.50**	**318.41**	**1,123.94**	**55.44**	**541.05**	**32.06**	**1,046.27**	**-**	**-**	**13,921.13**	**1,516.50**	**57.67**	**888.59**	**29.85**	**2.21**	**116.15**	**-**	**-**	**2,314.55**	**11,606.58**	**11,555.00**
Previous year	*10,848.47*	*98.17*	*4,166.42*	*2,016.69*	*670.53*	*633.86*	*-*	*49.43*	*12.11*	*13,071.50*	*1,157.37*	*75.72*	*879.92*	*449.93*	*116.64*	*-*	*24.20*	*5.74*	*1,516.50*	*11,555.00*	

Notes:

(i) Figures in italics relates to previous year.

(ii) Disposals include disposal of other intangibles assets relating to discontinued operations referred to in note 39.3.

(iii) Refer note 21 for details of other intangible assets pledged as security towards borrowings.

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Note No. 08 // Investments

Investments consist of the following:

(i) Investment in associates and joint ventures

₹ in Million

Particulars	March 31, 2019	March 31, 2018
(A) Investments in associates under equity method:		
Equity shares, unquoted		
- 251,527 (As at March 31, 2018: 251,527) shares of ₹10 each fully paid up in Stelis Biopharma Private Limited, India	1,760.78	1,905.36
- 342 (As at March 31, 2018: 342) shares of Ethiopian Birr 1,000 each fully paid up in Regional Bio Equivalence Centre S.C., Ethiopia	-	-
- 24 (As at March 31, 2018: 24) shares in Generic Partners (R&D) Pte Limited, Singapore	-	-
- 28,266,880 (As at March 31, 2018: 14,133,440) shares of ₹10 each fully paid up in Vivimed Life Science Private Limited, India (Refer note (a) below)	-	629.38
- 1,000 (As at March 31, 2018: 1,000) shares of ₹100 each fully paid up in Strides Consumer Private Limited, India (Refer note 39.3.4)	0.10	-
- 19,782,717 (As at March 31, 2018: Nil) shares of USD 1 each fully paid up in Strides Global Consumer Healthcare Limited, UK (Refer note 39.3.4)	1,339.95	-
Preference shares, unquoted		
- 90,766 (As at March 31, 2018: Nil) shares of ₹10 each fully paid up in Stelis Biopharma Private Limited, India	750.00	-
- 1,538,615 (As at March 31, 2018: Nil) shares of ₹100 each fully paid up in Strides Consumer Private Limited, India (Refer note 39.3.4)	101.36	-
- 3,734,074 (As at March 31, 2018: 3,734,074) shares of USD 0.001 each fully paid up in Aponia Laboratories Inc, USA	94.85	92.15
Total [A]	**4,047.04**	**2,626.89**
(B) Investments in joint ventures under equity method:		
Equity shares, unquoted		
- 51 (As at March 31, 2018: 51) shares fully paid up in MyPak Solutions Australia Pty Limited, Australia (Refer note (b) below)	10.27	36.17
- 50 (As at March 31, 2018: 50) shares fully paid up in Oraderm Pharmaceuticals Pty Limited, Australia	0.53	0.54
Total [B]	**10.80**	**36.71**
Total [A+B]	**4,057.84**	**2,663.60**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	4,057.84	2,663.60
Aggregate amount of impairment in value of investments	-	-

Notes:

(a) During the previous year ended March 31, 2018, the Group entered into a joint venture agreement with Vivimed Labs Limited, India ("Vivimed Labs") pursuant to which the Group made investment in Vivimed Life Sciences Private Limited, India ("Vivimed India"). Pursuant to this arrangement, Vivimed India became an associate of the Group with 50% equity interest.

Further, during the current year, the group acquired the remaining 50% equity stake in Vivimed India , thereby, making the entity a wholly-owned subsidiary of the group. Refer note 38 for further details on the acquisition.

(b) On March 29, 2018, Amneal Pharmaceuticals Pty Limited, Australia, a subsidiary of the Group entered into a joint venture agreement with Douglas Pharmaceuticals Australia Pty Limited, Australia pursuant to which the subsidiary contributed certain assets into a joint venture entity in exchange for equity interest of 50.495% in MyPak Solutions Australia Pty Limited, Australia ("MyPak").

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(ii) Investments - non-current

₹ in Million

Particulars	March 31, 2019	March 31, 2018
(A) Investments carried at fair value through profit or loss:		
Equity shares, unquoted		
- 1,050 (As at March 31, 2018: 1,050) shares in Red Vault Investments Pty Limited, Australia	-	-
- 6,000,000 (As at March 31, 2018: 6,000,000) shares in Sonnet Biothera Inc, USA	0.55	0.55
Total [A]	**0.55**	**0.55**
(B) Other investments at fair value through other comprehensive income:		
Equity shares, quoted		
- 217,391 (As at March 31, 2018: 1,739,130 shares in Outlook Therapeutics Inc., USA (formerly Oncobiologics Inc., USA) (Refer note (a) below)	111.30	100.86
Total [B]	**111.30**	**100.86**
Total [A+B]	**111.85**	**101.41**
Aggregate book value of quoted investments	111.30	100.86
Aggregate market value of quoted investments	111.30	100.86
Aggregate carrying value of unquoted investments	0.55	0.55
Aggregate amount of impairment in value of investments	-	-

Notes:

Pursuant to approval, Outlook Theraperutics Inc, USA (formerly Oncobiologics Inc., USA) announced a reverse split of shares at a ratio of 1 for every 8 shares on March 15, 2019. Accordingly, the number of shares held by the group has been reduced.

(iii) Investments - current

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Quoted investments		
Investment in mutual funds:		
Investments measured at fair value through profit or loss:		
- Reliance Liquid Fund - Treasury Plan - Daily dividend option (Units As at March 31, 2019: Nil, March 31, 2018: 8,581.157)	-	13.13
- Reliance Floating Rate Fund - Short Term Plan - Growth Plan (Units As at March 31, 2019: 12,382,228.616, March 31, 2018: 12,382,228.616)	361.96	339.33
- Reliance Floating Rate Fund - Short Term Plan - Direct Monthly Dividend Plan (Units As at March 31, 2019: Nil , March 31, 2018: 93,906,412.869)	-	1,031.21
- Reliance Banking & PSU Debt Fund - Direct Monthly Dividend Plan (Units As at March 31, 2019: Nil, March 31, 2018: 47,453,064.062)	-	492.97
- Reliance Money Market Fund- Direct Plan Daily Dividend Plan Dividend Reinvestment (Units As at March 31, 2019:202,389.652 March 31, 2018: Nil)	203.00	-
- Reliance Floating Rate Fund - Short Term Plan - Direct Daily - Dividend Reinvestment (Units As at March 31, 2019: Nil, March 31, 2018: 91,737,897.163)	-	928.96
- IDFC Money Manager Fund - Direct Plan - Daily Dividend (Units As at March 31, 2019: 14,909,607.706 , March 31, 2018: Nil)	150.63	-
- L&T Liquid Fund Direct Plan - Daily Dividend Reinvestment Plan (Units As at March 31, 2019: 5,606.49, March 31, 2018: 5,340.35)	5.68	5.41
- SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units As at March 31, 2019: 3,614.50, March 31, 2018: 3,444.399)	3.63	3.46
- ICICI Prudential Liquid - Direct Plan - Daily Dividend (Units As at March 31, 2019: Nil, March 31, 2018: 40,529.205)	-	4.06
- ICICI Prudential Corporate bond fund- Direct Plan- Daily Dividend (Units As at March 31, 2019: 10,951,448.481, March 31, 2018: Nil)	110.73	-
- ICICI Prudential Money market fund- Direct Plan- Daily Dividend (Units As at March 31, 2019: 3,548,020.85 , March 31, 2018: Nil)	355.62	-
- ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend (Units As at March 31, 2019: Nil, March 31, 2018: 10,434,415.064)	-	105.51

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₹ in Million

Particulars	March 31, 2019	March 31, 2018
- ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend (Units As at March 31, 2019: 4,389,269.791, March 31, 2018: 18,121,190.095)	46.47	189.52
- Yes Liquid Fund- Direct Plan- Daily Dividend (Units As at March 31, 2019:151,403.14, March 31, 2018: Nil)	151.55	-
- Aditya Birla Sun life Money Manager Fund - Daily Dividend - Direct Plan (Units As at March 31, 2019:1,531,756.841 , March 31, 2018: Nil)	153.59	-
- Birla Sun Life Fixed Term Plan-Series KW-Gr. Direct - Reinvestment (Units As at March 31, 2019: Nil, March 31, 2018: 12,278.49)	-	1.23
Unquoted investments		
Investment in funds:		
- Easterngate Soarning Dragon 2 SP (Units As at March 31, 2019: 188.571, March 31, 2018: Nil)	1,304.63	-
Total	**2,847.49**	**3,114.79**
Current investments offered as security towards borrowings	-	-
Highly liquid investments that are readily convertible into known amounts of cash and cash equivalents	2,847.49	3,114.79

Note:

The market value of quoted investments is equal to the carrying value.

Note No. 09 // Loans receivable

Loans (unsecured) consist of the following:

(i) Non-current loans

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Considered good:		
Security deposits*	178.51	212.16
Loans to:		
- Related parties (Refer note 49)	504.18	412.45
Total	**682.69**	**624.61**

*Includes security deposit given to related parties as referred in note 49.

(ii) Current loans

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Considered good:		
Loans to:		
- Employees	26.37	40.70
- Other parties	-	250.00
- Related parties (Refer note 49)	515.12	-
Total	**541.49**	**290.70**

Note No. 10 // Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Unsecured, considered good:		
Fixed deposits with banks	23.44	16.29
Total	**23.44**	**16.29**

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(ii) Current financial assets

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Unsecured, considered good:		
Consideration receivable on disposal of business / subsidiaries	551.00	39.10
Receivable towards sale of assets	-	53.00
Interest accrued on deposit	25.08	3.31
Interest accrued on loans and advances given	26.69	35.69
Derivative asset	190.20	46.77
Unbilled revenue	-	159.66
Others:		
- Receivable from director (Refer note 49)	-	1.67
- Gratuity claim receivables	7.37	1.21
- Others	6.36	7.77
Total	**806.70**	**348.18**

Note No. 11 // Deferred tax balances

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018 *(Restated)**	As at March 31, 2018 *(Restated)**
Deferred tax assets (net)	1,521.70	1,235.16	701.15
Deferred tax liabilities (net)	(2,056.01)	(2,208.96)	(2,227.51)
Total	**(534.31)**	**(973.80)**	**(1,526.36)**

* Refer note 56

₹ in Million

March 31, 2019	Opening balance	Recognised in statement of profit or loss**	Recognised in other comprehensive income	Recognised in other equity	Acquisitions / disposals	Exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:							
Cash flow hedges (including forward element of forward contracts)	(13.79)	-	(18.97)	-	-	(0.33)	(33.09)
Property, plant and equipment	(520.46)	(12.12)	-	-	-	(13.17)	(545.75)
Intangible assets	(2,094.50)	179.92	-	-	(428.91)	28.81	(2,314.68)
Financial assets	(14.47)	9.77	-	-	-		(4.70)
Defined benefit obligation	57.21	(7.14)	3.18	-	-	(0.28)	52.97
Other financial liabilities	(71.85)	33.82	1.07	-	-		(36.96)
Others	315.83	(158.59)	-	81.87	0.49	(21.94)	217.66
Inventory	247.59	(8.26)	-	-	-		239.33
Provision for employee benefits	146.44	45.01	-	-	-	0.13	191.58
Merger and restructuring related expenses	24.16	(10.77)	-	-	-		13.39
Allowance for credit losses	115.04	(81.78)	-	-	-	0.72	33.98
	(1,808.80)	(10.14)	(14.72)	81.87	(428.42)	(6.06)	(2,186.27)
Tax losses	85.54	168.49	-	6.35	399.03	2.62	662.03
MAT credit entitlement	749.46	240.47	-	-	-	-	989.93
Total	**(973.80)**	**398.82**	**(14.72)**	**88.22**	**(29.39)**	**(3.44)**	**(534.31)**

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₹ in Million

March 31, 2018	Opening balance	Recognised in statement of profit or loss**	Recognised in other comprehensive income	Recognised in other equity	Acquisitions / disposals	Exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:							
Cash flow hedges (including forward element of forward contracts)	(117.84)	-	104.05	-	-	-	(13.79)
Property, plant and equipment	(734.64)	9.72	-	-	209.19	(4.73)	(520.46)
Intangible assets - Goodwill	(88.47)	88.47	-	-	-	-	-
Intangible assets - other than goodwill	(2,039.96)	(6.09)	-	-	(56.35)	7.90	(2,094.50)
Financial assets	(26.05)	11.58	-	-	-	-	(14.47)
Defined benefit obligation	88.15	10.49	0.46	-	(42.07)	0.18	57.21
Other financial liabilities	(34.99)	(36.85)	-	-	-	(0.01)	(71.85)
Others	74.91	5.31	-	-	234.41	1.20	315.83
Inventory	159.60	87.99	-	-	-	-	247.59
Provision for employee benefits	153.72	34.85	-	-	(42.28)	0.15	146.44
Merger and restructuring related expenses	26.92	(2.76)	-	-	-	-	24.16
Allowance for credit losses	65.15	57.09	-	-	(7.65)	0.45	115.04
	(2,473.50)	**259.80**	**104.51**	**-**	**295.25**	**5.14**	**(1,808.80)**
Tax losses	478.45	(269.46)	-	-	(124.61)	1.16	85.54
MAT credit entitlement	468.69	280.77	-	-	-	-	749.46
Total	**(1,526.36)**	**271.11**	**104.51**	**-**	**170.64**	**6.30**	**(973.80)**

** including deferred tax expenses recognised in discontinued operations.

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a certain period and can be set off against the future tax liabilities. MAT is recognised as deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

Note No. 12 // Income tax assets (net)

The income tax expense consists of the following:

Non-current income tax assets

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Advance income tax (net of provisions)	653.27	500.12
Taxes paid under protest	709.34	698.17
Total	**1,362.61**	**1,198.29**

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Note No. 13 // Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Considered good:		
Capital advances	191.59	149.26
Prepaid expenses	80.59	170.66
Lease equalisation asset	19.01	22.22
Balances with Government authorities:		
- VAT credit / refund receivable	16.32	69.04
- Indirect taxes paid under protest	24.42	24.23
Others:		
- Receivable from KIADB	4.79	4.79
Total	**336.72**	**440.20**

(ii) Other current assets

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Considered good:		
Advance to suppliers	1,075.27	1,560.21
Advance to employees	42.89	5.31
Advances to others	25.51	-
Prepaid expenses	362.12	326.20
Balances with Government authorities	805.98	1,101.24
Incentives receivables	199.87	343.39
Total	**2,511.64**	**3,336.35**

Note No. 14 // Inventories*

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Raw materials (including goods in transit)	4,148.32	2,575.70
Work-in-progress	586.45	333.24
Finished goods	1,798.75	709.76
Finished goods-in-transit	97.31	627.86
Stock-in-trade	1,939.97	1,170.20
Stores and spares	136.19	103.48
Total	**8,706.99**	**5,520.24**

* Refer note 3.16 for mode of valuation of inventories.

The amount of write down of inventory recognised as an expense in the statement of profit and loss during the year is ₹86.46 Million (March 31, 2018: ₹203.37 Million)

Note No. 15 // Trade receivables

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Unsecured		
Considered good*	9,871.82	8,821.78
Credit impaired	734.04	1,712.20
	10,605.86	10,533.98
Less: Allowance for credit loss	(734.04)	(1,712.20)
Total	**9,871.82**	**8,821.78**

* Includes receivables from related parties as referred in note 49.

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In determining the allowance for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Movement in Expected credit loss allowance

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Balance at the beginning of the year	1,712.20	1,253.29
Written off during the year	(1,036.11)	-
Movement in Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	57.95	458.91
Balance at end of the year	**734.04**	**1,712.20**

The Group has availed bill discounting facilities from the banks which do not meet the derecognition criteria for transfer of contractual rights to receive cashflows from the respective trade receivables since they are with recourse to the group. Accordingly as at March 31, 2019, trade receivables balances include ₹296.81 Million (As at March 31, 2018: ₹484.92 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short-term borrowings.

Note No. 16 // Cash and cash equivalents

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Cash on hand	2.65	2.06
Balances with banks:		
- In current accounts	3,226.36	2,176.62
- In Escrow account	2.00	2.00
- In deposit accounts	50.59	183.61
- Funds-in-transit	377.29	197.33
Total	**3,658.89**	**2,561.62**

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2019.

Note No. 17 // Other balances with banks

₹ in Million

Particulars	March 31, 2019	March 31, 2018
In deposit accounts	1,412.96	395.41
In earmarked accounts:		
- Unpaid dividend accounts	56.28	66.89
- Unpaid shares accounts	0.33	0.33
- Group gratuity accounts	1.26	1.26
- Balance held as margin money against working capital facilities with banks	36.78	7.75
Total	**1,507.61**	**471.64**

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Note No. 18 // Equity shared capital

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Authorised		
176,750,000 equity shares of ₹10/- each with voting rights	1,767.50	1,767.50
(March 31, 2018: 176,750,000 equity shares of ₹10/- each)		
Total	**1,767.50**	**1,767.50**
Issued, subscribed and fully paid-up		
89,549,476 equity shares of ₹10/- each with voting rights	895.49	895.00
(March 31, 2018: 89,500,035 equity shares of ₹10/- each)		
Total	**895.49**	**895.00**

(i) Reconciliation of number of shares and amount outstanding:

Particulars	Notes	March 31, 2019		March 31, 2018	
		No. of shares	₹ In Million	No. of shares	₹ In Million
Equity share capital					
Equity share of ₹10/- each					
Balance at the beginning of the year		89,500,035	895.00	89,423,006	894.23
Changes in equity share capital during the year					
Shares issued pursuant to the exercise of stock options	44	49,441	0.49	77,029	0.77
Balance at the end of the year		**89,549,476**	**895.49**	**89,500,035**	**895.00**

(ii) Detail of the rights, preferences and restrictions attaching to each class of outstanding equity shares of ₹10/- each:

The Company has only one class of equity shares, having a par value of ₹10/- each. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of equity shares held by each shareholder holding more than 5% of equity shares:

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	₹ In Million	No. of shares	₹ In Million
Pronomz Ventures LLP	12,665,000	14.14%	12,665,000	14.15%
SBI Magnum Multiplier Fund	-	0.00%	6,740,140	7.53%
SBI Arbitrage Opportunities Fund	8,656,213	9.67%	-	0.00%
Aditya Birla Sun Life Equity Advantage Fund	6,092,000	6.80%	175,200	0.20%

(iv) Details of equity shares of ₹10/- each reserved for issuance:

Particulars	No. of shares	
	March 31, 2019	March 31, 2018
Towards employee stock options under the various Strides stock option plans (Refer note 44)	2,980,563	3,030,692
Total	**2,980,563**	**3,030,692**

(v) Buy back of shares, issue of bonus shares and shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the Balance sheet date.

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Note No. 19 // Other equity

₹ in Million

	Notes	As at March 31, 2019	As at March 31, 2018 (Restated)*
(A) Share application money pending allotment	19 (A)	-	1.44
(B) Reserves and surplus			
Capital reserve	19 (B)(i)	573.72	480.15
Securities premium	19 (B)(ii)	17,000.81	16,969.43
Capital redemption reserve	19 (B)(iii)	601.61	601.61
Share options outstanding account	19 (B)(iv)	75.70	89.18
Equity for gross obligation	19 (B)(v)	(3,840.13)	(3,754.76)
General reserve	19 (B)(vi)	3,977.21	3,970.93
Retained earnings	19 (B)(vii)	3,809.69	1,353.47
(C) Items of other comprehensive income			
FVOCI equity investments reserve	19 (C)(i)	(601.61)	(612.05)
Cash flow hedging reserve	19 (C)(ii)	(185.79)	26.03
Foreign currency translation reserve	19 (C)(iii)	4,288.80	4,714.28
Remeasurement of the defined benefit liabilities / (asset)	19 (C)(iv)	(108.46)	(98.13)
Total		**25,591.55**	**23,741.58**

Nature and purpose of other reserve

(a) Capital reserve

Capital reserve is created on account of Foreign Currency Convertible Bonds, business combinations and demerger. It is utilised in accordance with the provisions of the Companies Act, 2013.

(b) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(c) Capital redemption reserve

Capital redemption reserve is a statutory, non-distributable reserve into which the amounts are transferred following the redemption or purchase of Company's own shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(d) Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

(e) Equity for gross obligation

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash. On initial recognition, the amount that may become payable under the option on exercise is recognised as a financial liability at its present value of the redemption amount with a corresponding charge directly to the other equity.

(f) General reserve

General reserves are the retained earnings of a Group which are appropriated out of Group's profits. General reserve is a free reserve which can be utilised for any purpose after fulfilling certain conditions in accordance with the provisions of the Companies Act, 2013.

(g) Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

(h) FVOCI equity investments reserve

The Group has elected to recognise changes in the fair value of certain investments in other comprehensive income. These changes are accumulated within FVOCI equity investments reserve.

(i) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

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(j) **Foreign currency translation reserve**
The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

(k) **Remeasurement of the defined benefit liabilities / (asset)**
The cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

₹ in Million

	Particulars		March 31, 2019	March 31, 2018 *(Restated)**
(A)	**Share application money pending allotment**			
	Opening balance		1.44	-
	Add: Received during the year		-	1.44
	Add: Shares alloted during the year		(1.44)	-
	Closing balance	[A]	**-**	**1.44**
(B)	**Reserves and surplus**			
	(i) Capital reserve			
	Opening balance		480.15	438.97
	Add: Pursuant to disposal / allotment of shares to non-controlling interests (Refer note 50.3)		15.46	144.63
	Add: Pursuant to acquisition from non-controlling interest (Refer note 38)		78.11	(103.45)
	Closing balance		**573.72**	**480.15**
	(ii) Securities premium			
	Opening balance		16,969.43	18,879.22
	Less: Adjustment pursuant to the scheme of demerger (Refer note 39.1)		-	(1,971.57)
	Add: Premium received on shares issued during the year		31.38	61.78
	Closing balance		**17,000.81**	**16,969.43**
	(iii) Capital redemption reserve			
	Opening balance		601.61	601.61
	Closing balance		**601.61**	**601.61**
	(iv) Share options outstanding account (Refer note 44)			
	Opening balance		89.18	88.54
	Less: Transferred to securities premium account on exercise of ESOPs		(16.43)	(27.68)
	Less: Transferred to general reserve on lapse		(6.28)	-
	Add: Employee stock compensation expenses (including expenses pertaining to discontinued operations)		9.23	28.32
	Closing balance		**75.70**	**89.18**
	(v) Equity for gross obligation			
	Opening balance		(3,754.76)	(3,754.76)
	Add: Pursuant to business combinations (Refer note 38)		(85.37)	-
	Closing balance		**(3,840.13)**	**(3,754.76)**
	(vi) General reserve			
	Opening balance		3,970.93	3,970.93
	Add: Transferred from share options outstanding account		6.28	-
	Closing balance		**3,977.21**	**3,970.93**
	(vii) Retained earnings			
	Opening balance		1,353.47	2,234.71
	Adjustments pursuant to adoption of IND AS 115, (net of tax)		(610.86)	-
	Adjusted opening balance		**742.61**	**2,234.71**
	Add: Profit for the year		3,246.18	6,645.17
	Less: Final dividend on equity shares including taxes		(179.10)	(478.20)
	Adjustment pursuant to the scheme of demerger (Refer note 39.1)		-	(7,038.43)
	Dividend to non-controlling interest		-	(9.78)
	Closing balance		**3,809.69**	**1,353.47**
	Total Reserves and surplus	[B]	**22,198.61**	**19,710.01**

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₹ in Million

Particulars		March 31, 2019	March 31, 2018 (Restated)*
(C) Items of other comprehensive income			
(i) FVOCI equity investments reserve			
Opening balance		(612.05)	(410.60)
Add / (Less): Other comprehensive income for the year		10.44	(201.45)
Closing balance		**(601.61)**	**(612.05)**
(ii) Cash flow hedging reserve			
Opening balance		26.03	222.63
Add / (Less): Other comprehensive income for the year (net of taxes)		(211.82)	(196.60)
Closing balance		**(185.79)**	**26.03**
(iii) Foreign currency translation reserve			
Opening balance		4,714.28	4,470.43
Add / (Less): Other comprehensive income for the year		(425.48)	243.85
Closing balance		**4,288.80**	**4,714.28**
(iv) Remeasurement of the defined benefit liabilities / (asset)			
Opening balance		(98.13)	(97.19)
Add / (Less): Pursuant to business combinations (Refer note 38)		(2.92)	-
Add / (Less): Other comprehensive income for the year (net of taxes)		(7.41)	(0.94)
Closing balance		**(108.46)**	**(98.13)**
Total items of other comprehensive income	**[C]**	**3,392.94**	**4,030.13**
Attributable to equity holders of the Company	**[A + B + C]**	**25,591.55**	**23,741.58**

*Refer note 56

Note No. 20 // Non-controlling interests

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Opening balance	1,546.48	1,335.01
Add: Profit for the year	52.57	198.68
Less: Other comprehensive income for the year	(1.72)	(5.13)
Less: Pursuant to Ind AS 115 transition	(15.73)	-
Add / (Less): Pursuant to exchange movement	6.49	(29.78)
Add: Pursuant to business combinations (Refer note 38)	31.45	218.59
Add / (Less): Pursuant to dividend to non controlling interest	(6.01)	-
Add / (Less): Pursuant to allotment / disposal of shares to non-controlling interest	17.20	2.60
Add / (Less): Pursuant to acquisition of non-controlling interest in subsidiary (Refer note 38)	(101.19)	(145.32)
Add / (Less): Pursuant to the scheme of demerger (Refer note 39.1)	-	(28.17)
Closing balance	**1,529.54**	**1,546.48**

Note No. 21 // Borrowings

Borrowings consist of the following:

(i) Non-current borrowings

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Secured		
- Term loans from banks (Refer note (i) to (viii) below)	18,064.53	15,483.66
- Finance lease obligation (Refer note (ix) to (x) below)	0.47	27.24
Unsecured		
- Term loans from others (Refer note (xi) below)	0.60	2.33
Total	18,065.60	15,513.23

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Details of security and terms of repayment for the non-current borrowings:

₹ in Million

Terms of repayment and security	March 31, 2019	March 31, 2018
(i) Term loans from banks: Loan 1		
Long-term loan	1.52	3.62
Current maturities of long-term loan	2.11	2.39
Security: Hypothecation of assets procured from the term loans. Rate of interest: 9.2% p.a. to 12.48% p.a. Repayment varies between 36 to 48 monthly instalments. The outstanding term as at March 31, 2019 is 20 instalments.		
(ii) Term loans from banks: Loan 2		
Long-term loan	-	29.94
Current maturities of long-term loan	29.46	39.93
Security: first charge on all the fixed assets, intangible assets and current assets of the borrowing subsidiary and its subsidiaries, both present and future Rate of interest: Variable Market Rate BBSY (approx. 1.80%) + 0.25% liquidity fee p.a. Repayment terms: AU$ 200,000 per quarter. The outstanding term as at March 31, 2019 is 3 instalments.		
(iii) Term loans from banks: Loan 3		
Long-term loan	240.19	262.97
Current maturities of long-term loan	151.26	59.25
Security : first charge on all the fixed assets, intangible assets and current assets of the borrowing subsidiary, both present and future Rate of interest: Bank USD Base rate Repayment terms: Repayable in 60 to 89 monthly instalments. The outstanding term as at March 31, 2019 ranges between 19 to 41 instalments.		
(iv) Term loans from banks: Loan 4		
Long-term loan	8,953.37	8,001.20
Current maturities of long-term loan	196.49	87.51
Security: Pari-passu first charge on all the fixed assets, intangible assets and current assets of the borrowing subsidiary & its some step down subsidiaries and pari-passu first charge on all the fixed assets, intangible assets and second pari passu charge on the current assets of the ultimate holding company, both present and future Rate of interest: 3 months LIBOR + 318 bps p.a. Repayment terms : 32 structured quarterly instalments. The outstanding term as at March 31, 2019 is 28 instalments.		
(v) Term loans from banks: Loan 5		
Long-term loan	6,497.46	5,999.64
Current maturities of long-term loan	-	-
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, its holding company and first pari-passu charge on the fixed assets and second pari-passu charge on the current assets of the ultimate holding company, both present and future Rate of interest: 6 months LIBOR + 230 bps p.a. Repayment terms: Repayable in 96 months after an initial moratorium period of 24 months.		
(vi) Term loans from banks: Loan 6		
Long-term loan	1,395.21	1,186.29
Current maturities of long-term loan	216.20	32.58
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary and first pari-passu charge on the fixed assets and second pari-passu charge on the current assets of the ultimate holding company, both present and future Rate of interest: 6 months LIBOR + 300 bps p.a. Repayment terms: Repayable in 16 structured quarterly instalments. The outstanding term as at March 31, 2019 is 15 instalments.		

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₹ in Million

Terms of repayment and security	March 31, 2019	March 31, 2018
(vii) Term loans from banks: Loan 7		
Long-term loan	901.78	-
Current maturities of long-term loan	115.31	-
Security: First pari-passu charge on all current assets of the borrowing subsidiary, both present and future Rate of interest: 3 months LIBOR + 350 bps p.a. Repayment terms: Repayable in 18 structured quarterly instalments after an initial moratorium period of 6 months from the date of first disbursement.		
(viii) Term loans from banks: Loan 8		
Long-term loan	75.00	-
Current maturities of long-term loan	25.00	-
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, present and future Rate of interest: 1 year MCLR + 150 bps p.a. Repayment terms: Repayable in 16 structured quarterly instalments after an initial moratorium period of 12 months from the date of first disbursement.		
(ix) Finance lease obligation:		
Long-term maturity of finance lease obligation	-	20.83
Current maturities of finance lease obligation	20.83	18.81
Security: Underlying assets Rate of interest: 10.37% p.a. Repayment terms: Repayable in 20 quarterly instalments commencing from July 2015. The outstanding term as at March 31, 2019 is 4 instalments.		
(x) Finance lease obligation:		
Long-term maturity of finance lease obligation	0.47	6.41
Current maturities of finance lease obligation	2.03	2.00
Security: Underlying assets Rate of interest: Bank reference rate + 5.10% p.a. / Bank USD Base rate Repayment terms: Repayable in 42 to 48 monthly instalments. The outstanding term as at March 31, 2019 is 2 to 23 instalments.		
(xi) Unsecured Long-term loans from others:		
Long-term loan	0.60	2.33
Current maturities of long-term loan	0.24	-
Rate of interest: Nil Repayment terms: Repayable at the option of the holder		
Total	**18,824.53**	**15,755.70**

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Disclosed under long term borrowings	18,065.60	15,513.23
Disclosed under other current liabilities :		
-Current maturities of long-term loans	736.07	221.66
-Current maturities of finance lease obligations	22.86	20.81
Total	**18,824.53**	**15,755.70**

(ii) Current borrowings

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Secured loans repayable on demand from banks: (Refer note below)		
- Working capital loans	8,907.63	6,188.54
- Short-term loans	3,496.65	2,724.80
Unsecured loans		
- Short-term loans from others	985.89	-
- Loans repayable on demand from banks and others	-	530.60
Total	**13,390.17**	**9,443.94**

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Note:

Details of security for the secured loans repayable on demand: Working capital and short-term loans from banks are secured by first pari passu charge over current assets of the Company and second pari passu charge on movable and immovable fixed assets of the Company (other than land and building situated at Navi Mumbai and Hosur).

Rate of interest ranges from 3.45% to 14.00% p.a.

Net debt reconciliation

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Non-current borrowings	18,065.60	15,513.23
Current borrowings	13,390.17	9,443.94
Current maturities of non-current borrowings	758.93	242.47
Less:		
Cash and cash equivalents	3,658.89	2,561.62
Balances in deposit accounts	1,412.96	395.41
Cash and bank balances	**5,071.85**	**2,957.03**
Current investments (highly liquid)	2,847.49	3,114.79
Net debt	**24,295.36**	**19,127.82**

₹ in Million

Reconciliation	Cash and cash equivalents	Current investments (highly liquid)	Non Current borrowings (including current maturities)	Current borrowings	Total
As on April 1, 2018	2,957.03	3,114.79	15,755.70	9,443.94	19,127.82
Pursuant to business combinations (refer note 38)	305.56	-	100.00	1,213.33	1,007.77
Pursuant to disposal of subsidiaries (refer note 39.3)	(35.85)	-	-	-	35.85
Cash flows	1,806.13	(280.74)	1,748.90	2,327.18	2,550.69
Effect of exchange differences on restatement of foreign currency balances	38.98	-	976.57	405.72	1,343.30
Others	-	13.44	243.36		229.93
As on March 31, 2019	**5,071.85**	**2,847.49**	**18,824.53**	**13,390.17**	**24,295.36**

Note No. 22 // Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Security deposits	45.48	42.21
Contingent consideration payable	604.09	94.18
Gross obligation under written put option	3,915.77	3,787.67
Total	**4,565.34**	**3,924.06**

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(ii) Other current financial liabilities

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Current maturities of long-term loans (Refer note 21(i) above)	736.07	221.66
Current maturities of finance lease obligations (Refer note 21(i) above)	22.86	20.81
Interest accrued but not due on borrowings	198.21	94.47
Unclaimed dividends*	56.28	66.89
Derivative liability	342.89	12.57
Other payables:		
- Payables on purchase of property, plant and equipments and intangible assets	19.91	3.91
- Payables on purchase of non-current investments	16.60	90.00
- Contingent consideration for acquisition of subsidiaries	215.68	-
- Payables to employees	129.04	20.69
- Book overdraft	0.06	0.20
- Others	0.33	59.37
Total	**1,737.93**	**590.57**

*Investor Education and Protection Fund shall be credited when due.

Note No. 23 // Provisions

Provisions consist of the following:

(i) Non-current provisions

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Provision for employee benefits:		
Gratuity and other benefits (Refer note 45)	215.19	165.52
Total	**215.19**	**165.52**

(ii) Current provisions

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Provision for sales return	636.68	260.75
Provision for claims	622.67	-
Provision for employee benefits:		
- Compensated absences	349.00	308.90
- Gratuity and other benefits (Refer note 45)	11.74	0.48
Total	**1,620.09**	**570.13**

Movement in provisions

₹ in Million

Particulars	Claims	Gratuity and other benefits	Compensated absences	Sales return
Opening balance as at April 1, 2018	-	166.00	308.90	260.75
Pursuant to business combination	-	6.15	8.15	238.49
Pursuant to divestment / loss of control	-	(3.79)	(4.04)	-
Provision recognised / (utilised) during the year	622.67	58.57	35.99	137.44
Closing balance as at March 31, 2019	**622.67**	**226.93**	**349.00**	**636.68**

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Note No. 24 // Other liabilities

Other liabilities consist of the following;

(i) Other non-current liabilities

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Asset retirement obligation	13.61	12.41
Prepaid rent liability	6.38	6.57
Lease equalisation liability	83.68	77.28
Total	**103.67**	**96.26**

(ii) Other current liabilities

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Other payables:		
- Advances from customers	438.47	428.30
- Advance for sale of property, plant and equipment	50.17	-
- Statutory liabilities	271.16	249.61
Total	**759.80**	**677.91**

Note No. 25 // Trade payables

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	57.36	44.67
Total outstanding dues of creditors other than micro and small enterprises*	8,884.55	7,076.02
Total	**8,941.91**	**7,120.69**

* includes dues to related party as referred in note 49.

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no material dues owed by the Group to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at March 31, 2018. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

₹ in Million

Particulars	March 31, 2019	March 31, 2018
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year		
- Principal amount due to micro and small enterprises	57.36	44.67
- Interest due on the above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/suppliers.

All trade payables are current. The Group's exposure to the currency and liquidity risks related to trade payables is disclosed in note no 51.

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Note No. 26 // Current tax liabilities (net)

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Provision for tax (net of advance tax)	582.80	558.44
Total	**582.80**	**558.44**

Note No. 27 // Revenue from operations

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Sale of products	27,735.27	26,279.38
Sale of services	1,702.59	1,685.83
Other operating revenues	678.92	485.93
Total	**30,116.78**	**28,451.14**

Note No. 28 // Other income

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Interest income	222.83	90.06
Income from current investments	84.30	447.04
Rental income from operating leases	94.67	109.13
Other non-operating income:		
- Liabilities / provisions no longer required written back	-	0.03
- Guarantee commission*	41.18	36.58
- Profit on sale of plant, property and equipment and intangible assets (net)	11.34	74.79
- Recovery on claims	-	5.29
Total	**454.32**	**762.92**

* includes guarantee commission from related parties as referred in note 49.

Note No. 29 // Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Inventories at the end of the year		
- Work-in-progress	586.45	333.24
- Stock-in-trade	1,939.97	1,170.20
- Finished goods	1,896.06	1,337.62
	4,422.48	2,841.06
(Add)/Less: Consolidation adjustment:		
- Work-in-progress	1.36	(63.77)
- Stock-in-trade	-	227.53
- Finished goods	(52.28)	(31.89)
	(50.92)	131.87
Inventories at the beginning of the year		
- Work-in-progress	333.24	648.65
- Stock-in-trade	1,170.20	2,567.48
- Finished goods	1,337.62	1,102.96
	2,841.06	4,319.09
Add: Opening stock pertaining to entity acquired during the year (Refer note 38)		
- Work-in-progress	61.94	3.36
- Finished goods	169.47	349.34
	231.41	352.70
Add: Opening stock pursuant to the scheme of demerger and disposal of entity (Refer note 39)		
- Work-in-progress	(19.99)	(416.13)
- Stock-in-trade	-	(258.50)
- Finished goods	(26.43)	(366.11)
	(46.42)	(1,040.74)
Total	**(1,447.35)**	**921.86**

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Note No. 30 // Employee benefits expense

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Salaries, wages and bonus	3,827.40	3,667.21
Contribution to provident and other funds (Refer note 45)	297.70	323.97
Share based compensation expense (Refer note 44)	8.97	22.13
Staff welfare expenses	291.77	327.20
Total	**4,425.84**	**4,340.51**

Note No. 31 // Finance costs

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Interest expense on:		
- Borrowings	1,647.50	1,375.65
- Delayed payment of income tax	-	0.03
- Discounting of deposits	3.19	2.46
Other finance costs	402.68	584.29
Total	**2,053.37**	**1,962.43**

Note No. 32 // Depreciation and amortisation expense

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Depreciation on plant, property and equipments (Refer note 4)	783.88	1,017.11
Depreciation on investment property (Refer note 5)	46.02	42.23
Amortisation on other intangible asset (Refer note 7)	888.59	879.92
Amount charged to the statement of profit and loss:	**1,718.49**	**1,939.26**
- under continuing operations	1,718.49	1,540.35
- under discontinued operations	-	398.91

Note No. 33 // Other expenses

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Subcontracting charges	281.74	206.19
Consumption of stores and spares	358.83	416.96
Power and fuel	491.43	496.93
Water	55.24	16.35
Rent including lease rentals (Refer note 46)	232.07	216.59
Repairs and maintenance:		
- Buildings	31.03	46.12
- Machinery	293.49	223.11
- Others	205.28	228.05
Insurance	100.88	113.02
Rates and taxes	487.33	335.47
Communication expense	104.84	110.08
Travelling and conveyance	237.65	289.45
Printing and stationery	47.31	47.25
Carriage, freight and forwarding	1,124.69	1,236.22
Business promotion	490.70	777.22
Royalty expenses	21.25	39.22
Sales commission	116.69	75.06
Failure to Supply	148.83	-
Donations and contributions	7.11	31.05
Expenditure on corporate social responsibility	4.27	6.17
Legal and professional fees (Refer note (i) below)	856.60	831.96
Provision for doubtful debts (including bad debt written off)	57.95	14.14
Bio-study expenses	393.97	260.09
Miscellaneous expenses	219.75	282.77
Total	**6,368.93**	**6,299.47**

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Note:

(i) Payments to the statutory auditors comprises (net of taxes) for:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Audit of standalone, consolidated financial statements, change limited review and other certifications	22.63	20.75
Reimbursement of expenses	1.13	1.14
Total	**23.76**	**21.89**

Note No. 34 // Exceptional items

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Exchange gain/ (loss) on long-term foreign currency loans and intra-group loans	(154.26)	31.12
Impairment of Goodwill (Refer note 6)	(370.00)	(14.12)
Write down of inventories and other assets	-	(157.35)
Fair valuation on investment in associates (Refer note 39.3.4)	587.94	-
Fair valuation gain on acquisition of controlling shares in Vivimed Life Sciences India Private Limited (Refer note 38)	270.39	-
Business combination and restructuring expenses	(341.68)	(196.29)
Unwinding of discount on gross obligations over written put options to NCI	(27.77)	(99.06)
Unwinding of discount on contingent consideration payable	(42.56)	(2.22)
Loss on sale of investment in subsidiaries (Refer note 39.3.2)	(14.35)	-
Fair valuation of derivative instruments	66.11	2.14
Total	**(26.18)**	**(435.78)**

Note No. 35 // Tax expenses

₹ in Million

Particulars	March 31, 2019	March 31, 2018 *(Restated)**
Current tax		
Current tax expense	552.45	485.12
Current tax relating to prior years reversed	(8.73)	-
	543.72	**485.12**
Deferred tax benefit		
Deferred tax (benefit) / expense	(172.03)	(147.51)
Minimum alternative tax credit (availed)/utilised	(240.47)	(280.76)
	(412.50)	(428.27)
Total	**131.22**	**56.85**

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

₹ in Million

Particulars	March 31, 2019	March 31, 2018 *(Restated)**
Profit before income taxes		
- from continuing operations	720.55	799.47
- from discontinued operations	2,723.10	6,258.50
	3,443.65	**7,057.97**
Indian statutory income tax rate	34.944%	34.608%
Expected income tax expense	1,203.35	2,442.62

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₹ in Million

Particulars	March 31, 2019	March 31, 2018 *(Restated)**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Income exempt from tax	(741.16)	(2,586.74)
Effect of expenses that are not deductible in determining taxable profit	450.87	245.30
Effect of concessions	(319.02)	(407.79)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(398.32)	376.06
Effect on recognition of past unrecognised deferred tax asset	(212.12)	-
Others (net)	161.30	144.67
Tax pertaining to discontinued operations	(13.68)	(157.27)
Total Income tax expense	**131.22**	**56.85**

* Refer note 56

Refer note 11 for significant components of deferred tax assets and liabilities

Note No. 36 // Other comprehensive income

₹ in Million

Particulars		March 31, 2019	March 31, 2018
A)	**Items that will not be reclassified to profit or loss**		
(i)	Defined benefit obligations	(11.66)	(1.40)
	Income tax on above	4.25	0.46
		(7.41)	**(0.94)**
(ii)	FVOCI equity investments	10.44	(201.45)
	Income tax on above	-	-
		10.44	**(201.45)**
Total [A]		**3.03**	**(202.39)**
B)	**Items that may be reclassified to profit or loss**		
(i)	Cash flow hedge	(192.85)	(300.65)
	Income tax on above	(18.97)	104.05
		(211.82)	**(196.60)**
(ii)	Foreign currency translations	(427.20)	238.72
	Income tax on above	-	-
		(427.20)	**238.72**
Total [B]		**(639.02)**	**42.12**
Total [A+B]		**(635.99)**	**(160.27)**

Note No. 37 // Details of research and development expenditure incurred (charged to statement of profit and loss)

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Cost of materials consumed	188.80	113.54
Salaries, wages and bonus	249.24	654.11
Biostudy expenses	141.94	38.68
Legal and professional fees	76.02	157.80
Consumption of stores and spares	128.43	252.02
Regulatory expenses	51.62	24.53
Travelling and conveyance	7.92	21.71
Depreciation and amortisation expenses	95.90	140.69
Others*	345.96	392.05
Total	**1,285.83**	**1,795.13**

*Research & development expenses for the year ended March 31, 2018 includes ₹131.53 million charged to exceptional items under "write down of inventory and other assets", which represents development costs associated with projects written off as the projects have been discontinued during the previous year.

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Note No. 38 // Business combinations (including acquisitions of non controlling interest)

During year ended March 31, 2019:

Entity / Business Acquired	Principal Activity	Date of Acquisition	Note Reference
Generic Partners UK Limited, UK	Supplying and distributing generic pharmaceutical products	7-Dec-18	Refer Note A
Generic Partners (South Africa) Pty Limited, South Africa	Supplying and distributing generic pharmaceutical products	7-Jan-19	Refer Note B
Strides Pharma Canada Inc, Canada	Trading in pharmaceutical products	2-Jan-19	Refer Note C
Vensun Pharmaceuticals Inc, USA	Trading in pharmaceutical products	30-Jan-19	Refer Note D
Pharmapar Inc, Canada	Trading in pharmaceutical products	12-Feb-19	Refer Note E
Strides Vivimed Pte Limited, Singapore	Trading in pharmaceutical products	29-Mar-19	Refer Note F
Vivimed Lifesciences Private Limited, India	Manufacturing, development and trading in pharmaceutical products	29-Mar-19	Refer Note G

Note A:
Strides Pharma Global Pte Limited, Singapore, a wholly owned subsidiary of the Group, acquired remaining 49% equity interest in Generic Partners UK Limited, UK, thereby, making it a wholly owned subsidiary of the Group.

Note B:
Strides Pharma Global Pte Limited, Singapore, a wholly owned subsidiary of the Group, acquired remaining 49% equity interest in Generic Partners (South Africa) Pty Limited, South Africa, thereby, making it a wholly owned subsidiary of the Group.

Note C:
Strides Pharma Global Pte Limited, Singapore, a wholly owned subsidiary of the Group, acquired remaining 30% equity interest in Strides Pharma Canada Inc, Canada ,thereby, making it a wholly owned subsidiary of the Group.

Note D:
Strides Pharma Inc, USA, a wholly owned subsidiary of the Group, acquired 100% of equity interest in Vensun Pharmaceuticals Inc., USA ("Vensun"). The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements with effect from January 30, 2019.

Note E:
Strides Pharma Canada Inc, Canada, a wholly owned subsidiary of the Group, acquired 80% of equity interest in Pharmapar Inc., Canada ("Pharmapar"). The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements with effect from February 12, 2019.

Note F:
Strides Pharma Global Pte Limited, Singapore, a wholly owned subsidiary of the Group, acquired remaining 50% equity interest in Strides Vivimed Pte Limited, Singapore, thereby, making it a wholly owned subsidiary of the Group.

Note G:
Strides Pharma Science Limited, India during the current year acquired remaining 50% controlling equity stake in Vivimed Lifesciences Private Limited, India ('VLSPL'), thereby making it a wholly owned subsidiary of the Group. The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements with effect from March 29, 2019.

The Group owned 50% of non-controlling interest in VLSPL untill the date of acquisition of remaining 50% controlling interest in VLSPL. The Group therefore, in accordance with Ind AS 103 "Business Combinations" recorded a gain of ₹270.39 million being the difference in the fair value of non-controlling interest and carrying value of the non-controlling interest in VLSPL, in accordance with the computation below.

The gain has been recorded under the head "Exceptional items" in the Statement of Profit and Loss.

As on the date of finalisation of these consolidated financial statements, the initial accounting for the above business combination during the year ended March 31, 2019 has not been finalised but is provisionally determined based on the management's best estimate of the likely fair values. Any consequential changes due to finalisation of initial accounting will be recognised in the subsequent period upon such finalisation.

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₹ in Million

Particulars	Amount
Fair value of VLSPL	1,488.53
Fair value of non-controlling interest held by the Group in VLSPL	744.28
Carrying value of non-controlling interest in VLSPL with Strides Group on the date of acquisition	473.88
Gain recorded under exceptional items on acquisition of remaining 50% controlling interest	**270.39**

The resulting cost of acquisition of VLSPL for the Group is ₹1,433.07 million.

Consideration transferred (acquisition of subsidiaries):

₹ in Million

Particulars	Vensun Pharma-ceuticals Inc	Pharmapar Inc	Vivimed Lifesciences Private Limited
Cash	453.91	197.16	265.03
Consideration other than cash	-	-	383.26
Contingent consideration	657.26	-	40.51
Total	**1,111.17**	**197.16**	**688.80**

Consideration transferred (acquisition of non-controlling interest):

₹ in Million

Particulars	Generic Partners UK Limited*	Generic Partners (SA) Pty Limited*	Strides Pharma Canada Inc	Strides Vivimed Pte Limited
Cash	6.45	0.01	0.02	-
Deferred consideration	-	-	-	16.60
Total	**6.45**	**0.01**	**0.02**	**16.60**

* The Group has acquired the shares held by non-controlling interest in Generic Partners UK Limited and Generic Partners (SA) Pty Limited from its non-wholly owned subsidiary 'Generic Partners (International) Pte Limited, Singapore' in which the group holds 51% stake and therefore, there has not been any cash out-flow for the acquisition of non-controlling interest in the aforesaid entities.

Assets acquired and liabilities recognised at the date of acquisition:

₹ in Million

Particulars	Vensun Pharma-ceuticals Inc	Pharmapar Inc	Vivimed Lifesciences Private Limited
Non-current assets (includes intangibles at fair value)	1,575.65	102.99	718.02
Current assets	752.06	138.17	673.76
Non-current liabilities	-	(20.91)	(81.05)
Current liabilities	(3,002.92)	(119.57)	(972.67)
Net assets	**(675.21)**	**100.68**	**338.06**

During year ended March 31, 2018:

Entity / Business Acquired	Principal Activity	Date of Acquisition	Note Reference
Perrigo API India Private Limited (renamed as Strides Chemicals Private Limited)	Active Pharmaceutical Ingredient (API) manufacturing	6-Apr-17	Refer Note A
Vivimed Global Generics Pte Limited (renamed as Strides Vivimed Pte Limited)	Trading in pharmaceutical products	18-May-17	Refer Note B
Amneal Pharmaceuticals Pty Limited	Trading in pharmaceutical products	31-Aug-17	Refer Note C
Strides Healthcare Private Limited	Trading in pharmaceutical products	22-Nov-17	Refer Note D
Trinity Group	Registration and marketing of pharmaceutical products	1-Jan-18	Refer Note E

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Note A:
The Group completed the acquisition of 100% equity interest in Perrigo API India Private Limited, India. Subsequently, Perrigo API India Private Limited has been renamed to Strides Chemicals Private Limited. The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements with effect from April 6, 2017.

Note B:
Strides Pharma Global Pte Limited, Singapore, a subsidiary of the Group, acquired the controlling equity interest in Vivimed Global Generics Pte Limited, Singapore. Pursuant to the investment by Strides Pharma Global Pte Limited, Singapore on May 18, 2017, Vivimed Global Generics Pte Limited, Singapore became a subsidiary of the Group and was accounted in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements.

Note C:
Arrow Pharmaceuticals Pty Limited, Australia, a subsidiary of the Group, completed the acquisition of 100% equity interest in Amneal Pharmaceuticals Pty Limited, Australia.

Consequent to the above, Amneal Pharmaceuticals Pty Limited and Amneal Pharma Australia Pty Limited became part of the Group. The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements with effect from August 31, 2017.

Note D:
The Company entered into a Share Purchase Agreement ('SPA') with Bafna Pharmaceuticals Limited ('Bafna') and Bafna Promoters to acquire the remaining 26% equity interest in Strides Healthcare Private Limited, India thereby making it a wholly owned subsidiary of the Group.

Note E:
Strides Pharma Asia Pte Limited, a wholly owned subsidiary of the Group, completed the acquisition of 51.76% controlling interest in Trinity Pharma Proprietary Limited, South Africa ('Trinity').

Consequent to the above, Trinity Pharma Proprietary Limited, South Africa and Apollo Life Sciences Holdings Proprietary Limited, South Africa became part of the Group. The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements with effect from January 01, 2018.

Consideration transferred:

₹ in Million

Particulars	Perrigo API India Private Limited*	Vivimed Global Generics Pte Limited	Amneal Pharmaceuticals Pty Limited	Strides Healthcare Private Limited	Trinity Group
Cash	1,399.99	92.77	636.22	469.36	291.36
Deferred consideration	90.00	-	-	-	-
Total	**1,489.99**	**92.77**	**636.22**	**469.36**	**291.36**

* The Group has also acquired Drug Master Files (DMF's) from Perrigo UK Finoc Limited Partnership, UK and Perrigo API Limited, Israel for a consideration of ₹42.79 Million.

Assets acquired and liabilities recognised at the date of acquisition:

₹ in Million

Particulars	Perrigo API India Private Limited	Vivimed Global Generics Pte Limited	Amneal Pharmaceuticals Pty Limited	Trinity Group
Non-current assets (includes intangibles at fair value)	1,016.75	185.54	385.58	390.11
Current assets	504.93	-	724.27	349.57
Non-current liabilities	-	-	-	(184.63)
Current liabilities	(60.88)	-	(502.20)	(294.22)
Net assets	**1,460.80**	**185.54**	**607.65**	**260.83**

During the current year, the Group has finalised the purchase price allocation for these acquisitions. The changes did not have any material impact on the financial statements for the previous year.

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Non-controlling interests

The Group has recognised non-controlling interests in an acquired entity at the non controlling interest's proportionate share of the acquired entity's net identifiable assets. Further, the Group has issued written put options to the non-controlling interests of certain subsidiaries to purchase their equity shares in accordance with the terms of underlying agreement with such shareholders. Should the option be exercised, the Group has to settle such liability by payment of cash. The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity. Details of initial recognition of such gross obligation, non-controlling interests and goodwill arising on such acquisitions have been given in the below table:

Calculation of Goodwill arising on acquisition:

Acquisitions during the year ended March 31, 2019:

₹ in Million

Particulars	Vensun Pharma-ceuticals Inc	Pharmapar Inc	Vivimed Lifesciences Private Limited
Consideration transferred	1,111.17	197.16	688.80
Fair value of existing non-controlling interest held	-	-	744.28
Add: Non-controlling interests	-	20.14	-
Less: Fair value of identifiable net assets/ (net liabilities) acquired	(675.21)	100.68	338.06
Goodwill arising on acquisition	**1,786.38**	**116.62**	**1,095.02**
Initial recognition of gross obligation over written put options issued to the non-controlling interests	**-**	**85.37**	**-**

Goodwill arising on acquisitions pertains to the below Cash generating units

₹ in Million

Particulars	Cash generating units	Amount
Vensun Pharmaceuticals Inc	United States	1,786.38
Pharmapar Inc	Other regulated markets	116.62
Vivimed Lifesciences Private Limited	United States	1,095.02

Acquisition of non-controlling interest:

During the current year, the Group has acquired the non-controlling interests in below subsidiaries, thereby, making them wholly owned subsidiaries of the Group.

- Generic Partners UK Limited, UK
- Generic Partners (South Africa) Pty Limited, South Africa
- Strides Pharma Canada Inc, Canada
- Strides Vivimed Pte Limited, Singapore

Pursuant to the acquisition of non-controlling interest, the excess of consideration paid over the non-controlling interest balance and gross obligation under written put option carried as on the date of acquisition, has been debited or credited to the equity under the head 'Capital reserve' based on the below calculations:

₹ in Million

Particulars	Generic Partners UK Limited	Generic Partners (SA) Pty Limited	Strides Pharma Canada Inc	Strides Vivimed Pte Limited
Consideration transferred	6.45	0.01	0.02	16.60
Less: Carrying value of non-controlling interest	(29.80)	0.06	5.11	(76.56)
Amount debited/(credited) to Capital reserve	**(23.35)**	**0.07**	**5.13**	**(59.96)**

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Acquisitions during the year ended March 31, 2018:

₹ in Million

Particulars	Perrigo API India Private Limited	Vivimed Global Generics Pte Limited	Amneal Pharmaceuticals Pty Limited	Trinity Pharma Proprietary Limited
Consideration transferred	1,489.99	92.77	636.22	291.36
Add: Non-controlling interests	-	92.77	-	125.82
Less: Fair value of identifiable net assets acquired	(1,460.80)	(185.54)	(607.65)	(260.83)
Goodwill arising on acquisition	**29.19**	**-**	**28.57**	**156.35**
Initial recognition of gross obligation over written put options issued to the non-controlling interests	-	-	-	-

Goodwill arising on acquisitions pertains to the below Cash generating units

₹ in Million

Particulars	Cash generating units	Amount
Perrigo API India Private Limited	API	29.19
Amneal Pharmaceuticals Pty Limited	Australia	28.57
Trinity Pharma Proprietary Limited	Other regulated markets	156.35

Goodwill arose in the acquisition of the above said entities because the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Acquisition of non-controlling interest in Strides Healthcare Private Limited:

Pursuant to the acquisition of non-controlling interest of 24% in Strides Healthcare Private Limited, the excess of consideration paid over the non-controlling interest balance and gross obligation under written put option carried as on the date of acquisition, has been debited to the equity under the head 'Capital reserve' based on the below calculations:

₹ in Million

Particulars	Strides Healthcare Private Limited
Consideration transferred	469.36
Less: Carrying value of non-controlling interest	(145.32)
Less: Carrying value of gross obligation under written put option	(220.59)
Amount debited to Capital reserve	**103.45**

Net cash outflow on acquisition of subsidiaries / Business / non-controlling interest

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consideration paid in cash	916.12	2,889.70
Less: Cash and cash equivalent balances acquired	(305.57)	(505.19)
Net cash outflow on acquisition	**610.55**	**2,384.51**

Impact of acquisitions on the results of the Group:

Acquisitions during 2018-19:

Results from continuing operations for the year ended March 31, 2019 includes the following revenue and profit generated from the new acquisitions:

₹ in Million

Particulars	Vensun Pharma-ceuticals Inc	Pharmapar Inc	Vivimed Lifesciences Private Limited
Revenue	196.74	44.26	-
Profit / (loss) for the year	(11.34)	13.52	-

The above excludes impact of unwinding of discount on gross obligation towards written put options given to non controlling interests and unwinding of discount on contingent consideration payable.

If the acquisition had occurred on April 1, 2018 management estimates that consolidated revenue for the Group would have been ₹2,057 Million and the loss would have been ₹217 Million for twelve months ended March 31, 2019. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

Acquisitions during 2017-18:

Results from continuing operations for the year ended March 31, 2018 includes the following revenue and profit generated from the new acquisitions:

₹ In Million

Particulars	Perrigo API India Private Limited	Vivimed Global Generics Pte Limited	Amneal Pharmaceuticals Pty Limited	Trinity Pharma Proprietary Limited
Revenue	259.67	-	965.63	244.74
Profit for the year	(165.87)	(15.00)	308.24	4.98

The above excludes impact of unwinding of discount on gross obligation towards written put options given to non controlling interests.

If the acquisition had occurred on April 1, 2017, management estimates that consolidated revenue for the Group would have been ₹34,020 Million and the profit after taxes would have been ₹6,898 Million for twelve months ended March 31, 2018. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

In determining the 'pro-forma' revenue and profit of the Group had new entity / business been acquired at the beginning of the current year, the Group has:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements;
- calculated borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination; and
- excluded takeover defence costs of the acquiree as a one-off pre-acquisition transaction.

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Note No. 39 // Discontinued operations:

The combined results of the discontinued operations of the businesses disposed-off as explained in Notes 39.1 to 39.3, are set out below. The comparative profit and cash flows from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

₹ in Million

Particulars	Reference	Year ended March 31, 2019	Year ended March 31, 2018
Revenue		-	4,992.53
Other income		-	12.40
Total revenue from discontinued operations (I)		**-**	**5,004.93**
Depreciation and amortisation expense		-	398.91
Other expenses charged-off to the Statement of Profit and Loss		-	5,450.61
Total expenses from discontinued operations (II)		**-**	**5,849.52**
Loss from discontinued operation (III = I - II)		**-**	**(844.59)**
Gain / (loss) on disposal of:			
- pursuant to the scheme of demerger	39.1	-	6,885.08
- investments in entities manufacturing specialty products	39.2	2,738.74	(216.55)
- Strides API Research Centre (SRC)	39.3.1	(47.01)	-
- India branded generics business	39.3.3	-	1,545.98
- pharma generics business in Africa	39.3.5	31.37	(1,111.42)
Net gain / (loss) on disposal of businesses (IV)		**2,723.10**	**7,103.09**
Gain / (Loss) from discontinued operations before tax (V = III + IV)		**2,723.10**	**6,258.50**
Attributable income tax expense (VI)		13.68	157.27
Net gain / (loss) from discontinued operations after tax (V - VI)		**2,709.42**	**6,101.23**

Cash flows from discontinued operations

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net cash inflows/(outflows) from operating activities	-	(115.18)
Net cash inflows/(outflows) from investing activities*	3,690.69	4,148.79
Net cash inflows/(outflows) from financing activities	-	1,152.85
Net cash inflows/(outflows)	**3,690.69**	**5,186.46**

* including cash flow on disposal of assets and liabilities of the discontinued operations.

39.1 Demerger:

39.1.1 Demerger of Commodity API business:

During the earlier year, the Board of Directors in their meeting held on March 20, 2017 had approved the proposal to demerge the Commodity API Business, into Solara Active Pharma Sciences Limited ("Solara"), a wholly owned subsidiary of the Group.

As part of the Scheme of Arrangement (the 'Scheme') of demerger, the Human API business of SeQuent Scientific Limited (a promoter owned listed company) was also proposed to be carved out into Solara, providing critical size to this business.

The Scheme had an Appointed date of October 1, 2017.

The share entitlement ratio for the Scheme of demerger is as under:

1) For demerger of Commodity API business: 1 equity share of ₹10/- each of Solara for every 6 fully paid up equity shares of ₹10/- each held in Strides Shasun Limited.

2) For demerger of Human API business: 1 equity share of ₹10/- each of Solara for every 25 fully paid up equity shares of ₹2/- each held in SeQuent Scientific Limited.

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Pursuant to the Scheme, duly sanctioned by the National Company Law Tribunal, Mumbai, vide Order dated March 9, 2018, ('Order') with effect from the Appointed Date i.e. October 1, 2017, the "Commodity API business" of the Group was transferred to Solara Active Pharma Sciences Limited (Solara). In accordance with Section 230 of Companies Act, 2013, the Group had filed the NCLT order with Ministry of Company Affairs (Registrar of Companies) on March 31, 2018. Consequent to the filing, the Scheme became effective from March 31, 2018.

Pursuant to the Scheme, the Group had transferred the assets and liabilities pertaining to the Commodity API business with effect from the Appointed Date to Solara. In line with the accounting prescribed in the Scheme, the net assets transferred amounting to ₹1,971.57 Million were derecognised with a corresponding debit to the securities premium.

Details of assets and liabilities pertaining to Commodity API business are given below:

₹ in Million

Particulars	October 1, 2017
Non-current assets	4,498.42
Current assets	4,019.02
Total assets (A)	**8,517.44**
Non-current liabilities	2,242.24
Current liabilities	4,303.63
Total liabilities (B)	**6,545.87**
Net asset debited to Securities premium reserve (A-B)	**1,971.57**

The demerger of this business was accounted for as a distribution to owners in accordance with Appendix A ('Distribution of Non-cash Assets to Owners') to Ind AS 10: Events after the Reporting Period.

In accordance with the above, the Group had fair valued the Commodity API business as on the appointed date and the excess of the fair value of the Commodity API business and the net assets transferred was credited to the statement of profit and loss.

The fair valuation of the Commodity API business was carried out by independent valuers who valued it at ₹9,010.00 Million.

The excess of the fair value over the net assets amounting to ₹7,038.43 Million was recognised as a non cash gain in the statement of profit and loss as 'Gain on disposal of assets attributable to discontinued operations', in accordance with Appendix A to Ind AS 10.

Further, the net assets of the subsidiaries included as part of demerger under the scheme amounting to ₹153.35 Million (net of non-controlling interest) was debited to the statement of profit and loss as 'Gain on disposal of assets attributable to discontinued operations'.

Pursuant to the above, the net credit to the statement of profit and loss for the year ended March 31, 2018, pursuant to demerger was as below:

₹ in Million

Particulars	Amount
Excess of fair value of the Commodity API business over the net assets transferred	7,038.43
Less: Net assets of the subsidiaries part of demerger	(181.52)
Add: Non-controlling interest pertaining to the demerged subsidiaries	28.17
Gain on disposal of assets attributable to discontinued operations	**6,885.08**

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On completion of the demerger of the Commodity API business, the following entities and investments ceased to be part of the Group:

a. Solara Active Pharma Sciences Limited, India
b. Shasun USA Inc, USA
c. Chemsynth Laboratories Private Limited, India
d. Clarion Wind Farm Private Limited, India
e. Tulsyan Lec Limited, India
f. SIPCOT Industrial Common Utilities Limited, India

Pursuant to the Scheme, eligible employees were given option to accelerate their Employees Stock options under ESOP 2015 Scheme and subsequent to the year end, 8,878 equity shares were allotted for the employees who exercised their options.

The accounting prescribed under the Scheme as approved by NCLT is in accordance with Ind AS except that the accounting standard would have required to account for this transaction on date of filing the NCLT approval with Registrar of Companies and not effective October 1, 2017. Accordingly, had this not been an NCLT approved Scheme, the API business would have continued to be consolidated for the six months period ended March 31, 2018 with a revenue of approx. ₹3,589.00 Million and expenses of approx. ₹3,536.40 Million as determined by the Management.

39.2 Sale of investments in entities manufacturing specialty products

The Company and its wholly owned subsidiary Strides Pharma Asia Pte Limited ("Strides Singapore") entered into definitive agreements on February 27, 2013 with Mylan Inc. for sale of the Specialty products business. The transactions under the respective agreements were by way of (i) sale of investment held in Agila Specialties Private Limited ("ASPL", an erstwhile wholly owned subsidiary of the Company), to Mylan Laboratories Limited ("MLL"), a Mylan group company and (ii) the sale of investment held in Agila Specialties Global Pte Limited ("Agila Global", an erstwhile wholly owned subsidiary of Strides Singapore) to Mylan Institutional Inc, another Mylan group company. MLL and Mylan Institutional Inc. together are referred to below as Mylan.

The sale of shares of ASPL was recorded by the Company in terms of the Sale and Purchase Agreement dated December 4, 2013 (the "India SPA"). The sale of shares of Agila Global was recorded by Strides Singapore in terms of another Sale and Purchase Agreement dated December 4, 2013 (the "Global SPA").

The Company, as part of the sale, has provided a corporate guarantee to Mylan Inc. for USD 200 Million (valid up to December 4, 2020) on behalf of Strides Singapore which can be used for discharging specified financial obligations, if any, of Strides Singapore to Mylan, which has been included under contingent liabilities as at March 31, 2019 and March 31, 2018 in Note 41.

39.2.1 Income recognised under discontinued operations:

In accordance with the terms of the India SPA and the Global SPA (together the "SPA"s) and other transaction documents, certain amounts were set aside under separate deposit/escrow accounts which were required to be utilised for specified expenses during the specified period. These included separate escrow / deposit of USD 100 Million in respect of potential claims in relation to certain regulatory concerns ("Regulatory escrow") and USD 100 Million in respect of potential claims in relation to the warranties and indemnities, including in relation to tax ("General claims escrow"). Further, ₹850 Million was set aside in separate Escrow for payment to certain specified senior management personnel of ASPL and its subsidiary.

Any unutilised amounts from the deposit / escrow accounts after the specified period were payable to the respective entities of the Group. Given the uncertainties involved and in the absence of a right to receive, the amounts under the deposit / escrow arrangements were not included in the consideration accounted as income by the Group at the time of disposal of the investments. Receipts from these deposit / escrow accounts were recognised subsequently (net of related expenses incurred) in the period in which such amounts were received by the Group.

During the current year, the arbitration proceedings with respect to the third party claims have been settled in favor of the Group and Mylan. The Group and Mylan have entered into an agreement whereby Mylan has released the pending balance in Escrow account amounting to ₹3,569.78 Million (USD 51.09 Million). Consequently, the Group has recorded a gain of ₹2,738.74 Million under discontinued operations after adjusting for related expenses and outstanding tax claims.

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During the year ended March 31, 2018, the Group had incurred certain legal and professional fee in respect to the arbitration of third party claims amounting to ₹216.55 Million. This was recognised as loss under discontinued operations.

The Group had considered hive-off of the Specialties business as discontinued operations. Accordingly, the income/(loss) referred above have been recognised under discontinued operations as under:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gain/(Loss) on settlement of contingencies attributable to the discontinued operations (net)	2,738.74	(216.55)
Profit/(Loss) before tax from discontinued operations	**2,738.74**	**(216.55)**

Cash flows from discontinued operations

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net cash inflows/(outflows) from operating activities	-	-
Net cash inflows/(outflows) from investing activities	3,410.07	(251.07)
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	**3,410.07**	**(251.07)**

39.2.2 Assessment of notification of claims against the Group under the terms of SPAs:

During the earlier years, the Company had received notifications of claims from Mylan under the terms of the SPAs. These included claims against the regulatory escrows, tax claims, warranty and indemnity claims, and third party claims. Under the terms of the SPAs, claims against the Company / Strides Singapore can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings.

In the previous years, a significant portion of these claims were settled out of the Regulatory Escrow deposit and the remaining balance of the Escrow account was recognised as income on full and final settlement of related claims. Further, the Company and Mylan also agreed on full and final settlement of warranty and indemnity claims to be adjusted against the 'General Claims Escrow'. During the previous period, the Group and Mylan was in arbitration proceedings for certain third party claims.

During the current year, the arbitration proceedings with respect to the third party claims have been settled in favor of the Group and Mylan. The Group and Mylan have entered into an agreement whereby Mylan has released the pending balance in Escrow account. There are no pending third party claims as at March 31, 2019. There are certain tax claims which are pending under the terms of the SPAs for which the Group has created adequate provision in the books.

39.3 Disposal of investment in other entities:

39.3.1 Strides API Research Centre ("SRC"):

The Board of directors of the Company approved the sale of SRC to Solara Active Pharma Sciences Limited on March 31, 2018. Subsequently on April 20, 2018, the Group entered into Business Purchase Agreement with Solara Active Pharma Sciences Limited, India ("Solara") to sell the assets (consisting of Plant & machinery, equipment, computer software and other related capital work in progress) and business conducted by the Group at SRC along with the employees. Details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal are explained below:

(a) Consideration received

₹ in Million

Particulars	Total
Consideration received in cash and cash equivalents	347.57
Total consideration	347.57

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(b) Carrying value of asset and liabilities as on the date of disposal

₹ in Million

Particulars	Total
Non-current assets	342.55
Current assets	14.53
Non-current liabilities	(8.26)
Current liabilities	(21.17)
Net assets disposed off	**327.65**

(c) Loss on disposal

₹ in Million

Particulars	Year ended March 31, 2019
Consideration received	347.57
Net assets disposed off	(327.65)
Goodwill on consolidation	(66.93)
Loss on disposal	**(47.01)**

(d) Net cash inflow on disposal

₹ in Million

Particulars	Year ended March 31, 2019
Consideration received in cash	347.57
Less: Expenses pertaining to disposal	(66.93)
Less: Cash and cash equivalent balances disposed off	(0.02)
Net Cash inflow	**280.62**

39.3.2 Sale of investment in Strides Chemicals Private Limited, India ("SCPL"):

During the current year, the Group obtained approval from the shareholders for sale of 100% equity interest in SCPL, a wholly owned subsidiary, to Solara Active Pharma Sciences Limited, India for a consideration of not less than ₹1,310 Million. Consequently, the disposal was completed on August 31, 2018 on which date the investment was transferred to the acquirer. Details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal are explained below:

(a) Consideration received

₹ in Million

Particulars	Total
Consideration received in cash and cash equivalents	759.00
Deferred sales proceeds	**551.00**
Total consideration	1,310.00

(b) Carrying value of asset and liabilities as on the date of disposal

₹ in Million

Particulars	Total
Non-current assets	1,082.44
Current assets	438.90
Non-current liabilities	(3.17)
Current liabilities	(208.89)
Net assets disposed off	**1,309.28**

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(c) Loss on disposal

₹ in Million

Particulars	Year ended March 31, 2019
Consideration received	1,310.00
Net assets disposed off	(1,309.28)
Goodwill on consolidation	(15.07)
Loss on disposal	**(14.35)**

During the year ended March 31, 2018, the Group had impaired the Goodwill belonging to the said investment amounting to ₹14.12 Million in the Statement of Profit and Loss and was included under Exceptional Items.

(d) Net cash inflow on disposal

₹ in Million

Particulars	Year ended March 31, 2019
Consideration received in cash and cash equivalents	759.00
Less: Cash and cash equivalent balances disposed off	(35.42)
Net Cash inflow	**723.58**

39.3.3 Sale of India branded generics business:

During the previous year, the Group entered into a Business Transfer Agreement ('BTA') and Share Purchase Agreement ('SPA') with Eris Lifesciences Limited ('Eris') for sale of India brands division and for sale of 100% equity interest in Strides Healthcare Private Limited ('SHPL'), collectively referred to as 'India branded generics business', for an aggregate consideration of ₹4,100 Million and ₹900 Million respectively, exclusive of working capital adjustment. The disposal was completed on December 1, 2017 on which date the business was transferred to the acquirer. Details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal are explained below:

(a) Consideration received

₹ in Million

Particulars	India brands division	SHPL	Total
Consideration received in cash and cash equivalents	4,033.01	900.00	4,933.01
Total consideration	**4,033.01**	**900.00**	**4,933.01**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ in Million

Particulars	India brands division	SHPL	Total
Non-current assets	2,301.40	560.88	2,862.28
Current assets	317.38	0.77	318.15
Non-current liabilities	(4.16)	-	(4.16)
Current liabilities	(91.80)	(2.58)	(94.38)
Net assets disposed off	**2,522.82**	**559.07**	**3,081.89**

(c) Gain on disposal

₹ in Million

Particulars	India brands division	SHPL	Total
Consideration received	4,033.01	900.00	4,933.01
Net assets disposed off	(2,522.82)	(559.07)	(3,081.89)
Expenses pertaining to disposal	(305.14)	-	(305.14)
Gain on disposal	**1,205.05**	**340.93**	**1,545.98**

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(d) Net cash inflow on disposal

₹ in Million

Particulars	Year ended March 31, 2019
Consideration received in cash and cash equivalents	4,933.01
Less: Cash and cash equivalent balances disposed off	(0.53)
Net Cash inflow	**4,932.48**

39.3.4 Disposal of Consumer Healthcare (CHC) Business (Loss of control):

The Board of Directors of the Company in their meeting held on October 31, 2018, have approved the execution of definitive agreements with India Lifescience Fund III, LLC (ILF) to provide growth capital and focused attention to its Consumer Healthcare Business (CHC). Pursuant to the above, Strides Global Consumer Healthcare Limited, UK and Strides Consumer LLC, USA have been formed as wholly owned subisidiaries of the group.

Further, the group entered into "Investment Agreements" on November 1, 2018 with ILF, wherein, ILF has agreed to invest an amount of USD 20.00 Million for 46.36% controlling stake in the CHC business. Out of the above, USD 12.50 Million has been invested during December 2018 and balance amount of USD 7.50 Million to be invested at the end of financial year 2019-20 contingent on fulfilling of certain conditions as specified in the agreement.

Pursuant to the above agreements, the Group's representation in the Board of Directors of entities carrying out CHC business has been reduced to 2 director out of the total strength of 4 directors.

Considering that the Board of Directors of entities carrying out CHC business have rights and power to set the relevant activities of CHC business and appoint the managerial personnel to execute those activities and also the fact that the resolution in the meeting of Board of Directors can be passed by a simple majority of the directors, the group has lost control over CHC business with effect from December 18, 2018 as the Group would no longer be able to control the relevant activities decided by the Board of Directors of CHC business, even though the group continues to hold 53.64% stake in CHC business. However, considering the Group's representation in the Board of Directors of CHC business to participate in the decision making process and its majority voting rights as shareholders, Strides exercises significant influence over CHC business. As a result, entities carrying out CHC business ceased to be the subsidiaries of the group with effect from December 18, 2018 and became associates of the group. In accordance with the accounting policy of the Group in line with the requirements of Ind AS 110 'Consolidated Financial Statements', the resulting gain of ₹587.94 Million, being the excess of fair value of the retained interest over the carrying value of net assets in CHC business on loss of control over CHC business, has been accounted under exceptional items for the year ended March 31, 2019.

Following the above, the below entities have become associates of the group:

- Strides Consumer Private Limited, India
- Strides Global Consumer Healthcare Limited, UK
- Strides Consumer LLC, USA

(a) Fair value of Investment on the date of loss of control

₹ in Million

Particulars	March 31, 2019
Investment commitment by ILF (USD Million)	20.00
% equity interest divested in CHC business (%)	46.36%
Fair value of 100% of CHC business (USD Million)	43.14
Strides retained % equity interest in CHC business (%)	53.64%
Fair value of retained investment (USD Million)	**23.14**
Fair value of retained investment (₹ Million)	**1,616.79**

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(b) Carrying value of assets and liabilities derecognised pursuant to loss of control

₹ in Million

Particulars	March 31, 2019
Non-current assets	985.65
Current assets	134.99
Non-current liabilities	(0.58)
Current liabilities	(91.21)
Net assets derecognied	**1,028.85**

(c) Gain on loss of control

₹ in Million

Particulars	Year ended March 31, 2019
Fair value of investment on the date of loss of control	1,616.79
Net assets derecognied	(1,028.85)
Gain on loss of control	**587.94**

(d) Net cash outflow on loss of control

₹ in Million

Particulars	Year ended March 31, 2019
Consideration received in cash and cash equivalents	-
Less: Cash and cash equivalent balances derecognised	(0.88)
Net Cash outflow	**(0.88)**

39.3.5 Sale of Pharma generics business in Africa:

Pursuant to the terms of Shareholders agreement entered on March 30, 2017, the Group had disposed-off its Pharma Generics business in Africa. Consequently, the following subsidiaries / Joint ventures / divisions ceased to be part of Strides Group:

(i) African Pharmaceutical Development Company
(ii) Congo Pharma SPRL
(iii) Sorepharm SA
(iv) Strides Pharma Botswana (Pty) Limited
(v) Strides Pharma Cameroon Limited
(vi) Strides Pharma Mozambique, SA
(vii) Strides Pharma Namibia Pty Limited
(viii) Strides Vital Nigeria Limited
(ix) SPC Co. Limited
(x) Pharma Generics Manufacturing division of the Company in Palghar, Maharashtra.

The disposal was completed on March 31, 2017, on which date control passed to the acquirer.

During the year, the Group has collected certain trade receivables amounting to ₹31.37 Million from customers in different African geographies which were provided during the earlier years.

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Note No. 40 // Commitments

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (Tangible and Intangible assets) and not provided for (net of advances)	464.67	393.33

Note No. 41 // Contingent liabilities (to the extent not provided for)

₹ in Million

Particulars		March 31, 2019	March 31, 2018
a)	**Claims against the Group not acknowledged as debt**		
	- Disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities. The outflow, if any, on account of disputed taxes is dependent on completion of assessments / disposal of appeals and adjustment for payments made under protest.	1,719.09	1,429.13
	- Disputed excise, custom, service tax and sales tax liabilities arising from assessment proceedings relating to prior years. The outflow, if any, on account of disputed liabilities is dependent on completion of assessments / disposal of appeals and adjustment for payments made under protest.	607.30	672.62
b)	**Corporate Guarantees (also refer note 39.2)**	30,829.68	30,375.71

(i) **Corporate Guarantee for sale of investment in Ascent Pharma Health ('APH'):**

In the year 2012, pursuant to Share Sale Agreement ('SSA') dated January 24, 2012 entered with Watson Pharmaceuticals Inc., USA ('Watson'), the Group had sold its investments in APH to Watson for a total enterprise value of AUD 375 Million.

In connection with the sale of investments in APH, the Company had given a guarantee to Watson in respect of certain matters to the extent of AUD 352.61 Million. During the earlier years, pursuant to release of guarantees to the extent of AUD 88.15 Million, the outstanding guarantee was reduced to AUD 264.46 Million (As at March 31, 2019: ₹12,989.75 Million; As at March 31, 2018: ₹13,208.72 Million).

The Company has evaluated the possible exposure on the guarantee and believes that there is no probability of any present or future obligation under the said guarantee as at March 31, 2019 and March 31, 2018. The above guarantee has been included as contingent liabilities.

(ii) In light of recent judgment of Honorable Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence It is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

(iii) Other than the matters disclosed above, the Group is also involved in other disputes including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that the resolution of these disputes will not have any material adverse effect on the Group's financial position or results of operations.

Note No. 42 // Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. The Group's CODM is the Managing Director.

The Group's operations for the current and previous year relate only to the "Pharmaceutical business" and accordingly no separate disclosure for business segments is being provided.

Disclosures regarding geographical information: The geographical information of the Group's revenues and assets are shown separately in the table below. Segment revenues has been disclosed based on geographical location of the customers. Segment assets has been disclosed based on the geographical location of the respective assets.

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Information regarding geographical revenue is as follows (including revenue from discontinued operations):

₹ in Million

Geography	For the year ended	
	March 31, 2019	March 31, 2018
Africa	3,936.80	3,606.03
Australia	9,342.38	9,455.81
Asia	322.73	797.61
North America	12,172.98	11,568.94
Europe	3,177.03	2,871.08
India	1,091.57	4,335.60
Others	73.29	65.98
Total	**30,116.78**	**32,701.05**

Information regarding geographical non-current assets is as follows*:

₹ in Million

Geography	As at	
	March 31, 2019	March 31, 2018
Africa	2,709.93	2,809.16
Australia	20,570.85	19,351.83
Asia	4,964.66	3,983.94
North America	3,748.52	693.08
Europe	2,138.43	1,133.22
India	13,130.41	12,299.14
Total	**47,262.80**	**40,270.37**

*Non-current assets are excluding financial instruments and deferred tax assets

Note No. 43 //

Intra-group loans amounting to USD 71.60 Million (previous year USD 21.87 Million) given by Strides Pharma Global Pte Limited, Singapore to its subsidiary Arrow Pharmaceuticals Pty Limited, Australia, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation loss of ₹368.82 Million for the year ended March 31, 2019 (previous year exchange fluctuation gain: ₹2.02 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

Intra-group loans amounting to AUD 9.65 Million given by Strides Pharma Global Pte Limited, Singapore to its associate Generic Partner (R&D) Pte Limited, Singapore, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation loss of ₹33.26 Million for the year ended March 31, 2019 arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

Further, Intra-group loans amounting to USD 3.37 Million (previous year USD 3.37 Million) given by Strides Pharma (Cyprus) Limited, Cyprus to its subsidiary Strides Lifesciences Limited, Nigeria, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation gain of ₹1.82 Million (previous year exchange fluctuation loss: ₹14.99 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

Further, Intra-group loans amounting to USD 3.42 Million (previous year Nil) given by Strides Pharma Global Pte Limited, Singapore to its subsidiary Strides Pharma (Cyprus) Limited, Cyprus, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation loss of ₹25.20 Million arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

Note No. 44 // Share-based payments

Details of the employee share option plan of the Company:

(a) The ESOP titled "Strides Arcolab ESOP 2011" (ESOP 2011) was approved by the shareholders on May 30, 2011 for 1,500,000 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 30 days from the date of vesting.

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No options were granted under this plan during the current year.

(b) The ESOP titled "Strides Arcolab ESOP 2015" (ESOP 2015) was approved by the shareholders on November 6, 2015 for 70,000 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of four years. The options must be exercised within a period of 180 days from the date of vesting. No options were granted under this plan during the current year.

Pursuant to the Scheme of demerger (refer note 39.2), eligible employees were given option to accelerate their Employees Stock options under ESOP 2015 Scheme, subsequently 8,878 equity shares have been allotted on April 6, 2018 for the employees who exercised their options. The Company recognised expenses of ₹2.39 Million during the year ended March 31, 2018 on account of acceleration.

(c) The ESOP titled "Strides Shasun ESOP 2016" (ESOP 2016) was approved by the shareholders on April 21, 2016. 3,000,000 options are covered under the Plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 60 days from the date of vesting. Company has granted 338,000 options (Previous year: 200,000) under this scheme during the current year.

(d) During the current year, Employee compensation costs of ₹8.97 Million (for the year ended March 31, 2018: ₹24.52 Million) (including costs debited to discontinued operations) relating to the above referred various Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Fair value of share options granted during the year

The fair value of the share options granted under ESOP 2016 Lot IV and ESOP 2016 Lot V are ₹171.73 and ₹203.03 respectively. Options were priced using a Black- Scholes method of valuation at grant date. Expected volatility is based on the historical share price volatility over the past 3 years.

Inputs into the model -

Particulars	ESOP 2016 Lot IV	ESOP 2016 Lot V
No. of options	315,500	22,500
Grant date share price	₹414.85	₹504.50
Exercise price	₹301	₹378.40
Expected volatility	34.30%	32.65%
Option life	3 years	3 years
Expected Dividend %	40.00%	20.00%
Risk-free interest rate	7.78%	7.53%

Employee stock options details as on the balance sheet date are as follows:

	During the year 2018-19		During the year 2017-18	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOP 2011	40,000	322.30	170,000	543.62
- ESOP 2015	10,692	273.92	23,097	273.92
- ESOP 2016	280,000	757.70	100,000	841.25
Granted during the year:				
- ESOP 2011	-	-	-	-
- ESOP 2015	-	-	-	-
- ESOP 2016	338,000	306.00	200,000	724.28
Exercised during the year:				
- ESOP 2011	(40,000)	322.30	(50,000)	322.30
- ESOP 2015	(9,441)	271.41	(7,029)	273.92
- ESOP 2016	-	-	(20,000)	841.25

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	During the year 2018-19		During the year 2017-18	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Lapsed/ cancelled during the year:				
- ESOP 2011	-	-	(80,000)	792.60
- ESOP 2015	(688)	322.30	(5,376)	273.92
- ESOP 2016	(160,500)	639.72	-	-
Options outstanding at the end of the year*:				
- ESOP 2011	-	-	40,000	322.30
- ESOP 2015	563	231.79	10,692	273.92
- ESOP 2016	457,500	394.15	280,000	757.70
Options available for grant:				
- ESOP 2011	-	-	-	-
- ESOP 2015	-	-	-	-
- ESOP 2016	2,201,500	-	2,700,000	-

* Includes options vested but not exercised as at March 31, 2018. ESOP 2011- 40,000 and ESOP 2015 8,878

Note No. 45 // Employee Benefits Plans

Employee benefits pertaining to overseas subsidiaries have been accrued based on their respective local labour laws.

Defined contribution plan

The Group makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the group is required to contribute a specified percentage of the payroll cost to fund the benefits. The group recognised ₹119.44 Million (previous year: ₹166.75 Million) (including costs debited to discontinued operations) for provident fund contributions, ₹2.97 Million (previous year: ₹9.97 Million) (including costs debited to discontinued operations) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Group has no obligations beyond its contributions.

Defined benefit plan

The Company and its Indian subsidiaries offers gratuity benefits, a defined employee benefit scheme to its employees.

Composition of the plan assets

The fund is managed by LIC , the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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The principal assumptions used for the purposes of the actuarial valuations were as follows:

₹ in Million

Particulars	Valuation as at	
	March 31, 2019	March 31, 2018
Discount rate(s)	7.05% - 7.15%	6.90% - 7.55%
Expected rate(s) of salary increase	10%	7.50% - 10%
Mortality Rate	As per IALM (2006-08) ultimate	
Retirement age (years)	58 years	58 years

Amounts recognised in respect of these defined benefit plans are as follows:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Service cost:		
Current service cost	39.53	49.45
Past service cost and (gain)/loss from settlements	-	25.76
Net interest expense	9.30	8.74
Components of defined benefit costs recognised in statement of profit and loss	**48.83**	**83.95**
Remeasurement on the net defined benefit liability:		
Remeasurement return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	2.71	4.03
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(0.01)
Actuarial (gains) / losses arising from changes in financial assumptions	8.30	(5.60)
Actuarial (gains) / losses arising from experience adjustments	0.65	2.98
Components of defined benefit costs recognised in other comprehensive income	11.66	1.40
Total	**60.49**	**85.35**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss. The remeasurernent of the net defined benefit liability is included in other comprehensive income.

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Present value of funded defined benefit obligation	344.83	302.72
Fair value of plan assets	(142.16)	(153.74)
Funded status	**202.67**	**148.98**
Disclosed in liabilities directly attributable to the assets held for sale	-	(8.25)
Net liability arising from defined benefit obligation	**202.67**	**140.73**

Movements in the present value of the defined benefit obligation are as follows:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	302.72	544.19
Add/(less) on account of acquisitions / business transfers	0.90	3.76
(Less): Pursuant to the scheme of demerger	-	(291.94)
Expenses recognised in statement of profit and loss		
Current service cost	39.53	49.45
Past service cost	-	25.76
Interest cost	19.59	26.28
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	(0.01)
Actuarial gains and losses arising from changes in financial assumptions	8.30	(5.60)
Actuarial gains and losses arising from experience adjustments	0.65	2.98
Benefits paid	(26.86)	(52.15)
Others	-	-
Closing defined benefit obligation	**344.83**	**302.72**

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Movements in the fair value of the plan assets are as follows:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening fair value of plan assets	153.74	314.55
Add/(less) on account of acquisitions / business transfers	(13.63)	6.99
Pursuant to scheme of demerger	-	(170.41)
Remeasurement gain / (loss):		
Remeasurement return on plan assets (excluding amounts included in net interest expense)	10.29	17.54
Contributions from the employer	18.70	41.25
Actuarial gain / (loss) on plan assets	(2.71)	(4.03)
Benefits paid	(24.23)	(52.15)
Closing fair value of plan assets	**142.16**	**153.74**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / (decrease) by 1%, the defined benefit obligation would be ₹329.24 Million (₹363.46 Million) as at March 31, 2019.

If the expected salary growth increases / (decrease) by 1%, the defined benefit obligation would be ₹360.28 Million (₹331.49 Million) as at March 31, 2019.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Group to manage its risks from prior periods.

Expected future Cash outflows towards the plan are as follows:

₹ in Million

Financial Year	Amount
2019-20	52.39
2020-21	48.83
2021-22	48.24
2022-23	47.86
2023-24	39.27
2024-25 to 2029-30	153.38

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Note No. 46 // Operating lease arrangements

A. The Group as lessee:

Leasing arrangement

The Group's significant leasing arrangements are mainly in respect of factory land and buildings, residential and office premises. The aggregate lease rentals payable on these leasing arrangements charged to the Statement of Profit and Loss is ₹232.07 Million (Previous year ₹263.33 Million (including charge on lease rentals related to discontinued operations)).

The group has entered into lease agreements for its factory and office premises. The tenure of such lease is 5 years to 25 years with non-cancellable period ranging from 18 months to 16 years. The said lease arrangements have an escalation clause wherein lease rental is subject to increments as specified in the lease agreements. Details of the lease commitment at the year end are as follows:

Non-cancellable operating lease commitments

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Not later than 1 year	186.99	191.21
Later than 1 year and not later than 5 years	638.01	556.33
Later than 5 years	726.33	787.74
Total	**1,551.33**	**1,535.28**

B. The Group as lessor:

Leasing arrangement

The Group has entered into operating lease arrangement for lease of factory land & building for a term ranging from 4 to 18 years with non-cancellable lease period of 4 to 8 years. Details relating to these assets and minimum lease rentals receivable are as follows:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Gross carrying amount of assets leased	960.23	849.37
Accumulated depreciation	191.43	119.34
Future minimum lease income:		
Not later than 1 year	78.19	59.45
Later than 1 year but not later than 5 years	126.76	141.04
Later than 5 years	-	-
Total	**204.95**	**200.49**

Note No. 47 // Obligations under finance leases

Leasing arrangement

The Group has certain finance lease arrangements for certain equipment, which provide the Group an option to purchase the assets at the end of the lease period. Details relating to these assets and minimum lease rentals payable are as follows:

Finance lease liabilities

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Future minimum lease payments:		
Not later than 1 year	24.23	24.85
Later than 1 year but not later than 5 years	0.47	28.72
Later than 5 years	-	-
Total	**24.70**	**53.57**
Less: Unmatured finance charges	(1.37)	(5.52)
Present value of minimum lease payments payable	**23.33**	**48.05**
Up to 1 year	22.86	20.81
From 1 year to 5 years	0.47	27.24
Above 5 years	-	-

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Details of assets taken on finance lease:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Gross block:		
Plant and equipment	15.06	14.11
Office equipment	87.99	87.99
Vehicles	11.17	10.46
Total Gross Block	**114.22**	**112.56**
Net Block:		
Plant and equipment	**8.16**	**9.56**
Office equipment	21.95	39.56
Vehicles	4.36	4.75
Total Net Block	34.47	53.87

Note No. 48 // Earnings per share

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic earnings per share:		
From continuing operations	5.99	6.08
From discontinued operations	30.26	68.17
Total basic earnings per share	**36.25**	**74.25**
Diluted earnings per share:		
From continuing operations	5.99	6.08
From discontinued operations	30.25	68.15
Total diluted earnings per share	**36.24**	**74.23**

Earnings used in computing basic and diluted earnings per share

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(loss) attributable to the equity holders of the Company		
From continuing operations	536.76	543.94
From discontinued operations	2,709.42	6,101.23
Total operations	**3,246.18**	**6,645.17**

Weighted average number of shares used as the denominator

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of equity shares used as denominator in calculating basic earnings per share	89,548,390	89,479,936
Adjustments for calculation of diluted earnings per share:		
- employee stock options	26,393	31,334
Weighted average number of equity shares used as denominator in calculating diluted earnings per share	**89,574,783**	**89,511,270**

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Note No. 49 // Related party transactions: List of the related parties

Relationship	Name
Joint Ventures (JV):	MyPak Solutions Australia Pty Limited, Australia (50%) (with effect from March 29,2018)
	Oraderm Pharmaceuticals Pty Limited, Australia (50%)
Associates:	Generic Partners (R&D) Pte Limited, Singapore
	Vivimed Life Sciences Private Limited (with effect from May 18, 2017 and upto March 29, 2019)
	Stelis Biopharma Private Limited, India
	Strides Consumer Private Limited, India (with effect from December 20, 2018)
	Strides Global Consumer Healthcare Limited, UK (with effect from December 19,2018)
	Strides Consumer LLC, USA (with effect from December 19,2018)
Key Management Personnel (KMP):	Deepak Vaidya, Chairman (Upto May 18, 2017 & from May 18,2018), Non-Executive Director
	Arun Kumar, Managing Director (with effect from May 18,2018) (Chairman till May 18,2018)
	Shashank Sinha, Managing Director (with effect from May18, 2017 till May 18,2018)
	Badree Komandur, Executive Director (with effect from May 18, 2017)
	Manjula Ramamurthy, Company Secretary (with effect from February 3, 2017)
	M.R.Umarji, Non-Executive Director (Resigned on May 18, 2017)
	A.K.Nair, Non-Executive Director (Resigned on May 18, 2017)
	P.M.Thampi, Non-Executive Director (Resigned on May 18, 2017)
	S.Sridhar, Non-Executive Director
	Sangita Reddy, Non-Executive Director
	Bharat Shah, Non-Executive Director
	Homi R Khusrokhan, Non-Executive Director (with effect from May 18, 2017)
	Abhaya Kumar, Executive Director (Resigned on May 18, 2017)
Relatives of KMP:	Aditya Arun Kumar, son of Arun Kumar
Enterprises owned or significantly influenced by KMP and relative of KMP:	Atma Projects, India
	Chayadeep Properties Private Limited, India
	Tenshi Kaizen Private Limited, India
	Tenshi Life Sciences Private Limited, India
	Tenshi Life Care Private Limited, India
	Tenshi Kaizen USA Inc
	SeQuent Scientific Limited, India
	SeQuent Research Limited, India
	Sterling Pharma Solutions Limited, UK (up to February 27, 2019)
	Naari Pharma Private Limited
	Solara Active Pharma Sciences Limited, India (formerly SSL Pharma Sciences Ltd)
	Strides Chemicals Private Limited (from September 1, 2018)
	Shasun USA Inc., USA
	Devendra Estates LLP, India (up to May 18, 2017)
	Nutra Specialities Private Limited, India (up to May 18, 2017)

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Related party closing balances

₹ in Million

Sl. No.	Name of the related party	Joint ventures and Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Other Financial Assets (Liabilities) and Other Assets (Liabilities):							
1	Stelis Biopharma Private Limited	13.83	2.40	-	-	-	-
2	Solara Active Pharma Sciences Limited	-	-	-	-	596.64	(250.00)
3	Generic Partners (R&D) Pte Limited	78.36	450.88	-	-	-	-
4	MyPak Solutions Australia Pty Limited	-	270.58	-	-	-	-
5	Tenshi Kaizen Private Limited	-	-	-	-	-	(0.07)
6	Tenshi Life Sciences Private Limited	-	-	-	-	3.25	2.45
7	Vivimed Life Sciences Private Limited	-	15.11	-	-		-
8	Strides Consumer Private Limited	4.10	-	-	-		-
9	Strides Chemicals Private Limited	-	-	-	-	83.82	-
10	Tenshi Life Care Private Limited	-	-	-	-	5.86	-
11	Strides Consumer LLC	27.32	-	-	-	-	-
12	Shasun USA Inc	-	-	-	-	25.40	-
13	Tenshi Kaizen USA Inc	-	-	-	-	5.80	-
14	Strides Global Consumer Healthcare Limited	1.84	-	-	-	-	-
15	Oraderm Pharmaceuticals Pty Limited	25.80	-	-	-	-	-
16	Mr. Arun Kumar	-	-	(10.00)	-	-	-
17	Mr. Deepak Vaidya	-	-	(1.00)	-	-	-
18	Mr. S.Sridhar	-	-	(1.00)	-	-	-
19	Mr. Homi Rustam Khusrokhan	-	-	(1.00)	-	-	-
20	Mrs. Sangita Reddy	-	-	(1.00)	-	-	-
21	Mr. Bharat Shah	-	-	(1.00)	-	-	-
22	Mr. Badree Komandur	-	-	(3.25)	-	-	-
23	Mr. Shashank Sinha	-	-	-	1.67	-	-
Loans receivable as at:							
1	Generic Partners (R&D) Pte Limited	474.18	412.45	-	-	-	-
2	Strides Consumer Private Limited	30.00	-	-	-	-	-
3	Stelis Biopharma Private Limited	250.00	-	-	-	-	-
4	MyPak Solutions Australia Pty Ltd, Australia	265.12	-	-	-	-	-
Balance of deposits paid:							
1	Atma Projects	-	-	-	-	50.13	50.13
2	Chayadeep Properties Private Limited	-	-	-	-	17.67	7.35
Balance of deposits received:							
1	Solara Active Pharma Sciences Limited	-	-	-	-	7.20	-
Balance of trade payables (net of advance paid) as at:							
1	Atma Projects	-	-	-	-	(5.64)	(10.25)
2	Chayadeep Properties Private Limited	-	-	-	-	(3.49)	(1.29)
3	SeQuent Scientific Limited	-	-	-	-	(0.07)	
4	SeQuent Research Limited	-	-	-	-	(0.03)	(4.32)
5	Solara Active Pharma Sciences Limited	-	-	-	-	(1,555.13)	(267.49)
6	Oraderm Pharmaceuticals Pty Limited	(19.46)	-	-	-	-	-
7	MyPak Solutions Australia Pty Ltd, Australia	(34.70)	-	-	-	-	-
8	Tenshi Kaizen Private Limited	-	-	-	-	(0.83)	(2.32)

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₹ in Million

Sl. No.	Name of the related party	Joint ventures and Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balance of trade receivables (net of advance received) as at:							
1	SeQuent Scientific Limited	-	-	-	-	8.57	7.43
2	Solara Active Pharma Sciences Limited	-	-	-	-	54.84	0.03
3	Tenshi Kaizen Private Limited	-	-	-	-	6.00	-
4	Tenshi Life Sciences Private Limited	-	-	-	-	5.45	-
5	Strides Chemicals Private Limited	-	-	-	-	0.63	-
6	Strides Consumer Private Limited	9.28	-	-	-	-	-
7	Strides Global Consumer Healthcare Limited	0.69	-	-	-	-	-
8	Strides Consumer LLC	0.69	-	-	-	-	-
9	Naari Pharma Private Limited	-	-	-	-	4.01	-
10	Tenshi Life Care Private Limited	-	-	-	-	0.43	-
11	Oraderm Pharmaceuticals Pty Limited	1.54	-	-	-	-	-
12	MyPak Solutions Australia Pty Ltd, Australia	20.59	-	-	-	-	-
13	Stelis Biopharma Private Limited	97.52	20.93	-	-	-	-
14	Vivimed Life Sciences Private Limited	-	0.78	-	-	-	-
Guarantees given on behalf of							
1	Stelis Biopharma Private Limited	4,001.93	3,812.99	-	-	-	-
2	Vivimed Life Sciences Private Limited	-	320.00	-	-	-	-

Related party transactions

₹ in Million

Sl. No.	Name of the related party	Joint ventures and Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Sales of materials/services							
1	Tenshi Kaizen Private Limited	-	-	-	-	0.04	0.06
2	Solara Active Pharma Sciences Limited	-	-	-	-	11.48	-
3	MyPak Solutions Australia Pty Limited	28.37	176.92	-	-	-	-
4	Oraderm Pharmaceuticals Pty Limited	51.71	-	-	-	-	-
5	Vivimed Life Sciences Private Limited	32.74	1.04	-	-	-	-
Sale of Property, plant and equipment							
1	Tenshi Life Sciences Private Limited	-	-	-	-	-	6.40
2	Vivimed Life Sciences Private Limited	0.10	-	-	-	-	-
3	Solara Active Pharma Sciences Limited	-	-	-	-	0.02	-
4	MyPak Solutions Australia Pty Limited	-	222.45	-	-	-	-
Guarantee Commission received							
1	Stelis Biopharma Private Limited	38.43	36.48	-	-	-	-
2	Vivimed Life Sciences Private Limited	2.75	0.11	-	-	-	-
Rental income from operating leases							
1	Solara Active Pharma Sciences Limited	-	-	-	-	14.46	0.03
2	Strides Consumer Private Limited	0.20	-	-	-	-	-
3	Tenshi Life Sciences Private Limited	-	-	-	-	-	0.74
Interest income							
1	Generic Partners (R&D) Pte Limited	44.94	29.09	-	-	-	-
2	Strides Consumer Private Limited	0.84	-	-	-	-	-
3	Stelis Biopharma Private Limited	15.14	-	-	-	-	-
4	Vivimed Life Sciences Private Limited	2.28	-	-	-	-	-
5	Tenshi Kaizen Private Limited	-	-	-	-	10.40	-
6	Tenshi Life Sciences Private Limited	-	-	-	-	-	0.13

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₹ in Million

Sl. No.	Name of the related party	Joint ventures and Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Support service income from							
1	Stelis Biopharma Private Limited	6.20	9.75	-	-	-	-
2	Strides Consumer Private Limited	1.20	-	-	-	-	-
3	Strides Global Consumer Healthcare Ltd	1.87	-	-	-	-	-
4	Strides Consumer LLC	3.03	-	-	-	-	-
5	Vivimed Life Sciences Private Limited	24.50	-	-	-	-	-
6	Sequent Scientific Limited	-	-	-	-	1.05	-
7	Tenshi Life Care Private Limited	-	-	-	-	0.40	-
8	Solara Active Pharma Sciences Limited	-	-	-	-	20.93	-
9	Naari Pharma Private Limited	-	-	-	-	3.13	-
10	Shasun USA Inc	-	-	-	-	25.65	-
11	Strides Chemicals Private Limited	-	-	-	-	0.06	-
12	Tenshi Life Sciences Private Limited	-	-	-	-	15.03	0.05
Purchase of materials/services							
1	SeQuent Research Limited	-	-	-	-	1.82	18.36
2	SeQuent Scientific Limited	-	-	-	-	-	169.05
3	Solara Active Pharma Sciences Limited	-	-	-	-	3,200.63	590.67
4	Strides Chemicals Private Limited	-	-	-	-	97.24	-
5	Vivimed Life Sciences Private Limited	2.43	-	-	-	-	-
6	Oraderm Pharmaceuticals Pty Limited	213.85	-	-	-	-	-
7	MyPak Solutions Australia Pty Limited	1.84	-	-	-	-	-
8	Tenshi Kaizen Private Limited		-	-	-	0.93	5.29
Purchase of Intangibles							
1	Generic Partners (R&D) Pte Limited	519.99	-	-	-	-	-
Short Term Employee Benefits paid to (Refer note (i) below)							
1	Mr. Arun Kumar	-	-	50.00	14.03	-	-
2	Mr. Badree Komandur	-	-	32.11	33.33	-	-
3	Ms. Manjula Ramamurthy	-	-	3.38	3.18	-	-
4	Mr. Shashank Sinha	-	-	10.06	60.39	-	-
5	Mr. S Abhaya Kumar	-	-	-	11.96	-	-
6	Mr. Aditya Arun Kumar	-	-	-	0.27	-	-
Sitting Fees paid to							
1	Mr. Arun Kumar	-	-	-	0.70	-	-
2	Mr. Deepak Vaidya	-	-	1.40	0.60	-	-
3	Mr. M.R. Umarji	-	-	-	0.10	-	-
4	Mr. P.M.Thampi	-	-	-	0.10	-	-
5	Mr. S.Sridhar	-	-	1.60	0.90	-	-
6	Mr. Homi Rustam Khusrokhan	-	-	1.40	0.70	-	-
7	Mrs. Sangita Reddy	-	-	0.40	0.30	-	-
8	Mr. Bharat Shah	-	-	1.60	0.70	-	-
Remuneration to Non-executive directors							
1	Mr. Deepak Vaidya	-	-	1.00	-	-	-
2	Mr. S.Sridhar	-	-	1.00	-	-	-
3	Mr. Homi Rustam Khusrokhan	-	-	1.00	-	-	-
4	Mrs. Sangita Reddy	-	-	1.00	-	-	-
5	Mr. Bharat Shah	-	-	1.00	-	-	-

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₹ in Million

SI. No.	Name of the related party	Joint ventures and Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Rent expense							
1	Atma Projects	-	-	-	-	60.44	62.08
2	Chayadeep Properties Private Limited	-	-	-	-	19.39	7.77
3	Devendra Estate LLP	-	-	-	-	-	3.10
Loans / advances given / repaid by the group							
1	Solara Active Pharma Sciences Limited	-	-	-	-	-	262.50
2	Stelis Biopharma Private Limited	250.00	78.00	-	-	-	-
3	Strides Consumer Private Limited	5.00	-	-	-	-	-
4	Generic Partners (R&D) Pte Limited	24.63	412.45	-	-	-	-
5	Tenshi Kaizen Private Limited	-	-	-	-	150.00	-
6	MyPak Solutions Australia Pty Limited	-	270.58	-	-	-	-
7	Vivimed Life Sciences Private Limited	166.20	115.12	-	-	-	-
Loans / advances taken by Company / repaid to the group							
1	Solara Active Pharma Sciences Limited	-	-	-	-	-	500.00
2	Stelis Biopharma Private Limited	-	76.40	-	-	-	-
3	Tenshi Kaizen Private Limited	-	-	-	-	150.00	-
4	Vivimed Life Sciences Private Limited	-	100.00	-	-	-	-
Reimbursement of expenses incurred on behalf of							
1	Solara Active Pharma Sciences Limited	-	-	-	-	74.24	124.03
2	Stelis Biopharma Private Limited	35.99	63.59	-	-	-	-
3	Generic Partners (R&D) Pte Limited	167.18	256.21	-	-	-	-
4	Strides Consumer Private Limited	4.02	-	-	-	-	-
5	Vivimed Life Sciences Private Limited	4.90	-	-	-	-	-
6	Oraderm Pharmaceuticals Pty Limited	30.46	-	-	-	-	-
7	MyPak Solutions Australia Pty Limited	27.56	-	-	-	-	-
8	Naari Pharma Private Limited	-	-	-	-	0.28	-
9	Strides Chemicals Private Limited	-	-	-	-	0.53	-
10	Tenshi Life Sciences Private Ltd	-	-	-	-	4.56	-
11	Tenshi Kaizen Private Limited	-	-	-	-	15.84	-
12	Tenshi Life Care Private Limited	-	-	-	-	3.41	-
13	Tenshi Kaizen USA Inc	-	-	-	-	5.85	-
14	Sterling Pharma Solutions Limited	-	-	-	-	-	5.29
Reimbursement of expenses incurred by							
1	Chayadeep Properties Private Limited	-	-	-	-	13.38	-
2	Solara Active Pharma Sciences Limited	-	-	-	-	119.25	-
3	Sterling Pharma Solutions Limited	-	-	-	-	15.24	-
Lease deposit received							
1	Solara Active Pharma Sciences Limited	-	-	-	-	7.20	-
Lease deposit Paid							
1	Chayadeep Properties Private Limited	-	-	-	-	10.32	-
Investments during the year							
1	Vivimed Life Sciences Private Limited	-	658.62	-	-	-	-
2	Stelis Biopharma Private Limited	750.00	-	-	-	-	-
Sale of Business Division							
1	Solara Active Pharma Sciences Limited	-	-	-	-	347.57	-
Investments sold to							
1	Solara Active Pharma Sciences Limited	-	-	-	-	1,310.00	-
Donation							
1	Strides Foundation Trust	-	-	-	-	22.75	13.99

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i. The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.

ii. Transactions and balances with its own subsidiaries which are eliminated on consolidation are not included above.

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Note No. 50 // Subsidiary information

50.1 Details of the Group's subsidiaries at the end of the reporting period are as follows:

SI. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
				March 31, 2019	March 31, 2018
1	Alliance Pharmacy Pty Limited	IP Holding	Australia	50.99%	50.99%
2	Altima Innovations Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
3	Amneal Pharma Australia Pty Ltd	Trading in pharmaceutical products	Australia	99.99%	99.99%
4	Amneal Pharmaceuticals Pty Ltd	Trading in pharmaceutical products	Australia	99.99%	99.99%
5	Apollo Life sciences Holding Proprietary Limited	Registration and marketing of pharmaceutical products	South Africa	51.76%	51.76%
6	Arco Lab Private Limited	Outsourcing and business support services	India	100.00%	0.00%
7	Arrow Life Sciences (Malaysia) SDN BHD	Trading in pharmaceutical products	Malaysia	100.00%	100.00%
8	Arrow Pharma Pte Limited	Investment Holding	Singapore	100.00%	100.00%
9	Arrow Pharma (Private) Limited	Trading in pharmaceutical products	Sri Lanka	100.00%	100.00%
10	Arrow Pharma Life Inc.	Trading in pharmaceutical products	Philippines	100.00%	100.00%
11	Arrow Pharma Pty Limited	IP Holding	Australia	99.99%	99.99%
12	Arrow Pharmaceuticals Pty Limited	Trading in pharmaceutical products	Australia	99.99%	99.99%
13	Arrow Remedies Private Limited	Trading in pharmaceutical products	India	100.00%	100.00%
14	Beltapharm S.p.A	Manufacturing and trading in pharmaceutical products	Italy	97.94%	97.94%
15	Fagris Medica Private Limited	Trading in pharmaceutical products	India	100.00%	100.00%
16	Generic Partners Holding Co. Pty Limited	Investment Holding	Australia	50.99%	50.99%
17	Generic Partners Pty Limited	Supplying and distributing generic pharmaceutical products	Australia	50.99%	50.99%
18	Generic Partners (International) Pte Limited	Supplying and distributing generic pharmaceutical products	Singapore	50.99%	50.99%
19	Generic Partners (Canada) Inc	Supplying and distributing generic pharmaceutical products	Canada	50.99%	50.99%
20	Generic Partners (M) SDN BHD	Supplying and distributing generic pharmaceutical products	Malaysia	50.99%	50.99%
21	Generic Partners (NZ) Limited	Supplying and distributing generic pharmaceutical products	New Zealand	50.99%	50.99%
22	Generic Partners (South Africa) Pty Limited**	Supplying and distributing generic pharmaceutical products	South Africa	100.00%	50.99%
23	Generic Partners UK Limited**	Supplying and distributing generic pharmaceutical products	UK	100.00%	50.99%
24	PharmaPar Inc.**	Trading in pharmaceutical products	Canada	80.00%	0.00%
25	Pharmacy Alliance Group Holdings Pty Limited	Investment Holding	Australia	50.99%	50.99%
26	Pharmacy Alliance Investments Pty Limited	Investment Holding	Australia	99.99%	99.99%
27	Pharmacy Alliance Pty Limited	Providing business solutions to the independent pharmacy members	Australia	50.99%	50.99%
28	Shasun Pharma Solutions Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
29	Smarterpharm Pty Limited	Providing buying solutions to the pharmacy owners through national pharmacy services	Australia	50.99%	50.99%
30	Stabilis Pharma Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
31	Stelis Biopharma (Malaysia) SDN. BHD	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Malaysia	100.00%	100.00%
32	Strides Arcolab (Australia) Pty Limited	Investment Holding	Australia	99.99%	99.99%
33	Strides Arcolab International Limited	Investment Holding	UK	100.00%	100.00%
34	Strides Chemicals Private Limited*	Active Pharmaceutical Ingredient (API) manufacturing	India	0.00%	100.00%
35	Strides CIS Limited	Trading in pharmaceutical products	Cyprus	100.00%	100.00%
36	Strides Consumer Private Limited*	Trading in pharmaceutical products	India	53.65%	100.00%

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SI. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
				March 31, 2019	March 31, 2018
37	Strides Emerging Markets Limited	Manufacturing and trading in pharmaceutical products	India	100.00%	100.00%
38	Strides Foundation Trust	Carrying out Social Responsibility activities	India	-	-
39	Strides Life Sciences Limited	Trading in pharmaceutical products	Nigeria	100.00%	100.00%
40	Strides Pharma (Cyprus) Limited	Trading in pharmaceutical products	Cyprus	100.00%	100.00%
41	Strides Pharma (SA) Pty Limited*	Trading in pharmaceutical products	South Africa	60.00%	100.00%
42	Strides Pharma Global (UK) Limited	Investment Holding	UK	100.00%	100.00%
43	Strides Pharma Asia Pte. Limited	Investment Holding	Singapore	100.00%	100.00%
44	Strides Pharma Canada Inc.**	Trading in pharmaceutical products	Canada	100.00%	70.00%
45	Strides Pharma Global Pte Limited	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Singapore	100.00%	100.00%
46	Strides Pharma Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
47	Strides Pharma International Limited	Investment Holding	Cyprus	100.00%	100.00%
48	Strides Pharma UK Limited	Trading in pharmaceutical products	UK	100.00%	100.00%
49	Strides Pharma Therapeutics Singapore Pte Limited	Development of pharmaceutical products	Singapore	100.00%	0.00%
50	Strides Shasun Latina, SA de CV	Trading in pharmaceutical products	Mexico	80.00%	80.00%
51	Strides Specialties (Holdings) Limited	Trading in pharmaceutical products	Mauritius	0.00%	100.00%
52	Strides Vivimed Pte Limited**	Trading in pharmaceutical products	Singapore	100.00%	50.00%
53	SVADS Holdings SA	Develop and trade in pharmaceutical products	Switzerland	100.00%	100.00%
54	Trinity Pharma Proprietary Limited	Registration and marketing of pharmaceutical products	South Africa	51.76%	51.76%
55	Universal Corporation Limited	Manufacturing, development and trading in pharmaceuticals products	Kenya	51.00%	51.00%
56	Vensun Pharmaceuticals Inc.**	Develop and trade in pharmaceutical products	USA	100.00%	0.00%
57	Vivimed Life Sciences Private Limited**	Manufacturing, development and trading in pharmaceuticals products	India	100.00%	50.00%

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* Pursuant to disposal of subsidiaries / loss of control. Refer note 39.

** Pursuant to business acquisition (including acquisition of non-controlling interest). Refer note 38.

50.2 Change in the Group's ownership interest in a subsidiary:

(i) During the year, as part of corporate restructuring, the following restructuring / reorganisation were done within the Group:

a) Investment held in Arrow Pharma Pte Limited, Singapore was was transferred from Strides Pharma Global Pte Limited, Singapore to Strides Pharma Asia Pte Limited, Singapore.

b) Strides CIS Limited, Cyprus was transferred from Strides Pharma Global Pte Limited, Singapore to Strides Pharma International Limited, Cyprus.

c) Generic Partners (South Africa) Pty Limited, South Africa was transferred from Generic Partners (International) Pte Limited, Singapore to Strides Pharma Global Pte Limited, Singapore.

d) Generic Partners UK Limited, UK was transferred from Generic Partners (International) Pte Limited, Singapore to Strides Pharma Global Pte Limited, Singapore.

(ii) During the year, following entities have been incorporated within the Group:

a) Strides Pharma Therapeutics Singapore Pte Limited, Singapore

b) Strides Consumer LLC, USA

c) Strides Global Consumer Healthcare Limited, UK

d) Arco Lab Private Limited, India

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(iii) During the year, following entities have been wound-up:

a) Strides Specialties (Holdings) Limited, Mauritius

(iv) During the year, following entities have been renamed:

a) Strides Shasun Limited, India has been renamed to Strides Pharma Science Limited, India

50.3 During the current year, the group through its subsidiary Strides Pharma (Cyprus) Limited, Cyprus entered into Shareholders' agreement and Sale of Shares Agreement with Juno Pharma South Africa Proprietary Limited, South Africa (Juno) to sell 40% non-controlling stake in Strides Pharma (SA) Pty Limited, South Africa, a wholly owned subsidiary of the group. Pursuant to the above, the group currently holds 60% equity interest in Strides Pharma (SA) Pty Limited, South Africa.

Note No. 51 // Financial instruments

51.1 Categories of financial instruments

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Financial assets:		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Equity investments	0.55	0.55
(ii) Investment in Mutual funds	2,847.49	3,114.79
Measured at amortised cost		
(a) Cash and bank balances	5,166.50	3,033.26
(b) Loans	1,224.18	915.31
(c) Trade receivables	9,871.82	8,821.78
(d) Other financial assets at amortised cost	639.94	317.70
Measured at FVTOCI		
(a) Fair value of derivatives designated in a cash flow hedge	190.20	46.77
(b) Investments in certain equity instruments designated upon initial recognition	111.30	100.86
Financial liabilities:		
Measured at fair value through profit or loss (FVTPL)		
(a) Gross obligation under written put option	3,915.77	3,787.67
(b) Derivative financial liabilities	-	5.62
(c) Other financial liabilities	819.77	94.18
Measured at amortised cost		
(a) Borrowings (including current maturities of long-term borrowings)	32,214.70	25,199.64
(b) Security deposit	45.48	42.21
(c) Trade payables	8,941.91	7,120.69
(d) Unclaimed dividends	56.28	66.89
(e) Payables on purchase of property, plant and equipments and intangible assets	19.91	3.91
(f) Payables on purchase of non-current investments	16.60	90.00
(g) Other financial liabilities	327.61	174.73
Measured at FVTOCI		
(a) Derivative financial liabilities	342.89	6.95

51.1.1 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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51.1.2 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and input(s) used).

₹ in Million

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2019	March 31, 2018		
Financial assets:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	190.20	46.77	Level 2	The fair value of forward foreign contracts are determined using spot and forward exchange rates at the balance sheet date.
Equity investments (unquoted)	0.55	0.55	Level 3	The fair value of the equity instruments are determined using comparable quotes available.
Investment in Mutual fund (quoted)	2,847.49	3,114.79	Level 1	The fair value is determined based on the Net asset value published by respective funds.
Investment in equity instruments at FVTOCI (quoted) - Investment in Outlook Therapeutics Inc., USA (formerly Oncobiologics Inc., USA) (refer note a)	111.30	100.86	Level 1	The fair value of the said investment is derived based on the quoted prices on stock exchanges.
Financial liabilities:				
Gross obligation under put options	3,915.77	3,787.67	Level 3	The said obligation under put options are valued using Black Scholes / Monte carlo simulation model. Significant unobservable inputs used for the said valuation are volatility and risk free interest rate (Discount rate). Refer note (b) below
Contingent consideration payable	819.77	94.18	Level 3	The fair value has been derived based on the estimated payout based on the projected profits of the subsidiary and discounted for the present value using the risk free interest rate / weighted average cost of capital.
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	0.15	6.95	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Interest rate swaps designated in hedge accounting relationships (FVTOCI)	342.74	-	Level 2	Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.
Interest rate swaps designated as at FVTPL	-	5.62	Level 2	Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

Notes:

a) These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for a medium or long-term strategic investments, than reflecting changes in fair value immediately in Statement of profit and loss.

b) There is a wide range of possible fair value measurements for the valuation of exercise price of written-put options included in Level 3 of fair value hierarchy and the amount considered above represents the estimate of the fair value within that range.

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Reconciliation of Level 3 fair value measurements

a) Gross obligation under put options

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Opening balance	3,787.67	3,880.21
Add: Payable on new acquisitions during the year	85.37	-
Less: Disposal / settlements	-	(220.59)
Add: Losses in the statement of profit and loss	27.77	99.06
Add: Currency translations in other comprehensive income	14.96	28.99
Closing balance	**3,915.77**	**3,787.67**

b) Contingent consideration payable

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Opening balance	94.18	-
Add: Contingent consideration on new acquisitions during the year	697.77	91.96
Add: Losses in the statement of profit and loss	42.56	2.22
Less: Currency translations in other comprehensive income	(14.74)	-
Closing balance	**819.77**	**94.18**

The above said gain / loss on fair valuation of options and contingent consideration is recognised in the statement of profit and loss under "Exceptional items".

c) Equity investments (unquoted)

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Opening balance	0.55	12.72
Acquistion/disposal (net)	-	(12.17)
Closing balance	**0.55**	**0.55**

51.1.3 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Group considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

₹ in Million

Particulars	March 31, 2019		March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans receivable	504.18	504.18	412.45	412.45
Security deposit	178.51	180.61	210.44	212.16
Financial liabilities				
Borrowings	32,214.70	33,297.87	25,199.64	26,453.79

51.2 Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

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51.3 Foreign currency risk management

The Group is exposed to foreign exchange risk due to:

- debt availed in foreign currency
- net investments in subsidiaries and joint ventures that are in foreign currencies
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency of the respective entities

Exchange rate exposures are managed within approved policy parameters by utilising forward foreign exchange contracts.

51.3.1 Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover the following:

a. repayments of specific foreign currency borrowings.
b. the risk associated with anticipated sales transactions out to 6 months within 50% to 70% of the exposure generated.

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Contracts designated in a cash flow hedge

Outstanding contracts	Underlying Exposure	Average exchange rate (₹)	Foreign currency (USD in Million)	Nominal amounts (₹ in Million)	Fair value assets (liabilities) (₹ in Million)
As at March 31, 2019					
Sell USD					
Less than 3 months	Forecasted sales	71.12	24.00	1,706.78	1,740.22
3 to 6 months		74.78	24.00	1,794.77	1,898.10
6 to 12 months		72.98	28.00	2,043.40	2,096.68
Total			**76.00**	**5,544.95**	**5,735.00**
As at March 31, 2018					
Sell USD					
Less than 3 months	Forecasted sales	66.59	34.00	2,264.08	2,297.05
3 to 6 months		66.79	26.00	1,736.66	1,750.04
6 to 12 months		66.88	35.00	2,340.92	2,334.39
Total			**95.00**	**6,341.66**	**6,381.48**

The line-items in the Consolidated balance sheet that include the above hedging instruments are "Other financial assets".

Further the Group has borrowings in USD repayable in AUD representing the carrying value of ₹ Nil as at March 31, 2019 (as at March 31, 2018: ₹999.88 Million) which is hedged with cross-currency interest rate swap.

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The details of unhedged foreign currency exposure are as follows:

Amounts in Million

Amount receivable/(payable)	March 31, 2019		March 31, 2018	
Exposure to the Currency	in foreign Currency	in ₹	in foreign Currency	in ₹
USD	(40.39)	(2,794.63)	(71.71)	(4,672.62)
AUD	119.50	5,866.92	52.39	2,615.41
EUR	2.03	157.53	18.38	1,474.06
CAD	2.72	140.81	2.85	143.70
GBP	0.36	32.28	2.56	234.83
SGD	(2.98)	(151.96)	(2.10)	(104.30)
JPY	(1.15)	(0.72)	(3.42)	(2.09)
CHF	0.33	22.65	1.15	78.33

51.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs), loans in foreign currencies to subsidiaries and joint ventures. The Group considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Group is exposed to volatility in other currencies including the Great Britain Pounds (GBP) and the Australian Dollar (AUD). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against ₹ is given below:

₹ in Million

Particulars	Increase / (decrease) in profit	
	March 31, 2019	March 31, 2018
Appreciation in the USD	(139.73)	(233.63)
Depreciation in the USD	139.73	233.63
Appreciation in the EUR	7.88	73.70
Depreciation in the EUR	(7.88)	(73.70)
Appreciation in the AUD	293.35	130.77
Depreciation in the AUD	(293.35)	(130.77)
Appreciation in the GBP	1.61	11.74
Depreciation in the GBP	(1.61)	(11.74)

The impact on profit has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

51.4 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the Group to cash flow risk. Debt issued at fixed rate exposes the Group to fair value risk. The Group mitigates its interest rate risk by entering into interest rate swap contracts.

51.4.1 Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include secured long term loans from banks, secured long term loans from others, unsecured long term loans, secured short term loans from banks and unsecured short term loans from banks and others. The impact of a 1% change in interest rates on the profit of an annual period will be ₹332.75 Million (Previous year : ₹264.12 Million) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

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51.4.2 Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following tables detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the reporting period end.

(a) Contracts designated in a cash flow hedge

Borrowings in USD floating rate swaped for repayment in USD fixed rate at March 31, 2019:

₹ in Million

Outstanding contracts	Average contracted fixed interest rate	Nominal amounts	Fair value assets (liabilities)
Less than 1 year	6.29%	249.98	244.33
1 to 2 years		1,387.31	1,343.60
2 to 5 years		5,269.97	5,098.06
5 years +		3,405.40	3,283.94
Total		**10,312.66**	**9,969.93**

There are no borrowing USD floating rate swaped for repayment in AUD fixed rate at March 31, 2019

(b) Contracts designated at fairvalue through profit and loss

Borrowing in USD floating rate swaped for repayment in AUD fixed rate at March 31, 2018:

₹ in Million

Outstanding contracts	Average contracted fixed interest rate	Nominal amounts	Fair value assets (liabilities)
Less than 1 year	6.14%	999.88	994.26
1 to 2 years		-	
2 to 5 years		-	-
5 years +		-	-
Total		**999.88**	**994.26**

The line-item in the consolidated balance sheet that includes the above instruments is "Other financial liabilities".

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Group will settle the difference between the fixed and floating interest rate on a net basis.

51.5 Other price risks

The Group is exposed to equity price risks arising from equity investments. Certain of the Group's equity investments are held for strategic rather than for trading purposes.

51.5.1 Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, other comprehensive income for the year ended March 31, 2019 would increase/decrease by ₹5.56 Million (for the year ended March 31, 2018: increase/decrease by ₹5.04 Million) as a result of the changes in fair value of equity investments measured at FVTOCI.

51.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit Risk to the group

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primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, loans, financial instruments and deposits with banks and financial institutions and other financial assets.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk arising from receivables is subject to currency risk in that the receivables are predominantly denominated in USD, AUD and GBP and any appreciation in the Rupee will affect the credit risk. Further, the Group is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

51.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the Group's surplus cash is retained as investments in Liquid Mutual Funds to fund short term requirements.

51.7.1 Liquidity analysis for non-derivative liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Million

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank and other borrowings								
- As on March 31, 2019	14,149.11	2,754.30	3,333.19	3,364.10	3,382.69	6,314.48	33,297.87	32,214.70
- As on March 31, 2018	*9,696.65*	*476.81*	*2,157.85*	*2,693.40*	*2,794.04*	*8,635.04*	*26,453.79*	*25,199.64*
Interest payable on borrowings								
- As on March 31, 2019	198.21	-	-	-	-	-	198.21	198.21
- As on March 31, 2018	*94.47*	-	-	-	-	-	*94.47*	*94.47*
Trade and other payable not in net debt								
- As on March 31, 2019	9,321.24	242.68	254.60	314.10	208.25	94.54	10,435.41	10,029.35
- As on March 31, 2018	*7,361.75*	*94.18*	-	-	-	*50.16*	*7,506.09*	*7,498.14*

51.8 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 8,10,16, 17 and 21 offset by cash and bank balances and Investment in Mutual funds) and total equity of the Group.

The Group reviews the capital structure of the Group on a quarterly basis to ensure that it in compliance with the required covenants. The Group has a target gearing ratio of 1:1 determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2019 is 0.86 (March 31, 2018 : 0.73).

The Group is not subject to any externally imposed capital requirements.

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51.8.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Debt (i)	32,214.70	25,199.64
Less:		
Investment in Mutual funds	2,847.49	3,114.79
Cash and bank balances	5,166.50	3,033.26
Fixed deposits with banks with more than 12 months maturity	23.44	16.29
Net Debt (A)	**24,177.27**	**19,035.30**
Total Equity (B)	**28,016.61**	**26,183.06**
Net debt to equity ratio (A/B)	**0.86**	**0.73**

(i) Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings and does not include obligations relating to derivatives over non-controlling interests.

Note No. 52 //

The detailed transfer pricing regulations ('regulations') for computing the income from "domestic transactions" with specified parties and international transactions between 'associated enterprises' on an 'arm's length' basis is applicable to the Group. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant which is to be filed with the Income tax authorities.

The Group has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the transactions with associated enterprises and domestic transactions are at arm's length, and hence the aforesaid legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note No. 53 // Other matters :

(a) In respect of freehold land to the extent of 5.44 acres (as at March 31, 2019 gross block and net block amounting to ₹201.42 Million) capitalised in the books of the Company, the title deeds are under dispute. The Company based on its internal assessment believes that it has title deed in its name and it will be able to defend any counter claims on such parcel of land under dispute.

(b) The title deeds of freehold land and building admeasuring 22.48 acres (as at March 31, 2019 gross block ₹648.05 Million and net block of ₹467.24 Million) capitalised in the books of the Company are in the name of erstwhile Companies which were merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of judicature. The Company is in the process transferring the title deeds of such properties in its name.

(c) In respect of building admeasuring 750 sq. ft. (as at March 31, 2019 gross block of ₹3.55 Million and net block ₹1.28 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process of transferring the title deeds of such building in its name.

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Note No. 54 //

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended March 31, 2019

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated net assets	₹ in Million	As % of consolidated net assets	₹ in Million	As % of consolidated net assets	₹ in Million
Strides Pharma Science Limited	36.95%	32,567.98	347.45%	1,103.67	-44.58%	93.07	1099.24%	1,196.74
Indian Subsidiaries:								
Arco Lab Private Limited	0.03%	27.06	8.69%	27.60	1.02%	(2.13)	23.39%	25.47
Arrow Remedies Private Limited	0.00%	(0.58)	-0.08%	(0.24)	0.00%	-	-0.22%	(0.24)
Fagris Medica Private Limited	0.00%	1.81	0.25%	0.80	0.00%	-	0.73%	0.80
Strides Consumer Private Limited	0.00%	-	6.18%	19.63	0.00%	-	18.03%	19.63
Strides Chemicals Private Limited	0.00%	-	4.49%	14.27	0.00%	-	13.11%	14.27
Strides Emerging Markets Limited	-0.28%	(247.54)	-50.26%	(159.66)	0.35%	(0.74)	-147.33%	(160.40)
Strides Foundation Trust	0.03%	26.20	-1.98%	(6.30)	0.00%	-	-5.79%	(6.30)
Vivimed Lifesciences Private Limited	0.56%	489.66	0.00%	-	0.00%	-	0.00%	-
Foreign Subsidiaries:								
Alliance Pharmacy Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Altima Innvovations Inc.	-0.21%	(185.15)	-0.74%	(2.35)	0.00%	-	-2.16%	(2.35)
Amneal Pharma Australia Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Amneal Pharmaceuticals Pty Limited	0.94%	830.38	19.66%	62.46	0.00%	-	57.37%	62.46
Apollo Life Sciences Holdings Proprietary Limited	0.00%	(1.32)	-0.18%	(0.57)	0.00%	-	-0.52%	(0.57)
Arrow Life Sciences (Malaysia) SDN. BHD.	0.00%	(0.11)	-0.26%	(0.82)	0.00%	-	-0.75%	(0.82)
Arrow Pharma (Private) Limited	0.00%	2.98	-0.01%	(0.04)	0.00%	-	-0.04%	(0.04)
Arrow Pharma Life Inc.	0.00%	2.38	-0.55%	(1.76)	0.00%	-	-1.62%	(1.76)
Arrow Pharma Pte Limited	-0.08%	(73.45)	-0.54%	(1.70)	0.00%	-	-1.56%	(1.70)
Arrow Pharma Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Arrow Pharmaceuticals Pty Limited	7.53%	6,640.80	237.19%	753.43	0.00%	-	692.05%	753.43
Beltapharm SpA	0.20%	177.50	-4.30%	(13.67)	0.00%	-	-12.56%	(13.67)
Generic Partners Holding Co Pty Limited	0.83%	734.66	-0.59%	(1.89)	0.00%	-	-1.74%	(1.89)
Generic Partners Pty Limited	-0.29%	(257.22)	42.61%	135.35	0.00%	-	124.32%	135.35
Generic Partners (Canada) Inc.	0.01%	4.48	-8.95%	(28.43)	0.00%	-	-26.11%	(28.43)
Generic Partners (M) SDN BHD	0.00%	-	0.01%	0.02	0.00%	-	0.02%	0.02
Generic Partners (International) Pte Limited	0.00%	3.90	-1.21%	(3.84)	0.00%	-	-3.53%	(3.84)
Generic Partners (NZ) Limited	-0.01%	(4.72)	-0.76%	(2.41)	0.00%	-	-2.21%	(2.41)
Generic Partners (SA) Pty Limited	0.00%	(0.33)	-0.10%	(0.33)	0.00%	-	-0.30%	(0.33)
Generic Partners UK Limited	0.07%	63.29	2.27%	7.22	0.00%	-	6.63%	7.22
Pharmacy Alliance Group Holdings Pty Limited	0.00%	(0.02)	3.99%	12.69	0.00%	-	11.66%	12.69
Pharmacy Alliance Investments Pty Limited	0.83%	728.18	2.04%	6.48	0.00%	-	5.95%	6.48
Pharmacy Alliance Pty Limited	0.36%	318.32	28.98%	92.06	0.00%	-	84.56%	92.06
Pharmapar Inc.	0.06%	56.16	4.26%	13.52	0.00%	-	12.42%	13.52
Shasun Pharma Solutions Inc.	0.00%	(0.33)	0.03%	0.09	0.00%	-	0.08%	0.09
Smarterpharm Pty Limited	0.04%	36.80	2.51%	7.97	0.00%	-	7.32%	7.97
Stabilis Pharma Inc.	0.00%	0.15	0.01%	0.04	0.00%	-	0.04%	0.04
Stelis Biopharma (Malaysia) SDN. BHD.	0.10%	85.51	1.05%	3.34	0.00%	-	3.07%	3.34
Strides Arcolab (Australia) Pty Limited	6.17%	5,436.29	-107.15%	(340.37)	0.00%	-	-312.64%	(340.37)
Strides Arcolab International Limited	4.25%	3,743.71	-281.48%	(894.13)	0.00%	-	-821.28%	(894.13)
Strides CIS Limited	0.01%	6.19	-2.40%	(7.61)	0.00%	-	-6.99%	(7.61)

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Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated net assets	₹ in Million	As % of consolidated net assets	₹ in Million	As % of consolidated net assets	₹ in Million
Strides Consumer LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Life Sciences Limited	-0.08%	(74.70)	-11.10%	(35.26)	0.00%	-	-32.39%	(35.26)
Strides Pharma (Cyprus) Limited	1.17%	1,034.13	-296.11%	(940.58)	0.00%	-	-863.95%	(940.58)
Strides Pharma (SA) Pty Limited	0.04%	31.22	-1.61%	(5.11)	0.00%	-	-4.69%	(5.11)
Strides Pharma Global (UK) Limited	1.69%	1,486.39	-130.27%	(413.81)	-5.00%	10.44	-370.51%	(403.37)
Strides Pharma Asia Pte Limited	16.28%	14,352.42	800.78%	2,543.68	0.00%	-	2336.44%	2,543.68
Strides Pharma Canada Inc.	0.22%	193.21	-7.96%	(25.27)	0.00%	-	-23.21%	(25.27)
Strides Pharma Global Pte Limited	17.93%	15,800.75	-410.83%	(1,304.99)	148.20%	(309.42)	-1482.88%	(1,614.41)
Strides Global Consumer Healthcare Limited	0.00%	-	-0.68%	(2.16)	0.00%	-	-1.98%	(2.16)
Strides Pharma Inc.	3.67%	3,234.70	115.77%	367.73	0.00%	-	337.77%	367.73
Strides Pharma International Limited	1.08%	953.31	-117.92%	(374.58)	0.00%	-	-344.06%	(374.58)
Strides Pharma UK Limited	0.66%	577.57	86.62%	275.15	0.00%	-	252.73%	275.15
Strides Shasun Latina, SA de CV	0.02%	16.94	-1.79%	(5.70)	0.00%	-	-5.24%	(5.70)
Strides Specialties (Holdings) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Vivimed Pte Limited	0.17%	148.93	-10.17%	(32.30)	0.00%	-	-29.67%	(32.30)
SVADS Holdings SA	0.39%	347.30	-2.33%	(7.39)	0.00%	-	-6.79%	(7.39)
Trinity Pharma Proprietary Limited	0.07%	59.52	10.51%	33.37	0.00%	-	30.65%	33.37
Universal Corporation Limited	1.15%	1,013.72	-17.35%	(55.10)	0.00%	-	-50.61%	(55.10)
Vensun Pharmaceuticals Inc.	-2.55%	(2,250.02)	-3.57%	(11.34)	0.00%	-	-10.42%	(11.34)
Indian Associates:								
Stelis Biopharma Private Limited	0.00%	-	-45.52%	(144.59)	0.00%	-	-132.81%	(144.59)
Strides Consumer Private Limited	0.00%	-	-16.53%	(52.50)	0.00%	-	-48.22%	(52.50)
Vivimed Life Sciences Private Limited	0.00%	-	-48.97%	(155.55)	0.00%	-	-142.88%	(155.55)
Foreign Associates:								
Aponia Laboratories Inc.	0.00%	-	0.85%	2.70	0.00%	-	2.48%	2.70
Generic Partners (R&D) Pte Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Regional Bio Equivalence Centre S.C.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Stelis Pte Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Consumer LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Global Consumer Healthcare Limited	0.00%	-	-33.69%	(107.03)	0.00%	-	-98.31%	(107.03)
Foreign Joint ventures:								
MyPak Solutions Australia Pty Limited (formerly MyPak Solutions Pty Limited)	0.00%	-	-8.26%	(26.24)	0.00%	-	-24.10%	(26.24)
Oraderm Pharmaceuticals Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
MyPak Solutions Pty Limited (formerly Practi Health Pty Limited)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Practisoft Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**88,139.01**	**100.00%**	**317.65**	**100.00%**	**(208.78)**	**100.00%**	**108.87**
a) Adjustments arising out of consolidation		**(61,651.97)**		**2,981.10**		**(427.21)**		**2,553.89**
b) Minority Interest in all subsidiaries:								
Foreign Subsidiaries:								
- Apollo Life Sciences Holdings Proprietary Limited		(0.65)		0.26		(0.02)		0.24
- Arrow Phamaceuticals Pty Limited		0.01		-		-		-
- Beltapharm SpA		(6.03)		0.27		(0.27)		-
- Generic Partners (Canada) Inc		2.19		13.57		(1.34)		12.23
- Generic Partners (M) SDN BHD		-		(0.01)		-		(0.01)
- Generic Partners Pty Limited		239.34		(64.11)		6.94		(57.17)

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Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated net assets	₹ in Million	As % of consolidated net assets	₹ in Million	As % of consolidated net assets	₹ in Million
- Generic Partners Holding Co Pty Limited		352.72		17.75		(0.05)		17.70
- Generic Partners (International) Pte Limited		1.91		1.87		(0.02)		1.85
- Generic Partners (NZ) Limited		(2.31)		1.17		(0.01)		1.16
- Generic Partners (SA) Pty Limited		-		0.06		-		0.06
- Generic Partners UK Limited		-		(2.29)		1.58		(0.71)
- Pharmacy Alliance Group Holdings Pty Limited		(0.01)		-		-		-
- Pharmacy Alliance Pty Limited		200.93		(39.84)		2.68		(37.16)
- Pharmapar Inc.		20.98		(2.54)		0.06		(2.48)
- Smarterpharm Pty Limited		14.13		(3.78)		0.33		(3.45)
- Strides Pharma Canada Inc.		-		7.39		-		7.39
- Strides Pharma (SA) Pty Limited		12.49		1.92		(0.22)		1.70
- Strides Shasun Latina, SA de CV		3.39		1.13		-		1.13
- Strides Vivimed Pte Limited		-		15.99		(0.08)		15.91
- Trinity Pharma Proprietary Limited		115.42		(5.33)		0.47		(4.86)
- Universal Corporation Limited		581.11		33.48		(8.33)		25.15
NCI eliminated on unrealised stock margin		(6.08)		(29.53)		-		(29.53)
Total		**28,016.58**		**3,246.18**		**(634.27)**		**2,611.91**

(i) Share of discontinued operations included above is as follows:

₹ in Million

Discontinued operation	Profit or loss	Other Comprehensive Income	Total Comprehensive Income
Strides API Research Centre ("SRC")	(40.43)	-	(40.43)
Manufacturing specialties business	2,738.74	-	2,738.74
Pharma generics business in Africa	11.11	-	11.11
Total	**2,709.42**	**-**	**2,709.42**

(ii) The amounts given here in respect of associates and joint ventures are the share of the Group in the profit or loss of the respective associates and joint ventures.

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Note No. 55 // Summarised financial information of material non wholly-owned subsidiaries as on March 31, 2019

₹ in Million

Sl. No.	Name of the subsidiary	Share -holding (%)	Summary of Financial Information									Dividend paid to Non controlling interest	Cash flows			
			Current Assets	Non-Current Assets	Current Liabilities	Non Current Liabilities	Equity attributable to owners	Non Controlling interest	Profit before taxation	Provision for taxation	Profit after taxation		Net cash inflow (outflow) from operating activities	Net cash inflow (outflow) from investing activities	Net cash inflow (outflow) from financing activities	Net cash inflow (outflow)
1	Generic Partners Pty Limited	51.00%	754.03	1,375.66	543.58	1,097.55	249.22	239.34	138.98	39.20	99.78	-	38.97	0.03	(0.72)	38.29
2	Generic Partners Holding Co Pty Limited	51.00%	739.44	0.09	4.87	-	381.94	352.72	(1.89)	-	(1.89)	-	0.09	-	-	0.09
3	Pharmacy Alliance Pty Limited	51.00%	428.44	304.02	-	322.40	209.13	200.93	119.74	35.65	84.09	6.01	101.96	(59.28)	(49.95)	(7.27)
4	Universal Corporation Limited	51.00%	1,311.63	1,502.55	633.32	994.91	604.84	581.11	(147.22)	(78.55)	(68.68)	-	252.59	(308.42)	56.01	0.18

Summarised financial information of material non wholly-owned subsidiaries as on March 31, 2018

₹ in Million

Sl. No.	Name of the subsidiary	Share -holding (%)	Summary of Financial Information									Dividend paid to Non controlling interest	Cash flows			
			Current Assets	Non-Current Assets	Current Liabilities	Non Current Liabilities	Equity attributable to owners	Non Controlling interest	Profit before taxation	Provision for taxation	Profit after taxation		Net cash inflow (outflow) from operating activities	Net cash inflow (outflow) from investing activities	Net cash inflow (outflow) from financing activities	Net cash inflow (outflow)
1	Generic Partners Pty Limited	51.00%	942.48	1,062.20	714.87	117.36	961.15	211.30	193.45	(38.55)	232.00	-	3.54	(34.98)	(0.42)	(31.86)
2	Generic Partners Holding Co Pty Limited	51.00%	12.63	741.22	4.99	-	389.30	359.56	(1.81)	-	(1.81)	-	0.06	-	-	0.06
3	Pharmacy Alliance Pty Limited	51.00%	453.93	290.14	324.02	73.28	176.86	169.91	129.33	41.69	87.64	9.78	109.69	(17.80)	(114.73)	(22.84)
4	Universal Corporation Limited	51.00%	1,228.05	1,332.50	903.83	481.64	599.29	575.79	47.33	61.56	(14.23)	-	139.95	(233.09)	92.97	(0.17)

Note No. 56 // Restated Consolidated Financial Statements for the year ended March 31, 2018 and April 1, 2017

Business combination relating to Arrow Pharmaceuticals Pty Limited, Australia

During the current year, the Group restated its comparatives to record deferred tax liability on certain intangibles acquired in a business combination consummated in fiscal 2016 (erroneously not recorded earlier) with a corresponding adjustment to goodwill. The impact of this adjustment in the earlier years is detailed below:

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Note No. 56 // Restated Consolidated Financial Statements for the year ended March 31, 2018 and April 1, 2017 (contd.)

Consolidated Balance Sheet as at March 31, 2018

₹ in Million

	As Reported	Restatement	Restated
A ASSETS			
I Non-current assets			
(a) Property, plant and equipment	6,648.06		6,648.06
(b) Capital work-in-progress	3,220.09		3,220.09
(c) Investment property	735.78		735.78
(d) Goodwill	9,147.09	1,679.84	10,826.93
(e) Other intangible assets	11,555.00		11,555.00
(f) Intangible assets under development	2,982.79		2,982.79
(g) Investment in associates and joint ventures	2,663.60		2,663.60
(h) Financial assets			
(i) Investments	101.41		101.41
(ii) Loans receivable	624.61		624.61
(iii) Other financial assets	16.29		16.29
(i) Deferred tax assets (net)	1,268.32	(33.16)	1,235.16
(j) Income tax assets (net)	1,198.29		1,198.29
(k) Other non-current assets	440.20		440.20
Total non-current assets	**40,601.53**	**1,646.68**	**42,248.21**
II Current assets			
(a) Inventories	5,520.24		5,520.24
(b) Financial assets			
(i) Investments	3,114.79		3,114.79
(ii) Trade receivables	8,821.78		8,821.78
(iii) Cash and cash equivalents	2,561.62		2,561.62
(iv) Other balances with banks	471.64		471.64
(v) Loans receivable	290.70		290.70
(vi) Other financial assets	348.18		348.18
(c) Other current assets	3,336.35		3,336.35
	24,465.30	-	24,465.30
(d) Assets classified as held for sale	370.61		370.61
Total current assets	**24,835.91**	**-**	**24,835.91**
TOTAL ASSETS	**65,437.44**	**1,646.68**	**67,084.12**
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	895.00		895.00
(b) Other equity	23,650.61	90.97	23,741.58
Equity attributable to equity holders of the Company	**24,545.61**	**90.97**	**24,636.58**
Non- controlling interests	1,546.48		1,546.48
Total Equity	**26,092.09**	**90.97**	**26,183.06**
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15,513.23		15,513.23
(ii) Other financial liabilities	3,924.06		3,924.06
(b) Provisions	165.52		165.52
(c) Deferred tax liabilities (net)	653.25	1,555.71	2,208.96
(d) Other non-current liabilities	96.26		96.26
Total non-current liabilities	**20,352.32**	**1,555.71**	**21,908.03**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	9,443.94		9,443.94
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	44.67		44.67
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	7,076.02		7,076.02
(iii) Other financial liabilities	590.57		590.57
(b) Provisions	570.13		570.13
(c) Current tax liabilities (net)	558.44		558.44
(d) Other current liabilities	677.91		677.91
	18,961.68	**-**	**18,961.68**
(e) Liabilities directly associated with assets classified as held for sale	31.35		31.35
Total current liabilities	**18,993.03**	**-**	**18,993.03**
Total liabilities	**39,345.35**	**1,555.71**	**40,901.06**
TOTAL EQUITY AND LIABILITIES	**65,437.44**	**1,646.68**	**67,084.12**

NOTES

forming part of the consolidated financial statements for the year ended March 31, 2019

Note No. 56 // Restated Consolidated Financial Statements for the year ended March 31, 2018 and April 1, 2017 (contd.)

Consolidated Balance Sheet as at April 01, 2017

₹ in Million

		As Reported	Restatement	Restated
A	**ASSETS**			
I	**Non-current assets**			
	(a) Property, plant and equipment	9,783.00		9,783.00
	(b) Capital work-in-progress	2,045.00		2,045.00
	(c) Investment property	705.97		705.97
	(d) Goodwill	9,616.24	1,692.20	11,308.44
	(e) Other intangible assets	9,691.10		9,691.10
	(f) Intangible assets under development	5,756.79		5,756.79
	(g) Investment in associates and joint ventures	2,135.63		2,135.63
	(h) Financial assets			
	(i) Investments	315.02		315.02
	(ii) Loans receivable	575.41		575.41
	(iii) Other financial assets	-		-
	(i) Deferred tax assets (net)	701.15		701.15
	(j) Income tax assets (net)	1,212.24		1,212.24
	(k) Other non-current assets	594.05		594.05
	Total non-current assets	**43,131.60**	**1,692.20**	**44,823.80**
II	**Current assets**			
	(a) Inventories	7,328.00		7,328.00
	(b) Financial assets			
	(i) Investments	12,795.38		12,795.38
	(ii) Trade receivables	9,959.13		9,959.13
	(iii) Cash and cash equivalents	3,223.27		3,223.27
	(iv) Other balances with banks	71.49		71.49
	(v) Loans receivable	72.35		72.35
	(vi) Other financial assets	1,264.93		1,264.93
	(c) Other current assets	3,203.65		3,203.65
	Total current assets	**37,918.20**	**-**	**37,918.20**
	TOTAL ASSETS	**81,049.80**	**1,692.20**	**82,742.00**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
	(a) Equity share capital	894.23		894.23
	(b) Other equity	26,594.00	50.49	26,644.49
	Equity attributable to equity holders of the Company	**27,488.23**	**50.49**	**27,538.72**
	Non- controlling interests	1,335.01		1,335.01
	Total Equity	**28,823.24**	**50.49**	**28,873.73**
II	**Liabilities**			
1	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	16,377.09		16,377.09
	(ii) Other financial liabilities	3,918.08		3,918.08
	(b) Provisions	251.93		251.93
	(c) Deferred tax liabilities (net)	585.80	1,641.71	2,227.51
	(d) Other non-current liabilities	54.97		54.97
	Total non-current liabilities	**21,187.87**	**1,641.71**	**22,829.58**
2	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13,939.56		13,939.56
	(ii) Trade payables			
	(a) total outstanding dues of micro enterprises and small enterprises	21.46		21.46
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	7,719.48		7,719.48
	(iii) Other financial liabilities	7,447.47		7,447.47
	(b) Provisions	466.62		466.62
	(c) Current tax liabilities (net)	700.73		700.73
	(d) Other current liabilities	743.37		743.37
	Total current liabilities	**31,038.69**	**-**	**31,038.69**
	Total liabilities	**52,226.56**	**1,641.71**	**53,868.27**
	TOTAL EQUITY AND LIABILITIES	**81,049.80**	**1,692.20**	**82,742.00**

NOTES

forming part of the consolidated financial statements for the year ended March 31, 2019

Note No. 56 // Restated Consolidated Financial Statements for the year ended March 31, 2018 and April 1, 2017 (contd.)

Statement of Profit and Loss for the year ended March 31, 2018

₹ in Million

		As Reported	Restatement	Restated
A.	**Continuing operations:**			
I	Revenue from operations	28,451.14		28,451.14
II	Other income	883.21		883.21
III	**Total Income (I+II)**	**29,334.35**	-	**29,334.35**
IV	Expenses			
	(a) Cost of materials consumed	8,474.99		8,474.99
	(b) Purchases of stock-in-trade	4,391.50		4,391.50
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	921.86		921.86
	(d) Employee benefits expense	4,340.51		4,340.51
	(e) Finance costs	1,962.43		1,962.43
	(f) Depreciation and amortisation expense	1,540.35		1,540.35
	(g) Other expenses	6,299.47		6,299.47
	Total Expenses (IV)	**27,931.11**	-	**27,931.11**
V	**Profit before exceptional items and tax (III - IV)**	**1,403.24**	-	**1,403.24**
VI	Exceptional items gain / (loss) net	(435.78)		(435.78)
VII	**Profit before tax (V + VI)**	**967.46**	-	**967.46**
VIII	Share of profit / (loss) of joint ventures and associates	(167.99)		(167.99)
IX	**Profit before tax (VII + VIII)**	**799.47**	-	**799.47**
X	Tax expense:			
	(a) Current tax	485.12		485.12
	(b) Deferred tax	(387.79)	(40.48)	(428.27)
	Total tax expense (X)	**97.33**	**(40.48)**	**56.85**
XI	**Profit after tax from continuing operations (IX - X)**	**702.14**	**40.48**	**742.62**
B.	**Discontinued operations**			
	(i) Profit / (Loss) from discontinued operations	(844.59)		(844.59)
	(ii) Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	7,103.09		7,103.09
	(iii) Tax expense of discontinued operations	157.27		157.27
XII	**Profit/(loss) after tax from discontinued operations**	**6,101.23**	-	**6,101.23**
XIII	**Profit for the year (XI + XII)**	**6,803.37**	**40.48**	**6,843.85**
XIV	Other comprehensive income			
A	(i) Items that will not be reclassified to profit or loss	(202.85)		(202.85)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.46		0.46
B	(i) Items that may be reclassified to profit or loss	(61.93)		(61.93)
	(ii) Income tax relating to items that may be reclassified to profit or loss	104.05		104.05
	Total other comprehensive income for the year, net of tax (XIV)	**(160.27)**	-	**(160.27)**
XV	**Total comprehensive income for the year (XIII + XIV)**	**6,643.10**	**40.48**	**6,683.58**
	Profit for the period attributable to:			
	- Owners of the Company	6,604.69	40.48	6,645.17
	- Non-controlling interests	198.68	-	198.68
		6,803.37	**40.48**	**6,843.85**
	Other comprehensive income for the year			
	- Owners of the Company	(155.14)		(155.14)
	- Non-controlling interests	(5.13)		(5.13)
		(160.27)	-	**(160.27)**
	Total comprehensive income for the year			
	- Owners of the Company	6,449.55	40.48	6,490.03
	- Non-controlling interests	193.55	-	193.55
		6,643.10	**40.48**	**6,683.58**

NOTES

forming part of the consolidated financial statements for the year ended March 31, 2019

Note No. 56 // Restated Consolidated Financial Statements for the year ended March 31, 2018 and April 1, 2017 (contd.)

Statement of Profit and Loss for the year ended March 31, 2018 (Contd.)

₹ in Million

	As Reported	Restatement	Restated
Earnings per equity share (of ₹10/- each) (for continuing operations):			
(1) Basic	5.63	0.45	6.08
(2) Diluted	5.62	0.46	6.08
Earnings per equity share (of ₹10/- each) (for discontinued operations):			
(1) Basic	68.18	(0.01)	68.17
(2) Diluted	68.16	(0.01)	68.15
Earnings per equity share (of ₹10/- each) (for discontinued and continuing operations):			
(1) Basic	73.81	0.44	74.25
(2) Diluted	73.78	0.45	74.23

Note No. 57 // Events after reporting period

On May 10, 2019, the Board of Directors of the Company has proposed a final dividend of ₹3 per equity share. The proposed dividend is subject to the approval of the shareholders in the annual general meeting.

Note No. 58 //

During the year ended March 31, 2019, no material foreseeable loss (March 31, 2018: Nil) was incurred for any long-term contract including derivative contracts.

Note No. 59 //

The previous year's figures have been re-grouped/ reclassified, where necessary to conform to current year's classification.

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
Bengaluru, May 10, 2019

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director
DIN: 00084845

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership No.: A30515

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

To the Members of Strides Pharma Science Limited
(*formerly known as Strides Shasun Limited*)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Strides Pharma Science Limited (*formerly known as Strides Shasun Limited*) ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Impact on adoption of new revenue standard

[Refer Significant Accounting Policies and note 4 to the Standalone Financial Statements]

The key audit matter	How the matter was addressed in our audit
The Company has adopted *Ind AS 115: Revenue from Contracts with Customers* effective 1 April 2018 using the modified retrospective approach, with the cumulative effect of initially applying the impact of any change being recorded in opening equity as at 1 April 2018. The core principle of this standard is that the Company shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Under Ind AS 115, the Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer which is different from transfer of risk and rewards under the old revenue standard. Additionally, the Company also evaluated its out-licensing arrangements with reference to upfront non-refundable fees received in earlier periods.	With reference to revenue recognition from sale of goods and from licensing income arrangements, we reviewed management's assessment of key terms of the contract to determine transfer of control of goods, underlying contracts and evaluated the appropriateness of the key judgments and estimates made by management. We also reviewed management's assessment whether the rights transferred under these arrangements qualified for revenue recognition and in particular whether the underlying performance obligations meet the criteria of being distinct and hence can be segregated from other obligations under the arrangement.

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

Key Audit Matters (Contd.)

Impact on adoption of new revenue standard

[Refer Significant Accounting Policies and note 4 to the Standalone Financial Statements]

The key audit matter	How the matter was addressed in our audit
With respect to control evaluation and out-licensing arrangements, the risk is to determine timing of transfer of control considering all the terms of the contract, shipping terms, whether all the identified performance obligations meet the criteria of being distinct and consequently its impact on timing and pattern of revenue recognition. Pursuant to the above, implementation of the new revenue standard requires management to apply judgment in carrying out the above evaluations and hence has been an area of focus for us.	

Carrying value of investments in subsidiaries:

[Refer Significant Accounting Policies and note 8(i)to the Standalone Financial Statements]

The key audit matter	How the matter was addressed in our audit
The carrying amount of investments in subsidiaries accounts for 38% of the total assets of the Company as at 31 March 2019.	Testing operating effectiveness of controls over the review of the impairment analysis.
The annual impairment testing was significant to our audit, because of the financial quantum of the assets it supports as well as the fact that the testing relies on critical judgements, estimates and assumptions.	We evaluated the forecasts by comparing them with the historical growth trends, agreeing the forecast used in prior year models to its actual performance of the business and also agreed to the board of directors / management approved plans
Significant judgment is required in forecasting the future cash flows, together with the rate at which they are discounted.	We involved our internal valuation specialists who review and comment on the reasonability of the methodology and approach used in the valuation carried out by the management for its carrying amount of investments. We reviewed the sensitivity analysis prepared by the Management to test the reasonably possible change in key assumptions used in the valuation carried out.

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the Standalone Ind AS Financial Statements and our Auditor's Report thereon) which we obtained prior to the date of this Auditor's Report, and the remaining sections of Annual Report, which are expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   As required by Section 143(3) of the Act, we report that:

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

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

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

INDEPENDENT AUDITOR'S REPORT

As at March 31, 2019

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a) The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 38.1 and 41 to the standalone financial statements;

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 53 to the standalone financial statements;

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

d) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
10 May 2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements of Strides Pharma Science Limited for the year ended 31 March 2019. We report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and basis our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following:

Particulars	Gross block (₹ in Million as at 31 March 2019)	Net Block (₹ in Million as at 31 March 2019)	Remarks
Freehold land admeasuring 5.44 Acres	201.42	201.42	The title deeds are not in the name of the company and are under dispute.
Freehold land and building admeasuring 22.48 acres	648.05	467.24	The title deeds are not in the name of the Company.
Building (Apartment admeasuring |750 sq. ft.	3.55	1.24	The title deeds are not in the name of the Company.

Refer note 50 to the standalone financial statements.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) Inventories apart from goods in transit have been physically verified by the Management during the year and the discrepancies noticed on such verification between the physical stock and book records were not material. In our opinion, the frequency of such verification is reasonable.

(iii) The Company has granted unsecured loans to Companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion and according to the information and explanations given to us, the terms and conditions on which the loans had been granted to the companies listed in the register maintained under Section 189 of the Act are not prejudicial to the company's interest.

(b) In the case of the loans granted to the companies listed in the Register maintained under Section 189 of the Act, the borrowers have been regular in the repayment of the principal and payment of interest, wherever stipulated.

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

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made and, guarantees and securities given.

(v) According to information and explanations given to us, the Company has not accepted any deposits. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of such records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements of Strides Pharma Science Limited for the year ended 31 March 2019. We report that:

provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax, which have not been deposited with the appropriate authorities on account of any disputes other than those set out below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in Million)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2008-09	190.42 (net of tax paid under protest of 223.14)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2009-10	250.60 (net of tax paid under protest of 307.56)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2011-12	75.14 (net of tax paid under protest of 59.98)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2012-13	155.86 (net of tax paid under protest of 1.62)
Central Excise Act, 1944	Central Excise	Customs, Excise and Service Tax Appellate Tribunal	Various dates	14.04
Central Excise Act, 1944	Central excise	CCE	Various dates	5.20
Central Excise Act, 1944	Central Excise	Customs, Excise and Service Tax Appellate Tribunal	Various dates	481.20 (net of tax paid under protest of 24.51)
Central Excise Act, 1944	Central Excise	Commissioner of Central Tax	Various dates	63.06
The Finance Act, 1994	Service tax	Customs, Excise and Service Tax Appellate Tribunal	Various dates	25.67 (net of tax paid under protest of 0.35)
Andhra Pradesh Value Added Tax Act, 2005	Andhra Pradesh Value Added Tax	Deputy Commissioner of Commercial Tax	2013-14	18.14

(viii) 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 did not have any borrowings during the year by way of debentures or from government.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of public issue or further public offer (including debt instruments) during the year. The term loans raised by the Company have been applied for the purpose for which they were raised.

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements of Strides Pharma Science Limited for the year ended 31 March 2019. We report that:

(x) According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly para 3 (xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
10 May 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF STRIDES PHARMA SCIENCE LIMITED ("THE COMPANY") FOR THE YEAR ENDED 31 MARCH 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Strides Pharma Science Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF STRIDES PHARMA SCIENCE LIMITED ("THE COMPANY") FOR THE YEAR ENDED 31 MARCH 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
10 May 2019

BALANCE SHEET

As at March 31, 2019

₹ in Million

			Note	March 31, 2019	March 31, 2018
A	ASSETS				
I	Non-current assets				
	(a)	Property, plant and equipment	5	4,445.93	4,325.08
	(b)	Capital work-in-progress		725.57	868.91
	(c)	Investment property	6	768.80	659.98
	(d)	Other intangible assets	7	521.38	654.52
	(e)	Intangible assets under development		499.03	569.65
	(f)	Financial assets			
		(i) Investments	8(i)	19,945.88	14,651.93
		(ii) Loans receivable	9(i)	916.12	374.94
		(iii) Other financial assets	10(i)	-	3,989.32
	(g)	Deferred tax assets (net)	11	801.22	535.09
	(h)	Income-tax assets (net)	12(i)	1,161.31	1,106.54
	(i)	Other non-current assets	13(i)	206.87	120.25
	Total non-current assets			29,992.11	27,856.21
II	Current assets				
	(a)	Inventories	14	4,733.41	2,696.28
	(b)	Financial assets			
		(i) Investments	8(ii)	1,542.86	3,114.79
		(ii) Trade receivables	15	5,825.60	4,493.65
		(iii) Cash and cash equivalents	16	694.73	723.00
		(iv) Other balances with banks	17	1,113.40	74.89
		(v) Loans receivable	9(ii)	276.00	262.34
		(vi) Other financial assets	10(ii)	1,127.48	1,327.93
	(c)	Other current assets	13(ii)	1,322.38	1,931.93
				16,635.86	14,624.81
	(d)	Assets classified as held for sale		-	370.61
	Total current assets			16,635.86	14,995.42
	TOTAL ASSETS			46,627.97	42,851.63
B	EQUITY AND LIABILITIES				
I	Equity				
	(a)	Equity share capital	18	895.49	895.00
	(b)	Other equity	19	31,672.49	30,725.16
	Total equity			32,567.98	31,620.16
II	Liabilities				
1	Non-current liabilities				
	(a)	Financial liabilities			
		(i) Borrowings	20(i)	1.52	24.45
		(ii) Other financial liabilities	21(i)	33.38	25.79
	(b)	Provisions	22(i)	128.78	133.21
	(c)	Other non-current liabilities	23(i)	6.38	7.54
	Total non-current liabilities			170.06	190.99
2	Current liabilities				
	(a)	Financial liabilities			
		(i) Borrowings	20(ii)	8,087.98	6,015.91
		(ii) Trade payables	24		
		- Total outstanding dues of micro enterprises and small enterprises		57.36	44.67
		- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,036.65	3,862.57
		(iii) Other financial liabilities	21(ii)	259.33	210.19
	(b)	Provisions	22(ii)	213.08	268.36
	(c)	Current tax liabilities (net)	25	1.30	113.83
	(d)	Other current liabilities	23(ii)	234.23	493.60
				13,889.93	11,009.13
	(e)	Liabilities directly associated with assets classified as held for sale		-	31.35
	Total current liabilities			13,889.93	11,040.48
	Total liabilities			14,059.99	11,231.47
	TOTAL EQUITY AND LIABILITIES			46,627.97	42,851.63

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

As per our report of even date attached
for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
Bengaluru, May 10, 2019

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director
DIN : 00084845

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership No.: A30515

STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2019

₹ in Million

		Note	March 31, 2019	March 31, 2018
A.	**Continuing operations:**			
1	Revenue from operations	26	15,374.38	14,696.06
2	Other income	27	1,146.05	1,561.99
3	**Total income (1+2)**		**16,520.43**	**16,258.05**
4	Expenses			
	(a) Cost of materials consumed		9,037.66	7,591.50
	(b) Purchase of stock-in-trade		205.79	398.88
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(455.17)	(177.87)
	(d) Employee benefits expense	29	2,232.12	2,245.35
	(e) Finance costs	30	540.92	819.70
	(f) Depreciation and amortisation expense	31	830.02	778.05
	(g) Other expenses	32	2,798.30	2,647.84
	(h) Foreign exchange (gain) / loss-net		165.24	19.46
	Total expenses		**15,354.88**	**14,322.91**
5	Profit before exceptional items and tax (3-4)		1,165.55	1,935.14
6	Exceptional items gain / (loss) (net)	33	(35.24)	(293.81)
7	**Profit before tax (5+6)**		**1,130.31**	**1,641.33**
8	Tax expense	34		
	(a) Current tax		246.27	373.22
	(b) Deferred tax		(260.06)	(296.37)
	Total tax expense		**(13.79)**	**76.85**
9	**Profit for the year from continuing operations (7-8)**		**1,144.10**	**1,564.48**
B.	**Discontinued operations:**			
10	Profit / (loss) from discontinued operations	38.5	-	(921.77)
11	Gain/ (loss) on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	38.5	(47.01)	8,438.43
12	**Profit/ (loss) before tax from discontinued operations**		**(47.01)**	**7,516.66**
13	Tax expense of discontinued operations	38.5	(6.58)	165.23
14	**Profit / (loss) after tax from discontinued operations (12-13)**		**(40.43)**	**7,351.43**
C	**Total operations**			
15	Profit for the year (9+14)		1,103.67	8,915.91
16	Other comprehensive income/ (expense)			
	A) (i) Items that will not be reclassified to profit or loss	37	(7.71)	(1.33)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	37	3.18	0.46
	B) (i) Items that may be reclassified to profit or loss	37	150.23	(300.65)
	(ii) Income tax relating to items that may be reclassified to profit or loss	37	(52.63)	104.05
	Total other comprehensive income for the year, net of tax		**93.07**	**(197.47)**
17	**Total comprehensive income for the year (15+16)**		**1,196.74**	**8,718.44**
18	Earnings per equity share (of ₹10/- each) (for continuing operation)			
	- Basic	46	12.78	17.48
	- Diluted	46	12.77	17.48
19	Earnings per equity share (of ₹10/- each) (for discontinued operation)			
	- Basic	46	(0.45)	82.16
	- Diluted	46	(0.45)	82.13
20	Earnings per equity share (of ₹10/- each) (for discontinued & continuing operations)			
	- Basic	46	12.33	99.64
	- Diluted	46	12.32	99.61

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
Bengaluru, May 10, 2019

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director
DIN : 00084845

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership No.: A30515

STATEMENT OF CHANGES IN EQUITY

for the Years ended March 31, 2019 and March 31, 2018

A) Equity share capital

₹ in Million

Particulars	Amount
Balance as at April 1, 2017	**894.23**
Changes in equity share capital during the year	
- Shares issued pursuant to exercise of stock options (refer note 42)	0.77
Balance as at March 31, 2018	**895.00**
Changes in equity share capital during the year	
- Shares issued pursuant to exercise of stock options (refer note 42)	0.49
Balance as at March 31, 2019	**895.49**

B) Other equity

₹ in Million

Particulars	Note reference	Share application money pending allotment	Reserves and surplus							Items of other comprehensive income		Total
			Capital reserve	Securities premium account		Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Effective portion of cash flow hedge	Re - measurement of the defined benefit liabilities / (assets)	
				Securities premium	Reserve for Business Restructure (BRR)							
Balance as at April 1, 2017		**-**	**123.67**	**18,879.21**	**3,846.38**	**601.61**	**88.55**	**3,836.44**	**3,930.01**	**222.64**	**(97.47)**	**31,431.04**
Profit/loss for the year		-	-	-	-	-	-	-	8,915.91	-	-	8,915.91
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	(196.60)	(0.87)	(197.47)
Total comprehensive income		-	-	-	-	-	-	-	**8,915.91**	**(196.60)**	**(0.87)**	**8,718.44**
Adjustments pursuant to Scheme of Demerger	38.2	-	-	(1,971.57)	-	-	-	-	(7,038.43)	-	-	(9,010.00)
Dividend (including tax on dividend)		-	-	-	-	-	-	-	(478.20)	-	-	(478.20)
Issue of shares on exercise of stock options		1.44	-	61.78	-	-	(27.68)	-	-	-	-	35.54
Employee stock compensation expenses (including expenses pertaining to discontinued operations)	42	-	-	-	-	-	28.34	-	-	-	-	28.34
Balance as at March 31, 2018		**1.44**	**123.67**	**16,969.42**	**3,846.38**	**601.61**	**89.21**	**3,836.44**	**5,329.29**	**26.04**	**(98.34)**	**30,725.16**

STATEMENT OF CHANGES IN EQUITY

₹ in Million

Particulars	Note reference	Share application money pending allotment	Reserves and surplus							Items of other comprehensive income		Total
			Capital reserve	Securities premium account		Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Effective portion of cash flow hedge	Re - measurement of the defined benefit liabilities / (assets)	
				Securities premium	Reserve for Business Restructure (BRR)							
Adjustments pursuant to adoption of IND AS 115, (net of tax)		-	-	-	-	-	-	-	(93.03)	-	-	(93.03)
Adjusted balance as at April 01, 2018		**1.44**	**123.67**	**16,969.42**	**3,846.38**	**601.61**	**89.21**	**3,836.44**	**5,236.26**	**26.04**	**(98.34)**	**30,632.13**
Profit/loss for the year		-	-	-	-	-	-	-	1,103.67	-	-	1,103.67
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	97.60	(4.53)	93.07
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,103.67**	**97.60**	**(4.53)**	**1,196.74**
Dividend (including tax on dividend)		-	-	-	-	-	-	-	(179.10)	-	-	(179.10)
Issue of shares on exercise of stock options		(1.44)	-	31.39	-	-	(16.43)	-	-	-	-	13.52
Employee stock compensation expenses (including expenses pertaining to discontinued operations)	42	-	-	-	-	-	9.20	-	-	-	-	9.20
Transferred to general reserve on stock option lapse		-	-	-	-	-	(6.28)	6.28	-	-	-	-
Balance as at March 31, 2019		**-**	**123.67**	**17,000.81**	**3,846.38**	**601.61**	**75.70**	**3,842.72**	**6,160.83**	**123.64**	**(102.87)**	**31,672.49**

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

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
Bengaluru, May 10, 2019

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director
DIN : 00084845

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership No.: A30515

CASH FLOW STATEMENT

For the year ended March 31, 2019

₹ in Million

		March 31, 2019	March 31, 2018
Cash flow from operating activities			
Profit before income tax from			
- Continuing operations		1,130.31	1,641.33
- Discontinued operations		(47.01)	7,516.66
Profit before income tax (including discontinued operations)		**1,083.30**	**9,157.99**
Adjustments for:			
- Depreciation and amortisation expense		830.02	1,147.68
- Loss / (profit) on sale of property, plant and equipment and intangibles		0.47	25.32
- Gain/ (loss) on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		47.01	(8,438.43)
- Share based compensation expense		8.97	24.52
- Interest expense		506.60	1,158.76
- Interest income		(193.79)	(52.94)
- Income from current investment		(70.86)	(447.04)
- Dividend from subsidiaries		(254.99)	(496.09)
- Rental income from investment property		(84.15)	(61.30)
- Bad debts written off / provision for doubtful trade and other receivables		57.67	79.72
- Discounting of security deposits received		3.19	2.46
- Provision for diminution in value of investments (Refer note 8(i))		-	179.99
- (Gain) / loss on account of derivative contracts		-	(16.76)
- Net unrealised exchange loss/ (gain)		51.75	186.41
Operating profit before working capital changes		**1,985.19**	**2,450.29**
Changes in working capital:			
(Increase) / decrease in trade and other receivables		(308.86)	(2,349.68)
Decrease / (increase) in inventories		(2,037.16)	153.97
Increase in trade and other payables		1,099.10	581.77
(Increase) in margin money		(30.37)	(3.59)
Net change in working capital		**(1,210.36)**	**(1,617.53)**
Cash generated from operations		**774.83**	**832.76**
Income taxes paid		(375.15)	(176.84)
Net cash flow generated from operating activities	**A**	**399.68**	**655.92**
Cash flow from investing activities			
Capital expenditure on property, plant and equipment, including capital advance		(813.49)	(1,286.64)
Proceeds from sale of property, plant and equipment and intangible assets		40.69	52.94
Capital expenditure on intangible assets		(47.81)	(689.79)
Short-term investments in mutual funds		-	(1,927.51)
Proceeds from sale of investment in mutual funds		1,585.36	9,722.42
Investments in subsidiaries and other entities		(2,261.32)	(6,541.65)
Proceeds from sale of investments		760.08	908.29
Proceeds from sale of business division, net of expenses (Refer note 38)		280.62	3,887.13
Repayment of loan from others		-	100.00
Advance taken / loan repaid from subsidiaries		150.00	948.32
Repayment of advance/ loan to subsidiaries		(842.55)	(1,380.72)
Interest and dividends received		422.46	622.14
Rental income from investment property		87.35	61.15
Investments in fixed deposits with maturity of more than 3 months		(1,018.75)	-
Repayment of rent deposit received		(3.19)	(2.46)
Net cash flow generated from / (utilised) in investing activities	**B**	**(1,660.55)**	**4,473.61**

CASH FLOW STATEMENT

For the year ended March 31, 2019

₹ in Million

		March 31, 2019	March 31, 2018
Cash flow from financing activities			
Proceeds from issue of equity shares		14.01	36.31
Proceeds from long-term borrowings		-	1,220.50
Repayment of long-term borrowings		(9.40)	(8,437.32)
Proceeds from short-term borrowings		1,915.25	1,753.70
Dividends paid (including taxes)		(179.46)	(442.86)
Interest paid on borrowings		(507.80)	(1,198.07)
Net cash utilised in financing activities	**C**	**1,232.60**	**(7,067.74)**
Net (decrease) / increase in cash and cash equivalents during the year	**(A+B+C)**	**(28.27)**	**(1,938.21)**
Cash and cash equivalents at the beginning of the year		723.00	2,805.21
Cash and cash equivalents classified as held for sale		-	(0.02)
Less: Pursuant to the scheme of demerger		-	(143.98)
Cash and cash equivalents at the end of the year*		**694.73**	**723.00**
*** Comprises:**			
Cash on hand		1.31	1.25
Balance with banks:			
- In current accounts		373.65	631.53
- In Escrow accounts		2.00	2.00
- In deposit accounts		37.43	28.93
- Funds-in-transit		280.34	59.29
Total		**694.73**	**723.00**

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

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director
DIN : 00084845

Badree Komandur
Executive Director- Finance
DIN: 07803242

Sampad Guha Thakurta
Partner
Membership No.: 060573
Bengaluru, May 10, 2019

Manjula R.
Company Secretary
Membership No.: A30515

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forming part of the standalone financial statements for the year ended March 31, 2019

Note No. 01 // General Information

Strides Pharma Science Limited (formerly Strides Shasun Limited) (the 'Company' or 'Strides') is a pharmaceutical company domiciled in India, with its registered office situated at 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400703 and corporate office in Bengaluru, India. The Company has changed its name from Strides Shasun Limited to Strides Pharma Science Limited with effect from July 18, 2018. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. Strides develops and manufactures a wide range of IP-led niche pharmaceutical products.

Note No. 02 // Basis of preparation of financial statements

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were approved by the Board of Directors and authorised for issue on May 10, 2019.

2.2 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest million, unless otherwise indicated.

2.3 Basis of measurement

These standalone financial statements have been prepared on the historical cost basis, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations; and
- Equity settled share based payments that are measured at fair value.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

2.4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2.2 — Assessment of functional currency;
- Note 3.2 — Revenue recognition: whether revenue from sale of product and services is recognised overtime or at a point of time:
- Note 3.15 and 47 — Financial instruments;
- Note 3.09, 3.10 and 3.11— Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 3.3 — Lease classification;
- Note 2.4.2.1 — Impairment of non financial assets:
- Note 43 — Measurement of defined benefit obligation; key actuarial assumptions;
- Note 42 — Share based payments;
- Note 3.8, 11, 38.1 and 41 (b) — Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets.

2.4.2 Assumption and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes.

2.4.2.1 Impairment of non-financial assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash

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forming part of the standalone financial statements for the year ended March 31, 2019

Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

2.4.2.2 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.4.2.3 Employee benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, attrition rate and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. (Refer note 43)

2.4.2.4 Share based compensation to employees

The Company has granted share based payment plans to its employees. Valuation models are used to calculate the expense for such share-based compensation to employees. These models require a number of assumptions to be made as input. These include financial assumptions as well as various assumptions around individual employee behaviour. (Refer note 42)

2.4.2.5 Litigations

As explained in note 38.1, the Company is a party to certain commercial disputes and has also received notification of claims for significant amounts. There are number of factors that may affect the ultimate outcome in respect of this matter and accordingly, it is difficult to assess the impact of these disputes with accuracy. (Refer note 41)

2.5 Operating cycle

As mentioned in para 1 above under 'Corporate information', the Company is into development and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

2.6 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

Note No. 03 // Significant accounting policies

3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 *Share-based Payment* at the acquisition date (see note 3.7.2); and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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3.2 Revenue from contracts with customers

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

3.2.1 Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

Profit share revenues

The Company from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners only when the collectability of the profit share becomes probable and a reliable measurement of the profit share is available. Otherwise, recognition is deferred to a subsequent period pending satisfaction of such collectability and measurability requirements. In measuring the amount of profit share revenue to be recognised for each period, the Company uses all available information and evidence, including any confirmations from the business partner of the profit share amount owed to the Company, to the extent made available before the date the Company's Board of Directors authorises the issuance of its financial statements for the applicable period.

Sale to distributors

The Company appoints distributors in various territories who purchases the goods from the Company and thereafter sells them in the territory. In case the distributor is acting as an agent, the Company defers revenue recognition till the time goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of control over the goods to the distributor.

Right to reject or return goods

The Company also sells its products to the customers with a right to return the goods within the specified period of time. If the probability of acceptance by the customer is uncertain, recognition of revenue is deferred till the expiry of right to return or acceptance by the customer whichever is earlier.

Price variations / Incentives

Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue.

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However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission.

Chargebacks / Reptos claims by the wholesalers / distributors and Price Protections

Chargebacks and reptos claims are estimated on the basis of the average trend of the past periods and recognised as reduction to revenue.

3.2.2 Sale of services

Revenue from services rendered, which primarily relate to contract research, is recognised in the statement of profit and loss as the underlying services are performed. Upfront payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

3.2.3 Royalty, sale of licenses and Intellectual property rights

The Company enters into certain dossier sales, royalties, licensing and supply arrangements with various parties. Income from licensing arrangements is generally recognised over the term of the contract. Some of these arrangements include certain performance obligations by the Company. Revenue from such arrangements is recognised in the period in which the Company completes all its performance obligations.

3.2.4 Export incentives

Export incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under specified schemes as applicable.

3.2.5 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 3.3.1 below.

3.2.6 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

3.2.7 Transition

The Company has adopted IND AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018). Accordingly, the information presented for the year ended March 31, 2018 has not been restated – i.e. it is presented, as previously reported, under IND AS 18 and related interpretations.

3.3 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.3.1 The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.3.2 The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised immediately in statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 3.5 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising

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under operating leases are recognised as an expense in the period in which they are incurred.

3.4 Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

3.5 Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

3.6 Employee benefits

3.6.1 Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

3.6.2 Post-employment benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.6.3 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating

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compensated absences is recognised is the period in which the absences occur.

3.7 Share-based payment arrangements

3.7.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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

3.7.2 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Company's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Company replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

3.8 Taxation

Income tax expense represents the sum of current tax and deferred tax.

3.8.1 Current tax

Current tax is calculated based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.9 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The non refundable payments made with respect to Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Dies and punches	: 4 years
Mobile phones	: 3 years
Certain factory buildings	: 18 years

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Individual assets costing less than ₹5,000 are depreciated in full in the year of purchase.

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

3.10 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life

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of 25-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

3.11 Intangible assets

3.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.11.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.11.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.11.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

3.11.5 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:
Registration and Brands : 10 years to 25 years
Software Licenses : 5 years

3.12 Impairment of assets

3.12.1 Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

3.12.2 Impairment of investment in subsidiaries, associates and joint ventures

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

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3.12.3 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

3.13 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost is determined as follows:

Raw materials, packing materials and stores and spares: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads and excise duty, wherever applicable

Stock-in trade: weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

3.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14.1 Onerous contracts

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

3.14.2 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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3.15 Financial instruments

3.15.1 Investment in subsidiaries, associates and joint ventures

The Company has accounted for its investments in subsidiaries, associates and joint ventures at cost less impairment.

3.15.2 Other financial assets and financial liabilities

Other financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

3.15.3 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

3.15.4 Financial guarantee contracts

The Company enters into financial guarantee contracts with its subsidiaries. At the inception of a financial guarantee contract, a liability is recognised initially at fair value and then subsequently at the higher of the estimated loss and amortised cost, the changes in subsequent measurement being recognised in the Statement of Profit and Loss. Where a guarantee is issued for a consideration, a financial asset of an amount equal to the liability is initially recognised at amortised cost. Where a guarantee is issued for no consideration, the fair value is recognised as additional investment in the entity to which the guarantee relates.

3.15.5 Derivative financial instruments and hedge accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps and forward contracts to mitigate the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

Hedges that meet the criteria for hedge accounting are accounted for as follows:

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a) Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

b) Fair value hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

3.16 Exceptional items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

3.17 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.18 Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

3.19 Standards / amendments not yet effective

Ind AS 116- Leases

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 'Leases' (New lease Standard), which replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used

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to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from existing accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. The Company intends to adopt these standards, if applicable, when they become effective. As the Standalone does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Standalone Financial Statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019 , the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over Income Tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatments, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (or loss), tax base, unused tax losses, unused tax credits and tax rates.

The standard permits two possible method of transition – i) Full retrospective approach- Under this approach, Appendix C will be applied retrospectively to each reporting period presented in accordance with Ind AS 8 – Accounting policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual period beginning on or after April 01, 2019. The Company will adopt the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on initial application i.e. April 01, 2019 without adjusting comparatives.

The effect of adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendments to Ind AS 12- Income taxes

On March 30, 2019 , the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarified that an entity shall recognise the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements

Amendment to Ind AS 19- plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendment require an entity:

— To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

— To recognise in profit or loss as part of past of service cost, or a gain or loss on settlement, any reduction in a surplus, even is that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company does not expect any impact from this amendment.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect any impact from this amendment.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

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Note No. 04 // Adoption of Ind AS 115, Revenue from Contracts with Customers

The Company has adopted Ind AS 115, Revenue from Contracts with Customers with effect from April 1, 2018, using the modified retrospective approach, with cumulative effect of initially applying the impact of any change being recorded in opening equity as at April 1, 2018.

The core principle of this standard is that the Company shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Under Ind AS 115, the Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer which is different from transfer of risk and rewards under the old revenue standard.

Additionally, the Company also evaluated its out-licensing arrangements with reference to upfront non-refundable fees received in earlier periods.

A. Revenue streams

The Company is primarily involved into development and manufacture of pharmaceutical products. Other operating revenue include support service, royalty income and export incentives.

₹ in Million

Particulars	Note	March 31, 2019	March 31, 2018
Sale of products	26	13,564.32	12,709.10
Sale of services	26	295.84	364.64
Other operating revenues	26	1,514.22	1,622.31
Total		**15,374.38**	**14,696.05**

B. Disaggregated revenue information

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

Revenue from contracts with customers

₹ in Million

Africa	683.65
Australia	389.61
Asia	5,821.19
North America	4,553.04
Europe	1,663.47
India	722.24
Others	26.96
	13,860.16
Revenue from other sources	
Other operating revenue	**1,514.22**
	1,514.22
Total revenue from operations	**15,374.38**

Geographical revenue is allocated based on the location of the customers.

C. Effects of adoption of Ind AS 115

The following table summarises the impact, net of tax, of transition to Ind As 115 on retained earnings as on April 1, 2018.

Impact on retained earnings

₹ in Million

Particulars	
Impact on account of Ind AS 115 adoption	(142.99)
Tax impact	49.96
Impact as on April 1, 2018	(93.03)

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Note No. 05 // Property, plant and equipment

₹ in Million

Particulars	Gross block							Accumulated depreciation / amortisations							Net block	
	As at April 1, 2018	Additions	Deletion on account of Demerger (Refer note 38.2)	Disposals	Classified as held for sale (Refer note 38.3)	Reclassification*	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Deletion on account of Demerger (Refer note 38.2)	Disposal	Reclassification*	Classified as held for sale (Refer note 38.3)	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Tangible assets:																
Land:																
- Freehold	845.36			-	-	(31.31)	814.05	-	-	-	-	-	-	-	814.05	845.36
	850.72	*15.72*	*21.08*	-	-	-	*845.36*	-	-	-	-	-	-	-	*845.36*	*850.72*
- Leasehold	48.13	-	-	-	-	-	48.13	-	-	-	-	-	-	-	48.13	48.13
	48.13	-	-	-	-	-	*48.13*	-	-	-	-	-	-	-	*48.13*	*48.13*
Buildings	1,207.19	153.46		-	-	(152.53)	1,208.12	228.88	55.10		-	(29.79)		254.19	953.93	978.31
	2,242.66	*121.32*	*1,140.92*	*15.87*	-	-	*1,207.19*	*202.36*	*94.04*	*63.89*	*3.63*	-	-	*228.88*	*978.31*	*2,040.30*
Plant and equipments	3,076.63	675.14	-	23.21	-	-	3,728.56	982.52	432.26		14.89	-		1,399.89	2,328.67	2,094.11
	6,209.59	*451.43*	*3,210.74*	*61.92*	*311.73*	-	*3,076.63*	*1,222.25*	*568.42*	*691.81*	*32.00*	-	*84.34*	*982.52*	*2,094.11*	*4,987.34*
Furniture and fixtures	107.76	3.60	-	-	-	-	111.36	46.28	10.48			-		56.76	54.60	61.48
	133.25	*28.58*	*37.24*	*2.00*	*14.83*	-	*107.76*	*37.24*	*18.91*	*5.61*	*1.31*	-	*2.95*	*46.28*	*61.48*	*96.01*
Vehicles	27.11	-	-	-	-	-	27.11	8.53	3.41			-		11.94	15.17	18.58
	53.09	*4.31*	*9.91*	*20.35*	*0.03*	-	*27.11*	*13.55*	*6.59*	*4.46*	*7.12*	-	*0.03*	*8.53*	*18.58*	*39.54*
Office equipments	487.69	51.12	-	1.47	-	-	537.34	208.58	98.17		0.79	-		305.96	231.38	279.11
	495.22	*191.37*	*160.24*	*2.16*	*36.50*	-	*487.69*	*178.60*	*120.74*	*70.33*	*1.02*	-	*19.41*	*208.58*	*279.11*	*316.62*
Total	**5,799.87**	**883.32**	**-**	**24.68**	**-**	**(183.84)**	**6,474.67**	**1,474.79**	**599.42**	**-**	**15.68**	**(29.79)**	**-**	**2,028.74**	**4,445.93**	**4,325.08**
Previous year	10,032.66	812.73	4,580.13	102.30	363.09	-	5,799.87	1,654.00	808.70	836.10	45.08	-	106.73	1,474.79	4,325.08	

* Represents transfer/ reclassified to investment property

Notes:

(i) Figures in italics relate to previous year.

(ii) The above assets other than to the extent mentioned in notes (iii), (iv), and (v) below, are owned by the company.

(iii) In 2008, the Company had entered into a lease cum sale agreement with Karnataka Industrial Area Development Board for purchase of land under a lease cum sale agreement. The Company is in the process of transferring the said land in its name.

(iv) Details of assets taken on finance lease

₹ in Million

Particulars	Gross block		Net block	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Office equipments	87.99	87.99	21.95	39.56
Total	**87.99**	**87.99**	**21.95**	**39.56**

(v) Disposals include disposal of assets relating to discontinued operations referred to in note 38.3.

(vi) Addition during the year includes capital expenditure towards research and development of ₹52.68 Million (as at March 31, 2018: ₹59.02 Million)

(vii) Properties, plant and equipment pledged as security towards borrowings by subsidiary and second pari passu charge towards working capital borrowings by the Company.

Note No. 06 // Investment property

₹ in Million

Particulars	Gross block						Accumulated depreciation						Net block	
	As at April 1, 2018	Additions	Deletion on account of Demerger (Refer note 38.2)	Disposals	Reclassification*	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Deletion on account of Demerger (Refer note 38.2)	Reclassification*	Disposals	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Land	115.96	-		-	31.31	147.27	-	-	-		-	-	147.27	115.96
	117.95	-	*1.99*	-	-	*115.96*	-	-	-		-	-	*115.96*	*117.95*
Building	660.44	-	-	-	152.53	812.97	116.42	45.23	-	29.79	-	191.44	621.53	544.02
	660.44	-	-	-		*660.44*	*77.67*	*38.75*	-		-	*116.42*	*544.02*	*582.77*
Total	776.40	-	-	-	183.84	960.24	116.42	45.23	-	29.79	-	191.44	768.80	659.98
Previous year	*778.39*	-	*1.99*	-	-	*776.40*	*77.67*	*38.75*	-	-	-	*116.42*	*659.98*	

* Transfer/ reclassified from Property, plant and equipment

Notes:

(i) Figures in italics relate to previous year.

(ii) Details of assets given under an operating lease

₹ in Million

Particulars	Gross block		Net block	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Freehold Land	147.27	115.96	147.27	115.96
Buildings	812.97	660.44	621.53	544.02
Total	**960.24**	**776.40**	**768.80**	**659.98**

(iii) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2019 has been arrived at ₹2,021 Million (as at March 31, 2018 : ₹817.73 Million) on the basis of a valuation carried out by independent valuers. The said valuers are registered with the authority which governs valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations. The inputs used are as follows:

- Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and
- Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

(iv) Investment properties pledged as security towards borrowings by subsidiary and second pari passu charge towards working capital borrowings by the Company.

(v) Amounts recognised in profit or loss for investment properties

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Rental income	73.91	56.08
Depreciation	(45.23)	(38.75)
Profit from investment properties	**28.68**	**17.33**

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Note No. 07 // Other intangible assets

₹ in Million

Particulars	Gross block						Accumulated amortisations						Net block	
	As at April 1, 2018	Additions	Deletion on account of Demerger (Refer note 38.2)	Disposals	Classified as held for sale (Refer note 38.3)	As at March 31, 2019	As at April 1, 2018	Amortisation for the year	Deletion on account of Demerger (Refer note 38.2)	Disposals	Classified as held for sale (Refer note 38.3)	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
- Internally generated:														
- Registrations and brands*	290.66	47.80	-	39.98	-	298.48	98.74	59.98		28.06		130.66	167.82	191.92
	122.14	*227.31*	*0.75*	*58.04*	-	*290.66*	*56.18*	*50.05*	*0.75*	*6.74*	-	*98.74*	*191.92*	*65.96*
- Others:														
- Registrations and brands	-	-	-	-	-	-	-				-	-	-	-
	2,026.10	-	-	*2,026.10*	-	-	*331.03*	*128.60*	-	*459.63*	-	-	-	*1,695.07*
- Software and licenses	675.23	16.35	-	-	-	691.58	212.63	125.39			-	338.02	353.56	462.60
	468.12	*267.75*	*48.69*	-	*11.95*	*675.23*	*120.07*	*121.58*	*23.44*	-	*5.58*	*212.63*	*462.60*	*348.05*
Total	**965.89**	**64.15**	**-**	**39.98**	**-**	**990.06**	**311.37**	**185.37**	**-**	**28.06**	**-**	**468.68**	**521.38**	**654.52**
Previous year	*2,616.36*	*495.06*	*49.44*	*2,084.14*	*11.95*	*965.89*	*507.28*	*300.23*	*24.19*	*466.37*	*5.58*	*311.37*	*654.52*	

* Additions represents product development expenditure capitalised during the year.

Notes:

(i) Figures in italics relate to previous year.

(ii) Disposals include disposal of assets relating to discontinued operations referred to in Note 38.4.

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Note No. 08 // Investments

Investments consist of the following:

(i) Investments - Non-current

₹ in Million

Particulars	March 31, 2019	March 31, 2018
(A) Investments in subsidiaries: (Carried at cost)		
Equity shares, unquoted		
- 28,526,329 (As at March 31, 2018: 21,188,445) shares of GBP 1 each fully paid up in Strides Arcolab International Limited, UK	4,467.74	2,544.46
- 438,000 (As at March 31, 2018: 438,000) shares of USD 1 each fully paid up in Strides Pharma International Limited, Cyprus	23.13	23.13
- 142 (As at March 31, 2018: 100) shares of SGD 1 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	11,476.68	26.68
- 12,788,136 (As at March 31, 2018: 12,788,136) shares of CHF 1 each fully paid up in SVADS Holdings SA, Switzerland	466.59	466.59
- 10,000 (As at March 31, 2018: 10,000) shares of ₹10 each fully paid up in Arrow Remedies Private limited, India	0.21	0.21
- 1,040,000 (As at March 31, 2018: 1,040,000) shares of ₹10 each fully paid up in Fagris Medica Private Limited, India	18.70	18.70
Less: Provision for diminution in value of investments	(18.70)	(18.70)
	-	-
- 160,000 (As at March 31, 2018: Nil) shares of ₹10 each fully Paid up in Arcolab Private Limited, India	1.60	-
- 28,266,880 shares of ₹10 each fully paid up in Vivimed Life Sciences Private Limited, India (refer note (b) below)	1,347.42	-
- (As at March 31, 2018: 1,000) shares of ₹100 each fully paid up in Strides Consumer Private Limited, India (refer note (c) below)	-	0.10
- Nil (As at March 31, 2018: 79,700,435) shares of ₹10 each fully paid up in Strides Chemicals Private Limited, India (refer note (a) below)	-	1,489.99
Less: Provision for diminution in value of investment (refer note (a) below)	-	(179.99)
Preference shares, unquoted		
- Nil (As at March 31, 2018: 174,872) redeemable preference shares of SGD 1,000 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	-	8,362.51
Total (A)	**17,783.37**	**12,733.68**
(B) Investments in associates:		
Equity shares, unquoted (Carried at cost)		
- 251,527 (As at March 31, 2018: 251,527) shares of ₹10 each fully paid up in Stelis Biopharma Private Limited, India	1,258.55	1,258.55
- 1,000 shares of ₹100 each fully paid up in Strides Consumer Private Limited, India (refer note (c) below)	0.10	-
- (As at March 31, 2018: 14,133,440) shares of ₹10 each fully paid up in Vivimed Life Sciences Private Limited, India (refer note (b) below)	-	658.62
Compulsorily Convertible Preference shares, unquoted (Carried at fair value through profit or loss)		
- 90,766 (As at March 31, 2018: Nil) shares of ₹10 each fully paid up in Stelis Biopharma Private Limited, India	750.00	-
Compulsorily Convertible Preference shares, unquoted (Carried at cost)		
- 1,538,615 (As at March 31, 2018: Nil) shares of ₹100 each fully paid up in Strides Consumer Private Limited, India (refer note (c) below)	153.86	-
Total (B)	**2,162.51**	**1,917.17**
(C) Other investments (Carried at fair value through profit or loss)		
Equity shares, unquoted		
- Nil (As at March 31, 2018: 56,909) shares of ₹10 each fully paid up in Beta Wind Farm Private Limited, India	-	1.08
Total (C)	**-**	**1.08**
Total [A+B+C]	**19,945.88**	**14,651.93**
Aggregate amount of unquoted investments	19,945.88	14,651.93
Aggregate amount financial assets carried at cost	19,945.88	14,650.85
Aggregate amount financial assets carried at fair value through profit or loss	-	1.08
Aggregate amount of provision for diminution in value of investments	(18.70)	(198.69)

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Refer note 39 for disclosures with respect to section 186(4) of Companies Act, 2013. Refer note 44 for related party transactions.

Note:

a) During the year, the Company obtained approval from the shareholders for sale of its wholly owned subsidiary 'Strides Chemicals Private Limited' to Solara Active Pharma Sciences Limited for a consideration of not less than ₹1,310 Million. Consequently, the wholly owned subsidiary has been sold on August 31, 2018 for a consideration of ₹1,310 Million. The balance consideration receivable as at March 31, 2019 is ₹551 Million. During the previous year, the Company provided for impairment loss of ₹179.99 Million in the Statement of Profit and Loss under Exceptional items.

b) During the year, the Company acquired the balance 50% equity shares of Vivimed Life Sciences Private Limited from Vivimed Labs Limited. With effect from March 29, 2019, Vivimed Life Sciences Private Limited became wholly owned subsidiary of the Company.

c) Strides Consumer Private Limited until March 31, 2018 was a wholly owned subsidiary of the Company (Strides). During the current year to meet its funding requirements, the company entered into definitive agreements with India Lifescience Fund III, LLC (ILF) for investment in Consumer Healthcare (CHC) business. On December 19, 2018, ILF invested in Strides Global Consumer Healthcare Ltd, UK (Step down subsidiary of the Company) and Strides Consumer Private Limited, India consequent to which the Company ceded its control over the entities carrying out CHC business. However, the Company continues to exercise significant influence and has classified its investments in CHC business as "Investment in Associates". The Company also converted the loan provided to Strides Consumer Private Limited amounting to ₹152.86 Million into Compulsorily Convertible Preference Shares as part of the above arrangement.

(ii) Investments - Current

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Quoted investments		
Investment in mutual funds:		
Investments measured at fair value through Profit and Loss:		
- Reliance Floating Rate Fund - Short Term Plan - Growth Plan (Units As at March 31, 2019: 12,382,228.616, March 31, 2018: 12,382,228.616)	361.96	339.33
- Reliance Money Market Fund- Direct Plan Daily Dividend Plan Dividend Reinvestment (Units As at Mach 31, 2019:202,389.652, March 31, 2018: Nil)	203.00	-
- IDFC Money Manager Fund - Direct Plan - Daily Dividend (Units As at March 31, 2019: 14,909,607.706 , March 31, 2018: Nil)	150.63	-
- L&T Liquid Fund Direct Plan - Daily Dividend Reinvestment Plan (Units As at March 31, 2019: 5,606.49, March 31, 2018: 5340.35)	5.68	5.41
- SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units As at March 31, 2019: 3,614.50, March 31, 2018: 3,444.399)	3.63	3.46
- ICICI Prudential Corporate bond fund- Direct Plan- Daily Dividend (Units As at March 31, 2019: 10,951,448.481 , March 31, 2018: Nil)	110.73	-
- ICICI Prudential Money market fund- Direct Plan- Daily Dividend (Units As at March 31, 2019: 3,548,020.85 , March 31, 2018: Nil)	355.62	-
- ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend (Units As at March 31, 2019: 4,389,269.791, March 31, 2018: 18,121,190.095)	46.47	189.52
- Yes Liquid Fund- Direct Plan- Daily Dividend (Units As at March 31, 2019: 151,403.14, March 31, 2018: Nil)	151.55	-
- Aditya Birla Sun life Money Manager Fund - Daily Dividend - Direct Plan (Units As at March 31, 2019:1,531,756.841 , March 31, 2018: Nil)	153.59	-
- ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend (Units As at March 31, 2019: Nil, March 31, 2018: 10,434,415.064)	-	105.51

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₹ in Million

Particulars	March 31, 2019	March 31, 2018
- ICICI Prudential Liquid - Direct Plan - Daily Dividend (Units As at March 31, 2019: Nil, March 31, 2018: 40,529.205)	-	4.06
- Birla Sun Life Fixed Term Plan-Series KW-Growth. Direct - Reinvestment (Units As at March 31, 2019: Nil , March 31, 2018: 12,278.49)	-	1.23
- Reliance Floating Rate Fund - Short Term Plan - Direct Monthly Dividend Plan (Units As at March 31, 2019: Nil , March 31, 2018: 93,906,412.869)	-	1,031.21
- Reliance Banking & PSU Debt Fund - Direct Monthly Dividend Plan (Units As at March 31, 2019: Nil, March 31, 2018: 47,453,064.062)	-	492.97
- Reliance Floating Rate Fund - Short Term Plan - Direct Daily - Dividend Reinvestment (Units As at March 31, 2019: Nil, March 31, 2018: 91,737,897.163)	-	928.96
- Reliance Liquid Fund - Treasury Plan - Daily dividend option (Units As at March 31, 2019: Nil, March 31, 2018: 8,581.157)	-	13.13
Total	**1,542.86**	**3,114.79**
The market value of quoted investments is equal to the carrying value and are highly liquid investments		

Note No. 09 // Loans receivable

Loans consist of the following:

(i) Long-term loans receivable

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Unsecured, Considered good:		
Security deposits *	138.20	148.53
Loans to:		
- Related parties (Refer note 44)	777.92	226.41
Total	**916.12**	**374.94**

* Includes security deposit given to related parties (Refer note 44)

(ii) Short-term loans receivable

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Unsecured, Considered good:		
Loans to:		
- Employees	26.00	12.34
- Related parties (Refer note 44)	250.00	-
- Other parties	-	250.00
Total	**276.00**	**262.34**

Note No. 10 // Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Application money paid towards securities to subsidiaries*		
- Strides Pharma Asia Pte Limited, Singapore	-	2,065.89
- Strides Arcolab International Limited, UK	-	1,923.43
Total	**-**	**3,989.32**

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(ii) Current financial assets

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Unsecured, Considered good:		
Receivables from related parties (Refer note 44)	46.16	934.51
Interest accrued on deposit	20.25	0.71
Interest accrued on loans and advances given	50.12	35.69
Derivative asset	190.20	46.77
Others:		
- Receivable from director (Refer note 44)	-	1.67
- Receivable towards sale of investment in subsidiaries (Refer note 44)	551.00	-
- Dividend receivable from subsidiaries (Refer note 44)	256.39	293.96
- Gratuity claim receivables	7.37	0.62
- Others	5.99	14.00
Total	**1,127.48**	**1,327.93**

Note No. 11 // Deferred tax balances

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	1,247.45	997.33
Deferred tax liabilities	(446.23)	(462.24)
Deferred tax assets/ liabilities (net)	**801.22**	**535.09**

₹ in Million

2018-2019	Opening balance	Recognised in equity	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Cash flow hedges	(13.79)	-	-	(52.63)	(66.42)
Property, plant and equipment	(306.77)	-	82.77	-	(224.00)
Intangible assets	(127.21)	-	(23.90)	-	(151.11)
FVTPL financial assets	(14.47)	-	9.77	-	(4.70)
Defined benefit obligation	48.96	-	(7.14)	3.18	45.00
Provision for employee benefits	114.78	-	34.49	-	149.27
Merger related expenses	24.16	-	(10.77)	-	13.39
Others	59.97	49.96	(61.23)	-	48.70
	(214.37)	**49.96**	**23.99**	**(49.45)**	**(189.87)**
MAT Credit entitlement	749.46	-	240.47	-	989.93
Tax losses	-	-	1.16	-	1.16
Total	**535.09**	**49.96**	**265.62**	**(49.45)**	**801.22**

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forming part of the standalone financial statements for the year ended March 31, 2019

₹ in Million

2017- 2018	Opening balance	Acquisitions/ disposals	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Cash flow hedges	(117.84)	-	-	104.05	(13.79)
Property, plant and equipment	(581.95)	209.19	65.99	-	(306.77)
Goodwill	(88.47)	-	88.47	-	-
Intangible assets	(82.86)	(1.63)	(42.72)	-	(127.21)
FVTPL financial assets	(26.05)	-	11.58	-	(14.47)
Defined benefit obligation	78.16	(42.07)	12.41	0.46	48.96
Provision for employee benefits	137.76	(47.86)	24.88	-	114.78
Merger related expenses	26.92	-	(2.76)	-	24.16
Others	60.95	(11.70)	10.72	-	59.97
	(593.38)	**105.93**	**168.57**	**104.51**	**(214.37)**
MAT Credit entitlement	468.69	-	280.77	-	749.46
Tax losses	318.07	-	(318.07)	-	-
Total	**193.38**	**105.93**	**131.27**	**104.51**	**535.09**

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a certain period and can be set off against the future tax liabilities. MAT is recognised as deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

Note No. 12 // Income tax assets (net)

The income tax assets consists of the following:

(i) Non-current income tax assets

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Advance income tax (net of provisions)	451.97	408.37
Taxes paid under protest	709.34	698.17
Total	**1,161.31**	**1,106.54**

Note No. 13 // Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Considered good:		
- Capital advances	155.25	66.08
- Prepaid expenses	2.04	1.57
- Lease equalisation asset	19.01	22.22
Balances with Government authorities:		
- VAT credit / refund receivable	1.36	1.36
- Indirect taxes paid under protest	24.42	24.23
Others:		
- Receivable from KIADB	4.79	4.79
Total	**206.87**	**120.25**

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forming part of the standalone financial statements for the year ended March 31, 2019

(ii) Other current assets

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Considered good:		
Advances to suppliers	224.07	213.48
Advances to employees	0.20	5.34
Advances to related parties (Refer note 44)	84.58	345.73
Advances to others	25.51	-
Prepaid expenses	168.57	114.38
Incentives receivables	199.19	321.14
Balances with Government authorities	620.26	931.86
Total	**1,322.38**	**1,931.93**

Note No. 14 // Inventories *

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Raw materials (including goods in transit)	3,488.23	1,937.07
Work-in-progress	468.60	256.07
Finished goods	625.53	395.96
Stock-in-trade	17.62	4.55
Stores and spares	133.43	102.63
Total	**4,733.41**	**2,696.28**

* Refer note 3.13 for mode of valuation of inventories.

The amount of write down of inventory recognised as an expense in the statement of profit and loss during the year is ₹82.46 Million (March 31, 2018: ₹176.75 Million)

Note No. 15 // Trade receivables

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Unsecured		
Considered good *	5,825.60	4,493.65
Credit impaired	92.23	173.22
	5,917.83	4,666.87
Less: Allowance for credit loss	(92.23)	(173.22)
Total	**5,825.60**	**4,493.65**

*Includes receivables from related parties (Refer note 44)

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Movement in expected credit loss allowance

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Balance at the beginning of the year	173.22	172.64
Written off during the year	(130.99)	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	50.00	0.58
Balance at end of the year	**92.23**	**173.22**

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forming part of the standalone financial statements for the year ended March 31, 2019

The Company has availed bill discounting facilities from the banks which do not meet the derecognition criteria for transfer of contractual rights to receive cash flows from the respective trade receivables since they are with recourse to the Company. Accordingly as at March 31, 2019, trade receivables balances include ₹296.81 Million (As at March 31, 2018: ₹484.92 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short- term borrowings.

Note No. 16 // Cash and cash equivalents

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Cash on hand	1.31	1.25
Balances with banks:		
- In current accounts	373.65	631.53
- In Escrow account	2.00	2.00
- In deposit accounts (Original maturity less than 3 months)	37.43	28.93
- Funds-in-transit	280.34	59.29
Total	**694.73**	**723.00**

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2019.

Note No. 17 // Other balances with banks

₹ in Million

Particulars	March 31, 2019	March 31, 2018
- In deposit accounts (Original maturity more than 3 months but less than 12 months)	1,018.75	-
In earmarked accounts:		
- Unpaid dividend accounts	56.28	66.89
- Unpaid shares accounts	0.33	0.33
- Group gratuity accounts	1.26	1.26
- Balance held as margin money against working capital facilities with banks	36.78	6.41
Total	**1,113.40**	**74.89**

Note No. 18 // Equity share capital

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Authorised		
176,750,000 equity shares of ₹10/- each with voting rights	1,767.50	1,767.50
(March 31, 2018: 176,750,000 Equity shares of ₹10/- each)		
	1,767.50	**1,767.50**
Issued, subscribed and fully paid-up		
89,549,476 equity shares of ₹10/- each with voting rights	895.49	895.00
(March 31, 2018: 89,500,035 equity shares of ₹10/- each)		
Total	**895.49**	**895.00**

NOTES

forming part of the standalone financial statements for the year ended March 31, 2019

(i) Reconciliation of number of shares and amount outstanding

₹ in Million

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	₹ in Million	No. of shares	₹ in Million
Equity share capital				
Equity share of ₹10/- each				
Balance at the beginning of the year	**89,500,035**	**895.00**	**89,423,006**	**894.23**
Changes in equity share capital during the year				
- Shares issued pursuant to exercise of stock options (Refer note 42)	49,441	0.49	77,029	0.77
Balance at the end of the year	**89,549,476**	**895.49**	**89,500,035**	**895.00**

(ii) Detail of the rights, preferences and restrictions attaching to each class of shares outstanding equity shares of ₹10/- each:

The Company has only one class of equity shares, having a par value of ₹10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of equity shares held by each shareholder holding more than 5% of equity shares:

₹ in Million

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	%	No. of shares	%
Pronomz Ventures LLP	12,665,000	14.14%	12,665,000	14.15%
SBI Magnum Multiplier Fund	-	0.00%	6,740,140	7.53%
SBI Arbitrage Opportunities Fund	8,656,213	9.67%	-	0.00%
Aditya Birla Sun Life Equity Advantage Fund	6,092,000	6.80%	175,200.00	0.20%

(iv) Details of equity shares of ₹10/- each reserved for issuance:

₹ in Million

Particulars	No. of shares	
	March 31, 2019	March 31, 2018
Towards employee stock options under the various Strides stock option plans (Refer note 42)	2,980,563	3,030,692
Total	**2,980,563**	**3,030,692**

(v) Buy back of shares, issue of bonus shares and shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the Balance sheet date.

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Note No. 19 // Other equity

₹ in Million

Particulars	Note	March 31, 2019	March 31, 2018
(A) Share application money pending allotment	19 (A)	-	1.44
(B) Reserves and Surplus			
i) Capital reserve	19 (B) (i)	123.67	123.67
ii) Securities premium account			
Securities premium	19 (B) (ii) (a)	17,000.81	16,969.42
Reserve for Business Restructure (BRR)	19 (B) (ii) (b)	3,846.38	3,846.38
iii) Capital redemption reserve	19 (B) (iii)	601.61	601.61
iv) Share options outstanding account	19 (B) (iv)	75.70	89.21
v) General reserve	19 (B) (v)	3,842.72	3,836.44
vi) Retained earnings	19 (B) (vi)	6,160.83	5,329.29
(C) Items of other comprehensive income			
i) Effective portion of cash flow hedge	19 (C) (i)	123.64	26.04
ii) Remeasurement of the defined benefit liabilities / (assets)	19 (C) (ii)	(102.87)	(98.34)
Total		**31,672.49**	**30,725.16**

₹ in Million

Particulars	March 31, 2019	March 31, 2018
(A) Share application money pending allotment		
Opening balance	1.44	-
Add: Received during the year	-	1.44
Less: Shares allotted during the year	(1.44)	-
Closing balance (A)	**-**	**1.44**
(B) Reserves and surplus		
(i) Capital reserve		
Opening balance	123.67	123.67
Add: Movement during the year	-	-
Closing balance	**123.67**	**123.67**
(ii) Securities premium account		
(a) Securities premium		
Opening balance	16,969.42	18,879.21
Add: Premium on shares issued during the year (Refer note 42)	31.39	61.78
Less: Pursuant to the scheme of demerger (Refer note 38.2)	-	(1,971.57)
Closing balance	**17,000.81**	**16,969.42**
(b) Reserve for Business Restructure (BRR)		
Opening balance	3,846.38	3,846.38
Add: Movement during the year	-	-
Closing balance	**3,846.38**	**3,846.38**
Total Securities premium	**20,847.19**	**20,815.80**
(iii) Capital redemption reserve		
Opening balance	601.61	601.61
Add: Movement during the year	-	-
Closing balance	**601.61**	**601.61**
(iv) Share options outstanding account (Refer notes 42)		
Opening balance	89.21	88.55
Add: Employee stock compensation expenses (including pertaining to discontinued operations and charged to subsidiary)	9.20	28.34
Less: Transferred to securities premium account on exercise (net)	(16.43)	(27.68)
Less: Transferred to general reserve on lapse	(6.28)	-
Closing balance	**75.70**	**89.21**

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₹ in Million

Particulars	March 31, 2019	March 31, 2018
(v) General reserve		
Opening balance	3,836.44	3,836.44
Add: Movement during the year	6.28	-
Closing balance	**3,842.72**	**3,836.44**
(vi) Retained earnings		
Opening balance	5,329.29	3,930.01
Adjustments pursuant to adoption of IND AS 115, (net of tax)	(93.03)	-
Adjusted opening balance	5,236.26	3,930.01
Add: Profit for the year	1,103.67	8,915.91
Less: Pursuant to the scheme of demerger (Refer note 38.2)	-	(7,038.43)
Final dividend on equity shares including taxes	(179.10)	(478.20)
Closing balance	**6,16 0.83**	**5,329.29**
Total Reserves and surplus (B)	**31,651.72**	**30,796.02**
(C) Items of other comprehensive income		
(i) Effective portion of cash flow hedge		
Opening balance	26.04	222.64
Add / (less): Movement during the year	150.23	(300.65)
Add / (less): Tax impact on above	(52.63)	104.05
Closing balance	**123.64**	**26.04**
(ii) Remeasurement of the defined benefit liabilities / (assets) (Refer note 43)		
Opening balance	(98.34)	(97.47)
Add / (less): Movement during the year	(7.71)	(1.33)
Add / (less): Tax impact on above	3.18	0.46
Closing balance	**(102.87)**	**(98.34)**
Total items of other comprehensive income (C)	**20.77**	**(72.30)**
Other equity [(A) + (B) + (C)]	**31,672.49**	**30,725.16**

Nature and purpose of other reserve

(a) Capital reserve

Capital reserve is created in the earlier years on account of FCCB's, Mergers and acquisitions and Demergers. It is utilised in accordance with the provisions of the Companies Act, 2013.

(b) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(c) Reserve for Business Restructure

The Scheme of restructuring approved by the shareholders on April 13, 2009 included a Scheme of Arrangement that envisaged the creation of a Reserve for Business Restructure(BRR) as set out in the Scheme. The Reserve was to be utilised by December 31, 2012 for specified purposes by either the Company or its subsidiaries. The balance of ₹3,846.38 Million identified under the Securities Premium Account represents amounts utilised by the subsidiaries of the Company from the Reserve prior to December 31, 2012 and have been earmarked for set off on consolidation.

(d) Capital redemption reserve

Capital redemption reserve is a statutory, non-distributable reserve into which the amounts are transferred following the redemption or purchase of Company's own shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(e) Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on excercise of the related stock options.

(f) General reserve

General reserves are the retained earnings of a Company which are apportioned out of Company's profits. General reserve is a free reserve which can be utilised for any purpose after fulfilling certain conditions in accordance with the provisions of the Companies Act, 2013.

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(g) **Retained earnings**
Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

(h) **Cash flow hedging reserve**
The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

(i) **Remeasurement of the defined benefit liabilities / (asset)**
The cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised with in this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

Note No. 20 // Borrowings

Borrowings consist of the following:

(i) Non-current borrowings

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Secured		
- Term loans from banks (Refer note (i) below)	1.52	3.62
- Finance lease obligation (Refer note (ii) below)	-	20.83
Total	**1.52**	**24.45**

Details of security and terms of repayment for the non-current borrowings:

₹ in Million

Terms of repayment and security	March 31, 2019	March 31, 2018
(i) Term loans from banks: Loan 1		
Long-term loan	1.52	3.62
Current maturities of long-term loan	2.11	2.39
Security: Hypothecation of assets procured from the term loans. Rate of interest: 9.2% p.a to 9.3% p.a. Repayment varies between 36 to 48 monthly instalments. The outstanding term as at March 31, 2019 is 20 instalments.		
(ii) Finance lease obligation:		
Long-term maturity of finance lease obligation	-	20.83
Current maturities of finance lease obligation	20.83	18.81
Security: Underlying assets Rate of interest: 10.37% p.a. Repayment terms: Repayable in 20 quarterly instalments commencing from July 2015. The outstanding term as at March 31, 2019 is 4 instalments.		
Total	**24.46**	**45.65**

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Disclosed under long term borrowings	1.52	24.45
Disclosed under other current financial liabilities :		
- Current maturities of long-term loans	2.11	2.39
- Current maturities of finance lease obligations	20.83	18.81
Total	**24.46**	**45.65**

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(ii) Current borrowings

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Current		
Secured loans repayable on demand from banks: (Refer note below)		
- Working capital loans	8,087.98	4,727.42
- Short-term loans	-	770.00
Unsecured loans		
- Loans repayable on demand from banks and others	-	518.49
Total	**8,087.98**	**6,015.91**

Note:

Details of security for the secured loans repayable on demand: Working capital and short term loans from banks are secured by first pari passu charge over current assets of the Company and second pari passu charge on movable and immovable fixed assets of the Company (other than land and building situated at Navi Mumbai and Hosur).

Rate of interest ranges from 3.45% to 11.25%

Net debt reconciliation

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Non-current borrowings	1.52	24.45
Current borrowings	8,087.98	6,015.91
Current maturities of non-current borrowings	22.94	21.20
Less:		
Cash and cash equivalents	694.73	723.00
Balances in deposit accounts (Refer note 17)	1,018.75	-
Current investments (highly liquid)	1,542.86	3,114.79
Net debt	**4,856.10**	**2,223.77**

Reconciliation	Cash and cash equivalents	Balances in deposit accounts	Current investments	Non Current borrowings (including current maturities)	Current borrowings	Total
As on April 1, 2018	**723.00**	**-**	**3,114.79**	**45.65**	**6,015.91**	**2,223.77**
Cash flows	(28.27)	1,018.75	(1,585.36)	-	1,915.25	2,510.13
Repayments	-	-	-	(9.40)	-	(9.40)
Others	-	-	13.43	(11.79)	156.82	131.60
As on March 31, 2019	**694.73**	**1,018.75**	**1,542.86**	**24.46**	**8,087.98**	**4,856.10**

Note No. 21 // Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Security deposits	33.38	25.79
Total	**33.38**	25.79

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(ii) Other current financial liabilities

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Current maturities of long-term loans from banks (Refer note 20(i) above)	2.11	2.39
Current maturities of finance lease obligations (Refer note 20(i) above)	20.83	18.81
Unclaimed dividends *	56.28	66.89
Mark to market loss on derivative instruments	0.15	6.95
Other payables:		
- Payables to employees under incentive plan	43.18	20.69
- Payable to subsidiary (Refer note 44)	76.94	-
- Payables on purchase of property, plant and equipment and intangible assets	19.00	3.76
- Payables on purchase of investment in subsidiary	40.51	90.00
- Others	0.33	0.70
Total	**259.33**	**210.19**

*Investor Education and Protection Fund shall be credited when due.

Note No. 22 // Provisions

Provisions consist of the following:

(i) Non-current provisions

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Provision for employee benefits:		
Gratuity (Refer note 43)	128.78	133.21
Total	**128.78**	**133.21**

(ii) Current provisions

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Provision for sales return	47.10	90.00
Provision for employee benefits:		
- Compensated absences	165.98	178.36
Total	**213.08**	**268.36**

₹ in Million

Movement in provisions	Gratuity	Compensated absences	Sales return
Opening balance	133.21	178.36	90.00
Provision recognised/ (utilised) during the year	(4.43)	(12.38)	(42.90)
Closing balance	**128.78**	**165.98**	**47.10**

Note No. 23 // Other liabilities

Other liabilities consist of the following;

(i) Other non-current liabilities

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Prepaid rent liability	6.38	6.57
Lease equalisation liability	-	0.97
Total	**6.38**	**7.54**

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(ii) Other current liabilities

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Other payables:		
- Advance from customers	118.40	375.66
- Advance received for sale of property, plant and equipment	50.17	-
- Statutory liabilities	65.66	117.94
Total	**234.23**	**493.60**

Note No. 24 // Trade payables

₹ in Million

Particulars	March 31, 2019	March 31, 2018
- Total outstanding dues of micro enterprises and small enterprises (Refer note (i) below)	57.36	44.67
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5,036.65	3,862.57
Total	**5,094.01**	**3,907.24**

* Includes dues to related party (Refer note 44)

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at March 31, 2019. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

₹ in Million

	Particulars	March 31, 2019	March 31, 2018
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year		
	- Principal amount due to micro and small enterprises	57.36	44.67
	- Interest due on the above	-	-
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv)	The amount of interest accrued and remaining un-paid at the end of each accounting year.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under the MSMED Act, 2006	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

All trade payables are current. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 47.

Note No. 25 // Current tax liabilities (net)

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Provision for income tax (net of advance tax)	1.30	113.83
Total	**1.30**	**113.83**

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Note No. 26 // Revenue from operations

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Sale of products	13,564.32	12,709.11
Sale of services (Refer note (i) below)	295.84	364.64
Other operating revenues (Refer note (ii) below)	1,514.22	1,622.31
Total	**15,374.38**	**14,696.06**

(i) Sale of services comprises:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Development income	116.41	142.02
Licensing fees	5.39	7.27
Capacity reservation fees and others	174.04	215.35
Total	**295.84**	**364.64**

(ii) Other operating revenue comprises:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Sale of intellectual property rights	819.43	1,056.05
Royalty income	234.90	269.20
Export incentives	303.99	233.96
Support service income	144.99	54.20
Others	10.90	8.90
Total	**1,514.21**	**1,622.31**

Note No. 27 // Other income

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Interest income (Refer note (i) below)	193.79	47.54
Income from current investment	84.30	447.04
Dividend from subsidiaries (Refer note 44)	254.99	496.09
Rental income from operating leases	84.15	61.30
Other non-operating income		
- Guarantee commission*	528.72	502.23
- Others	0.10	7.79
Total	**1,146.05**	**1,561.99**

* Includes guarantee commission from related parties refer note 44.

Note:

(i) Interest income comprises:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Interest from banks on deposits	22.48	12.32
Interest on loans and advances	83.96	31.02
Interest from others	87.35	4.20
Total	**193.79**	**47.54**

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Note No. 28 // Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Inventories at the end of the year:		
- Finished goods	625.53	395.96
- Work-in-progress	468.60	256.07
- Stock-in-trade	17.62	4.55
	1,111.75	**656.58**
Inventories at the beginning of the year:		
- Finished goods	395.96	487.44
- Work-in-progress	256.07	634.82
- Stock-in-trade	4.55	397.18
	656.58	**1,519.44**
Opening stock pertaining to Scheme of demerger and business disposed during the year (Refer note 38)		
- Finished goods	-	(366.10)
- Work-in-progress	-	(416.13)
- Stock-in-trade	-	(258.50)
	-	**(1,040.73)**
Net (increase) / decrease	**(455.17)**	**(177.87)**

Note No. 29 // Employee benefits expense

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Salaries, wages and bonus	1,922.81	1,890.30
Contributions to provident and other funds (Refer note 43)	164.13	172.50
Share based compensation expense (Refer note 42)	8.97	22.13
Staff welfare expenses	136.21	160.42
Total	**2,232.12**	**2,245.35**

Note No. 30 // Finance costs

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Interest on borrowings	506.60	775.52
Other finance costs	34.32	44.18
Total	**540.92**	**819.70**

Note No. 31 // Depreciation and amortisation expense

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Depreciation on property, plant and equipment	599.42	808.70
Depreciation on investment property	45.23	38.75
Amortisation on intangible asset	185.37	300.23
Total	**830.02**	**1,147.68**
- from continuing operations	830.02	778.05
- from discontinued operations	-	369.63
	830.02	**1,147.68**

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Note No. 32 // Other expenses

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Subcontracting charges	145.35	155.25
Power, fuel and water charges	397.68	330.81
Rent (Refer note 45)	142.23	127.57
Repairs and maintenance:		
- Buildings	15.94	17.96
- Machinery	252.03	208.51
- Others	87.62	113.95
Insurance	27.43	40.47
Rates and taxes	95.41	88.60
Communication expense	52.51	52.18
Travelling and conveyance	84.08	122.23
Printing and stationery	24.33	24.98
Carriage, freight and forwarding	179.88	220.07
Sales commission	50.43	7.55
Business promotion	13.65	37.64
Donations and contributions	3.50	9.13
Expenditure on Corporate Social Responsibility (Refer note (i) below)	25.84	24.12
Support Service Expenses	115.96	-
Legal and professional fees	300.15	313.91
Payments to auditors (Refer note (ii) below)	23.76	21.89
Bad debts written off / provision for doubtful trade and other receivables	57.67	57.21
Loss on sale of property, plant and equipment and intangibles	0.47	18.58
Consumption of stores and spares	259.07	447.99
Research and development expenses	335.24	124.12
Miscellaneous expenses	108.07	83.12
Total	**2,798.30**	**2,647.84**

Note:

(i) Expenditure on Corporate Social Responsibility:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
(a) Gross amount required to be spent during the year	24.11	23.15
(b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	25.84	24.12
Total	**25.84**	**24.12**

(ii) Payments to the auditors comprises (net of taxes) for:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
- Audit of Standalone, consolidated financial statements, limited review and other certification	22.63	20.75
- Reimbursement of expenses	1.13	1.14
Total	**23.76**	**21.89**

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Note No. 33 // Exceptional items

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Exchange gain / (loss) net	-	19.36
Provision for diminution in value of investment (Refer note 8(i))	-	(179.99)
Write down of inventory and other assets	-	(111.87)
Business combination and restructuring expense	(35.24)	(38.07)
Gain/ (loss) on account of derivative contracts	-	16.76
Total (net)	**(35.24)**	**(293.81)**

Note No. 34 // Tax expenses

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Current Tax		
Current tax expenses	223.89	373.22
Current tax expense relating to prior years	22.38	-
	246.27	373.22
Deferred tax benefit		
Deferred tax (benefit) / expense	(19.59)	(15.61)
Minimum alternative tax credit reversed / (availed)	(240.47)	(280.76)
	(260.06)	(296.37)
Net tax expense	**(13.79)**	**76.85**

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Profit / (loss) before income taxes		
- from continuing operations	1,130.31	1,641.33
- from discontinued operations	(47.01)	7,516.66
	1,083.30	**9,157.99**
Indian statutory income tax rate	34.944%	34.608%
Expected income tax expense	378.55	3,169.40
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Income exempt from tax	(24.76)	(2,576.51)
Effect of concessions and allowances	(152.53)	(286.72)
Effect of unused tax losses not recognised as deferred tax assets	(62.29)	-
Others (net)	(159.34)	(64.09)
Total Income tax expense	**(20.37)**	**242.08**
Income tax expense attributable to:		
Profit from continuing operations	(13.79)	76.85
Profit from discontinued operations	(6.58)	165.23
	(20.37)	**242.08**

Refer note 11 for significant components of deferred tax assets and liabilities.

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Note No. 35 // Earnings and expenditure in foreign currency

35.1 Earnings in foreign currency *

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Sale of products	12,707.78	13,026.86
Development income	116.41	193.63
Licensing fees	0.48	7.27
Sale of intellectual property rights	709.66	1,056.05
Capacity reservation income	-	150.20
Royalty income	234.90	269.20
Dividend from subsidiaries	254.99	496.09
Guarantee commission	487.54	464.74
Other income	118.02	33.08
Total	**14,629.78**	**15,697.12**

* Includes earnings from discontinued operations for the year ended March 31, 2018.

35.2 Expenditure in foreign currency*

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Travelling and conveyance	0.34	0.05
Sales commission	16.89	16.71
Finance costs	131.17	248.59
Consumption of stores and spares	32.02	25.19
Legal and professional fees	98.40	143.87
Rates and taxes	25.11	47.52
Carriage freight and forwarding	-	37.48
Research and development expenses	27.51	105.27
Business promotion	19.27	9.41
Salaries, wages and bonus	-	25.98
Support service charges	19.45	-
Others	56.84	75.35
Total	**427.00**	**735.42**

* Includes costs debited to discontinued operations for the year ended March 31, 2018.

Note No. 36 // Details of research and development expenditure incurred (charged to statement of profit and loss)

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Salaries, wages and bonus	249.24	654.11
Cost of materials consumed	184.06	113.54
Legal and professional fees	63.99	138.14
Bio study expense	141.94	38.68
Consumption of stores and spares	128.43	252.02
Travelling and conveyance	7.92	21.71
Depreciation and amortisation expense	95.90	140.69
Others*	345.97	382.80
Total	**1,217.45**	**1,741.69**

* Amounts for the previous year, include ₹111.87 Million charged to exceptional items under "write down of inventory and other assets", which represents costs associated with projects discontinued during the previous year.

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Note No. 37 // Other comprehensive income

₹ in Million

Particulars		March 31, 2019	March 31, 2018
A)	**Items that will not be reclassified to profit or loss**		
	Defined benefit obligations	(7.71)	(1.33)
	Income tax on defined benefit obligations	3.18	0.46
		(4.53)	**(0.87)**
B)	**Items that may be reclassified to profit or loss**		
	Movement in cash flow hedge	150.23	(300.65)
	Income tax on cash flow hedge	(52.63)	104.05
		97.60	(196.60)
Total		**93.07**	**(197.47)**
From continuing operations		**93.07**	**(188.90)**
From discontinued operations		-	(8.57)

Note No. 38 // Disposal of investments / business / assets held for sale accounted as discontinued operations

38.1 Sale of investments in entities manufacturing specialty products

The Company and its wholly owned subsidiary Strides Pharma Asia Pte Limited ("Strides Singapore") entered into definitive agreements on February 27, 2013 with Mylan Inc. for sale of the Specialty products business. The transactions under the respective agreements were by way of (i) sale of investment held in Agila Specialties Private Limited ("ASPL", an erstwhile wholly owned subsidiary of the Company), to Mylan Laboratories Limited ("MLL"), a Mylan group company and (ii) the sale of investment held in Agila Specialties Global Pte Limited ("Agila Global", an erstwhile wholly owned subsidiary of Strides Singapore) to Mylan Institutional Inc., another Mylan group company. MLL and Mylan Institutional Inc. together are referred to below as Mylan.

The sale of shares of ASPL was recorded by the Company in terms of the Sale and Purchase Agreement dated December 4, 2013 (the "India SPA"). The sale of shares of Agila Global was recorded by Strides Singapore in terms of another Sale and Purchase Agreement dated December 4, 2013 (the "Global SPA").

The Company as part of the sale has provided a corporate guarantee to Mylan Inc. for USD 200 Million (valid up to December 4, 2020) on behalf of Strides Singapore which can be used for discharging specified financial obligations, if any, of Strides Singapore to Mylan, which has been included under contingent liabilities as at March 31, 2019 and March 31, 2018 in Note 41.

Further, in accordance with the terms of the India SPA and the Global SPA (together the "SPA"s), certain amounts were set aside under separate deposit / escrow accounts which were required to be utilised for specified expenses during the specified period. These included separate escrow / deposit of USD 100 Million in respect of potential claims under the SPAs in relation to certain regulatory concerns ("Regulatory escrow") and USD 100 Million in respect of potential claims in relation to the warranties and indemnities, including in relation to tax, as per the terms of SPAs and other transaction amounts ("General claims escrow"). Further, ₹850 Million was set aside in separate Escrow for payment to certain specified senior management personnel of ASPL and its subsidiary.

Any unutilised amounts from the deposit / escrow accounts after the specified period were payable to the respective entities of the Group. Given the uncertainties involved and in the absence of a right to receive, the amounts under the deposit / escrow arrangements were not included in the consideration accounted as income by the Company at the time of disposal of the investments. Receipts from these deposit / escrow accounts were recognised subsequently (net of related expenses incurred) in the period in which such amounts were received by the Company.

During the earlier years, the Company received notifications of claims from Mylan under the terms of the SPAs. These included claims against the regulatory escrows, tax claims, warranty and indemnity claims, and third party claims. Under the terms of the SPAs, claims against the Company / Strides Singapore can only be made under specific provisions contained in the SPAs which include

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the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings.

During the earlier years, all claims towards regulatory expenses were settled out of the Regulatory Escrow deposit. The Company's subsidiary in Singapore and Mylan also agreed on full and final settlement of warranty and indemnity claims which were adjusted against the General Claims escrow.

During the year ended March 31, 2019, favourable outcome was achieved in relation to arbitration porceedings with respect to third party claims. The Company's subsidiary in Singapore and Mylan have entered into an agreement whereby Mylan has released the pending balance in Escrow account relating to Global SPA. The Company's subsidiary in Singapore has recorded a net gain of ₹2,738.74 Million (net off related expenses and outstanding tax claims) under discontinued operations in its consolidated financial statements.

38.2 Demerger of Commodity API business during the previous year

The Board of Directors in their meeting held on March 20, 2017 approved the proposal to demerge the Commodity API Business, into Solara Active Pharma Sciences Limited ("Solara"), a wholly owned subsidiary of the Company.

As part of the Scheme of Arrangement (the 'Scheme') of Demerger, the Human API business of SeQuent Scientific Limited (a promoter owned listed company) was also proposed to be carved out into Solara, providing critical size to this business.

The Scheme had an Appointed date of October 1, 2017.

The share entitlement ratio for the Scheme of Demerger is as under:

1) For demerger of Commodity API business: 1 equity share of ₹10/- each of Solara to be received by the shareholders of the Company for every 6 fully paid up equity shares of ₹10/- each held in Strides Shasun Limited.

2) For demerger of Human API business: 1 equity share of ₹10/- each of Solara to be received by the shareholders of the Company for every 25 fully paid up equity shares of ₹2/- each held in SeQuent Scientific Limited.

Pursuant to the Scheme, duly sanctioned by the National Company Law Tribunal, Mumbai, vide Order dated March 9, 2018, ('Order') with effect from the Appointed Date i.e. October 1, 2017, the "Commodity API business" of the Company was transferred to Solara Active Pharma Sciences Limited (Solara). In accordance with Section 230 of Companies Act, 2013, the Company filed the NCLT order with Ministry of Company Affairs (Registrar of Companies) on March 31, 2018. Consequent to the filing, the Scheme became effective from March 31, 2018.

Pursuant to the Scheme, the Company has transferred the assets and liabilities pertaining to the Commodity API business with effect from the Appointed Date to Solara. In line with the accounting prescribed in the Scheme, the net assets transferred amounting to ₹1,971.57 Million have been derecognised with a corresponding debit to the securities premium.

Details of assets and liabilities pertaining to API business are given below-

₹ in Million

Particulars	As at October 1, 2017
Non-current assets	4,498.42
Current assets	4,019.02
Total assets (A)	**8,517.44**
Non-current liabilities	2,242.24
Current liabilities	4,303.63
Total liabilities (B)	**6,545.87**
Net asset debited to securities premium (A-B)	**1,971.57**

The demerger of this business was accounted for as a distribution to owners in accordance with Appendix A ('Distribution of Non-cash Assets to Owners') to Ind AS 10: Events after the Reporting Period.

In accordance with the above, the Company fair valued the Commodity API business as on the appointed date and the excess of the fair value of the Commodity API business and the net assets transferred has been credited to the statement of profit and loss.

The fair valuation of the Commodity API business was carried out by independent valuers who valued it at ₹9,010.00 Million.

The excess of the fair value over the net assets amounting to ₹7,038.43 Million was recognised as a non cash gain in the statement of profit and

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loss as 'Gain on disposal of assets attributable to discontinued operations' in the previous year, in accordance with Appendix A to Ind AS 10.

On completion of the demerger of the Commodity API business, the following entities and investments ceased to be part of the Company:

a. Solara Active Pharma Sciences Limited, India
b. Shasun USA Inc., USA
c. Chemsynth Laboratories Private Limited, India
d. Clarion Wind Farm Private Limited, India
e. Tulsyan Lec Limited, India
f. SIPCOT Industrial Common Utilities Limited, India

Pursuant to the Scheme, eligible employees were given option to accelerate their Employees Stock options under ESOP 2015 Scheme and subsequently 8,878 equity shares have been allotted to the employees who exercised their options.

The accounting prescribed under the Scheme as approved by NCLT is in accordance with Ind AS except that the accounting standard would have required to account for this transaction on date of filing the NCLT approval with Registrar of Companies and not effective October 1, 2017. Accordingly, had this not been an NCLT approved Scheme, the API business would have continued to be part of the Company for the six months period ended March 31, 2018 with a revenue of approx. ₹3,592.4 Million and expenses of approx. ₹3,528.2 Million as determined by the Management.

38.3. Sale of Strides API Research Centre ("SRC")

During the previous year, the Board of directors of the Company approved the sale of SRC to Solara Active Pharma Sciences Limited on March 31, 2018. Subsequently, during the current year on April 20, 2018, the Company entered into Business Purchase Agreement with Solara Active Pharma Sciences Limited, India ("Solara") to sell the assets (consisting of Plant & machinery, equipment, computer software and other related capital work in progress) and business conducted by the Company at Strides API Research Centre ("SRC") along with the employees. Details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal are explained below:

(a) Consideration received

₹ in Million

Particulars	March 31, 2019
Consideration received in cash and cash equivalents	347.57
Total consideration	**347.57**

(b) Carrying value of assets and liabilities as on the date of disposal

₹ in Million

Particulars	Total
Non-current assets	342.55
Current assets	14.53
Non-current liabilities	(8.26)
Current liabilities	(21.17)
Net assets disposed off	**327.65**

(c) Loss on disposal

₹ in Million

Particulars	Total
Consideration received	347.57
Net assets disposed off	(327.65)
Expenses pertaining to disposal	(66.93)
Loss on disposal before tax	**(47.01)**

(d) Net cash inflow on disposal

₹ in Million

Particulars	Year ended March 31, 2019
Consideration received in cash and cash equivalents	347.57
Less: expenses pertaining to disposal	(66.93)
Less: cash and cash equivalent balances disposed off	(0.02)
Net cash inflow	**280.62**

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38.4. Sale of India branded generics business:

During the previous year, the Company entered into a Business Transfer Agreement ('BTA') and Share Purchase Agreement ('SPA') with Eris Lifesciences Limited ('Eris' / 'acquirer') for sale of India brands division and for sale of 100% equity interest in Strides Healthcare Private Limited ('SHPL'), collectively referred to as 'India branded generics business', for an aggregate consideration of ₹4,100 Million and ₹900 Million respectively, exclusive of working capital adjustment. The disposal was completed on December 1, 2017 on which date the business was transferred to the acquirer. Details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal are explained below:

(a) Consideration received

₹ in Million

Particulars	India brands division	SHPL	Total
Consideration received in cash and cash equivalents	4,033.01	900.00	4,933.01
Total consideration	**4,033.01**	**900.00**	**4,933.01**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ in Million

Particulars	India brands division	SHPL	Total
Non-current assets	2,301.40	950.46	3,251.86
Current assets	317.38	-	317.38
Non-current liabilities	(4.16)	(175.11)	(179.27)
Current liabilities	(91.80)	-	(91.80)
Net assets disposed off	**2,522.82**	**775.35**	**3,298.17**

(c) Gain on disposal

₹ in Million

Particulars	India brands division	SHPL	Total
Consideration received	4,033.01	900.00	4,933.01
Net assets disposed off	(2,522.82)	(775.35)	(3,298.17)
Expenses pertaining to disposal	(236.00)	-	(236.00)
Gain on disposal before tax	**1,274.19**	**124.65**	**1,398.84**

(d) Net cash inflow on disposal

₹ in Million

Particulars	Year ended March 31, 2018
Consideration received in cash and cash equivalents	4,933.01
Net cash inflow	**4,933.01**

38.5. Financial performance of discontinued operations referred in Note 38.2 to 38.4 above:

The combined results of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

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₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	-	4,857.98
Other income	-	16.79
Total revenue from discontinued operations (I)	**-**	**4,874.77**
Depreciation and amortisation expense	-	369.64
Other items debited to statement of profit and loss	-	5,426.90
Total expenses from discontinued operations (II)	**-**	**5,796.54**
Loss from discontinued operation (III = I - II)	**-**	**(921.77)**
Gain / (loss) on disposal / demerger of:		
- Commodity API business	-	7,038.43
- India branded generics business	-	1,398.84
- Strides API Research Centre	(47.01)	-
- Others	-	1.16
Net gain / (loss) on disposal / demerger of businesses (IV)	**(47.01)**	**8,438.43**
Gain / (Loss) from discontinued operations before tax (V = III + IV)	**(47.01)**	**7,516.66**
Attributable income tax expense (VI)	(6.58)	165.23
Net gain / (loss) from discontinued operations after tax (V - VI)	**(40.43)**	**7,351.43**

Cash flows from discontinued operations

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net cash inflows/(outflows) from operating activities	-	(117.99)
Net cash inflows/(outflows) from investing activities	280.62	4,269.43
Net cash inflows/(outflows) from financing activities	-	811.48
Net cash inflows/(outflows)	**280.62**	**4,962.92**

*includes cash inflow on disposal of assets and liabilities of the discontinued operations

Note No. 39 // Details of Loans and Investments during the year

39.1 Details of Loans made by the company

Details of loans during the year

₹ in Million

Name of borrower	Nature of relationship	Security	Rate of interest	Term	As at April 1, 2018	Given during the year	Received/ adjusted during the year	As at March 31, 2019
Strides Emerging Markets Limited	Wholly owned subsidiary	Unsecured	9.25%-10.5%	1-2 Years	116.12	615.60	150.00	581.72
Vivimed Lifesciences Private Limited	Wholly owned subsidiary	Unsecured	10.50%	2 Years	-	166.20	-	166.20
Stelis Biopharma Private limited	Associate	Unsecured	10%	1 Year	-	250.00	-	250.00
Strides Consumer Private Limited	Associate	Unsecured	10%	5 Years	110.29	82.68	162.97	30.00
Vivimed Labs Limited	Others	Unsecured	10%	1 Year	250.00	200.00	450.00	-

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Details of loans during the previous year

₹ in Million

Name of borrower	Nature of relationship	Security	Rate of interest	Term	As at April 1, 2017	Given during the year	Repayment during the year	As at March 31, 2018
Tenshi Life care Private Limited	Subsidiary	Unsecured	9%	5 Years	5.65	-	5.65	-
Strides Consumer Private Limited	Wholly owned subsidiary	Unsecured	9%	5 Years	-	110.29	-	110.29
Strides Emerging Markets Limited	Wholly owned subsidiary	Unsecured	9%	2 Years	-	116.12	-	116.12
Strides Healthcare Private Limited	Subsidiary	Unsecured	9%	5 Years	19.83	-	19.83	-
Medispan Limited #	Others	Unsecured	10%	5 years	100.00	-	100.00	-
Vivimed Labs Limited	Others	Unsecured	10%	2 Years	250.00	-	-	250.00

All the above loans are given for the purpose of business operations of the borrowers as long term strategic investment.

The loans are made to the borrower for acquisition of long term strategic investment.

39.2 Details of non-current investments purchased and sold during the year:

₹ in Million

Particulars	Face value per unit	As at April 1, 2018	Purchase/ addition during the year	Sold / deletion during the year	Adjustments	As at March 31, 2019
(A) Investments in subsidiaries: (Carried at cost)						
Equity shares, unquoted						
Strides Arcolab International Limited, UK	GBP 1	2,544.46	1,923.28	-	-	4,467.74
Strides Pharma International Limited, Cyprus	USD 1	23.13	-	-	-	23.13
Strides Pharma Asia Pte Limited, Singapore	SGD 1	26.68	3,087.49	-	8,362.51	11,476.68
Strides Consumer Private Limited, India (reclassified as Associate)	₹100	0.10	-		(0.10)	-
Strides Chemicals Private Limited, India	₹10	1,489.99	-	(1,489.99)	-	-
SVADS Holdings SA, Switzerland	CHF 1	466.59	-	-	-	466.59
Arrow Remedies Private limited, India	₹10	0.21	-	-	-	0.21
Fagris Medica Private Limited, India	₹10	18.70	-	-	-	18.70
Vivimed Life Sciences Private Limited, India	₹10		688.80		658.62	1,347.42
Arcolab Private Limited, India	₹10	-	1.60			1.60
		4,569.86	**5,701.17**	**(1,489.99)**	**9,021.03**	**17,802.07**
Preference shares, unquoted						
Strides Pharma Asia Pte Limited, Singapore (converted into equity shares)	SGD 1,000	8,362.51	-	-	(8,362.51)	-
		8,362.51	**-**	**-**	**(8,362.51)**	**-**
(B) Investments in associates: (Carried at cost)						
Equity shares, unquoted						
Stelis Biopharma Private Limited, India	₹10	1,258.55	-	-	-	1,258.55
Vivimed Life Sciences Private Limited, India (reclassified to subsidiaries)	₹10	658.62	-	-	(658.62)	-
Strides Consumer Private Limited, India	₹100		-		0.10	0.10
		1,917.17	**-**	**-**	**(658.52)**	**1,258.65**

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₹ in Million

Particulars	Face value per unit	As at April 1, 2018	Purchase/ addition during the year	Sold / deletion during the year	Adjustments	As at March 31, 2019
Compulsorily Convertible Preference shares, unquoted						
Stelis Biopharma Private Limited, India	₹10		750.00			750.00
Strides Consumer Private Limited, India	₹100		153.86			153.86
		-	**903.86**	**-**	**-**	**903.86**
(D) Other investments (Carried at fair value through profit or loss)						
Beta Wind Farm Private Limited, India	₹ 10	1.08	-	(1.08)	-	-
		1.08	**-**	**(1.08)**	**-**	**-**
Provision for diminution in the value of investment (Refer note 8(i))		(198.69)	-	179.99	-	(18.70)
Total		**14,651.93**	**6,605.03**	**(1,311.08)**	**-**	**19,945.88**

Details of non-current investments purchased and sold during the previous year:

₹ in Million

Particulars	Face value per unit	As at April 1, 2017	Purchase/ addition during the year	Sold / deletion during the year	Pursuant to scheme of demerger (Refer note 38.2)	As at March 31, 2018
(A) Investments in subsidiaries: (Carried at cost)						
Equity shares, unquoted						
Strides Arcolab International Limited, UK	GBP 1	2,544.46	-	-	-	2,544.46
Strides Pharma International Limited, Cyprus	USD 1	23.13	-	-	-	23.13
Strides Pharma Asia Pte Limited, Singapore	SGD 1	26.68	-	-	-	26.68
Strides Healthcare Private Limited, India (Refer note 39.3)	₹10	481.10	469.36	(950.46)	-	-
Solara Active Pharma Sciences Limited, India	₹10	0.10	-	-	(0.10)	-
Strides Consumer Private Limited, India	₹100	0.10	-	-	-	0.10
Shasun USA Inc., USA	USD 1	0.54	-	-	(0.54)	-
Strides Chemicals Private Limited, India	₹10	-	1,489.99	-		1,489.99
Chemsynth Laboratories Private Limited, India	₹10	33.63	-	-	(33.63)	-
SVADS Holdings SA, Switzerland	CHF 1	466.59	-	-	-	466.59
Arrow Remedies Private limited, India	₹10	-	0.21	-	-	0.21
Fagris Medica Private Limited, India	₹10	18.70	-	-	-	18.70
		3,595.03	**1,959.56**	**(950.46)**	**(34.27)**	**4,569.86**
Preference shares, unquoted						
Strides Pharma Asia Pte Limited, Singapore	SGD 1,000	7,559.97	802.54	-	-	8,362.51
		7,559.97	**802.54**	**-**	**-**	**8,362.51**
(B) Investments in associates: (Carried at cost)						
Equity shares, unquoted						
Stelis Biopharma Private Limited, India	₹10	1,258.55	-	-	-	1,258.55
Vivimed Life Sciences Private Limited, India	₹10	-	658.62	-	-	658.62
		1,258.55	**658.62**	**-**	**-**	**1,917.17**

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₹ in Million

Particulars	Face value per unit	As at April 1, 2017	Purchase/ addition during the year	Sold / deletion during the year	Pursuant to scheme of demerger (Refer note 38.2)	As at March 31, 2018
(C) Investments in joint ventures: (Carried at cost)						
Equity shares, unquoted						
Shasun NBI LLC, USA (Refer note 8(i))	USD 1	63.88	-	(63.88)	-	-
(During the previous year, Shasun NBI, LLC, USA has been wound up and accordingly the investments and the provision for diminution in value of investments has been written off in the books of accounts.)						
		63.88	**-**	**(63.88)**	**-**	**-**
(D) Other investments (Carried at fair value through profit or loss)						
Clarion Wind Farm Private Limited, India	₹10	8.29	-	(8.29)	-	-
Beta Wind Farm Private Limited, India	₹10	2.11	5.32	-	(6.35)	1.08
Tulsyan Lec Limited, India	₹10	1.35	-	-	(1.35)	-
SIPCOT Industrial Common Utilities Limited, India	₹100	0.42	-	-	(0.42)	-
		12.17	**5.32**	**(8.29)**	**(8.12)**	**1.08**
Provision for diminution in the value of investment		(82.58)	(179.99)	63.88	-	(198.69)
Total		**12,407.02**	**3,246.05**	**(958.75)**	**(42.39)**	**14,651.93**

39.3 Details of current investments purchased and sold during the year:

₹ in Million

Particulars	As at April 1, 2018	Purchase during the year	Sold during the year	Adjustments	As at March 31, 2019
Investment measured at fair value through profit or loss					
Quoted investments					
Investments in mutual funds	3,114.79		(1,585.36)	13.43	1,542.86
Total	**3,114.79**	**-**	**(1,585.36)**	**13.43**	1,542.86

Details of current investments purchased and sold during the previous year:

₹ in Million

Particulars	As at April 1, 2017	Purchase during the year	Sold during the year	Adjustments	As at March 31, 2018
Investment measured at fair value through profit or loss					
Quoted investments					
Investments in mutual funds	12,795.38	-	(9,680.59)	-	3,114.79
Total	**12,795.38**	**-**	**(9,680.59)**	**-**	**3,114.79**

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39.4 Movement in corporate guarantee during the year

₹ in Million

Particulars	As at April 1, 2018	Given during the year	Withdrawn during the year	Exchange rate movement	As at March 31, 2019
Strides Pharma International Limited, Cyprus- Watson Pharmaceuticals, Inc., USA- (Original guarantee provided by Strides Pharma Limited which merged with Strides Pharma International Limited effective December 12, 2017) Purpose: Pursuant to the Share Sale Agreement entered by the Company with Watson Pharmaceuticals Inc., USA for the sale of its stake in Ascent Pharmahealth Ltd., Australia	13,208.72	-	-	(218.97)	12,989.75
Strides Pharma Asia Pte Ltd., Singapore- Mylan Inc. Purpose - Guarantee is extended on behalf of Strides Pharma Asia in relation to its financial obligations under a Share Purchase Agreement for the sale of shares of its subsidiary Agila Specialities Global Pte. Ltd., Singapore	13,034.00	-	-	804.00	13,838.00
Strides Pharma Global Pte. Limited - Banks and financial institutions Purpose: Non-current borrowings for capital investments	9,678.24	10,316.23	-	589.11	20,583.58
Arrow Pharmaceuticals Pty Limited, Australia - Banks and financial institutions Purpose: Non-current borrowings for capital investments and workings capital loans.	-	2,144.89	-		2,144.89
Stelis Biopharma Private Limited, India - Banks and financial institutions Purpose: Non-current borrowings for capital investments	3,812.99	-	-	188.94	4,001.93
Strides Pharma Inc., USA- Banks and financial institutions Purpose- Workings capital borrowings	1,955.10	-	(977.55)	60.30	1,037.85
Vivimed Life Sciences Private Limited, India - Banks and financial institutions Purpose: Working capital borrowings	320.00	-	-		320.00
Total	**42,009.05**	**12,461.12**	**(977.55)**	**1,423.38**	**54,916.00**

Movement in corporate guarantee during the previous year

₹ in Million

Particulars	As at April 1, 2017	Given during the year	Withdrawn during the year	Exchange rate movement	As at March 31, 2018
Strides Pharma International Limited, Cyprus- Watson Pharmaceuticals, Inc., USA- (Original guarantee provided by Strides Pharma Limited which merged with Strides Pharma International Limited effective December 12, 2017) Purpose: Pursuant to the Share Sale Agreement entered by the Company with Watson Pharmaceuticals Inc., USA for the sale of its stake in Ascent Pharmahealth Ltd., Australia	13,085.08	-	-	123.64	13,208.72

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₹ in Million

Particulars	As at April 1, 2017	Given during the year	Withdrawn during the year	Exchange rate movement	As at March 31, 2018
Strides Pharma Asia Pte Ltd., Singapore- Mylan Inc. Purpose - Guarantee is extended on behalf of Strides Pharma Asia in relation to its financial obligations under a Share Purchase Agreement for the sale of shares of its subsidiary Agila Specialities Global Pte. Ltd., Singapore	12,972.00	-	-	62.00	13,034.00
Strides Pharma Global Pte. Limited - Banks and financial institutions Purpose: Non-current borrowings for capital investments	6,120.39	9,449.65	(5,906.87)	15.07	9,678.24
Strides Pharma Asia Pte Ltd., Singapore - Banks and financial institutions Purpose: Non-current borrowings for capital investments and working capital loans.	9,883.76	-	(9,883.76)	-	-
Arrow Pharmaceuticals Pty Limited, Australia - Banks and financial institutions Purpose: Non-current borrowings for capital investments and workings capital loans.	4,540.20	-	(4,540.20)	-	-
Stelis Biopharma Private Limited, India - Banks and financial institutions Purpose: Non-current borrowings for capital investments	3,798.42	-	-	14.57	3,812.99
Strides Emerging Markets Private Limited, India - Banks and financial institutions Purpose: Working capital borrowings	150.00	-	(150.00)	-	-
Strides Pharma (Cyprus) Limited, Cyprus - Banks and financial institutions Purpose: Working capital borrowings	486.45	-	(486.45)	-	-
Strides Pharma Inc., USA- Banks and financial institutions Purpose- Workings capital borrowings	972.90	977.55	-	4.65	1,955.10
Vivimed Life Sciences Private Limited, India - Banks and financial institutions Purpose: Working capital borrowings	-	320.00	-	-	320.00
Total	**52,009.20**	**10,747.20**	**(20,967.28)**	**219.93**	**42,009.05**

39.5 Disclosure as per Regulation 34 (3) and 53 (f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances, the amount in the nature of loans outstanding at year end:

₹ in Million

Borrower	Outstanding		Maximum amount outstanding during the year ended	
	As at March 31, 2019	As at March 31, 2018	March 31, 2019	March 31, 2018
Strides Consumer Private Limited	30.00	110.29	192.97	110.29
Strides Emerging Markets Limited	581.72	116.12	731.72	116.12
Strides Healthcare Private Limited	-	-	-	19.95
Medispan Limited	-	-	-	100.00
Vivimed Labs Limited	-	250.00	450.00	250.00
Vivimed Lifesciences Private Limited	166.20	-	166.20	-
Tenshi Life care Private Limited (formerly, Strides Biologix Private limited)	-	-	-	5.65
Stelis Biopharma Private Limited	250.00	-	250.00	-
Total	**1,027.92**	**476.41**	**1,790.89**	**602.01**

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Note No. 40 // Commitments

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	420.70	260.71
Total	**420.70**	**260.71**

Note No. 41 // Contingent liabilities (to the extent not provided for)

₹ in Million

Particulars		March 31, 2019	March 31, 2018
a)	**Corporate guarantees**		
	The Company has given corporate guarantees to financial institutions and other parties, including on behalf of its subsidiaries in the ordinary course of business (also refer note 38.1)	54,916.00	42,009.05
b)	**Claims against the Company not acknowledged as debt**		
	- Disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities. The outflow, if any, on account of disputed taxes is dependent on completion of assessments/ disposal of appeals and adjustments for payment made under protest.	1,719.09	1,429.13
	- Disputed excise, custom, service tax and sales tax liabilities arising from assessment proceedings relating to prior years. The outflow, if any, on account of disputed liabilities is dependent on completion of assessments/ disposal of appeals and adjustments for payment made under protest.	607.30	672.62

In light of recent judgment of Honorable Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

Other than the matters disclosed above, the Company is also involved in other disputes including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that the resolution of these disputes will not have any material adverse effect on the Company's financial position or results of operations.

Note No. 42 // Share-based payments

Details of the employee share option plan of the Company:

(a) The ESOP titled "Strides Arcolab ESOP 2011" (ESOP 2011) was approved by the shareholders on May 30, 2011 for 1,500,000 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 30 days from the date of vesting. No options were granted under this plan during the current year.

(b) The ESOP titled "Strides Arcolab ESOP 2015" (ESOP 2015) was approved by the shareholders on November 6, 2015 for 70,000 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of four years. The options must be exercised within a period of 180 days from the date of vesting. No options were granted under this plan during the current year.

Pursuant to the Scheme of demerger (refer note 39.2), eligible employees were given option to accelerate their Employees Stock options under ESOP 2015 Scheme, subsequently 8,878 equity shares have been allotted on April 6, 2018 for the employees who exercised their options. The Company recognised expenses of ₹2.39 Million during the year ended March 31, 2018 on account of acceleration.

(c) The ESOP titled "Strides Shasun ESOP 2016" (ESOP 2016) was approved by the shareholders on April 21, 2016. 3,000,000 options are covered under the Plan which are convertible into equal number of equity shares of the Company. The vesting period of

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these options range over a period of three years. The options must be exercised within a period of 60 days from the date of vesting. Company has granted 338,000 options (Previous year: 200,000) under this scheme during the current year.

(d) During the current year, Employee compensation costs of ₹8.97 Million (for the year ended March 31, 2018: ₹24.52 Million) (including costs debited to discontinued operations) relating to the above referred various Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Fair value of share options granted during the year

The fair value of the share options granted under ESOP 2016 Lot IV and ESOP 2016 Lot V are ₹171.73 and ₹203.03 respectively. Options were priced using a Black- Scholes method of valuation at grant date. Expected volatility is based on the historical share price volatility over the past 3 years.

Inputs into the model -

Particulars	ESOP 2016 Lot IV	ESOP 2016 Lot V
No. of Options	315,500	22,500
Grant date share price	₹414.85	₹504.50
Exercise price	₹301	₹378.40
Expected volatility	34.30%	32.65%
Option life	3 years	3 years
Expected Dividend %	40.00%	20.00%
Risk-free interest rate	7.78%	7.53%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2018-19		During the year 2017-18	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOP 2011	40,000	322.30	170,000	543.62
- ESOP 2015	10,692	273.92	23,097	273.92
- ESOP 2016	280,000	757.70	100,000	841.25
Granted during the year:				
- ESOP 2011	-	-	-	-
- ESOP 2015	-	-	-	-
- ESOP 2016	338,000	306.00	200,000	724.28
Exercised during the year:				
- ESOP 2011	(40,000)	322.30	(50,000)	322.30
- ESOP 2015	(9,441)	271.41	(7,029)	273.92
- ESOP 2016	-	-	(20,000)	841.25
Lapsed/ cancelled during the year:				
- ESOP 2011	-	-	(80,000)	792.60
- ESOP 2015	(688)	322.30	(5,376)	273.92
- ESOP 2016	(160,500)	639.72	-	-
Options outstanding at the end of the year:*				
- ESOP 2011	-	-	40,000	322.30
- ESOP 2015	563	231.79	10,692	273.92
- ESOP 2016	457,500	394.15	280,000	757.70
Options available for grant:				
- ESOP 2011	-	-	-	-
- ESOP 2015	-	-	-	-
- ESOP 2016	2,201,500	-	2,700,000	-

* Includes options vested but not exercised as at March 31, 2018. ESOP 2011- 40,000 and ESOP 2015 - 8,878

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Note No. 43 // Employee Benefits Plans

Defined contribution plan

The Company makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognised ₹108.70 Million (previous year: ₹159.99 Million including costs debited to discontinued operations) for provident fund contributions, ₹2.32 Million (previous year: ₹9.20 Million including costs debited to discontinued operations)for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plan

The Company offers gratuity benefits, a defined employee benefit scheme to its employees.

Composition of the plan assets

The fund is managed by LIC , the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	March 31, 2019	March 31, 2018
Discount rate(s)	7.05%	6.90% -7.55%
Expected rate(s) of salary increase	10.00%	9% - 10%
Mortality Rate	As per IALM (2006-08) ultimate	
Retirement age (years)	58 years	58 years

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Service cost:		
Current service cost	35.67	46.93
Past service cost and (gain)/loss from settlements	-	24.94
Net interest expense	7.89	8.45
Components of defined benefit costs recognised in statement of profit and loss	**43.56**	**80.32**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / short	2.71	3.86
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	8.22	(5.30)
Actuarial (gains) / losses arising from experience adjustments	(3.21)	2.77
Components of defined benefit costs recognised in other comprehensive income	**7.72**	**1.33**
Total	**51.28**	**81.65**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurernent of the net defined benefit liability is included in other comprehensive income.

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The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Present value of funded defined benefit obligation	270.93	292.08
Fair value of plan assets	(142.15)	(150.62)
Funded status	**128.78**	**141.46**
Disclosed in liabilities directly attributable to the assets held for sale	-	(8.25)
Net liability arising from defined benefit obligation	**128.78**	**133.21**

Movements in the present value of the defined benefit obligation are as follows:

₹ in Million

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Opening defined benefit obligation	292.08	540.38
Add / (less) on account of acquisitions / transfers	(54.72)	(3.94)
(Less): pursuant to the scheme of demerger (Refer note 38.2)		(291.94)
Expenses recognised in statement of profit and loss		
Current service cost	35.67	46.93
Past service cost	-	24.94
Interest cost	18.18	25.52
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	8.22	(5.30)
Actuarial gains and losses arising from experience adjustments	(3.21)	2.77
Benefits paid	(25.29)	(47.28)
Closing defined benefit obligation	**270.93**	**292.08**

Movements in the fair value of the plan assets are as follows:

₹ in Million

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Opening fair value of plan assets	150.62	314.54
Pursuant to scheme of demerger (Refer note 38.2)	-	(170.40)
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	10.29	17.07
Contributions from the employer	18.70	40.55
Assets distributed on business tranfer	(10.52)	-
Actuarial gain/(loss) on plan assets	(2.71)	(3.86)
Benefits paid	(24.23)	(47.28)
Closing fair value of plan assets	**142.15**	**150.62**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹258.51. Million (₹286.07 Million) as at March 31, 2019.

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹283.67 Million (₹260.15 Million) as at March 31, 2019.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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forming part of the standalone financial statements for the year ended March 31, 2019

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

Expected future cash outflows towards the plan are as follows-

₹ in Million

Financial Year	Amount
2019-20	39.97
2020-21	36.92
2021-22	37.83
2022-23	37.86
2023-24	30.55
2024-25 to 2028- 29	120.39

Note No. 44 // Related party transactions : List of related parties

Relationship	Name
Wholly owned subsidiaries	**Direct Holding**
	Arco Lab Private Limited (with effect from November 26, 2018)
	Arrow Remedies Private Limited (with effect from October 30, 2017)
	Fagris Medica Private Limited
	Shasun USA Inc, USA (upto September 30, 2017)
	Solara Active Pharma Sciences Limited (formerly, SSL Pharma Sciences Limited, upto September 30, 2017)
	Strides Arcolab International Limited, UK
	Strides Chemicals Private Limited (up to August 31, 2018)
	Strides Consumer Private Limited, India (upto December 19, 2018)
	Strides Healthcare Private Limited (with effect from November 23, 2017, up to December 1, 2017)
	Strides Pharma Asia Pte Limited, Singapore
	Strides Pharma International Limited, Cyprus
	SVADS Holdings SA, Switzerland
	Vivimed Life Sciences Private Limited (with effect from March 29, 2019)
	Step down subsidiaries
	Altima Innovations Inc, USA
	Arrow Life Sciences (Malaysia) Sdn. Bhd.Malaysia (with effect from May 11, 2017)
	Arrow Pharma (Private) Limited,Srilanka
	Arrow Pharma Life Inc., Philippines
	Arrow Pharma Pte Limited, Singapore
	Arrow Pharma Pty Limited, Australia (upto February 28, 2018)
	Arrow Pharmaceuticals Pty Limited, Australia (upto February 28, 2018)
	Arrow Remedies Private Limited, India (upto October 29, 2017)
	Generic Partners (South Africa) Pty Limited, South Africa (with effect from September 25, 2018)
	Generic Partners UK Limited, UK (with effect from September 25, 2018)
	Pharmacy Alliance Investments Pty Limited, Australia (upto February 28, 2018)
	Shasun Pharma Solutions Inc, USA
	Stabilis Pharma Inc, USA
	Stelis Biopharma (Malaysia) Sdn Bhd, Malaysia
	Strides Africa Limited, BVI (liquidated effective March 7, 2018)

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Relationship	Name
	Strides Arcolab (Australia) Pty Limited, Australia (upto February 28,2018)
	Strides CIS Limited, Cyprus
	Strides Consumer LLC, USA (From October 31, 2018 till December 19, 2018)
	Strides Emerging Markets Limited, India (formerly, Strides Emerging Markets Private Limited)
	Strides Global Consumer Healthcare Limited (from August 23, 2018 till December 19, 2018)
	Strides LifeSciences Limited, Nigeria (with effect from April 10, 2017)
	Strides Pharma (Cyprus) Limited, Cyprus
	Strides Pharma (SA) Pty Limited, South Africa (up to September 13, 2018)
	Strides Pharma Global (UK) Limited, UK (formerly, Strides Pharma (UK) Limited)
	Strides Pharma Global Pte Limited, Singapore
	Strides Pharma Inc, USA
	Strides Pharma Therapeutics Singapore Pte. Ltd, Singapore
	Strides Pharma Limited, Cyprus (upto December 11, 2017. With effect from December 12, 2017 the company is merged with Strides Pharma International Limited, Cyprus)
	Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)
	Strides Pharma Canada Inc, Canada (with effect from January 2, 2019)
	Strides Specialties (Holdings) Limited, Mauritius (liquidated effective May 15, 2018)
	Strides Vivimed Pte Limited (formerly, Vivimed Global Generics Pte Ltd, Singapore (with effect from March 29,2019)
	Vensun Pharmaceuticals Inc (from January 30,2019)
Other Subsidiaries:	**Direct Holding:**
	Chemsynth Laboratories Private Limited, India (49%) (up to September 30, 2017)
	Strides Healthcare Private Limited (74%) (upto November 22, 2017)
	Step down subsidiaries
	Alliance Pharmacy Pty Limited, Australia (51%)
	Apollo Life Sciences Holdings Proprietary Limited (51.76%) (with effect from January 1, 2018)
	Amneal Pharma Australia Pty Ltd.,Australia (99.99%) (with effect from August 31, 2017)
	Amneal Pharmaceuticals Pty Ltd.,Australia (99.99%) (with effect from August 31, 2017)
	Arrow Pharma Pty Limited, Australia (99.99%) (with effect from March 1, 2018)
	Arrow Pharmaceuticals Pty Limited, Australia (99.99%) (with effect from March 1, 2018)
	Beltapharm, SpA, Italy (97.94%)
	Generic Partners (Canada) Inc., Canada (51%) (with effect from August 11, 2016)
	Generic Partners (International) Pte Limited, Singapore (51%)
	Generic Partners (M) Sdn Bhd, Malaysia (51%)
	Generic Partners (NZ) Limited, New Zealand (51%)
	Generic Partners (South Africa) Pty Limited, South Africa (51%) (upto September 24, 2018)
	Generic Partners Holding Co Pty Limited, Australia (51%)
	Generic Partners Pty Limited, Australia (51%)
	Generic Partners UK Limited, UK (51%) (upto September 24, 2018)
	Pharmacy Alliance Group Holdings Pty Limited, Australia (50.99%)
	Pharmacy Alliance Investments Pty Limited, Australia (99.99%)
	Pharmacy Alliance Pty Limited., Australia (50.99%)
	Pharmapar Inc, Canada (70%)
	Smarterpharm Pty Limited (51%)
	Strides Arcolab (Australia) Pty Limited, Australia (99.99%) (with effect from March 1, 2018)
	Strides Pharma Canada Inc, Canada (70%) (up to January 1, 2019)
	Strides Pharma (SA) Pty Limited, South Africa (60%) (from September 13, 2018)
	Strides Shasun Latina Sa De Cv, Mexico (80%)
	Trinity Pharma Proprietary Limited, South Africa (51.76%) (with effect from January 1, 2018)
	Strides Vivimed Pte Limited (formerly, Vivimed Global Generics Pte Ltd, Singapore (50%) (up to March 29, 2019)
	Universal Corporation Limited, Kenya (51%)

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Relationship	Name
	Trusts:
	Strides Foundation Trust, India
	Shasun Foundation Trust, India (upto September 30, 2017)
Associates	Generic Partners (R&D) Pte Limited, Singapore (with effect from August 1, 2017)
	Strides Consumer Private Limited, India (with effect from December 20, 2018)
	Vivimed Life Sciences Private Limited (upto March 29, 2019)
	Stelis Biopharma Private Limited, India
Key Management Personnel (KMP):	Deepak Vaidya, Chairman (Upto May 18, 2017 & from May 18,2018), Non-Executive Director
	Arun Kumar, Managing Director (with effect from May 18,2018) (Chairman till May 18,2018)
	Badree Komandur, Executive Director (with effect from May 18, 2017)
	Manjula Ramamurthy, Company Secretary (with effect from February 3, 2017)
	S.Sridhar, Non-Executive Director
	Sangita Reddy, Non-Executive Director
	Bharat Shah, Non-Executive Director
	Homi R Khusrokhan, Non-Executive Director (with effect from May 18, 2017)
	M.R.Umarji, Non-Executive Director (Resigned on May 18, 2017)
	A.K.Nair, Non-Executive Director (Resigned on May 18, 2017)
	P.M.Thampi, Non-Executive Director (Resigned on May 18, 2017)
	Shashank Sinha, Managing Director (with effect from May18, 2017 till May 18,2018)
	Abhaya Kumar, Executive Director (Resigned on May 18, 2017)
Enterprises owned or significantly influenced by key management personnel and relative of key management personnel	Atma Projects, India
	Chayadeep Properties Private Limited, India
	Devendra Estates LLP, India (up to May 18,2017)
	Nutra Specialities Private Limited, India (up to May 18,2017)
	Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited)
	Tenshi Lifesciences Private Limited
	Tenshi Life Care Private Limited (formerly, Strides Biologix Private Limited, India)
	SeQuent Scientific Limited, India
	SeQuent Research Limited, India
	Sterling Pharma Solutions Limited, UK (up to February 27, 2019)
	Solara Active Pharma Sciences Limited (formerly, SSL Pharma Sciences Limited -- with effect from October 1, 2017)
	Strides Chemicals Private Limited (from September 1, 2018)

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Related party closing balances

₹ in Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Balance of trade payables (net of advance paid) :										
1 Arrow Pharmaceuticals Pty Limited	-	-	(0.50)	0.02	-	-	-	-	-	-
2 Atma Projects	-	-	-	-	-	-	-	-	(5.64)	(10.25)
3 Arrow Remedies Private Limited	0.53	-	-	-	-	-	-	-	-	-
4 Arco Lab Private Limited	(11.66)									
5 Beltapharm S.p.A	-	-	(2.42)	(3.50)	-	-	-	-	-	-
6 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	(3.49)	(1.29)
7 Fagris Medica Private Limited	(0.96)	(1.03)	-	-	-	-	-	-	-	-
8 SeQuent Scientific Limited	-	-	-	-	-	-	-	-	(0.07)	-
9 Strides Chemicals Private Limited	-	(23.61)	-	-	-	-	-	-	(32.00)	-
10 Strides CIS Limited	(28.12)	(24.02)	-	-	-	-	-	-	-	-
11 Strides Emerging Markets Limited	(22.52)	(9.74)	-	-	-	-	-	-	-	-
12 Strides Pharma (Cyprus) Limited	(5.03)	(2.32)	-	-	-	-	-	-	-	-
13 Strides Pharma Inc.	(87.37)	(13.55)	-	-	-	-	-	-	-	-
14 Strides Pharma Global Pte Limited	(3.91)									
15 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	(1,527.60)	(267.49)
16 SeQuent Research Limited	-	-	-	-	-	-	-	-	(0.03)	(4.32)
17 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	(0.83)	(2.32)
18 Vivimed Life Sciences Private Limited	49.67	-	-	-	-	-	-	-	-	
19 Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	(11.56)	-	-	-	-	-	-	-	-	-
Balance of trade receivables (net of advance received):										
1 Arrow Pharmaceuticals Pty Limited	-	-	-	41.58	-	-	-	-	-	-
2 Arrow Pharma Pte Limited	4.15	3.99	-	-	-	-	-	-	-	-
3 Arrow Remedies Private Limited	0.04	0.14	-	-	-	-	-	-	-	-
4 Arco Lab Private Limited	1.54									
5 Beltapharm S.p.A	-	-	1.02	0.02	-	-	-	-	-	-
6 Fagris Medica Private Limited	0.07	1.10	-	-	-	-	-	-	-	-
7 Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	(16.49)	76.14	-	-	-	-	-	-	-	-
8 SeQuent Scientific Limited	-	-	-	-	-	-	-	-	8.57	7.43
9 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	54.18	0.03
10 Strides CIS Limited	64.63	54.73	-	-	-	-	-	-	-	-

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Related party closing balances (Contd.)

₹ in Million

	Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
11	Strides Emerging Markets Limited	91.69	47.64	-	-	-	-	-	-	-	-
12	Strides Pharma Global Pte Limited	2,893.46	1,434.91	-	-	-	-	-	-	-	-
13	Stelis Biopharma Private Limited	-	-	-	-	90.53	20.93	-	-	-	-
14	Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	6.00	-
15	Tenshi Life Sciences Private Limited	-	-	-	-	-	-	-	-	5.44	-
16	Strides Chemicals Private Limited	-	97.37	-	-	-	-	-	-	0.57	-
17	Strides Consumer Private Limited	-	3.60	-	-	9.28	-	-	-	-	-
18	Strides Global Consumer Healthcare Limited	-	-	-	-	0.69	-	-	-	-	-
19	Strides Consumer LLC	-	-	-	-	0.69	-	-	-	-	-
20	Strides Pharma Inc.	39.38	1.72	-	-	-	-	-	-	-	-
21	SVADS Holdings SA	15.62	79.39	-	-	-	-	-	-	-	-
22	Universal corporation Limited	-	-	19.53	0.26	-	-	-	-	-	-
23	Vivimed Life Sciences Private Limited	(23.73)	-	-	-	-	0.78	-	-	-	-
24	Vensun Pharmaceuticals Inc	(29.17)	-	-	-	-	-	-	-	-	-
25	Strides Pharma (Cyprus) Limited	(11.43)	44.23	-	-	-	-	-	-	-	-
Loans receivable:											
1	Strides Consumer Private Limited	-	110.29	-	-	30.00	-	-	-	-	-
2	Strides Emerging Markets Limited	581.72	116.12	-	-	-	-	-	-	-	-
3	Stelis Biopharma Private Limited	-	-	-	-	250.00	-	-	-	-	-
4	Vivimed Life Sciences Private Limited	166.20	-	-	-	-	-	-	-	-	-
Dividend receivable:											
1	Strides Pharma International Limited, Cyprus	-	293.96	-	-	-	-	-	-	-	-
2	Strides Pharma Asia Pte Limited, Singapore	256.39	-	-	-	-	-	-	-	-	-
Balance of deposits paid											
1	Atma Projects	-	-	-	-	-	-	-	-	50.13	50.13
2	Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	17.67	7.35
Balance of deposits received											
1	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	(7.20)	-

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Related party closing balances (Contd.)

₹ in Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Other financial assets (liabilities) and other assets (liabilities)										
1 Arrow Remedies Private Limited	0.41	0.54	-	-	-	-	-	-	-	-
2 Arrow Pharma (Private) Limited, Sri Lanka	0.08	0.08	-	-	-	-	-	-	-	-
3 Arrow Pharmaceuticals Pty Limited	-	-	5.07	45.73	-	-	-	-	-	-
4 Arco Lab Private Limited	(75.80)									
5 Fagris Medica Private Limited	1.22	10.88	-	-	-	-	-	-	-	-
6 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	551.00	(250.00)
7 Stelis Biopharma Private Limited	-	-	-	-	13.62	2.40	-	-	-	-
8 Strides Chemicals Private Limited	-	0.19	-	-	-	-	-	-	83.82	-
9 Strides Consumer Private Limited	-	56.13	-	-	4.10		-	-	-	-
10 Strides Emerging Markets Limited	20.62	345.73	-	-	-	-	-	-	-	-
11 Strides Pharma Asia Pte Limited	(1.14)	-	-	-	-	-	-	-	-	-
12 Strides Pharma (Cyprus) Limited	20.62	17.26	-	-	-	-	-	-	-	-
13 Strides Pharma Global Pte Limited	-	766.13	-	-	-	-	-	-	-	-
14 Tenshi Life Care Private Limited (formerly, Strides Biologix Private limited)	-	-	-	-	-	-	-	-	5.86	2.45
15 Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	-	30.23	-	-	-	-	-	-	-	-
16 Universal corporation Limited	-	-	9.55	2.49	-	-	-	-	-	-
17 Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited)	-	-	-	-	-	-	-	-	-	(0.07)
18 Vivimed Life Sciences Private Limited	2.06	-	-	-	-	15.11	-	-	-	-
19 Mr. Badree Komandur	-	-	-	-	-	-	(3.25)	-	-	-
20 Mr. Shashank Sinha	-	-	-	-	-	-	-	1.67	-	-
21 Mr. Arun Kumar	-	-	-	-	-	-	(10.00)	-	-	-
22 Mr. Deepak Vaidya	-	-	-	-	-	-	(1.00)	-	-	-
23 Mr. S.Sridhar	-	-	-	-	-	-	(1.00)	-	-	-
24 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	(1.00)	-	-	-
25 Mrs. Sangita Reddy	-	-	-	-	-	-	(1.00)	-	-	-
26 Mr. Bharat Shah	-	-	-	-	-	-	(1.00)	-	-	-

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Related party transactions

₹ in Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Sales of materials/services										
1 Arrow Pharmaceuticals Pty Limited	-	112.50	2.12	5.10	-	-	-	-	-	-
2 Amneal Pharmaceuticals Pty Limited	-	-	3.21	-	-	-	-	-	-	-
3 Beltapharm S.p.A.	-	-	1.13	0.02	-	-	-	-	-	-
4 Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	448.30	334.95	-	-	-	-	-	-	-	-
5 Strides Emerging Markets Limited	16.41	3.49	-	-	-	-	-	-	-	-
6 Strides Pharma (Cyprus) Limited	198.89	339.58	-	-	-	-	-	-	-	-
7 Strides Pharma Global Pte Limited	5,413.86	3,611.34	-	-	-	-	-	-	-	-
8 Strides Pharma Inc.	3.04	8.35	-	-	-	-	-	-	-	-
9 SVADS Holding SA	-	79.39	-	-	-	-	-	-	-	-
10 Strides Chemicals Private Limited	6.05	26.41	-	-	-	-	-	-	-	-
11 Strides CIS Limited	72.87	86.94	-	-	-	-	-	-	-	-
12 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	11.48	-
13 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	0.04	0.06
14 Universal Coporation Limited	-	-	20.00	1.15	-	-	-	-	-	-
15 Vensun Pharmaceuticals Inc	2.21	-	-	-	-	-	-	-	-	-
16 Vivimed Life Sciences Private Limited	-	-	-	-	32.74	1.04	-	-	-	-
Royalty income										
1 Strides Pharma Global Pte Limited	23.39	96.62	-	-	-	-	-	-	-	-
Sale of intellectual property rights/ dossiers										
1 Strides Pharma Global Pte Limited	702.08	1,291.43	-	-	-	-	-	-	-	-
2 Strides Chemicals Private Limited	-	42.79	-	-	-	-	-	-	-	-
3 Strides Consumer Private Limited	117.34	-	-	-	-	-	-	-	-	-
Sale of property, plant and equipment										
1 Strides Chemicals Private Limited	-	15.76	-	-	-	-	-	-	-	-
2 Strides Emerging Markets Limited	1.13	2.21	-	-	-	-	-	-	-	-
3 Strides Pharma Global Pte Limited	1.83	-	-	-	-	-	-	-	-	-
4 Vivimed Life Sciences Private Limited	-	-	-	-	0.10	-	-	-	-	-
5 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	0.02	-
6 Tenshi Life Care Private Limited (formerly, Strides Biologix Private limited)	-	-	-	-	-	-	-	-	-	6.40

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forming part of the standalone financial statements for the year ended March 31, 2019

Related party transactions (Contd.)

₹ in Million

	Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of business											
1	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	347.57	-
Interest income											
1	Arrow Remedies Private Limited	-	0.03	-	-	-	-	-	-	-	-
2	Solara Active Pharma Sciences Limited	-	3.71	-	-	-	-	-	-	-	-
3	Stelis Biopharma Private Limited	-	-	-	-	15.14	-	-	-	-	-
4	Strides Healthcare Private Limited	-	-	-	1.16	-	-	-	-	-	-
5	Tenshi Life Care Private Limited (formerly, Strides Biologix Private limited)	-	-	-	-	-	-	-	-	-	0.13
6	Strides Consumer Private Limited	8.91	3.95	-	-	0.84	-	-	-	-	-
7	Strides Emerging Markets Limited	32.57	0.34	-	-	-	-	-	-	-	-
8	Vivimed Life Sciences Private Limited	-	-	-	-	2.28	-	-	-	-	-
Guarantee commission income											
1	Arrow Pharmaceuticals Pty Limited	-	33.62	4.49	2.49	-	-	-	-	-	-
2	Stelis Biopharma Private Limited	-	-	-	-	38.43	36.48	-	-	-	-
3	Strides Emerging Markets Limited	-	0.91	-	-	-	-	-	-	-	-
4	Strides Pharma Asia Pte Limited	139.73	199.16	-	-	-	-	-	-	-	-
5	Strides Pharma (Cyprus) Limited	-	4.43	-	-	-	-	-	-	-	-
6	Strides Pharma Global Pte Limited	190.34	79.98	-	-	-	-	-	-	-	-
7	Strides Pharma International Limited	134.65	39.82	-	-	-	-	-	-	-	-
8	Strides Pharma Limited	-	92.14	-	-	-	-	-	-	-	-
9	Strides Pharma Inc.	18.33	13.10	-	-	-	-	-	-	-	-
10	Vivimed Life Sciences Private Limited	-	-	-	-	2.75	0.11	-	-	-	-
Support service income											
1	Arrow Pharmaceuticals Pty Limited	-	16.57	18.16	5.71	-	-	-	-	-	-
2	Fagris Medica Private Limited	0.06	0.23	-	-	-	-	-	-	-	-
3	Stelis Biopharma Private Limited	-	-	-	-	-	9.75	-	-	-	-
4	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	-	-	-	-	-	-	0.05

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forming part of the standalone financial statements for the year ended March 31, 2019

Related party transactions (Contd.)

₹ in Million

	Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
5	Strides Consumer Private Limited	0.05	1.19	-	-	1.20	-	-	-	-	-
6	Strides Global Consumer Healthcare Limited	-	-	-	-	0.70	-	-	-	-	-
7	Strides Consumer LLC	-	-	-	-	0.70	-	-	-	-	-
8	Strides Emerging Markets Limited	1.88	9.60	-	-	-	-	-	-	-	-
9	Strides Healthcare Private Limited	-	-	-	0.60	-	-	-	-	-	-
10	Strides Pharma (Cyprus) Limited	86.68	-	-	-	-	-	-	-	-	-
11	Strides Pharma Global Pte Limited	10.01	10.80	-	-	-	-	-	-	-	-
12	Vivimed Life Sciences Private Limited	-	-	-	-	24.50	-	-	-	-	-
13	SeQuent Scientific Limited	-	-	-	-	-	-	-	-	1.05	-
Rental income from operating leases											
1	Arrow Remedies Private Limited	0.06	0.06	-	-	-	-	-	-	-	-
2	Arco Lab Private Limited	9.38	-	-	-	-	-	-	-	-	-
3	Fagris Medica Private Limited	-	0.06	-	-	-	-	-	-	-	-
4	Tenshi Life Sciences Private Limited	-	-	-	-	-	-	-	-	-	0.74
5	Strides Consumer Private Limited	0.67	1.46	-	-	0.20	-	-	-	-	-
6	Strides Emerging Markets Limited	0.15	0.15	-	-	-	-	-	-	-	-
7	Strides Healthcare Private Limited	-	-	-	0.17	-	-	-	-	-	-
8	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	14.46	0.03
Dividend income											
1	Strides Pharma International Limited	-	496.09	-	-	-	-	-	-	-	-
2	Strides Pharma Asia Pte Limited	254.99	-	-	-	-	-	-	-	-	-
Purchase of materials/services											
1	Beltapharm S.p.A.	-	-	7.20	3.72	-	-	-	-	-	-
2	SeQuent Research Limited	-	-	-	-	-	-	-	-	1.82	18.36
3	SeQuent Scientific Limited	-	-	-	-	-	-	-	-	-	169.05
4	Strides Chemicals Private Limited	0.48	92.39	-	-	-	-	-	-	97.24	-
5	Strides Emerging Markets Limited	24.44	43.35	-	-	-	-	-	-	-	-
6	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	3,172.83	590.67
7	Vivimed Life Sciences Private Limited	-	-	-	-	2.43	-	-	-	-	-
8	Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	0.71	5.29
Support service expenses											
1	Fagris Medica Private Limited	-	0.30	-	-	-	-	-	-	-	-
2	Arco Lab Private Limited	96.52	-	-	-	-	-	-	-	-	-
3	Strides Pharma Inc.	19.45	19.52	-	-	-	-	-	-	-	-

Related party transactions (Contd.)

₹ in Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Royalty expenses										
1 Strides Healthcare Private Limited	-	-	-	6.22	-	-	-	-	-	-
Reimbursement of expenses incurred by										
1 Arrow Pharmaceuticals Pty Limited	-	0.33	1.63	-	-	-	-	-	-	-
2 Arco Lab Private Limited	0.41	-	-	-	-	-	-	-	-	-
3 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	13.38	-
4 Strides CIS Limited	-	2.72	-	-	-	-	-	-	-	-
5 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	-	-	-	-	-	-	-	15.24	-
6 Shasun USA Inc	-	43.02	-	-	-	-	-	-	-	-
7 Fagris Medica Private Limited	-	0.83	-	-	-	-	-	-	-	-
8 Strides Pharma Global Pte Limited	11.72	0.26	-	-	-	-	-	-	-	-
9 Strides Pharma (UK) Limited UK (formerly, Strides Shasun (UK) Limited)	15.15	-	-	-	-	-	-	-	-	-
10 Strides Pharma (Cyprus) Limited	1.93	1.43	-	-	-	-	-	-	-	-
11 Generic Partners UK Limited, UK	6.91	-	-	-	-	-	-	-	-	-
12 Strides CIS Limited	0.94	-	-	-	-	-	-	-	-	-
13 Universal Corporation Limited	-	-	-	0.03	-	-	-	-	-	-
14 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	118.87	-
15 Strides Pharma Inc.	2.34	24.60	-	-	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of										
1 Arrow Pharmaceuticals Pty Limited	-	12.24	12.23	2.02	-	-	-	-	-	-
2 Arrow Pharma (Private) Limited, Sri Lanka	-	0.08	-	-	-	-	-	-	-	-
3 Arrow Remedies Private Limited	0.29	0.31	-	-	-	-	-	-	-	-
4 Arco Lab Private Limited	0.10	-	-	-	-	-	-	-	-	-
5 Fagris Medica Private Limited	0.04	3.78	-	-	-	-	-	-	-	-
6 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	-	-	-	-	-	-	-	-	5.29
7 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	72.86	124.03
8 Stelis Biopharma Private Limited	-	-	-	-	35.78	63.59	-	-	-	-
9 Strides Chemicals Private Limited	3.14	10.81	-	-	-	-	-	-	0.53	-
10 Strides Consumer Private Limited	17.30	53.42	-	-	4.02	-	-	-	-	-
11 Strides Emerging Markets Limited	22.18	17.51	-	-	-	-	-	-	-	-
12 Strides Pharma Global Pte Limited	17.10	76.72	-	-	-	-	-	-	-	-

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forming part of the standalone financial statements for the year ended March 31, 2019

Related party transactions (Contd.)

₹ in Million

	Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
13	Strides Pharma (Cyprus) Limited	5.61	2.40	-	-	-	-	-	-	-	-
14	Strides Pharma Inc.	6.65	9.05	-	-	-	-	-	-	-	-
15	Strides Pharma (UK) Limited (formerly, Strides Shasun (UK) Limited)	33.13	30.23	-	-	-	-	-	-	-	-
16	Tenshi Life Sciences Private Limited	-	-	-	-	-	-	-	-	4.56	-
17	Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	7.42	-
18	Tenshi Life Care Private Limited (formerly, Strides Biologix Private limited)	-	-	-	-	-	-	-	-	3.41	-
19	Universal Corporation Limited	-	-	7.07	3.14	-	-	-	-	-	-
20	Vivimed Life Sciences Private Limited	-	-	-	-	4.90	-	-	-	-	-
Rent expense											
1	Atma Projects	-	-	-	-	-	-	-	-	60.44	62.08
2	Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	19.39	7.77
3	Devendra Estates LLP, India	-	-	-	-	-	-	-	-	-	3.10
Sales commission											
1	Shasun USA Inc	-	30.10	-	-	-	-	-	-	-	-
Loans / advances given / repaid by Company											
1	Fagris Medica Private Limited	-	5.70	-	-	-	-	-	-	-	-
2	Stelis Biopharma Private Limited	-	-	-	-	250.00	78.00	-	-	-	-
3	Strides Emerging Markets Limited	264.95	193.43	-	-	-	-	-	-	-	-
4	Solara Active Pharma Sciences Limited	-	364.76	-	-	-	-	-	-	-	262.50
5	Strides Chemicals Private Limited	80.00	250.70	-	-	-	-	-	-	-	-
6	Strides Consumer Private Limited	53.80	110.29	-	-	5.00	-	-	-	-	-
7	Strides Healthcare Private Limited,	-	-	-	0.12	-	-	-	-	-	-
8	Vivimed Life Sciences Private Limited	-	-	-	-	166.20	115.12	-	-	-	-
9	Chemsynth Laboratories Private Limited	-	-	-	0.10	-	-	-	-	-	-
Loans / advances taken by Company / repaid to Company											
1	Fagris Medica Private Limited	-	1.97	-	-	-	-	-	-	-	-
2	Strides Emerging Markets Limited	150.00	-	-	-	-	-	-	-	-	-
3	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	-	500.00
4	Stelis Biopharma Private Limited	-	-	-	-	-	76.40	-	-	-	-

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Related party transactions (Contd.)

₹ in Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
5 Strides Chemicals Private Limited	-	250.00	-	-	-	-	-	-	-	-
6 Vivimed Life Sciences Private Limited	-	-	-	-	-	100.00	-	-	-	-
7 Strides Healthcare Private Limited	-	-	-	19.95	-	-	-	-	-	-
Investments during the year										
1 Stelis Biopharma Private Limited	-	-	-	-	750.00	-	-	-	-	-
2 Strides Pharma Asia Pte Limited	1,021.59	2,083.69	-	-	-	-	-	-	-	-
3 Strides Consumer Private Limited, India	153.86	-	-	-		-	-	-	-	-
4 Arco Lab Private Limited	1.60	-	-	-	-	-	-	-	-	-
5 Vivimed Life Sciences Private Limited	-	-	-	-	688.80	658.62	-	-	-	-
Investments purchased from										
1 Arrow Pharma Pte Limited	-	0.21	-	-	-	-	-	-	-	-
Investments sold to										
1 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	1,310.00	-
Share application money paid										
1 Strides Arcolab International Limited	-	1,923.43	-	-	-	-	-	-	-	-
Refund of Share application money										
1 Strides Pharma Asia Pte Limited	0.02	0.05	-	-	-	-	-	-	-	-
2 Strides Arcolab International Limited	0.17	-								
Lease deposit paid										
1 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	10.32	-
Lease deposit received										
1 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	7.20	-
Donation Paid										
1 Strides Foundation Trust	-	-	-	-	-	-	-	-	22.75	13.99
Short term employee benefits paid to (Refer note (i) below)										
1 Mr. Arun Kumar	-	-	-	-	-	-	50.00	14.03	-	-
2 Mr. Badree Komandur	-	-	-	-	-	-	32.11	33.33	-	-
3 Ms. Manjula Ramamurthy	-	-	-	-	-	-	3.38	3.18	-	-
4 Mr. Shashank Sinha	-	-	-	-	-	-	10.06	60.39	-	-
5 Mr. S Abhaya Kumar	-	-	-	-	-	-	-	11.96	-	-
6 Mr. Aditya Arun Kumar	-	-	-	-	-	-	-	0.27	-	-

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forming part of the standalone financial statements for the year ended March 31, 2019

Related party transactions (Contd.)

₹ in Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Employee stock option expenses										
1 Mr. Badree Komandur	-	-	-	-	-	-	3.07	-	-	-
2 Ms. Manjula Ramamurthy	-	-	-	-	-	-	0.30	-	-	-
Sitting fees paid										
1 Mr. Arun Kumar	-	-	-	-	-	-	-	0.70	-	-
2 Mr. Deepak Vaidya	-	-	-	-	-	-	1.40	0.60	-	-
3 Mr. M.R. Umarji	-	-	-	-	-	-	-	0.10	-	-
4 Mr. P.M.Thampi	-	-	-	-	-	-	-	0.10	-	-
5 Mr. S.Sridhar	-	-	-	-	-	-	1.60	0.90	-	-
6 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	1.40	0.70	-	-
7 Mrs. Sangita Reddy	-	-	-	-	-	-	0.40	0.30	-	-
8 Mr. Bharat Shah	-	-	-	-	-	-	1.60	0.70	-	-
Remuneration to Non-executive directors										
1 Mr. Deepak Vaidya	-	-	-	-	-	-	1.00	-	-	-
2 Mr. S.Sridhar	-	-	-	-	-	-	1.00	-	-	-
3 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	1.00	-	-	-
4 Mrs. Sangita Reddy	-	-	-	-	-	-	1.00	-	-	-
5 Mr. Bharat Shah	-	-	-	-	-	-	1.00	-	-	-

Note (i): The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.

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forming part of the standalone financial statements for the year ended March 31, 2019

Note No. 45 // Lease arrangements

A. The Company as lessee:

Leasing arrangement

The Company's significant leasing arrangements are mainly in respect of factory land and buildings, residential and office premises. The aggregate lease rentals payable on these leasing arrangements charged to the Statement of Profit and Loss is ₹142.23 Million (March 31, 2018: ₹152.81 Million (including charge on lease rentals related to discontinued operations))

Payments recognised as an expense

Non-cancellable operating lease commitments

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Not later than 1 year	16.27	20.10
Later than 1 year and not later than 5 years	75.44	-
Later than 5 years	14.23	-
Total	**105.94**	**20.10**

Leasing arrangement

The Company has certain finance lease arrangements for certain equipment, which provide the Company an option to purchase the assets at the end of the lease period. Details relating to these assets and minimum lease rentals payable are as follows:

Finance lease liabilities

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Future minimum lease payments:		
Not later than 1 year	22.20	22.20
Later than one year but not later than 5 years	-	22.20
Later than 5 years	-	-
Total	**22.20**	**44.40**
Less: Unmatured finance charges	(1.37)	(4.76)
Present value of minimum lease payments payable	**20.83**	**39.64**
Up to one year	20.83	18.81
From one year to five years	-	20.83
Above five years	-	-

B. The Company as lessor:

Leasing arrangement

The Company has entered into operating lease arrangements for lease of factory land and building for a term ranging from 4 to 18 years with non-cancellable lease period of 4 to 8 years. Details relating to these assets and minimum lease rentals receivable are as follows:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Gross carrying amount of assets leased	960.24	776.40
Accumulated depreciation	191.44	116.42
Future minimum lease income:		
Not later than one year	78.19	59.45
Later than one year but not later than 5 years	126.76	141.04
Later than 5 years	-	
Total	**204.95**	**200.49**

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forming part of the standalone financial statements for the year ended March 31, 2019

Note No. 46 // Earnings per share

Particulars	For the year ended March 31, 2019	March 31, 2018
Basic earnings per share:		
From continuing operations	12.78	17.48
From discontinued operations	(0.45)	82.16
Total basic earnings per share	**12.33**	**99.64**
Diluted earnings per share:		
From continuing operations	12.77	17.48
From discontinued operations	(0.45)	82.13
Total diluted earnings per share	**12.32**	**99.61**

Earnings used in computing basic and diluted earnings per share

₹ in Million

Particulars	For the year ended March 31, 2019	March 31, 2018
Profit attributable to the equity holders of the Company		
From continuing operations	1,144.10	1,564.48
From discontinued operations	(40.43)	7,351.43
Total operations	**1,103.67**	**8,915.91**

Weighted average number of shares used as the denominator

₹ in Million

Particulars	For the year ended March 31, 2019	March 31, 2018
Weighted average number of equity shares used as denominator in calculating basic earnings per share	89,548,390	89,479,936
Adjustments for calculation of diluted earnings per share:		
- employee stock options	26,393	31,334
Weighted average number of equity shares used as denominator in calculating diluted earnings per share	**89,574,783**	**89,511,270**

Note No. 47 // Financial instruments

47.1 Categories of financial instruments

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Financial assets:		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Equity investments	-	1.08
(ii) Investment in mutual funds	1,542.86	3,114.79
(iii) Investment in preferred stock of associates	750.00	-
(b) Derivative financial assets		-
Measured at amortised cost		
(a) Cash and bank balances	1,808.13	797.89
(b) Loans receivable	1,192.12	637.28
(c) Trade receivables	5,825.60	4,493.65
(d) Share application money pending allotment	-	3,989.32
(e) Receivables from related parties	46.16	934.51
(f) Dividend receivable from subsidiaries	256.39	293.96
(g) Other financial assets at amortised cost	634.73	52.69

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forming part of the standalone financial statements for the year ended March 31, 2019

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Measured at FVTOCI		
(a) Fair value of derivatives designated in a cash flow hedge	190.20	46.77
Financial liabilities:		
Measured at FVTOCI		
(a) Derivative financial liabilities	0.15	6.95
Measured at amortised cost		
(a) Borrowings	8,089.50	6,040.36
(b) Current maturities of non current borrowings	22.94	21.20
(c) Security deposit	33.38	25.79
(d) Trade payables	5,094.01	3,907.24
(e) Unclaimed dividends	56.28	66.89
(b) Payables on purchase of non-current investments	40.51	90.00
(b) Payable to subsidiaries	76.94	-
(b) Other Financial Liabilities	62.51	25.15

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Million

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2019	March 31, 2018		
Financial assets:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	190.20	46.77	Level 2	The fair value of forward foreign contracts are determined using spot and forward exchange rates at the balance sheet date.
Equity investments (unquoted)	-	1.08	Level 3	The fair value of the equity instruments are determined using comparable quotes available during period.
Compulsority Convertible Preference Shares (unquoted)	750.00	-	Level 3	Fair value of the instruments are determined using equity valuation method
Investment in Mutual fund (quoted)	1,542.86	3,114.79	Level 1	Fair value is determined based on the net asset value published by respective funds.
Financial liabilities:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	0.15	6.95	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.

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Sensitivity of unobservable inputs used in Level 3 fair value measurements

1) **Equity investments unquoted**

No disclosure has been given since the amount is not material.

Reconciliation of Level 3 fair value measurements

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Opening balance	1.08	(162.94)
Addition	750.00	–
Pursuant to scheme of demerger (refer note 38.2)		(11.09)
Disposal / settlements	(1.08)	175.11
Closing balance	**750.00**	**1.08**

47.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortised cost will reasonably approximate their fair values.

₹ in Million

Particulars	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	777.92	777.92	226.41	226.41
Security deposit	138.20	140.29	148.53	150.25
Financial liabilities				
Borrowings	8,112.44	8,112.44	6,061.56	6,061.56

47.3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivatives financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

- debt availed in foreign currency
- net investments in subsidiaries and joint ventures that are in foreign currencies
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency (i.e Indian rupees)

Exchange rate exposures are managed within approved policy parameters by utilising forward foreign exchange contracts.

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47.3.1 Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover the following:

a. repayments of specific foreign currency borrowings.

b. forecast sales transactions

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Contracts designated in a cash flow hedge

Outstanding contracts	Underlying Exposure	Average exchange rate (in ₹)	Foreign currency (USD in Million)	Nominal amounts (₹ in Million)	Fair value assets (liabilities) (₹ in Million)
As at March 31, 2019					
Sell USD					
Less than 3 months	Forecast sales	71.12	24.00	1,706.78	1,740.22
3 to 6 months		74.78	24.00	1,794.77	1,898.10
6 to 12 months		72.98	28.00	2,043.41	2,096.69
Total			**76.00**	**5,544.96**	**5,735.01**
As at March 31, 2018					
Sell USD					
Less than 3 months	Forecast sales	66.59	34.00	2,264.08	2,297.05
3 to 6 months		66.79	26.00	1,736.66	1,750.04
6 to 12 months		66.88	35.00	2,340.92	2,334.39
Total			**95.00**	**6,341.66**	**6,381.48**

The line-items in the balance sheet that include the above hedging instruments are "Other financial assets (Refer note 10(ii))".

The details of unhedged foreign currency exposure are as follows:

Amounts in Million

Amount receivable/(payable)	As at March 31, 2019		As at March 31, 2018	
Exposure to the currency	in foreign currency	in ₹	in foreign currency	in ₹
USD	(7.63)	(528.24)	(13.36)	(872.07)
AUD	9.43	462.60	6.25	312.03
EUR	1.83	141.77	(0.97)	(78.30)
CAD	1.64	84.78	1.29	64.94
GBP	0.71	64.07	1.40	128.08
SGD	0.03	1.60	(0.01)	(0.41)
JPY	(0.38)	(0.24)	(3.42)	(2.09)
CHF	0.18	12.81	1.15	78.26

47.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs), loans in foreign currencies to subsidiaries and joint ventures. The Company considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Company is exposed to volatility in other currencies including the Great Britain Pounds (GBP), United states Dollar (USD), Euro and the Australian

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Dollar (AUD). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against ₹ is given below:

₹ in Million

Particulars	Increase / (decrease) in equity		Increase / (decrease) in profit	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Appreciation in the USD	(17.18)	(28.51)	(26.41)	(43.60)
Depreciation in the USD	17.18	28.51	26.41	43.60
Appreciation in the EUR	4.61	(2.56)	7.09	(3.92)
Depreciation in the EUR	(4.61)	2.56	(7.09)	3.92
Appreciation in the AUD	15.05	10.20	23.13	15.60
Depreciation in the AUD	(15.05)	(10.20)	(23.13)	(15.60)
Appreciation in the GBP	2.08	4.19	3.20	6.40
Depreciation in the GBP	(2.08)	(4.19)	(3.20)	(6.40)

The impact on profit has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

47.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk to the company primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions and other financial assets.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk arising from receivables is subject to currency risk in that the receivables are predominantly denominated in USD, AUD and GBP and any appreciation in the Rupee. will affect the credit risk. Further, the Company is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the globe.

Credit risk on cash and cash equivalents and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic rating agencies.

Also refer note 15.

47.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the company's surplus cash is retained as investments in Liquid Mutual Funds to fund short term requirements.

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47.5.1 Liquidity analysis for non-derivative liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹ in Million

Financial liabilities	Due within (years)						Total	Carrying amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank and other borrowings								
- As on March 31, 2019	8,110.92	1.52			-	-	8,112.44	8,112.44
- As on March 31, 2018	6,037.11	22.94	1.51	-	-	-	6,061.56	6,061.56
Trade and other payable not in borrowings								
- As on March 31, 2019	5,330.25	-	-	-	-	40.94	5,371.19	5,363.63
- As on March 31, 2018	4,089.29	-	-	-	-	33.73	4,123.02	4,115.07

47.5.2 Liquidity analysis for derivative financial instruments-

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. Outflows are represented in brackets in table below:

₹ in Million

Particulars	Total	less than 3 months	3 to 6 months	6 months to 1 year	1-5 years	5+ years
March 31, 2019						
Net settled:						
- foreign exchange forward contracts	190.05	33.44	103.33	53.28	-	-
Total	**190.05**	**33.44**	**103.33**	**53.28**	**-**	**-**
March 31, 2018						
Net settled:						
- foreign exchange forward contracts	39.82	32.97	13.38	(6.53)	-	-
Total	**39.82**	**32.97**	**13.38**	**(6.53)**	**0.00**	**0.00**

Note No. 48 // Capital management

The Company manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 20 and 21(ii) offset by cash and bank balances) and total equity.

The Company reviews the capital structure on a semi-annual basis to ensure that it in compliance with the required covenants. The Company has a target gearing ratio of 1:1 determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2019 is 0.15.

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forming part of the standalone financial statements for the year ended March 31, 2019

The Company is not subject to any externally imposed capital requirements.

48.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Debt (i)	8,112.44	6,061.56
Less:		
Investment in mutual funds	1,542.86	3,114.79
Cash and bank balances	1,808.13	797.89
Net Debt (A)	**4,761.45**	**2,148.88**
Total Equity (B)	**32,567.98**	**31,620.16**
Net debt to equity ratio (A/B)	0.15	0.07

(i) Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings.

Note No. 49 // Segment Information

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

Note No. 50 // Other Matters

(a) In respect of freehold land to the extent of 5.44 acres (as at March 31, 2019 gross block and net block amounting to ₹201.42 Million) capitalised in the books of the Company, the title deeds are under dispute. The Company based on its internal assessment believes that it has title deed in its name and it will be able to defend any counter claims on such parcel of land under dispute.

(b) The title deeds of freehold land and building admeasuring 22.48 acres (as at March 31, 2019 gross block ₹648.05 Million and net block of ₹467.24 Million) capitalised in the books of the Company are in the name of erstwhile Companies which were merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of judicature. The Company is in the process transferring the title deeds of such properties in its name.

(c) In respect of building admeasuring 750 sq. ft. (as at March 31, 2019 gross block of ₹3.55 Million and net block ₹1.28 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process of transferring the title deeds of such building in its name.

Note No. 51 // Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law required existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence as required by law. The Management is of the opinion that its international as well as domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

Note No. 52 // Events after reporting period

On May 10, 2019, the Board of Directors of the Company has proposed a final dividend of ₹3 per equity share. The proposed dividend is subject to the approval of the shareholders in the annual general meeting.

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Note No. 53 //

During the year ended March 31, 2019, no material foreseeable loss (March 31, 2018: Nil) was incurred for any long-term contract including derivative contracts.

Note No. 54 //

The previous year's figures have been re-grouped/ reclassified, where necessary to confirm to current year's classification.

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
Bengaluru, May 10, 2019

for and on behalf of Board of Directors of Strides Pharma Science Limited

Arun Kumar
Managing Director
DIN : 00084845

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership No.: A30515

DETAILS OF INCOME, EXPENDITURE AND CAPITAL EXPENDITURE OF DSIR RECOGNIZED R&D UNIT

(All amounts in INR Mn.)

Particulars	Total as on March 31, 2019#	Total as on March 31, 2018*
Capital Expenditure:		
Buildings	0.35	2.03
Plant and Machinery	47.45	48.35
Furniture & Fixtures	0.22	2.55
Office Equipment	0.63	6.09
Registrations and Brands	3.85	-
Software and Licenses	1.00	-
Total Capital Expenditure	**53.49**	**59.02**
Revenue Expenditure:		
Employee Cost	249.61	654.11
Cost of Materials Consumed	85.58	113.54
Consumables and spares	115.74	252.02
Power, Water and Fuel Charges	52.49	58.93
Development Expenses	126.01	7.99
Rental Expenses	17.88	16.11
Annual Maintenance Expenses	31.21	27.57
Other R & D Expenses	193.62	310.88
Professional Charges	63.81	138.14
Travelling and conveyance	7.87	21.71
Depreciation	81.96	140.69
Total Revenue Expenditure	**1,025.78**	**1,741.69**
Income:		
Product Development Income	108.83	122.74
Others	0.04	86.21
Total Income	**108.87**	**208.95**
Excess of Revenue Expenditure over Income	**916.91**	**1,532.74**

Note:

* Pertains to DSIR recognized R&D units located at Bangalore, Pondicherry and Chennai. Pondicherry R&D unit was derecognized during FY 2017-18. Subsequently with effect from April 1, 2018, the Chennai R&D unit was transferred to Solara Active Pharma Sciences Limited.

Pertains to DSIR recognized R&D unit located at Bangalore.

EQUITY HISTORY OF THE COMPANY

Date	Particulars	Number of Shares Issued	Cumulative Number of Shares Issued	Face Value per share (₹)	Equity Share Capital issued (₹)	Equity Share Capital (Cumulative) (₹)
28-Jun-90	Subscribers to Memorandum of Association	50	50	100	5,000	5,000
31-Jan-91	Preferential Issue	4,010	4,060	100	4,01,000	4,06,000
29-Mar-91	Preferential Issue	1,940	6,000	100	1,94,000	6,00,000
31-Mar-92	Preferential Issue	4,000	10,000	100	4,00,000	10,00,000
28-Jan-93	Preferential Issue	15,000	25,000	100	15,00,000	25,00,000
11-Mar-94	Preferential Issue	20	25,020	100	2,000	25,02,000
11-Apr-94	Reclassification of nominal value of shares from ₹100 each to ₹10 each	-	2,50,200	10	-	25,02,000
30-Apr-94	Issue of Bonus Shares	12,51,000	15,01,200	10	1,25,10,000	1,50,12,000
01-Sep-94	Preferential Issue	11,60,300	26,61,500	10	1,16,03,000	2,66,15,000
01-Sep-94	Allotment under ESOP	22,950	26,84,450	10	2,29,500	2,68,44,500
22-Jan-97	Preferential Issue	9,18,980	36,03,430	10	91,89,800	3,60,34,300
06-Dec-97	Preferential Issue	4,00,000	40,03,430	10	40,00,000	4,00,34,300
13-May-99	Preferential Issue on conversion of Fully Convertible Debentures	43,63,636	83,67,066	10	4,36,36,360	8,36,70,660
13-May-99	Preferential Issue	2,21,000	85,88,066	10	22,10,000	8,58,80,660
13-Jul-99	Preferential Issue	5,16,500	91,04,566	10	51,65,000	9,10,45,660
24-Aug-99	Allotment to erstwhile shareholders of Remed Laboratories (India) Limited consequent to its amalgamation with the Company	12,00,000	1,03,04,566	10	1,20,00,000	10,30,45,660
24-Aug-99	Preferential Issue	17,02,000	1,20,06,566	10	1,70,20,000	12,00,65,660
24-Aug-99	Allotment to erstwhile shareholders of Global Remedies Private Limited consequent to its acquisition by the Company	50,000	1,20,56,566	10	5,00,000	12,05,65,660
22-Sep-99	Preferential Issue	8,50,000	1,29,06,566	10	85,00,000	12,90,65,660
07-Dec-99	Allotment to erstwhile shareholders of Plama Laboratories Limited consequent to its amalgamation with the Company	7,12,500	1,36,19,066	10	71,25,000	13,61,90,660
27-Jun-01	Preferential Issue on conversion of Cumulative Convertible Preference Shares	31,44,445	1,67,63,511	10	3,14,44,450	16,76,35,110
24-Jan-02	Allotment to erstwhile shareholders of Bombay Drugs & Pharma Limited consequent to its amalgamation with the Company.	2,10,955	1,69,74,466	10	21,09,550	16,97,44,660
14-Feb-02	Preferential Issue	1,37,14,286	3,06,88,752	10	13,71,42,860	30,68,87,520
11-Dec-03	Preferential Issue on conversion of warrants	30,68,875	3,37,57,627	10	3,06,88,750	33,75,76,270
02-Feb-05	Preferential Issue	11,96,662	3,49,54,289	10	1,19,66,620	34,95,42,890
05-Jul-07	Preferential Issue on conversion of warrants	50,000	3,50,04,289	10	5,00,000	35,00,42,890
08-Mar-08	Preferential Issue on conversion of Convertible Debentures	40,00,000	3,90,04,289	10	4,00,00,000	39,00,42,890

EQUITY HISTORY OF THE COMPANY

Date	Particulars	Number of Shares Issued	Cumulative Number of Shares Issued	Face Value per share (₹)	Equity Share Capital issued (₹)	Equity Share Capital (Cumulative) (₹)
17-Jun-08	Preferential Issue on conversion of Convertible Debentures	10,45,725	4,00,50,014	10	1,04,57,250	40,05,00,140
13 Aug 2009 to 03 Dec 2009	Allotment under ESOP	1,65,600	4,02,15,614	10	16,56,000	40,21,56,140
19-Jan-10	Allotment to erstwhile shareholders of Grandix Pharmaceuticals Limited consequent to its amalgamation with the Company.	12,822	4,02,28,436	10	1,28,220	40,22,84,360
19-Jan-10	Allotment to erstwhile shareholders of Grandix Laboratories Limited consequent to its amalgamation with the Company.	702	4,02,29,138	10	7,020	40,22,91,380
24-Feb-10	Preferential Issue on conversion of warrants	25,60,000	4,27,89,138	10	2,56,00,000	42,78,91,380
15-Mar-10	Preferential Issue on conversion of warrants	4,20,000	4,32,09,138	10	42,00,000	43,20,91,380
22 April 10 to 24 Aug 10	Allotment under ESOP	4,92,000	4,37,01,138	10	49,20,000	43,70,11,380
26-Aug-10	Preferential Issue on conversion of warrants	32,20,000	4,69,21,138	10	3,22,00,000	46,92,11,380
01-Oct-10	Allotment under QIP 2010	1,07,42,533	5,76,63,671	10	10,74,25,330	57,66,36,710
4 Oct 10 to 16 Nov 10	Allotment under ESOP	81,000	5,77,44,671	10	8,10,000	57,74,46,710
24 Feb 11 to 15 Oct 11	Allotment under ESOP	6,35,500	5,83,80,171	10	63,55,000	58,38,01,710
4 Feb 12 to 19 Oct 12	Allotment under ESOP	4,23,550	5,88,03,721	10	42,35,500	58,80,37,210
12 Feb 13 to 18 Dec 13	Allotment under ESOP	7,61,900	5,95,65,621	10	76,19,000	59,56,56,210
24 Feb 15 to 22 May 15	Allotment under ESOP	60,000	5,96,25,621	10	6,00,000	59,62,56,210
20-Nov-15	Upon Amalgamation of Shasun Pharmaceuticals with Strides (5 shares of Strides for 16 shares of Shasun)	2,10,17,329	8,06,42,950	10	21,01,73,290	80,64,29,500
23-Dec-15	Allotment under QIP 2015	86,28,028	8,92,70,978	10	8,62,80,280	89,27,09,780
07-Mar-16	Allotment under ESOP	75,000	8,93,45,978	10	7,50,000	89,34,59,780
05-May-16	Allotment under ESOP	20,000	8,93,65,978	10	2,00,000	89,36,59,780
28-Oct-16	Allotment under ESOP	2,717	8,93,68,695	10	27,170	89,36,86,950
11-Feb-17	Allotment under ESOP	4,311	8,93,73,006	10	43,110	89,37,30,060
16-Mar-17	Allotment under ESOP	50,000	8,94,23,006	10	5,00,000	89,42,30,060
10-Jun-17	Allotment under ESOP	50,000	8,94,73,006	10	5,00,000	89,47,30,060
20-Jul-17	Allotment under ESOP	20,000	8,94,93,006	10	2,00,000	89,49,30,060
31-Oct-17	Allotment under ESOP	5,654	8,94,98,660	10	56,540	89,49,86,600
09-Feb-18	Allotment under ESOP	1,375	8,95,00,035	10	13,750	89,50,00,350
06-Apr-18	Allotment under ESOP	48,878	8,95,48,913	10	4,88,780	89,54,89,130
27-Dec-18	Allotment under ESOP	563	8,95,49,476	10	5,630	89,54,94,760

NOTES

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