

INVESTING IN A STRONG
PRODUCT PIPELINE FOR SCALE
AND SCOPE

DRIVING FRONT-END BUSINESS
IN REGULATED AND EMERGING
MARKETS

EMERGING AS A FULLY
INTEGRATED GLOBAL
PHARMACEUTICAL COMPANY

INVESTING IN
THE **MULTIPLIER**
EFFECT

READ INSIDE



01-20 ALL ABOUT STRIDES

We explain who we are, where we operate, our business model and strategy, corporate action and a summary of how we performed against our key performance indicators.

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This Annual Report is available online at www.stridesarco.com

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set 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', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are 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 vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

THE ONLY THING
CONSTANT AT
STRIDES IS VALUE
CREATION.

FOR 25 YEARS,
WE HAVE
DEMONSTRATED
OUR CAPABILITY
ACROSS MULTIPLE
AVENUES.

FROM A MODEST BEGINNING, TODAY WE
HAVE PRESENCE IN 85 COUNTRIES WITH
WIDE RANGE OF PRODUCTS.

Our strategic foresight and execution in all these years helped us create wealth for all our stakeholders.

Taking it further, our market capitalisation has more than tripled to over US\$ 1 billion in the last one year. The scale, size and scope of our business is attracting customers and investors globally.

We are now putting in place the building blocks for the new Strides.

We have moved up the value chain through our front-ends in key emerging and regulated markets.

We continue to participate in the global movement to help eradicate specific diseases with a high-risk profile, as part of our institutional business.

We have set up manufacturing infrastructure 'in Africa for Africa' and continue our focus on brands in key markets of the region.

We acquired brand 'Raricap' and the India Branded Generic Business of Bafna Pharmaceuticals to strengthen our domestic brands business, which now has a pan-India reach.

We have announced a merger with Shasun Pharmaceuticals to accelerate strategy and growth.

We re-entered the Australian market in a leadership position, with an agreement to acquire a generic pharmaceutical business and related assets from Aspen.

We reinforced our R&D efforts, forayed into relevant markets and nurtured a global talent pool.

We have had encouraging progress in our Biotech business where we have hit critical milestones for two of our lead products.

We are investing our skill, energy and resources to accelerate the multiplier momentum and elevate to the next altitude.

OUR WORLD IS EXPANDING

AT STRIDES, OUR OBJECTIVE IS TO ACCELERATE THE ACCESS OF INNOVATIVE AND AFFORDABLE DRUGS IN NICHE DOMAINS AND CONSISTENTLY UPGRADE OUR CAPACITIES AND CAPABILITIES SUSTAINABLY.



OUR REPUTATION

- » We have world-class manufacturing facilities and best-in-class R&D infrastructure
- » We have a strong commercial platform to market branded products and generics globally
- » Our consistent focus on quality has provided us significant competitive advantage in a rapidly evolving regulatory landscape



OUR VISION

To be a profitable provider of high quality pharmaceutical products and solutions that create strategic value for our customers and to provide a rewarding workplace for our employees.



BUSINESS AREAS

1. Pharmaceuticals

- » Pharma Generics
- » Branded Generics
- » Institutional Business

2. Biotech



OUR MISSION

We innovate and operate in niche areas; deliver high quality products and compelling service that ensure that our customers view us as a long term and reliable partner.

25 years

Glorious years of stakeholder value creation

~US\$ **200** Mn

Global turnover

8

State-of-the-art manufacturing facilities (two US FDA approved and six emerging market facilities)

2

Global R&D centres with 110+ scientists

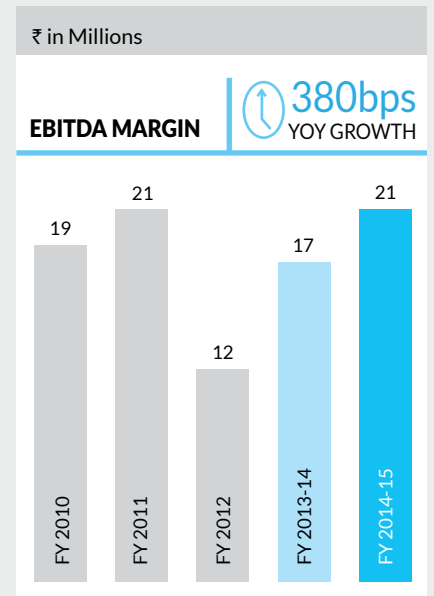
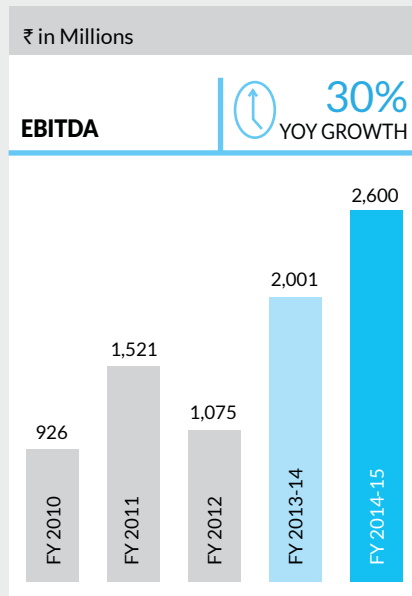
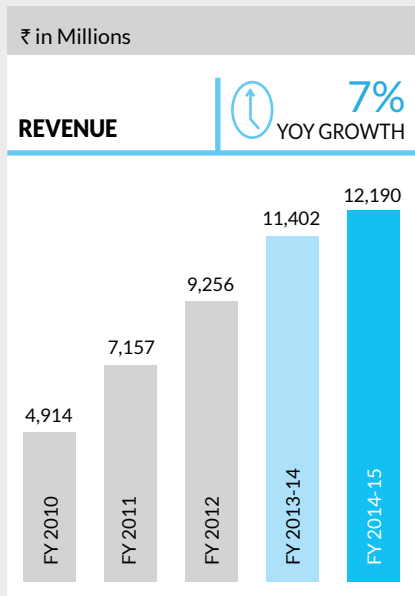
85+

Country presence

2,000+

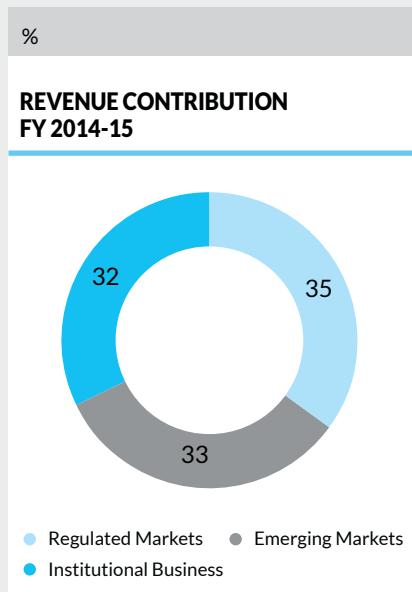
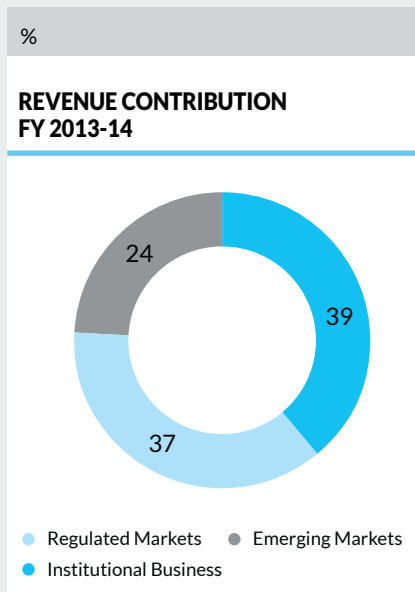
Global team strength

GLOBAL PHARMA BUSINESS PERFORMANCE



Notes:

1. Financial Year 2013-14 was for 15 months. For year-on-year comparison purpose we have taken a 12 month period (April 2013 to March 2014)
2. Revenues and EBITDA exclude discontinued Australasian business



CEO'S MESSAGE

Dear Friends,

In my last letter to you, I had explained how we had created value for all stakeholders by consistently investing our energy, skill and resources in niche domains. We will continue to follow that broad trajectory, despite global economic volatilities and industry challenges. We believe that our cumulative efforts, considering the capacities we have created, relationships with customers we have fostered and the competencies that we have developed – are creating a multiplier effect, which will take us far.

I am pleased to report an encouraging performance during the year. Our revenues grew by 7% to ₹ 12,190 Million in FY 2014-15 from ₹ 11,402 Million in FY 2013-14*. Our EBITDA escalated by 28% to ₹ 2,520 Million in FY 2014-15 from ₹ 1,965 in FY 2013-14* (EBITDA margin stood at 21% against 17% in FY 2013-14*). Our calibrated approach to product selection and markets has been instrumental in driving our performance. We are focusing on creating niche and margin-accretive formulations across promising markets.



BIG STORIES

Given the regulatory environment in which we are operating, we believe Shasun Pharmaceutical's proposed merger with Strides will drive the growth of the combined entity significantly, on the strength of multiple synergies. The result is more enriched portfolio, a secured supply chain, stronger R&D pipeline and enhanced global reach for the combined entity.

We re-entered the Australian market with an agreement to acquire a generic pharmaceutical business in Australia and related assets from Aspen. This business will operate under the Arrow Pharmaceuticals brand. It will be offering over 140 generic prescription drugs with a pipeline of 51 new generic molecules and an extensive range of non-prescription pharmacy products. With one of the largest pharmaceutical product portfolios, backed by our integrated cost-effective manufacturing base, we will be able to drive sustainable growth across Australia.

OUR CALIBRATED APPROACH TO PRODUCT SELECTION AND MARKETS HAS BEEN INSTRUMENTAL IN DRIVING OUR PERFORMANCE. WE ARE FOCUSING ON CREATING NICHE AND MARGIN-ACCRETIVE FORMULATIONS ACROSS PROMISING MARKETS.

R&D MOMENTUM

We continue to strengthen our Research and Development (R&D) backbone to create a strong pipeline. Our R&D investment touched ₹ 329 Million in FY 2014-15 from ₹ 203 Million in FY 2013-14. Six new product filings were made with USFDA during the year including two First-to-file (FTF) filings. We have cumulatively filed 34 ANDAs (Non-PEPFAR) with 17 ANDAs, pending approval from USFDA. We have also made 18 PEPFAR filings till date, of which 17 have been approved. Besides this, our new dedicated Global R&D Centre at Bengaluru commenced operations.

PHARMACEUTICAL BUSINESS

In the regulated markets, growth was driven by front-end operations in North America. We launched five new products (under Strides label) in the US, which led to a 28% year-on-year revenue growth in North America.

Our institutional business grew by 16% (revenue wise), although delays from funding agencies in the anti-malarial business impacted performance. We partnered with Gilead Sciences, which is a big leap forward in our commitment towards bringing critical healthcare at affordable cost for treating Hepatitis C and HIV across multiple countries.

We launched a generic drug Sofosbuvir in India under the brand name 'Virso' for helping cure Hepatitis C. We also collaborated with Medicines for Malaria Venture (MMV) for the development of rectal artesunate for pre-referral treatment of children with severe malaria.

Our African business continues to grow consistently, driven by new product launches, enhanced sales force and local manufacturing base. We launched over 100 new products and received 125 new products registrations during the year.

Following the acquisition of brand 'Raricap' and India Branded Generic Business from Bafna Pharmaceuticals Limited, we have integrated the field force of Raricap business, enabling pan-India presence. As a result, our brands India business maintained the market leadership in South India. We crossed the ₹ 1 Billion revenue mark during the year under review.

BIOTECH BUSINESS

We are happy to have GMS Holdings as our strategic partner, who will invest US\$ 21.90 Million for a 25.1% stake in Stelis Biopharma Private Limited (Stelis). This partnership will facilitate our market strategy for the Biotech business. We have also commenced R&D initiatives at our new centre in Bengaluru with two of our lead products having achieved critical milestones.

FUTURE PRIORITIES

Our priorities are clear to us; we just need to work on those with diligence.

- » Facilitate seamless integration (businesses, functions and processes) with Shasun;
- » Focus on realising synergies for the combined Strides-Shasun business;
- » Initiate integration of Australia acquisition;
- » Ramp up our US front-end business through new launches;

- » Sustain momentum achieved in the UK front-end business; commercialise key new products in that geography;
- » Strengthen our brands launched in Africa and accelerate commercialisation of our facilities in Africa;
- » Focus on R&D execution and build a strong R&D pipeline with capability for quick filing; and
- » Maximise portfolio for key markets of Australia, the UK and Russia-CIS.

Before I conclude, I wish to reiterate that we will continue to adopt the right strategies to multiply value for all stakeholders.

We have built the momentum; there is lot more to come.

Warm Regards,
Arun

*Financial year 2013-14 was for 15 months, for year-on-year comparison purpose we have taken a 12 month period.

CFO'S REVIEW

Dear Shareholders,

Focus on consistency, cash flow and quality has been the hallmark of the business performance in the year ending March 2015. The existing business is well positioned in terms of robust processes to accelerate the multiplier momentum in the coming years. I believe as a company we have laid a strong foundation for scale, size and scope (3S) through variety of growth initiatives.



PROACTIVE COMPLIANCE, GLOBAL CONTROLLERSHIP AND RISK MANAGEMENT WILL CONTINUE TO PLAY A PIVOTAL ROLE IN THE WAY WE SEE OUR GROWTH UNFOLDING IN THE NEAR FUTURE.

The external challenges were not few and far between - currency volatility, new landmark legislations, increased operational compliance requirements and liquidity squeeze across all countries.

It gives me immense pleasure to convey that the key focus areas identified for 2015 in the last year's annual report have been executed well. The key results achieved against each are highlighted.

FINANCIAL CONTROLLERSHIP

- Net Debt / Equity ratio stood at 0.16x as on March 31, 2015
- Investments in R&D increased 62% owing to the new facility
- The fixed assets turnover ratio (Sales / Average Tangible fixed assets) stood at 2.4x as on March 31, 2015
- Tangible fixed assets / Total Fixed assets ratios stood at 79% as on March 31, 2015

GROWTH INITIATIVES

- » Setting up five manufacturing facilities across Africa enabled vertical integration
- » Acquired brand 'Raricap' and the India Branded Generic Business of Bafna Pharmaceuticals, which enabled pan-India presence and entry into women's health business
- » Bought back Proparco's stake, which facilitated long-term consolidation of African business
- » Announced merger with Shasun, which will give the much needed scale and size
- » Entered into an agreement to acquire a generics pharmaceutical business in Australia from Aspen Group, which will boost bottomline
- » Strategic investment by GMS Holdings in Biotech business, which will fuel long-term strategy

BOTTOMLINE AND CASH FLOW FOCUS

- » EBITDA margins improved from 17% to 21%
- » Free cash flow generation helped fund capital expenditure and R&D requirements
- » EBITDA growth in line with industry trends, led by superior product mix

DELIVERING SHAREHOLDER VALUE

- » Financial audit coverage is 99% of revenue
- » Paid out dividend of ₹ 105/- per share from the proceeds of sale of Agila business and proposed a final dividend of ₹ 3/- per share
- » Delivered consistent operating performance with 28% EBITDA growth
- » Investments and strong treasury strategy fetched superior returns, which boosted bottomline
- » EBITDA to operational profit after tax stood at 64%

COMPLIANCE

- » Implementation of Companies Act 2013 led to superior governance
- » Completion of diagnostic study of internal financial controls framework
- » Conducted independent full-fledged secretarial audit
- » Initiated proactive IT transformation programmes to enable manufacturing compliance

The results of top management's unwavering focus enabled us to deliver results on all counts. Investor engagement has been highest in the last few years. We met about 150+ investors in the last one year. The market capitalisation at the end of FY 2015 stood over US\$ 1 Billion against US\$ 370 Million at the same time last year.

KEY FOCUS AREAS

Proactive compliance, global controllership and risk management will continue to play a pivotal role in the way we see our growth unfolding in the near future. The dynamic regulatory and legislative aspects continue to be on our corporate radar for hassle-free business operations. We would like to be ahead of the curve and meet the requirements of evolving legislative / regulatory demands and strengthen self-compliance culture across the organisation.

We will strive to execute the identified growth strategies through smooth and seamless integration, creating and driving synergies, superior business intelligence and forecasting, proactive investor engagement and setting up strong governance models in line with global trends.

We will continue to drive productivity improvements through IT

transformation programmes across the organisation, remove complexity and create additional headroom to invest. Our objective is to widen our business horizons across new geographies and ensure stable returns to shareholders.

I thank all stakeholders for reposing trust and confidence in our vision. We will continue to rely on your encouragement and support, going forward.

Warm Regards,
Badree

MULTIPLIER MOMENTUM

MULTIPLYING
VALUE



STRIDES ARCOLAB LIMITED (STRIDES) AND SHASUN PHARMACEUTICALS LIMITED (SHASUN) PROPOSED A STRATEGIC MERGER. THIS WILL ACCELERATE THE STRATEGY AND GROWTH PROSPECTS OF THE COMBINED ENTITY BY CREATING A LARGE SCALE, FULLY INTEGRATED LEADING PHARMA COMPANY WITH MULTIPLE GROWTH DRIVERS AND SYNERGIES.

12

Together, we will have 12 manufacturing facilities including three USFDA approved Finished Dosage manufacturing facilities, two USFDA approved API manufacturing facilities, one USFDA approved CRAMS facility and six manufacturing facilities catering to the emerging markets.

It will pave the way for enhanced profitability and more efficient use of the combined infrastructure, leading to greater value creation opportunities.

INSPIRING SYNERGIES

Product portfolio: Our cumulative Finished Dosage Formulations portfolio will grow in niche and complex domains with a pipeline of over 100 products and accelerate product filings.

Geographic footprint: Together we will enjoy geographically diversified revenue streams with enhanced presence across regulated markets (Europe and USA) and the key emerging world.

Manufacturing assets: Together, we will have 12 manufacturing facilities including three USFDA approved Finished Dosage manufacturing facilities, two USFDA approved API manufacturing facilities, one USFDA approved CRAMS facility and six manufacturing facilities catering to the emerging markets.

Vertical integration: We develop and manufacture antiretroviral and anti-malaria medicines and are an approved supplier to institutionally-funded aid projects and Global Procurement Agencies, such as UNITAID, Global Drug Facility, PEPFAR and Clinton Foundation. Currently, we are perceived as a fringe player in the institutional business, on account of limited FDF capacity and outside dependence for APIs.

Post-merger, this perspective will change, as we can use Shasun's World Health Organisation (WHO) and US FDA approved FDF facilities and API facilities with spare capacities. Besides, technology will be available in-house to accelerate filings of DMF for the API required for institutional business.

API Capacity: The proposed merger will enable integrate Shasun's best-in-class API manufacturing capacities with our formulation capabilities. The collaborated entity can focus on niche APIs, aligned with Finished Dosages portfolio and pipeline. Shasun possesses a portfolio of 43 commercialised Drug Master Files (DMFs) and additionally, 23 DMFs, which are under development.

R&D capabilities: There will be significant impetus to research and development (R&D) with over 400 scientists in the combined entity. Complementary R&D capabilities with over 100 products are under development, with only one overlapping product.

Revenue streams: Shasun and Strides will leverage existing relationships with customers of each other, resulting in enhanced revenue streams.

Cost advantages: In the long-term, we are expecting significant cost savings on account of the proposed merger in the areas of operations and R&D. Sharing of the facilities will also help reduce capital expenditure.

MULTIPLIER MOMENTUM

STRATEGY FOR AUSTRALIA





THE ASPEN AUSTRALIAN GENERIC PHARMACEUTICAL BUSINESS REPRESENT A VALUABLE AND UNIQUE PLATFORM FOR STRIDES TO RE-ENTER AUSTRALIAN MARKET. STRONG LOCAL MANAGEMENT, A MARKET LEADING PRODUCT PORTFOLIO, SUPPORTED BY OUR IN-HOUSE COST-EFFECTIVE MANUFACTURING ECOSYSTEM, WILL BE THE KEY INGREDIENTS OF OUR STRATEGY FOR AUSTRALIA.

2nd

Largest generic drug product range in Australia

3rd

Largest market share of Australian generic drug sales

We re-entered the Australian market in a leadership position, with an agreement to acquire a generic pharmaceutical business in Australia and related assets from Aspen. The acquired business and assets from Aspen have a significant market share in prescription drugs. This will rank us as one of the top three generic pharmaceutical suppliers in Australia, and among the top 10 pharmaceutical companies in the Australian pharmaceutical market.

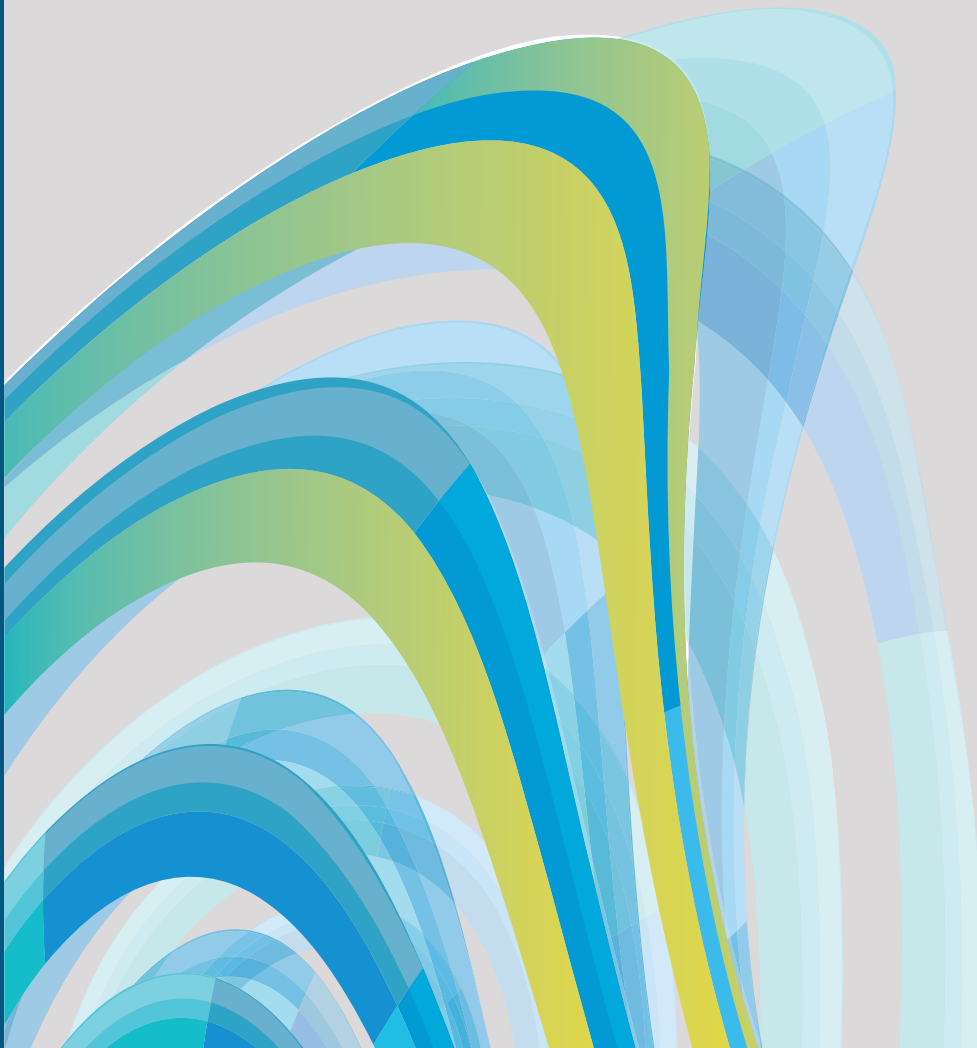
The business will operate under the brand Arrow Pharmaceuticals, selling a wide range of generic prescription drugs and non-prescription pharmacy products.

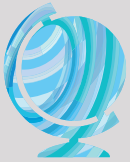
STRATEGIC RATIONALE

- » **Opportunity:** The Australian market will enable us to cater to around 23 million people.
- » **Range:** We will offer the second largest range of generic drugs in Australia with over 140 molecules and a pipeline of 51 new generic molecules.
- » **Relationships:** We are the preferred generic drug partner to Sigma Pharmaceutical Group (the largest pharmacy wholesaler by market share in Australia).
- » **Integration:** Our backward integration will deliver significant supply cost reductions and enhance competitiveness, along with a new product pipeline.

MULTIPLIER MOMENTUM

A GLOBAL MANDATE





WE ARE PART OF A GLOBAL MOVEMENT TO HELP ERADICATE SPECIFIC DISEASES BY PROVIDING APPROPRIATE AND AFFORDABLE TREATMENT OPTIONS TO A LARGE PROPORTION OF THE WORLD'S POPULATION.

TREATMENT FOR HEPATITIS C

We collaborated with Gilead Sciences Inc to produce generic sofosbuvir and investigational single tablet regimen of ledipasvir/sofosbuvir to treat chronic Hepatitis C. The collaboration enabled us to distribute medicines to 91 developing countries, including India, Egypt and Indonesia, which are highly prone to Hepatitis C.

We are one among the seven pharmaceutical companies in India, who are licensed by Gilead Sciences Inc. Under the agreements, we received a complete technology transfer of the Gilead manufacturing process, for both API and finished products.

We launched a generic drug Sofosbuvir in India, under the brand name 'Virso'. The drug offers high effectiveness, good safety profile, pan-genotype activity and once-daily dosage, among many other attributes that make it a breakthrough medicine in treating Hepatitis C. In combination therapy, the drug showed high cure rates of around 90%.

COMBATING HIV

We entered into a licensing agreement with Gilead Sciences, Inc., which provided us with the rights to manufacture and distribute Tenofovir Alafenamide (TAF) for HIV treatments, both as a single agent product and in combination with other drugs.

The license enables us to extend to 112 countries, which together account for over 30 million people with HIV.

CURE FOR MALARIA

Every year, over 5.6 million cases of severe malaria result in around 627,000 deaths, mostly of children under five years. Severe malaria happens when patients do not receive adequate treatment in the early stages of the disease.

The Medicines for Malaria Venture (MMV) entered into collaboration with us to develop rectal artesunate for pre-referral treatment of children with severe malaria. MMV is a leading product development partnership (PDP) in the field of antimalarial drug research and development. Its mission is to reduce the burden of malaria in disease-endemic countries by discovering, developing and facilitating delivery of new, effective and affordable antimalarial drugs.

The collaborations, established under the MMV-led 'Improving Severe Malaria Outcomes' project, funded by UNITAID, aim to develop a rectal artesunate product for WHO prequalification. Strides will develop a product, building on the clinical studies led by TDR, the Special Programme for Research and Training in Tropical Diseases, hosted by the World Health Organisation.

MULTIPLIER MOMENTUM RESEARCH HORIZONS

CONSISTENT R&D EFFORTS ARE ENABLING US TO DELIVER BETTER OUTCOMES IN OUR FOCUS AREAS AT AFFORDABLE COSTS.



KEY INITIATIVES UNDERTAKEN DURING FY 2014-15:

- » We focused on the development of sustained-release, semi-solids, liquids, and other drug delivery technologies and the application of these technologies in the generic drug development.
- » We focused on developing off-patent and niche products that are difficult to develop or manufacture. Such products will broaden and strengthen our existing product portfolio.
- » We introduced a number of products with high entry barrier, limited competition and attractive margins to fuel our future growth strategy.
- » We re-energised our core capabilities and growth engines, by managing the lifecycle of our key products, and significantly improving our operating profitability.

- » We leveraged our strengths in manufacturing and developing regulatory expertise. Our R&D provides tailor-made solutions to meet our diverse product portfolio and create a solid foundation to take a great leap forward and drive sustainable profitable growth.
- » We extensively supervised our processes, from development to commercialisation, to consistently deliver outstanding results.

US FDA

6 Filings	5 Approvals
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For FY 2014-15

PRODUCT APPROVAL STATUS (CUMULATIVE)

PEPFAR

18
Total ANDA filed

17*
Total ANDA approvals

*Tentative Approvals

NON-PEPFAR

34
Total ANDA filed

17
Total ANDA approvals

MULTIPLIER MOMENTUM

QUALITY COUNTS



ACHIEVING HIGH QUALITY BENCHMARKS HAS ALWAYS BEEN ONE OF OUR MAJOR FOCUS AREAS. WE UNDERTOOK NUMEROUS INITIATIVES THROUGHOUT THE YEAR TO STRENGTHEN OUR QUALITY PARADIGM AND BUILD ROBUST SYSTEMS FOR GREATER COMPLIANCE.

SOME OF OUR INITIATIVES INCLUDE:

- ❖ We ensured that quality is at the core of our operations. Results of inspections by regulatory authorities reflected our efforts.
- ❖ We reinforced our governance system to track progress and ensure that standards are consistently applied, to drive home the importance of quality.
- ❖ We conducted monthly management review committee meetings to review the progress of effective quality management system. It also enabled us to anticipate issues and tackle them effectively.
- ❖ We reinforced quality at all levels through interactive workshops, shop-floor discussions and presentations on effective quality management principles.
- ❖ We implemented measures as part of a long-term transformation process in Quality Systems. We engaged with different partners for IT applications to target Integrated Data Management in R&D, regulatory and manufacturing.

MULTIPLIER MOMENTUM

IT INTEGRATION



WE ARE IMPLEMENTING STATE-OF-THE-ART IT APPLICATIONS IN AUTOMATING THE PROCESSES AND INTEGRATING WITH EQUIPMENT AND MACHINES IN R&D, QUALITY, ANALYTICAL LABORATORY AND MANUFACTURING OPERATIONS.

We are investing significant amount of money and resourcing capabilities to build a state-of-art IT platform to de-risk the manufacturing processes.

The best-in-class solution implementation comprise Product Life Cycle Management for R&D Process, Lab automation, Instrument Integration and Manufacturing Execution systems.

The 'IT Transformation' programme commenced in October 2014 and is planned for roll out in phases commencing December 2015 to the production environment.

MULTIPLIER MOMENTUM

TALENT AND TEAMWORK

OUR HUMAN RESOURCE PRACTICES ACTIVELY SUPPORT OUR GROWTH STRATEGY. WE RELY ON THE EXPERTISE OF OUR EMPLOYEES FOR SUCCESS ACROSS ALL BUSINESS FUNCTIONS.

**SKILL DEVELOPMENT**

In an ever increasing competitive landscape, our focus is on continuous skill development at every level. Curriculum based learning for both functional and behavioural skills forms a part of our training programmes. Regular training programmes are organised to help acquire new skills and to refresh and upgrade the existing ones. Customised organisation development models are used to improve business effectiveness.

We provide managerial and leadership development programmes across all levels to improve our business practices. Our best-in-class training programmes include tie-ups with reputed management institutes like IIM and NMIMS. We have organised programmes on general management, brand and product management to help managers translate their potential into tangible business skills.

TALENT MANAGEMENT

We institutionalised robust performance and talent management practices. In FY 2014-15, we improved

our performance management process to create a high performance culture. We invest in the development of human resources through specific interventions.

We conducted a compensation-and-rewards review to create a new programme to connect our rewards to performance. Based on this programme, we implemented a comprehensive benefits programme, which helped motivate our people.

Under our Self-Managed Team initiative, we have launched a programme called earn and learn. This approach offers learning, both in theory and operational skills, through a very formal and comprehensive programme. The programme involves an outreach and inclusive selection process, induction and orientation at a reputed college and on-the-job training at our manufacturing facilities. It is supported by a detailed curriculum, designed and developed in collaboration with the Tata Institute of Social Sciences, Mumbai.

MULTIPLIER MOMENTUM

BUSINESS RESPONSIBILITY

OUR COMMUNITY INITIATIVES FOCUS ON ENHANCING HEALTHCARE FACILITIES, EDUCATION AND EMPLOYABILITY. WE COLLABORATE WITH STRIDES FOUNDATION AND VARIOUS OTHER ORGANISATIONS TO SPEARHEAD OUR CSR AGENDA.

PRIMARY HEALTH CENTRE

We, along with our NGO partners have built a modern state-of-the-art Primary Health Centre (PHC) called Arogyadhama, at Suragajakkanahalli, Bengaluru. Karuna Trust, a public charitable organisation was assigned with this project. The PHC is equipped with ultra-modern equipment, out-patient and day-care facilities.

HYGIENE INITIATIVES

We have built Underground Drainage System (UGD) and a septic tank with flow filters at Suragajakkanahalli, Bengaluru. These initiatives will positively impact the health, hygiene and sanitation of over 2,000 people of this village. The UGD is expected to take care of the local people for more than 10 years.

PARIVARTHAN - LEADERSHIP ADOPTION PROGRAMME FOR SCHOOLS (LeAPS)

We designed the LeAPS initiative, along with People Pro to motivate the government school students. This programme helped them visualise their goals and achieve them. The students are taught about discipline, confidence and self-belief, among many others.

INFRASTRUCTURE IMPROVEMENT AT SCHOOLS

We worked towards infrastructural development of government schools in Haragadde and Gottigere, Bengaluru. In Haragadde, we constructed two

classrooms and toilets. In Gottigere, we are building and renovating sanitation infrastructure. We have also made provision for safe drinking water and appointed teachers in both the schools.

HEALTH CAMPS

We conducted health camps at our adopted government schools in Gottigere and Haragadde, Bengaluru to ensure good health of children. Our volunteers, along with specialist doctors screened the school children for various diseases, like anaemia, malnutrition and learning abnormalities, among others.

CLEAN DRIVE

We launched the 'Clean Drive' programme at Anekal town, government schools of Haragadde and Gottigere, Bengaluru to ensure clean environment. Our employees volunteered the programme and cleaned the roads, school, office premises and toilets. They also painted the compound walls.



SPONSORSHIPS AND SUPPORT

We extend our sponsorship and support to external organisations. Our 'Strides Foundation' has significantly contributed to the Centre for Social Initiative and Management (CSIM) to support, handhold and mentor students with innovative ideas. We have extended our support to 'Reaching Hand', a charitable trust working towards empowering destitute women and children in leading a life of self-worth and dignity.

FLOOD RELIEF AND RECONSTRUCTION

Uttarakhand was severely affected by flood, Strides helped reconstruct four Anganwadis (courtyard shelter) in the flood affected areas.

We are committed to provide sustainable development in the community by bringing together meaningful initiatives, which will help develop the society.



BOARD OF DIRECTORS



Arun Kumar



Deepak Vaidya



M.R. Umarji



Sangita Reddy



A.K. Nair



P.M. Thampi



S Sridhar



Bharat D. Shah

MANAGEMENT TEAM



Arun Kumar
Founder and Group CEO
Member of the Group
Leadership Council



Joe Thomas
Chief Corporate Development Officer
Member of the Group
Leadership Council



Mohan Kumar
CEO - Pharma
Member of the Group
Leadership Council



Badree Komandur
CFO and Company Secretary
Member of the Group
Leadership Council



Sebi Chacko
Chief Human Resources Officer
Member of the Group Leadership
Council



Dr. Sunil Nadkarni
Chief Technical Services Officer
Member of the Group Leadership
Council

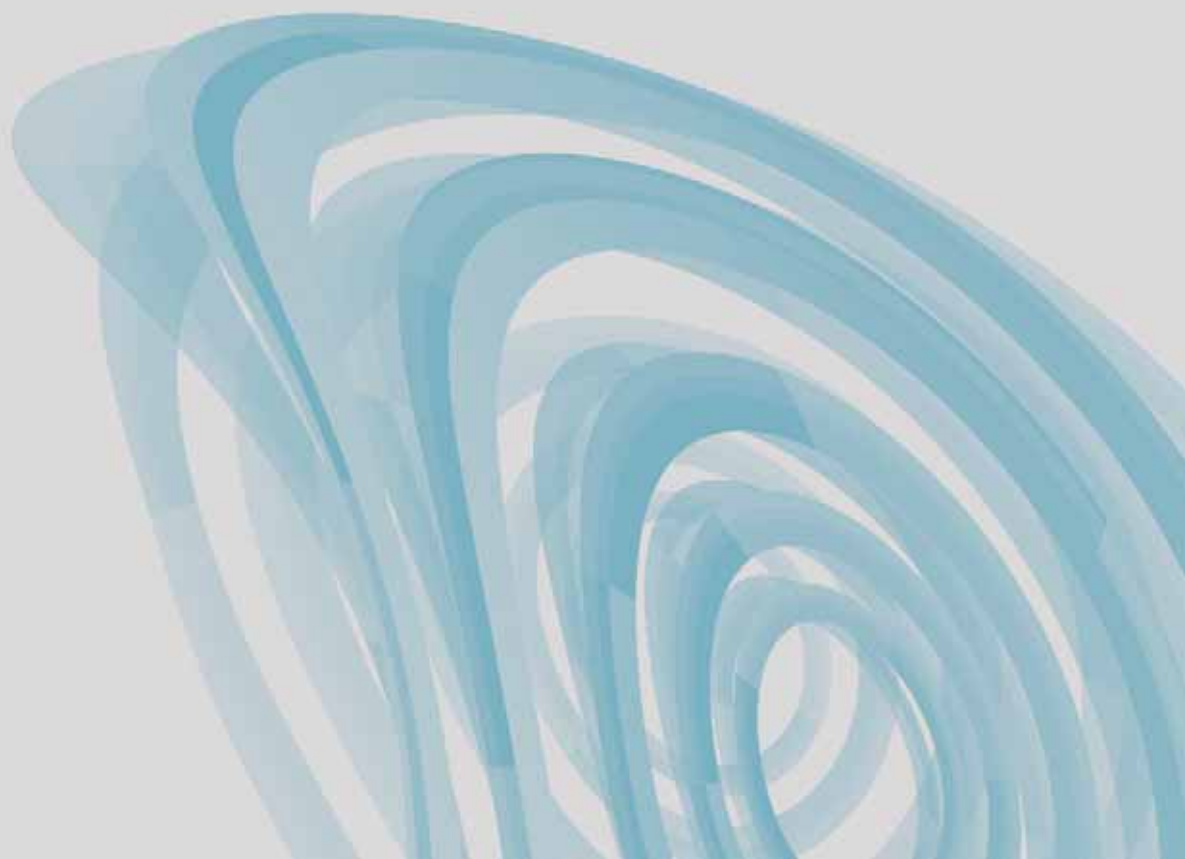


Sinhue Noronha
CEO, Africa



Subroto Banerjee
President- Brands, India

STATUTORY REPORT & FINANCIAL STATEMENTS



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

Global economic growth continued to remain uneven in FY 2014-15 and showed disparate rates of advancement for developing and emerging economies. The US economic recovery gained strength driven by improved labour market conditions and rise in consumer sentiment. The UK economy performed better than expected, as services remained the biggest driver of growth, followed by manufacturing. Construction also picked up, which augured well for the economy. Eurozone, on the other hand, continued to grapple with uncertainties for most of the year, although the economic growth of the region was aided by drop in oil prices, growing exports on the back of a weak Euro and an accommodative monetary policy.

In the emerging world, China's economic growth rates fumbled owing to the spiralling credit burden on the economy, slowdown in housing sector and weakness in factory output. China's population is greying and the investment scenario is also showing signs of stress. These factors can impact the country's economic performance, going forward. Emerging markets across Latin America also witnessed sluggish growth owing to low commodity prices. Despite challenges, the overall growth prospects for Africa, continued to be robust. Africa's gross domestic product (GDP) growth is expected to touch 4.5% in 2015 and 5% in 2016 with acceleration in private investments and domestic consumption.

Global growth trend

	2013	2014	2015 (P)	2016 (P)
World Output	3.3	3.4	3.5	3.8
Advanced Economies	1.4	1.8	2.4	2.4
United States	2.2	2.4	3.1	3.1
Euro Area	(0.5)	0.9	1.5	1.6
Japan	1.6	(0.1)	1.0	1.2
United Kingdom	1.7	2.6	2.7	2.3
Other Advanced Economies *	2.2	2.8	2.8	3.1
Emerging and Developing Economies	5.0	4.6	4.3	4.7
China	7.8	7.4	6.8	6.3

P: Projections | *(Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries)

(Source: International Monetary Fund, 2015)

INDIAN ECONOMY

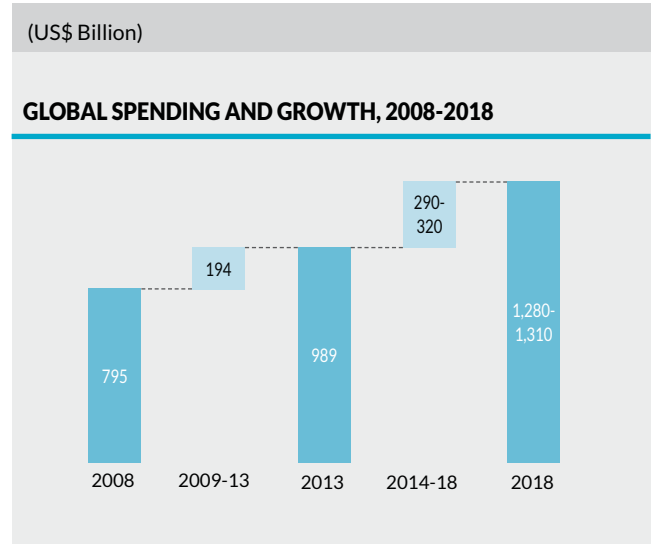
Against the backdrop of a not-so-encouraging global economic performance, India stands out in the crowd. There are credible reasons for this optimism. First, the GDP growth rate bounced back to 7.3% in FY 2014-15 on the back of strong growth-oriented policies adopted by the new government. Second, the menace of high inflation moderated (prompting the RBI to cut repo rates) and both fiscal and current account deficits narrowed during the year. Third, the investment scenario and consumer sentiments also improved significantly. However, more structural reforms are needed to deal with

the legacy challenges that continue to pose roadblocks for economic development. The government has already initiated measures to kick-start new infrastructure investments and restart stalled projects. It is also putting more emphasis on education, skill building, employment, housing and social security for the masses, which bodes well for the economy, going forward. According to the Government of India's latest Economic Survey, the share of stalled government projects as a proportion of GDP is declining. A uniform Goods and Services Tax (GST) across India and more focus on federalism are expected to create even stronger multipliers of growth across the economy.

GLOBAL PHARMACEUTICAL INDUSTRY

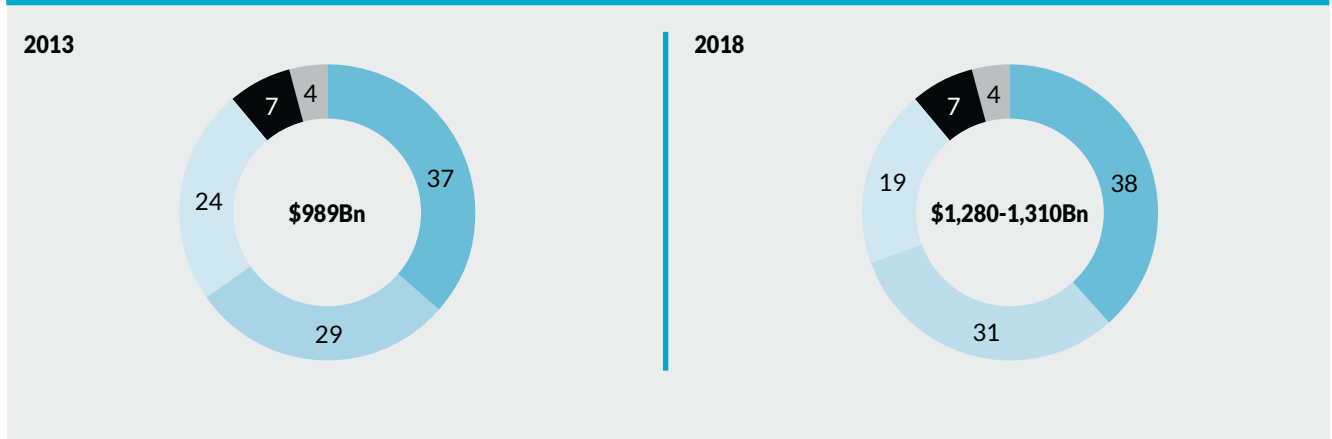
The global pharmaceutical industry experienced steady growth of over 6.4% to reach US\$ 1,057.1 Billion in 2014, driven by strong growth in key therapeutic segments (oncologics, antidiabetics, pain, antihypertensives and antibacterials). Global spending on medicines is expected to touch US\$ 1.3 trillion by 2018. The developed markets—led by the US will continue to be a key driver of growth, going forward.

Pharmerging countries’ share in global pharmaceutical industry will continue to rise. Growth in these markets will be driven by rising incomes, increased healthcare access and growing focus for branded generics. As more pharma companies foray into new growth markets, they also face the challenge of an increasingly intricate, demanding and fast changing regulatory environment.



(Source: IMS Market Prognosis, September 2014)

GEOGRAPHIC DISTRIBUTION OF MEDICINE SPENDING (%)



(Source: IMS Market Prognosis, September 2014)

KEY PHARMACEUTICAL MARKETS

Developed markets

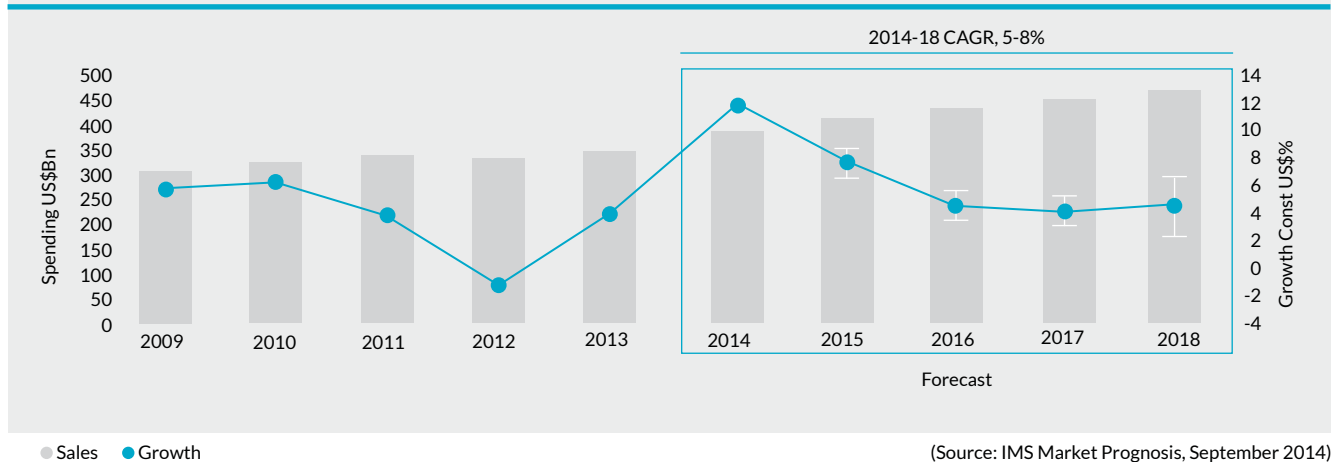
US

The US remains the world’s largest pharmaceutical market, accounting for over one-third of the total global pharma spending. It is expected to register a 5-8% CAGR up till 2018. The sharp escalation in spending will be driven by new innovative product launches, lower impact from patent expiries and price hike of branded medicines. The Affordable

Care Act, which was implemented few years back has enabled expanded enrolment in state Medicaid programmes and allowed tax credits to purchase health insurance. Better insurance coverage will give Americans access to wide range of treatments, and at the same time provide a growth impetus for the pharmaceutical sector in the US.

MANAGEMENT DISCUSSION AND ANALYSIS

U.S. SPENDING AND GROWTH, 2009-2018



(Source: IMS Market Prognosis, September 2014)

EU5

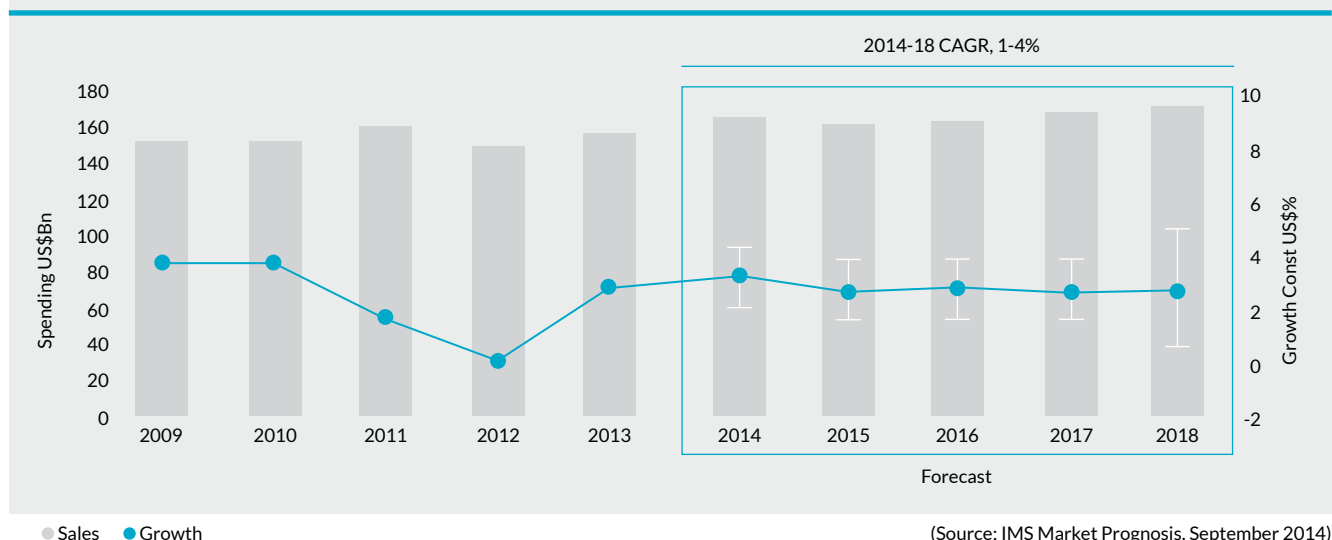
The EU5 (Germany, France, Italy, UK, Spain) market will experience a 1-4% growth over the next five years, reaching US\$ 157-185 Billion by 2018. The growth will be driven by Germany and the UK, bolstered by a reduction in mandatory discounts in Germany and National Health Service (NHS) budget easing in the UK. France and Spain may have a negative CAGR over the period due to growing consumption of generic drugs in France and changes to the reference pricing system in Spain.

Country-wise growth

	CAGR 2014-18
Germany	2-5%
France	(-2)-1%
Italy	2-5%
UK	4-7%
Spain	(-1)-2%

(Source: IMS Market Prognosis, October 2014)

TOP 5 EUROPE SPENDING AND GROWTH, 2009-2018



(Source: IMS Market Prognosis, September 2014)

Japan

Japan's pharmaceutical market is expected to grow at a CAGR of 1-4%, during the period 2014-18. The major factors driving this market will include new product launches, brand to generic conversions and higher medical spend to take care of the country's ageing population. Deregulation and rationalised new drug approval processes are attracting increased foreign investment and improving the competitiveness of Japanese companies. Following the Japanese government's measures to reduce health expenditure, the volume share of generic drugs in Japan is expected to reach 60% by 2018.

PHARMERGING MARKETS

The pharmerging markets will grow at a CAGR of 8-11% through 2018, showing a slower growth trend compared to the last five years, which averaged a 13.6% growth. However, pharmerging markets will continue to offer significant prospects for pharmaceutical manufacturers facing intensifying pressures in developed markets.

Growth in pharmerging markets will be driven by improved access to medical services and burgeoning population growth. Demographic and epidemiological changes, as well as enhanced state and private insurance funding for healthcare and medicines segment will also add to the positive growth trend.

Pharmerging Markets

	CAGR 2014-18
China	10-13%
Tier 2	9-12%
Brazil	9-12%
Russia	7-10%
India	9-12%
Tier 3*	5-8%
Pharmerging Markets	8-11%

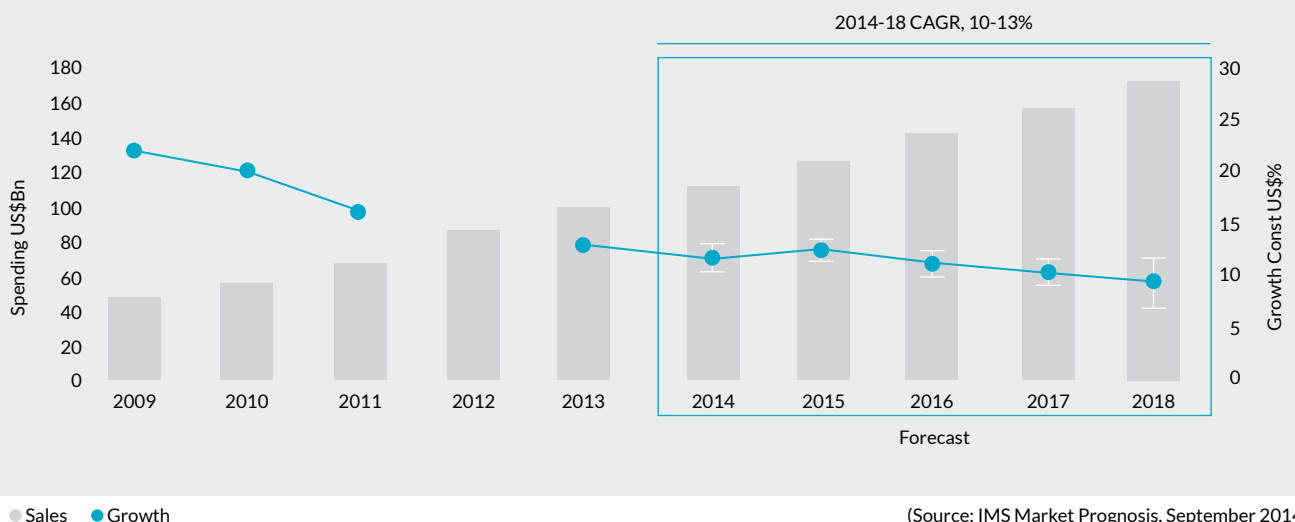
*Tier 3: Mexico, Turkey, Venezuela, Poland, Argentina, Saudi Arabia, Indonesia, Colombia, Thailand, Ukraine, South Africa, Egypt, Romania, Algeria, Vietnam, Pakistan and Nigeria.

(Source: IMS Market Prognosis, October 2014)

China

China's pharmaceutical spend is expected to reach US\$ 155-185 Billion by 2018. Per-capita spend here is estimated to grow by 70% in the next five years, driven by greater purchasing power, improvements in the healthcare infrastructure and an ageing population. Government plans to bring the entire population under public medical insurance by 2020, which will further fuel the growth in the Pharmaceutical sector.

CHINA SPENDING AND GROWTH, 2009-2018



MANAGEMENT DISCUSSION AND ANALYSIS

Latin America

Across Latin America, healthcare spending is projected to increase at an average rate of over 5% annually over the period of 2014-2018. Ageing population, an increase in chronic diseases and better funded national healthcare systems have all led to an increase in the demand for pharmaceutical products in Latin America. Lower manufacturing costs and improving infrastructure are encouraging multinational pharma companies to enhance investment in the region. Brazil's pharmaceutical market is expected to reach US\$ 46 Billion by 2018, growing at a CAGR of 12% (Source: EMIS). The country's expanding middle class, supported by continued real growth in household incomes and changing consumer preferences, are going to be the major growth drivers in the medium term.

Africa

Africa's pharmaceutical industry grew at a 16% CAGR between 2003-2013 to US\$ 20.8 Billion and is expected to touch the US\$ 65 Billion mark by 2020. Growth in the African pharmaceutical industry will be driven by strong demographics, growing disposable income, fast-paced urbanisation and better access to healthcare infrastructure. The market will provide a tremendous growth potential for global pharmaceutical companies.

India

India's pharmaceutical industry has been playing a pivotal role in the supply of affordable and quality products to the developed and developing countries. Indian pharmaceutical industry accounts for about 2.4% of the global pharmaceutical industry in value terms and 10% in volume terms. India accounts for 20% of global export volumes in generics. The country's pharmaceutical industry revenue is expected to expand at a CAGR of 12.1% over 2012-20 to reach US\$ 45 Billion.

Domestic industry is now witnessing interesting trends, such as large acquisitions and mergers by multinational and Indian companies, growing investment by domestic and international players and deeper access into rural and tier II markets. These trends, along with growing purchasing power and awareness for health and hygiene in the country will drive the industry's growth, going forward.

KEY GROWTH DRIVERS - DOMESTIC MARKETS

A fast ageing population

India's elderly population (aged 50 and above) is expected to touch 33% by 2050. While this shift in the country's demographic profile reflects an improvement in the overall life expectancy, the projected increase of the population segment over the next few decades raises some concerns. Studies indicate that 50% of ageing Indians have at least one chronic disease like diabetes, asthma, cardio-vascular issues, depression and high stress. Increase in medical spend due to growing incidences of life style disease and gradually ageing population will help the domestic pharmaceutical sector to grow at a steady pace in future.

Health insurance growing at a robust rate

The health insurance industry is expected to provide optimism to the healthcare services industry in India. Increasing awareness of insurance options, rising healthcare costs and the widespread health insurance penetration will augur well for the pharmaceutical industry.

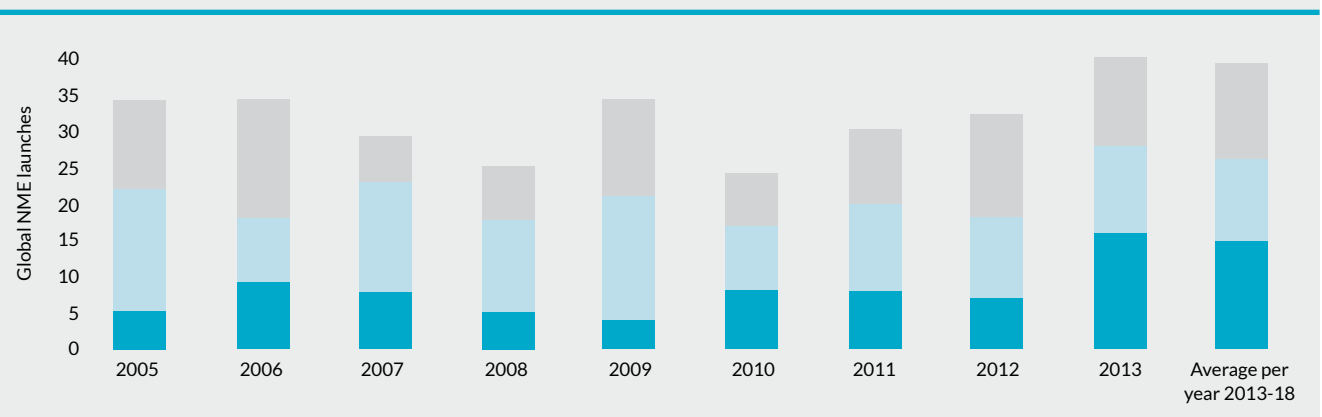
Government initiatives

Government has allowed 100% FDI under the automatic route for medical devices, which does not require the approval of the Foreign Investment Promotion Board (FIPB). This move is likely to benefit India's healthcare by reducing input costs as many players would start manufacturing these devices locally. The Government has made tax breaks available to the pharma sector and allows a weighted tax deduction of 200% for any in-house R&D expenditure incurred.

INNOVATOR MARKET

In 2014 (till October 2014), there have been 31 New Molecule Entities (NMEs) approved globally. A total of 26 NMEs were launched in 2014, of which six are classified as orphans in either the US or EU and 18 were specialty products. A high number of new molecular entities (NMEs) are expected to be launched annually between 2013 and 2018.

GLOBAL LAUNCH OF NEW MOLECULAR ENTITIES (NMEs)



● Novel mechanism ● Existing mechanism ● Orphan

(IMS Institute for Healthcare Informatics, October 2014)

GENERIC MARKET

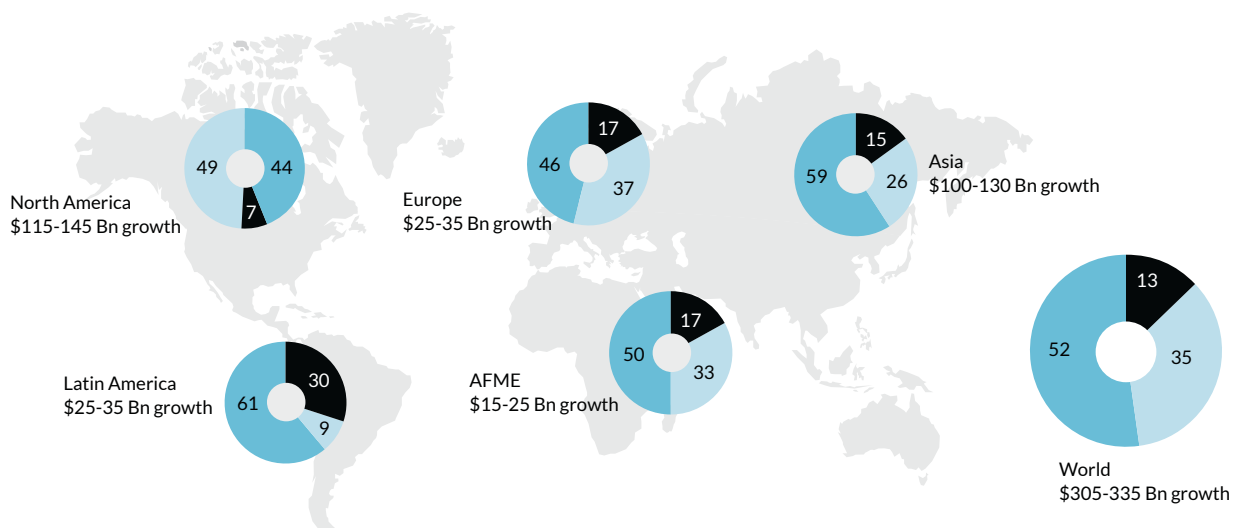
Generic drugs represent the largest growth driver for the pharmaceutical sector globally. Global generic spending is expected to increase from US\$ 269 Billion in 2012 to US\$ 519 Billion by 2018. Generic drugs play a critical role in easing the high costs on the healthcare system globally.

Increased generic spending in developed markets in the next five years will be driven by generic competition due to patent expiries. This will be further bolstered by more generic use for off-patent molecules. Patients in pharmerging markets will benefit from a rising access to affordable generics for primary care treatment.

GENERICs CONTINUE TO DRIVE GROWTH GLOBALLY

(%)

Geographic distribution of medicine spending



● Brand ● Generic ● Other

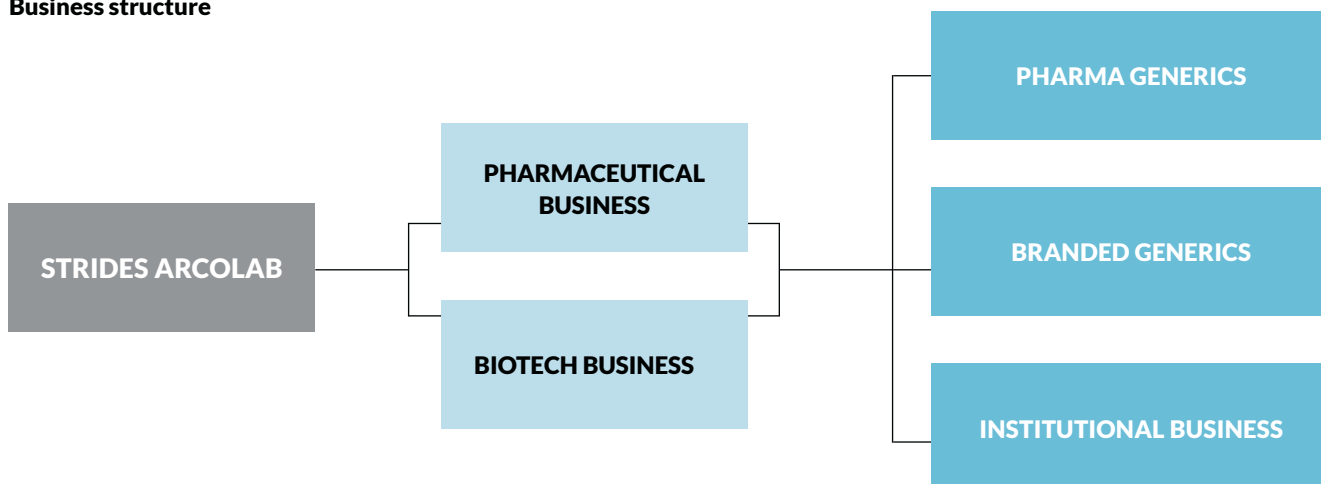
(IMS Market Prognosis, September 2014; IMS Institute for Healthcare Informatics, October 2014)

MANAGEMENT DISCUSSION AND ANALYSIS

BIOSIMILARS MARKET

The biosimilars industry is fast growing and promises a strong economic value proposition for the industry participants. By 2020, the global market for biosimilars is expected to reach US\$ 55 Billion driven by a strong product pipeline underdevelopment, changing regulatory regime and governments' initiatives targeted towards reducing healthcare cost. Biologic agents will continue to outperform overall pharma spending growth in the near future. Therapy segments like oncology, rheumatoid arthritis and diabetes will continue to be the focus areas for the industry.

Business structure



A GLANCE AT STRIDES

Strides Arcolab Limited is a fully integrated global pharmaceutical company with eight manufacturing facilities and presence in over 85 countries. The Company has business interests in pharmaceuticals and biotech across regulated and emerging markets. The Company focuses on developing niche and complex pharmaceutical products. The Company also has a strong commercial platform to market its pharmaceutical products globally through its own front-end. The Company's state-of-the-art manufacturing facilities adhere to globally benchmarked standards and practices.

BUSINESS VERTICALS

PHARMACEUTICAL BUSINESS

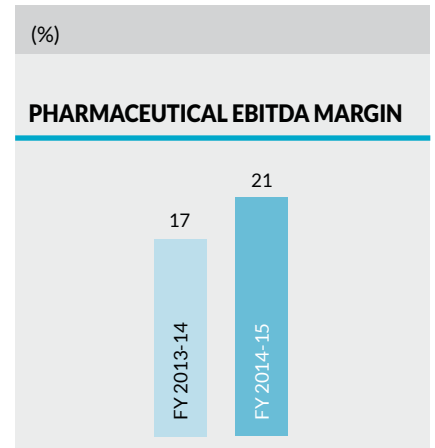
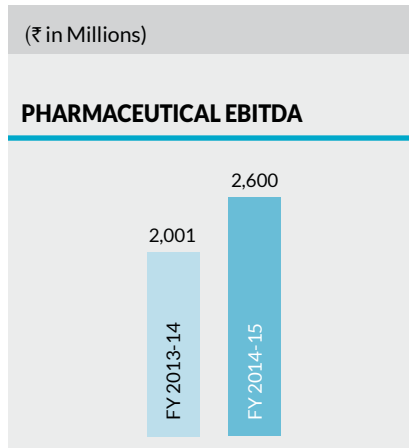
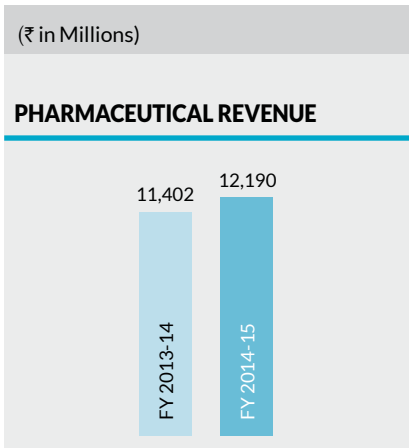
The pharmaceutical business of the Company has an IP-led front-end business model focusing on niche domains. The pharma generics business focuses on the key regulated markets of the US, the UK, Europe, and Australia. Branded generics business caters to the emerging markets of India and Africa. Institutional business represents Company's business with global funding agencies for Anti-retroviral and Anti-malaria medicines. Growth in the pharmaceutical division will be driven by efficient formulation development, manufacturing capabilities and operational flexibility.

Capabilities

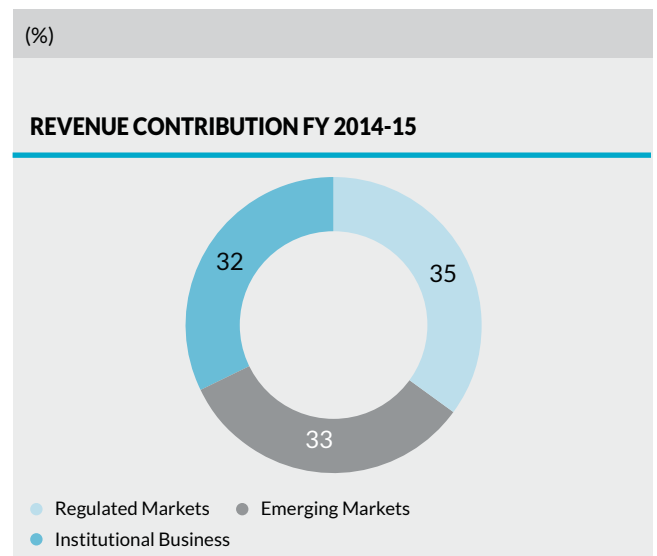
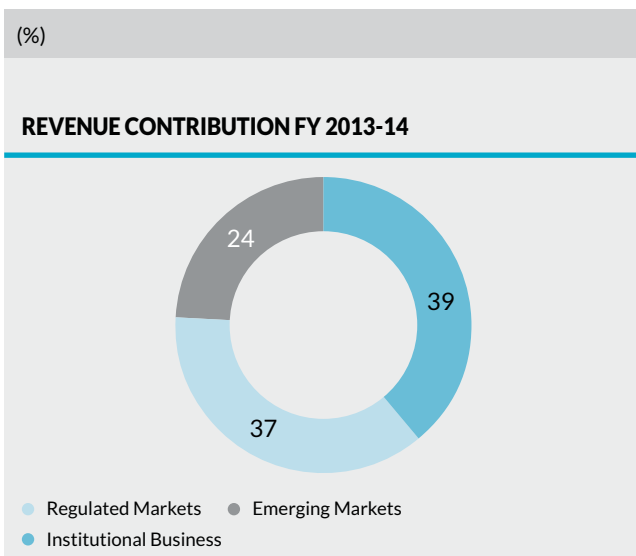
- » Strong R&D capabilities with a focus on development of IP-led, high-value complex generics
- » Proficient regulatory framework capable of developing and filing products globally
- » Capabilities in difficult-to-develop products in varied dosage formats including combi-packs, bi-layered tablets, modified release dosage forms, sachets, topicals, soft gels and oral solutions.

- » Cutting-edge modified release technologies like sustained release and delayed release in various oral dosage forms.
- » Focus on difficult to develop differentiated products including capabilities for:
 - » Developing non-infringing formulations for early entry into the regulated markets
 - » Creating own patentable technologies for lifecycle management for out-licensing to innovators
- » Exhaustive pipeline of generics across varied formats and domains

Product Portfolio	Regulatory Filings Update
» Soft Gel Capsules	» 34 USFDA filings and 17 approvals received
» Hard Gel Capsules (including liquid filled)	» 18 PEPFAR filings and 17 tentative approvals received
» Tablets	
» Creams & Ointments	
» Sachets	» 14 ANDAs have already been commercialised in the US
» Liquids & Syrups	



Notes: Financial Year 2013-14 was for 15 months. For year on year comparison purpose we have taken a 12 month period (April 2013 to March 2014)



BUSINESS OVERVIEW

Regulated Market Business

- Contributed 35% of group revenue for the period ended March 31, 2015
- Revenues stood at ₹ 4,255 Million, grew by 7% over the last year
- Completed first full year of front-end operations in North America, revenue grew by 28% to ₹ 1,092 Million
- Successfully launched five new products in the US - Calcitriol, Buspirone, Tacrolimus, Imiquimod Cream and Methoxsalen
- All new product launches in North America under Strides label
- Maintained consistent market share for Vancomycin

Emerging Market Business

- Contribution stood at 33% of group revenue for the period ended March 31, 2015
- Revenues stood at ₹ 4,070 Million with 41% growth over the last year, despite adverse currency volatilities
- The ReNerve brand clocked global revenues of ₹ 750 Million

Africa

- Registered strong performance in French Africa through significant investments in sales force and newly commissioned manufacturing facilities, stressing on 'in Africa for Africa' strategy
- Initiated E-detailing through iPad for doctors in Africa, being one of the very few companies in Africa to take such initiative

MANAGEMENT DISCUSSION AND ANALYSIS

- Continued robust pipeline, registration and launches
- Entry into new countries-Angola and Namibia

India

- Indian brand business crossed the ₹ 1 Billion revenue
- ReNerve maintained the market leader position in South India
- Acquired the global rights of Raricap, strengthening women's health portfolio
- Integrated the field force of Raricap business, leading to pan-India presence

Institutional Business

- Contributed 32% of group revenue for the period ended March 31, 2015
- Revenues stood at ₹ 3,865 Million with 16% growth over the last year
- Growth driven by first full year of Anti-Malarial business, despite delay in orders due to change in procurement mechanism
- Entered into an agreement with Gilead Sciences, Inc. to bring generic Sofosbuvir (Sovaldi®) and Harvoni to 91 developing countries, and also expanded to include Investigational Pan-Genotypic Agent
- Entered into an Agreement with Gilead Sciences, Inc. to manufacture and distribute Tenofovir Alafenamide (TAF) based HIV treatments in 112 developing countries
- Collaborated with Medicines for Malaria Venture (MMV) for the development of rectal artesunate for pre-referral treatment of children with severe malaria
- One of the three companies to be awarded with a two-year long-term contract, with Global Fund for ARVs

Corporate actions

- Proposed a merger with Shasun, which will make Strides a fully integrated global pharmaceutical company, with size and scale
- Proposed re-entry in the Australian market in leadership position, with an agreement to acquire a generic pharmaceutical business in Australia and related assets from Aspen

BIOTECH BUSINESS

- The Biotech business operating as an independent subsidiary has been re-branded as 'Stelis Biopharma', and the acquired business of Inbiopro has been folded into Stelis
- At the beginning of FY 2014-15, the Company shifted its R&D activities to its new state-of-the-art R&D centre in Bangalore. During the fiscal, two of the Company's leading

products in bio-similar programme completed pre-clinical phase of development. They are now ready to enter the clinical-phase of development. Early development work has already started on additional products in the pipeline.

- The Company attracted a strategic investment of US\$ 21.90 Million by GMS Holdings, a Jordan based conglomerate with extensive pharma interests in the MENA region. Their investment for a 25.1% stake in Stelis is awaiting regulatory approval in India.

FINANCIAL HIGHLIGHTS

Particulars	₹ in Millions	
	2014-15	2013-14*
Revenue	12,190	13,747
EBITDA	2,520	2,572
PAT (after Minority)	8,450	17,667
EPS (₹)	141.85	298.56

* Note: FY 2013-14 is for 15 months period

RISK MANAGEMENT

At the heart of Strides' business model is a comprehensive and integrated risk management framework. It comprises a clear understanding of strategy, policy initiatives, prudential norms, proactive mitigation and structured reporting.

The Company follows a systematic framework to manage its risks, which includes:

Risk identification

- Understand the principal risks fundamental to achieving the Company's strategy
- Establish and communicate the risk management framework including responsibilities, authorities and key controls

Risk measurement

- Establish the process for analysing business-level risks
- Agree and implement measurement and reporting standards, along with methodologies

Risk mitigation

- Establish key control processes and practices, including limit structures, provisioning requirements and reporting standards
- Monitor controls and adhere to risk direction and limits
- Ensure that risk management practices and conditions are appropriate for the business environment

Risk reporting

- Interpret and report on risk exposures, concentrations and risk-taking outcomes
- Agree and operate early warning reporting processes that are used to highlight issues at the Group and business level
- Ensure that processes are in place to operate appropriate reporting and controls, which in turn confirm that the risk profile is maintained within risk appetite/tolerance

Regulatory risk

Any complication in receiving regulatory approvals could adversely impact the organisation's growth and profitability.

Mitigation

The Company has always maintained a consistent track record in receiving approvals from all leading global regulatory authorities. It has stringent review systems in place, to ensure compliance with the statutory guidelines and norms of the pharmaceutical industry. The Company conducts regular quality audits and reviews meetings to ensure that the regulatory norms are maintained according to global standards.

Research & Development risk

Inability to innovate new products and processes may dampen the Company's growth.

Mitigation

The Company's consistent investment in R&D has resulted in procuring multiple product and plant approvals. The Company has proactively employed newer and better technologies to develop and manufacture various dosage forms. Besides, the Company's new and dedicated Global R&D Centre at Bangalore commenced operations.

Operation risk

Inadequate operational facilities, impacting production may affect the Company's growth.

Mitigation

The Company has globally benchmarked manufacturing facilities, certified by the top world- regulatory authorities. It has a continuous review mechanism to enhance optimum utilisation of operational facilities. The Company has long-term contracts with approved vendors for the supply of raw materials globally and for seamless production.

Quality risk

Inconsistency in product quality could lead to client attrition.

Mitigation

The Company has a robust quality check system, and it has instituted checks for incoming raw materials, in-process products and end products. The Company has an automated real-time monitoring system for stringent quality control.

Information technology (IT) risk

Lack of a strong IT framework and infrastructure may hamper business operations.

Mitigation

The Company has a secured IT network, achieved through the use of firewall, an intrusion prevention system (IPS), network segregation and end-point security solutions. As a part of the Good Manufacturing Practices (GMP), the Company's business processes and infrastructure undergo validation check. We are implementing state-of-the-art IT applications in automating the processes and integrating with equipment and machines in R&D, quality, analytical laboratory and manufacturing operations.

HUMAN ASSETS

The Company has a diversified workforce with no discrimination in terms of nationality, sex, religion, marital status, caste and creed. This makes it truly global in terms of expertise, exposure and experience. The Company adopts friendly human resource (HR) policies to motivate its employees and create a congenial work environment. Merit-based recruitment, adequate training facilities, rewards and recognitions are some of the components of its HR policies. Such policies help in skill enhancement, knowledge up-gradation and employee motivation, which in turn, contribute to organisational excellence. The Company's total employee strength stood at 2,000+, as on March 31, 2015.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has world-class IT infrastructure to ensure adequate internal controls over business processes and practices. This internal control system provides reasonable assurance about the integrity and reliability of the financial statements. Moreover, it has a strong in-system audit programme, supported by Grant Thornton, which regularly covers various operations consistently. The Company's Audit committee reviews all internal audit observations regularly.

Cautionary statements

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

DIRECTORS' REPORT

Dear Members,

Your Company's directors are pleased to present the Twenty-Fourth Annual Report together with audited financial statements for the financial year ended March 31, 2015.

1. FINANCIAL SUMMARY (STANDALONE)

	Figures in Millions			
	Year ended			
	March 31, 2015 (12 Months Period)		March 31, 2014 (15 Months Period)	
	Rupees	USD *	Rupees	USD *
1.1 Financial Results				
Income	10,295.94	164.74	11,847.81	198.39
Operating Profit (EBIDTA)	2,340.96	37.46	2,693.84	45.11
Net Profit (PAT) / (Loss)	5,323.19	85.17	35,129.25	588.23
Reserves and Surplus	14,148.07	226.37	15,713.55	263.12
1.2 Profits				
Operating Profit (EBIDTA)	2,340.96	37.46	2,693.84	45.11
Less : Interest	344.23	5.51	1,050.31	17.59
Depreciation & Amortization	492.54	7.88	472.49	7.91
Exceptional items (Gain)/Loss	(5,186.14)	(82.98)	(44,948.42)	(752.65)
Profit before tax	6,690.33	107.05	46,119.46	772.26
Less: Provision for Tax				
Current tax expenses	1,425.72	22.81	11,092.44	185.74
Current tax expense relating to prior years	(11.87)	(0.19)	(35.00)	(0.59)
Deferred tax expenses	(46.71)	(0.75)	43.90	0.74
MAT credit entitlement	-	-	(111.13)	(1.86)
Profit / (Loss) after tax	5,323.19	85.17	35,129.25	588.23
Opening balance of Profit and Loss	1,085.82	17.37	2,363.70	39.58
Add: Transferred from General reserve	560.72	8.97	-	-
Available for appropriation	6,969.73	111.52	37,492.95	627.81
1.3 Appropriations				
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets	(28.79)	(0.46)	-	-
Dividend on Equity Shares:				
Interim Dividend Paid	(6,254.39)	(100.07)	(29,783.30)	(498.72)
Proposed Dividend	(178.85)	(2.86)	(297.83)	(4.99)
Dividend Tax:				
On Interim Dividend	(460.44)	(7.37)	(2,762.46)	(46.26)
On proposed Dividend	-	-	(50.62)	(0.85)
Transfer to General Reserve	-	-	(3,512.92)	(58.82)
Balance carried to Balance Sheet	47.26	0.76	1,085.82	18.18

Note * 1 US\$ = ₹ 62.50 (Exchange Rate as on March 31, 2015)

* 1 US\$ = ₹ 59.72 (Exchange Rate as on March 31, 2014)

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

2. BUSINESS OVERVIEW

Financial year 2014-15 was a eventful year for the Company. The quality of the business improved with enhanced topline and bottom-line.

Regulated Market Business

- Contributed 35% of group revenue for the period ended March 31, 2015
- Revenues stood at ₹ 4,255 Million, grew by 7% over last year
- Completed first full year of front end operations in North America
- Successfully launched 5 new products in the US - Calcitriol, Bupirone, Tacrolimus, Imiquimod Cream and Methoxsalen
- Vancomycin maintained a consistent market share
- Strong R&D capabilities with consistent product pipeline.

Emerging Market Business

- Contributed 33% of group revenue for the period ended March 31, 2015
- Revenues at ₹ 4,070 Million, growth of 41% over last year, despite adverse currency volatilities
- The Rerve brand clocked global Revenues of ₹ 750 Million

Africa

- Registered strong performance in French Africa through significant investments in sales force and newly commissioned manufacturing facilities
- Initiated E-detailing through iPads to doctors in Africa, one of the very few companies to do so in Africa
- Continued pipeline, registration and launches – Rerve achieved volume growth
- Entered into new countries – Angola and Namibia

India

- Indian brand business crossed the ₹ 1 billion revenue
- ReNerve maintained the market leader position in South India.
- Acquired the global rights of Raricap strengthening the women's health portfolio
- Integrated the field force of Raricap business, leading to pan-India presence

Institutional Business

- Contributed 32% of group revenue for the period ended March 31, 2015
- Revenues stood at ₹ 3,865 Million, growth of 16% over last year
- Growth driven by first full year of Anti-Malarial business despite delay in orders due to change in procurement mechanism
- Entered into an agreement with Gilead Sciences, Inc. to bring generic Sofosbuvir(Sovaldi®) and Harvoni to 91 developing countries and expanded to include Investigational Pan-Genotypic Agent
- Entered into an Agreement with Gilead Sciences, Inc. to manufacture and distribute TenofovirAlafenamide(TAF) based HIV treatments in 112 developing countries
- Collaborated with Medicines for Malaria Venture (MMV) for the development of rectal artesunate for pre-referral treatment of children with severe malaria

Bio Generics

- Biotech business has been branded as 'Stelis Biopharma'. We commenced R&D activities in its new center in Bengaluru with two products have reached the Animal Toxicity Study stage.

Corporate Actions

- During the year under review, the Board of Directors and the Shareholders of the Company and Shasun Pharmaceuticals Limited ('Shasun') approved a Scheme of Amalgamation between the two companies. The combination will create a vertically integrated pharma company of scale with strong presence in Front-ended Regulated Markets Finished Dosages, Emerging Markets Branded Generics, Institutional Business, Active Pharmaceutical Ingredients and Contract Research and Manufacturing Services.
- In May 2015, the Company announced that Strides Pharma Global Pte. Ltd, Singapore and Strides (Australia) Pharma Pty Ltd, Australia, both wholly owned subsidiaries of the Company signed definitive agreements with certain wholly owned subsidiaries of Aspen Pharmacare Holdings Limited, a company listed on the Johannesburg Stock Exchange (Aspen), to acquire a generic pharmaceutical business in Australia together with

DIRECTORS' REPORT

certain branded pharmaceutical assets.

The business and assets being acquired from Aspen have a current prescription market share that will rank Strides and its group entities as one of the top 3 generic pharmaceutical suppliers in Australia and among the top 10 pharmaceutical companies in the Australian pharma market.

- The company entered into an arrangement with GMS Holdings, a privately owned investment company, based in Jordan, for an investment of USD 21.90 Million for a 25.1% stake in Stelis Biopharma to fund its Greenfield Project subject to obtaining requisite regulatory approvals.

3. SHARE CAPITAL

The Authorized share capital of the Company as at March 31, 2015 is ₹ 1,517,500,000 divided into 89,750,000 equity shares of ₹ 10/- each and 620,000 Cumulative Redeemable Preference shares of ₹ 1,000/- each.

The Issued, Subscribed and Paid-Up Capital of the Company as at March 31, 2015 is ₹ 596,156,210 divided into 59,615,621 equity shares of ₹ 10/- each.

During the year there has been an increase in the equity Paid-Up Capital of the Company on account of allotment of 50,000 equity shares consequent to exercise of stock options.

4. DIVIDENDS

Your Directors are pleased to recommend a Final Dividend of ₹ 3 (Three) per equity share of face value ₹ 10/- each for the year ended March 31, 2015.

During the year under review, a Special Dividend of ₹ 105 (One hundred five) per equity share of face value ₹ 10/- each was declared by the Board of Directors of the Company on October 7, 2014 and paid to shareholders as on record date of October 17, 2014.

The total dividend for the financial year, including the proposed Final Dividend, amounts to ₹ 108 per equity share and will absorb ₹ 6,893.68 Million of reserves, including Dividend Distribution Tax of ₹ 460.44 Million.

5. DEPOSITS

The Company has not accepted any deposits and accordingly no amount is outstanding as on the balance

sheet date.

6. SUBSIDIARY COMPANIES

As at March 31, 2015, the Company had 24 subsidiaries overseas and 4 subsidiaries in India and 1 Joint Venture entity overseas.

During the year under review:

- a) Fagris Medica Private Limited, India and Altima Innovation Inc, USA became subsidiaries of the Company;
- b) Stelis Biopharma Private Limited, India merged with Inbiopro Solutions Private Limited, India; and
- c) Plus Farma ehf, Iceland, Strides Australia Pty Ltd, Australia and Strides S.A Pharmaceuticals Pty Ltd., South Africa were wound up.

Accounts of Subsidiaries

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. Statement containing salient features of the financial statements of the subsidiary companies/joint venture as required in Form AOC 1 is enclosed as Annexure 1 to this Report.

7. CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements of Corporate Governance specified by the Securities & Exchange Board of India through clause 49 of the Listing Agreement. As required by the said clause, a separate "Report on Corporate Governance" forms part of the Annual Report of the Company.

A certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance also forms part of this Report.

8. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, "Management Discussion and Analysis" is given separately forming part of this Report.

9. EMPLOYEE STOCK OPTION SCHEME

The Company has four employee stock option schemes viz., Strides Arcolab ESOP 2006, Strides Arcolab ESOP 2008, Strides Arcolab ESOP 2011 and Strides Arcolab ESOP 2008 (Directors) Schemes.

Statement giving detailed information on stock options granted to Employees under the Company's Employee Stock Option Schemes as required under the SEBI Regulation is enclosed as Annexure 2 to this Report.

10. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Board Composition

The Board comprises of adequate number of Executive and Non-Executive Directors as required under the Companies Act, 2013 read with Rules made thereunder and the Listing Agreement entered into with the Stock Exchanges.

As on date of this Report, the Board comprises of 8 Directors comprising of 1 Executive Director, 4 Independent Directors and 3 Non-Executive Directors. Chairman of the Board is a Non-Executive Director.

Meetings of the Board

During the year ended March 31, 2015, the Board met 6 times. These meetings were held on May 23, 2014, July 25, 2014, September 29, 2014, October 7, 2014, November 7, 2014 and February 2, 2015. Further, the Twenty-Third Annual General Meeting (AGM) of the Company was held on Tuesday, September 09, 2014.

Policy on Directors Appointment and Remuneration

The Directors of the Company are appointed by shareholders at the General Meetings.

As regards the appointment and tenure of Independent Directors, the Company has adopted the provisions of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.

The Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management is enclosed as Annexure 3 to this Report.

Board Evaluation

Pursuant to Clause 49 of the Listing Agreement, the Companies Act, 2013, and Schedule IV of the Companies Act, 2013, the evaluation of the Board as a whole and all directors was conducted based on identified criteria and framework.

The performance evaluation of the Chairman, Managing Director and the Non-Independent Directors was carried

out by the Independent Directors and the performance evaluation of the Independent Directors was carried out by the entire Board excluding the director being evaluated.

Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director that he/ she meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Retirements and Resignations

Mr. Bharat Shah, non-executive Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Your directors recommend his re-appointment to the Board.

None of the Independent Directors are due for reappointment.

During the year Mr. Mukul Sarkar, Nominee Director ceased to be a Director of the Company consequent to withdrawal of his nomination by Exim Bank with effect from December 15, 2014.

Key Managerial Personnel

During the year under review, Mr. Arun Kumar, Managing Director and Mr. Badree Komandur, Chief Financial Officer and the Company Secretary were designated as Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013.

11. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Gopalkrishnaraj HH & Associates, a firm of Company Secretaries in Practice (Certificate of Practice No: 4152) to undertake Secretarial Audit. The Secretarial Audit Report is annexed as Annexure 4 to this Report. There are no qualifications, observations or adverse remarks in the Secretarial Audit Report.

12. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form MGT 9 is enclosed as Annexure 5 to this Report.

DIRECTORS' REPORT

13. PARTICULARS OF EMPLOYEES

Particulars as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is annexed as Annexure 6 to this Report.

Further, the particulars of employees required under Rule 5(2) and 5(3), showing a statement of names and other particulars of employees drawing remuneration in excess of the limits as set out in the said rules is provided in a separate annexure forming part of this Report. The report and the accounts are being sent to the members excluding the said annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

14. CORPORATE SOCIAL RESPONSIBILITY

The Company has undertaken "Corporate Social Responsibility" (CSR), initiatives in areas of Health, Education and Livelihood which are projects in accordance with Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities, is enclosed as Annexure 7 to this Report.

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism pursuant to which a Whistle Blower Policy is in place. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

The Policy covering all employees, Directors and other persons having association with the Company is hosted on the Company's website (<http://www.stridesarco.com/investor-committeboard.html>)

19. PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES

Particulars of investments made, loans given and guarantees provided is as per details given below:

Name of the entity	Relationship	Investment *	Loan	Guarantee
Stelis Biopharma Private Limited, India	Wholly Owned Subsidiary	₹ 146.13 Million	-	-
Strides Healthcare Private Limited, India	Subsidiary	₹ 481.06 Million	₹ 27.18 Million	-
Fagris Medica Private Limited, India	Subsidiary	₹ 9.20 Million	₹ 10.50 Million	-
Strides Pharma Asia Pte., Ltd, Singapore	Wholly Owned Subsidiary	₹ 90.38 Million	-	USD 55.00 Million
Stelis Biopharma (Malaysia) Sdn Bhd	Wholly Owned Subsidiary	-	-	USD 29.50 Million

Note: *Does not include share application money. Refer notes forming part of the financial statements

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with related parties are in the ordinary course of business and on arm's length basis. There are no material contracts or arrangement or transactions at arm's length basis.

The Company has formulated a policy for transacting with Related Parties, which is uploaded on the website of the Company (<http://www.stridesarco.com/investor-committeboard.html>)

Further, there are no materially significant related party transactions with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

Transactions with the related parties are disclosed in Note No. 47 to the financial statements in the Annual Report.

17. INSURANCE

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

18. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented a framework for Internal Financial Controls ("IFC") within the meaning of explanation to Section 134 (e) of the Companies Act, 2013.

For the Year ended March 31, 2015, the Board believes that the Company has sound IFC commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist.

The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new/ improved controls.

20. RISK MANAGEMENT

Company has a risk management framework for identification and managing risks. Please refer the 'Management Discussion and Analysis' report forming part of the Annual Report for additional details.

21. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(5) of the Companies Act, 2013, the Board of Directors of your company confirms that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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) the 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) the annual accounts of the Company have been prepared on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. CONSERVATION OF ENERGY, R&D, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 is enclosed as Annexure 8 to this Report.

23. STATUTORY AUDITORS

At the Annual General Meeting held on September 9, 2014, M/s. Deloitte Haskins & Sells, Chartered Accountants, (ICAI Registration Number 008072S) were appointed as statutory auditors of the Company for a period of 3 years viz., till the conclusion of 26th Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

24. AUDIT REPORT

There are no qualifications, observations or adverse remarks in the Audit Report issued by the Statutory Auditors of the Company for financial year ended March 31, 2015.

25. DISCLOSURES

- (a) There has been no change in the nature of business of the Company during the year under review.
- (b) There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.
- (c) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of Financial year and the date of this Report.

26. ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the significant contribution made by the employees through their dedication, hard work and commitment and the trust and confidence reposed on us by the medical profession and trade.

We also acknowledge the support and wise counsel extended to us by the bankers, financial institutions, Government agencies, analysts, shareholders and investors at large.

For and on behalf of the Board of Directors

Date: May 22, 2015
Place: Bengaluru

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman & Managing Director

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

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) % Shareholding
A Subsidiaries Entity															
1	African Pharmaceutical Development Company	Cameroon	XAF	0.10	5.14	42.78	203.64	155.72	-	425.32	53.67	20.75	32.92	23.44	85
2	Altima Innovations Inc	USA	USD	62.50	-	-	-	-	-	-	-	-	-	-	100
3	Beilpharm SpA	Italy	EUR	66.85	97.33	(84.97)	463.08	450.72	-	539.21	(45.03)	(1.89)	(43.15)	-	97
4	Co Pharma Limited	UK	GBP	92.30	1.33	43.26	377.17	332.58	-	638.70	185.94	-	185.94	-	100
5	Fagris Medica Private Limited	India	INR	1.00	1.00	(7.19)	10.76	16.95	-	3.87	(4.32)	-	(4.32)	-	90
6	Congo Pharma SPRL	Congo	CDF	0.07	-	-	-	-	-	-	-	-	-	-	85
7	Sorepharma SA	Burkina Faso	XAF	0.10	1.03	(9.56)	19.45	27.98	-	21.53	(5.73)	-	(5.73)	-	80
8	SFC Co. Limited	Sudan	USD	62.50	12.50	(0.06)	332.74	320.29	-	-	-	-	-	-	51
9	Stelis Biopharma Private Limited (formerly known as Inbiopro Solutions Private Ltd)	India	INR	1.00	2.08	313.01	1,206.89	891.80	-	3.59	(136.50)	-	(136.50)	-	100
10	Stelis Biopharma (Malaysia) SDN. BHD.	Malaysia	MYR	16.85	140.24	62.16	336.13	133.73	-	1.75	(22.97)	-	(22.97)	-	100
11	Strides-Africa Limited	British Virgin Islands	USD	62.50	282.68	(318.11)	0.12	35.55	-	-	(16.07)	-	(16.07)	-	100
12	Strides Arcolab International Limited	UK	GBP	92.30	1,140.97	(237.61)	1,740.93	837.57	-	2.46	(220.45)	-	(220.45)	-	100
13	Strides CIS Limited	Cyprus	USD	62.50	0.18	(11.50)	6.64	17.95	-	0.02	(11.14)	(0.77)	(10.37)	-	100
14	Strides Emerging Market Private Limited	India	INR	1.00	56.27	171.21	317.65	90.18	-	65.79	(48.75)	-	(48.75)	-	100
15	Strides Healthcare Private Limited (previously known as Strides Actives Private Limited)	India	INR	1.00	43.33	584.72	658.89	30.84	-	10.48	(31.38)	(9.33)	(22.05)	-	74
16	Strides Pharma (Cyprus) Limited	Cyprus	USD	62.50	0.18	2,284.75	3,480.25	1,195.33	-	2,767.63	872.22	139.97	732.25	-	100
17	Strides Pharma Asia Pte Ltd	Singapore	AUD	47.38	1,693.92	(453.75)	6,703.02	5,462.85	-	6.51	8,443.38	-	8,443.38	2,142.10	100
18	Strides Pharma Botswana (Pty) Ltd	Botswana	BWP	6.28	10.02	-	44.95	34.93	-	-	-	-	-	-	70
19	Strides Pharma Cameroon Limited	Cameroon	XAF	0.10	1.03	-	134.14	133.11	-	-	-	-	-	-	85
20	Strides Pharma Global Pte Ltd	Singapore	SGD	45.40	24.66	338.83	956.58	593.10	-	1,186.85	349.26	17.46	331.80	-	100
21	Strides Pharma Inc	USA	USD	62.50	6.95	(42.50)	1,234.91	1,270.47	687.56	339.83	(83.74)	0.08	(83.82)	-	100
22	Strides Pharma International Limited	Cyprus	USD	62.50	27.38	3,789.05	7,145.11	3,328.69	-	0.09	4,176.67	0.24	4,176.43	550.83	100
23	Strides Pharma Limited	Cyprus	USD	62.50	0.59	2,362.27	3,141.43	778.56	-	9.18	1,155.18	10.16	1,145.02	-	100
24	Strides Pharma Mozambique, SA, Mozambique	Mozambique	MZN	1.74	5.23	0.00	16.48	11.25	-	-	0.00	-	0.00	-	51
25	Strides Pharma Namibia Pty Limited	Namibia	NAD	5.14	9.13	7.66	128.67	111.87	-	285.72	11.72	3.48	8.24	-	70
26	Strides Pharmaceuticals (Holdings) Limited	Cyprus	USD	62.50	0.95	4,037.51	4,048.94	10.49	0.00	8.74	(155.79)	(71.31)	(84.48)	1,836.11	100
27	Strides Specialties (Holdings) Limited	Mauritius	USD	62.50	0.00	(0.41)	0.22	0.63	-	-	(0.21)	-	(0.21)	-	100
28	Strides Vital Nigeria Limited	Nigeria	NGN	0.31	3.13	(482.79)	298.98	778.64	-	177.83	(284.76)	-	(284.76)	-	74
B Entities Wounded Up during the period															
29	Strides Australia Pty Limited	Australia	AUD	47.38	-	-	-	-	-	(1.71)	(1.71)	-	(1.71)	-	100
30	Plus Farma ehf	Iceland	EUR	66.85	40.47	(40.47)	-	-	-	-	-	-	-	-	100
31	Strides SA Pharmaceuticals Pty Ltd	Republic of South Africa	ZAR	5.14	0.01	(0.01)	-	-	-	-	-	-	-	-	100

Note: The entities in Sl. No. 1, 8, 18, 19 and 24 are yet to commence operations

ANNEXURE 1

PART B - ASSOCIATES/ JOINT VENTURE

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

Name of Joint Venture	Akorn Strides LLC
1 Latest audited Balance Sheet Date	Akorn Strides LLC does not have an independent audit performed on its financials, they are incorporated in the audit conducted on Akorn Inc.
2 Shares of Joint Venture held by the Company on the year end	
No.	-
Amount of Investment in Joint Venture	USD 896,775*
Extend of Holding %	50% by Akorn Inc., USA and 50% by Strides Pharma Inc., USA
3 Description of how there is significant influence	Each party (Akorn Inc., USA and Strides Pharma Inc., USA) would have their respective roles in the LLC. Akorn acted as the filing agent and marketed the products, and Strides Pharma Inc., USA ensured development and supply of manufactured pharmaceutical products.
4 Reason why the Joint Venture is not consolidated	Not Applicable
5 Networth attributable to Shareholding as per latest audited Balance Sheet	Nil
6 Profit/ Loss for the year	
Considered in Consolidation	Nil
Not considered in Consolidation	Nil

* The investment amount has been impaired in FY 2013-14

For and on behalf of the Board of Directors

Date: May 22,2015

Deepak Vaidya

Arun Kumar

Badree Komandur

Place: Bengaluru

Chairman

Executive Vice Chairman & Managing Director

CFO & Company Secretary

ANNEXURE 2
Details of Strides Arcolab Employee Stock Options pursuant to SEBI Regulation and Companies Act, 2013

Description	Strides Arcolab ESOP 2006	Strides Arcolab ESOP 2008	Strides Arcolab ESOP 2008 (Directors)	Strides Arcolab ESOP 2011
A Options available under the Scheme	1,000,000	1,500,000	500,000	1,500,000
B 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.			
C Outstanding options as at April 1, 2014	80,500	169,950	190,000	1,100,000
D Options granted during the period under review	-	-	-	100,000
E Options vested during the period under review	-	-	-	50,000
F Options exercised during the period under review	-	-	-	50,000
G Total number of shares arising as a result of exercise of options	-	-	-	50,000
H Options lapsed / surrendered during the period under review	-	-	-	100,000
I Variation of terms of options	NONE	NONE	NONE	NONE
J Money realized by exercise of options	-	-	-	₹ 16,115,000
K Total number of options in force at the end of the period ending March 31, 2015	-	-	-	350,000
L Available for further grant	80,500	1,69,950	1,90,000	11,00,000
M Employee-wise details of options granted during the period under review				
(i) Key Management Personnel	NONE	NONE	NONE	NONE
(ii) Any other employee who received grant in any one year of option amounts to 5% of more of options during the year	NONE	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	NONE
N Diluted Earnings Per Share (DEPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard - 20 – Earnings Per Share	March 31, 2015 ₹ 88.99		March 31, 2014 ₹ 591.14	
O 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.	Impact on profit ₹ 16.53 Million Impact on EPS ₹ 0.28 per share			
P Weighted Average exercise price of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	-	-	-	₹ 456.67
Q 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:	March 31, 2015		March 31, 2014	
Risk free interest rate	7.65%		8.75%	
Expected life	3 years		3 years	
Expected annual volatility of shares	48.44%		38.64%	
Expected dividend/ yield	0.21 %		0.52%	
The price of the underlying share in market at the time of option grant	₹ 936.33 per share		₹ 382.42 per share	

For and on behalf of the Board of Directors

 Date: May 22, 2015
 Place: Bengaluru

Deepak Vaidya
 Chairman

Arun Kumar
 Executive Vice Chairman & Managing Director

ANNEXURE 3

Nomination and Remuneration Policy for the Board of Directors, Key Managerial Personnel and Senior Management Personnel

1. PREAMBLE:

Strides Arcolab Limited ("the Company") believes in conducting the affairs of the company in a fair and transparent manner by adopting the highest standards of professionalism and good corporate governance practices. The Company is committed to ensure that remuneration commensurate with the role and responsibilities is paid to directors and employees of the Company. In order to attract and retain properly qualified and best talent at all levels, it is the Company's aim to maintain fair and competitive remuneration consistent with industry standards and practices.

Pursuant to the Companies Act, 2013 ("the Act"), the Company is required to constitute a Nomination and Remuneration Committee which shall formulate the Nomination and Remuneration Policy ("the Policy") and the overall appointment and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

2. APPLICATION OF THE POLICY:

The appointment and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company will be reviewed and considered by the Nomination and Remuneration Committee in accordance with the policy and the provisions of the Act.

3. CATEGORIES OF EMPLOYEES PROVIDED UNDER THIS POLICY:

- a) Directors includes Whole-time/ Executive Directors, Non-Executive and Independent Directors.
- b) Key Managerial Personnel to be construed as defined under Section 2(51) of the Act
- c) Senior Management Personnel comprising of members of the core management team and personnel one level below the Board.

4. GENERAL POLICY STATEMENT:

The Remuneration Policy of the Company is performance driven and is structured to motivate directors and employees, recognize their merits and achievements and promote excellence in their performance. Individual performance pay is determined by business performance and the performance of the individuals is measured through an appropriate appraisal process. Through compensation program, the Company endeavors to attract, retain, develop and motivate a high performance

workforce that will ensure the long term sustainability of the Company and create a competitive advantage in the industry. For the whole time director and employees, the Company follows a compensation mix of fixed and variable pay.

The remuneration of the Board members, Key Managerial Personnel and the Senior Management is based on the Company's size and market presence, its economic and financial position, industrial trends, compensation paid by the peer companies etc. Compensation reflects the responsibility and performance of the Board members, Key Managerial Personnel and the Senior Management.

5. TERMS OF REFERENCE:

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in Schedule I of this policy and recommend to the Board their appointment and removal.
- b) To carry out evaluation of every director's performance as laid down in Schedule I of this policy
- c) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees in Senior Management.
- d) To review the overall compensation policy, service agreement and other employment conditions of Whole Time Directors, Key Managerial Personnel and Senior Management officials.
- e) To monitor the implementation of Employees Stock Option Scheme (ESOS) which includes:
 - the quantum of option to be granted under ESOS per employee and in aggregate
 - the conditions under which options shall vest in employees and may lapse in case of termination of employment or misconduct or otherwise
 - the exercise period within which the employee should exercise the vested option and the conditions under which the option would lapse

ANNEXURE 3

either on failure to exercise within the exercise period or on termination or on resignation or otherwise

- the right of an employee to exercise all the options vested in him/her at one time or at various points of time within the exercise period
 - the procedure for making a fair and reasonable adjustment to the number of options
 - the grant, vest and exercise of option in case of employees who are on long leave and any other matter which may be relevant for administration of ESOS Scheme from time to time
- f) To deal with other matters as the Board may refer to the Nomination and Remuneration Committee ("the Committee") from time to time.

6. REMUNERATION:

Role and Type of Remuneration:

The Company recognizes the competitive nature of the market and this requires the Company to provide competitive remuneration to its directors and employees to ensure that we attract and retain efficient employees.

The remuneration of Whole-time directors/ Executive Directors, Key Managerial Personnel and Senior Management Personnel of the Company is decided based on the criteria stated in Schedule I of this policy and as per the recommendation of the Committee.

The Company shall pay remuneration to Whole-time directors/ Executive Directors, Key Managerial Personnel and Senior Management Personnel by way of salary, retirement benefits, perquisites, allowances (fixed component), incentives and commission (variable component) based on the recommendation of the Committee and approval of the Board of Directors and shareholders, if applicable. Annual increments may be decided by the Committee within the salary scale approved by the members, in case of Whole-time directors/ Executive Directors.

Guaranteed Portion of Remuneration:

Whole-time directors/ Executive Directors and employees are receiving guaranteed portion of their total package on a monthly basis. The total package

includes both monthly compensation and guaranteed benefits such as employer's contribution to retirement funds i.e. provident fund, pension and gratuity, group mediclaim etc.

Variable Portion of Remuneration:

Performance Incentive to reward employees for performance is variable. These rewards are based on individuals, business unit or Company's performance including related pre-defined targets. Performance is measured over a 12 month period. The remuneration policy should accordingly be considered in the greater human resource context.

The Committee shall take into consideration the recommendations of the Managing Director about the proposals relating to the remuneration of Senior Management Personnel.

Remuneration of Non-Executive Directors

Non-Executive Directors are paid remuneration by way of sitting fees for attending Board and Committee Meetings. The Company pays a sitting fee per meeting of the Board and the Committees to the Non-Executive Directors for attending the meeting within the limit prescribed under the Act. Commission, if any, may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% p.a. of the profits of the Company (computed in accordance with the Act).

An Independent Director shall not be entitled to any stock option and may receive remuneration by way of fees provided under sub-section (5) of Section 197 of the Act, re-imbursment of expenses for participation in the Board and other meetings and profit related commission, if any, as may be approved by the members of the Company.

7. COST MANAGEMENT

The objective of remuneration cost management is the importance of the directors and employee's role, thereby reflecting their relative work to the Company. Cost management does not necessarily imply a reduction of overall salary and bill but rather the correct allocation thereof. The Finance department in conjunction with Human Resource department should manage remuneration costs within budgetary constraints, while ensuring the remuneration levels of competent, exceptional performers and key employees are positioned competitively against the market.

ANNEXURE 3

Any amount paid in excess to director other than prescribed under the Act shall be refunded by the director and the company cannot waive the same.

8. RETIREMENT POLICY:

The Company has adopted the guidelines for retirement age of whole time director and employees. Any whole time director who is retained on the Company's Board beyond the age limit decided by the management for special reasons may continue as a Director at the discretion of the Board. The Company has adopted policy for offering retirement benefits including pension, ex-gratia, gratuity, medical etc. to its whole time director and employees of the Company.

9. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall consist of three or more non-executive directors out

of which not less than one half shall be independent directors.

Provided that the chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

The existing Committee at Strides comprises of Non-Executive Directors and is chaired by an Independent Director. Composition of the Committee as at the date of this Report is as under:

#	Name	Category of Directorship	Designation
1	P M Thampi	Independent Director	Chairman
2	A K Nair	Independent Director	Member
3	Deepak Vaidya	Non-Executive Director	Member
4	M R Umarji	Non-Executive Director	Member

SCHEDULE I

Criteria for appointment - related remuneration for Directors, Key Managerial Personnel and Senior Management of the Company.

- At the time of selection of a Director, Key Managerial Personnel and Senior Management Officials, the Company must examine the integrity of the person and possession of relevant expertise, positive attributes, qualifications and experience
- In case of appointment of Independent Director the Company must observe the pecuniary relationship of such Director and their relatives with the promoters and group companies including the criteria of independence and other conditions as prescribed by the Act. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated
- The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to run the Company successfully
- Relationship of remuneration to performance should be clear and meet appropriate performance benchmarks [refer schedule II]
- Remuneration of directors, Key Managerial Personnel and Senior Management Officials involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals
- External Competitiveness: The quantum and nature of the total offering to Directors, Key Managerial Personnel and Senior Management should commensurate with the industry standards and benchmarks and the ability of the Company in recruiting and retaining them. The appropriate mix of guaranteed cash benefits and incentives should enhance the Company's ability to motivate them in a manner that will improve the Company's competitiveness
- Remuneration should be compatible with risk policies and systems
- The Independent Directors shall review the performance of the non-independent directors
- The Independent Directors shall assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties

ANNEXURE 3

SCHEDULE II Performance Management

INTRODUCTION

Performance Management at Strides Arcolab is an ongoing process that enables individuals to clearly understand what is expected of them, how they are performing against those expectations and how this supports the overall goals of the business & organization.

Performance Management is how one work with their manager and peers throughout the year to help improve one's performance – agreeing on expectations through goal setting, providing regular & on-going feedback, quarterly / half yearly / midyear reviews and finally a year-end review process.

EVALUATION CRITERIA

Sl. No	Evaluation Criteria	Far Exceeded	Exceeds	Met	Partially Met	Not Met
1	Compliance					
2	Growth					
3	Operational Efficiency					
4	Talent Development					

Process

Step 1: Finalization of the Strategy by the Group CEO & MD
Step 2: Flow down of goals around Revenue and Growth Initiatives

Measurement

All goals and objectives are rated on a 5 point scale. Every line item is given weightage in the beginning of the performance cycle which is then evaluated on the progress made every quarter.

The following are the details:

- Far exceeded - 110 to 125% of the allotted marks
- Exceeded – 100 to 110 % of the allotted marks
- Met expectations – 90 to 100% of the allotted marks
- Partially met – 60% of the allotted marks
- Not met – 0 marks

ANNEXURE 4

FORM NO. MR-3**Secretarial Audit Report****For the financial year ended 31st March 2015**

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

To,
The Members,
Strides Arcolab Limited
CIN: L24230MH1990PLC057062

Registered Office:
210, Devavrata, Sector 17
Vashi, Navi Mumbai – 400 703, Maharashtra

Corporate Office:
Strides House, Bilekahalli,
Bannerghatta Road,
Bengaluru – 560076, Karnataka.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Strides Arcolab 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 my 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 authorized 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 2015 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 Strides Arcolab Limited for the financial year ended on 31st March 2015 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 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. 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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - The company was not required to comply this.
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; The company was not required to comply this.
 - f. 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - The company was not required to comply this.
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - The company was not required to comply this.

ANNEXURE 4

6. Industry specific Laws applicable to the company:

- 1) Drugs & Cosmetics Act 1940.
- 2) Drugs(Prices Control) Order 1995
- 3) The Narcotic Drugs and Psychotropic Substances Rules, 1985
- 4) Drugs and Magic Remedies (objectionable advertisement) act, 1954 & Drugs and Magic Remedies (objectionable advertisement) rules, 1955.
- 5) Copyrights Act, 1957 and Public Performance License (PPL)
- 6) Trade Marks Act, 1999 and Trade Marks Rules, 2002

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE); the Secretarial Standards issued by the Institute of Company Secretaries of India were not applicable during the period under review.

We further state that, during the period under review and based on our verification of the records maintained by the company and also on the review of compliance reports/statements by 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 process and control mechanism exist in the company to monitor and ensure compliances with applicable labour laws, environmental laws.

We further report that, 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. 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 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 decision is carried through and there were no dissenting views by any members of the Board during the period under review.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws.

We further report that during the audit period the company has not undertaken:

- a) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- b) Redemption / buy-back of securities
- c) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- d) Foreign technical collaborations

The company has initiated the process of merger of the Company and Shasun Pharmaceuticals Limited and the same is pending for regulatory and statutory approvals.

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

Gopalakrishnaraj H H
Proprietor

Place : Bengaluru
Date : 21/05/2015

FCS: 5654; CP: 4152

ANNEXURE 5

FORM NO. MGT-9**Extract of Annual Return**

as on the financial year ended on March 31, 2015

[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:

Corporate Identification Number	L24230MH1990PLC057062
Registration date	June 28, 1990
Name of the company	Strides Arcolab Limited
Category/ Sub-Category of the company	Public Company/ Limited by shares
Address of the Registered office and contact details	201, Devavrata Sector 17, Vashi, Navi Mumbai – 400703 Telephone : 022 27892924/ 27892968; Fax: 022 27892942 Email: investors@stridesarco.com Website: www.stridesarco.com
Whether listed company	Yes
Name, address and contact details of Registrar and transfer Agent, if any	Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad – 500 032 Tel: +91 40 6716 1500, Fax: 040 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:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
a)	Pharmaceutical	21001	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No	Name of the Company	CIN	Holding/ subsidiary /Associate	% of shares held	Applicable section
1	African Pharmaceutical Development, Cameroon	NA	Subsidiary	85%	2(87)
2	Altima Innovations Inc, USA	NA	Subsidiary	100%	2(87)
3	Beltapharm S.p.A, Italy	NA	Subsidiary	96.57%	2(87)
4	Co Pharma, UK	NA	Subsidiary	100%	2(87)
5	Congo Pharma, Congo	NA	Subsidiary	85%	2(87)
6	Fagris Medica Private Limited, India	U24230GJ2008PTC054970	Subsidiary	90%	2(87)
7	Societe De Reoartition Pharmaceutique, Burkinofaso	NA	Subsidiary	80%	2(87)
8	SPC Co. Ltd, Sudan	NA	Subsidiary	51%	2(87)
9	Stelis Biopharma (Malaysia) SDN.BHD, Malaysia	NA	Subsidiary	100%	2(87)
10	Stelis Biopharma Private Limited, India *	U74140KA2007PTC043095	Subsidiary	100%	2(87)
11	Strides Africa Ltd, BVI	NA	Subsidiary	100%	2(87)

ANNEXURE 5

Sl.No	Name of the Company	CIN	Holding/ subsidiary /Associate	% of shares held	Applicable section
12	Strides Arcolab International Ltd, UK	NA	Subsidiary	100%	2(87)
13	Strides CIS Ltd, Cyprus	NA	Subsidiary	100%	2(87)
14	Strides Emerging Markets Private Limited, India	U24132KA2012PTC064214	Subsidiary	100%	2(87)
15	Strides Healthcare Private Limited, India	U24211KA2013PTC069731	Subsidiary	74%	2(87)
16	Strides Pharma (Cyprus) Limited, Cyprus	NA	Subsidiary	100%	2(87)
17	Strides Pharma Asia Pte Ltd., Singapore	NA	Subsidiary	100%	2(87)
18	Strides Pharma Botswana (Pty) Ltd., Botswana	NA	Subsidiary	70%	2(87)
19	Strides Pharma Cameroon Limited, Cameroon	NA	Subsidiary	85%	2(87)
20	Strides Pharma Global Pte Limited, Singapore	NA	Subsidiary	100%	2(87)
21	Strides Pharma Inc, USA	NA	Subsidiary	100%	2(87)
22	Strides Pharma International Limited, Cyprus	NA	Subsidiary	100%	2(87)
23	Strides Pharma Limited, Cyprus	NA	Subsidiary	100%	2(87)
24	Strides Pharma Mozambique, SA, Mozambique	NA	Subsidiary	51%	2(87)
25	Strides Pharma Namibia, Namibia	NA	Subsidiary	70%	2(87)
26	Strides Pharmaceuticals (Holdings) Limited, Cyprus	NA	Subsidiary	100%	2(87)
27	Strides Specialties (Holdings) Ltd, Mauritius	NA	Subsidiary	100%	2(87)
28	Strides Vital Nigeria, Nigeria	NA	Subsidiary	74%	2(87)

* Stelis Biopharma Private Limited (U24100KA2012PTC063995) was a 100% subsidiary till November 10, 2014 when it merged with Inbiopro Solutions Private Limited (U74140KA2007PTC043095). Post the merger, the name of Inbiopro Solutions Private Limited changed to Stelis Biopharma Private Limited with effect from December 24, 2014.

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, 2014				No. of Shares held at the end of the year March 31, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
Individual/ HUF	3,387,326	-	3,387,326	5.69	3,387,326	-	3,387,326	5.68	(0.01)
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Bodies Corporates	13,096,876	-	13,096,876	21.99	13,096,876	-	13,096,876	21.97	(0.02)
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	16,484,202	-	16,484,202	27.67	16,484,202	-	16,484,202	27.65	(0.02)
(2) Foreign									
NRI's - Individuals	-	-	-	-	-	-	-	-	-
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-

ANNEXURE 5

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2014				No. of Shares held at the end of the year March 31, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	16,484,202	-	16,484,202	27.67	16,484,202	-	16,484,202	27.65	(0.02)
(B) Public Shareholding									
(1) Institutions									
Mutual Funds/UTI	1,372,267	162	1,372,429	2.30	6,555,776	162	6,555,938	11.00	8.70
Banks/ Financial Institutions	25,960	426	26,386	0.04	80,824	426	81,250	0.14	0.10
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	105,554	-	105,554	0.18	9,970	-	9,970	0.02	(0.16)
FII's/ FPI's	29,343,041	-	29,343,041	49.26	20,759,103	-	20,759,103	34.82	(14.44)
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	97,263	-	97,263	0.16	-	-	-	-	(0.16)
(a) Qualified Foreign Investor - Corporate									
Sub Total (B)(1)	30,944,085	588	30,944,085	51.95	27,405,673	588	27,406,261	45.97	(5.98)
(2) Non Institutions									
(a) Bodies Corporate	2,195,469	3,002	2,198,471	3.69	3,199,453	3,002	3,202,455	5.37	1.68
(b) Individuals									
(i) Individuals shareholders holding nominal share capital upto ₹ 1 Lakh	4,199,988	140,507	4,340,495	7.29	4,969,255	1,37,369	5,106,624	8.57	1.28
(ii) Individuals shareholders holding nominal share capital in excess ₹ 1 Lakh	1,864,023	-	1,864,023	3.13	4,623,800	-	4,623,800	7.76	4.63
(c) Others Specify									
(ci) Non Resident Indians	2,428,046	47,238	2,475,284	4.16	1,883,844	43,761	1,927,605	3.23	(0.93)
(cii) HUF	254,509	-	254,509	0.43	206,630	-	206,630	0.35	(0.08)
(ciii) Directors	290,750	-	290,750	0.49	325,750	-	325,750	0.55	0.06
(civ) Trust	375	-	375	0.00	1,475	-	1,475	0.00	0.00
(cv) Clearing Members	381,834	-	381,834	0.64	229,819	-	229,819	0.39	(0.25)
(cvi) Foreign Nationals	255,000	50,000	305,000	0.51	80,000	-	80,000	0.13	(0.38)
(cvii) Foreign Co./ Overseas Corporate Bodies	21,005	-	21,005	0.04	21,000	-	21,000	0.04	0.00
(cviii) Qualified Foreign Investor - Individual	5,000	-	5,000	0.01	-	-	-	-	(0.01)
Sub Total (B2)	11,895,999	2,40,747	12,136,746	20.38	15,541,026	1,84,132	15,725,158	26.38	6.00
Total Public Shareholding B=(B)(1)+(B)(2)	42,840,084	241,335	43,081,419	72.33	42,946,699	1,84,720	43,131,419	72.35	0.02
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	59,324,286	241,335	59,565,621	100.00	59,430,901	1,84,720	59,615,621	100.00	

ANNEXURE 5

(ii) Shareholding of Promoters

Sl. No	Name of Shareholders	Shareholding at the beginning of the year April 1, 2014			Shareholding at the end of the year March 31, 2015			% change in shareholding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Pronomz Ventures LLP	12,665,000	21.26	13.47	12,665,000	21.24	0.00	(0.018)
2	Arun Kumar	670,797	1.13	0.00	670,797	1.13	0.00	(0.001)
3	K R Ravishankar	1,235,906	2.07	0.00	1,235,906	2.07	0.00	(0.002)
4	Agnus Holdings Private Ltd	120,816	0.20	91.46	120,816	0.20	0.00	0.000
5	Chayadeep Properties Private Limited	261,060	0.44	22.98	261,060	0.44	0.00	0.000
6	Triumph Venture Holdings LLP	30,000	0.05	0.00	30,000	0.05	0.00	0.000
7	Agnus Capital LLP	20,000	0.03	0.00	20,000	0.03	0.00	0.000
8	Padmakumar Karunakaran Pillai	171,485	0.29	0.00	171,485	0.29	0.00	0.000
9	Deepa Arun Kumar	201,000	0.34	0.00	201,000	0.34	0.00	0.000
10	Tarini Arun Kumar	200,000	0.34	0.00	200,000	0.34	0.00	0.000
11	Aditya Arun Kumar	200,000	0.34	0.00	200,000	0.34	0.00	0.000
12	Vineetha Mohanakumar Pillai	175,000	0.29	0.00	175,000	0.29	0.00	0.000
13	K R Lakshmidevi	130,365	0.22	0.00	130,365	0.22	0.00	0.000
14	Rajeswari Amma	93,760	0.16	0.00	93,760	0.16	0.00	0.000
15	Sajitha Pillai	80,000	0.13	0.00	80,000	0.13	0.00	0.000
16	Gayatri Nair	50,000	0.08	0.00	33,000	0.06	0.00	(0.029)
17	Lakshmi Gopalakrishnan	50,000	0.08	0.00	50,000	0.08	0.00	0.000
18	Hemalatha Pillai	48,000	0.08	0.00	48,000	0.08	0.00	0.000
19	Rajitha Gopalakrishnan	45,000	0.08	0.00	45,000	0.08	0.00	0.000
20	G Purushothaman Pillai	33,013	0.06	0.00	33,013	0.06	0.00	0.000
21	Rahul Nair	3,000	0.01	0.00	20,000	0.03	0.00	0.029
	Total	16,484,202	27.67	11.38	16,484,202	27.65*	0.00	(0.023)

Note: There is no change in the total shareholding of promoters between 01-04-2014 and 31-03-2015

* The decrease in % to the total shares of the company from 27.67 % to 27.65 % is due to ESOP allotment of 50,000 shares to employee resulting in increase of paid-up capital base.

(iii) Change in Promoters' Shareholding

Sl.No		Shareholding at the beginning of the year April 1,2014		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	16,484,202	27.67	16,484,202	27.65
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ equity etc)	-	-	-	-
	At the End of the year	16,484,202	27.67	16,484,202	27.65*

Note: There is no change in the total shareholding of promoters between 01-04-2014 and 31-03-2015

* The decrease in % to the total shares of the company from 27.67 % to 27.65 % is due to ESOP allotment of 50,000 shares to employee resulting in increase of paid-up capital base.

ANNEXURE 5

(iv) Shareholding pattern of top 10 shareholders(other than Directors, Promoters and holders of GDR's and ADR's)

Sl.No	Name of Shareholder	Shareholding at the beginning of the year April 1, 2014		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Morgan Stanley Asia (Singapore) Pte Ltd	3,965,140	6.66	2,538,328	4.26
2	DVI Fund Mauritius Ltd	3,118,378	5.24	-	0.00
3	BNP Paribas Arbitrage	2,489,436	4.18	-	0.00
4	Brook Dale India Value Fund Limited	2,385,773	4.01	-	0.00
5	DB International Asia Limited	2,126,177	3.57	3,963,972	6.65
6	Route One Investment Company L.P A/c Route one Fund - I	1,962,026	3.29	567,171	0.95
8	Janus Overseas Fund	1,780,895	2.99	-	0.00
7	Route One Investment Company L.P A/c Route One Offshore Master Fund	1,779,471	2.99	553,562	0.93
9	Macquarie Bank Limited	1,678,458	2.82	750,000	1.26
10	Satpal Khattar	1,560,032	2.62	1,560,032	2.62

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. Details of period wise increase / decrease is available on the Company's website: www.stridesarco.com

ANNEXURE 5

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year April 1, 2014		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Arun Kumar	670,797	1.13	670,797	1.13
	At the End of the year (or on the date of separation, if separated during the year) (March 31, 2015)	-	-	670,797	1.13
2	Deepak Vaidya	150,000	0.25	150,000	0.25
	At the End of the year (or on the date of separation, if separated during the year) (March 31, 2015)	-	-	150,000	0.25
3	MR Umarji	14,000	0.02	14,000	0.02
	At the End of the year (or on the date of separation, if separated during the year) (March 31, 2015)	-	-	14,000	0.02
4	Sridhar S	48,750	0.08	48,750	0.08
	At the End of the year (or on the date of separation, if separated during the year) (March 31, 2015)	-	-	48,750	0.08
5	AK Nair	25,000	0.04	25,000	0.04
	At the End of the year (or on the date of separation, if separated during the year) (March 31, 2015)	-	-	25,000	0.04
6	PM Thampi	53,000	0.09	53,000	0.09
	Add: Market Purchase on January 19, 2015	5,000	0.01	58,000	0.10
	At the End of the year (or on the date of separation, if separated during the year) (March 31, 2015)	-	-	58,000	0.10
7	Sangita Reddy	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year) (March 31, 2015)	-	-	-	-
8	Bharat Shah	30,000	0.05	30,000	0.05
	At the End of the year (or on the date of separation, if separated during the year) (March 31, 2015)	-	-	30,000	0.05
9	Mukul Sarkar*	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year) (December 15, 2014)	-	-	-	-
10	Badree Komandur (KMP)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year) (March 31, 2015)	-	-	-	-

Note :* Mukul Sarkar ceased to a Director w.e.f December 15, 2014

ANNEXURE 5

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment as at March 31, 2015

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	4,717,991,660	-	-	4,717,991,660
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	25,105,511	-	-	25,105,511
Total (i+ii+iii)	4,743,097,171	-	-	4,743,097,171
Change in Indebtedness during the financial year				
Addition	580,096,552	-	-	580,096,552
Reduction	(969,361,874)	-	-	(969,361,874)
Working capital loans (net)	(386,496,713)	-	-	(386,496,713)
Exchange loss / (gain)	106,428,542	-	-	106,428,542
Net Change	(669,333,493)	-	-	(669,333,493)
Indebtedness at the end of the financial year				
(i) Principal Amount	4,048,048,614	-	-	4,048,048,614
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	25,715,064	-	-	25,715,064
Total (i+ii+iii)	4,073,763,678	-	-	4,073,763,678

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of MD/ WTD/ Manager Arun Kumar (Managing Director)	Total Amount
1	Gross Salary		
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	53,722,060*	53,722,060
	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, specify	-	-
5	Others, please specify	-	-
	Total (A)	53,722,060	53,722,060
	Ceiling as per the Act	₹ 21.99 Crores (being 5% of the net profits calculated under Sec 198 of the Companies Act, 2013)	

* Excludes Company's contribution towards PF ₹ 1,468,800.

ANNEXURE 5

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Sridhar.S	A.K Nair	P.M Thampi	Sangita Reddy	
	Fees for attending Board & Committee meetings	300,000	450,000	550,000	300,000	1,600,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	300,000	450,000	550,000	3,00,000	1,600,000
2.	Other Non-Executive Directors	Deepak Vaidya	M.R Umarji	Bharat Shah	Mukul Sakar *	
	Fees for attending Board & Committee meetings	400,000	500,000	300,000	400,000	1,600,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	400,000	500,000	300,000	400,000	1,600,000
	Total (B) = (1)+(2)	700,000	950,000	850,000	700,000	3,200,000
	Total Managerial Remuneration**					56,922,060
	Overall ceiling as per the Act	₹ 4.51 Crores (being 1% of the net profits calculated under Sec 198 of the Companies Act, 2013) for non-executive directors.				

* Mr. Mukul Sarkar resigned as director of the Company w.e.f December 15, 2014

**Total Managerial Remuneration being the remuneration to Managing Director / Whole Time Directors and other Directors (being the total of A+B above)

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel Badree Komandur CFO & Company Secretary	Total Amount
1	Gross Salary		
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,912,572*	22,912,572
	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:-	-	-
5	As % of profit	-	-
	Others, specify	-	-
	Others, please specify	-	-
	Total	22,912,572	22,912,572

* Includes ₹ 11,825,000 paid/ payable as incentive during the year under review and excludes Company's contribution towards PF ₹ 600,000.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31,2015.

ANNEXURE 6

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, 2015:	<p>As on date of this Report, the Board comprises of 8 Directors comprising of 1 Executive Director, 4 Independent Directors and 3 Non-Executive Directors.</p> <p>The appointment and remuneration of Executive Director is by virtue of shareholder approval. Components of remuneration to the Executive Director is fixed in line with the Company's policies.</p> <p>The Non-Executive/ Independent Directors receive sitting fees of ₹ 50,000/- for attending each meetings of the Board and Audit Committee and do not receive any other form of remuneration.</p> <p>The ratio of remuneration of the Executive Director, Mr. Arun Kumar to the median remuneration of the employees of the Company for the financial year ending March 31, 2015 is 137.98.</p> <p>The median remuneration for the period under review is approx. ₹ 400,000 per annum</p>		
b.	The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year ending March 31, 2015:	Sl. No	Particulars	% Increase
		(1)	Arun Kumar Executive Vice Chairman and Managing Director	33% (last salary revision was in FY 2010)
		(2)	Badree Komandur Chief Financial Officer and Company Secretary	25%
c.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2015			13.19%
d.	The number of permanent employees on the rolls of Company as at March 31, 2015			1,925 Employees
e.	The explanation on the relationship between average increase in remuneration and the Company's performance	<p>On an average, employees received an annual increase of 15%. The individual increments varied from 5% to 30%, based on their performance.</p> <p>The increase in remuneration is in line with the market trends, internal parity and current salary of the employees.</p> <p>In order to ensure that remuneration reflects Company performance, the variable pay is linked to organization and business unit's performance, apart from individual's performance.</p>		
f.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company in the period under review:	<ul style="list-style-type: none"> ● Remuneration of KMP as a percentage of Revenue is 0.84% ● Remuneration of KMP as a percentage of PBT is 1.48% 		

g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	31-Mar-14*	31-Mar-15	Change
Stock Price (₹)	387.05	1,180.85	205%
Market Cap (₹ Billion)	23.05	70.40	205%
EPS	593.65	89.36	
P/E	0.65	13.21	1.927%
*FY 2014 is a 15 month period			

ANNEXURE 6

h. 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 organization was around 15%. However, the total increase was approximately 22%, after accounting for promotions and corrections. Based on industry benchmark data and considering that the last salary revision for the Managing Director was in the year 2010, the annual increase for the Managing Director in the last financial year was 33%.	
i. Comparison of each remuneration of the key managerial personnel against the performance of the Company		
	Arun Kumar Executive Vice Chairman & Managing Director	Badree Komandur Chief Financial Officer & Company Secretary
Remuneration in FY 2014-15	₹ 55,190,860	₹ 23,512,572*
Revenue	₹ 9,294.18 Million	
Remuneration of KMPs (as % of revenue)	₹ 0.59	0.25
Profit After Tax (PAT)	₹ 5,323.19 Million	
Remuneration of KMP (as % of PAT)	1.04	0.44
* Includes ₹ 11,825,000 paid/ payable as incentive during the year under review		
j. The key parameters for any variable component of remuneration availed by the directors:	The variable component of remuneration for the Executive Director is based on performance of the Company and is recommended by the Nomination and Remuneration Committee to the Board for consideration. The Board of Directors consider the recommendation of the Nomination and Remuneration Committee and approve the variable component accordingly.	
k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	None	

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

Date: May 22, 2015
Place: Bengaluru

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman & Managing Director

ANNEXURE 7

Annual Report on Corporate Social Responsibility

1. CORPORATE SOCIAL RESPONSIBILITY AT STRIDES ARCOLAB

Strides' Corporate Social Responsibility (CSR) initiatives goes beyond compliance and creates sustainable value for communities by improving their health, education, and employability. The policy encompasses our philosophy towards CSR and lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large.

The policy comprises of the Vision and Mission Statement, objectives and our philosophy. It also explains the governance structure along with the clarity on each one's roles and responsibilities.

Strides assessed the needs in stakeholder community through an extensive assessment and has prioritised the causes that it will support in the current phase of the CSR journey, on the basis of this assessment.

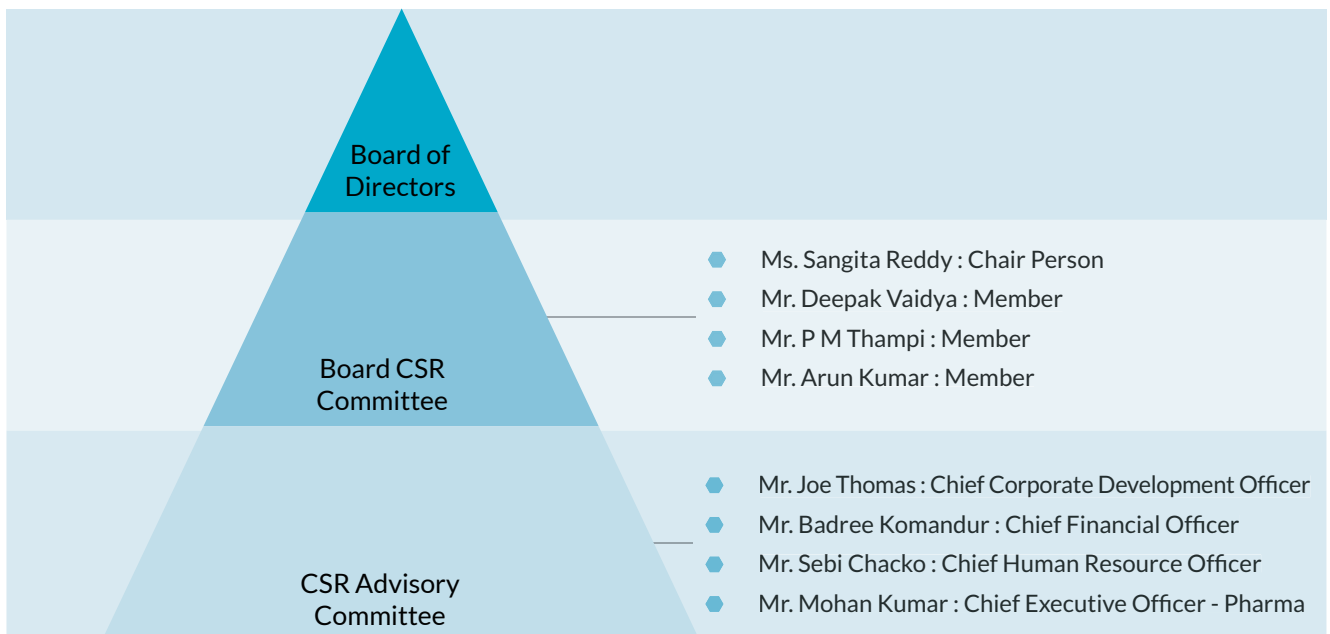
Strides proposes to continue investing in some of its existing CSR initiatives and plans to initiate new programs as deemed necessary. Such programs, both existing and the new ones, could be scaled up in future. Some of the areas we propose to invest our CSR budget includes:

1. Health & Hygiene
2. Education
3. Employability

Strides is committed to undertake implementation of the proposed CSR programs in order to bring meaningful and sustainable change to the local communities in which it operates. We will leave no stone unturned in ensuring that it contributes to the society, which is an integral stakeholder for us.

For more information please refer CSR policy at: http://stridesarco.com/pdf/2014/Strides_CSR_Policy_Oct_2014.pdf

2. THE CSR GOVERNANCE STRUCTURE AND ITS TEAM MEMBERS ARE:



ANNEXURE 7

3. Average net profit of the company for last three financial years is ₹ 936.80 Million
4. The prescribed CSR Expenditure, which is two per cent of the amount mentioned in item 3 above, is ₹ 18.74 Million for the financial year 2014-15

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

#	Particulars	Amount (₹ Million)
1	Prescribed CSR expenditure for the year under review	18.74
2	Total spent during the year under review	19.41
3	Amount unspent, if any	NIL

6. MANNER IN WHICH THE AMOUNT SPENT DURING THE FINANCIAL YEAR

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Location/ Area where the Project/ Program was undertaken	Amount outlay (₹)	Amount spent on the projects or programs (₹)		Cumulative expenditure upto the period under review (₹)	Amount spent: Direct or through implementing agency
					Direct Expenditure	Overheads		
1	Infrastructure Improvement at Schools	Education	Haragadde Government School and Gottigere Government School, Bengaluru District, Karnataka State	1,934,000	1,934,000	-	1,934,000	Strides Foundation through Pragathi Construction, People Pro & Pioneer solutions
2	Leaps program	Education	Haragadde Government School and Gottigere Government School, Bengaluru District, Karnataka State	1,100,000	744,000	-	744,000	Strides Foundation through People Pro
3	Sponsorship / support - Extl	Education	Dream school and Residential facility - M Hosahalli, Bagalore-Bhuthagiri road, Karnataka Centre for Social Initiatives & Management (CSIM) - Training - Bengaluru - Karnataka Shri Gururathna Vipra Kshema Trust (SGVK) - Training - Bengaluru - Karnataka	4,240,000	3,180,750	-	3,180,750	Strides Foundation through CISM, Reaching Hand, SGVK Trust
4	Primary Health Centre - Arogyadhama	Health	Honnakalaspura, Suragajakkanahalli Panchayat, Anekal taluk, Bengaluru District, Karnataka State	9,450,000	9,450,000	-	9,450,000	Strides Foundation through Karuna Trust
5	UGD & Septic Tank with up flow Filters	Health & Hygiene	Suragajakkanahalli Panchayat, Anekal taluk, Bengaluru District, Karnataka State	4,100,000	4,100,000	-	4,100,000	Strides Foundation through EssVee Designs
Total				20,824,000	19,408,750	-	19,408,750	

7. BRIEF ON THE PROJECTS TAKEN UP DURING THE YEAR UNDER REVIEW:

I. Primary Health Centre:

With inputs from our NGO partners to address preventive health care needs at Suragajakkanahalli, we built a modern state of the art Primary Health Centre (PHC) – Arogyadhama. The PHC is equipped with ultra-modern equipment like X-ray, Scan, laboratory and minor OT. Along with out-patient facilities, it has facilities in Ophthalmology, Gynaecology, Paediatrics, Dental Treatments, Pharmacy and day care facilities. The facility was inaugurated on 25th March and currently about

680 patients are being treated every month. The “Arogyadhama” will take care of the health related matters in the surrounding 10 villages and approx. population of 10,000.

II. UGD & Septic Tank with up flow filters:

With our continued focus on health and hygiene, we have built an Under-ground Drainage system (UGD) and a Septic Tank with up flow filters at Suragajakkanahalli. This system will positively impact the health, hygiene and sanitation of more than 2,000 people staying in this village and is expected to take care of the UGD needs of the village for the next 10+ years.

ANNEXURE 7

III. LEAPS - Parivarthan:

Leadership Adoption Program for Schools (LeAPS) a program designed in partnership with People Pro targets Govt. Schools and aims to help and motivate students to visualize their goals & achieve them. Through this program, students are taught skills ranging from discipline, confidence and self-belief to social etiquette and creative careers. In the year 2014 - 15, 620 students benefitted from this program.

IV. Infrastructure Improvement at Schools:

Continuing our focus on Education, we also worked towards infrastructural improvement at the Government Schools in Haragadde and Gottigere. For the school at Haragadde, we constructed two classrooms and toilets. In Gottigere, we are building toilets for girls and renovate other infrastructures. We also have made provision for safe drinking water and appointed teachers for Science, English and Mathematics at both the schools.

V. Health Camps:

With an aim to focus on good health for school going children, we conducted a Health Camp at our adopted Govt. schools in Gottigere and Haragadde. Volunteers from the organisation along with specialist doctors screened children for anaemia, malnutrition and general health condition. In this Health Camp, more than 450 students were subjected to go through various medical tests like Respiratory tests, Hook-worm infestation, Muscular Skeletal test, Learning Abnormalities and Anaemia detection.

VI. Clean Drive:

Clean Drive, the CSR initiative also marked the launch of our Silver Jubilee Celebrations. With an objective to provide clean environment, we launched the Clean Drive initiative at Anekal town, Govt. Schools in Haragadde and Gottigere. This was one of our major employee volunteering initiative where about 450 employees of Strides participated. The volunteers cleaned the roads, office premises, school premises, classrooms, toilets and also painted the compound walls.

VII. Sponsorships and External Support:

At Strides, we also extend sponsorship and support to external organisations. Strides Foundation has contributed significantly to the Centre for Social initiative and Management (CSIM) in order

to support, handhold and mentor students with innovative ideas. This sponsorship will also help them in introducing a certificate program in Social Enterprise Management. We have also extended our support to "Reaching Hand", a charitable trust working towards empowering destitute women and children in leading a life of self-worth and dignity. The support extended will help them build a school and a dream home for the children.

We are committed to provide sustainable development in the community by bringing together meaningful initiatives which will help develop the society.

8. IMPLEMENTATION AGENCIES

Strides Foundation

Strides Foundation is the force behind the organization's focus on Corporate Social Responsibility. The trust, the organization and our NGO partners collaborate in conceptualizing and implementing various programs. We value our partnership with the NGOs as this not only will help deliver what we want, but will also be able to help get expert guidance and suggestions in improving our current community events.

Strides Foundation is a Trust set up by the Promoters of the Company as a not-for-profit organisation. The Trust is managed by 8 Trustees and the Trustees are part of the management team. The Managing Trustee is responsible for day-to-day administration of the Trust under the guidance of the Board.

The Company implements its CSR activities through the Strides Foundation.

The role of Strides Foundation includes:

- Helping conceptualize the programs that the Company intends to support.
- Executing the programs through Strides employees or in collaboration with other partners such as NGOs, the government, community based organizations, sector experts and any other partners, as are deemed necessary.
- Collecting and analysing data for monitoring and reporting of all programs.
- Providing capacity building support to the program team.
- Providing periodic reports to the CSR Committee.

ANNEXURE 7

During the year under review Strides Foundation has worked with the following agencies to implement the CSR activities of the Company:

a) Karuna Trust

Karuna Trust (India) is public charitable trust involved with integrated rural development and is affiliated to Vivekananda Girijana Kalyana Kendra. It was started in the year 1986 by Dr. H. Sudarshan, a well-known social worker and tribal activist recognized (Padmashri) for his work with the Soligas in BR Hills. Karuna Trust has pioneered and implemented a successful Public-Private-Partnership model that helps leverage the government's significant investment in public health care infrastructure by complementing it with a socially committed, not-for-profit management team. The Trust runs 72 Primary Health Care (PHC) Centres in Karnataka and Arunachal Pradesh. The uniqueness of the project lies in its community-oriented focus that integrates preventive, promotive, curative and rehabilitative efforts through a democratic, cultural and participatory approach.

The construction and maintenance of Strides "Arogyadhama" was assigned to Karuna Trust.

b) People Pro

PeoplePro Trainers and Consultants Pvt. Ltd (formerly SmartKids), was started in October 2000 and is headquartered in Bengaluru. PeoplePro was initially started to meet the growing need of leadership training in schools. Today PeoplePro has diversified to train up various other People-groups like Parents, teachers and Colleges and Corporate programs. People pro has partnered with us in Leaps Program, Volunteering Activities, analysing the requirements at Government Schools and providing the teaching staff at our adopted Government schools.

c) Pragathi Constructions

Pragathi Constructions, started in 2008, are into construction of industries, majorly Pharma and Engineering industries construction. On the social

front partnered with Tata chemicals, Round table Bengaluru 1 in building schools. Pragathi partnered with us in building the infrastructure at Schools.

d) Essvee Designs

Started in 2013, majorly handling turn key projects for Sewage Treatment Plants (STP) and also into construction of high raise buildings and industries. EssVee designs partnered with us in building the Under Ground Drainage (UGD) and Septic Tank with up flow filters.

e) Centre for Social Initiatives and Management (CSIM)

CSIM Bengaluru organizes awareness events with the objective of triggering social consciousness among diverse citizen groups. Students of the SEO Program generally take the lead in organizing events which showcase exemplary work being done by Social Entrepreneurs and opportunities in the social sector. Strides extended sponsorship to CSIM for training Social Entrepreneurs and to support, handhold and mentor students with innovative ideas.

f) Reaching Hand

Reaching Hand is a charitable organization ushering holistic transformation in economically and socially challenged individuals, thus impacting communities. The mission of the organization is divided into three folds: 1. Build the lives of children at risk by providing them quality education, basic need and safe shelter, 2. Care for the sick and broken hearted by giving them best healthcare facilities, 3. Serve the helpless and neglected children, youth and women by equipping their skills and by creating opportunities for livelihood development. Strides extended sponsorship to Reaching Hand to help build a home for the 100 destitute children

9. The Chairperson of the CSR Committee has given a responsibility statement on behalf of the of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company

ANNEXURE 8

Particulars on Conservation of Energy and Technology Absorption

(A) Conservation of energy

(i) The steps taken and impact on conservation of energy

- a) 34000 KL of process water treated by WWTP and reused for garden/Lawn inside the plant premises.
- b) 6000 KL of water recycled from steam condensate and reused for steam generation
- c) 850 KL rain water collected and recharged to improve the ground water table.
- d) Replaced around 800 of TFL with energy efficient LED lights saved approx. 150,000 KWH

(ii) The steps taken by the company for utilizing alternative sources of energy

- a) 8 MU wheeled from IPP of renewable energy sources

(iii) The capital investment on energy conservation equipment

(B) Technology Absorption:

(i) The efforts made towards technology absorption

- a) Unique tablet compression technology adapted for sticky and sensitive products compression.

- b) High end Roll compaction technology introduced for dry granulation with improved process controls
- c) High tech inspection system capable of inspecting SG caps , HG Caps and tablets commissioned for improved compliance
- d) Upgraded one granulation suite for handling high moisture sensitive products requiring low RH of < 30%
- e) High speed HG capsule filler with online check weighing and an IC commissioned for improved performance and yields.

(ii) The benefits derived like product improvement, cost reductions, product development or import substitution FD / TTD

(iii) In case of imported technology (imported during the last 3 years (viz., 3 years calculated from 1.4.2014), the Year of import and whether the technology has been fully absorbed:

Unique Tablet Compression Technology, High End Roll Compaction Technology and High Tech Inspection System were imported from Europe in the year 2014 and the same have been fully absorbed.

Expenditure on R&D

Particulars	₹ in Million	
	Year end March 31, 2015 (12 Month Period)*	Year end March 31, 2014 (15 Month Period)*
Capital	96.00	143.94
Revenue	360.61	380.69
Total	456.61	524.63

*Note: Not Comparable

Total Foreign Exchange Earned and Used :

₹ in Million	
Foreign Exchange Earned in terms of Actual Inflows	17,621.80
Foreign Exchange outgo in terms of Actual Outflows	2,867.70

For and on behalf of the Board of Directors

Date: May 22,2015
Place: Bengaluru

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

For the Year ended March 31, 2015 (Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

1. OUR APPROACH TO CORPORATE GOVERNANCE

For Strides, Governance is about making sure:

- Taking the business in the right strategic direction;
- Initiating appropriate actions to proactively manage the change;
- Reviewing and strengthening the internal controls in line with future strategies;
- Doing the right thing for all stakeholders.

Further, the Company considers accountability and transparency as pillars of Corporate Governance. The Company has adopted objective disclosure practices. Management has shown responsiveness and quality of “Leading from the Front” which has further strengthened the governance fabric of the Company. The Company has ensured robust corporate health through effective control system to monitor and execute corporate actions and a strong management team to address complex matters.

2. COMPANY’S GOVERNANCE POLICIES

The Company has adopted various codes and policies to carry out the duties in an ethical manner. Some of these codes and policies are:

- 1) Code of Conduct for Board and Senior Management
- 2) Code of Conduct for Prohibition of Insider Trading
- 3) Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information
- 4) Whistle Blower Policy
- 5) Policy on dealing with Related Party Transactions

- 6) Corporate Social Responsibility Policy
- 7) Board Evaluation Policy
- 8) Remuneration policy for Directors, KMP and Senior Management
- 9) Policy for determining Material Subsidiaries
- 10) Policy on Prevention of Sexual Harassment

3. THE BOARD OF DIRECTORS

The Board of Directors guide, direct and oversee the management and protect the interests of shareholders, employees and the other stakeholders.

3.1 Board Composition

The Board comprises of adequate number of Executive and Non-Executive Directors as required under the Companies Act, 2013 read with Rules made thereunder and the Listing Agreement entered into with the Stock Exchanges.

The Independent Directors fulfill the conditions of independent directors as specified in Section 149 of the Companies Act, 2013 read with Rules made thereunder and meet the requirements of Clause 49 of the Listing Agreement. A formal letter of appointment as provided in the Companies Act, 2013 and the Listing Agreement has been issued. Terms and conditions of appointment of Independent Directors is disclosed on the website of the Company.

As on date of this Report, the Board comprises of 8 Directors – One Executive Director, Four Independent Directors and Three Non-Executive Directors. Chairman of the Board is a Non-Executive Director.

The Board represents an optimal mix of professionalism, knowledge and experience. All the directors on the Board are highly experienced in their respective fields and known personalities in the corporate world. A detailed profile of the members of the Board of Directors is attached as Annexure CG1.

The details of each member of the Board as at March 31, 2015 is as under:

#	Name	Category of Directorship*	Date of Joining the Board	No. of shares held in the Company & % to paid up capital	No. of other Directorships held	No. of other Committees of which Member	Chairmanship of Committees of other Companies
1	Deepak Vaidya (Chairman)	NED	January 16, 1998	150,000 (0.25%)	9	4	2
2	Arun Kumar (Executive Vice Chairman & Managing Director)	P & ED	June 28, 1990	670,797 (1.13%)	6	-	-
3	S Sridhar	ID	July 27, 2012	48,750 (0.08%)	13	6	3
4	M.R. Umarji	NED	October 27, 2005	14,000 (0.02%)	4	3	-
5	A.K. Nair	ID	October 27, 2005	25,000 (0.04%)	9	4	2
6	P.M. Thampi	ID	December 21, 2005	58,000 (0.10%)	4	2	-
7	Sangita Reddy	ID	February 7, 2014	-	15	-	-
8	Bharat Shah	NED	July 25, 2014	30,000 (0.05%)	10	8	-
9	Mukul Sarkar **	ND & NED	August 31, 2010	-	NA	NA	NA

* P = Promoter; NED = Non-Executive Director; ED = Executive Director; ID = Independent Director; ND = Nominee Director

- **During the period under review, Mr. Mukul Sarkar, Nominee Director of EXIM Bank vacated office w.e.f December 15, 2014.
- 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 Chairman of more than five such Committees.
- While considering the total number of directorships, the directorship in Public Companies, Private Companies and Alternate Directorships are considered. Directorships in Foreign Companies and Section 8 Companies, if any, have been excluded.
- In accordance with Clause 49 of the Listing Agreement, while considering the position held as Member/ Chairman in Committees, only

Audit Committee and Stakeholder' Relationship Committee is considered.

- Position held in the Company as Director and/or Member/ Chairman has been excluded in the above table.
- None of the Directors are related to any other Director.

3.2 Board Induction

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

Group Chief Executive Officer provides a briefing on Company's current structure and performance of business and the Company Secretary provides new Directors with a briefing on their responsibilities as Directors.

CORPORATE GOVERNANCE REPORT

The induction for Directors includes interactive sessions with Management, Business and Functional Heads and visit to plant.

In addition, newly appointed Directors also receive a comprehensive Directors' Induction Manual which includes Company's historical background, business profile, organization structure, codes and policies, internal controls and risk management systems and their roles and responsibilities as Directors of the Company.

3.3 Familiarization programs for Board Members

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize 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 regularly updated to the Directors. Site visits to various plant

locations are organized for the Directors to enable them to understand the operations of the Company. Company's policy on Familiarization for Board of Directors is disclosed on its website at <http://www.stridesarco.com/investor-committeboard.html>

3.4 Board Meetings

The Board meets at regular intervals to discuss and decide on Company's business, policy and strategy. The Board meetings are pre-scheduled and a tentative annual calendar of Board meetings is circulated to the Directors to facilitate them to plan their schedules and to ensure meaningful participation. However, in case of a special and urgent business needs, the Board's approval is obtained by circulating the resolution, which is ratified by the Board in its next meeting.

During the year under review, the Board met 6 times. These meetings were held on May 23, 2014, July 25, 2014, September 29, 2014, October 7, 2014, November 7, 2014 and February 2, 2015. Further, the Twenty-Third Annual General Meeting (AGM) of the Company was held on Tuesday, September 09, 2014.

Attendance of Directors at the Board and AGM is as under:

#	Name	No. of Board meetings attended during the year	AGM Attended
1	Deepak Vaidya	4	YES
2	Arun Kumar	6	YES
3	M.R. Umarji	5	YES
4	A.K. Nair	5	YES
5	P.M. Thampi	6	YES
6	S Sridhar	3	YES
7	Bharat Shah	4	YES
8	Sangita Reddy	4	-
9	Mukul Sarkar *	4	-

* During the period under review, Mr. Mukul Sarkar, Nominee Director of EXIM Bank vacated office w.e.f December 15, 2014.

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board for consideration. The Company Secretary is also responsible for the preparation of the agenda, convening of the Board Meetings and ensures appropriate recording of minutes of the meetings.

The Company Secretary attends all the meetings of the Board and updates the Board on all key Compliance and Governance matters. The Company also seeks professional advice on key corporate actions to ensure adherence to compliance and governance matters.

3.5 Meetings of Independent Directors

Pursuant to the provisions of Companies Act, 2013 read with Rules made thereunder and the Listing Agreement, the Company's Independent Directors meet at least once a year without the presence of Executive Director or management personnel.

Such meetings are conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Chairman of the Board.

The Chairman takes appropriate steps to present their views to the Board Members.

3.6 Appointment of Directors

The Directors of the Company are appointed by shareholders at the General Meetings. In accordance with the Articles of Association of the Company, the Nominee Director and the Executive Director of the Company do not retire by rotation.

As regards the appointment and tenure of Independent Directors, the Company has adopted the provisions of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Bharat Shah, Director of the Board, retires by rotation and being eligible offers himself for re-appointment. A brief profile of Mr. Bharat Shah is provided in Annexure CG1 attached to this report.

3.7 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.

The Board has constituted four Board-level Committees, namely:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders' Relationship Committee
- 4) Corporate Social Responsibility Committee

Meetings of the Board Committees held during the period under review and Directors' attendance in committee meetings is as under:

Board Committees	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee
Meetings held	5	2	4	2
Directors' attendance				
Deepak Vaidya	4	1	3	0
Arun Kumar	NA	NA	NA	2
S Sridhar	4**	NA	NA	NA
M.R. Umarji	5	2	4	NA
A.K. Nair	4	2	3	NA
P.M. Thampi	5	2	4	2
Sangita Reddy	2	NA	NA	1
Bharat Shah	2	NA	NA	NA
Mukul Sarkar *	4	NA	NA	NA

NA - Not a member of the Committee

* During the period under review, Mr. Mukul Sarkar, Nominee Director of EXIM Bank vacated office w.e.f December 15, 2014.

** Attended the September 29, 2014 meeting through audio conference

CORPORATE GOVERNANCE REPORT

4 AUDIT COMMITTEE

4.1 Composition of the Committee

The Audit Committee comprises of majority of Independent Directors. Composition of the Committee as at the date of this Report is as under:

#	Name	Category of Directorship	Designation
1	Sridhar S	Independent Director	Chairman
2	A K Nair	Independent Director	Member
3	P M Thampi	Independent Director	Member
4	Sangita Reddy	Independent Director	Member
5	Deepak Vaidya	Non-Executive Director	Member
6	M R Umarji	Non-Executive Director	Member
7	Bharat Shah	Non-Executive Director	Member

4.2 Audit Committee Meetings

The Audit Committee met 5 times during the period under review, i.e., on May 23, 2014, July 25, 2014, September 29, 2014, November 7, 2014 and February 2, 2015.

The meetings of the Audit Committee are also attended by Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors. The Company Secretary acts as the Secretary of the Committee.

4.3 Terms of reference of the Audit Committee

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

1) Financial statements

- 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) Discuss and review, with the management and auditors, the annual/ quarterly financial statements before submission to the Board, with particular reference to:
 - i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013.
 - ii. Disclosure of changes in accounting policies and practices, if any, and the reasons for such changes.

- iii. Major accounting entries involving estimates based on exercise of judgment by management.
- iv. Qualifications in the draft audit report, if any.
- v. Significant adjustments made in the financial statements arising out of audit findings, if any.
- vi. Compliance with listing and other legal requirements relating to financial statements.
- vii. Disclosure of any related party transaction.
- viii. Monitoring the end use of funds raised through public offers and related matters.
- ix. Review the Management Discussion and Analysis of financial condition and results of operation.

2) Statutory Audit

- a) Hold timely discussions with the Statutory Auditors regarding:
 - i. Critical accounting policies and practices.
 - ii. Alternative treatments of financial information within GAAP that have been discussed with the management, along with their consequences and ramifications, as well as the treatment preferred by the Statutory Auditors.
- b) Discuss with the Statutory Auditors, before the audit commences in any given financial

year, the nature and scope of audit as well as post-audit discussion/ review to ascertain any area of concern.

- c) Review with the Statutory Auditor any challenges/ critical observations noted and the management's response.
- d) Mediate on any disagreement on accounting treatment or processes regarding financial reporting between the Statutory Auditor and the management.
- e) Recommend to the Board the appointment, re-appointment, removal of the Statutory Auditors, fixation of audit fee and also approval for payment for any non-audit services rendered by the Statutory Auditors.
- f) Annually evaluate auditors' performance, qualification and independence, and obtain and review a report by the Statutory Auditors.
- g) Pre-approval of audit and non-audit services to be rendered by the Statutory Auditors of the Company.
- h) Review with the Statutory Auditors certain information relating to the auditor's judgments about the quality of the Company's accounting principles as applied to its financial reporting and generally including:
 - i. such matters as the consistency of the application of the Company's accounting policies and the clarity and completeness of the Company's financial statements, which include related disclosures.
 - ii. such items that have a significant impact on the representational faithfulness, verifiability and neutrality of the accounting information included in the financial statements.

3) Internal Audit

- a) 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, budget, coverage and frequency of internal audit.

- b) Review the appointment, removal and terms of remuneration of the Internal Auditor.
- c) 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.
- d) Discuss with internal auditors any significant findings and follow-up thereon.
- e) Review internal audit reports relating to the internal controls.

4) Internal control

- a) Review with the management, Statutory and Internal Auditors, the adequacy of internal control systems and ensure adherence thereto.
- b) Review management letters / letters of internal control weaknesses issued by Statutory/ Internal Auditors.

5) Compliance with regulatory requirements and policies

- a) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of non-compliance.
- b) Review the findings of any examinations by regulatory agencies and any auditor observations.
- c) Examine the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- d) Review the Company's report on the utilization of proceeds of such public / rights issue and make appropriate recommendations to the Board.

CORPORATE GOVERNANCE REPORT

6) Subsidiary control oversight

- a) On a periodical basis, review the financial statements of the Company's materially significant subsidiaries, in particular, the investments made by the unlisted subsidiary company.
- b) Review the appointment, compensation, oversight of the Statutory Auditor's work for each subsidiary company.

7) Related party transactions

- a) Review the statement of significant related party transactions submitted by the management.
- b) Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:
 - i. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature;
 - ii. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
 - iii. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

iv. Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction;

v. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given;

vi. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

c) Prior approval for any subsequent modification of transactions of the company with related parties;

8) Others

- a) Conduct meetings with the Management to analyse the financial condition and results of operations.
- b) Approval of appointment of Chief Financial Officer or Finance Director after assessing the qualifications, experience and background, etc. of the candidate.
- c) Scrutiny of inter-corporate loans and investments.
- d) Valuation of undertakings or assets of the company, wherever it is necessary.
- e) The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries.
- f) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

5. NOMINATION AND REMUNERATION COMMITTEE

5.1 Composition of the Committee

The Committee comprises of Non-Executive Directors and is chaired by an Independent Director. Composition of the Committee as at the date of this Report is as under:

#	Name	Category of Directorship	Designation
1	P M Thampi	Independent Director	Chairman
2	A K Nair	Independent Director	Member
3	Deepak Vaidya	Non-Executive Director	Member
4	M R Umarji	Non-Executive Director	Member

5.2 Meetings of the Committee - The Committee met twice during the period under review on May 23, 2014 and February 2, 2015.

5.3 Terms of reference of the Committee

Terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

- 1) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- 2) Formulate criteria for evaluation of Independent Directors and the Board.
- 3) Based on the evaluation, to determine whether to extend/ continue the term of appointment of Independent Directors.
- 4) To devise a policy on Board diversity.
- 5) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- 6) To recommend to the Board the appointment and removal of Directors and Senior Management.

7) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

8) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

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

To perform such other functions as may be necessary or appropriate for the performance of its duties.

5.4 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance and the Directors individually.

The performance evaluation of the Board, the Chairman, Managing Director and the Non-Independent Directors was carried out by the Independent Directors.

The performance evaluation of Independent Directors was carried by the entire Board, excluding the Director being evaluated.

CORPORATE GOVERNANCE REPORT

5.5 Remuneration Policy

The remuneration of the employees consists of fixed pay i.e., basic pay, allowances, perquisites etc. and a variable pay and the remuneration varies with different grades and is related to the industry pattern, qualification, experience and responsibilities handled by the employee.

The objectives of the remuneration policy are to motivate employees and recognize their contribution, reward merit and to attract and retain talent in the organization.

The Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management is annexed as Annexure 3 of the Directors' Report.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

5.6 Details of remuneration to directors

The appointment and remuneration of Executive Director is by virtue of shareholder approval. Components of remuneration to the Executive Director is fixed and is in line with the Company's policies.

The remuneration for the Executive Director, based on net profits of the Company, is recommended by the Nomination and Remuneration Committee to the Board for consideration. The remuneration paid to the Executive Director is within the limits approved by the shareholders.

The Non-Executive/ Independent Directors receive sitting fees of ₹ 50,000/- for attending each meetings of the Board and Audit Committee and do not receive any other form of remuneration.

Details of Remuneration paid/ payable to directors during the period under review is as follows:

1) Executive Director

Name of the Director	Salary and Allowances (₹)	PF (₹)	Bonus (₹)	Total (₹)
Arun Kumar (Executive Vice Chairman & Managing Director)	36,972,060	1,468,800	16,750,000	55,190,860

2) Non-Executive & Independent Directors

#	Name of the Director	Sitting fee (₹)	Commission/ Bonus	Total (₹)
1	Deepak Vaidya	400,000	-	400,000
2	M.R. Umarji	500,000	-	500,000
3	A.K. Nair	450,000	-	450,000
4	P.M. Thampi	550,000	-	550,000
5	S Sridhar	300,000	-	300,000
6	Sangita Reddy	300,000	-	300,000
7	Bharat Shah	300,000	-	300,000
8	Mukul Sarkar *	400,000	-	400,000

* During the period under review, Mr. Mukul Sarkar, Nominee Director of EXIM Bank vacated office w.e.f December 15, 2014.

During the year there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors / Independent Directors.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

6.1 Composition of the Committee

The Committee comprises of Non-Executive Directors and is chaired by an Independent Director. Composition of the Committee as at the date of this Report is as under:

#	Name	Category of Director	Designation
1	A K Nair	Independent Director	Chairman
2	P M Thampi	Independent Director	Member
3	Deepak Vaidya	Non-Executive Director	Member
4	M R Umarji	Non-Executive Director	Member
5	Badree Komandur	Company Secretary	Compliance Officer

6.2 Meetings of the Committee

The Committee met 4 times during the period under review i.e on May 23, 2014, July 25, 2014, November 7, 2014 and February 2, 2015. The Company Secretary acts as the Secretary of the Committee.

a) To consider and resolve grievances of securities holders including but not limited to complaints related to transfer of shares, issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends;

6.3 Terms of reference of the Committee

Terms of reference of the Stakeholders' Relationship Committee, inter alia, includes the following:

b) Act as a delegated authority of the Board of Directors to expedite the process of share transfers.

6.4 Investor/ Shareholder Complaints

During the period under review, there were 565 complaints from shareholders. Details of complaints received is as under:

#	Description	No. of cases received	Disposed	Pending
1	Non receipt of dividend warrants (relates to special dividend and final dividend paid by the Company during the period under review)	448	448	0
2	Non receipt of annual reports	69	69	0
3	Non receipt of securities	39	39	0
4	Non receipt of securities after transfer	1	1	0
5	Non receipt of duplicate/ transmission/ deletion of share certificates	1	1	0
6	SEBI Complaints	5	5	0
7	NSE Complaints	2	2	0
	Total	565	565	0

All the above Complaints were resolved within the time-line stipulated by the Statute.

6.5 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 Company Secretary in Whole time Practice, which has been submitted to the Stock Exchanges within the stipulated period, certifies that the equity shares of the Company held in the dematerialized form and in the physical form confirms to the issued and paid up equity share capital of the Company.

CORPORATE GOVERNANCE REPORT

6.6 Secretarial Compliance Certificate

As per provisions of the Listing Agreement, the Company has obtained the Secretarial Compliance Certificate on half yearly basis from a Company Secretary in whole time practice to the effect that all transfer of shares are effected within stipulated time. The certificate has been submitted to the Stock Exchanges within the prescribed time.

6.7 Secretarial Audit

Pursuant to the provisions of the Companies Act, 2013 read with relevant Rules made thereunder, a Secretarial Audit was carried out by Mr. Gopalakrishnaraj, a Practicing Company Secretary.

The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed to the Board's Report and does not contain any qualification, reservation or adverse remark.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

7.1 Composition of the Committee

The Committee is chaired by an Independent Director. Composition of the Committee as at the date of this Report is as under:

#	Name of the Director	Category of Directorship	Designation
1	Sangita Reddy	Independent Director	Chairperson
2	P M Thampi	Independent Director	Member
3	Deepak Vaidya	Non-Executive Director	Member
4	Arun Kumar	Executive Director	Member

7.2 Committee Meeting Details

The CSR Committee met twice during the period under review i.e., on May 23, 2014 and November 5, 2014. The Company Secretary acts as the Secretary of the Committee.

7.3 Terms of reference of the Committee

Terms of Reference of the CSR Committee, inter alia, includes the following:

- 1) To formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and Rules made thereunder;
- 2) To recommend the amount of expenditure to be incurred on the CSR activities;
- 3) To monitor the implementation of the CSR Policy of the Company from time to time;

A detailed report on monitoring and expenditure is annexed to the Board's Report as Annexure 7 of the Directors' Report.

8. GENERAL BODY MEETINGS

1) Annual General Meeting

During the preceding three years, the Company's Annual General Meetings (AGM) were held at The Regenza By Tunga, Plot no. 37, Sector 30-A, Vashi, Navi Mumbai - 400 703.

Details of the AGM and summary of Special Resolutions passed therein are as under:

Financial Year ended	Date and Time	Special Resolutions passed
December 31, 2011	May 25, 2012 11.30 AM	Nil
December 31, 2012	June 10, 2013 11.30 AM	1) Appointment of Mr. Mohana Kumar Pillai as CEO- Pharma;
March 31, 2014	September 9, 2014 11.00 AM	1) Re-appointment of Mr. Arun Kumar as Managing Director; 2) Appointment of Mr. A K Nair and Mr. P M Thampi as Independent Directors; and 3) Increase in borrowing power of the Company

2) Court Convened Meeting and Postal Ballot

Pursuant to an order made on February 27, 2015 by the High Court of Judicature at Bombay (the "Order"), a meeting of the equity shareholders of the Company was held at The Regenza by Tunga, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai – 400 703 on Friday, the 10th of April, 2015 at 12:00 noon for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation between Shasun Pharmaceuticals Limited and Strides Arcolab and their respective shareholders and creditors.

Mr. Deepak Vaidya chaired the meeting and the Scheme of Amalgamation was approved by the shareholders of the Company with requisite majority at the said meeting.

In addition to the Court Convened Meeting, the Company also sought approval of its Public Shareholders to the Scheme by way of postal ballot and e-voting pursuant to circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India ("SEBI" and such circulars the "SEBI Circulars").

The Scheme of Amalgamation of Shasun Pharmaceuticals Limited with Strides Arcolab Limited was approved by the public equity shareholders of the Company with requisite majority.

The result of Postal Ballot was announced on April 10, 2015 and the voting pattern was as follows:

Description	Assent			Dissent		
	No. of shares	% to paid up equity capital	% to total valid votes casted	No. of shares	% to paid up equity capital	% to total valid votes casted
Resolution approving Scheme of Amalgamation between the Company and Shasun Pharmaceuticals Limited	4,408,284	7.4007	99.9657	1,512	0.0025	0.0343
			Postal Ballots			
			E-Votes			
	9,958,048	16.7178	99.9984	164	0.0003	0.0016
Total	14,366,332			1,676		

9. AFFIRMATIONS AND DISCLOSURES

- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.
- There are no materially significant related party transactions with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

The Company has formulated a policy for transacting with Related Parties, which is uploaded on the website of the Company - http://www.stridesarco.com/pdf/governance_policies_codes/policy_on_related_party_transaction.pdf

Transactions with the related parties are disclosed in Note 47 to the financial statements in the Annual Report.

- 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.
- The Company has formulated a Whistle Blower Policy for Directors and employees of the Company. None of the personnel of the Company has been denied access to the Audit Committee.
- The Company does not have any material non-listed Indian subsidiary companies. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at <http://www.stridesarco.com/investor-committeboard.html>

CORPORATE GOVERNANCE REPORT

10. SHAREHOLDERS' COMMUNICATION

The Company recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. 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 related to their shareholding may contact the Company directly or through Karvy Computer share 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.

Means of Communication

a) Quarterly and Annual results

Quarterly and Annual results of the Company are published in widely circulated national newspapers such as The Business Standard or Financial Express and in the local vernacular daily, Lokmath or Navshakti.

The quarterly and annual results of the Company are also submitted to the Stock Exchanges where the Company's shares are listed.

These are also disseminated through our PR Agency and made available on the Company's website: www.stridesarco.com.

b) 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.

The Company also conducts earnings calls with analysts and investors and their transcripts are published on the website thereafter.

c) NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings

like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

d) BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

e) SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

f) Website

The primary source of information regarding the operations of the Company is the corporate website: www.stridesarco.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.

The annual report is also available on the Company's corporate website.

11. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting 2015

Day/ Date	Thursday, July 30, 2015
Time	11.30 AM
Venue	The Regenza By Tunga, Plot no. 37, Sector 30-A, Vashi, Navi Mumbai - 400 703.

b) Financial Calendar for the Year 2015

Financial Reporting for Quarter/ Half Year ended	During
June 30, 2015	July, 2015
September 30, 2015	November, 2015
December 31, 2015	February, 2016
March 31, 2016	May, 2016

c) Date of Book closure: July 24, 2015 to July 30, 2015 (inclusive of both days)

d) Dividend

On October 7, 2014, the Board of Directors recommended and paid a Special Dividend of ₹ 105.00 per share on equity share of face value of ₹ 10/- each. Record date for the same was October 17, 2014.

The Board of Directors at their meeting held on May 22, 2015 recommended a final dividend of

₹ 3/- per share on equity share of face value of ₹ 10/- each for the financial year ended March 31, 2015, subject to the approval of the shareholders at the Annual General Meeting.

Dividend, if approved by shareholders, will be paid within 30 days from the date of declaration of dividend.

e) Unclaimed Dividends

As per the Companies Act, 1956, dividends that are unclaimed for a period of seven years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and thereafter cannot be claimed by investors. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors, before transfer of dividend to IEPF.

f) Transfer to Investor Education and Protection Fund (IEPF)

An amount of ₹ 916,288 was transferred to Investor Education and Protection Fund (IEPF) during the year 2014-15. The unpaid/ unclaimed dividends upto financial year ending December 31, 2006 has been transferred to IEPF.

Due dates for transfer of unpaid/ unclaimed dividend to IEPF is as follows:

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date
31 December, 2007	NA	NIL	NA	NA
31 December, 2008	NA	NIL	NA	NA
31 December, 2009	Final	15%	31 May, 2010	05 August, 2017
31 December, 2010	Final	15%	30 May, 2011	04 August, 2018
31 December, 2011	Final	20%	25 May, 2012	30 July, 2019
31 December 2012	Final	20%	10 June, 2013	15 August, 2020
31 March, 2014	Special	5000%	10 December, 2013	14 February, 2021
	Final	50%	9 September, 2014	14 November, 2021
31 March, 2015	Special	1050%	7 October, 2014	12 December, 2021
	Final	30%	30 July, 2015	04 October, 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.

CORPORATE GOVERNANCE REPORT

g) Listing on Stock Exchanges and Stock Codes

The names of the Stock Exchanges at which the securities of the Company are listed and the respective stock codes are as under:

#	Name of Stock Exchange	Security Listed	ISIN	Stock Code
1	Bombay Stock Exchange Limited	Equity Shares	INE939A01011	532531
2	National Stock Exchange of India Limited	Equity Shares	INE939A01011	STAR

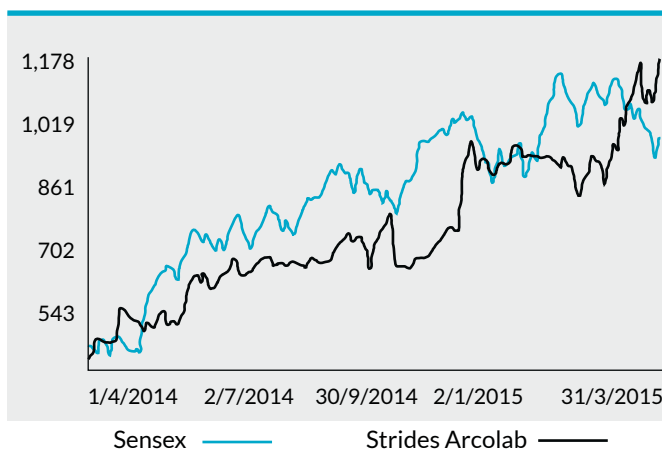
The Company has paid listing fees to all the above stock exchanges and there is no outstanding payment as on date.

h) Market Price Data

The High and Low prices of the shares of the Company at National Stock Exchange of India Limited, Mumbai (NSE) and The Bombay Stock Exchange Limited, Mumbai (BSE) for the period under review is as under:

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2014	567.00	383.50	19,138,216	567.85	384.05	5,067,176
May, 2014	545.00	482.50	5,675,102	544.80	481.00	1,537,668
June, 2014	648.00	503.05	7,256,753	647.60	504.05	2,144,852
July, 2014	720.00	610.00	4,832,037	696.00	611.00	1,312,083
August, 2014	689.00	635.00	2,695,770	690.00	636.00	648,407
September, 2014	768.35	625.00	12,241,321	770.00	625.10	2,347,911
October, 2014	803.30	626.00	9,431,165	804.00	626.15	2,189,406
November, 2014	848.00	666.00	5,632,659	848.00	664.50	1,255,915
December, 2014	998.00	835.00	17,935,056	999.00	835.00	3,000,310
January, 2015	976.80	885.15	8,183,195	977.00	885.80	1,161,952
February, 2015	950.00	821.00	9,090,830	950.00	822.20	1,522,422
March, 2015	1198.70	912.00	19,972,542	1199.00	913.00	2,974,059

i) Performance of Strides Arcolab Limited Share Price to Broad Based Index (BSE Sensex)



j) Registrar and Transfer Agents

Karvy Computershare Private Limited,
 Karvy Selenium, Tower B, Plot No. 31 & 32,
 Financial District, Nanakramguda,
 Serilingampally Mandal
 Hyderabad - 500 032
 Tel: +91 40 6716 1500,
 Fax: 040 23420814
 Email id: raju.sv@karvy.com

k) Share Transfer System

The Company has appointed Karvy Computer share Private Limited, Hyderabad, as its Registrar and Share Transfer Agents to expedite the process of share transfers. The share transfers lodged are being processed on a day-to-day basis and Memorandum of Transfers is generated on a fortnightly basis.

l) Distribution of Shareholding as on March 31, 2015

Slab of Shareholding	No. of Shareholders	% to Total Number of Shareholders	Amount (₹)	% to paid up capital
1 - 5,000	52,129	95.78	29,891,580.00	5.01
5,001 - 10,000	1,083	1.99	8,449,740.00	1.42
10,001-20,000	478	0.88	7,031,610.00	1.18
20,001-30,000	192	0.35	4,867,670.00	0.82
30,001-40,000	87	0.16	3,130,380.00	0.53
40,001-50,000	72	0.13	3,349,080.00	0.56
50,001-100,000	130	0.24	9,470,720.00	1.59
100,001 and above	253	0.46	529,965,430.00	88.90
Total	54,424	100.00	596,156,210.00	100.00

m) Shareholding Pattern as at March 31, 2015

#	Category	No. of shares held	% to total shareholding
1.	Indian Promoters	16,484,202	27.65%
2.	Mutual Funds & UTI	6,555,938	11.00%
3.	Banks, Financial Institutions, Insurance Companies	91,220	0.15%
4.	Foreign Institutional Investors	20,759,103	34.82%
5.	Bodies Corporate	3,202,455	5.37%
6.	Non-Resident Indians/ Overseas Corporate Bodies	1,948,605	3.27%
7.	Others (including Indian Public, Trust, Foreign Nationals)	10,574,098	17.74%
	Total	59,615,621	100%

CORPORATE GOVERNANCE REPORT

n) Dematerialization of Shares & Liquidity

The Company shares are compulsorily traded in dematerialized 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 Registrars, Karvy Computer share Private Limited.

As at March 31, 2015, 99.69% of the paid-up share capital of the Company representing 59,430,901 shares has been dematerialized.

To enable us to serve our investors better, we request investors whose shares are in physical mode to dematerialize their shares and update their bank account with the respective depository participants.

o) Employee Stock Options

Statement giving 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.

p) Plant Locations

Strides Arcolab Limited KRS Gardens, Suragajakkanahalli, Kasaba Hobli, Anekal Taluk, Bengaluru - 562 106	Strides Pharma Cameroon SA S/C B.P 2353 Douala AKWA Rue DUBOIS De Saligny, Cameroon
Strides Emerging Markets Private Limited #19/1,19/3, Chandapura, Sarjapura Hobli, Anekaltaluk, Bengaluru -560 099	Strides Pharma Namibia (Pty) Limited No. 208, Gold Street, Unit 8, Prosperita Park, P. o. Box 3620, Namibia
Strides Vital Nigeria Limited Gate No. 02, Ladipo Oluwole, Street, Opposite Cocia Warehouse, Off Oba Akran Avenue, Ikeja Industrial Area, Lagos, Nigeria	Strides Pharma Botswana Pty Limited Plot no. 1090, Selokwaneng Industrial Site, Gaborone, Botswana
Strides Pharmacare Limited No.3/11, Suba Industrial Area, Khartoum ,Sudan	BeltapharmSpA 20095 Cusano MIL Via Stelvio, 66, Italy

q) Investors Correspondence

Regd. Office :	No. 201, 'Devavrata' Sector 17, Vashi, Navi Mumbai - 400 703. Tel. No. +91-22-2789 5247 Fax No. +91-22-2789 2924
Corporate Office :	'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru - 560 076 Tel. No.: +91 80 6784 0000 Fax No. +91 80 6784 0800 e-mail id. : badree.komandur@stridesarco.com investors@stridesarco.com
Compliance Officer under Listing Agreement	Mr. Badree Komandur CFO & Company Secretary Tel. No.: +91 80 6784 0747 Fax No. +91 80 6784 0800 e-mail id. : badree.komandur@stridesarco.com; investors@stridesarco.com
Registrars & Share Transfer Agents	Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad - 500 032 Tel: +91 40 6716 1500, Fax: 040 23420814 Email id: raju.sv@karvy.com Contact Persons : Mr. S.V. Raju or Mr. Mohan Kumar A The Company's designated email id for investor complaints is investors@stridesarco.com

12. 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.stridesarco.com.

The Code, inter alia, 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 authorized 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 CEO of the Company is given below:

"I confirm that the Company has in respect of the year ended March 31, 2015, received from its Board Members as well as senior management personnel affirmation as to compliance with the Code of Conduct."

Arun Kumar

Executive Vice Chairman & Managing Director
Place: Bengaluru, India
Date: May 22, 2015

CORPORATE GOVERNANCE REPORT

To the Members of Strides Arcolab Limited

We have examined the compliance of conditions of Corporate Governance by Strides Arcolab Limited ('the Company'), for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the said stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance 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 **Deloitte Haskins & Sells**
Chartered Accountants

V. Srikumar
Partner

Membership No. 84494

Place : Bengaluru, India
Date: May 22, 2015

ANNEXURE CG1

Sl. No	Name of the Director	Brief Profile	Companies in which Director	Committee Membership
EXECUTIVE DIRECTOR				
1	Arun Kumar Executive Vice Chairman and Managing Director (DIN: 00084845)	Mr. Arun is the Founder and Promoter Director of the Company and has been on the Board as Managing Director since its inception in 1990. His in-depth knowledge of the pharmaceutical industry and astute business acumen has seen Strides make path breaking forays in the industry. Mr. Arun was earlier General Manager of British Pharmaceuticals Limited. Mr. Arun holds 6,70,797 equity shares representing 1.13% of the paid-up share capital of the Company and is not related to any other Director of the Company.	1. Agnus Holdings Private Limited 2. Alivira Animal Health Limited 3. Patsys Consulting Private Limited 4. Santo Properties Private Limited 5. Skanray Technologies Private Limited 6. Spire Technologies and Solutions Private Limited 7. Strides Pharmaceuticals (Holdings) Limited, Cyprus	NONE
NON-EXECUTIVE DIRECTORS				
2	Deepak Vaidya Chairman and Non-Executive Director (DIN: 00337276)	Mr. Deepak Vaidya was appointed as a Board member in January 1998 and was appointed as Chairman of the Board in February 2006. In his previous stint, Mr. Vaidya was the country head of Schroder Capital Partners (Asia) Pte. Ltd., for over 12 years. Mr. Vaidya is currently the Chairman of Arc Advisory Services Pvt. Ltd. Mr. Vaidya is a fellow member of Institute of Chartered Accountants in England and Wales. He has immense experience in the corporate financial services industry in India and abroad. Mr. Vaidya holds 1,50,000 equity shares representing 0.25% of the paid-up share capital of the Company and is not related to any other Director of the Company.	1. Apollo Hospitals Enterprise Limited 2. Indraprastha Medical Corporation Limited 3. Apollo Gleneagles Hospital Limited 4. Chaityadeep Investments Pvt Ltd 5. Capricorn Securities India Private Limited 6. PPN Power Generating Company Private Limited 7. Suntec Business Solutions Private Limited 8. Arc Advisory Services Private Limited 9. UTI Capital Private Limited	1. Audit Committee (Chairman) 2. Nomination & Remuneration Committee 3. Investment Committee 1. Audit Committee 1. Audit Committee (Chairman) 2. CSR Committee - - 1. CSR Committee - - 1. Audit Committee 2. Nomination & Remuneration Committee
3	M R Umarji Non-executive Director (DIN: 00307435)	Mr. Umarji was appointed to the Board of the Company in October 2005. Mr. Umarji is a consummate banking professional. In his earlier stints, he held key positions at the Indian Banks Association, Reserve Bank of India, Corporation Bank and Dena Bank. He holds 14,000 equity shares representing 0.02% of the paid-up share capital of the Company and is not related to any other Director of the Company.	1. Central Registry of Securitisation Asset Reconstruction And Security Interest of India 2. ITZ Cash Card Ltd 3. JM Financial Products Ltd 4. Uniparts India Ltd 5. ITZ Cash Payment Solutions Limited	- 1. Audit Committee 1. Audit Committee 1. Audit Committee 2. Remuneration Committee (Chairman) -

ANNEXURE CG1

4	<p>Bharat D Shah Non – Executive Director (DIN: 00136969)</p>	<p>Mr. Bharat Shah was appointed to the Board of the Company in July 2014. Mr. Bharat has extensive experience and expertise in the field of banking, finance and securities market. Mr. Bharat is the Chairman of HDFC Securities Limited. He has been one of the founder members of HDFC Bank Limited and has played a key role in the establishment and consistent growth of the Bank. He is also on the Board of various prominent companies including Hexaware Technologies Limited, 3M India, AGS Transact Technologies etc. He has received his Bachelors of Science degree from the University of Mumbai and also holds a Degree in Applied Chemistry from Borough Polytechnic, London. Mr. Bharat holds 30,000 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.</p>	<p>1. 3M India Limited</p> <p>2. AGS Transact Technologies Limited</p> <p>3. Atlas Documentary Facilitators Company Private Limited</p> <p>4. Faering Capital Trustee Company Private Limited</p> <p>5. HDFC Securities Limited</p> <p>6. Hexaware Technologies Limited</p> <p>7. Hill Properties Limited</p> <p>8. IDFC Alternatives Limited</p> <p>9. India Transact Services Limited</p> <p>10. Salisbury Investments Private Limited</p>	<p>1. Audit Committee 2. Nomination & Remuneration Committee (Chairman) 3. CSR Committee (Chairman) 4. Stakeholders' Relationship Committee</p> <p>1. Audit Committee 2. Nomination & Remuneration Committee (Chairman) 3. CSR Committee 4. Stakeholders' Relationship Committee 5. Risk Management Committee</p> <p>1. Audit & Compliance Committee</p> <p>-</p> <p>1. Audit Committee 2. Nomination & Remuneration Committee 3. Capex Committee 4. Share Transfer & Allotment Committee 5. CSR Committee</p> <p>1. Banking Investments, Operations & Forex Committee (Chairman) 2. Audit, Governance & Compliance Committee 3. Nomination & Remuneration Committee (Chairman) 4. Capital Issue Committee (Chairman) 5. Infrastructure Committee (Chairman) 6. CSR Committee (Chairman)</p> <p>-</p> <p>1. Audit Committee 2. Nomination & Remuneration Committee 3. CSR Committee</p> <p>1. Nomination & Remuneration Committee (Chairman)</p> <p>-</p>
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ANNEXURE CG1

INDEPENDENT DIRECTORS				
5	Sridhar S Independent Director (DIN: 00004272)	<p>Mr. Sridhar was appointed to the Board of the Company as an Independent Director in July 2012.</p> <p>Mr. Sridhar is a banker with about 38 years of experience in commercial and development banking of which 10 years was at the CEO/ Board level.</p> <p>He was on the Managing Committee of the Indian Banks' Association, and continues to be a member of the Board of Management of the Indian Institute of Foreign Trade.</p> <p>Mr. Sridhar was awarded the Lord Aldington Banking Research Fellowship for the year 1984 by the Indian Institute of Bankers. He has received many awards/ honors, particularly for his innovative business models and institution building.</p> <p>Mr. Sridhar holds 48,750 equity shares representing 0.08% of the paid-up share capital of the Company and is not related to any other Director of the Company.</p>	<p>1. Binani Cement Limited</p> <p>2. Binani Industries Limited</p> <p>3. DCB Bank Limited</p> <p>4. GVFL Trustee Company Private Limited</p> <p>5. Incube Trustee Company Private Limited</p> <p>6. India Infoline Housing Finance Limited</p> <p>7. JP Morgan Mutual Fund India Private Limited</p> <p>8. Jubilant Life Sciences Limited</p> <p>9. NABARD Consultancy Services Private Limited</p> <p>10. Sewa Grih Rin Limited</p> <p>11. Shriram Transport Finance Company Limited</p> <p>12. Strategic Research and Information Capital Services Pvt. Ltd.</p> <p>13. Tourism Finance Corporation of India Limited</p>	<p>1. Audit Committee</p> <p>1. Audit Committee (Chairman)</p> <p>1. CSR Committee</p> <p>2. Nomination & Remuneration Committee</p> <p>-</p> <p>-</p> <p>1. Audit Committee</p> <p>1. Audit Committee</p> <p>1. Audit Committee (Chairman)</p> <p>-</p> <p>-</p> <p>1. Audit Committee (Chairman)</p> <p>-</p> <p>1. CSR Committee</p> <p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee</p>
6	P M Thampi Independent Director (DIN: 00114522)	<p>Mr. Thampi was appointed to the Board of the Company as an Independent Director in December 2005.</p> <p>Mr. Thampi has over 44 years of working experience in the Indian chemical industry.</p> <p>Mr. Thampi worked in ICI India for 29 years, before assuming the position of Chairman and Managing Director with BASF India for 14 years.</p> <p>Currently, Mr. Thampi is the Chairman of Pioneer Balloon India Pvt. Limited and Director of several leading companies including HDFC Asset Management Company Limited.</p> <p>He is an active member of Indo German Chamber of Commerce and he has served as its Vice President and President.</p> <p>Mr. Thampi holds 58,000 equity shares representing 0.10% of the paid-up share capital of the Company and is not related to any other Director of the Company.</p>	<p>1. Brigade Enterprises Limited</p> <p>2. HDFC Asset Management Company Ltd</p> <p>3. Pioneer Balloon India Pvt Ltd</p> <p>4. Stelis Biopharma Private Limited</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee</p> <p>1. Audit Committee</p> <p>2. Customer Grievance</p> <p>3. Nomination & Remuneration Committee (Chairman)</p> <p>-</p> <p>1. Nomination and Remuneration Committee</p>

ANNEXURE CG1

7 A K Nair Independent Director (DIN: 00009148)	<p>Mr. A K Nair was appointed to the Board of the Company as an Independent Director in October 2005.</p> <p>Mr. Nair is an Engineer by profession and a Management Graduate from Cochin University.</p> <p>Mr. Nair is a Director of Nitta Gelatin India Limited., a joint venture of Kerala State Industrial Development Corporation (KSIDC) and Nitta Gelatin Inc. & Mitsubishi Corporation, Japan.</p> <p>In his earlier stints, Mr. Nair was the Executive Director & Managing Director of KSIDC and was also Managing Director of Nitta Gelatin India Limited.</p> <p>Mr. Nair holds 20,000 equity shares representing 0.03% of the paid-up share capital of the Company and is not related to any other Director of the Company</p>	<p>1. Nitta Gelatin India Ltd</p> <p>2. CII Guardian International Ltd</p> <p>3. Geojit Credits Pvt Ltd</p> <p>4. Kerala Balers Pvt Ltd</p> <p>5. William Goodacre And Sons India Pvt Ltd</p> <p>6. The Alleppey Company Ltd</p> <p>7. Guardian Controls Ltd</p> <p>8. V Guard Industries Ltd</p>	<p>1. Audit Committee 2. Nomination & Remuneration Committee (Chairman)</p> <p>3. Stakeholders' Relationship Committee (Chairman)</p> <p>4. Share Transfer Committee</p> <p>5. Risk Management Committee (Chairman)</p> <p>1. Audit Committee (Chairman)</p> <p>2. Nomination & Remuneration Committee (Chairman)</p>
8 Sangita Reddy Independent Director (DIN: 00006285)	<p>Ms. Sangita Reddy was appointed to the Board of the Company as an Independent Director in February 2014.</p> <p>Ms. Sangita is Joint Managing Director of Apollo Hospitals Enterprise Limited. A member of the founding family, Sangita Reddy actively participated in the inception of Apollo Hospitals. Sangita steers Apollo's thrust on research, innovation and healthcare initiatives. She is also the Chairperson of Apollo Knowledge, the education vertical of the Group.</p> <p>Ms. Sangita is also a Member of prestigious World Economic Forum's Global Agenda Council on Digital Health. Ms. Sangita is the Head of Andhra Pradesh State for the Federation of Indian Chambers of Commerce and has served as National Head for a period of two years and currently is the head of the Services Committee. She has also been elected Member of the Steering Committee on Health for the Twelfth Five Year Plan (2012-2017) by the Planning Commission, Government of India.</p> <p>Ms. Sangita is graduated in Science with Honors from the Women's Christian College, Chennai. She has taken post-graduate and executive courses in Hospital Administration from Rutgers University and Harvard University in the U.S. and National Singapore University in Singapore.</p> <p>Ms. Sangita does not hold any equity shares in the Company and is not related to any other Director of the Company</p>	<p>9. Seabird Seaplane Pvt Ltd</p> <p>1. AMG Healthcare Destination Private Limited</p> <p>2. Apollo Gleneagles Pet-CT Private Limited</p> <p>3. Apollo Health And Lifestyle Limited</p> <p>4. Apollo Home Healthcare Limited</p> <p>5. Apollo Hospitals Enterprises Limited</p> <p>6. Apollo Med Skills Limited</p> <p>7. Apollo Sugar Clinics Limited</p> <p>8. Apollo Telehealth Services Private Limited</p> <p>9. Elixir- Communities Private Limited</p> <p>10. Family Health Plan (TPA) Limited</p> <p>11. Health Superhighway Private Limited</p> <p>12. Healthnet Global Limited</p> <p>13. Imperial Hospital And Research Centre Limited</p> <p>14. KAR Auto Private Limited</p> <p>15. PCR Investments Limited</p>	<p>1. Audit Committee 2. Nomination & Remuneration Committee</p> <p>1. Audit Committee 2. Nomination & Remuneration Committee</p> <p>NONE</p>

INDEPENDENT AUDITOR'S REPORT

to the Board of Directors of Strides Arcolab Limited

1. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **STRIDES ARCOLAB LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint controlled entity comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its joint controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 6(a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

INDEPENDENT AUDITOR'S REPORT

to the Board of Directors of Strides Arcolab Limited

consolidated financial statements give the information required by the 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 and its joint controlled entity as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

5. EMPHASIS OF MATTER

We draw attention to the Note 51 to the financial statements. As stated therein, the Company has early adopted Accounting Standard (AS) 30 'Financial Instruments: Recognition and Measurement', AS 31 'Financial Instruments: Presentation' and AS 32 'Financial Instruments: Disclosure', to the extent such standards do not conflict with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Our opinion is not modified in respect of this matter.

6. OTHER MATTERS

(a) We did not audit the financial statements / financial information of 16 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 7,725 Million as at March 31, 2015, total revenues of ₹ 5,256 Million and net cash inflows amounting to ₹ 156 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors, and where applicable, their conversion based on accounting principles generally accepted in India have been reported upon by other accountants. These 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-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors/accountants.

(b) We did not audit the financial statements / financial information of 15 subsidiaries and joint controlled entity whose financial statements / financial information reflect total assets of ₹ 626 Million as at March 31, 2015, total revenues of ₹ 29 Million and net cash inflows amounting to ₹ 8 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and 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 joint controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint controlled entity, 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.

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/accountants and the financial statements / financial information certified by the Management.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

(i) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company and the subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

INDEPENDENT AUDITOR'S REPORT

to the Board of Directors of Strides Arcolab Limited

- (ii) As required by Section 143 (3) of the Act, 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 report of other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors, of the Holding Company as on March 31, 2015 taken on record by the Board of Directors, of the Holding Company and reports of the statutory auditors of its subsidiary companies incorporated in India none of the directors, of the group Companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in Note 33(v) and note 49 to the consolidated financial statements;
- (ii) The Group and its joint controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

V. Srikumar
Partner

Bengaluru, May 22, 2015

Membership No. 84494

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 7(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes 4 subsidiary companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company and subsidiary companies incorporated in India:
 - (a) The respective entity have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and subsidiary companies incorporated in India:
 - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company and subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company and subsidiary companies incorporated in India commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our and the other auditors audit, no major weakness in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company and subsidiary companies incorporated in India have not accepted any deposit during the year and there were no unclaimed deposits as at March 31, 2015.
- (vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company and the subsidiary companies incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary companies incorporated in India:
 - (a) The respective entities have been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax,

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 7(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.

- (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund,

Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of statute	Nature of the dues	Amount (₹ in Million)	Period to which the amount relates	Forum where dispute is pending
The Income - tax Act, 1961	Income Tax	202.26	AY 2008-09	Income Tax Appellate Tribunal
The Income - tax Act, 1961	Income Tax	299.17	AY 2009-10	Income Tax Appellate Tribunal

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

- (viii) The consolidated accumulated losses of the Group and its jointly controlled entity at the end of the financial year are less than fifty per cent of the Consolidated net worth and the Group and its jointly controlled entity have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company and the subsidiary companies, incorporated in India have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company and subsidiary companies Incorporated in India have not issued any debentures.
- (x) According to the information and explanations given to us, the Holding Company, and the subsidiary companies incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company and subsidiary companies incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, and its subsidiary companies incorporated in India and no material fraud on the Holding Company and its subsidiary companies incorporated in India has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

V. Srikumar
Partner

Bengaluru, May 22, 2015

Membership No. 84494

CONSOLIDATED BALANCE SHEET

as at March 31, 2015

₹ in Millions

	Note No.	March 31, 2015	March 31, 2014
A EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	596.16	595.66
(b) Reserves and surplus	4	10,853.06	9,472.60
		11,449.22	10,068.26
2. Minority Interest			
		187.09	756.68
3. Non-current liabilities			
(a) Long-term borrowings	5	2,673.88	2,755.24
(b) Deferred tax liabilities (net)	6(a)	-	43.90
(c) Other long-term liabilities	7	177.63	126.81
(d) Long-term provisions	8	173.91	165.58
		3,025.42	3,091.53
4. Current liabilities			
(a) Short-term borrowings	9	2,030.31	2,245.58
(b) Trade payables	10	2,344.10	2,623.06
(c) Other current liabilities	11	5,024.67	1,272.73
(d) Short-term provisions	12	800.32	932.35
		10,199.40	7,073.72
Total		24,861.13	20,990.19
B ASSETS			
1. Non-current assets			
(a) Fixed Assets			
i) Tangible assets	13	4,355.83	3,741.25
ii) Intangible assets	13	1,289.37	770.06
iii) Capital work in progress		1,455.91	641.94
iv) Intangible assets under development		255.82	352.75
		7,356.93	5,506.00
(b) Goodwill on Consolidation	53.1	1,368.37	1,033.95
(c) Non-current investments	14	687.56	418.04
(d) Deferred tax assets (net)	6(b)	53.88	27.38
(e) Long-term loans and advances	15	1,087.29	915.38
(f) Other non-current assets	16	12.65	3.10
		10,566.68	7,903.85
2. Current assets			
(a) Current investments	17	5,612.89	4,012.37
(b) Inventories	18	2,076.76	1,759.90
(c) Trade receivables	19	3,899.56	3,639.96
(d) Cash and cash equivalents	20	1,468.85	2,311.45
(e) Short-term loans and advances	21	1,125.81	1,226.80
(f) Other current assets	22	110.58	135.86
		14,294.45	13,086.34
Total		24,861.13	20,990.19

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

V. Srikumar
Partner

Bengaluru, May 22, 2015

For and on behalf of Board of Directors

Deepak Vaidya
Chairman

Badree Komandur
CFO & Company Secretary
Bengaluru, May 22, 2015

Arun Kumar
Executive Vice Chairman &
Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2015

₹ in Millions

	Note No.	For the year ended March 31, 2015	For the period ended March 31, 2014 (Refer Note No. 54)
A. CONTINUING OPERATIONS:			
1	23	11,995.35	13,468.50
		Less: Excise duty	58.89
		Revenue from operations (net)	11,958.49
2	24	385.67	602.35
3		Total revenue (1+2)	14,011.96
4 Expenses			
(a)	25	4,953.85	5,626.40
(b)	26	792.52	1,577.59
(c)	27	(141.55)	(57.33)
(d)	28	1,720.61	1,571.77
(e)	29	2,344.52	2,456.97
Total		9,669.95	11,175.40
5		Earnings before exceptional items, finance costs, tax, depreciation and amortisation (3-4)	2,674.21
6	30	474.35	1,088.76
7	13 (iii)	640.32	564.81
8		Profit/(Loss) before exceptional items and taxes (5-6-7)	1,559.54
9	31	(73.76)	(265.50)
10		Profit before tax (8+9)	1,485.78
11	32	532.30	408.56
12		Profit/(Loss) before tax on subsidiary dividend income	953.48
13		Tax on dividend received from subsidiaries	2,836.81
14		Profit for the year/ period from continuing operations (12-13)	(2,327.88)
B. DISCONTINUED OPERATIONS:			
15	33 (viii)	-	(4,241.59)
16	33 (viii)	8,434.33	32,222.81
17		Profit before tax from discontinued operations (15+16)	8,434.33
18	33 (viii)	-	7,979.94
19		Profit after tax from discontinued operations (17-18)	8,434.33
C. TOTAL OPERATIONS			
20		Profit / (Loss) after tax before minority interest (14 + 19)	8,444.13
		(Add) / Less: Share of profit / (loss) attributable to Minority interest	5.94
21		Profit for the year attributable to the shareholders of the Company	8,449.99
22		Earnings per share (of ₹ 10/- each)	
a) Basic			
i)	45 (i)	0.26	(39.34)
ii)		141.85	298.56
b) Diluted			
i)	45 (ii)	0.26	(39.34)
ii)		141.27	297.30

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

V. Srikumar
Partner

Bengaluru, May 22, 2015

For and on behalf of Board of Directors

Deepak Vaidya
Chairman

Badree Komandur
CFO & Company Secretary
Bengaluru, May 22, 2015

Arun Kumar
Executive Vice Chairman &
Managing Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2015

		₹ in Millions	
		For the year ended March 31, 2015	For the period ended March 31, 2014 (Refer Note No. 54)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax from:			
Continuing operations		1,485.78	917.49
Discontinuing operations		8,434.33	27,981.22
		9,920.11	28,898.71
Adjustments for:			
- Depreciation and amortisation		640.32	1,539.03
- Loss on sale of assets / assets written off (net)		4.56	60.08
- Expenses on Employee Stock Option Plans		8.96	12.77
- Interest expense on borrowings		300.42	2,056.02
- Interest on delayed payment of Income tax		16.89	76.33
- Income from interest and dividend		(154.21)	(297.16)
- Profit on sale of long term investments(net)		(8,434.33)	(32,222.81)
- Rental income from operating leases		(140.09)	(41.68)
- Liability / provision no longer required written back		(67.22)	(493.86)
- Bad debts written off / provision for doubtful trade and other receivables		49.63	364.02
- Unbilled revenue written off		9.38	2.70
- Merger and restructuring costs		109.40	-
- Net loss / reversal of cost on option contracts		(199.81)	106.93
- Write-off of intangible assets under development		9.00	102.28
- Write-off of inventory		-	177.14
- Amortisation of deferred revenue expenditure		-	41.27
- Net Unrealised exchange (gain) / loss		279.78	898.26
- Net gain on forward contracts for receivable from sale of investments in subsidiaries		-	(264.57)
- Impairment of goodwill on consolidation		-	133.19
Operating profit before working capital changes		2,352.79	1,148.65
Changes in working capital			
(Increase)/Decrease in trade and other receivables		(313.91)	(4,345.89)
(Increase)/Decrease in inventories		(316.50)	219.40
Increase/(Decrease) in trade and other payables		(329.70)	1,353.32
(Increase)/Decrease in margin money		1.11	166.42
Net change in working capital		(959.06)	(2,606.75)
Cash generated from operations		1,393.73	(1,458.10)
Direct taxes paid and others		(559.73)	(1,258.71)
Net cash from Operating Activities	A	834.00	(2,716.81)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances		(2,419.72)	(4,879.73)
Proceeds from sale of fixed assets		13.69	240.27
Short-term investments in mutual funds (to the extent not considered as cash and cash equivalents)		(3,615.00)	(400.00)
Purchase of long-term investments		(1,050.66)	(661.29)
Investment in Oncobiologics Inc		(269.52)	-
Loan to Oncobiologics Inc		(250.00)	-
Proceeds on disposal of long term Investments pertaining to discontinued operations		9,180.44	48,996.32
Expenses/claims relating to disposal of long term investments		(242.54)	(2,669.78)
Tax relating to sale of Specialty product business		-	(7,943.67)
Tax relating to sale of Long term investment		(180.09)	-
Refund received of loans given to entities of Specialty products business		-	9,691.14
Realised exchange gain on dividends paid by subsidiaries		-	608.16
Net gain on forward contract for receivable from sale of investments in subsidiaries		-	264.57
Rent deposit received		-	36.00
Rental income from operating leases		130.16	26.90
Interest / dividends received		148.22	298.86
Expenses relating to Merger		(78.15)	-
Tax paid on dividends from subsidiaries		(848.09)	(2,836.81)
Net cash used in Investing Activities	B	518.74	40,770.94

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2015

₹ in Millions

	For the year ended March 31, 2015	For the period ended March 31, 2014 (Refer Note No. 54)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	16.12	259.49
Proceeds from long-term borrowings	4,025.15	3,628.34
Repayment of long-term borrowings	(454.85)	(4,247.91)
Net increase / (decrease) in working capital borrowings	(362.62)	2,055.45
Dividends paid	(6,553.21)	(29,900.87)
Dividend distribution taxes paid (net of applicable taxes paid on dividend income from foreign subsidiaries)	(510.06)	(2,781.54)
Proceeds from issue of shares to minority shareholders	14.55	-
Dividend paid to minority shareholders	(6.41)	(6.49)
Interest paid on borrowings (Refer note (ii) below)	(381.17)	(2,191.75)
Net cash generated from Financing Activities	C (4,212.50)	(33,185.28)
Net Increase / (Decrease) in cash and cash equivalents	(A+B+C) (2,859.76)	4,868.85
Cash and cash equivalents at the beginning of the year	5,860.05	1,320.23
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(16.12)	(13.15)
Cash and cash equivalents on account of acquisition / (disposal) of subsidiaries	-	(315.88)
Cash and cash equivalents at the end of the year	2,984.17	5,860.05
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer note 20)	1,468.85	2,311.45
Less: Balances in earmarked accounts not considered as cash and cash equivalents as defined in AS 3 'Cash Flow Statements'	(82.66)	(63.77)
Net cash and cash equivalents included in note 20	1,386.19	2,247.68
Add: Current investments considered as part of cash and cash equivalents as defined in AS 3 'Cash Flow Statements' (Refer note 17)	1,597.98	3,612.37
Net cash and cash equivalents at the end of the year*	2,984.17	5,860.05
* Comprises:		
Cash on hand	3.67	2.56
Balance with banks:		
- In current accounts	1,010.93	828.35
- In EEFC accounts	-	-
- In deposit accounts	371.59	1,416.77
Current investments considered as part of cash and cash equivalents	1,597.98	3,612.37
Total	2,984.17	5,860.05

Notes:

- (i) The Consolidated Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.
- (ii) Interest paid is inclusive of borrowing cost capitalised on fixed assets ₹ 11.55 Million (Previous year ₹ 3.71 Million).

See the accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

V. Srikumar
Partner

For and on behalf of Board of Directors

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman &
Managing Director

Badree Komandur
CFO & Company Secretary
Bengaluru, May 22, 2015

Bengaluru, May 22, 2015

NOTES

forming part of the Consolidated financial statements

Note No. 1 CORPORATE INFORMATION

Strides Arcolab 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 is headquartered in Bengaluru, India and operates across many countries spreading across developed and emerging markets. Strides is listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

Note No. 2 BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Basis of accounting and preparation of consolidated financial statements

1. The consolidated financial statements of the Company and its subsidiaries and joint controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for certain:

- (i) fixed assets which were fair valued in earlier years based on the Scheme of Arrangement approved by the Honorable High Courts of Judicature (the 'Scheme'); and
- (ii) financial assets and liabilities which were fair valued as permitted by Accounting Standard (AS) 30: 'Financials Instruments: Recognition and Measurement' read with AS 31 'Financial Instruments: Presentation' and AS 32 'Financials Instruments: Disclosure' issued by the Institute of Chartered Accountants of India, to the extent such standards do not conflict with other standards notified under Companies (Accounting Standards) Rules, 2006 (as amended).

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2. Principles of consolidation

2.1 The consolidated financial statements relate to Strides Arcolab Limited (the 'Company') and its subsidiary companies and joint controlled entities. The consolidated financial statements have been prepared on the following basis:

- (a) The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2015.
- (b) The financial statements of the Company and its subsidiary companies and jointly controlled entities, have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (c) The excess of cost to the Group of its investments in the subsidiary companies and jointly controlled entities over its share of equity of the subsidiary companies and the jointly controlled entities, at the dates on which the investments in the subsidiary companies and jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies and joint controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / joint controlled entities and such amounts are not set off between different entities. Goodwill arising on consolidation is not amortised but tested for impairment.

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- (d) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- (e) Following subsidiary companies, and jointly controlled entities have been considered in the preparation of the consolidated financial statements:

Sl. No	Name of the entity	Relationship	Country of incorporation	Ownership at March 31, 2015 held by	% ownership held either directly or through subsidiaries as at March 31, 2015	% ownership held either directly or through subsidiaries as at March 31, 2014
1	African Pharmaceutical Development Company	Subsidiary	Cameroon	Strides Pharma (Cyprus) Limited	85%	85%
2	Akorn Strides LLC (under winding up)	Joint Venture	USA	Strides Pharma Inc	50%	50%
3	Beltapharm S.p.A	Subsidiary	Italy	Strides Pharma Limited	96.57%	96.57%
4	Congo Pharma SPRL	Subsidiary	Congo	Strides Pharma (Cyprus) Limited	85%	85%
5	Co-Pharma Limited.	Subsidiary	UK	Strides Pharma Limited	100%	100%
6	Fagris Medica Private Limited	Subsidiary	India	Strides Arcolab Limited	90%	-
7	Inbiopro Solutions Private Limited (renamed as Stelis Biopharma Private Limited, refer Sl. No. 12 below)	Subsidiary	India	Strides Arcolab Limited	-	100%
8	Plus Farma e.h.f	Subsidiary	Iceland	Strides Arcolab International Limited	-	100%
9	Sorepharma SA	Subsidiary	Burkina Faso	79% held by Strides Pharma (Cyprus) Limited & 1% held by Strides Arcolab International Limited	80%	80%
10	SPC Co. Limited	Subsidiary	Sudan	Strides Pharma (Cyprus) Limited	51%	51%
11	Stelis Biopharma (Malaysia) SDN. BHD (formerly Agila Biotech (Malaysia) SDN BHD)	Subsidiary	Malaysia	Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)	100%	100%
12	Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)	Subsidiary	India	Strides Arcolab Limited	100%	100%
13	Strides Africa Limited	Subsidiary	British Virgin Islands	Strides Pharma International Limited	100%	100%
14	Strides Arcolab International Limited	Subsidiary	UK	Strides Arcolab Limited	100%	100%

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Sl. No	Name of the entity	Relationship	Country of incorporation	Ownership at March 31, 2015 held by	% ownership held either directly or through subsidiaries as at March 31, 2015	% ownership held either directly or through subsidiaries as at March 31, 2014
15	Strides Australia Pty Limited	Subsidiary	Australia	Strides Arcolab International Limited	-	100%
16	Strides CIS Limited	Subsidiary	Cyprus	Strides Pharma Limited	100%	51%
17	Strides Emerging Markets Private Limited	Subsidiary	India	Strides Pharma (Cyprus) Limited	100%	100%
18	Strides Healthcare Private Limited (formerly Strides Actives Private Limited)	Subsidiary	India	Strides Arcolab Limited	74%	40%
19	Strides Pharma (Cyprus) Limited	Subsidiary	Cyprus	Strides Pharma Global Pte Limited	100%	80%
20	Strides Pharma Asia Pte. Limited (formerly Agila Specialties Asia Pte. Limited)	Subsidiary	Singapore	Strides Arcolab Limited	100%	100%
21	Strides Pharma Botswana (Pty) Limited	Subsidiary	Botswana	Strides Pharma (Cyprus) Limited	70%	70%
22	Strides Pharma Cameroon Limited	Subsidiary	Cameroon	Strides Pharma (Cyprus) Limited	85%	85%
23	Strides Pharma Global Pte Limited	Subsidiary	Singapore	Strides Pharma Asia Pte Limited	100%	100%
24	Strides Pharma Inc.	Subsidiary	USA	Strides Arcolab International Limited	100%	100%
25	Strides Pharma International Limited	Subsidiary	Cyprus	Strides Arcolab Limited	100%	100%
26	Strides Pharma Limited	Subsidiary	Cyprus	Strides Pharma International Limited	100%	100%
27	Strides Pharma Mozambique	Subsidiary	Mozambique	Strides Pharma (Cyprus) Limited	51%	-
28	Strides Pharma Namibia Pty Limited	Subsidiary	Namibia	Strides Pharma (Cyprus) Limited	70%	70%
29	Strides Pharmaceuticals (Holdings) Limited (formerly Agila Specialties Limited)	Subsidiary	Cyprus	Strides Pharma International Limited	100%	100%
30	Strides S.A. Pharmaceuticals Pty Limited	Subsidiary	Republic of South Africa	Strides Pharma Limited	-	100%
31	Strides Specialties (Holdings) Limited	Subsidiary	Mauritius	Strides Pharma Global Pte Limited	100%	100%
32	Strides Vital Nigeria Limited	Subsidiary	Nigeria	Strides Pharma (Cyprus) Limited	74%	74%
34	Altima Innovations Inc.	Subsidiary	USA	Strides Pharma Inc., USA	100%	-

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- (f) In respect of entities in Sl. No. 3,5,6,12,19,32 (previous year 3,5,12,32) the Group's cost of investment is in excess of its share of equity on the date of investment and the difference has been recognised as goodwill. In respect of entity in Sl. No. 1 (previous year 1), the Group's share is in excess of the cost of investment on the date of acquisition and the difference has been recognised as capital reserve.
- (g) During the year, as part of corporate restructuring, the following restructuring / reorganization were done within the Group:
- The Company, has acquired balance stake of 60% in Strides Actives Private Limited, India, thereby making it a wholly owned subsidiary. Strides Actives Private Limited, India has been renamed as Strides Healthcare Private Limited, India. Also refer Note 35 (b).
 - Strides Arcolab Limited, India, has acquired 90% stake in Fagris Medica Private Limited, India. Also refer Note 53.1.
 - The Company has transferred its investments in Strides Pharmaceuticals (Holdings) Limited, Cyprus, to Strides Pharma Asia Pte Limited, Singapore. Subsequently, the same has been transferred from Strides Pharma Asia Pte Limited, Singapore to Strides Pharma International Limited, Cyprus.
 - Strides Pharma Limited, Cyprus, has acquired the balance stake of 49% in Strides CIS Limited, Cyprus, making it a wholly owned subsidiary w.e.f. October 29, 2014.
 - Effective from November 10, 2014, Stelis Biopharma Private Limited, India, has been merged with Inbiopro Solutions Private Limited, India. Subsequent to the merger, Inbiopro Solutions Private Limited has been renamed to Stelis Biopharma Private Limited, India.
 - Strides Pharma Inc, USA, has been transferred to Strides Arcolab International Limited, UK, from Strides Pharma Limited, Cyprus.
 - Strides Specialties (Holdings) Limited, Mauritius, has been transferred to Strides Pharma Global Pte Limited, Singapore, from Strides Pharmaceuticals (Holdings) Limited, Cyprus.
 - Strides Africa Limited, BVI, has been transferred to Strides Pharma International Limited, Cyprus, from Strides Pharmaceuticals (Holdings) Limited, Cyprus.
 - Strides Pharma (Cyprus) Limited, Cyprus, has been transferred to Strides Pharma Global Pte Limited, Singapore, from Strides Pharma International Limited, Cyprus.
- (h) In the current year, Altima Innovations Inc., USA, has been incorporated as wholly owned subsidiary of the Group.
- (i) Strides Australia Pty Limited, Australia, Strides S.A. Pharmaceuticals Pty Limited, Republic of South Africa and Plus Farma ehf, Iceland, wholly owned step subsidiary of the Company, has been wound up.
- (j) The consolidated financial statements include the Group's share of assets, liabilities, income and expenses, which are included on the basis of unaudited financial statements, in respect of the following subsidiaries / joint venture:
- Akorn Strides LLC, USA
 - Altima Innovations Inc., USA
 - Congo Pharma SPRL, Congo
 - Plus farma ehf, Iceland
 - Sorepharma SA, Burkino Faso
 - SPC Co. Limited, Sudan
 - Strides Africa Limited, British Virgin Island
 - Strides Australia Pty Limited, Australia
 - Strides CIS Limited, Cyprus
 - Strides Pharma Botswana (Pty) Limited, Botswana
 - Strides Pharma Cameroon Limited, Cameroon
 - Strides Pharma Limited, Cyprus
 - Strides Pharma Mozambique, Mozambique
 - Strides Pharmaceuticals (Holdings) Limited, Cyprus
 - Strides S.A. Pharmaceuticals Pty Limited, Republic of South Africa
 - Strides Specialties (Holdings) Limited, Mauritius

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The Group's share in these subsidiaries/joint venture for the year and as at March 31 2015, are as follows:

Particulars	₹ in Millions
Assets	626.02
Liabilities	395.94
Income	28.56
Expenses	54.57

- (k) Figures pertaining to the subsidiary companies and jointly controlled entities, have been reclassified wherever necessary to bring them in line with the Company's consolidated financial statements.

B. Significant accounting policies used in preparation of the financial statements of the Company, its subsidiaries and joint ventures (severally referred to as the 'Components' and together referred to as the 'Group').

1. Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2. 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 and, where applicable, excise duty. Cost is determined as follows:

Raw materials, packing materials and consumables	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

3. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

5. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company and its India subsidiaries and jointly controlled entities, 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 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

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technological changes, manufacturers warranties and maintenance support, etc.:

Dies and punches	:	4 years
Mobiles phone	:	3 years
Certain factory buildings	:	18 years

Leasehold land is amortised over the duration of the lease.

Depreciation on the tangible fixed assets of the Company'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
Computers and data processing equipment	:	3 years to 6 years

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Registration and Brands	:	5 to 10 years
Software Licenses	:	5 years

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

6. Revenue recognition

- (a) **Sale of goods:** Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer as per the terms of the arrangements with buyer. Sales include excise duty but exclude sales tax and value added tax.
- (b) **Revenue from product development services:**
- (i) In respect of contracts where the Group undertakes to develop products for its customers (on an end-to end basis), revenues are recognized based on technical estimates of the stage of work completed under the contracts.
- (ii) In respect of other contracts where the Group performs specifically identified services in the development of the products, revenues are recognized on

the basis of the performance milestones provided in the contract.

- (c) Revenue from contract manufacturing is recognised based on the services rendered in accordance with the terms of the contract.
- (d) Export incentives are accrued for based on fulfillment 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 Duty Entitlement Pass Book Schemes, Focus Market Schemes, and Market-Linked Focus Product Schemes wherever applicable.
- (e) Income from rendering advisory / support services is recognized based on contractual terms.
- (f) Share of profits and royalty incomes under manufacturing and supply agreements with customers are accrued based on confirmation received from customers.

7. Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. The Company provides corporate guarantees to subsidiaries and charges a commission for providing such guarantees. Such incomes are accrued in terms of the agreements with the parties.

8. Fixed Assets

Tangible fixed assets, except to the extent permitted to be fair valued under the Scheme, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

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Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

The Company fair valued land and machineries upon the Scheme becoming effective (December 31, 2009) and such assets are carried at the fair value less accumulated depreciation and impairment losses, if any.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

(a) Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense

when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset. In-house product development costs are capitalised in accordance with paragraph 2.B.18 below.

(b) Intangible assets under development:

Expenditure on Research and development (Refer note 2. B.18) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

9. Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Integral foreign operations:

Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Net investment in non-integral foreign operations:

Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Non-integral foreign operations:

Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

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Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Net investment in non-integral foreign operations:

Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the balance sheet date are restated at the year-end rates.

Non-integral foreign operations:

All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Integral foreign operations:

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

Net investment in non-integral foreign operations:

The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations is accounted as per policy for long-term foreign currency monetary items stated in para (v) below until disposal / recovery of such net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.

Non-integral foreign operations:

The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised

as income / expense in the same period in which the gain or loss on disposal is recognised.

Exchange difference on long-term foreign currency monetary items:

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made. Refer notes 2.B.21 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

10. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

11. Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance

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scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

Long Term Incentive Plan ('Plan')

Under the Plan, certain employees are eligible for retention and performance linked payouts. These payouts are accrued as and when services are rendered and/ or when the specific performance criteria are met.

12. Employee share based payments

The Company has formulated Employee Stock Option Plans (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Plans provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options (under ESOP) over the exercise price is amortized on a straight line basis over the vesting period in the Statement of Profit and Loss /Reserve for Business Restructure.

Employee stock options granted under the above ESOP on or after April 01, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

Options with a cash settlement feature are fair valued at the time of the grant and at each reporting date. Changes in the fair value of the Options at each reporting date are recognised in the Statement of Profit and Loss.

13. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the

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extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

14. Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities.

15. Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognized as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

16. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

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17. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

18. Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also

charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

19. Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

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20. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

21. Financial Assets, Financial Liabilities, Financial Instruments, Derivatives and Hedge Accounting

(a) The Company classifies its financial assets into the following categories:

financial instruments at fair value through Statement of Profit and Loss, loans and receivables, held to maturity investments and available for sale financial assets.

Financial assets of the Company mainly include cash and bank balances, trade receivables, loans and advances and derivative financial instruments with a positive fair value.

Financial liabilities of the Company mainly comprise secured and unsecured loans, trade payables, accrued expenses and derivative financial instruments with a negative fair value.

Financial assets/ liabilities are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when all of risks and rewards of the ownership have been transferred. The transfer of risks and rewards is evaluated by comparing the exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred assets.

Available for sale financial assets (not covered under the notified Accounting Standards) are carried at fair value, with changes in fair value being recognised in Equity, unless they are designated in a fair value hedge relationship, where such changes are recognised in the

Statement of Profit and Loss. Loans and receivables, considered not to be in the nature of short-term receivables, are discounted to their present value. Short-term receivables with no stated interest rates are measured at original invoice amount, if the effect of discounting is immaterial. Non-interest-bearing deposits, meeting the criteria of financial asset, are discounted to their present value.

Financial liabilities held for trading and liabilities designated at fair value, are carried at fair value through Statement of Profit and Loss.

Other financial liabilities are carried at amortized cost using the effective interest method. The Company measures the short-term payables with no stated rate of interest at original invoice amount, if the effect of discounting is immaterial.

Financial liabilities are derecognized when extinguished.

(b) Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, fair value is determined with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using financial markets pricing models, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value.

(c) Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement" issued by the ICAI. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and

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effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

(d) Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

22. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

23. Deferred Revenue Expenditure

The Company operates in an environment which requires the manufacturing facilities to be approved by industry regulators in certain territories prior to manufacture and sale of products in such territories. If the interval between the date the facility is ready to commence commercial production and the date at which commercial production is expected to commence is prolonged, all expenses incurred during this period are treated as deferred revenue expenditure and amortised over a period not exceeding 3 years from the date of receipt of approvals.

24. Exceptional items

The Group classifies the following as exceptional items in the Statement of Profit and Loss:

- (a) Exchange gain / loss arising on account of restatement and settlement of (i) long term foreign currency loans and advances, (ii) intra-group loans and advances;
- (b) Changes in fair value of embedded derivatives in FCCBs and option contracts;
- (c) Profit / loss on disposal of non-current investments and / or dividends received from proceeds of such disposal and provision for / reversals of provision for diminution in non-current investments, goodwill and other assets;
- (d) Profit/loss arising on account of discontinuance of products / development activities;
- (e) Restructuring cost

25. 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.

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₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 3 SHARE CAPITAL		
Authorised		
89,750,000 (Previous year 89,750,000) Equity shares of ₹ 10/- each with voting rights	897.50	897.50
620,000 (Previous year 620,000) 6% Cumulative redeemable preference shares of ₹ 1,000/- each	620.00	620.00
Total	1,517.50	1,517.50
Issued, subscribed and fully paid-up		
59,615,621 (Previous Year 59,565,621) Equity shares of ₹ 10/- each with voting rights	596.16	595.66
Total	596.16	595.66

3(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity share of ₹ 10/- each				
Opening balance	59,565,621	595.66	58,803,721	588.04
Issued pursuant to Employee stock option plans (Refer note 40)	50,000	0.50	761,900	7.62
Closing balance	59,615,621	596.16	59,565,621	595.66

3(b) 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 other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

3(c) Details of equity shares held by each shareholder holding more than 5% of shares:

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares	%	No. of Shares	%
Pronomz Ventures LLP	12,665,000	21.24%	12,665,000	21.26%
DB International (Asia) Ltd	3,963,972	6.65%	-	-
Morgan Stanley Asia (Singapore) Pte Limited	-	-	3,965,140	6.66%
DVI Fund Mauritius Limited	-	-	3,118,378	5.24%

3(d) Details of aggregate number of equity shares allotted as fully paid-up pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date:

Equity shares of ₹ 10/- issued pursuant to a scheme of amalgamation in 2009 - 13,524 shares

3(e) Details of equity shares of ₹ 10/- each reserved for issuance:

Particulars	No. of Shares	
	March 31, 2015	March 31, 2014
Towards Employee stock options under the various Strides stock option plans (Refer Note 40)	1,540,450	1,540,450
Total	1,540,450	1,540,450

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 4 RESERVES AND SURPLUS		
Capital reserve (on forfeiture of Monies received towards Share Warrants)	225.60	225.60
Capital redemption reserve	551.61	551.61
Securities premium account:		
Opening Balance	5,995.28	5,697.63
Add: Premium on shares issued during the year / period	18.46	297.65
Closing Balance	6,013.74	5,995.28
Share options outstanding account (Refer note 40)		
Opening balance	22.74	49.09
Add/(Less): Amounts recorded on grants / (cancellations) during the year / period	8.30	19.43
Less: Transferred to Securities premium account on exercise (net)	(2.84)	(45.78)
	28.20	22.74
Less: Deferred stock compensation expense (Refer note 28 & 40)	(20.12)	(20.78)
Closing Balance	8.08	1.96
General reserve		
Opening Balance	4,046.98	534.06
Add: Transfer from Statement of Profit and Loss	-	3,512.92
Less: Transfer to Statement of Profit and Loss	(560.72)	-
Closing Balance	3,486.26	4,046.98
Exchange reserve (on consolidation)		
Opening Balance	4,569.66	1,300.99
Add/(Less):		
- Effect of foreign exchange rate variations during the year / period	(180.46)	2,552.42
- Transferred to Statement of Profit and Loss on disposal of investments	-	716.25
Closing Balance	4,389.20	4,569.66
Hedging reserve (Refer note 51.1)		
Opening Balance	81.18	(1,484.51)
Add/(Less): Effect of foreign exchange rate variations on hedging instruments outstanding during the year / period	165.81	83.86
Add/(Less) : Transferred to Statement of Profit and Loss	(156.59)	1,481.83
Closing Balance	90.40	81.18
Capital reserve on consolidation	0.21	0.25
Surplus in Statement of Profit and Loss		
Opening Balance	(5,999.92)	12,739.75
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 13.(vii))	(29.15)	-
Add: Profit for the year/ period	8,449.99	17,667.46
Add: Transferred from general reserve	560.72	-
Less: Special dividend on equity shares (₹105 per share, Previous year ₹ 500 per share)	(6,254.39)	(29,783.30)
Proposed dividend on equity shares (₹ 3 per share, Previous year ₹ 5 per share)	(178.85)	(297.83)
Tax on special dividend (Refer note (i) below)	(460.44)	(2,762.46)
Tax on proposed dividend	-	(50.62)
Transferred to General reserve	-	(3,512.92)
Closing Balance	(3,912.04)	(5,999.92)
Total	10,853.06	9,472.60

Note:

(i) Tax on special dividend and proposed dividend is net of taxes on dividend income from wholly owned foreign subsidiaries.

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 5 LONG-TERM BORROWINGS		
Secured		
- Term Loans from banks (Refer note (i) to (iv) below)	1,768.72	2,330.05
- Term Loans from others (Refer note (v) and (vi) below)	733.57	412.80
Unsecured		
- Term Loans others (Refer note (vii) below)	171.59	12.39
Total	2,673.88	2,755.24

Notes:

Details of security and terms of repayment for the long-term borrowings:

	₹ in Millions	
Terms of repayment and security	March 31, 2015	March 31, 2014
(i) Term loans from banks: Loan 1		
Long-term loan	-	0.23
Current maturities of long-term loan	0.23	2.91
Security: Hypothecation of assets procured from the term loans.		
Rate of interest: 9.84% p.a to 12.48% p.a.		
Repayment varies between 33 to 36 monthly installments		
(ii) Term loans from banks: Loan 2		
Long-term loan	128.59	-
Current maturities of long-term loan	-	-
Security: Hypothecation of assets procured from the term loans.		
Rate of interest: Coupon of 500bps for the average tenor payable at half yearly intervals		
Repayment : 12 unequal half yearly installments commencing after 48 months from initial disbursement date		
(iii) Term loans from banks: Loan 3		
Long-term loan	-	-
Current maturities of long-term loan	3,406.25	-
Security: Financial Assets hypothecated out of amount financed and cash margins provided by the Company.		
Rate of interest: 3 months Libor + 240bps p.a.		
Repayment : Repayment on the date of maturity		
(iv) Term loans from banks: Loan 4		
Long-term loan	1,640.13	2,329.82
Current maturities of long-term loan	781.31	451.05
Security: Charge on fixed assets of the Company, (other than land and building situated at Navi Mumbai, Palghar and Hosur) ensuring 1.2 times security cover for the ECB outstanding.		
Rate of interest: six month LIBOR + 4.25% p.a.		
Repayment terms: 20 unequal quarterly installments commencing after 24 months from initial utilization date. The outstanding term as at March 31, 2015 is 12 installments.		

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Terms of repayment and security	₹ in Millions	
	March 31, 2015	March 31, 2014
(v) Term loans from banks: Loan 5		
Long-term loan	731.25	409.50
Current maturities of long-term loan	18.75	10.50
Security: Hypothecation of assets procured from the term loans.		
Rate of interest: Long term minimum lending rate + 300bps p.a.		
Repayment : 18 unequal quarterly installments commencing after 30 months from initial disbursement date		
(vi) Long-term loans from others:		
Long-term loan	2.32	3.30
Current maturities of long-term loan	0.97	0.88
Security: Hypothecation of assets procured from the term loans.		
Rate of interest: 9.86% p.a		
Repayment terms: Repayable in 60 monthly installments commencing from May 2013.		
(vii) Unsecured Long-term loans from others:		
Long-term loan	171.59	12.39
Current maturities of long-term loan	5.37	-
Total	6,886.76	3,220.58

Aggregate of long-term borrowings guaranteed by some of the directors of the Company:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Term loans from banks (secured and unsecured and including current maturities of these loans)	3,171.44	3,190.37
Total	3,171.44	3,190.37

6(a) Deferred tax liabilities (net)

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Tax effect on items constituting deferred tax liability:		
- On difference between book balance and tax balance of fixed assets	-	111.40
Tax effect on items constituting deferred tax asset:		
- Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	-	(67.50)
Deferred tax liabilities (net)	-	43.90

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6(b) Deferred tax assets (net)

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Tax effect on items constituting deferred tax liability:		
- On difference between book balance and tax balance of fixed assets	(130.02)	-
Tax effect on items constituting deferred tax asset:		
- Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	174.57	27.38
- Unabsorbed depreciation carried forward / brought forward business losses	9.33	-
Deferred tax assets (net)	53.88	27.38

Note:

As at March 31, 2015, recognition of deferred tax assets with respect to unabsorbed depreciation and tax losses, has been done in cases where there is corresponding timing difference creating deferred tax liabilities in the same entity and the amount of such assets recognised is restricted to the extent of such liabilities.

Note No. 7 OTHER LONG-TERM LIABILITIES	₹ in Millions	
	March 31, 2015	March 31, 2014
Others:		
- Gratuity and other benefits	123.68	80.66
- Security deposits	49.25	45.65
- Lease equalisation reserve	4.70	0.50
Total	177.63	126.81

Note No. 8 LONG-TERM PROVISIONS	₹ in Millions	
	March 31, 2015	March 31, 2014
Provision for employee benefits:		
- Compensated absences	60.24	47.95
Provision - Others:		
- Provision for taxes (net of taxes paid)	113.67	117.63
Total	173.91	165.58

Note No. 9 SHORT-TERM BORROWINGS	₹ in Millions	
	March 31, 2015	March 31, 2014
Secured loans repayable on demand from banks:		
- Working capital loans (Refer note (i) below)	1,741.00	2,007.54
- Short-term loans (Refer note (i) below)	225.98	150.00
Unsecured loans		
- Loans repayable on demand from banks and others	63.33	88.04
Total	2,030.31	2,245.58

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Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Aggregate of short-term borrowings guaranteed by some of the directors of the Company	-	1,787.12
Total	-	1,787.12

Note:

(i) Details of security for the secured loans repayable on demand:

Security:

Working capital 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, Palghar and Hosur). With respect to short-term borrowings availed by the subsidiaries, the same is secured by charge over current assets of the respective subsidiaries and corporate guarantee by the Company.

Short-term loans are secured by pledge over current investments in mutual funds to the extent of ₹ 415 Million (previous year ₹ 400 Million).

Note No. 10 TRADE PAYABLES	₹ in Millions	
	March 31, 2015	March 31, 2014
Trade payables:		
- Acceptances	304.92	743.67
- Other than acceptances	2,039.17	1,879.39
Total	2,344.10	2,623.06

Note No. 11 OTHER CURRENT LIABILITIES	₹ in Millions	
	March 31, 2015	March 31, 2014
Current maturities of secured term loans from banks (Refer note 5 above)	4,212.88	465.34
Interest accrued but not due on borrowings	28.15	26.93
Unclaimed dividends	67.55	50.23
Other payables:		
- Statutory remittances	103.21	71.11
- Payables on purchase of fixed assets	25.95	51.77
- Payables on purchase of Investment in Fagris Medica Private Limited (Refer note 35(a))	1.70	-
- Interest accrued on trade payables	-	0.03
- Trade deposits received	17.71	17.71
- Advances from customers	63.51	91.20
- Gratuity	4.01	-
- Option cost (Refer note 35(c))	-	199.81
- Others	500.00	298.60
Total	5,024.67	1,272.73

Note No. 12 SHORT-TERM PROVISIONS	₹ in Millions	
	March 31, 2015	March 31, 2014
Provision for employee benefits:		
- Compensated absences	51.31	40.52
- Payables to employees under incentive plan	78.40	148.81
Provision - Others:		
- Provision for tax (net of advance tax)	491.76	394.41
- Proposed equity dividend	178.85	297.83
- Tax on proposed dividends	-	50.78
Total	800.32	932.35

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Note No. 13 FIXED ASSETS

	Gross block					Depreciation/amortisation					Net block			
	As at April 1, 2014	Consolidation adjustment/reclassifications	Additions during the year	Other adjustments (Refer note (viii) below)	Disposal	As at March 31, 2015	Up to March 31, 2014	Consolidation adjustment/reclassifications	For the year	Withdrawals	Acquisitions through business combinations	Other adjustments / Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Refer note vii)	Up to March 31, 2015	As at March 31, 2014
Tangible assets:														
Land														
- Freehold	931.93	-	2.64	-	-	934.57	-	-	-	-	-	-	934.57	931.93
- Leasehold	846.30	3.75	201.92	-	120.04	931.93	-	-	-	-	-	-	931.93	846.30
	88.35	(5.04)	0.04	-	-	83.35	12.06	(1.51)	1.76	-	-	-	12.31	71.04
	255.97	0.95	14.11	-	133.84	88.35	10.28	0.24	3.95	2.41	-	-	12.06	76.29
Buildings	1,617.38	(48.70)	241.03	-	1,810.21	1,810.21	384.65	(21.29)	74.04	-	-	-	437.40	1,372.81
	3,503.45	87.94	1,599.74	776.40	2,751.06	4,629	6,783.7	22.71	156.53	468.69	4.27	-	384.65	1,232.73
Plant and equipments	2,890.14	(52.68)	795.30	-	32.45	3,600.31	1,587.18	(50.40)	256.93	25.70	0.02	33.25	1,801.28	1,799.03
	8,251.92	141.40	750.70	-	6,015.04	2,388.4	2,556.93	80.17	600.77	1,542.79	107.90	-	1,587.18	1,302.96
Furniture and fixtures	176.45	(47.10)	21.77	-	3.41	147.71	50.42	(21.45)	14.51	1.48	0.04	1.06	43.10	104.61
	2,679.6	7.71	128.54	-	207.49	2,027	86.04	2.46	23.94	53.96	8.06	-	50.42	126.03
Vehicles	78.34	(5.30)	11.15	-	4.97	79.02	46.98	(4.15)	7.64	4.97	-	-	45.50	33.52
	84.58	3.02	26.50	-	23.10	76.54	51.06	2.12	17.40	12.26	11.34	-	46.98	31.36
Office equipments	123.28	(1.27)	50.22	-	4.12	168.11	83.33	(0.88)	39.25	3.12	0.16	9.12	127.86	40.25
	197.96	2.70	35.02	-	90.57	218.3	102.01	2.31	23.61	30.08	14.52	-	83.33	39.95
Total	5,905.87	(159.79)	1,422.15	-	44.95	6,823.28	2,164.62	(99.68)	394.13	-	35.27	43.43	2,467.45	4,355.83
	13,408.14	247.47	2,756.53	776.40	9,341.14	388.73	3,484.69	110.01	826.20	2,110.19	146.09	-	2,164.62	3,741.25
Intangible assets:														
- Internally generated:														
- Registrations	51.69	-	94.91	-	-	146.60	39.85	-	28.03	-	-	-	67.88	78.72
	36.77	-	14.92	-	-	51.69	36.77	-	3.08	-	-	-	39.65	11.84
- Others:														
- Registration and brands	1,795.11	(10.07)	677.04	0.16	294.58	2,167.66	1,158.24	(5.28)	175.33	278.97	0.13	0.55	1,050.00	1,117.66
	3,846.15	52.02	5,808.72	-	7,811.13	1,006.5	1,218.65	29.39	630.33	672.26	47.87	-	1,158.24	636.87
- Software licenses	286.67	(1.74)	14.63	0.05	299.56	299.56	165.32	(1.58)	42.83	0.05	0.05	-	206.57	92.99
	301.85	2.05	134.11	-	145.21	6.13	286.67	1.40	79.42	57.03	1.20	-	165.32	121.35
- Early-to-Market	646.84	-	-	-	646.84	-	92.86	-	-	-	-	-	-	-
	2,133.47	(11.81)	786.58	0.21	294.63	2,613.82	1,363.41	(6.84)	246.19	279.02	0.18	0.55	1,324.45	1,289.37
Total	4,831.61	54.07	5,957.75	-	8,603.18	106.78	2,133.47	30.79	712.83	822.15	49.07	-	1,363.41	770.06

Notes:

- (i) Figures in italics relates to previous year.
(ii) Current year additions to fixed assets includes ₹ 11.55 Million (Previous year ₹ 3.71 Million) relating to interest expense capitalised as per Accounting Standard 16 'Borrowing Costs'.

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(iii) Reconciliation to Statement of Profit and Loss

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Depreciation on tangible assets	394.13	826.20
Amortisation on intangible assets	246.19	712.83
Amount charged in the Statement of Profit and Loss	640.32	1,539.03
- under continuing operations	640.32	564.81
- under discontinuing operations	-	974.22

(iv) Details of assets acquired under hire purchase agreements:

Particulars	Gross block		Net block	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Vehicles	16.97	16.97	9.73	14.39
Total	16.97	16.97	9.73	14.39

(v) Details of capital commitment

Particulars	March 31, 2015	March 31, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
- Tangible assets	208.47	213.60
- Intangible assets	99.40	-
Total	307.87	213.60

(vi) Details of assets given under an operating lease

Particulars	Gross block		Net block	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Freehold Land	115.96	115.96	115.96	115.96
Buildings (Refer note (viii) below)	789.17	789.17	695.88	735.76
Plant and equipments	49.55	49.55	31.76	37.21
Furniture and fixtures	38.82	38.82	18.73	26.10
Office equipments	0.79	0.79	0.06	0.28
Total	994.29	994.29	862.39	915.31

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- (vii) During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

Particulars	Previous depreciation rate / useful life	Revised useful life based on SLM
Plant and equipments		
- Single Shift	21 Years	15 Years
- Double Shift	13 Years	10 Years
- Triple Shift	10 Years	7.5 Years
Furniture and fixtures	16 Years	10 Years
Vehicles		
- Motor cycles, scooters and other mopeds	2 Years	10 Years
- Motor buses, motor lorries, motor cars and motor taxis	5 Years	8 Years
Office equipments		
- Computers	6 Years	3 Years
- Laptops	4 Years	3 Years
- Servers and networks	4 Years	6 Years
- Other office equipments	21 Years	5 Years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 29.15 Million (net of deferred tax of ₹ 14.83 Million) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 36.34 Million consequent to the change in the useful life of the assets.

In accordance with the notification No. 496 dated August 29, 2014 from Ministry of Corporate Affairs, the Company has opted to comply with the requirement under sub-paragraph (a) of paragraph 4 of part 'C' of Schedule II of the Act from the financial year commencing on April 01, 2015.

- (viii) During the previous period ended March 31, 2014, as part of the hive off of the entities into the manufacture of Specialties products business (refer Note 33), the Company also entered into a long term lease arrangement with Agila Specialties Private Limited for certain land and buildings (along with the related infrastructure). Consequent to the above, the difference between the present value of the lease rentals under the lease and the carrying value of the said assets has been adjusted against the Profit on sale of investments, as a transaction related expenditure, in the period ended March 31, 2014.
- (ix) Refer note 38. As part of the Scheme approved by the Hon'ble High Court of Judicature, the Company fair valued certain fixed assets in the year 2009. The carrying value of such assets at the balance sheet date are as follows:

Particulars	₹ in Millions			
	Gross block		Net block	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Land	781.25	781.25	781.25	781.25
Plant and equipments	880.16	899.78	122.37	205.69
Registrations and brands	1,150.00	1,150.00	431.57	546.64
Total	2,811.41	2,831.03	1,335.19	1,533.59

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 14 NON-CURRENT INVESTMENTS		
Investments: Trade		
Investments in equity shares		
- 1,050 (As at March 31, 2014: 1,050) shares of AUD 1 each in Red Vault Investments Pty Limited, Australia	150.87	150.87
Less: Provision for diminution in value of investments	(150.87)	(150.87)
- 286,900 (As at March 31, 2014: 286,900) shares of EUR 1 each in Strides Italia S.r.L, Italy	68.88	68.88
Less: Provision for diminution in value of investments	(68.88)	(68.88)
- 6,000,000 (As at March 31, 2014: 4,000,000) shares in Oncobiologics Inc, US	687.56	418.04
Total	687.56	418.04

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 15 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
- Capital advances	128.83	110.47
- Security deposits	78.34	62.08
- Prepaid expenses	-	3.10
Loans and advances to suppliers:		
- Unsecured, considered good	-	-
- Doubtful	11.09	11.09
- Less: Provision for doubtful loans and advances	(11.09)	(11.09)
	-	-
- MAT credit entitlement	402.63	402.63
- Advance income tax (net of provisions)	2.16	-
Balances with government authorities:		
- VAT credit receivable	2.49	1.81
- Excise receivable	4.38	-
- Taxes paid under protest	462.02	328.85
Others:		
- Receivable from KIADB	6.44	6.44
Total	1,087.29	915.38

Long-term loans and advances include amounts due from:

Particulars	March 31, 2015	March 31, 2014
Firms in which any director is a partner		
- Atma Projects (Security deposit given)	6.29	6.29
Total	6.29	6.29

	₹ in Million	
	March 31, 2015	March 31, 2014
Note No. 16 OTHER NON-CURRENT ASSETS		
Lease equalisation asset	12.65	3.10
Total	12.65	3.10

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₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 17 CURRENT INVESTMENTS		
Investment in Strides Healthcare Private Limited [previously Actives Pharma Limited (an associate)]	-	0.04
Investment in mutual funds:		
- Reliance Liquid Fund - Treasury Plan - Daily dividend option (Units 487,513.147 (Previous Year 85,669.868))	745.28	130.89
- Reliance Floating Rate Fund - Short Term Plan - Growth Plan (Units 20,332,228.616 (Previous Year 20,332,228.616))	400.00	400.00
- Reliance Fixed Horizon Fund - XXV - Series 17 - Direct Plan Growth Plan (Units 75,000,000 (Previous Year 75,000,000))	750.00	750.00
- Reliance Fixed Horizon Fund - XXVI - Series 33 - Direct Plan Growth Plan (Units 15,000,000 (Previous Year Nil))	150.00	-
- Reliance Fixed Horizon Fund - XXVI - Series 5 - Direct Plan Growth Plan (Units 30,000,000 (Previous Year 30,000,000))	300.00	300.00
- Tata Liquid Fund Direct Plan - Daily dividend (Units 40.785 (Previous Year 38.388))	0.05	0.04
- Tata Fixed Maturity Plan Series 46 Scheme K - Direct Plan - Growth (Units 25,000,000 (Previous Year 25,000,000))	250.00	250.00
- Tata Fixed Maturity Plan Series 47 Scheme D - Direct Plan - Growth (Units 15,000,000 (Previous Year 15,000,000))	150.00	150.00
- IDFC Cash Fund - Daily Dividend - Direct Plan (Units 104,370.342 (Previous Year Nil))	104.43	-
- IDFC Fixed Term Plan Series 88 Direct Plan -Growth (372 Days) (Units 20,000,000 (Previous Year 20,000,000))	200.00	200.00
- L&T Fixed Maturity Plan Series 10 - Plan S - Direct Growth (Units 50,000,000 (Previous Year 50,000,000))	500.00	500.00
- Religare Invesco Fixed Maturity Plan- Sr. 23 - Plan G (376 Days) - Direct Plan Growth (Units 10,000,000 (Previous Year 10,000,000))	100.00	100.00
- SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units 290,602.913 (Previous Year 89,838.195))	291.55	90.13
- ICICI Prudential Liquid - Direct Plan - Daily Dividend (Units 6,711,986.703 (Previous Year Nil))	671.58	-
- ICICI Prudential Fixed Maturity Plan series 73 - 378 Days Plan O Direct Plan Cumulative (Units 50,000,000 (Previous Year 50,000,000))	500.00	500.00
- HDFC Fixed Maturity Plan 378 Days Mar 2014-1-Direct-Growth (Units 25,000,000 (Previous Year 25,000,000))	250.00	250.00
- Birla Sun Life Fixed Term Plan-Series KW-Gr. Direct - Reinvestment (Units 25,000,000 (Previous Year 25,000,000))	250.00	250.00
- Reliance Liquid Fund - Treasury Plan - Daily dividend option (Units Nil (Previous Year 62,840.965))	-	96.07
SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units Nil (Previous Year 45,049.198))	-	45.20
Total	5,612.89	4,012.37
Aggregate amount of un-quoted investments	5,612.89	4,012.37
Aggregate net asset value of investment in mutual funds	5,995.17	4,040.57
Current investments offered as security towards borrowings	4,015.00	400.00
Current investments in the nature of 'Cash and cash equivalents' considered as part of cash and cash equivalents in the Cash Flow Statement	1,597.98	3,612.37
Note (i): Details of security offered to:		
- Borrowing availed by the Group (Refer note 5(iii) and 9(ii))	4,015.00	400.00

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 18 INVENTORIES		
Raw materials	1,142.12	1,085.44
- Goods-in-transit	221.49	77.64
Work-in-progress (Refer note (i) below)	128.69	117.68
Finished goods (other than those acquired for trading)	223.67	300.93
- Goods-in-transit	9.28	58.19
Stock-in-trade (acquired for trading)	331.75	107.74
Stores and spares	19.76	12.28
Total	2,076.76	1,759.90

Note:

(i) Details of work-in-progress

	₹ in Millions	
Particulars	March 31, 2015	March 31, 2014
Capsules	42.33	23.85
Tablets	83.35	90.04
Others	3.01	3.79
Total	128.69	117.68

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 19 TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured considered good	286.96	197.50
- Doubtful	111.16	102.14
	398.12	299.64
Less: Provision for doubtful trade receivables	(111.16)	(102.14)
	286.96	197.50
Others		
- Unsecured considered good	3,612.60	3,442.46
- Doubtful	16.90	28.10
	3,629.50	3,470.56
Less: Provision for doubtful trade receivables	(16.90)	(28.10)
	3,612.60	3,442.46
Total	3,899.56	3,639.96

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₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 20 CASH AND CASH EQUIVALENTS		
Cash on hand	3.67	2.56
Balances with banks:		
- In current accounts	1,010.93	828.35
- In deposit accounts	371.59	1,416.77
- In earmarked accounts:		
- Unpaid dividend accounts	67.55	50.23
- Group gratuity accounts	3.11	0.43
- Balance held as margin money against working capital facilities with banks	12.00	13.11
Total	1,468.85	2,311.45
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 'Cash Flow Statements' is	1,386.19	2,247.68

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 21 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Security deposits	6.78	23.93
Loans and advances to:		
- Employees	21.35	29.03
- Suppliers	228.51	699.57
- Others - Oncobiologics Inc	250.00	-
Prepaid expenses	187.29	108.57
Advance income tax (net of provisions)	37.95	38.08
Balances with government authorities:		
- CENVAT credit receivable	39.15	24.44
- VAT credit receivable	105.62	106.32
- Service Tax credit receivable	140.58	121.22
- Incentives receivables	108.58	75.64
Total	1,125.81	1,226.80

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 22 OTHER CURRENT ASSETS		
Unbilled revenue (Refer note (i) below)	8.42	47.77
Interest accrued on deposit	11.32	5.34
MTM receivable on derivatives	90.40	81.18
Others:		
- Gratuity claim receivables	0.44	1.57
Total	110.58	135.86

Note:

- (i) Unbilled revenue includes income recognised on development service contracts and contracts for production of dossiers, against which invoices are not due to be raised and are net of advances received against the respective contracts.

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 23 REVENUE FROM OPERATIONS		
Sale of products	11,332.41	12,279.27
Sale of services	24.66	355.75
Other operating revenues	638.28	833.48
Total	11,995.35	13,468.50
Less: Excise duty	36.86	58.89
Total	11,958.49	13,409.61

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 24 OTHER INCOME		
Interest income	79.25	133.73
Dividend income from current investments	74.96	131.24
Rental income from operating leases	140.09	41.68
Other non-operating income:		
- Liabilities / provisions no longer required written back	67.22	205.36
- Reimbursement of expenses	14.09	82.80
- Others	10.06	7.54
Total	385.67	602.35

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 25 COST OF MATERIALS CONSUMED		
Opening stock	1,175.35	889.34
Consolidation adjustment	(32.73)	46.57
Add: Purchases	5,194.60	5,865.84
Less: Closing stock	1,383.37	1,175.35
Total	4,953.85	5,626.40

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 26 PURCHASES OF STOCK-IN-TRADE		
Traded goods	792.52	1,577.59
Total	792.52	1,577.59

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₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 27 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock:		
- Work-in-progress	117.68	69.48
- Stock-in-trade	107.74	99.61
- Finished goods	359.12	419.53
	584.54	588.62
Opening stock pertaining to entity acquired during the year	0.38	
Consolidation adjustment:		
- Work-in-progress	(5.89)	1.53
- Finished goods	(27.19)	(62.94)
	(33.08)	(61.41)
Closing stock		
- Work-in-progress	128.69	117.68
- Stock-in-trade	331.75	107.74
- Finished goods	232.95	359.12
	693.39	584.54
Total	(141.55)	(57.33)

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 28 EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	1,442.80	1,324.12
Contribution to provident and other funds (Refer note 41)	154.02	128.74
Expense on employee stock option plans (Refer note 40)	8.96	12.77
Staff welfare expenses	114.83	106.14
Total	1,720.61	1,571.77

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 29 OTHER EXPENSES		
Subcontracting	55.58	44.81
Consumables	194.12	171.83
Power and fuel	156.16	182.45
Water	4.05	3.16
Rent including lease rentals (Refer note 44)	92.50	49.10
Repairs & maintenance:		
- Buildings	11.52	20.49
- Machinery	117.58	56.92
- Others	34.89	63.58
Insurance	26.35	40.49
Rates and taxes	102.45	73.83
Communication	39.63	36.16
Travelling and conveyance	160.63	118.97
Printing and stationery	14.00	14.02
Freight and forwarding	342.65	394.91
Advertisement & selling expenses	178.81	172.43
Sales commission	92.25	99.41
Donations and contributions	1.56	2.37
Expenditure on Corporate Social Responsibility	19.41	0.33
Legal and professional fees (Refer note (i) below)	378.12	331.13
Provision for doubtful debts (including bad debt written off)	49.63	79.19
Unbilled revenue written off	9.38	2.70
Loss on sale of fixed assets (net)	4.56	14.81
Biostudy expenses	48.84	2.08
Net loss on foreign currency transactions	57.21	269.76
Miscellaneous expenses	152.64	212.04
Total	2,344.52	2,456.97

Note:

(i) Payments to the statutory auditors comprises (net of service tax input credit):

	₹ in Millions	
Particulars	March 31, 2015	March 31, 2014
- For audit of Standalone and consolidated financial statements (including fees for audit of subsidiaries for purpose of consolidation ₹ Nil (Previous Year ₹ 4.40 Millions))	7.00	11.80
- For Limited review	2.00	2.40
- For Certification fees	2.20	6.20
- For Other services	2.50	-
- For taxation matters	2.61	0.70
- Reimbursement of expenses	0.18	0.13
Total	16.49	21.23

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₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 30 FINANCE COSTS		
Interest expense on:		
- Borrowings	300.42	669.25
- Delayed payment of income tax	16.89	76.33
Bank charges and commission	157.04	343.18
Total	474.35	1,088.76

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 31 EXCEPTIONAL ITEMS		
Exchange gain/ (loss) on long-term foreign currency loans, intra-group loans and advances	(132.09)	566.71
Impairment of Goodwill (Refer note 47)	-	(133.19)
Write-off/provision for assets (Refer note (i) below)	(9.00)	(592.09)
Merger and restructuring costs	(109.40)	-
Claims on discontinued products	(39.08)	-
Recovery of loans & advances written off in earlier years	16.00	-
Reversal of /(accrual for) option cost (Refer note 35(c))	199.81	(106.93)
Total	(73.76)	(265.50)

Note:

(i) Write-off/provision for assets comprises: [also refer note 47(b)]

₹ in Millions

Particulars	March 31, 2015	March 31, 2014
Write-off of intangible assets under development & others	9.00	102.28
Write-off of inventory	-	177.14
Provision for deposits with Bank	-	312.67
Total	9.00	592.09

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 32 TAX EXPENSES		
Current tax expenses	603.79	532.11
Current tax expense relating to prior years reversed	(11.87)	(35.00)
Deferred tax	(59.62)	22.58
Less: MAT credit availed	-	(111.13)
Total	532.30	408.56

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Note No. 33 SALE OF INVESTMENTS IN ENTITIES MANUFACTURING SPECIALTY PRODUCTS:

- (i) In February 2013, the Company and its subsidiary, Strides Pharma Asia Pte. Limited (Strides Pharma Asia), had entered into separate definitive agreements with Mylan Inc ("the Buyer") for hiving off the Specialty products business, subject to receipt of regulatory approvals. The hive off of the Specialty products business by the Company and Strides Pharma Asia was by way of sale of investments in (i) Agila Specialties Private Limited ("ASPL"), which was then a wholly owned subsidiary of the Company to Mylan Laboratories Limited ("MLL") , a subsidiary of Mylan Inc. and (ii) sale of investments held by Strides Pharma Asia in Agila Specialties Global Pte Limited ("Agila Global") to Mylan Institutional Inc (a Mylan group company) , respectively.
- (ii) The transactions were recorded through Share Purchase Agreements dated December 4, 2013 for (i) the sale of shares of ASPL to MLL (the India SPA) for a consideration of USD 693.03 Million (₹ 43,010.04 Million) as computed under the India SPA, which was received in full by the Company on that date and (ii) the sale of shares of Agila Global to Mylan Institutional Inc under another Share Purchase agreement dated December 4, 2013 (the Global SPA) for a consideration of USD 485.79 Million as computed under the Global SPA. Out of the consideration of USD 485.79 Million, Strides Pharma Asia received an amount of USD 95.79 Million (₹ 5,986.27 Million) on closing of the transaction, after the deduction of an aggregate amount of USD 390 Million as detailed in (iv) below and as per the terms referred in Global SPA.
- (iii) The India SPA envisaged that an amount of ₹ 850 Million and USD 60 Million be transferred by MLL to two separate Escrow accounts (which are jointly controlled by both MLL and the Company for administrative purposes) for payment to certain specified senior management personnel of ASPL and its subsidiary, and for incurring certain regulatory expenses respectively as defined under the agreements entered into between the Company and MLL. Unutilized amounts in the Escrow accounts, if any, would be paid to the Company from the Escrow accounts in accordance with the terms of the agreements with MLL.
- (iv) The Global SPA envisaged that Buyer will deduct (a) the hold back amount of USD 250 Million towards costs and expenses that may be incurred by ASPL under certain specified events during the Regulatory Contingent Period (b) USD 40 Million towards certain Regulatory expenses (c) USD 100 Million towards potential tax contingencies. These amounts would be released by the Buyer subject to satisfactory compliance of the conditions specified under the Global SPA.
- (v) As at March 31, 2014, Mylan Inc., USA was in discussions with the Company and Strides Pharma Asia with regard to matters relating to the assets and liabilities of the Specialties products business taken over and had raised certain claims on the respective companies under the India SPA and the Global SPA. The respective companies had also counter claimed certain additional amounts from Mylan Inc.
- During the current year, the concerned parties have reached a settlement under which the Company's subsidiary Strides Pharma Asia has accepted a net claim of USD 8.00 Million under the Global SPA. The amount of USD 8.00 Million is to be adjusted against the USD 100 million tax hold backs receivable by Strides Pharma Asia, under the Global SPA, four years from the date of completion of the deal (refer Note (iv) (c) above). As per the terms settled with the Buyer, all the claims raised on the Company under India SPA stand cancelled.
- As stated in Note (iii) and (iv) above, Mylan Inc had held back amounts towards Regulatory expenses aggregating to USD 60 Million under the India SPA and USD 40 million under the Global SPA which were due to be received in December 2014, net off any Regulatory expenses incurred by the Buyer. As at March 31, 2015, Mylan Inc had submitted details of the Regulatory expenses which it intended to adjust against the amounts held back, which has been disputed by the Company and Strides Pharma Asia. Pending resolution of the dispute, no amounts relating to the above have been received by the Group.
- (vi) In the current year, Strides Pharma Asia received USD 150 Million (₹ 9,180.44 Million) as full and final settlement from the Buyer against the hold back of USD 250 Million (as mentioned in Note iv above). The said amount has been recognised as gain under discontinued operations after adjusting related expenses of ₹ 746.11 Million (refer note vii below).

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- (vii) The Group had considered the hive off of its investments in entities manufacturing specialty products as discontinued operations in the consolidated financial statements and has recognised a net gain (before taxes) of ₹ 8,463.66 Million (Previous period ended March 31, 2014: ₹ 32,222.81 Million) from disposal of assets and liabilities attributable to the discontinued operations. Expenses which have been netted off against the above gain are as follows:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Contract termination costs incurred (including write-offs of unbilled revenues on R&D contracts)	305.52	6,319.53
Professional fees	158.80	1,672.56
Special bonus to employees of the Group	-	781.58
Impairment losses	-	1,098.46
Other costs (including regulatory expenses)	281.79	482.26
Accumulated exchange losses relating to net assets of non-integral operations charged-off on disposal of discontinued operations	-	2,746.32
Total	746.11	13,100.71

- (viii) Details relating to discontinued operations are as under

Profit / (Loss) from ordinary activities	₹ in Millions	
	For the year ended March 31, 2015	For the period ended December 4, 2013
Sale of products	-	9,021.75
Sale of services	-	1,375.74
Other operating revenue	-	1,289.76
Total revenue from operations	-	11,687.25
Other income	-	381.74
Total revenue	-	12,068.99
Cost of materials consumed	-	3,972.60
Purchases of stock-in-trade	-	1,064.97
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	192.34
Employee benefits expense	-	1,871.33
Finance costs	-	1,816.79
Depreciation and amortisation expense	-	974.22
Other expenses	-	6,418.33
Total expenses	-	16,310.58
Profit / (Loss) before tax from ordinary activities A	-	(4,241.59)
Add: Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net). B	8,463.66	32,222.81
Less: Claims under sale agreement entered for hive of Ascent Pharma Health Limited (refer note 34(b)) below C	(29.33)	-
Net gain on disposal of assets/liabilities attributable to the discontinued operations (D=B+C)	8,434.33	32,222.81
Profit before tax from discontinued operations (A+D)	8,434.33	27,981.22
Tax expense		
- on ordinary activities attributable to the discontinued operations	-	7.27
- on gain / (loss) on disposal of assets / settlement of liabilities relating to discontinued operations	-	7,972.67
	-	7,979.94
Profit after tax of discontinued operations	8,434.33	20,001.28

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(viii) Details relating to discontinued operations are as under (Contd.)

Particulars	₹ in Millions
	As at December 4, 2013
Carrying amount of assets relating to the discontinued operations	42,599.87
Carrying amount of liabilities relating to the discontinued operations	(38,927.08)
Net assets / (liabilities) relating to the discontinued operations	3,672.79

Particulars	₹ in Millions	
	For the year ended March 31, 2015	For the period ended December 4, 2013
Net cash flow attributable to the discontinued business		
Cash flows from operating activities	-	140.93
Cash flows from investing activities	8,968.12	(1,512.78)
Cash flows from financing activities	-	1,241.06

(ix) The Company has given a corporate guarantee for USD 200 Million (₹ 12,499 Million) to the Buyer towards claims / liabilities, if any, relating to the period prior to December 4, 2013. As at March 31, 2015, the Company has evaluated the possible exposure on the guarantee and believes that it is more likely that there is no present obligation under the Guarantee. The above guarantee has been included in note 49 (a) as contingent liabilities.

Note No. 34 SALE OF INVESTMENT IN ASCENT PHARMAHEALTH LIMITED ('APH')

(a) In the year 2012, the Group had entered into Share Sale Agreement ('SSA') dated January 24, 2012 with Watson Pharmaceuticals Inc., USA ('Watson') under which it had sold its investments in APH to Watson for a total enterprise value of AUD 375 Million.

(b) In connection with the sale of investments in APH, the Company had given a guarantee to the Watson in respect of certain matters to the extent of AUD 352.61 Million. In the current year, the Group has made a payment of ₹ 29.33 Million towards claims made by Watson. This payment has been disclosed under discontinued operations.

As at March 31, 2015, the Company has evaluated the possible exposure on the guarantee and believes that it is more likely that there is no present obligation under the Guarantee. The above guarantee has been included in Note 49 (a) contingent liabilities.

Note No. 35 ACQUISITION OF BUSINESS / INVESTMENTS MADE DURING THE YEAR:

(a) In the current year, the Company has acquired 90% equity in Fagris Medica Private Limited, India (the "Fagris"), for total purchase consideration of ₹ 9.20 Million. Also refer Note 53.2 below. As at March 31, 2015, an amount of ₹ 1.70 Million is payable towards the above.

(b) During the current year, Strides Healthcare Private Limited, India ('Strides Healthcare'), a subsidiary of the Group, entered into an agreement with Bafna Pharmaceuticals Limited ('Seller') to acquire Indian Branded Generic Business of the Seller ('the Business') for a total consideration of ₹ 655 Million (including ₹ 5 Million payable towards non-compete fee to the Seller).

As at March 31, 2015, Strides Healthcare has completed the acquisition of the Business and the mentioned purchase consideration is settled (i) ₹ 486 Million in cash and (ii) ₹ 169 Million through issue of 1,126,666 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 140/- per share, which gives the Seller a minority interest of 26% in Strides Healthcare.

(c) During the year ended 2012, Société De Promotion Et De Participation Pour La Coopération Economique (the "Proparco") vide Shareholders Agreement dated June 28, 2012 had invested USD 12.50 Million into Strides Pharma (Cyprus) Limited ('SPCL'), a subsidiary of the Group against which SPCL issued fresh equity shares (575 shares) resulting in Proparco holding 20% interest in SPCL.

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Strides Pharma International Limited ('SPIL'), a subsidiary of the Group and the immediate holding Company of SPCL had also entered into an Option Agreement dated June 28, 2012 with Proparco, which entitled Proparco to sell its 20% interest (in SPCL) to SPIL, at any time between 5 years to 10 years from the date of investment, at a price that guarantees them a return of 11% or 16% depending on occurrence of certain specified performance milestones.

On June 3, 2014, the Group entered into an agreement with Proparco to purchase balance 20% shareholding in SPCL for a consideration of USD 17.25 Million and simultaneously terminated the option contract referred above. The purchase of the 20% shareholding in SPCL was completed on July 24, 2014. Consequent to above, (a) the differential payment of USD 4.75 Million (equivalent ₹ 297 Million) paid towards purchase of minority shares has been considered as 'goodwill on consolidation' (b) the related option cost accrued during earlier years amounting USD 3.32 Million (equivalent to ₹ 199.81 Million) has been reversed in the Statement of Profit & Loss under Exceptional items.

- (d) The Board of Directors in their meeting held on September 29, 2014 had approved a Scheme of Amalgamation between the Company and Shasun Pharmaceuticals Limited ('Shasun'). The Scheme of Amalgamation is under the framework of the Companies Act 1956 / 2013 and the relevant SEBI regulations, wherein Shasun will be amalgamated with and into the Company.

Pursuant to the Scheme of Amalgamation, each equity shareholder of Shasun will be entitled to receive 5 (five) equity shares of the Company in lieu of 16 (sixteen) equity shares held in Shasun.

The appointed date for the Scheme of Amalgamation is April 1, 2015. The approval for the Scheme of Amalgamation has been received from SEBI, the shareholders of both the Companies and Competition Commission of India. As on the date of approval of the financial statements, approvals from the creditors of the Companies, FIPB, RBI and the Hon'ble High Courts of Bombay and Madras are awaited.

Note No. 36

In the current year, the Group has entered into an agreement with GMS Holdings, ("GMS"), whereby GMS will invest USD 21.90 Million for 25.1% stake in Stelis Biopharma Private Limited ("Stelis"), a wholly owned step subsidiary

of the Company and the biotech arm of the Strides Group. The transaction is subject to customary closing conditions, regulatory and corporate approvals, as may be required. Pending completion of closing conditions, as at March 31, 2015, the Group has not yet received the mentioned investments in Stelis.

Note No. 37

Subsequent to March 31, 2015, (on May 21, 2015), the Company's wholly owned subsidiaries Strides Pharma Global Pte. Ltd., Singapore and Strides (Australia) Pharma Pty Limited, Australia, have entered into definitive agreements with certain wholly owned subsidiaries of Aspen Pharmacare Holdings Limited (Aspen) to acquire a generic pharmaceutical business in Australia and related assets from Aspen. The acquisition is subject to customary closing conditions and regulatory approvals.

Note No. 38

Scheme of Arrangement under Section 391 – 394 of the Companies Act, 1956

The Scheme of Restructuring approved by the shareholders of the Company on April 13, 2009 included a Scheme of Arrangement that envisaged the creation of a Reserve for Business Restructuring as set out in the Scheme. In accordance with the Scheme, as at December 31, 2012, the Company and its subsidiaries had fully utilised such Reserve for the specified purposes.

Note No. 39

Intra-group loans amounting to USD 7.8 Million given by Strides Pharma (Cyprus) Limited, to its subsidiary Strides Vital Nigeria Limited, are recognised as net investment in non-integral foreign operations in accordance with AS 11 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation losses arising out of reinstatement of such loans as at March 31, 2015 of ₹ 85.15 Million has been accumulated in Exchange Reserve (on consolidation) in the Balance Sheet.

Note No. 40 EMPLOYEE STOCK OPTION PLAN (ESOP)

- (a) In the extraordinary general meeting held on January 25, 2007, the shareholders approved the issue of 1,000,000 options under the Plan titled "Strides Arcolab ESOP 2006" (ESOP 2006). The ESOP 2006 allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. As per the Plan, the Compensation committee grants the options to the employees deemed eligible. The exercise price of each

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- option shall not be less than 85 per cent of the "Market Price" as defined in the Plan. The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Plan. Options should be exercised within 30 days of vesting. No options were granted under this Plan during the current year.
- (b) The ESOP titled "Strides Arcolab ESOP 2008" (ESOP 2008) was approved by the shareholders through postal ballot on June 18, 2008. 1,500,000 options are covered under the Plan for 1,500,000 equity shares. The options allotted under ESOP 2008 are convertible into equal number of equity shares. The vesting period of these options range over a period of three years. The options must be exercised with in a period of 30 days from the date of vesting. No options were granted under this Plan during the current year.
- (c) The ESOP titled "Strides Arcolab ESOP 2008 (Directors)" (ESOP 2008 Directors Plan) was approved by the shareholders through postal ballot on January 12, 2009. 500,000 options are covered under the Plan for 500,000 equity shares. The options allotted under ESOP 2008 are convertible into equal number of equity shares. The vesting period of these options range over a period of three years. The options must be exercised with in a period of 30 days from the date of vesting. No options were granted under this plan during the current year.
- (d) The ESOP titled "Strides Arcolab ESOP 2011" (ESOP 2011) was approved by the shareholders on May 30, 2011. 1,500,000 options are covered under the Plan for 1,500,000 equity shares. The options allotted under ESOP 2011 are convertible into equal number of equity shares. The vesting period of these options range over a period of three years. The options must be exercised with in a period of 30 days from the date of vesting. During the current year, the Remuneration Committee in its meetings held on February 2, 2015 has granted 100,000 options under the ESOP 2011 to eligible employees of the Company.
- (e) In respect of the ESOP 2006 and all the other Employee Stock Option Plans detailed above, (i) the difference between the fair price of the share underlying the options granted, on the date of grant of option and the exercise price of the option, (being the intrinsic value of the option) representing stock compensation expense, is expensed over the vesting period, (ii) all unvested options will vest immediately in the case of merger, dissolution or change in management of the Company. Accordingly during the period ended March 31, 2014, due to sale of investments in Agila Specialties Private Limited, the Remuneration Committee in its meeting held on November 20, 2013 had approved for early vesting of all options outstanding prior to that date. Upon early vesting of these options, the balance unrecognised expense of the intrinsic value of option in respect of these outstanding options had been recognised in the Statement of Profit and Loss during the period ended March 31, 2014.
- (f) Employee compensation costs of ₹ 8.96 Million (for the period ended March 31, 2014: ₹ 12.77 Million) relating to the above referred various Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Particulars	₹ in Millions				
	ESOP 2006	ESOP 2008	ESOP 2008 (D)	ESOP 2011	Total
Expenses during the year	-	-	-	11.90	11.90
Reversal due to lapse	-	-	-	(2.94)	(2.94)
Total	-	-	-	8.96	8.96

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(g) Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2014-15		During the period 2013-14	
	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 2006	-	-	366,000	331.15
- ESOP 2008	-	-	403,300	313.51
- ESOP 2008 (Director)	-	-	50,000	609.80
- ESOP 2011	400,000	322.30	-	-
Granted during the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	100,000	792.60	400,000	322.30
Exercised during the year:				
- ESOP 2006	-	-	326,000	331.15
- ESOP 2008	-	-	385,900	313.68
- ESOP 2008 (Director)	-	-	50,000	609.80
- ESOP 2011	50,000	322.30	-	-
Lapsed during the year:				
- ESOP 2006	-	-	40,000	331.15
- ESOP 2008	-	-	17,400	309.68
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	100,000	322.30	-	-
Options outstanding at the end of the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	350,000	456.67	400,000	322.30
Options available for Grant:				
- ESOP 2006	80,500	-	80,500	-
- ESOP 2008	169,950	-	169,950	-
- ESOP 2008 (Director)	190,000	-	190,000	-
- ESOP 2011	1,100,000	-	1,100,000	-

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- (h) The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	₹ in Millions	
	For the year ended March 31, 2015	For the period ended March 31, 2014
Strides Arcolab ESOP:		
Net Profit as per Statement of Profit and Loss	5,323.19	35,129.25
Add: stock based employee compensation (intrinsic value)	8.96	12.77
Less: stock based compensation expenses determined under fair value method for the grants issued	(25.49)	(16.33)
Net Profit (proforma)	5306.66	35,125.69
	₹	₹
Basic earnings per share (as reported)	89.36	593.65
Basic earnings/ (loss) per share (proforma)	89.08	593.59
Diluted earnings per share (as reported)	88.99	591.14
Diluted earnings/ (loss) per share (proforma)	88.72	591.08

- (i) The fair values of the options have been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	March 31, 2015	March 31, 2014
Risk Free Interest Rate	7.65%	8.75%
Expected Life	3 years	3 years
Expected Annual Volatility of Shares	48.44	38.64%
Expected Dividend Yield	0.21%	0.52%

NOTE NO. 41

Employee benefits pertaining to overseas subsidiaries have been accrued based on their respective local labour laws.

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 ₹ 55.26 Million (for the period ended March 31, 2014: ₹ 54.84 Million) for provident fund contributions and ₹ 1.79 Million (for the period ended March 31, 2014: ₹ 3.64 Million) 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 and its Indian subsidiaries offers gratuity benefits, a defined employee benefit scheme to its employees. The following table sets out the funded status of the defined benefit and the amounts recognised in the financial statements.

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		₹ in Millions	
Sl. No.	Particulars	March 31, 2015	March 31, 2014
I	Components of employer expense		
1	Current service cost	14.81	27.50
2	Interest cost	10.17	29.56
3	Expected return on plan assets	(4.46)	(3.51)
4	Curtailment cost/ (credit)	-	-
5	Settlement cost/ (credit)	-	-
6	Past service Cost	-	-
7	Actuarial losses/ (gains)	26.32	(11.07)
8	Total expense recognised in the Statement of Profit & Loss	46.84	42.48
II	Actual contribution and benefits payments		
1	Actual benefit payments	8.40	19.35
2	Actual contributions	27.83	40.54
III	Net asset/ (liability) recognised in balance sheet		
1	Present value of defined benefit obligation (DBO)	144.42	105.29
2	Fair value of plan assets	74.14	50.03
3	Funded status [surplus/ (deficit)]	(74.28)	(55.26)
4	Unrecognized past service costs	-	-
5	Net asset/ (liability) to be recognised in balance sheet	(74.28)	(55.26)
	Non-current portion	(74.14)	(55.26)
	Current portion	(0.14)	-
IV	Change in defined benefit obligations		
1	Present value of DBO at beginning of period	105.29	183.76
2	Current service cost	14.81	27.50
3	Interest cost	10.17	29.56
4	Curtailment cost/ (credit)	-	-
5	Settlement cost/ (credit)	-	-
6	Plan amendments	-	-
7	Acquisitions / (divestments)	-	(104.46)
8	Actuarial (gains)/ losses	26.54	(11.72)
9	Benefits paid	(8.40)	(19.35)
10	Present Value of DBO at the end of the period	148.42	105.29
V	Change in Fair Value of Assets		
1	Plan assets at beginning of period	50.03	38.15
2	Acquisition/ (divestment) adjustment	-	(13.47)
3	Expected return on plan assets	4.46	3.51
4	Actual Company contributions	27.83	40.54
5	Actuarial gains/ (losses)	0.22	0.65
6	Benefits paid	(8.40)	(19.35)
7	Plan assets at the end of the period	74.14	50.03
8	Actual return on plan assets	4.68	4.16
VI	Assumptions		
1	Discount Rate	7.90%	8.80%
2	Expected Return on plan assets	9.00%	8.00%
3	Salary escalation	10.00%	10.00%
4	Attrition	20.00%	10.00%
5	Mortality tables	Indian Assured Lives Mortality (2006-08) (Ultimate Table)	
	Estimate of amount of contribution in the immediate next year (₹ in Million)	20.13	20.00

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Actuarial valuation experience adjustment:

Particulars	₹ in Millions				
	2014-15	2013-14	2012	2011	2010
Present value of DBO	148.42	105.29	183.76	112.61	96.41
Fair value of plan assets	74.14	50.03	38.15	39.76	42.61
Funded status surplus / (deficit)	(74.28)	(55.26)	(145.61)	(72.85)	(53.80)
Experience gain / (loss) adjustment on plan liabilities	12.61	8.99	39.76	(6.46)	(14.19)
Experience (gain) / loss adjustment on plan assets	0.22	(0.65)	(2.74)	(5.76)	13.89

Composition of the plan assets as made available by the fund manager:

Category of Investments	As at March 31, 2014
Central Government Securities	23.86%
State Government Securities	16.14%
Other approved securities (Government guaranteed securities)	1.21%
Debentures and bonds	39.32%
Equity Shares	4.67%
Fixed Deposits	14.20%
CBLO (Money market instruments)	0.60%

Actuarial assumptions for long-term compensated absences

Sl. No	Particulars	March 31, 2015	March 31, 2014
1	Discount Rate	7.80%	9.10%
2	Expected Return on plan assets	NA	8.00%
3	Salary escalation	10.00%	10.00%
4	Attrition	20.00%	10.00%

Note:

- The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The above disclosure on gratuity and compensated absences is to the extent of information available with the Group and as per the actuarial valuation reports for gratuity and compensated absences.
- Composition of the plan assets as at March 31, 2015 is not made available by the fund manager. Hence, the same has not been disclosed.

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Note No. 42 RELATED PARTY TRANSACTIONS: LIST OF THE RELATED PARTIES

Joint Ventures (JV):	Akorn Strides LLC, USA
Associates:	Strides Healthcare Private Limited, India (formerly Strides Actives Private Limited) (up to September 11, 2014)
Key Management Personnel (KMP):	Arun Kumar (Executive Vice Chairman & Managing Director) Badree Komandur (Chief Financial Officer & Company Secretary)
Relatives of KMP	Aditya Arun Kumar Anuradha Komandur Deepalakshmi Arun Kumar Hemalatha Pillai Padmakumar Karunakaran Pillai Rajeshwari Amma Rajitha Gopalkrishnan Sajitha Pillai Tarini Arun Kumar Vineetha Mohana Kumar
Enterprises owned or significantly influenced by KMP and relative of KMP	Agnus Capital LLP, India Agnus Global Holdings Pte Limited, Singapore Agnus Holdings Private Limited, India Alivira Animal Health Limited, India Amara Health Services Private Limited, India Atma Enterprises LLP, India Atma Projects, India Chayadeep Properties Private Limited, India Chayadeep Ventures LLP, India Deesha Properties, India Emerge Learning Services Private Limited, India Karuna Ventures Private Limited, India Latitude Projects Private Limited, India Paradime Infrastructure Development Company, India Patsys Consulting Private Limited, India Pronomz Ventures LLP, India Qualichem Remedies LLP, India QuantMD LLC, US Santo Properties Private Limited, India Sequent Penems Private Limited, India Sequent Scientific Limited, India Skanray Healthcare Private Limited, India Skanray Technologies Private Limited, India Spire Technologies and Solutions Private Limited, India Tenshi Assisted Living Private Limited, India Triumph Venture Holdings LLP, India Tulp Foods Private Limited, India

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RELATED PARTY BALANCES AS AT MARCH 31, 2015

Nature of Transactions	Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Advances Receivable/(Payable) as at:						
1 Mr. Arun Kumar			(16.75)	(18.75)		
Balance of deposits paid						
1 Atma Projects					6.29	6.29
Balance of deposits received						
1 Sequent Scientific Limited					(2.27)	(2.27)
Balance of trade payables (net of advance paid) as at:						
1 Atma Projects					(0.45)	(0.43)
2 Chayadeep Properties Private Limited					(0.53)	-
3 Sequent Scientific Limited					(87.77)	(242.43)
Balance of trade receivables (net of advance received) as at:						
1 Sequent Scientific Limited					0.88	-

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Nature of Transactions	Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-15	Period Ended 31-Mar-14	Year Ended 31-Mar-15	Period Ended 31-Mar-14	Year Ended 31-Mar-15	Period Ended 31-Mar-14
	₹ in Million					
Sales of materials/services						
1 Agila Jump Canada Inc.	-	26.07				
2 Sagent Strides LLC	-	313.26				
Rental income from operating leases						
1 Sequent Scientific Limited					1.82	0.59
Other income from						
1 Sequent Scientific Limited					8.48	-
Income from write-back of payables to						
1 Akorn Strides LLC		7.60				
Purchase of materials/services						
1 Sequent Research Limited						32.49
2 Sequent Scientific Limited					522.64	375.09
Purchase of fixed assets from						
1 Chayadeep Properties Private Limited						1,500.00
2 Sequent Scientific Limited						18.05
Managerial Remuneration						
1 Arun Kumar			55.19	55.78		
2 Badree Komandur			23.51	-		
Salary to						
1 Aditya Arun Kumar			0.87	0.43		
Reimbursement of Expenses Incurred by						
1 Sequent Scientific Limited						0.23
Reimbursement of Expenses Incurred on behalf of						
1 Sequent Scientific Limited						4.95
Rent Paid						
1 Atma Projects					5.13	31.42
2 Chayadeep Properties Private Limited					5.99	1.94
3 Hemalatha Pillai				0.12		
Loans / advances taken by Company / repaid to Company						
1 Sequent Scientific Limited						0.31
Lease deposit received						
1 Atma Projects						33.71
2 Sequent Scientific Limited						2.27
Lease deposit paid						
1 Chayadeep Properties Private Limited						7.35

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Note No. 43 SEGMENT INFORMATION

During the current period, the Group has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily "Pharmaceutical" & "Biotech" businesses. Revenues and expenses directly attributable to segments are reported under each reportable segment. Segment expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Geographical segments of the Group are Africa, Australasia, North America & Europe, South & Central America, India and Others.

Particulars	For the year ended March 31, 2015			For the period ended March 31, 2014		
	Business segments		Total	Business segments		Total
	Pharmaceutical	Biotech		Pharmaceutical	Biotech	
Revenue	11,958.49	-	11,958.49	25,096.53	0.33	25,096.86
Segment result	1,754.19	(129.05)	1,625.14	(1,826.32)	(36.10)	(1,862.42)
Unallocable expenses (net)						
Finance costs			(474.35)			(2,905.55)
<i>Items considered under exceptional items</i>						
Profit on disposal of discontinued business			8,434.33			32,222.81
Exchange (loss) / gain on long-term foreign currency loans, intra-group loans			(132.09)			566.71
Merger and restructuring costs			(109.40)			-
Write-off/provision for assets			(9.00)			
Reversal of/ (accrual) option cost			199.81			(106.93)
Other income (net)			385.67			984.09
Profit before taxes			9,920.11			28,898.71
Tax expense			1,475.98			11,225.31
Profit for the year/ period before allocation to minority interest			8,444.13			17,673.40
Share of profit of minority interest (net)			(5.86)			5.94
Profit for the year/ period			8,449.99			17,667.46
Segment assets	15,538.50	1,615.24	17,153.74	13,168.48	1,122.02	14,290.50
Unallocable assets	-	-	7,707.39	-	-	6,699.69
Total assets			24,861.13			20,990.19
Segment liabilities	2,882.47	45.30	2,927.77	3,204.83	68.47	3,273.30
Unallocable liabilities			10,297.05			6,891.95
Total liabilities			13,224.82			10,165.25
Other information						
Capital expenditure (allocable)	2,029.44	596.33	2,625.77	9,469.31	343.38	9,812.69
Depreciation and amortisation (allocable)	606.72	33.60	640.32	1,539.03	-	1,539.03
Other significant non-cash expenses (allocable):						
- Provision for doubtful trade and other receivables	49.63	-	49.63	364.02	-	364.02
- Unbilled revenue written-off	9.38	-	-	2.70	-	-
- Expenses on Employee Stock Option Plans	8.96	-	8.96	12.77	-	12.77
- Net unrealised foreign exchange loss	279.78	-	279.78	898.26	-	898.26
- Amortisation of deferred revenue expenditure	-	-	-	41.27	-	41.27
- Impairment of goodwill	-	-	-	133.19	-	133.19
- Write-off of intangible assets under development & inventory	9.00	-	9.00	279.42	-	279.42
- Loss on sale of assets (Net)	4.56	-	4.56	60.08	-	60.08
Other significant non-cash expenses (unallocable):						
- Net cost/(reversal) on option contracts			(199.81)			106.93

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Disclosures regarding secondary segment: The geographical segments individually contributing 10 percent or more of the Group's revenues and segment 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.

Geographical Segment	Revenues for the year ended 31-Mar-15	Segment assets As at 31-Mar-15	Capital expenditure during the year ended 31-Mar-15	₹ in Millions		
				Revenues for the period ended 31-Mar-14	Segment assets As at 31-Mar-14	Capital expenditure during the period ended 31-Mar-14
Africa	4,447.81	1,915.83	403.85	6,498.25	2,678.24	191.67
Australasia	753.14	1,249.67	174.13	3,562.18	1,384.72	5,885.10
North America & Europe	5,507.73	3,241.46	18.78	10,335.17	1,452.78	447.79
South & Central America	44.63	40.18	-	2,651.64	38.49	95.87
India	1,190.45	10,706.60	2,029.01	2,003.73	8,716.10	3,192.26
Others	14.71	-	-	45.89	20.17	-
Total	11,958.49	17,153.74	2,625.77	25,096.86	14,290.50	9,812.69

Note No. 44 DETAILS OF LEASING ARRANGEMENTS

The group's significant leasing arrangements are mainly in respect of factory buildings, residential and office premises. The aggregate lease rentals payable on these leasing arrangements charged to the Statement of Profit and Loss is ₹ 92.50 Million (Previous year ₹ 192.24 Million, (including charge on lease rentals related to discontinuing operations).

The Group has entered into certain lease arrangements and the tenure of such lease is 6 years with non-cancellable period of 3 years. The said lease arrangements have an escalation clause wherein lease rental is subject to an annual increment of 6%. Details of the lease commitment at the period-end are as follows:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Up to one year	23.44	16.23
From one year to five years	15.11	29.12
Above five years	-	-
Total	38.55	45.35

The Group has entered into operating lease arrangement for lease of factory building for a term of 18 years with non-cancellable lease period of 8 years. Details relating to these assets and minimum lease rentals receivable are as follows:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Gross carrying amount of assets leased	710.23	710.23
Accumulated depreciation	49.78	10.95
Future minimum lease income:		
Not later than one year	49.91	47.09
Later than one year but not later than 5 years	231.44	218.34
Later than 5 years	78.03	141.04

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Note No. 45 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Continuing operations	Total operations	Continuing operations	Total operations
(i) Basic:				
Net profit for the year/ period attributable to the equity shareholders (₹ in Millions)	15.66	8,449.99	(2,327.83)	17,667.46
Weighted Average number of equity shares	59,570,533	59,570,533	59,174,698	59,174,698
Par value per share	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-
Earnings per share – Basic	₹ 0.26	₹ 141.85	₹ (39.34)	₹ 298.56
(ii) Diluted:				
Net profit for the year/ period (₹ in Millions)	15.65	8,449.99	(2,327.83)	17,667.46
Net profit attributable to equity Shareholders (₹ in Million)	15.65	8,449.99	(2,327.83)	17,667.46
Weighted Average number of Shares for Basic EPS	59,570,533	59,570,533	59,174,698	59,174,698
Add: Effect of outstanding warrants, employee stock options as applicable	244,993	244,993	Refer note 1	251,039
Weighted Average Number of equity shares for diluted EPS	59,815,526	59,815,526	59,174,698	59,425,737
Par value per share	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-
Earnings per share – Diluted	₹ 0.26	₹ 141.27	₹ (39.34)	₹ 297.30

Notes:

- Due to loss from continuing operations for the period ended March 31, 2014, the effect of outstanding employee stock options are anti-dilutive and hence ignored for the purpose of computing diluted earnings per share from continuing operations.

Note No. 46 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED DURING THE YEAR:

Particulars	₹ in Millions	
	For the year ended March 31, 2015	For the period ended March 31, 2014
Materials	31.57	206.31
Salaries	84.32	293.32
Bio study expenses	48.84	47.14
Professional fees	94.03	109.39
Consumables	31.86	426.70
Regulatory expenses	26.39	-
Travelling expenses	6.09	6.96
Rent	-	26.65
Depreciation	34.76	58.48
Others	36.04	236.45
Total	393.90	1,411.40

The above are as certified by the management and relied upon by the auditors and include costs associated with the development services undertaken for customers.

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Note No. 47 IMPAIRMENT OF INVESTMENTS / GOODWILL AND OTHER ASSETS:

- (a) During the period ended March 31, 2014, the Group had carried out impairment assessment of goodwill relating to its wholly owned subsidiaries viz., Plus Farma, Iceland, Strides Australia Pty Limited, Australia and Strides S.A. Pharmaceuticals Pty Limited, South Africa and based on such assessments the Group had accounted for impairment losses amounting to ₹ 133.19 Million under exceptional items in the Statement of Profit and Loss.

Of the above entities, Strides Australia Pty Limited, Australia and Plus Farma, Iceland have been wound up during the current year.

- (b) During the period ended March 31, 2014, the Group had written-off / provided for certain other assets including (i) inventories and intangible assets pertaining to discontinued products amounting to ₹ 279.42 Million and (ii) uninsured deposits with Bank based in Cyprus ₹ 312.67 Million.

Note No. 48 COMMITMENTS

The Group has entered into a Share Purchase Agreement (SPA) with the promoters of Beltapharm S.p.A, under which a put option has been granted to promoters of Beltapharm S.p.A, where in the Group has a maximum capital commitment of Euro 0.13 Million (₹ 8.69 Million) in respect of such shares.

Note No. 49 CONTINGENT LIABILITIES

- (a) The Group has given corporate guarantees up to ₹ 37,174.85 Million (As at March 31, 2014: ₹ 36,466.06 Million) to financial institutions and other parties.
- (b) As at March 31, 2015, the Group has disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities amounting to ₹ 1,301.32 Million (Previous year ₹ 1,276.50 Million). The outflow on account of disputed taxes is dependent on completion of assessments.
- (c) The Company has preferred an appeal with the CESTAT against the order of the Commissioner of Central Excise disallowing transfer of CENVAT credit of ₹ 5.65 Million. (Previous year ₹ 5.65 Million) as on the date of conversion of one of the units of the Company into a 100% EOU in an earlier year.
- (d) Claims against the Company not acknowledged as debts ₹ Nil (Previous year ₹ 2,274.73).

Note No. 50 TRANSFER PRICING

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 impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note No. 51 EARLY ADOPTION OF AS- 30: FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT, ISSUED BY INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

The Company has chosen to early adopt AS-30: 'Financial Instruments: Recognition and Measurement', (as announced by the Institute of Chartered Accountants of India (ICAI)) during the year ended December 31, 2008, with effect from January 1, 2008. However, pursuant to a notification issued by the ICAI on February 11, 2011, the Company has adopted AS-30 only to the extent they do not conflict with the other mandatory accounting standards specified under Section 133 of the Companies Act, 2013.

The impact of adoption of AS30 as mentioned above is as follows:

51.1 Hedge accounting

The Company has designated certain highly probable forecasted US dollar denominated sales transactions and certain forward contracts to sell US dollars as hedged items and hedging instruments respectively, in a Cash Flow Hedge to hedge the foreign exchange risk arising out of fluctuations between the India rupee and the US dollar. The exchange fluctuations arising from marking to market of the hedging instruments, to the extent relatable to the hedge being effective has been recognised in a Hedge reserve in the Balance sheet. Accordingly exchange fluctuations gains/ (losses) amounting to ₹ 90.40 Million as at March 31, 2015 (at March 31, 2014: ₹ 81.18 Million) have been recognized in the Hedge Reserve account. These exchange differences

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are considered in Statement of Profit and Loss as and when the forecasted transactions occur.

51.2 The financial assets and liabilities arising out of issue of corporate financial guarantees to third parties are accounted at fair values on initial recognition. Financial assets continue to be carried at fair values. Financial liabilities are subsequently measured at the higher of the amounts determined under AS 29 "Provisions, Contingent Liabilities and Contingent Assets" or the fair values on the measurement date. As at March 31, 2015 and March 31, 2014, the fair values of such financial assets and financial liabilities amount to ₹ Nil.

51.3 There are no open derivative positions as on March 31, 2015 not designated as hedging instruments and

accordingly there is no gain / loss on fair valuation of such derivatives recognized in the Statement of Profit and Loss for the current year.

51.4 The Company has availed bill discounting facilities from Banks which do not meet the de-recognition 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, 2015, trade receivables balances include ₹ 270.69 Million (As at March 31, 2014: ₹ 792.56 Million) and the corresponding financial liability to the Banks is included as part of working capital loans under short-term borrowings (secured).

Note No. 52 DISCLOSURES RELATING TO FINANCIAL INSTRUMENTS TO THE EXTENT NOT DISCLOSED ELSEWHERE IN NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

52.1 Breakup of Allowance for Credit Losses is as under:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Opening balance of provision for doubtful trade and other receivables	141.33	1,465.12
Additional provision during the year / period	67.97	142.59
Consolidation adjustment	(9.42)	2.30
Utilisation/ reversal of provision during the year / period	(60.73)	(24.30)
Provision relating to discontinued business disposed-off	-	(1,444.38)
Closing balance of provision for doubtful trade and other receivables	139.15	141.33

52.2 Details on Derivatives Instruments & Un-hedged Foreign Currency Exposures:

The following derivative positions are open as at March 31, 2015. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. These instruments are therefore classified as held for trading and gains/ losses recognized in the Statement of Profit and Loss except to the extent they qualified as Cashflow hedges in the context of the rigor of such classification under Accounting Standard 30.

I. The Company has entered into the following derivative instruments

- (a) Forward Exchange Contracts [being a derivative instrument], which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

The following are the outstanding Forward Exchange Contracts entered into by the Company:

Particulars	Currency	Amount in Millions	Buy/Sell	Cross Currency	₹ in Millions
March 31, 2015	USD	74.00	Sell	INR	4,624.63
March 31, 2014	USD	31.00	Sell	INR	1,838.30

- (b) Interest Rate Swaps to hedge against fluctuations in interest rate changes: No. of contracts: Nil (Previous year : Nil)

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- (c) Currency Swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate. No. of contracts: Nil (Previous Year: Nil)

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

Figures in Millions

Receivable / (Payable) in ₹	Receivable / (Payable) In Foreign Currency	Receivable / (Payable) in ₹	Receivable / (Payable) In Foreign Currency
At March 31, 2015		At March 31, 2014	
(4,216.15)	USD (67.46)	(9,621.95)	USD (161.12)
1,306.31	EUR 19.54	1,235.70	EUR 14.99
56.66	AUD 1.20	340.59	AUD 6.17
11.28	CAD 0.23	1.02	CAD 0.02
(260.51)	GBP (2.82)	(4,116.96)	GBP (41.47)
-	BRL -	(2.86)	BRL (0.11)

III. There were no outstanding option contracts as at March 31, 2015 and as at March 31, 2014.

52.3 Categories of Financial Instruments

(a) Loans and Receivables:

The following financial assets in the Balance Sheet have been classified as Loans and Receivables as defined in Accounting Standard 30. These are carried at amortized cost less impairment if any.

The carrying amounts are as under:

₹ in Millions

Particulars	March 31, 2015	March 31, 2014
Trade receivables	3,899.56	3,639.96
Unbilled revenue	8.42	47.77
Advance recoverable in cash	1,277.60	824.75
Cash and cash equivalents	1,468.85	2,311.45
Investments in mutual funds	5,612.89	4,012.37

In the opinion of the management, the carrying amounts above are reasonable approximations of fair values of the above financial assets.

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(b) Financial Liabilities Held at Amortized Cost

The following financial liabilities are held at amortized cost. The Carrying amounts of Financial Liabilities are as under:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Secured borrowings:		
Long-term (including current maturities)	6,715.17	3,220.42
Short-term	1,966.98	2,157.54
Unsecured borrowings:		
long-term loans	171.59	12.39
Short-term loans	66.33	88.04
Other long-term liabilities:		
Gratuity and other benefits	123.68	80.66
Lease equalisation reserve	4.70	0.50
Other liabilities	49.25	45.65
Current liabilities:		
Trade payables	2,344.08	2,678.61
Interest accrued but not due	28.15	26.93
Unclaimed dividends	67.55	50.23
Payable on purchase of fixed assets	25.95	51.77
Gratuity	4.01	-
Other Liabilities	622.62	587.26
Provision For:		
Compensated absences	111.55	88.47
Payable to employees under long-term incentive plan	78.40	148.81
Provision for Income tax (net)	605.43	512.05
Equity Dividend (including dividend distribution tax thereon)	178.85	348.61

(c) Financial Liabilities Held for Trading are as follows:

- Provisions / receivable carried towards mark to market losses / gains on forward exchange contracts ₹ 90.40 Million gain as at March 31, 2015 (₹ 81.18 Million gain as at March 31, 2014)
- Liabilities under option contracts – Nil as at March 31, 2015 and ₹ 144.45 Million as at March 31, 2014.

52.4 Financial assets pledged

The following financial assets have been pledged:

Financial Asset	₹ in Millions			Terms and conditions relating to pledge
	Carrying value March 31, 2015	Carrying value March 31, 2014	Liability/ Contingent Liability for which pledged as collateral	
I. Investments				
Investment in Subsidiary	-	17.27	Loan from Banks	The Shares have been pledged against specific Borrowing, the charge will be extinguished on repayment of the Loan.
Investment in mutual funds	4,015.00	400.00	Loan from Banks	Short-term loans are secured by pledge over debt mutual funds. Refer note 17 (i).
II. Margin Money with Banks				
Margin Money for Letter of Credit	12.00	13.11	Letter of Credit	The Margin Money is interest bearing deposit with Banks. These deposits can be withdrawn on the maturity of all Open Letters of Credit.
III. Trade receivables				
	270.69	792.56	Bills discounted	The Bills discounted with Banks are secured by the Receivable

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52.5 Nature and extent of risks arising from financial instruments

The main financial risks faced by the Company relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial transactions, and the availability of funds to meet business needs. The Balance Sheet as at March 31, 2015 is representative of the position through the year. Risk management is carried out by a central treasury department under the guidance of the Management.

Interest rate risk

Interest rate risk arises from long term borrowings. Debt issued at variable rates exposes the company to cash flow risk. Debt issued at fixed rate exposes the company to fair value risk. In the opinion of the management, interest rate risk during the year under report was not substantial enough to require intervention or hedging through derivatives or other financial instruments. For the purposes of exposure to interest risk, the company considers its net debt position evaluated as the difference between financial assets and financial liabilities held at fixed rates and floating rates respectively as the measure of exposure of notional amounts to interest rate risk. This net debt position is quantified as under:

Financial assets/ (liabilities) as at:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Fixed		
Financial Assets	6,744.83	6,905.11
Financial Liabilities	(4,244.23)	(4,708.45)
	2,500.60	2,196.66
Floating		
Financial Assets	5,612.89	4,012.37
Financial Liabilities	(8,917.08)	(5,466.16)
	(3,304.19)	(1,453.79)

Credit risk

Credit risk arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions. Credit risk also arises from trade receivables and other financial assets.

The credit risk arising from receivables is subject to concentration risk in that the receivables are predominantly denominated in USD and any appreciation in the INR 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.

Liquidity risk

Liquidity risk is managed using short term and long term cash flow forecasts.

The following is an analysis of contractual cash flows payable under financial liabilities and derivatives as at March 31, 2015. (Figures in brackets relates to Previous Year).

Financial Liabilities	₹ in Millions					
	Due within (years)					
	1	1 to 2	2 to 3	3 to 4	4 to 5	5 & above
Bank & other borrowings	6,375.10	876.12	1,019.37	187.58	383.91	75.00
	(2,705.64)	(774.84)	(846.99)	(987.31)	(148.64)	(2.58)
Interest payable on borrowings	28.15	-	-	-	-	-
	(26.93)	-	-	-	-	-
Trade and other payables not in net debt	3,978.21	36.78	37.99	39.64	37.41	86.05
	(4,113.68)	(420.13)	(25.72)	(25.72)	(25.72)	(71.88)
Total	10,381.45	912.90	1,057.36	227.22	421.32	161.05
	(6,846.25)	(1,194.97)	(872.71)	(1,013.03)	(174.36)	(74.46)

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For the purposes of the above table, foreign currency liabilities have been computed applying spot rates on the Balance Sheet date.

Foreign exchange risk

The Group is exposed to foreign exchange risk principally via:

- 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.

52.6 Sensitivity analysis as at March 31, 2015:

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 ₹ 89.17 Million (Previous year ₹ 53.77 Million) assuming the loans as of March 31, 2015 continue to be constant during the annual period. 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.

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs), loans in foreign currencies to erstwhile 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) and the Australian Dollar (AUD).

Particulars	₹ in Millions	
	Increase / (Decrease) in Equity	
	March 31, 2015	March 31, 2014
A 5% appreciation in the USD	(210.81)	(481.10)
A 5% depreciation in the USD	210.81	481.10
A 5% appreciation in the EUR	65.32	61.79
A 5% depreciation in the EUR	(65.32)	(61.79)
A 5% appreciation in the AUD	2.83	17.03
A 5% depreciation in the AUD	(2.83)	(17.03)
A 5% appreciation in the GBP	(13.03)	(205.85)
A 5% depreciation in the GBP	13.03	205.85
A 5% appreciation in the BRL	-	(0.14)
A 5% depreciation in the BRL	-	0.14

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 March 31, 2015.

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Note No. 53 ADDITIONAL DISCLOSURE RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

53.1 Goodwill on consolidation:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Opening balance (net of accumulated impairment)	1,033.95	16,903.11
Add: On acquisition of subsidiaries/purchase of shares during the year/period	307.14	239.04
Add: Exchange difference during the year on translation of goodwill of foreign subsidiaries	27.28	1,249.89
Less: On disposal of subsidiaries during the year/period	-	(17,224.90)
Less: Accumulated impairment	-	(133.19)
Total	1,368.37	1,033.95

53.2 The effect of acquisition and disposal of subsidiaries:

The effect of acquisition and disposal of subsidiaries on the financial position and results as included in the CFS is given below:

Particulars	₹ in Millions			
	March 31, 2015		March 31, 2014	
	Acquisition	Disposal	Acquisition	Disposal
Liabilities as at (date of acquisition / disposal)	8.57	-	-	38,927.08
Assets as at (date of acquisition / disposal)	5.70	-	-	42,599.87
Revenue for the year/period ended	3.87	-	-	12,068.99
Expenses for the year/period ended	(8.19)	-	-	(16,310.58)
Profit / (Loss) before tax for the year/period ended	(4.32)	-	-	(4,241.59)
Profit / (Loss) after tax for the year/period ended	(4.32)	-	-	(4,248.86)

Note: The above details on acquisition of subsidiaries does not include step-up acquisition in an existing subsidiary.

Note No. 54

The Board of Directors of the Company in the Meeting held on December 10, 2013 have approved change of financial year of the Company from January-December to that of April-March. Consequently, the previous financial period is for a period of 15 months i.e., from January 1, 2013 to March 31, 2014 and the figures for the current year are not strictly comparable with that of the previous period ended March 31, 2014.

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Note No. 55 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

Name of the entity in the	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	₹ in Millions	As % of consolidated net assets	₹ in Millions
Strides Arcolab Limited	48.96%	14,744.23	27.42%	5,323.19
Indian subsidiaries:				
- Fagris Medica Private Limited	(0.02%)	(6.19)	(0.02%)	(4.32)
- Inbiopro Solutions Private Limited	1.05%	315.09	(0.70%)	(136.50)
- Strides Emerging Market Private Limited	0.76%	227.47	(0.25%)	(48.75)
- Strides Healthcare Private Limited	2.09%	628.05	(0.11%)	(22.05)
Foreign subsidiaries:				
- African Pharmaceutical Development Company	0.16%	47.92	0.17%	32.92
- Beltapharm SpA	0.04%	12.36	(0.22%)	(43.15)
- Co-Pharma Limited	0.15%	44.59	0.96%	185.94
- Sorepharm, Burkinofaso	(0.03%)	(8.53)	(0.03%)	(5.73)
- SPC Co. Ltd Sudan	0.04%	12.44	0.00%	-
- Stelis Biopharma (Malaysia) SDN. BHD.	0.67%	202.40	(0.12%)	(22.97)
- Strides Africa Limited	(0.12%)	(35.42)	(0.08%)	(16.07)
- Strides Arcolab International Limited	3.00%	903.36	(1.15%)	(220.45)
- Strides Australia Pty Limited	0.00%	-	(0.01%)	(1.71)
- Strides CIS Limited	(0.04%)	(11.32)	(0.05%)	(10.37)
- Strides Pharma (Cyprus) Limited	7.58%	2,282.85	4.32%	838.78
- Strides Pharma Asia Pte Limited	2.29%	690.94	42.25%	8,201.90
- Strides Pharma Botswana (Pty) Limited	0.03%	10.02	0.00%	-
- Strides Pharma Cameroon	0.00%	1.03	0.00%	-
- Strides Pharma Global Pte Limited	1.21%	363.48	1.71%	331.80
- Strides Pharma Inc USA	(0.12%)	(35.56)	(0.43%)	(83.82)
- Strides Pharma International Limited	12.67%	3,816.42	22.26%	4,320.88
- Strides Pharma Limited	7.74%	2,329.96	5.96%	1,156.44
- Strides Pharma Mozambique	0.02%	5.23	0.00%	-
- Strides Pharma Namibia Pty Limited	0.06%	16.80	0.04%	8.24
- Strides Pharmaceuticals (Holdings) Limited	13.41%	4,038.46	(0.44%)	(84.48)
- Strides Specialties (Holdings) Limited	(0.01%)	(0.41)	(0.01%)	(0.21)
- Strides Vital Nigeria Limited	(1.59%)	(479.66)	(1.47%)	(284.76)
Total	100.00%	30,116.01	100.00%	19,414.75
a) Adjustments arising out of consolidation		(18,479.70)		(10,970.62)
b) Minority Interests in all subsidiaries:				
Indian subsidiaries:				
- Strides Healthcare Private Limited		(160.87)		8.40
Foreign subsidiaries:				
- African Pharmaceutical Development Company		(9.28)		(1.55)
- Beltapharm SpA		(0.42)		1.48
- SPC Co. Ltd Sudan		(6.09)		-
- Strides Pharma Botswana (Pty) Limited		(3.01)		-
- Strides Pharma Cameroon		(0.15)		-
- Strides Pharma Mozambique		(2.56)		-
- Strides Pharma Namibia Pty Limited		(4.71)		(2.47)
Total		11,449.22		8,449.99

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Note No. 56

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman &
Managing Director

Badree Komandur
CFO & Company Secretary

Bengaluru, May 22, 2015

INDEPENDENT AUDITOR'S REPORT

to the Members of Strides Arcolab Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of STRIDES ARCOLAB LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

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 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the Note No. 51 to the financial statements. As stated therein, the Company has early adopted Accounting Standard (AS) 30 'Financial Instruments: Recognition and Measurement', AS 31 'Financial Instruments: Presentation' and AS 32 'Financial Instruments: Disclosure', to the extent such standards do not conflict with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

to the Members of Strides Arcolab Limited

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 43 and 40 B(iv) to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

V. Srikumar
Partner

Bengaluru, May 22, 2015

Membership No. 84494

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

-
- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of 2 years which, in our opinion, is reasonable having regard to size of the Company and nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management. According to information and explanation given to us, no material discrepancies were noticed on such verification.
 - (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
 - (iii) According to the informations and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
 - (a) The receipts of principal amounts and interest have been regular as per stipulations
 - (b) There is no overdue amount in excess of ₹ 1 Lakh remaining outstanding as at the year-end.
 - (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
 - (v) According to the information & explanations given to us, the Company has not accepted any deposit during the year and there were no unclaimed deposits as at March 31, 2015.
 - (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of statute	Nature of the dues	Amount (₹ In Million)	Period to which the amount relates	Forum where dispute is pending
The Income - tax Act, 1961	Income Tax	202.26	AY 2008-09	Income Tax Appellate Tribunal
The Income - tax Act, 1961	Income Tax	299.17	AY 2009-10	Income Tax Appellate Tribunal

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

V. Srikumar
Partner

Bengaluru, May 22, 2015

Membership No. 84494

BALANCE SHEET

as at March 31, 2015

₹ in Millions

	Note No.	March 31, 2015	March 31, 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	596.16	595.66
(b) Reserves and surplus	4	14,148.07	15,713.55
		14,744.23	16,309.21
2 Non-current liabilities			
(a) Long-term borrowings	5	1,642.45	2,333.34
(b) Deferred tax liabilities (net)	6	-	43.90
(c) Other long-term liabilities	7	125.90	100.01
(d) Long-term provisions	8	168.63	94.31
		1,936.98	2,571.56
3 Current liabilities			
(a) Short-term borrowings	9	1,626.60	1,937.12
(b) Trade payables	10	1,886.24	2,170.79
(c) Other current liabilities	11	1,033.87	756.44
(d) Short-term provisions	12	410.06	657.16
		4,956.77	5,521.51
Total		21,637.98	24,402.28
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
- Tangible assets	13	3,303.03	3,088.64
- Intangible assets	13	641.99	719.78
- Capital work-in-progress		210.74	114.23
- Intangible assets under development (net)		180.24	257.17
		4,336.00	4,179.82
(b) Non-current investments	14	4,071.69	6,594.36
(c) Deferred tax assets (net)	6	17.64	-
(d) Long-term loans and advances	15	1,046.27	1,494.33
(e) Other non-current assets	16	12.65	3.10
		9,484.25	12,271.61
2 Current assets			
(a) Current investments	17	5,612.89	3,871.06
(b) Inventories	18	1,554.04	1,368.01
(c) Trade receivables	19	2,560.14	2,732.86
(d) Cash and cash equivalents	20	742.95	1,749.63
(e) Short-term loans and advances	21	1,021.23	2,278.46
(f) Other current assets	22	662.48	130.65
		12,153.73	12,130.67
Total		21,637.98	24,402.28

See accompanying notes forming part of the Financial Statements

 In terms of our report attached
 For **Deloitte Haskins & Sells**
 Chartered Accountants

V. Srikumar
 Partner

Bengaluru, May 22, 2015

For and on behalf of Board of Directors

Deepak Vaidya
 Chairman

Badree Komandur
 CFO & Company Secretary
 Bengaluru, May 22, 2015

Arun Kumar
 Executive Vice Chairman &
 Managing Director

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2015

₹ in Millions

	Note No.	For the year ended March 31, 2015	For the period ended March 31, 2014 (Refer Note. 53)
1 Revenue from operations (gross)	23	9,331.04	10,697.35
Less: Excise duty		36.86	58.89
Revenue from operations (net)		9,294.18	10,638.46
2 Other income	24	1,001.76	1,209.35
3 Total revenue (1+2)		10,295.94	11,847.81
4 Expenses			
(a) Cost of materials consumed	25	4,732.84	5,118.30
(b) Purchase of stock-in-trade	26	498.31	1,182.08
(c) (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	27	(68.80)	(82.18)
(d) Employee benefits expenses	28	1,201.97	1,113.74
(e) Other expenses	29	1,590.66	1,822.03
Total		7,954.98	9,153.97
5 Earning before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (3-4)		2,340.96	2,693.84
6 Finance costs	30	344.23	1,050.31
7 Depreciation and amortisation expense	13	492.54	472.49
8 Profit before exceptional items and tax (5-6-7)		1,504.19	1,171.04
9 Exceptional items gain / (loss) (net)	31	5,186.14	44,948.42
10 Profit before tax (8+9)		6,690.33	46,119.46
11 Tax expense	32	1,367.14	10,990.21
12 Profit for the year (10-11)		5,323.19	35,129.25
13 Earnings per share (of ₹ 10/- each)	49		
- Basic		89.36	593.65
- Diluted		88.99	591.14

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

V. Srikumar
Partner

Bengaluru, May 22, 2015

For and on behalf of Board of Directors

Deepak Vaidya
Chairman

Badree Komandur
CFO & Company Secretary
Bengaluru, May 22, 2015

Arun Kumar
Executive Vice Chairman &
Managing Director

CASH FLOW STATEMENT

for the year ended March 31, 2015

	₹ in Millions	
	For the year ended March 31, 2015	For the period ended March 31, 2014 (Refer Note No. 53)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	6,690.33	46,119.46
Adjustments for:		
- Depreciation and amortisation expense	492.54	472.49
- Loss on sale of assets / assets written off (net)	0.47	14.09
- Expenses on Employee Stock Option Plans	8.96	12.77
- Interest expense on borrowings	208.06	663.21
- Interest on delayed payment of Income tax	16.89	76.33
- Interest received from banks / recovered from group companies	(74.95)	(169.90)
- Dividend income from group companies and from investment in mutual funds	(4,609.22)	(13,663.98)
- Profit on sale of investment (net)	(852.68)	(31,607.92)
- Rental income from operating leases	(140.09)	(48.84)
- Liabilities / provisions no longer required written back	(17.11)	(94.35)
- Bad debts written off / provision for doubtful trade and other receivables	-	67.38
- Unbilled revenue written off	9.38	2.70
- Net gain on forward contract for sale of investments in subsidiaries	-	(264.57)
- Merger and restructuring costs	109.40	-
- Write-off of Intangible assets under development and others	9.00	79.85
- Write-off of inventory	-	177.14
- Net unrealized exchange (gain) / loss	129.25	302.11
Operating profit before working capital changes	1,980.23	2,137.97
Changes in working capital:		
(Increase)/decrease in trade and other receivables	1,179.86	(1,451.02)
(Increase)/decrease in inventories	(186.03)	(501.62)
Increase/(decrease) in trade and other payables	(410.36)	349.47
(Increase)/decrease in margin money	1.11	91.28
Net change in working capital	584.58	(1,511.89)
Cash generated from operations	2,564.81	626.08
Direct taxes paid and others	(490.94)	(659.53)
Net cash flow from operating activities	2,073.87	(33.45)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advance	(690.36)	(2,249.59)
Proceeds from sale of fixed assets	3.75	32.27
(Increase) / decrease in short-term investments in mutual funds (to the extent not considered as cash and cash equivalents)	(3,615.00)	(400.00)
Share application money paid to subsidiaries	(2,004.79)	(1,444.89)
Share application money refunded from subsidiaries	3,185.83	294.60
Purchase of long-term investments in subsidiaries	(725.07)	(1,186.56)
Proceeds from sale of long-term investments	3,920.99	43,027.81
Expenses relating to sale of long-term investments in subsidiaries	(66.33)	(1,326.16)
Capital gain tax paid on the sale of long term investments	(180.09)	(7,943.67)
Net gain on forward contract for sale of Investments in subsidiaries	-	264.57
Redemption of investments in preference shares (Refer note (i) below)	-	200.00
Advance / Loan given / repaid to subsidiaries	(247.81)	(5,422.13)
Advance / Loan taken / repaid from subsidiaries	143.08	5,045.48
Interest and dividends received	4,121.35	13,834.01
Rental income from operating leases	130.16	34.06
Rent deposit received	-	69.72
Rent deposit paid	-	(7.35)
Expenses relating to merger	(78.15)	-
Taxes paid on dividends from subsidiaries	(848.09)	(2,836.81)
Net cash flow from investing activities	3,049.47	39,985.36

CASH FLOW STATEMENT

for the year ended March 31, 2015

₹ in Millions

		For the year ended March 31, 2015	For the period ended March 31, 2014 (Refer Note No. 53)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares		16.12	259.49
Proceeds from long-term borrowings		-	4.95
Repayment of long-term borrowings		(454.85)	(854.01)
Repayment of short-term borrowings		(310.59)	(995.59)
Dividends paid		(6,552.22)	(29,900.87)
Dividend distribution taxes paid (net of applicable taxes paid on dividend income from foreign subsidiaries)		(511.05)	(2,781.54)
Interest paid on borrowings		(209.49)	(712.25)
Net cash generated from financing activities	C	(8,022.08)	(34,979.82)
Net Increase/(Decrease) in cash and cash equivalents during the year	(A+B+C)	(2,898.74)	4,972.09
Cash and cash equivalents at the beginning of the year		5,156.92	184.83
Cash and cash equivalents at the end of the year		2,258.18	5,156.92
Reconciliation of cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per Balance Sheet (Refer note 20)		742.95	1,749.63
Less: Balances in earmarked accounts not considered as cash and cash equivalents as defined in AS 3 'Cash Flow Statements'		(82.66)	(63.77)
Net cash and cash equivalents included in note 20		660.29	1,685.86
Add: Current investments considered as part of cash and cash equivalents as defined in AS 3 'Cash Flow Statements' (Refer note 17)		1,597.89	3,471.06
Net cash and cash equivalents at the end of the year*		2,258.18	5,156.92
* Comprises:			
Cash on hand		1.82	1.15
Balance with banks:			
- In current accounts		303.37	287.58
- In deposit accounts		344.13	1,365.02
- Funds-in-transit		10.97	32.11
Current investments considered as part of cash and cash equivalents		1,597.89	3,471.06
Total		2,258.18	5,156.92

Notes:

- (i) During the period ended March 31, 2014, non-current investments in preference shares of Agila Specialties Private Limited, India (a subsidiary of the Company) were redeemed and the Company had realised ₹ 200 Million, towards cost of such non-current investments.

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

V. Srikumar
Partner

Bengaluru, May 22, 2015

For and on behalf of Board of Directors

Deepak Vaidya
Chairman

Badree Komandur
CFO & Company Secretary
Bengaluru, May 22, 2015

Arun Kumar
Executive Vice Chairman &
Managing Director

NOTES

forming part of the financial statements

CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Note No. 1 CORPORATE INFORMATION

Strides Arcolab Limited (the 'Company' or 'Strides') is a pharmaceutical company headquartered in Bengaluru, India. Strides develops and manufactures a wide range of IP-led niche pharmaceutical products. The Company is listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

Note No. 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for:

- (i) fixed assets which were fair valued in earlier years based on the Scheme of Arrangement approved by the Honorable High Courts of Judicature (the 'Scheme') or,
- (ii) financial assets and liabilities which were fair valued as permitted by Accounting Standard

2.3 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 and, where applicable, excise duty. Cost is determined as follows:

Raw materials, packing materials and consumables	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

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(AS) 30: 'Financials Instruments: Recognition and Measurement' read with AS 31 'Financial Instruments: Presentation' and AS 32 'Financials Instruments: Disclosure' issued by the Institute of Chartered Accountants of India, to the extent such standards do not conflict with other standards notified under Companies (Accounting Standards) Rules, 2006 (as amended).

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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forming part of the financial statements

2.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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 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
Mobiles phone	:	3 years
Certain factory building	:	18 years

Leasehold land is amortised over the duration of the lease.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Registration and Brands	:	5 to 10 years
Software Licenses	:	5 years

With respect to assets carried at fair value as permitted under the Scheme, depreciation / amortization is recorded under the straight line method over the balance useful life of the respective assets.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.7 Revenue recognition

- (a) Sale of goods: Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer as per the terms of the arrangements with buyer. Sales include excise duty but exclude sales tax and value added tax.

- (b) Revenue from product development services:

- (i) In respect of contracts where the Company undertakes to develop products for its customers (on an end-to end basis), revenues are recognized based on technical estimates of the stage of work completed under the contracts.
- (ii) In respect of other contracts where the Company performs specifically identified services in the development of the products, revenues are recognized on the basis of the performance milestones provided in the contract.

- (c) Revenue from contract manufacturing is recognised based on the services rendered in accordance with the terms of the contract.

- (d) Export incentives are accrued for based on fulfillment 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 Duty Entitlement Pass Book Schemes, Focus Market Schemes, and Market-Linked Focus Product Schemes wherever applicable.

- (e) Income from rendering advisory / support services is recognized based on contractual terms.

- (f) Share of profits and royalty incomes under manufacturing and supply agreements with customers are accrued based on confirmation received from customers.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established. The Company provides corporate guarantees to subsidiaries and charges a commission for providing such guarantees. Such incomes are accrued in terms of the agreements with the parties.

2.9 Fixed Assets

Tangible fixed assets, except to the extent permitted to be fair valued under the Scheme, are carried at cost less accumulated depreciation and impairment losses,

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forming part of the financial statements

if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

The Company fair valued land and machineries upon the Scheme becoming effective (December 31, 2009) and such assets are carried at the fair value less accumulated depreciation and impairment losses, if any.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those

subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset. In-house product development costs are capitalised in accordance with paragraph 2.18 below.

Intangible assets under development:

Expenditure on Research and development (Refer note 2.18) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

2.10 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Net investment in non-integral foreign operations: Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-

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monetary items of the Company are carried at historical cost.

Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Net investment in non-integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the balance sheet date are restated at the year-end rates.

Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Integral foreign operations: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

Net investment in non-integral foreign operations: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations is accounted as per policy for long-term foreign currency monetary items stated in para (v) below until disposal / recovery of such net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.

Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same

period in which the gain or loss on disposal is recognised.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made. Refer Notes 2.21 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

2.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

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Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

Long Term Incentive Plan ('Plan')

Under the Plan, certain employees are eligible for retention and performance linked payouts. These payouts are accrued as and when services are rendered and/ or when the specific performance criteria are met.

2.13 Employee share based payments

The Company has formulated Employee Stock Option Plans (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Plans provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options (under ESOP) over the exercise price is amortized on a straight line basis over the vesting period in the Statement of Profit and Loss / Reserve for Business Restructure.

Employee stock options granted under the above ESOP on or after April 1, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

Options with a cash settlement feature are fair valued at the time of the grant and at each reporting date. Changes in the fair value of the Options at each reporting date are recognised in the Statement of Profit and Loss.

2.14 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated

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to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognized as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity

shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.18 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

2.19 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the

amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.20 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.21 Financial Assets, Financial Liabilities, Financial Instruments, Derivatives and Hedge Accounting

(a) **The Company classifies its financial assets into the following categories:** Financial instruments at fair value through Statement of Profit and Loss, loans and receivables, held to maturity investments and available for sale financial assets.

Financial assets of the Company mainly include cash and bank balances, trade receivables, loans and advances and derivative financial instruments with a positive fair value.

Financial liabilities of the Company mainly comprise secured and unsecured loans, trade payables, accrued expenses and derivative financial instruments with a negative fair value.

Financial assets/ liabilities are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when all of risks and rewards of the ownership have been transferred. The transfer of risks and rewards is evaluated by comparing the exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred assets.

Available for sale financial assets (not covered under the notified Accounting Standards) are carried at fair value, with changes in fair value being recognised in Equity, unless they are designated in

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a fair value hedge relationship, where such changes are recognised in the Statement of Profit and Loss. Loans and receivables, considered not to be in the nature of short-term receivables, are discounted to their present value. Short-term receivables with no stated interest rates are measured at original invoice amount, if the effect of discounting is immaterial. Non-interest-bearing deposits, meeting the criteria of financial asset, are discounted to their present value.

Financial liabilities held for trading and liabilities designated at fair value, are carried at fair value through Statement of Profit and Loss.

Other financial liabilities are carried at amortized cost using the effective interest method. The Company measures the short-term payables with no stated rate of interest at original invoice amount, if the effect of discounting is immaterial.

Financial liabilities are derecognized when extinguished.

(b) Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, fair value is determined with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using financial markets pricing models, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value.

(c) Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement" issued by the ICAI. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly

in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

(d) Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, and forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.22 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

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2.23 Deferred Revenue Expenditure

The Company operates in an environment which requires the manufacturing facilities to be approved by industry regulators in certain territories prior to manufacture and sale of products in such territories. If the interval between the date the facility is ready to commence commercial production and the date at which commercial production is expected to commence is prolonged, all expenses incurred during this period are treated as deferred revenue expenditure and amortised over a period not exceeding 3 years from the date of receipt of approvals.

2.24 Exceptional items

The Group classifies the following as exceptional items in the Statement of Profit and Loss:

- Exchange gain / loss arising on account of restatement and settlement of (i) long term foreign currency loans and advances, (ii) intra-group loans and advances
- Changes in fair value of embedded derivatives in FCCBs and option contracts;

(c) Profit / loss on disposal of non-current investments and / or dividends received from proceeds of such disposal and provision for / reversals of provision for diminution in non-current investments, goodwill and other assets.

(d) Profit / loss arising on account of discontinuance of products / development activities.

(e) Restructuring costs.

2.25 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.

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 3 SHARE CAPITAL		
Authorised		
89,750,000 (Previous year 89,750,000) Equity shares of ₹ 10/- each with voting rights	897.50	897.50
620,000 (Previous Year 620,000) 6% Cumulative redeemable preference shares of ₹ 1,000/- each	620.00	620.00
Total	1,517.50	1,517.50
Issued, subscribed and fully paid-up		
59,615,621 (Previous Year 59,565,621) Equity shares of ₹ 10/- each with voting rights	596.16	595.66
Total	596.16	595.66

3(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity share of ₹ 10/- each				
Opening balance	59,565,621	595.66	58,803,721	588.04
Issued pursuant to Employee stock options plan (Refer note 44)	50,000	0.50	761,900	7.62
Closing balance	59,615,621	596.16	59,565,621	595.66

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3(b) 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 other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

3(c) Details of equity shares held by each shareholder holding more than 5% of shares:

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares	%	No. of Shares	%
Pronomz Ventures LLP	12,665,000	21.24%	12,665,000	21.26%
DB International (Asia) Ltd	3,963,972	6.65%	-	-
Morgan Stanley Asia (Singapore) Pte Limited	-	-	3,965,140	6.66%
DVI Fund Mauritius Limited	-	-	3,118,378	5.24%

3(d) Details of aggregate number of equity shares allotted as fully paid-up pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date:

Equity shares of ₹ 10/- issued pursuant to a scheme of amalgamation in 2009 - 13,524 shares

3(e) Details of equity shares of ₹ 10/- each reserved for issuance:

Particulars	No. of Shares	
	March 31, 2015	March 31, 2014
Towards Employee stock options under the various Strides stock options plans (Refer note 44)	1,540,450	1,540,450
Total	1,540,450	1,540,450

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 4 RESERVES AND SURPLUS		
Capital reserve (arising on forfeiture of monies received towards share warrants)	225.60	225.60
Capital redemption reserve	551.61	551.61
Securities premium account		
a) Securities premium		
Opening balance	5,995.28	5,697.63
Add: Premium on shares issued during the year / period	18.46	297.65
Sub total	6,013.74	5,995.28
b) Reserve for Business Restructure (BRR) (Refer note 39)		
Opening balance	3,846.38	3,846.38
Sub total	3,846.38	3,846.38
Closing balance	9,860.12	9,841.66
Share options outstanding account (Refer note 44)		
Opening balance	22.74	49.09
Add/(Less): Amounts recorded on grants / (cancellations) during the year / period	8.30	19.43
Less: Transferred to Securities premium account on exercise (net)	(2.84)	(45.78)
	28.20	22.74
Less: Deferred stock compensation expenses (Refer note 28 & note 44)	(20.12)	(20.78)
Closing balance	8.08	1.96
General reserve		
Opening balance	3,925.72	412.80
Add: Transferred from Surplus in Statement of Profit and Loss	-	3,512.92
Less: Transferred to Surplus in Statement of Profit and Loss	(560.72)	-
Closing balance	3,365.00	3,925.72
Hedge reserve (Refer note 51.4)		
Opening balance	81.18	(6.59)
Add / (Less): Effect of foreign exchange rate variations on hedging instruments outstanding during the year	165.81	83.86
Add / (Less): Transferred to Statement of Profit and Loss	(156.59)	3.91
Closing balance	90.40	81.18
Surplus in Statement of Profit and Loss		
Opening balance	1,085.82	2,363.70
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 13.(vii))	(28.79)	-
Add: Profit for the year / period	5,323.19	35,129.25
Add: Transferred from General reserve	560.72	-
Less: Special dividend on equity shares (₹ 105 per share, Previous year ₹ 500 per share)	(6,254.39)	(29,783.30)
Proposed dividend on equity shares (₹ 3 per share, Previous year ₹ 5 per share)	(178.85)	(297.83)
Tax on special dividend (Refer note (i) below)	(460.44)	(2,762.46)
Tax on proposed dividend (Refer note (i) below)	-	(50.62)
Transferred to General reserve	-	(3,512.92)
Closing balance	47.26	1,085.82
Total	14,148.07	15,713.55

Note:

- (i) Tax on special dividend and proposed dividend is net of taxes on dividend income from wholly owned foreign subsidiaries.

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 5 LONG-TERM BORROWINGS		
Secured		
Term loan from banks (Refer note (i) and (ii) below)	1,640.13	2,330.05
Term loan from others (Refer note (iii) below)	2.32	3.29
Total	1,642.45	2,333.34

Details of security and terms of repayment for the long-term borrowings:

	₹ in Millions	
Terms of repayment and security	March 31, 2015	March 31, 2014
(i) Term loans from banks: Loan 1		
Long-term loan	-	0.23
Current maturities of long-term loan	0.23	2.91
Security: Hypotheciation of assets procured from the term loans. Rate of interest: 9.84% p.a to 12.48% p.a. Repayment varies between 33 to 36 monthly installments		
(ii) Term loans from banks: Loan 2		
Long-term loan	1,640.13	2,329.82
Current maturities of long-term loan	781.31	451.05
Security: Charge on fixed assets of the Company, (other than land and building situated at Navi Mumbai, Palghar and Hosur), ensuring 1.2 times security cover for the ECB outstanding. Rate of interest: six month LIBOR + 4.25% p.a. Repayment terms: 20 unequal quarterly installments commencing after 24 months from initial utilization date. The outstanding term as at March 31, 2015 is 12 installments.		
(iii) Long-term loans from others:		
Long-term loan	2.32	3.29
Current maturities of long-term loan	0.97	0.88
Security: Hypotheciation of assets procured from the term loans. Rate of interest: 9.86% p.a Repayment terms: Repayable in 60 monthly installments commencing from May 2013.		
Total	2,424.96	2,788.18

Aggregate of long-term borrowings guaranteed by some of the directors of the Company:

	₹ in Millions	
Particulars	March 31, 2015	March 31, 2014
Term loans from banks (secured and including current maturities of these loans)	2,421.44	2,780.87
Total	2,421.44	2,780.87

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 6 DEFERRED TAX (ASSETS) / LIABILITIES		
Tax effect on items constituting deferred tax (assets) / liability:		
On difference between book balance and tax balance of fixed assets	130.02	111.40
Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	(147.66)	(67.50)
Deferred tax (asset) / liability (net)	(17.64)	43.90

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 7 OTHER LONG-TERM LIABILITIES		
Others:		
- Towards gratuity (Refer note 45)	71.95	53.86
- Security deposits	49.25	45.65
- Lease equalisation reserve	4.70	0.50
Total	125.90	100.01

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 8 LONG-TERM PROVISIONS		
Provision for employee benefits:		
- Compensated absence	54.79	42.82
Provision - Others:		
- Provision for tax (net of advance tax ₹ 12,128.35 Millions (Previous year ₹ 1,084.23 Millions))	113.84	51.49
Total	168.63	94.31

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 9 SHORT-TERM BORROWINGS		
Secured loans repayable on demand from banks: (Refer note (i) below)		
- Working capital loans	1,400.62	1,787.12
- Short-term loans	225.98	150.00
Total	1,626.60	1,937.12

Note:

(i) Details of security for the secured loans repayable on demand:

Security: Working capital 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, Palghar and Hosur.)

Short-term loans are secured by pledge over current investments in mutual funds to the extent of ₹ 415 Million (previous year ₹ 400 Million).

	₹ in Millions	
Particulars	March 31, 2015	March 31, 2014
(ii) Aggregate of short-term borrowings guaranteed by some of the directors of the Company	-	1,787.12
Total	-	1,787.12

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₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 10 TRADE PAYABLES		
Trade payables:		
- Acceptances	304.92	743.67
- Other than acceptances (Refer note (i) below)	1,581.32	1,427.12
Total	1,886.24	2,170.79

Note:

- (i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Millions

Particulars	March 31, 2015	March 31, 2014
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year	-	22.35
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	-	0.03
(iii) The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	0.03
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	0.03
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 11 OTHER CURRENT LIABILITIES		
Current maturities of long-term debts (Refer note 5 above)	782.51	454.84
Interest accrued but not due on borrowings	25.72	25.11
Unclaimed dividends (Refer note (i) below)	67.55	50.23
Other payables:		
- Statutory remittances	62.99	30.25
- Payables on purchase of fixed assets	8.76	20.79
- Payables on purchase of Investment in Fagris Medica Private Limited (Refer note 41(a))	1.70	-
- Interest accrued on trade payables (Refer note 10 (i) above)	-	0.03
- Trade deposits received	17.71	17.71
- Advance from customers	31.19	97.71
- Payable to subsidiaries	35.74	59.77
Total	1,033.87	756.44

Note:

- (i) As on March 31, 2015, unclaimed dividend of ₹ 1.23 Million (Previous Year ₹ 0.36 Million) was transferred to the Investor Education and Protection Fund (IEPF) as required under Section 205 (C) of the Companies Act, 1956.

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 12 SHORT-TERM PROVISIONS		
Provision for employee benefits:		
- Compensated absences	49.85	39.39
- Payable to employees under incentive plan	78.40	148.81
Provision - Others:		
- Provision for income tax (net of advance tax ₹ 1,340.41 Million (previous year ₹10,997.82 Millions))	102.96	120.51
- Proposed equity dividends	178.85	297.83
- Tax on proposed dividends	-	50.62
Total	410.06	657.16

Amounts remitted in foreign currency during the year on account of dividends

Particulars	March 31, 2015	March 31, 2014
Amount of dividends remitted in foreign currency (₹ In Million)	8.80	164.03
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	8
Total number of shares held by them on which dividend was due	80,000	842,000
Year to which the dividend relates	2013-14 &	2012 &
Out of dividend of ₹ 8.80 Million remitted in foreign currency, ₹ 0.40 Million relates to the period ended March 31, 2014 and ₹ 8.40 Million relates to the special dividend for the current year ended March 31, 2015 for 80,000 shares	2014-15	2013-14

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Note No. 13 FIXED ASSETS

Particulars	Gross block			Accumulated depreciation / amortisations			Net block	
	As at April 1, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2014	As at March 31, 2015	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible assets:								
Land:								
- Freehold	886.39 (770.43)	886.39 (886.39)	-	-	-	-	886.39 (886.39)	886.39 (770.43)
- Leasehold	48.13 (48.13)	48.13 (48.13)	-	-	-	-	48.13 (48.13)	48.13 (48.13)
Buildings	1,349.19 (603.90)	1,391.47 (1,349.19)	42.28 (776.40)	238.60 (191.80)	61.74 (47.12)	- (0.32)	1,091.13 (1,110.59)	1,110.59 (412.10)
Plant and equipments	2,177.80 (2,110.00)	2,623.86 (2,177.80)	474.63 (185.08)	1,250.51 (1,144.93)	213.26 (188.23)	33.71 (82.65)	1,473.01 (1,250.51)	927.29 (965.07)
Furniture and fixtures	103.04 (80.79)	114.54 (103.04)	0.04 (9.42)	34.48 (33.24)	12.15 (6.48)	1.06 (5.24)	47.65 (34.48)	68.56 (47.55)
Vehicles	33.74 (28.19)	4.42 (11.54)	-	16.05 (15.12)	2.77 (6.27)	-	18.82 (16.05)	17.69 (13.07)
Office equipments	86.13 (82.43)	35.40 (44.41)	2.24 (10.71)	56.14 (52.91)	16.12 (12.33)	8.85 (9.10)	78.99 (56.14)	29.99 (29.52)
Total [A]	4,684.42 (3,723.87)	5,221.84 (4,684.42)	- (144.65)	1,595.78 (1,438.00)	306.04 (260.43)	43.62 -	1,918.81 (1,595.78)	3,088.64 (2,285.87)
Previous year								
Intangible assets:								
- Internally generated:								
- Registrations and brands	51.69 (36.77)	94.91 (14.92)	-	39.85 (36.77)	28.03 (3.08)	-	67.88 (39.85)	11.84 (11.84)
- Others:								
- Registrations and brands	1,205.18 (1,153.94)	1,205.18 (1,205.18)	-	615.74 (462.64)	115.63 (153.10)	-	731.37 (615.74)	473.81 (589.44)
- Software licenses	272.07 (183.50)	13.80 (93.32)	-	153.57 (98.06)	42.84 (55.88)	-	196.41 (153.57)	118.50 (85.44)
Total [B]	1,528.94 (1,374.21)	108.71 (159.48)	- (4.75)	809.16 (597.47)	186.50 (212.06)	- (0.37)	995.66 (809.16)	719.78 (776.74)
Grand total [A+B]	6,213.36 (5,098.08)	6,76.98 (2,041.08)	- (149.40)	2,404.94 (2,035.47)	492.54 (472.49)	43.62 -	2,914.47 (2,404.94)	3,808.42 (3,062.61)
Previous year								

Notes:

- Figures in brackets relate to previous year.
- 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 where the lease period extended to 2018. On completion of the mentioned lease period, the leasehold land will be transferred in the name of the Company.
- The above assets are owned and used by the Company and the employees of the Company other than those assets which are given on lease. Also refer Note (vi) below.

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(iv) Details of assets acquired under hire purchase agreements:

	₹ in Millions			
	Gross block		Net block	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Vehicles	16.97	16.97	9.73	14.39
Total	16.97	16.97	9.73	14.39

(v) Details of capital commitment

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	135.82	114.09
- Intangible assets	99.40	-
Total	235.22	114.09

(vi) Details of assets given under an operating lease:

Particulars	₹ in Millions			
	Gross block		Net block	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Freehold Land	115.96	115.96	115.96	115.96
Buildings (Refer note (viii) below)	789.17	789.17	695.88	735.76
Plant and equipments	49.55	49.55	31.76	37.21
Furniture and fixtures	38.82	38.82	18.73	26.10
Office equipments	0.79	0.79	0.06	0.28
Total	994.29	994.29	862.39	915.31

(vii) During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

Particulars	Previous depreciation rate / useful life	Revised useful life based on SLM
Plant and equipments		
- Single Shift	21 Years	15 Years
- Double Shift	13 Years	10 Years
- Triple Shift	10 Years	7.5 Years
Furniture and fixtures	16 Years	10 Years
Vehicles		
- Motor cycles, scooters and other mopeds	2 Years	10 Years
- Motor buses, motor lorries, motor cars and motor taxis	5 Years	8 Years
Office equipments		
- Computers	6 Years	3 Years
- Laptops	4 Years	3 Years
- Servers and networks	4 Years	6 Years
- Other office equipments	21 Years	5 Years

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Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 28.79 Million (net of deferred tax of ₹ 14.83 Million) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 28.49 Million consequent to the change in the useful life of the assets.

In accordance with the notification No. 496 dated August 29, 2014 from Ministry of Corporate Affairs, the Company has opted to comply with the requirement under sub-paragraph (a) of paragraph 4 of part 'C' of Schedule II of the Act from the financial year commencing on April 1, 2015.

- (viii) During the previous period ended March 31, 2014, as part of the hive off of the entities into the manufacture of Specialties products business (refer Note 40.B), the Company also entered into a long term lease arrangement with Agila Specialties Private Limited for certain land and buildings (along with the related infrastructure). Consequent to the above, the difference between the present value of the lease rentals under the lease and the carrying value of the said assets has been adjusted against the Profit on sale of investments, as a transaction related expenditure, in the period then ended.
- (ix) Refer note 39. As part of the Scheme approved by the Hon'ble High Court of Judicature, the Company fair valued certain fixed assets in the year 2009. The carrying value of such assets at the balance sheet date are as follows:

Particulars	₹ in Millions			
	Gross block		Net block	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Land	781.25	781.25	781.25	781.25
Plant and equipments	880.16	899.78	122.37	205.69
Registrations and brands	1,150.00	1,150.00	431.57	546.64
Total	2,811.41	2,831.03	1,335.19	1,533.58

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 14 NON-CURRENT INVESTMENTS		
Investments: Trade		
Investments in equity shares of subsidiaries:		
- 12,361,081 (As at March 31, 2014: 12,361,081) shares of GBP 1 each fully paid up in Strides Arcolab International Limited, UK	966.12	966.12
- Nil (As at March 31, 2014: 11,397) shares of EUR 1 each fully paid up in Strides Pharmaceuticals (Holdings) Limited, Cyprus (Refer note 40.A)	-	2,956.99
- 438,000 (As at March 31, 2014: 438,000) shares of USD 1 each fully paid up in Strides Pharma International Limited, Cyprus	23.13	23.13
- 100 (As at March 31, 2014: 100) shares of SGD 1 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	26.68	26.68
- 208,326 (As at March 31, 2014: 195,771) shares of ₹ 10 each fully paid up in Stelis Biopharma Private Limited, India (formerly Inbiopro Solutions Private Limited)	906.55	760.42
- 3,206,665 (As at March 31, 2014: 4,000) shares with differential voting rights of ₹ 10 each fully paid up in Strides Healthcare Private Limited, India (formerly Strides Actives Private Limited)	481.10	0.04
- 90,000 (As at March 31, 2014: Nil) shares with differential voting rights of ₹ 10 each fully paid up in Fagris Medica Private Limited, India (Refer note 41 (a))	9.20	-
Investments in preference shares of subsidiaries:		
- 10,966 (As at March 31, 2014: 9,007) preference shares of SGD 1,000 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	506.47	416.09
Share application money paid for investment in subsidiary:		
- Strides Pharma Asia Pte Limited, Singapore	1,152.44	1,444.89
Total	4,071.69	6,594.36
Aggregate amount of unquoted investments	4,071.69	6,594.36

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 15 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good:		
- Capital advances	72.33	88.53
- Security deposits	58.80	53.15
- Loans and advances to related parties (Refer note 47)	42.69	613.37
Loans and advances to suppliers:		
- Unsecured, considered good	-	-
- Doubtful	11.09	11.09
- Less: Provision for doubtful advance to suppliers	(11.09)	(11.09)
	-	-
- MAT credit entitlement	402.63	402.63
Balance with government authorities:	1.36	1.36
- CENVAT / VAT/ Sales tax / Excise duty	462.02	328.85
- Taxes paid under protest		
Others:		
- Receivable from KIADB	6.44	6.44
Total	1,046.27	1,494.33

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(i) Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Particulars	₹ In Millions	
	March 31, 2015	March 31, 2014
Loans and advances in the nature of loans given to subsidiaries:		
- Strides Healthcare Private Limited, India (Maximum outstanding ₹ 41.36 Millions (Previous Year ₹ Nil))	27.18	-
- Fagris Medica Private Limited, India (Maximum outstanding ₹ 10.50 Millions (Previous Year ₹ Nil))	10.50	-
Total	37.68	-

Note: The above loans are given to subsidiaries to meet their immediate day-to-day funds required for business operations. Further, loans and advance given to subsidiaries includes trade advance to the extent of ₹ 5.01 Million (previous year ₹ 613.37 Million), which are not in the nature of loans.

Long-term loans and advances include amounts due from:

Particulars	₹ In Millions	
	March 31, 2015	March 31, 2014
Firms in which any director is a partner - Atma Projects (security deposit given)	6.29	6.29
Total	6.29	6.29

Note No. 16 OTHER NON-CURRENT ASSETS	₹ In Millions	
	March 31, 2015	March 31, 2014
Lease equalisation asset	12.65	3.10
Total	12.65	3.10

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 17 CURRENT INVESTMENTS		
Investment in mutual funds:		
- Reliance Liquid Fund - Treasury Plan - Daily dividend option (Units 487,513.147 (Previous Year 85,669.868)) of ₹ 1,528.74/- each	745.28	130.89
- Reliance Floating Rate Fund - Short Term Plan - Growth Plan (Units 20,332,228.616 (Previous Year 20,332,228.616)) of ₹ 22.0122/- each	400.00	400.00
- Reliance Fixed Horizon Fund - XXV - Series 17 - Direct Plan Growth Plan (Units 75,000,000 (Previous Year 75,000,000)) of ₹ 10/- each	750.00	750.00
- Reliance Fixed Horizon Fund - XXVI - Series 33 - Direct Plan Growth Plan (Units 15,000,000 (Previous Year Nil)) of ₹ 10/- each	150.00	-
- Reliance Fixed Horizon Fund - XXVI - Series 5 - Direct Plan Growth Plan (Units 30,000,000 (Previous Year 30,000,000)) of ₹ 10/- each	300.00	300.00
- Tata Liquid Fund Direct Plan - Daily dividend (Units 40.785 (Previous Year 38.388)) of ₹ 1,114.52/- each	0.05	0.04
- Tata Fixed Maturity Plan Series 46 Scheme K - Direct Plan - Growth (Units 25,000,000 (Previous Year 25,000,000)) of ₹ 10/- each	250.00	250.00
- Tata Fixed Maturity Plan Series 47 Scheme D - Direct Plan - Growth (Units 15,000,000 (Previous Year 15,000,000)) of ₹ 10/- each	150.00	150.00
- IDFC Cash Fund - Daily Dividend - Direct Plan (Units 104,370.342 (Previous Year Nil)) of ₹ 1,000.538/- each	104.43	-
- IDFC Fixed Term Plan Series 88 Direct Plan - Growth (372 Days) (Units 20,000,000 (Previous Year 20,000,000)) of ₹ 10/- each	200.00	200.00
- L&T Fixed Maturity Plan Series 10 - Plan S - Direct Growth (Units 50,000,000 (Previous Year 50,000,000)) of ₹ 10/- each	500.00	500.00
- Religare Invesco Fixed Maturity Plan- Sr. 23 - Plan G (376 Days) - Direct Plan Growth (Units 10,000,000 (Previous Year 10,000,000)) of ₹ 10/- each	100.00	100.00
- SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units 290,602.913 (Previous Year 89,838.195)) of ₹ 1,003.25/- each	291.55	90.13
- ICICI Prudential Liquid - Direct Plan - Daily Dividend (Units 6,711,986.703 (Previous Year Nil)) of ₹ 100.0565/- each	671.58	-
- ICICI Prudential Fixed Maturity Plan series 73 - 378 Days Plan O - Direct Plan Cumulative (Units 50,000,000 (Previous Year 50,000,000)) of ₹ 10/- each	500.00	500.00
- HDFC Fixed Maturity Plan 378 Days Mar 2014-1-Direct-Growth (Units 25,000,000 (Previous Year 25,000,000)) of ₹ 10/- each	250.00	250.00
- Birla Sun Life Fixed Term Plan-Series KW-Gr. Direct - Reinvestment (Units 25,000,000 (Previous Year 25,000,000)) of ₹ 10/- each	250.00	250.00
Total	5,612.89	3,871.06
Aggregate amount of un-quoted investments	5,612.89	3,871.06
Aggregate net asset value of investment in mutual funds	5,995.17	3,899.31
Current investments offered as security (Refer note (i))	4,015.00	400.00
Current investments in the nature of 'Cash and cash equivalents' considered as part of cash and cash equivalents in the Cash Flow Statement	1,597.89	3,471.06
Note (i): Details of security offered to:		
- Short-term borrowing availed by the Company (Refer note 9(i))	415.00	400.00
- Short-term borrowing availed by a wholly owned subsidiary of the Company (Refer note 47)	3,600.00	-

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₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 18 INVENTORIES		
Raw materials	987.48	923.93
- Goods-in-transit	123.84	77.64
Work-in-progress (Refer note (i) below)	120.58	116.02
Finished goods (other than those acquired for trading)	212.71	194.56
Stock-in-trade (acquired for trading)	89.75	43.66
Stores and spares	19.68	12.20
Total	1,554.04	1,368.01

Note:

(i) Details of work-in-progress

₹ in Millions

Particulars	March 31, 2015	March 31, 2014
Capsules	42.24	23.77
Tablets	75.52	88.69
Others	2.82	3.56
Total	120.58	116.02

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 19 TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured considered good	100.78	25.08
- Doubtful	53.31	52.03
	154.09	77.11
Less: Provision for doubtful trade receivables	(53.31)	(52.03)
	100.78	25.08
Others		
- Unsecured considered good	2,459.36	2,707.78
- Doubtful	16.90	28.10
	2,476.26	2,735.88
Less: Provision for doubtful trade receivables	(16.90)	(28.10)
	2,459.36	2,707.78
Total	2,560.14	2,732.86

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 20 CASH AND CASH EQUIVALENTS		
Cash on hand	1.82	1.15
Balance with banks:		
- In current account	303.37	287.58
- In deposit account	344.13	1,365.02
- Funds-in-transit	10.97	32.11
- In earmarked account		
- Unpaid dividend accounts	67.55	50.23
- Group gratuity accounts	3.11	0.43
- Balance held as margin money against working capital facilities with banks	12.00	13.11
Total	742.95	1,749.63
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 'Cash Flow Statements' is	660.29	1,685.86

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 21 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans and advances to related parties (Refer note 47)	416.17	1,721.28
Loans and advances to employees	8.99	18.78
Loans and advances to suppliers	140.30	157.35
Prepaid expenses	101.30	66.32
Balances with government authorities:		
- CENVAT credit receivable	35.92	23.64
- VAT credit receivable	77.70	94.99
- Service tax credit receivable	135.06	120.46
- Incentives receivables	105.79	75.64
Total	1,021.23	2,278.46

(i) Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

	₹ in Millions	
Particulars	March 31, 2015	March 31, 2014
Loans and advances in the nature of loans given to subsidiaries:		
- Strides Arcolab International Limited, UK (Maximum outstanding ₹ 135.41 Millions (Previous Year ₹ 384.49 Millions))	-	135.41
- Agila Specialties Polska Sp. Z.oo, Poland (Maximum outstanding ₹ Nil (Previous Year ₹ 22.19 Millions))	-	-
- Stelis Biopharma Private Limited, India (merged with Inbiopro Solutions Private Limited, India) (Maximum outstanding ₹ 10.00 Millions (Previous Year ₹ 171.40 Millions))	-	10.00
- Stelis Biopharma Private Limited, India (formerly Inbiopro Solutions Private Limited, India) (Maximum outstanding ₹ Nil (Previous Year ₹ 21.69 Millions))	-	-
Total	-	145.41

Note: The above loans are given to subsidiaries to meet their immediate day-to-day funds required for business operations. Further, loans and advance given to subsidiaries includes trade advance to the extent of ₹ 416.17 Million (previous year ₹ 1,575.87 Million), which are not in the nature of loans.

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₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 22 OTHER CURRENT ASSETS		
Unbilled revenue (net) (Refer note (i) below)	8.42	47.77
Interest accrued on deposits	0.76	0.13
MTM receivable on derivatives	90.40	81.18
Others:		
- Dividends receivable	562.46	-
- Gratuity claim receivables	0.44	1.57
Total	662.48	130.65

Note:

- (i) Unbilled revenue includes income recognised on development service contracts and contracts for production of dossiers, against which invoices are not due to be raised, and are net of advances received against the respective contracts.

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 23 REVENUE FROM OPERATIONS		
Sale of products (Refer note (i) below)	8,504.38	9,907.18
Sale of services (Refer note (ii) below)	151.66	91.25
Other operating revenues (Refer note (iii) below)	675.00	698.92
Total	9,331.04	10,697.35
Less: Excise duty	36.86	58.89
Total	9,294.18	10,638.46

Note:

- (i) **Sale of product comprises:**

₹ in Millions

Particulars	March 31, 2015	March 31, 2014
Manufactured goods:		
- Tablets	5,504.12	5,852.23
- Capsules	1,465.90	1,179.40
- Sachets	573.38	1,121.60
- Others	25.90	31.99
Total manufactured goods sold	7,569.30	8,185.22
Traded goods:		
- Tablets	408.63	548.29
- Capsules	100.38	73.63
- Syrups	103.05	49.22
- Branded Injectables	243.30	250.46
- Others	79.71	800.35
Total traded goods sold	935.08	1,721.96
Total sale of products (including excise duty)	8,504.38	9,907.18

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(ii) Sale of services comprises:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Development income	134.98	75.03
Licensing income	7.66	-
Site transfer income	1.72	-
Job-work income	7.30	16.22
Total service income	151.66	91.25

(iii) Other operating revenue comprises:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Export incentives	153.82	146.86
Royalty income	506.55	552.06
Support service income	14.63	-
Total other operating revenue	675.00	698.92

Note No. 24 OTHER INCOME	₹ in Millions	
	March 31, 2015	March 31, 2014
Interest income (Refer note (i) below)	74.95	169.90
Dividend income		
- from current investment (others)	72.00	129.90
Rental income from operating leases	140.09	48.84
Exchange fluctuation gain	40.00	-
Other non-operating income		
- Liabilities / provisions no longer required written back	17.11	94.35
- Guarantee commission	633.46	677.52
- Reimbursement of expenses	14.09	82.80
- Others	10.06	6.04
Total	1,001.76	1,209.35

Note:

Interest income comprises:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Interest from banks on deposits	67.08	118.47
Interest on loans and advances	6.96	45.61
Interest from others	0.91	5.82
Total	74.95	169.90

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₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 25 COST OF MATERIALS CONSUMED		
Opening stock	1,013.77	771.48
Add: Purchases	4,850.07	5,360.59
Less: Closing stock	1,131.00	1,013.77
Cost of materials consumed	4,732.84	5,118.30

Cost of materials consumed comprises:

₹ In Millions

Particulars	March 31, 2015	March 31, 2014
Active pharmaceutical ingredients and other raw materials	4,216.76	4,544.92
Primary packing materials	291.03	336.66
Secondary packing materials	225.05	236.72
Total	4,732.84	5,118.30

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 26 PURCHASE OF TRADED GOODS		
Traded goods	498.31	1,182.08
Total	498.31	1,182.08
Traded goods comprises		
- Tablets	202.23	335.75
- Capsules	51.67	44.24
- Branded Injectables	95.89	141.23
- Others	148.52	660.86
Total	498.31	1,182.08

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 27 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
- Finished goods	212.71	194.56
- Work-in-progress	120.58	116.02
- Stock-in-trade	89.75	43.66
	423.04	354.24
Inventories at the beginning of the year:		
- Finished goods	194.56	102.97
- Work-in-progress	116.02	69.48
- Stock-in-trade	43.66	99.61
	354.24	272.06
Net (increase) / decrease	(68.80)	(82.18)

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 28 EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	1,004.43	969.00
Contributions to provident and other funds (Refer note 45)	100.64	65.69
Expenses on Employee Stock Option Plans (Refer note 44)	8.96	12.77
Staff welfare expenses	87.94	66.28
Total	1,201.97	1,113.74

	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 29 OTHER EXPENSES		
Subcontracting	53.12	41.74
Power and fuel	126.75	141.96
Water	3.25	2.52
Rent including lease rentals (Refer note 48)	59.75	19.25
Repairs and maintenance:		
- Buildings	10.58	18.58
- Machinery	109.36	44.83
- Others	16.63	42.68
Insurance	13.98	25.64
Rates and taxes	59.69	60.68
Communication	31.52	29.40
Travelling and conveyance	131.59	106.20
Printing and stationery	10.54	10.67
Freight and forwarding	258.07	335.99
Sales commission	50.32	60.06
Business promotion	117.30	122.95
Royalty Expenses	10.48	-
Donations and contributions	1.23	2.27
Expenditure on Corporate Social Responsibility (Refer Note (i) below)	19.41	0.33
Legal and professional	227.53	157.59
Payments to auditors (Refer Note (ii) below)	16.49	21.23
Bad debts written off / Provision for doubtful trade and other receivables	-	67.38
Unbilled revenue written off	9.38	2.70
Loss on sale of fixed assets (net)	0.47	14.09
Consumables	142.40	126.95
Biostudy expenses	48.84	2.08
Net loss on foreign currency transactions	-	310.48
Miscellaneous expenses	61.98	53.78
Total	1,590.66	1,822.03

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Note:

(i) Expenditure on Corporate Social Responsibility:

₹ in Millions

Particulars	In cash	Total
(a) Gross amount required to be spent during the year	18.74	18.74
(b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	19.41	19.41
	19.41	19.41

(ii) Payments to the auditors comprises (net of service tax input credit):

₹ in Millions

Particulars	March 31, 2015	March 31, 2014
- For audit of Standalone and consolidated financial statements (including fees for audit of subsidiaries for purpose of consolidation ₹ Nil (Previous Year ₹ 4.40 Millions))	7.00	11.80
- For Limited reviews	2.00	2.40
- For Certification fees	2.20	6.20
- For Other services	2.50	
- For taxation matters	2.61	0.70
- Reimbursement of expenses	0.18	0.13
Total	16.49	21.23

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 30 FINANCE COSTS		
Interest expense on:		
- Borrowings	208.06	663.21
- Delayed payment of income tax	16.89	76.33
Bank charges and commission	119.28	310.77
Total	344.23	1,050.31

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 31 EXCEPTIONAL ITEMS		
Exchange gain / (loss) net (Refer note (i) below)	(46.28)	63.41
Dividend income from non-current investment in wholly-owned subsidiaries	4,537.22	13,534.08
Net gain on sale of long-term investments (Refer note 40 (A), (B), (C))	852.68	31,607.92
Merger and restructuring costs	(109.40)	-
Claims on discontinued products	(39.08)	-
Write-off of intangible assets under development and others	(9.00)	(79.85)
Write-off of inventory	-	(177.14)
Total	5,186.14	44,948.42

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Note :

(i) Exchange gain / (loss) net comprises:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Exchange gain / (loss) on restatement of long-term foreign currency loans	(96.97)	(412.44)
Exchange gain / (loss) on share application money to the extent considered as monetary items	11.77	179.77
Exchange gain / (loss) on restatement of loans to subsidiaries	38.92	31.51
Exchange gain / (loss) on others	-	264.57
Total (net)	(46.28)	63.41

Note No. 32 TAX EXPENSES	₹ in Millions	
	March 31, 2015	March 31, 2014
Current tax expenses	1,425.72	11,092.44
Current tax expense relating to prior years reversed	(11.87)	(35.00)
Deferred tax (credit) / expenses	(46.71)	43.90
Less: MAT credit availed	-	(111.13)
Net tax expense	1,367.14	10,990.21

Note No. 33 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS MATERIALS	₹ in Millions	
	March 31, 2015	March 31, 2014
Imported	2,325.11	2,313.98
- Percentage to the total consumption	49%	45%
Indigenous	2,407.73	2,804.32
- Percentage to the total consumption	51%	55%
Total	4,732.84	5,118.30

Note No. 34 VALUE OF IMPORTS CALCULATED ON CIF BASIS	₹ in Millions	
	March 31, 2015	March 31, 2014
Raw materials	2,460.83	2,546.10
Capital goods	269.38	118.76
Other goods	78.29	86.71
Total	2,808.50	2,751.57

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₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 35 EXPENDITURE IN FOREIGN CURRENCY		
Travel expenses	0.41	0.61
Sales commission	21.81	26.65
Interest and bank charges	134.47	219.41
Legal and professional fees (Refer note (i))	75.86	6.58
Membership and subscription	16.46	21.48
Product Registration and Renewal Charges	27.93	24.88
Claims on discontinued products	39.08	-
Biostudy expenses	9.91	5.62
Business promotion	0.16	12.56
Others	30.72	18.63
Total	356.81	336.42

- (i) Legal and professional fees for the year ended March 31, 2015 includes ₹ 31.25 Million (for the period ended March 31, 2014 ₹ Nil) merger and restructuring cost grouped under Exceptional items under Note no. 31.

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 36 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED (CHARGED TO STATEMENT OF PROFIT AND LOSS)		
Salaries and wages	84.32	61.07
Materials	15.17	58.63
Legal and professional fees	94.03	47.45
Bio Study expense	48.84	45.79
Consumables	41.36	10.72
Travelling and conveyance	6.09	1.39
Net (gain) / loss on foreign currency transactions	(2.82)	43.12
Depreciation and amortisation expense	34.76	13.55
Write off of Intangible assets under development	9.37	79.85
Others	29.49	19.12
Total	360.61	380.69

Note: The above are as certified by the management and relied upon by the auditors and includes cost associated with the development services undertaken for customers.

₹ in Millions

	March 31, 2015	March 31, 2014
Note No. 37 EXPENDITURE DEBITED TO STATEMENT OF PROFIT AND LOSS IS NET OF THE FOLLOWING EXPENSE CROSS CHARGED BY THE COMPANY TO ITS SUBSIDIARIES		
Employee benefit expenses	3.55	285.16
Other expenses	-	124.57
Total	3.55	409.73

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	₹ in Millions	
	March 31, 2015	March 31, 2014
Note No. 38 EARNINGS IN FOREIGN CURRENCY		
FOB value of export of goods	7,204.29	7,959.23
Development income	134.98	72.76
Licensing income	7.66	-
Site-transfer income	1.72	-
Support service income	14.63	-
Royalty income	506.55	552.06
Dividend Income from non-current investment in wholly-owned subsidiaries	4,537.22	13,534.08
Guarantee Commission	622.67	645.15
Interest income	-	14.74
Other income	0.90	12.54
Total	13,030.62	22,790.56

Note No. 39 SCHEME OF ARRANGEMENT

UNDER SECTION 391 – 394 OF THE COMPANIES ACT, 1956

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 Restructuring as set out in the Scheme. The Reserve was to be utilized 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 utilized by the subsidiaries of the Company from the Reserve prior to December 31, 2012 and have been earmarked for set off on consolidation.

Note No. 40 SALE OF NON-CURRENT INVESTMENTS:

A. Sale of investment in Strides Pharmaceuticals (Holdings) Limited, Cyprus

In the current year, the Company has sold its investment in Strides Pharmaceuticals (Holdings) Limited, Cyprus ("SPHL"), a wholly owned subsidiary of the Company, having a carrying value of ₹ 2,956.98 Million to Strides Pharma Asia Pte Limited, Singapore, a wholly-owned subsidiary of the Company, for a consideration of USD 63.79 Million (₹ 3,920.99 Million). Profit arising on such sale of investment amounting to ₹ 964.01 Million has been recognised in the Statement of Profit and Loss under Exceptional Items.

B. Sale of investments in Agila Specialties Private Limited

(i) In February 2013, the Company and its subsidiary Strides Pharma Asia Pte Limited ("Strides Pharma Asia") had entered into separate definitive agreements with Mylan Inc for hiving off the Specialty products business subject to receipt of regulatory approvals. The hive off of the Specialty

products business by the Company and Strides Pharma Asia was by way of (i) sale of investments in Agila Specialties Private Limited ("ASPL"), which was then a wholly owned subsidiary of the Company, to Mylan Laboratories Limited ("MLL"), a subsidiary of Mylan Inc and (ii) sale of investments held by Strides Pharma Asia in Agila Specialties Global Pte Limited ("Agila Global") to Mylan Institutional Inc, a Mylan Group Company, respectively.

(ii) The sale of the investment in ASPL was recorded in terms of Share Purchase Agreement dated December 4, 2013 with MLL (the India SPA), for the sale of shares of ASPL for a consideration of USD 693.03 Million (₹ 43,010.04 Million) as computed under the India SPA which was received in full by the Company on that date. The India SPA envisaged that an amount of ₹ 850.00 Million and USD 60.00 Million be transferred by MLL to two separate Escrow accounts (which are jointly controlled by both MLL and the Company for administrative purposes) for payment to certain specified senior management personnel of ASPL and its subsidiary, and for incurring certain regulatory expenses pertaining to ASPL respectively, as defined under the agreements entered into between the Company and MLL. Unutilized amounts in these Escrow accounts, if any, would be payable to the Company from the Escrow accounts in accordance with the terms of the agreements with MLL.

Exceptional items in the Statement of Profit and Loss for the period ended March 31, 2014, includes profit from sale of investments in ASPL to the extent

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of ₹ 31,600.28 Million net of transaction related expenditure.

- (iii) The sale of investments in Agila Global by Strides Pharma Asia, was recorded in terms of another Share Purchase Agreement dated December 04, 2013, entered with Mylan Institutional Inc., (the "Global SPA").
- (iv) As at March 31, 2014, Mylan Inc., USA was in discussions with the Company and Strides Pharma Asia with regard to matters relating to the assets and liabilities of the Specialties products business taken over and had raised certain claims on the Company under the India SPA and Strides Pharma Asia under the Global SPA. The Company and Strides Pharma Asia had also counter claimed certain additional amounts from Mylan Inc.

During the current year, the concerned parties have reached a settlement under which all the claims raised by Mylan Inc on the Company under the India SPA stand cancelled.

As stated in Note (ii) above, MLL had held back an amount of USD 60 Million which were due to be received by the Company in December 2014, net off any Regulatory expenses incurred by MLL. As at March 31, 2015, the Company had received details of Regulatory expenses incurred by MLL which it intended to adjust against the amount of USD 60 Million, which has been disputed by the Company. Pending resolution of the dispute, no amounts relating to the above have been received by the Company.

- (v) The Company has given a corporate guarantee for USD 200 Million (₹ 12,499 Million) to the Mylan Inc towards claims / liabilities, if any, relating to the period prior to December 4, 2013. As at March 31, 2015, the Company has evaluated the possible exposure on the guarantee and believes that it is more likely that there is no present obligation under the Guarantee. The said guarantee has been included in the amount quantified in note 43.1 as 'Contingent liability and Commitments'.

C. Sale of investments in Stelis Biopharma Private Limited

During the previous period ended March 31, 2014, the Company had sold its investment in Stelis Biopharma Private Limited, a wholly owned subsidiary of the Company having a carrying value of ₹ 10.13 Million to Inbiopro Solutions Private Limited, a wholly owned subsidiary of the Company for a consideration of ₹ 17.77 Million. Profit arising on such sale of investment of ₹ 7.64 Million had been recognised in the Statement of Profit and Loss under Exceptional Items in the period ended March 31, 2014.

Note No. 41 PURCHASE OF NON-CURRENT INVESTMENTS:

- (a) In the current year, the Company has acquired 90% equity in Fagris Medica Private Limited, India (the "Fagris"), for total purchase consideration of ₹ 9.20 Million. As at March 31, 2015, an amount of ₹ 1.70 Million is payable towards the above.
- (b) In the current year, the Company has invested ₹ 481.06 Million in Strides Healthcare Private Limited, India (formerly Strides Actives Private Limited, referred to as "Special Purpose Vehicle / SPV"), for 74% equity shares in SPV, to acquire the India Branded Generics Business of Bafna Pharmaceuticals Limited ("the Business") which is engaged in sales and marketing of branded pharmaceuticals products in certain niche therapeutic segments.

Note No. 42

The Board of Directors in their meeting held on September 29, 2014 had approved a Scheme of Amalgamation between the Company and Shasun Pharmaceuticals Limited ('Shasun'). The Scheme of Amalgamation is under the framework of the Companies Act 1956 / 2013 and the relevant SEBI regulations, wherein Shasun will be amalgamated with and into the Company.

Pursuant to the Scheme of Amalgamation, each equity shareholder of Shasun will be entitled to receive 5 (five) equity shares of the Company in lieu of 16 (sixteen) equity shares held in Shasun.

The appointed date for the Scheme of Amalgamation is April 1, 2015. The approval for the Scheme of Amalgamation has been received from SEBI, the shareholders of both the Companies and Competition Commission of India. As on date of approval of the financial statements, approvals from the creditors of the Companies, FIPB, RBI and the Hon'ble High Courts of Bombay and Madras are awaited.

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Note No. 43 CONTINGENT LIABILITIES AND COMMITMENTS

43.1 The Company has given corporate guarantees upto ₹ 37,174.85 Million (As at March 31, 2014: ₹ 36,446.06 Million) to financial institutions and other parties, including on behalf of its subsidiaries. As at March 31, 2015, the subsidiaries have availed facilities from such financial institutions / were obligated to the parties referred above for an aggregate amount of ₹ 4,595.53 Million (As at March 31, 2014: ₹ 580.67 Million).

43.2 The Company has disputed income tax liabilities arising from assessment proceedings relating to earlier years amounting to ₹ 1,278.27 Million (Previous year ₹ 1,276.50 Million). The outflow, if any, on account of disputed taxes is dependent on completion of assessments.

43.3 The Company had preferred an appeal with the CESTAT against the order of the Commissioner of Central Excise disallowing transfer of CENVAT credit of ₹ 5.65 Million (Previous year ₹ 5.65 Million) as on the date of conversion of one of the units of the Company into a 100% EOU.

43.4 Other claims against the Company disputed by the Company ₹ Nil (Previous year ₹ 872.63 Million). Refer Note 40 B(iv) for more details.

NOTE NO. 44 EMPLOYEE STOCK OPTION PLAN (ESOP)

(a) In the extraordinary general meeting held on January 25, 2007, the shareholders approved the issue of 1,000,000 options under the Plan titled "Strides Arcolab ESOP 2006" (ESOP 2006). The ESOP 2006 allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. As per the Plan, the Compensation committee grants the options to the employees deemed eligible. The exercise price of each option shall not be less than 85 per cent of the "Market Price" as defined in the Plan. The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Plan. Options should be exercised within 30 days of vesting. No options were granted under this Plan during the current year.

(b) The ESOP titled "Strides Arcolab ESOP 2008" (ESOP 2008) was approved by the shareholders through postal ballot on June 18, 2008. 1,500,000 options are covered under the Plan for 1,500,000 equity shares. The options

allotted under ESOP 2008 are convertible into equal number of equity shares. 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.

(c) The ESOP titled "Strides Arcolab ESOP 2008 (Directors)" (ESOP 2008 Directors Plan) was approved by the shareholders through postal ballot on January 12, 2009. 500,000 options are covered under the Plan for 500,000 equity shares. The options allotted under ESOP 2008 are convertible into equal number of equity shares. 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.

(d) The ESOP titled "Strides Arcolab ESOP 2011" (ESOP 2011) was approved by the shareholders on May 30, 2011. 1,500,000 options are covered under the Plan for 1,500,000 equity shares. The options allotted under ESOP 2011 are convertible into equal number of equity shares. 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. During the current year, the Remuneration Committee in its meetings held on February 2, 2015 has granted 100,000 options under the ESOP 2011 to eligible employees of the Company.

(e) In respect of the ESOP 2006 and all the other Employee Stock Option Plans detailed above, (i) the difference between the fair price of the share underlying the options granted, on the date of grant of option and the exercise price of the option, (being the intrinsic value of the option) representing stock compensation expense, is expensed over the vesting period, (ii) all unvested options will vest immediately in the case of merger, dissolution or change in management of the Company. Accordingly during the period ended March 31, 2014, due to sale of investments in Agila Specialties Private Limited, the Remuneration Committee in its meeting held on November 20, 2013 had approved for early vesting of all options outstanding prior November 20, 2013. Upon early vesting of these options, the balance unrecognised expense of the intrinsic value of option in respect of these outstanding options had been recognised in the Statement of Profit and Loss during the period then ended.

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- (f) Employee compensation costs of ₹ 8.96 Million (for the period ended March 31, 2014: ₹ 12.77 Million) relating to the above referred various Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Particulars	₹ in Millions				
	ESOP 2006	ESOP 2008	ESOP 2008 (D)	ESOP 2011	Total
Expenses during the year	-	-	-	11.90	11.90
Reversal due to lapse	-	-	-	(2.94)	(2.94)
Total	-	-	-	8.96	8.96

- (g) Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2014-15		During the period 2013-14	
	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 2006	-	-	366,000	331.15
- ESOP 2008	-	-	403,300	313.51
- ESOP 2008 (Director)	-	-	50,000	609.80
- ESOP 2011	400,000	322.30	-	-
Granted during the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	100,000	792.60	400,000	322.30
Exercised during the year:				
- ESOP 2006	-	-	326,000	331.15
- ESOP 2008	-	-	385,900	313.68
- ESOP 2008 (Director)	-	-	50,000	609.80
- ESOP 2011	50,000	322.30	-	-
Lapsed during the year:				
- ESOP 2006	-	-	40,000	331.15
- ESOP 2008	-	-	17,400	309.68
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	100,000	322.30	-	-
Options outstanding at the end of the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	350,000	456.67	400,000	322.30
Options available for Grant:				
- ESOP 2006	80,500	-	80,500	-
- ESOP 2008	169,950	-	169,950	-
- ESOP 2008 (Director)	190,000	-	190,000	-
- ESOP 2011	1,100,000	-	1,100,000	-

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- (h) The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	₹ in Millions	
	For the year ended March 31, 2015	For the period ended March 31, 2014
Strides Arcolab ESOP:		
Net Profit as per Statement of Profit and Loss	5,323.19	35,129.25
Add: stock based employee compensation (intrinsic value)	8.96	12.77
Less: stock based compensation expenses determined under fair value method for the grants issued	(25.49)	(16.33)
Net Profit (proforma)	5,306.66	35,125.69
	₹	₹
Basic earnings per share (as reported)	89.36	593.65
Basic earnings/ (loss) per share (proforma)	89.08	593.59
Diluted earnings per share (as reported)	88.99	591.14
Diluted earnings/ (loss) per share (proforma)	88.72	591.08

- (i) The fair values of the options have been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	March 31, 2015	March 31, 2014
Risk Free Interest Rate	7.65%	8.75%
Expected Life	3 years	3 years
Expected Annual Volatility of Shares	48.44%	38.64%
Expected Dividend Yield	0.21%	0.52%

Note No. 45 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 ₹ 54.72 Million (for the period ended March 31, 2014: ₹ 54.70 Million) for provident fund contributions and ₹ 1.79 Million (for the period ended March 31, 2014: ₹ 3.64 Million) 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 under its employee benefit scheme to its employees. The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:

Sl. No	Particulars	₹ in Millions	
		March 31, 2015	March 31, 2014
I	Components of employer expense		
1	Current service cost	14.38	15.46
2	Interest cost	10.03	10.30
3	Expected return on plan assets	(4.46)	(3.47)
4	Curtailment cost/ (credit)	-	-
5	Settlement cost/ (credit)	-	-
6	Past service Cost	-	-

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₹ in Millions

Sl. No	Particulars	March 31, 2015	March 31, 2014
7	Actuarial losses/ (gains)	25.97	(11.30)
8	Total expense recognised in the Statement of Profit & Loss	45.92	10.99
II	Actual contribution and benefits payments		
1	Actual benefit payments	8.40	7.67
2	Actual contributions	27.83	16.91
III	Net asset/ (liability) recognised in balance sheet		
1	Present value of defined benefit obligation (DBO)	146.09	103.89
2	Fair value of plan assets	74.14	50.03
3	Funded status [surplus/ (deficit)]	(71.95)	(53.86)
4	Unrecognized past service costs	-	-
5	Net asset/ (liability) to be recognised in balance sheet	(71.95)	(53.86)
	Non-current portion	(71.95)	(53.86)
	Current portion	-	-
IV	Change in defined benefit obligations		
1	Present value of DBO at beginning of period	103.89	96.87
2	Current service cost	14.38	15.46
3	Interest cost	10.03	10.30
4	Curtailment cost/ (credit)	-	-
5	Settlement cost/ (credit)	-	-
6	Plan amendments	-	-
7	Actuarial (gains)/ losses	26.19	(11.07)
8	Benefits paid	(8.40)	(7.67)
9	Present Value of DBO at the end of period	146.09	103.89
V	Change in fair value of assets		
1	Plan assets at beginning of period	50.03	19.17
2	Acquisition adjustment	-	17.92
3	Expected return on plan assets	4.46	3.47
4	Actual Company contributions	27.83	16.91
5	Actuarial (gains)/ losses	0.22	0.23
6	Benefits paid	(8.40)	(7.67)
7	Plan assets at the end of the period	74.14	50.03
8	Actual return on plan assets	4.68	3.70
VI	Assumptions		
1	Discount Rate	7.90%	8.80%
2	Expected Return on plan assets	9.00%	8.00%
3	Salary escalation	10.00%	10.00%
4	Attrition	20.00%	10.00%
5	Mortality tables	Indian Assured Lives Mortality(2006-08) (Ultimate Table)	
6	Estimate of amount of contribution in the immediate next year	20.00	20.00

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Actuarial valuation experience adjustment:

Particulars	₹ in Millions				
	2014-15	2013-14	2012	2011	2010
Present value of DBO	146.09	103.89	96.87	63.89	55.10
Fair value of plan assets	74.14	50.03	19.17	22.07	25.13
Funded status surplus / (deficit)	(71.95)	(53.86)	(77.70)	(41.82)	(29.97)
Liability transferred on account of merger	-	-	-	-	-
Funded status net surplus / (deficit)	(71.95)	(53.86)	(77.70)	(41.82)	(29.97)
Experience gain / (loss) adjustment on plan liabilities	12.47	(1.07)	10.95	(3.58)	(35.11)
Experience gain / (loss) adjustment on plan assets	0.22	0.23	(2.73)	5.77	14.75

Composition of the plan assets as made available by the fund manager:

Category of Investments	As at March 31, 2014
Central Government Securities	23.86%
State Government Securities	16.14%
Other approved securities (Government guaranteed securities)	1.21%
Debentures and bonds	39.32%
Equity Shares	4.67%
Fixed Deposits	14.20%
CBLO (Money market instruments)	0.60%

Actuarial assumptions for long-term compensated absences:

Sl.No	Particulars	March 31, 2015	March 31, 2014
1	Discount Rate	7.80%	9.10%
2	Expected Return on plan assets	NA	NA
3	Salary escalation	10.00%	10.00%
4	Attrition	20.00%	15.00%

Note:

- The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The above disclosure on gratuity and compensated absences is to the extent of information available with the Company and as per the actuarial valuation reports for gratuity and compensated absences.
- Composition of the plan assets as at March 31, 2015 is not made available by the fund manager. Hence, the same has not been disclosed.

NOTE NO. 46

Since the Company prepares consolidated financial statements, segment information has not been provided in these standalone financial statements.

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NOTE NO. 47 RELATED PARTY TRANSACTIONS : LIST OF THE RELATED PARTIES

Wholly owned subsidiaries:

Direct Holding

Stelis Biopharma Private Limited, India (formerly Inbiopro Solutions Private Limited, India)
 Strides Arcolab International Limited, U.K
 Strides Pharma Asia Pte Limited, Singapore
 Strides Pharma International Limited, Cyprus
 Strides Pharmaceuticals (Holdings) Limited, Cyprus (upto October 6, 2014)
 Strides Healthcare Private Limited (formerly known as Strides Actives Private Limited, India) (from June 19, 2014 upto September 30, 2014)

Indirect Holding

Altima Innovations Inc., USA (w.e.f. December 18, 2014)
 Co-Pharma Limited, UK
 Plus Farma ehf. Iceland (wound up on February 18, 2015)
 Stelis Biopharma Private Limited, India (Court order dated November 10, 2014 and merged with Inbiopro Solutions Private Limited, India Appointed date from April 1, 2014)
 Stelis Biopharma (Malaysia) SDN BHD, Malaysia
 Strides Africa Limited, British Virgin Islands
 Strides Australia Pty Limited, Australia (wound up on November 23, 2014)
 Strides CIS Limited, Cyprus (w.e.f. October 29, 2014)
 Strides Emerging Markets Private Limited, India (w.e.f. July 24, 2014)
 Strides Pharma (Cyprus) Limited, Cyprus (w.e.f. July 24, 2014)
 Strides Pharma Global Pte Limited, Singapore
 Strides Pharma Inc, USA
 Strides Pharma Limited, Cyprus
 Strides Pharmaceuticals (Holdings) Limited, Cyprus (w.e.f. October 6, 2014)
 Strides S.A. Pharmaceuticals Pty. Limited, South Africa (wound up on October 28, 2014)
 Strides Specialties (Holdings) Limited, Mauritius

Other Subsidiaries:

Direct Holding:

Fagris Medica Private Limited, India (w.e.f September 11, 2014)
 Strides Healthcare Private Limited, India (formerly Strides Actives Private Limited) (w.e.f September 30, 2014)

Indirect Holding:

African Pharmaceuticals Development Company, Cameroon
 Beltapharm S.p.A., Italy
 Congo Pharma SPRL, Congo
 Societe De Repartition Pharmaceutique, Burkinofaso
 SPC Co. Limited, Sudan
 Strides CIS Limited, Cyprus (upto October 29, 2014)
 Strides Emerging Markets Private Limited, India (upto July 24, 2014)
 Strides Pharma (Cyprus) Limited, Cyprus (upto July 24, 2014)
 Strides Pharma Botswana (Proprietary) Limited, Botswana
 Strides Pharma Cameroon Limited, Cameroon
 Strides Pharma Mozambique, SA
 Strides Pharma Namibia Pty Limited, Namibia
 Strides Vital Nigeria Limited, Nigeria

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Joint venture:	Akorn Strides LLC, USA
Associates:	Strides Healthcare Private Limited, India (formerly Strides Actives Private Limited) (upto June 19, 2014)
Key Management Personnel (KMP):	Arun Kumar (Executive Vice Chairman & Managing Director) Badree Komandur (Chief Financial Officer & Company Secretary)
Relatives of KMP:	Aditya Arun Kumar Anuradha Komandur Deepalakshmi Arun Kumar Hemalatha Pillai Padmakumar Karunakaran Pillai Rajeshwari Amma Rajitha Gopalkrishnan Sajitha Pillai Tarini Arun Kumar Vineetha Mohana Kumar
Enterprises owned or significantly influenced by KMP and relative of KMP:	Agnus Capital LLP, India Agnus Global Holdings Pte Limited, Singapore Agnus Holdings Private Limited, India Alivira Animal Health Limited, India Amara Health Services Private Limited, India Atma Enterprises LLP, India Atma Projects, India Chayadeep Properties Private Limited, India Chayadeep Ventures LLP, India Deesha Properties, India Emerge Learning Services Private Limited, India Karuna Ventures Private Limited, India Latitude Projects Private Limited, India Paradime Infrastructure Development Company, India Patsys Consulting Private Limited, India Pronomz Ventures LLP, India Qualichem Remedies LLP, India QuantMD LLC, US Santo Properties Private Limited, India Sequent Penems Private Limited, India Sequent Scientific Limited, India Skanray Healthcare Private Limited, India Skanray Technologies Private Limited, India Spire Technologies and Solutions Private Limited, India Tenshi Assisted Living Private Limited, India Triumph Venture Holdings LLP, India Tulip Foods Private Limited, India

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RELATED PARTY BALANCES AS AT MARCH 31, 2015

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	₹ in Millions									
Advances Receivable/(Payable) as at:										
1 Beltapharm S.p.A			0.02	0.46						
2 Co-Pharma Limited	2.49	-								
3 Fagris Medica Private Limited			3.21	-						
4 Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)*	98.74	-								
5 Stelis Biopharma Private Limited	-	97.29								
6 Inbiopro Solutions Private Limited	-	(2.60)								
7 Stelis Biopharma (Malaysia) SDN BHD	0.76	18.53								
8 Strides Africa Limited	3.76	3.82								
9 Strides Arcolab International Limited	-	158.75								
10 Strides Emerging Markets Private Limited	178.58	-		(1.81)						
11 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)				0.03						
12 Strides Pharma Limited	47.16	485.96								
13 Strides Pharma Asia Pte Ltd	65.17	71.43								
14 Strides Pharma (Cyprus) Limited	(1.04)	-		(55.36)						
15 Strides Pharma Global Pte Limited	15.08	-								
16 Strides Pharma Inc.	(34.70)	-								
17 Strides Pharma International Limited	-	145.38								
18 Strides Pharmaceuticals (Holdings) Limited	4.42	1,206.46								
19 Strides Vital Nigeria Limited			1.80	1.13			(16.75)		(18.75)	
20 Mr. Arun Kumar										
Loans receivable as at:										
1 Fagris Medica Private Limited			10.50	-						
2 Stelis Biopharma Private Limited	-	10.00								
3 Strides Arcolab International Limited	-	135.41								
4 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)			27.18	-						
Dividend receivable as at:										
1 Strides Pharma International Limited	562.46	-								
Balance of deposits paid										
1 Atma Projects									6.29	6.29
Balance of deposits received										
1 Sequent Scientific Limited									(2.27)	(2.27)

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RELATED PARTY BALANCES AS AT MARCH 31, 2015 (CONTD)

Nature of Transactions	₹ in Millions												
	Wholly Owned Subsidiaries		Other Subsidiaries		Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	
Balance of trade payables (net of advance paid) as at:													
1 Atma Projects													(0.43)
2 Beltapharm S.p.A													
3 Co-Pharma Limited		(0.03)		(1.59)		(0.71)							
4 Chayadeep Properties Private Limited													
5 Sequent Scientific Limited													
6 Strides Emerging Markets Private Limited	(16.22)												
7 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)				(9.23)									
8 Strides Pharma (Cyprus) Limited						(0.96)							
Balance of trade receivables (net of advance received) as at:													
1 Beltapharm S.p.A	57.38	38.03		0.11									
2 Co-Pharma Limited													
3 Sequent Scientific Limited	1.67			0.33									0.88
4 Strides Emerging Markets Private Limited													
5 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)													
6 Strides Vital Nigeria Limited	549.74			3.69		36.75							
7 Strides Pharma Global Pte Limited	449.57												
8 Strides Pharma (Cyprus) Limited		(21.12)				197.20							
9 Strides Pharmaceuticals (Holdings) Limited													
10 Strides Pharma Inc		26.70											
Guarantees given on behalf of													
1 Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)*	750.00	750.00											
2 Stelis Biopharma (Malaysia) SDN BHD	1,843.60												
3 Strides Pharma Limited	16,707.68	19,668.75											
4 Strides Pharmaceuticals (Holdings) Limited	1,562.38	1,503.50											
5 Strides Pharma International Limited		2,134.97											
6 Strides Pharma Asia Pte Limited	15,936.23	12,028.00											
7 Strides Pharma (Cyprus) Limited	374.97					360.84							

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RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2015

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014
Sales of materials/services										
1 Agila Specialities Private Limited	-	10.99	-	-	-	-	-	-	-	-
2 Beltapharm S.p.A.	373.13	338.94	1.13	-	-	-	-	-	-	-
3 Co-Pharma Limited	-	9.79	-	-	-	-	-	-	-	-
4 Farma Plus AS	-	0.08	-	-	-	-	-	-	-	-
5 Onco Therapies Limited	1.48	-	-	-	-	-	-	-	-	-
6 Strides Emerging Markets Private Limited	1,064.55	-	0.27	-	-	-	-	-	-	-
7 Strides Pharma Botswana (Pty) Limited	865.81	-	206.59	743.45	-	-	-	-	-	-
8 Strides Pharma (Cyprus) Limited	14.31	27.89	-	-	-	-	-	-	-	-
9 Strides Pharma Global Pte Limited	-	-	-	-	-	-	-	-	-	-
10 Strides Pharma Inc.	-	-	-	-	-	-	-	-	-	-
11 Strides Vital Nigeria Limited	-	-	3.44	53.54	-	-	-	-	-	-
Royalty income										
1 Strides Pharma Global Pte Limited	48.90	-	-	-	-	-	-	-	-	-
Dividend income										
1 Strides Pharma Asia Pte Limited	2,140.25	-	-	-	-	-	-	-	-	-
2 Strides Pharma International Limited	562.46	5,836.38	-	-	-	-	-	-	-	-
3 Strides Pharmaceuticals (Holdings) Limited	1,834.52	7,697.70	-	-	-	-	-	-	-	-
Interest received										
1 Agila Specialities Polska Sp.Z.o.o.	-	1.37	-	-	-	-	-	-	-	-
2 Agila Specialities Private Limited	-	5.49	-	-	-	-	-	-	-	-
3 Fagris Medica Private Limited	4.57	-	0.55	-	-	-	-	-	-	-
4 Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)*	-	-	-	-	-	-	-	-	-	-
5 Stelis Biopharma Private Limited	-	14.26	-	-	-	-	-	-	-	-
6 Inbiopro Solutions Private Limited	-	0.70	-	-	-	-	-	-	-	-
7 Onco Therapies Limited	-	10.42	-	-	-	-	-	-	-	-
8 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)	-	-	1.84	-	-	-	-	-	-	-
9 Strides Arcolab International Limited	-	13.37	-	-	-	-	-	-	-	-
Guarantee Commission received										
1 Agila Specialities Private Limited	-	29.94	-	-	-	-	-	-	-	-
2 Agila Farmaceutica Participacoes Ltd	0.54	-	-	42.97	-	-	-	-	-	-
3 Stelis Biopharma (Malaysia) SDN BHD	10.79	-	-	-	-	-	-	-	-	-
4 Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)*	-	-	-	-	-	-	-	-	-	-
5 Stelis Biopharma Private Limited	-	2.43	-	-	-	-	-	-	-	-
6 Strides Pharma Asia Pte Limited	256.16	65.96	-	-	-	-	-	-	-	-

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RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2015 (CONTD.)

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014
7 Strides Pharma (Cyprus) Limited	2.42	-	0.68	1.23						
8 Strides Pharma International Limited	11.53	47.60								
9 Strides Pharma Limited	324.77	442.85								
10 Strides Pharmaceuticals (Holdings) Limited	26.57	44.54								
Support service income from										
1 Strides Pharma Global Pte Limited	14.62	-								
Rental income from operating leases										
1 Agila Specialties Polska Sp. Z.o.o.	-	7.15	0.32	-					1.82	0.59
2 Sequent Scientific Limited										
3 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)										
Other income from										
1 Sequent Scientific Limited									8.48	-
Income from write-back of payables to										
1 Akorn Strides LLC										
2 Beltapharm S.p.A.										
3 Co-Pharma Limited		0.09								
4 Strides S.A. Pharmaceuticals Pty. Limited		4.07		0.19						
Purchase of materials/services										
1 Agila Specialties Private Limited		59.90								
2 Beltapharm S.p.A.		18.11	5.42	3.26						
3 Co-Pharma Limited	5.09									
4 Sequent Research Limited										
5 Sequent Scientific Limited										
6 Strides Emerging Markets Private Limited	17.34	-								
7 Strides Pharma Inc.	16.12	-								
Royalty expenses to										
1 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)			10.48	-						
Sale of fixed assets to										
1 Agila Specialties Private Limited		7.81								
2 Agila Specialties Polska Sp. Z.o.o.		12.84								
3 Stelis Biopharma Private Limited		0.06								
4 Strides Pharma (Cyprus) Limited	0.11	-		0.10						
Purchase of fixed assets from										
1 Agila Specialties Private Limited		83.26								
2 Chayadeep Properties Private Limited										1,500.00
3 Sequent Scientific Limited										18.05

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RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2015 (CONTD.)

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014
	₹ In Millions									
Interest Paid										
1 Agila Specialties Private Limited	-	48.56								
Managerial Remuneration										
1 Arun kumar					55.19			55.78		
2 Badree Komandur					23.51			-		
Salary to										
1 Aditya Arun Kumar					0.87			0.43		
Reimbursement of Expenses Incurred by										
1 Agila Specialties Inc.					9.42					
2 Agila Specialties Polska Sp. Z.o.o.					1.36					
3 Agila Specialties Private Limited					21.53					
4 Farma Plus AS					0.98					
5 Stelis Biopharma Private Limited					0.27					
6 Inbiopro Solutions Private Limited					0.89					
7 Onco Therapies Limited					0.43					
8 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)	22.54	-	9.00	-						
9 Strides Pharma (Cyprus) Limited	18.57	-	1.03	34.47						0.23
10 Strides Pharma Inc.										
11 Sequent Scientific Limited										
Reimbursement of Expenses Incurred on behalf of										
1 Agila Specialties Private Limited					584.69					
2 Agila Especialidades Farmaceuticas Ltda					0.22			0.97		
3 Agila Specialties Polska Sp. Z.o.o.					2.55					
4 Agila Specialties Inc.					9.30					
5 Agila Specialties Global Pte Ltd					0.10					
6 Co-Pharma Limited	2.52									
7 Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)*	134.00	-								
8 Inbiopro Solutions Private Limited					0.33					
9 Stelis Biopharma Private Limited					65.09					
10 Stelis Biopharma (Malaysia) SDN BHD	5.92	-								
11 Onco Therapies Limited					31.71					
12 Sequent Scientific Limited										4.95
13 Strides Pharma (Cyprus) Limited	18.60	-	0.08	9.21						
14 Strides Emerging Markets Private Limited	4.48	-		1.20						

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RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2015 (CONTD.)

Nature of Transactions	Wholly Owned Subsidiaries						Other Subsidiaries		Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	Period ended March 31, 2014	Year ended March 31, 2015	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
15 Strides Pharma International Limited	-	45.47	-	-	-	-	-	-	-	-	-	-	-	
16 Strides Pharma Asia Pte Limited	-	5.45	-	-	-	-	-	-	-	-	-	-	-	
17 Strides Pharma Global Pte Limited	14.90	-	-	-	-	-	-	-	-	-	-	-	-	
18 Strides S.A. Pharmaceuticals Pty. Limited	-	0.23	-	-	0.35	0.03	-	-	-	-	-	-	-	
19 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)	-	-	-	-	0.66	1.33	-	-	-	-	-	-	-	
20 Strides Vital Nigeria Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent Paid														
1 Atma Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	
3 Hemalatha Pillai	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans / advances given / repaid by Company														
1 Agila Specialties Private Limited	-	3,865.44	-	-	-	-	-	-	-	-	-	-	-	
2 Agila Specialties Inc.	-	42.90	-	-	10.01	-	-	-	-	-	-	-	-	
3 Fagris Medica Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	
4 Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)*	21.59	-	-	-	-	-	-	-	-	-	-	-	-	
5 Inbiopro Solutions Private Limited	-	19.71	-	-	-	-	-	-	-	-	-	-	-	
6 Stelis Biopharma Private Limited	-	151.57	-	-	-	-	-	-	-	-	-	-	-	
7 Onco Therapies Limited	-	99.54	-	-	-	-	-	-	-	-	-	-	-	
8 Strides Emerging Markets Private Limited	96.50	-	-	-	80.00	10.12	-	-	-	-	-	-	-	
9 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)	39.71	-	-	-	-	-	-	-	-	-	-	-	-	
10 Strides Pharma (Cyprus) Limited	-	987.73	-	-	-	27.40	-	-	-	-	-	-	-	
11 Strides Pharmaceuticals (Holdings) Limited	-	2.85	-	-	-	-	-	-	-	-	-	-	-	
12 Strides S.A. Pharmaceuticals Pty. Limited	-	214.86	-	-	-	-	-	-	-	-	-	-	-	
13 Strides Arcolab International Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans / advances taken by Company / repaid to Company														
1 Agila Specialties Private Limited	-	4,466.44	-	-	-	-	-	-	-	-	-	-	-	
2 Onco Therapies Limited	-	316.24	-	-	-	-	-	-	-	-	-	-	-	
3 Inbiopro Solutions Private Limited	-	22.39	-	-	-	-	-	-	-	-	-	-	-	
4 Stelis Biopharma Private Limited	-	158.58	-	-	-	-	-	-	-	-	-	-	-	
5 Sequent Scientific Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	
6 Strides Arcolab International Limited	143.08	-	-	-	-	-	-	-	-	-	-	-	-	
7 Strides Emerging Markets Private Limited	-	20.90	-	-	-	13.50	-	-	-	-	-	-	-	
8 Strides Pharma International Limited	-	-	-	-	-	42.22	-	-	-	-	-	-	-	
9 Strides Pharma (Cyprus) Limited	-	4.89	-	-	-	-	-	-	-	-	-	-	-	
10 Strides Pharmaceuticals (Holdings) Limited	-	-	-	-	-	-	-	-	-	-	-	-	0.31	

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RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2015 (CONTD.)

Nature of Transactions	Wholly Owned Subsidiaries						Other Subsidiaries		Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2015		Period ended March 31, 2014		Year ended March 31, 2015		Period ended March 31, 2014		Year ended March 31, 2015		Period ended March 31, 2014		Year ended March 31, 2015	
	March 31, 2015	31, 2014	March 31, 2015	31, 2014	March 31, 2015	31, 2014	March 31, 2015	31, 2014	March 31, 2015	31, 2014	March 31, 2015	31, 2014	March 31, 2015	31, 2014
Investments during the period														
1 Fagris Medica Private Limited	146.13	-	-	-	9.20	-	-	-	-	-	-	-	-	-
2 Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)*	-	760.42	-	10.00	-	-	-	-	-	-	-	-	-	-
3 Inbiopro Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Stelis Biopharma Private Limited	-	-	-	-	481.16	-	0.04	-	-	-	-	-	-	-
5 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)	90.38	416.09	-	-	-	-	-	-	-	-	-	-	-	-
6 Strides Pharma Asia Pte Limited	-	23.07	-	-	-	-	-	-	-	-	-	-	-	-
7 Strides Pharma International Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments sold to														
1 Inbiopro Solutions Private Limited	-	17.77	-	-	-	-	-	-	-	-	-	-	-	-
2 Strides Pharma Asia Pte Limited	3,920.99	-	-	-	-	-	-	-	-	-	-	-	-	-
Share application money paid														
1 Strides Pharma Asia Pte Limited	1,152.44	1,444.89	-	-	-	-	-	-	-	-	-	-	-	-
2 Strides Pharma International Limited	852.35	-	-	-	-	-	-	-	-	-	-	-	-	-
Refund of Share application money														
1 Strides Arcolab International Limited	17.16	294.60	-	-	-	-	-	-	-	-	-	-	-	-
2 Strides Pharma Asia Pte Limited	1,444.89	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Strides Pharma International Limited	852.35	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Strides Pharmaceuticals (Holdings) Limited	871.43	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of Preference Shares														
1 Agilia Specialties Private Limited	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-
Lease deposit received														
1 Altma Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	33.71
2 Sequent Scientific Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	2.27
Lease deposit paid														
1 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	7.35

Note:

* During the current year, Stelis Biopharma Private Limited, India has been merged with Inbiopro Solutions Private Limited, India effective from November 10, 2014. Subsequent to the merger, Inbiopro Solutions Private Limited, India has been renamed to Stelis Biopharma Private Limited, India.

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Note No. 48 DETAILS OF LEASING ARRANGEMENTS

The Company's leasing arrangements are mainly in respect of factory buildings, residential and office premises. The aggregate lease rentals payable on these leasing arrangements charged to the Statement of Profit and Loss is ₹ 59.75 Million (Previous year ₹ 19.25 Million).

During the period ended March 31, 2014, the Company had cancelled certain lease arrangements which were originally entered for the non-cancellable term of 3 years to 15 years and entered into new lease contracts for its office premises. The tenure of such lease is 6 years with non-cancellable period of 3 years. The said lease arrangements have an escalation clause wherein lease rental is subject to an annual increment of 6%. Details of the lease commitment at the period-end are as follows:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Up to one year	23.44	16.23
From one year to five years	15.11	29.12
Above five years	-	-
Total	38.55	45.35

During the period ended March 31, 2014, the Company had entered into operating lease arrangement for lease of factory building for a term of 18 years with non-cancellable lease period of 8 years. Details relating to these assets and minimum lease rentals receivable are as follows:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Gross carrying amount of assets leased	710.23	710.23
Accumulated depreciation	49.78	10.95
Future minimum lease rental incomes:		
Not later than one year	49.91	47.09
Later than one year but not later than 5 years	231.44	218.34
Later than 5 years	78.03	141.04

	For the year ended March 31, 2015	For the period ended March 31, 2014
Note No. 49 EARNINGS PER SHARE		
Basic:		
Net profit for the year attributable to the equity shareholders (₹ in Millions)	5,323.19	35,129.25
Weighted average number of equity shares	59,570,553	59,174,698
Par value per share	₹ 10/-	₹ 10/-
Earnings per share - Basic	₹ 89.36	₹ 593.65
Diluted:		
Net profit for the year (₹ in Millions)	5,323.19	35,129.25
Net profit attributable to equity shareholders (₹ in Millions)	5,323.19	35,129.25
Weighted average number of Shares for Basic EPS	59,570,553	59,174,698
Add: Effect of outstanding Employee stock options	244,993	251,039
Weighted average number of equity shares for diluted EPS	59,815,546	59,425,737
Par value per share	₹ 10/-	₹ 10/-
Earnings per share - Diluted	₹ 88.99	₹ 591.14

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Note No. 50 TRANSFER PRICING

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 Company. 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 Company 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 impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note No. 51 EARLY ADOPTION OF AS-30: FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT, ISSUED BY INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

The Company has chosen to early adopt AS 30: 'Financial Instruments: Recognition and Measurement', (as announced by the Institute of Chartered Accountants of India (ICAI)) during the year ended December 31, 2008, with effect from January 1, 2008. However, pursuant to a notification issued by the ICAI on February 11, 2011, the Company has adopted AS 30 only to the extent they do not conflict with the other mandatory accounting standards notified under Section 133 of the Companies Act, 2013.

The impact of adoption of AS30 as mentioned above is as follows:

51.1 The financial assets and liabilities arising out of issue of corporate financial guarantees to third parties are accounted at fair values on initial recognition. Financial assets continue to be carried at fair values. Financial liabilities are subsequently measured at the higher of

the amounts determined under AS 29 or the fair values on the measurement date. At March 31, 2015 and March 31, 2014, the fair values of such financial assets and financial liabilities amount to ₹ Nil.

51.2 There are no open derivative positions as on March 31, 2015 not designated as hedging instruments and accordingly there is no gain / loss on fair valuation of such derivatives recognized in the Statement of Profit and Loss for the current period.

51.3 The Company has availed bill discounting facilities from Banks which do not meet the de-recognition 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, 2015, trade receivables balances include ₹ 270.69 Million (As at March 31, 2014: ₹ 792.56 Million) and the corresponding financial liability to the Banks is included as part of working capital loans under short-term borrowings (secured).

51.4 The Company has designated certain highly probable forecasted US dollar denominated sales transactions and certain forward contracts to sell US dollars as hedged items and hedging instruments respectively, in a Cash Flow Hedge to hedge the foreign exchange risk arising out of fluctuations between the India rupee and the US dollar. The exchange fluctuations arising from marking to market of the hedging instruments, to the extent relatable to the hedge being effective has been recognised in a Hedge reserve account in the Balance sheet. Accordingly exchange fluctuations gains/ (losses) amounting to ₹ 90.40 Million as at March 31, 2015 (At March 31, 2014: ₹ (81.18 Million)) have been recognized in the Hedge Reserve account. These exchange differences are considered in Statement of Profit and Loss as and when the forecasted transactions occur.

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Note No. 52 DISCLOSURES RELATING TO FINANCIAL INSTRUMENTS TO THE EXTENT NOT DISCLOSED ELSEWHERE IN THE FINANCIAL STATEMENTS

52.1 Breakup of Allowance for Credit Losses is as under:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Opening balance of provision for doubtful trade and other receivables	91.22	36.46
Additional provision during the year	-	79.06
Provision reversed/ written off during the year	(9.92)	(24.30)
Closing balance of provision for doubtful trade and other receivables	81.30	91.22

52.2 Details on Derivatives Instruments & Un-hedged Foreign Currency Exposures:

The following derivative positions are open as at March 31, 2015. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. These instruments are therefore classified as held for trading and gains/ losses recognized in the Statement of Profit and Loss except to the extent they qualified as Cashflow hedges in the context of the rigour of such classification under Accounting Standard 30.

I. The Company has entered into the following derivative instruments:

- (a) Forward Exchange Contracts [being a derivative instrument], which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

The following are the outstanding Forward Exchange Contracts entered into by the Company which qualified as Cashflow hedging instruments.

Particulars	Currency	Amount in Millions	Buy/Sell	Cross Currency	₹ in Millions
March 31, 2015	USD	74.00	Sell	INR	4,624.63
March 31, 2014	USD	31.00	Sell	INR	1,838.30

- (b) Interest Rate Swaps to hedge against fluctuations in interest rate changes: No. of contracts: Nil (As at March 31, 2014: Nil)
- (c) Currency Swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate. No. of contracts: Nil (As at March 31, 2014: Nil)

II. The period-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(Figures in Millions)							
Receivable/ (Payable) (in ₹)	Receivable/ (Payable) in Foreign currency		Receivable/ (Payable) (in ₹)	Receivable/ (Payable) in Foreign currency			
At March 31, 2015				At March 31, 2014			
(2,211.47)	USD	(35.38)	(705.83)	USD	(10.88)		
210.01	EUR	3.14	248.39	EUR	3.07		
98.76	AUD	2.09	640.17	AUD	11.73		
29.48	GBP	0.32	36.68	GBP	0.37		
11.23	CAD	0.23	3.66	CAD	0.07		
0.23	SGD	0.01	-	SGD	-		
-	SEK	-	(0.94)	SEK	(0.09)		

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III. There were no outstanding option contracts as at March 31, 2015 and as at March 31, 2014.

52.3 Categories of Financial Instruments

(a) Loans and Receivables:

The following financial assets in the Balance Sheet have been classified as Loans and Receivables as defined in Accounting Standard 30. These are carried at amortized cost less impairment if any.

The carrying amounts are as under:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Trade receivables	2,560.14	2,732.86
Unbilled revenues	8.42	47.77
Advance recoverable in cash	1,455.74	725.01
Loans and advances to subsidiaries	458.86	2,334.65
Cash and bank Balances	742.95	1,749.63
Investments in mutual funds	5,612.89	3,871.06

In the opinion of the management, the carrying amounts above are reasonable approximations of fair values of the above financial assets.

(b) Financial Liabilities Held at Amortized Cost

The following financial liabilities are held at amortized cost. The carrying amount of Financial Liabilities is as under:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Secured borrowings:		
Long-term (including current maturities)	2,424.96	2,788.18
Short-term	1,626.60	1,937.12
Unsecured borrowings:		
Long-term (including current maturities)	-	-
Other long-term liabilities:		
Gratuity	71.95	53.86
Other liabilities	53.95	46.15
Current liabilities		
Trade payables	1,886.25	2,170.79
Interest accrued but not due	25.72	25.11
Unclaimed dividends	67.55	50.24
Payable on purchase of fixed assets	8.76	20.79
Gratuity	-	-
Other liabilities	82.43	47.99
Provision for:		
Compensated absences	104.64	82.21
Payable to employees under long-term incentive plan	78.40	148.81
Provision for Tax (Net)	216.80	172.00
Equity dividends (including dividend distribution tax thereon)	178.85	348.45

Note: Interest expense calculated using effective interest rate method as prescribed in AS 30 for financial liabilities that are carried at amortized cost is ₹ 150.13 Million (for the period ended March 31, 2014: ₹ 441.99 Million)

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(c) Financial assets / liabilities held for trading are as follows:

Provisions / receivable carried towards mark to market losses / gains on forward exchange contracts ₹ 90.40 Million gain as at March 31, 2015 (₹ 81.18 Million gain as at March 31, 2014).

(d) There are no other financial assets / liabilities in the following categories:

- Financial assets:
 - Carried at fair value through profit and loss designated as such at initial recognition.
 - Held to maturity
 - Available for sale (other than investment in Subsidiaries & Joint Ventures)
- Financial liabilities:
 - Carried at fair value through profit and loss designated as such at initial recognition.

52.4 Financial assets pledged

The following financial assets have been pledged:

₹ in Millions				
Financial Asset	Carrying value March 31, 2015	Carrying value March 31, 2014	Liability/ Contingent Liability for which pledged as collateral	Terms and conditions relating to pledge
I. Current Investments				
Mutual funds	4,015.00	400.00	Short-term borrowings	Short-term loans are secured by pledge over debt mutual funds. Also refer note 17 (i).
II. Margin Money with Banks				
Margin Money for Letter of Credit	12.00	13.11	Letter of Credit	The Margin Money is in the form of interest bearing deposit with Banks. These deposits can be withdrawn on the maturity of all Open Letters of Credit.
III. Trade receivables				
	270.69	792.56	Bills discounted	The Bills discounted with Banks are secured by the Receivable

52.5 Nature and extent of risks arising from financial instruments

The main financial risks faced by the Company relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial transactions, and the availability of funds to meet business needs. The Balance Sheet as at March 31, 2015 is representative of the position through the period. Risk management is carried out by a central treasury department under the guidance of the Management.

Interest rate risk

Interest rate risk arises from long term borrowings. Debt issued at variable rates exposes the Company to cash flow risk. Debt issued at fixed rate exposes the company to fair value risk. In the opinion of the management, interest rate risk during the year under report was not substantial enough to require intervention or hedging through derivatives or other financial instruments. For the purposes of exposure to interest risk, the Company considers its net debt position evaluated as the difference between financial assets and financial liabilities held at fixed rates and floating rates respectively as the measure of exposure of notional amounts to interest rate risk. This net debt position is quantified as under:

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Financial assets/ (liabilities) as at:

Particulars	₹ in Millions	
	March 31, 2015	March 31, 2014
Fixed		
Financial Assets	4,857.65	5,336.45
Financial Liabilities	(2,778.78)	(3,173.71)
	2,078.87	2,162.74
Floating		
Financial Assets	6,071.75	6,205.71
Financial Liabilities	(4,048.04)	(4,717.99)
	2,023.71	1,487.72

Credit risk

Credit risk arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions. Credit risk also arises from trade receivables and other financial assets.

The credit risk arising from receivables is subject to concentration risk in that the receivables are predominantly denominated in USD and any appreciation in the INR 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.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation. Liquidity risk is managed using short term and long term cash flow forecasts.

The following is an analysis of contractual cash flows payable under financial liabilities and derivatives as at March 31, 2015. (Figures in brackets relates to position as at March 31, 2014)

Financial Liabilities	₹ in Millions					
	Due within (years)					
	1	1 to 2	2 to 3	3 to 4	4 to 5	5 & above
Bank & other borrowings	2,409.11	782.37	860.00	0.08	-	-
	(2,391.96)	(752.95)	(752.81)	(827.50)	(0.08)	-
Interest payable on borrowings	25.72	-	-	-	-	-
	(25.11)	-	-	-	-	-
Trade and other payables not in net debt	2,455.01	139.19	26.55	28.21	25.98	74.60
	(2,946.97)	(70.83)	(19.34)	(19.34)	(19.34)	(65.49)
Total	4,889.84	921.56	886.55	28.29	25.98	74.60
	(5,364.04)	(823.78)	(772.15)	(846.84)	(19.42)	(65.49)

For the purposes of the above table, foreign currency liabilities have been computed applying spot rates on the Balance Sheet date.

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Foreign exchange risk

The Company is exposed to foreign exchange risk principally via:

- Debt availed in foreign currency
- Net investments in subsidiaries and joint ventures in foreign currencies
- Exposure arising from transactions relating to purchases, revenues, expenses etc. to be settled in currencies other than Indian Rupees, the functional currency of the Company.

52.6 Sensitivity analysis as at March 31, 2015

Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others, Secured Short term loans from banks and Unsecured Short term loans from banks. The impact of a 1% change in interest rates on the profit of an annual period will be ₹ 40.48 Million (for the year ended March 31, 2014 ₹ 47.18 Million) assuming the loans as of March 31, 2015 continue to be constant during the annual period. 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.

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs), investments in subsidiaries, and loans to subsidiaries and joint ventures. The Company considers US Dollar (USD) to be principal currency which requires monitoring and risk mitigation. The Company is exposed to volatility in other currencies including the Great Britain Pounds (GBP) and the Australian Dollar (AUD).

Particulars	₹ in Millions	
	Increase/(Decrease) in equity	
	March 31, 2015	March 31, 2014
A 5% appreciation in the US dollar	(110.57)	(35.29)
A 5% depreciation in the US dollar	110.57	35.29
A 5% appreciation in the Euro	10.50	12.42
A 5% depreciation in the Euro	(10.50)	(12.42)
A 5% appreciation in the Australian Dollar	4.94	32.00
A 5% depreciation in the Australian Dollar	(4.94)	(32.00)
A 5% appreciation in the GBP	1.47	1.83
A 5% depreciation in the GBP	(1.47)	(1.83)

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 March 31, 2015.

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Note No. 53

The Board of Directors of the Company in the Meeting held on December 10, 2013 had approved change of financial year of the Company from January-December to that of April-March. Consequently, the previous financial period is for a period of 15 months i.e., from January 1, 2013 to March 31, 2014 and the figures for the current year are not strictly comparable with that of the previous period ended March 31, 2014.

Note No. 54

Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

For and on behalf of the Board of Directors

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman &
Managing Director

Badree Komandur
CFO & Company Secretary

Bengaluru, May 22, 2015

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	401,000	406,000
29-Mar-91	Preferential Issue	1,940	6,000	100	194,000	600,000
31-Mar-92	Preferential Issue	4,000	10,000	100	400,000	1,000,000
28-Jan-93	Preferential Issue	15,000	25,000	100	1,500,000	2,500,000
11-Mar-94	Preferential Issue	20	25,020	100	2,000	2,502,000
11-Apr-94	Reclassification of nominal value of shares from ₹ 100 each to ₹ 10 each	-	250,200	10	-	2,502,000
30-Apr-94	Issue of Bonus Shares	1,251,000	1,501,200	10	12,510,000	15,012,000
01-Sep-94	Preferential Issue	1,160,300	2,661,500	10	11,603,000	26,615,000
	Allotment under ESOP	22,950	2,684,450	10	229,500	26,844,500
22-Jan-97	Preferential Issue	918,980	3,603,430	10	9,189,800	36,034,300
06-Dec-97	Preferential Issue	400,000	4,003,430	10	4,000,000	40,034,300
13-May-99	Preferential Issue on conversion of Fully Convertible Debentures	4,363,636	8,367,066	10	43,636,360	83,670,660
	Preferential Issue	221,000	8,588,066	10	2,210,000	85,880,660
13-Jul-99	Preferential Issue	516,500	9,104,566	10	5,165,000	91,045,660
24-Aug-99	Allotment to erstwhile shareholders of Remed Laboratories (India) Limited consequent to its amalgamation with the Company	1,200,000	10,304,566	10	12,000,000	103,045,660
	Preferential Issue	1,702,000	12,006,566	10	17,020,000	120,065,660
	Allotment to erstwhile shareholders of Global Remedies Private Limited consequent to its acquisition by the Company	50,000	12,056,566	10	500,000	120,565,660
22-Sep-99	Preferential Issue	850,000	12,906,566	10	8,500,000	129,065,660
07-Dec-99	Allotment to erstwhile shareholders of Plama Laboratories Limited consequent to its amalgamation with the Company	712,500	13,619,066	10	7,125,000	136,190,660
27-Jun-01	Preferential Issue on conversion of Cumulative Convertible Preference Shares	3,144,445	16,763,511	10	31,444,450	167,635,110
24-Jan-02	Allotment to erstwhile shareholders of Bombay Drugs & Pharmas Limited consequent to its amalgamation with the Company.	210,955	16,974,466	10	2,109,550	169,744,660
14-Feb-02	Preferential Issue	13,714,286	30,688,752	10	137,142,860	306,887,520
11-Dec-03	Preferential Issue on conversion of warrants	3,068,875	33,757,627	10	30,688,750	337,576,270
02-Feb-05	Preferential Issue	1,196,662	34,954,289	10	11,966,620	349,542,890
05-Jul-07	Preferential Issue on conversion of warrants	50,000	35,004,289	10	500,000	350,042,890
08-Mar-08	Preferential Issue on conversion of Convertible Debentures	4,000,000	39,004,289	10	40,000,000	390,042,890
17-Jun-08	Preferential Issue on conversion of Convertible Debentures	1,045,725	40,050,014	10	10,457,250	400,500,140

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) (₹)
13-Aug-09 to 03-Dec-09	Allotment under ESOP	165,600	40,215,614	10	1,656,000	402,156,140
19-Jan-10	Allotment to erstwhile shareholders of Grandix Pharmaceuticals Limited consequent to its amalgamation with the Company.	12,822	40,228,436	10	128,220	402,284,360
	Allotment to erstwhile shareholders of Grandix Laboratories Limited consequent to its amalgamation with the Company.	702	40,229,138	10	7,020	402,291,380
24-Feb-10	Preferential Issue on conversion of warrants	2,560,000	42,789,138	10	25,600,000	427,891,380
15-Mar-10	Preferential Issue on conversion of warrants	420,000	43,209,138	10	4,200,000	432,091,380
22-Apr-10 to 24-Aug-10	Allotment under ESOP	492,000	43,701,138	10	4,920,000	437,011,380
26-Aug-10	Preferential Issue on conversion of warrants	3,220,000	46,921,138	10	32,200,000	469,211,380
01-Oct-10	Allotment under QIP 2010	10,742,533	57,663,671	10	107,425,330	576,636,710
4-Oct-10 to 16-Nov-10	Allotment under ESOP	81,000	57,744,671	10	810,000	577,446,710
24-Feb-11 to 15-Oct-11	Allotment under ESOP	635,500	58,380,171	10	6,355,000	583,801,710
4-Feb-12 to 19-Oct-12	Allotment under ESOP	423,550	58,803,721	10	4,235,500	588,037,210
12-Feb-13 to 18-Dec-13	Allotment under ESOP	761,900	59,565,621	10	7,619,000	595,656,210
24-Feb-15	Allotment under ESOP	50,000	59,615,621	10	500,000	596,156,210

A HISTORICAL PERSPECTIVE

		₹ in Millions					
	FY14-15 USD mn	FY14-15	FY13-14	2012	2011	2010	2009
INCOME, PROFIT & DIVIDEND							
Total Income	195.04	12,190	13,747	9,700	25,772	17,655	13,283
EBITDA	40.32	2,520	2,572	1,088	5,178	3,963	2,105
Depreciation & Amortisation	10.25	640	565	309	1,043	639	492
Exceptional Items Gain / (Loss)	(1.18)	(74)	(266)	7,001	495	6	575
PAT (Total Operations)	135.20	8,450	17,667	8,462	2,245	1,224	1,097
Equity Dividend	102.93	6,433	30,081	118	117	92	60
Dividend Rate %		1080%	5050%	20%	20%	15%	15%
LIABILITIES & ASSETS							
Liabilities							
Equity Share Capital	9.54	596	596	588	584	577	402
Preference Share Capital						-	492
Monies Pending Allotment						-	142
Reserves & surplus	173.52	10,845	9,471	19,639	13,103	12,230	7,241
Total Net Worth	183.06	11,441	10,066	20,227	13,687	12,807	8,276
ESOP	0.13	8	2	35	28	21	35
Long Term Loans	110.19	6,887	3,221	9,946	13,724	9,336	4,669
Short Term Loans	32.48	2,030	2,246	5,999	6,847	6,190	3,558
FCCBs					5,856	4,573	6,342
Total Borrowings	142.67	8,917	5,466	15,945	26,427	20,098	14,569
Minority Interest	2.99	187	757	719	465	2,725	2,585
Deferred Tax Liability		-	44	287	93	46	34
Total Liabilities	328.85	20,553	16,335	37,213	40,700	35,697	25,499
ASSETS							
Gross Block Incl CWIP	178.38	11,149	9,034	20,654	16,622	11,511	10,713
Net Block incl CWIP	117.71	7,357	5,506	15,679	14,901	10,441	9,319
Goodwill	21.89	1,368	1,034	16,903	19,826	14,756	10,094
Investments	100.81	6,300	4,430	1		18	3,414
Deferred tax Asset	0.86	54	27	16	220	16	11
Other Assets (Net)	87.58	5,474	5,337	4,603	5,652	10,368	2,661
Miscellaneous Expenditure				12	101	99	-
Total Assets	328.85	20,553	16,335	37,213	40,700	35,697	25,499
KEY INDICATORS							
Earnings Per Share (EPS)				144.30	38.65	26.11	26.49
Book Value	3.07	192.05	169.03	344.91	235.67	273.09	184.59
Net Debt	29.37	1,835.33	(857.66)	14,286.62	23,830.09	16,703.84	13,656.71
Debt : Equity Ratio (Net of Cash)	0.16	0.16	(0.09)	0.71	1.74	1.30	1.65
Operating Profit Margin (%)	20.67	20.67	18.71	11.22	20.09	22.45	15.85

- 1) Figures for the years 2010 and prior have not been restated as per the Schedule III
- 2) 1 USD = ₹ 62.5 (Exchange rate as on March 31,2015)
- 3) Total Operations EPS for FY14-15 and FY13-14 at ₹ 141.85 and ₹ 298.56 respectively
- 4) 2009,2010 and 2011 includes financials from Agila and Ascent

CORPORATE INFORMATION

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Tel.: (91) 22 - 27893199
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Website: www.stridesarco.com

CORPORATE OFFICE

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Bannerghatta Road,
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Fax No. (91) 80 - 6784 0700/ 800.

R & D CENTRE

Strides Technology And Research,
'KRS Gardens', Suragajakanahalli,
Anekal Taluk, Bengaluru - 560 106.

Stelis Biopharma Private Limited
Plot 293, Bommasandra-Jigani Link
Road, Bengaluru - 560 105.

STATUTORY AUDITORS

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Deloitte Centre, Anchorage II, 100/2,
Richmond Road, Bengaluru - 560 025.

INTERNAL AUDITORS

Grant Thornton India LLP
WINGS, First Floor,
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Bengaluru - 560 008.

REGISTRARS

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Karvy Selenium, Tower B,
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BANKERS AND FINANCIAL INSTITUTIONS

Axis Bank Limited
RBL Bank
Yes Bank Limited
Export-Import Bank of India

GLOBAL FACILITIES

Strides Arcolab Limited

'KRS Gardens', Suragajakanahalli,
Anekal Taluk, Bengaluru 560 106, India.

Strides Emerging Markets Private Limited

No. 19/1, 19/3, Ali Bommasandra,
Muthnallur Post
Sarjapur Hobli, Chandapura, Anekal,
Bengaluru - 560 099

Strides Vital Nigeria Limited

Gate No. 02, Ladipo Oluwole Avenue,
Opposite Cocoa warehouse, Off Oba
Akran Road, Ikeja Industrial Area, Ikeja
Lagos, Nigeria.

Strides Pharma Cameroon SA

S/C B.P 2353 Douala AKWA
Rue DUBOIS De Saligny
Cameroon

Strides Pharma Botswana Pty Ltd.

Plot no. 1090, Selokwaneng Industrial
Site, Gaborone, Botswana

Strides Pharmacare Limited

No.3/11, Suba Industrial Area
Khartoum ,Sudan

Strides Pharma Namibia (Pty) Limited

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Beltapharm SpA

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Rue DUBOIS De Saligny Cameroon



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